Value-for-Money Self-Assessment 2016/17

Contents

The Value-for-Money Self-Assessment is aimed at our residents, stakeholders, Board Members and staff, to set out our current assessment of the Value-for-Money (VFM) we deliver and how we plan to continue to improve moving forward.

We have set out the statement as follows:

1. Value-for-Money Self-Assessment Summary
2. Managing and Monitoring Value-for-Money
3. Delivering Value-for-Money from our Assets
4. Delivering Value-for-Money through our Services
5. Overall VFM Assessment
6. VFM Action Plan

1. Value-for-Money Self-Assessment Summary 2016/17

There are no objective criteria against which Value-for-Money can be assessed. This is because different people will have different views on what constitutes VFM and these views may well change over time. The views of all our stakeholders as to what constitutes VFM are important but we see the views of our customers as the key indicator.

We believe Value-for-Money is about **business effectiveness**, something that is embedded within the organisation rather than a separate activity. It is about generating financial capacity by **maximising** the **value** we deliver, through the intelligent use of the resources available (money, people, properties) and getting more quality and quantity for the same or less. This enables us to generate additional resources to invest in a range of improvements and activities identified in our Corporate Plan and influenced by our customers.

To deliver Value-for-Money we must understand fully the balance between **cost** and **quality**. We measure this against the **value** we intend to deliver as articulated in our Corporate Plan.

Our Corporate Plan objectives were developed following extensive consultation with customers, staff and other stakeholders to ensure they represent their priorities and their view of what constitutes **value** as far as possible.

The Corporate Plan is built on **five** priorities:

Excellent Service
Boston Mayflower customers receive great service.

Increasing Local Housing (Growth)
Increasing access to affordable housing for local people.

Affordable Warmth
Boston Mayflower tenants live in warm homes.

Living Independently
Boston Mayflower tenants can remain in their homes.

Financial Capability
Boston Mayflower tenants can manage their money.

These, in turn, are supported by three key **"foundations"**.

Money, Resources and Assets
Managing resources effectively to deliver Value-for-Money.

Our People
Investing in staff.

Risk Management
Managing risks proactively and robustly.

We assess Value-for-Money against our performance and costs against these priorities to identify those areas that offer good value and in turn those that need to improve.

Overall our annual Value-for-Money Self-Assessment indicates our services represent **good** Value-for-Money.

Corporate Strategy Theme	Value-for-Money Verdict
Excellent service	**AVERAGE** Value-for-Money
	IMPROVING trend
Growth	**GOOD** Value-for-Money
	IMPROVING trend
Affordable warmth	**GOOD** Value-for-Money
	IMPROVING trend
Living independently	**GOOD** Value-for-Money
	IMPROVING trend
Financial capability	**GOOD** Value-for-Money
	IMPROVING trend
Money, resources and assets	**EXCELLENT** Value-for-Money
	Housing Properties (Assets): STABLE trend **Money and Resources: STABLE** trend
Our people	**GOOD** Value-for-Money
	IMPROVING trend
Risk management	**Value-for-Money rating not applicable**

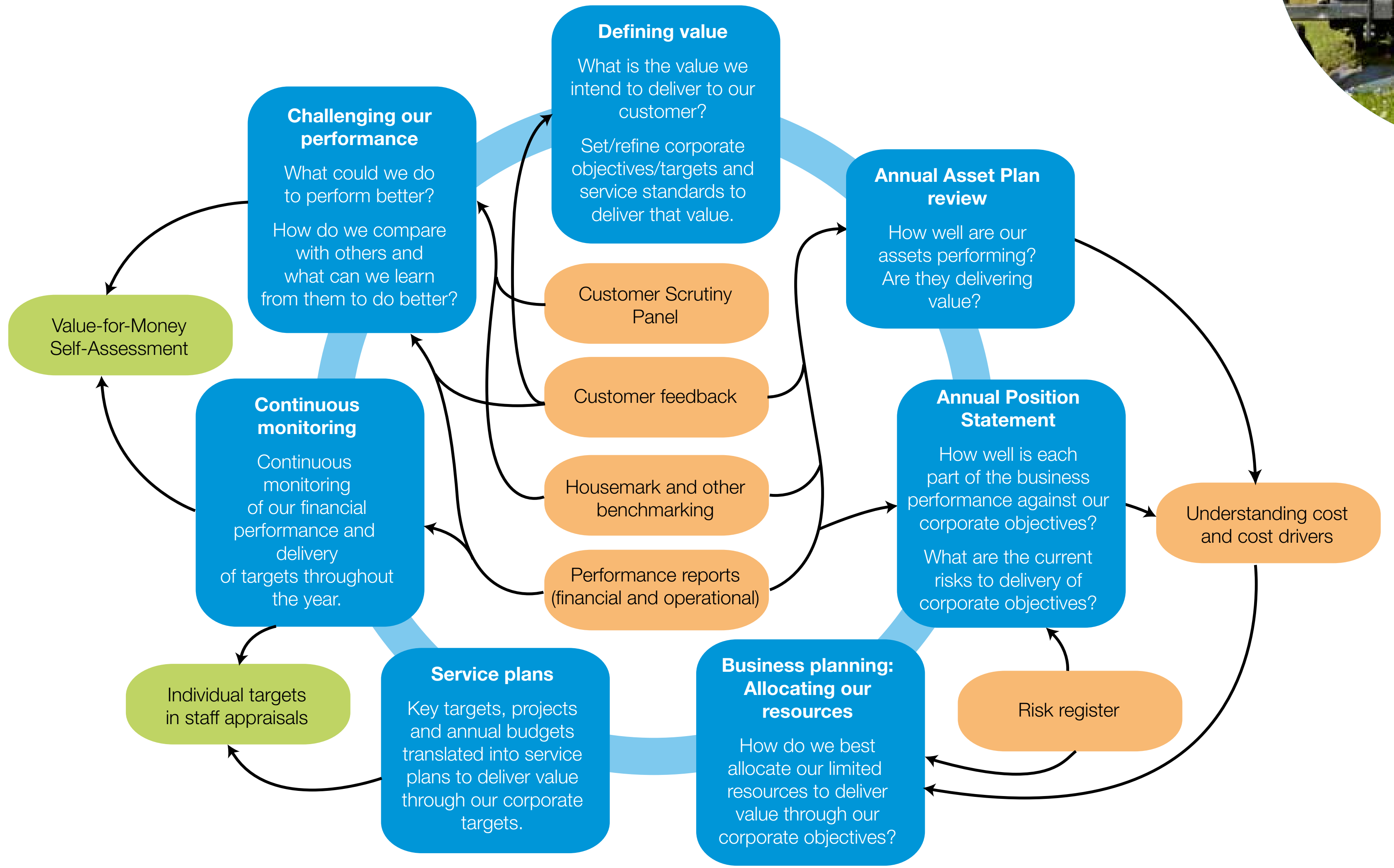
The Board has assessed Value-for-Money using the following scale (from best to worst):

EXCELLENT	**GOOD**	**AVERAGE**	**POOR**	**VERY POOR**

The trend can be improving, stable or deteriorating. The detail behind these conclusions is provided in this self-assessment.

2. Managing and Monitoring Value-for-Money

The management and monitoring of Value-for-Money is embedded into our annual planning and monitoring cycle.



2. Managing and Monitoring Value-for-Money

The key elements of the cycle are as follows:

Defining Value

The first key stage of any strategic planning process is being clear about what you want to deliver. As a charitable organisation Boston Mayflower is not focused solely on delivering profit in a way a commercial organisation would be. Rather we choose to focus on the value we intend to deliver to our customers and the best way of achieving that value.

Beginning with our “Let’s Talk 2” consultation in the summer of 2012 we worked over the following 18 months with customers, staff and stakeholders to develop a new Corporate Strategy that defines clearly the value we intend to deliver. Clear targets have been set against this for delivery by the end of the current Corporate Planning period (2018).

The Role of the Annual Asset Plan Review

Having completed an in-depth assessment of the future performance of our assets (as detailed in “Delivering Value-for-Money from our Assets” below) we update our long-term Asset Plan accordingly. This is considered on an annual basis by the Board prior to the annual budget setting and business planning process.

The Role of the Annual Position Statement (APS)

Each November the Corporate Management Team spends three days considering the Annual Position Statements for each key function within the business. The statements are presented by the relevant manager or head of service and detail how well the service is doing against its delivery targets for the year, what the operating environment is like, how that is changing and therefore what new challenges may be on the horizon and what the key areas of focus are likely to be in the year ahead.

This provides the Corporate Management Team with an opportunity to understand each area of the business in greater detail and to agree what key changes and improvements should be the focus of improvement plans for the year ahead, ensuring that these are aligned with our corporate objectives.

The Role of the Budget and the Business Plan

The Budget and the Business Plan provide a financial representation of Boston Mayflower’s plans for the current and future years.

Both the Budget and the Business Plan must reflect an appropriate allocation of resources in line with the Corporate Priorities and the key activities identified and agreed through the Annual Position Statements.

The Role of the Service Plan

Our annual plan cascades through the organisation, feeding into the Service Plans for each business area for the year ahead on to the objectives and work priorities of individual staff members through our appraisal system.

Last year we improved our Service Plans to be clear exactly how the activities planned for the year would improve VFM as defined by our Corporate Priorities.

Progress with the delivery of the plan is monitored: the Corporate Management Team receive regular updates on progress including performance against targets and project progress. The Board monitor our progress towards delivering our Corporate Plan objectives through our quarterly Assurance Framework reports. The primary reference document for service projects or service changes for the coming year.

Continuous Monitoring and Challenging our Performance

The Board reviews performance against Corporate Objectives and Business Health targets every quarter. This includes customer feedback in the form of customer satisfaction.

The Customer Scrutiny Panel sits independently from Board and Management. The panel selects the areas it wishes to scrutinise and then reports are presented directly to the Board by the Chair of the Panel.

Housemark and similar benchmarking exercises enables us to see where we are doing well, where we can do better and helps us learn from others.

Our Business Intelligence Team undertake regular customer satisfaction surveys on key service areas to ensure we are achieving our target levels of satisfaction and are able to take prompt action where we are not.

We also undertake a continuous programme of mystery shopping to enable us to make an objective assessment of the quality of our service. Where issues are identified we quickly implement actions to ensure the same problem does not arise again.

We use all the feedback we receive intelligently to ensure we learn from any issues that may arise, for example lessons learned from customer feedback, complaints or insurance claims. Each time we prevent an error from happening a second time we save money and time through preventing any further waste of resource.

3. Delivering Value-for-Money from our Assets

Each year we undertake a detailed review of the long-term performance of our social housing assets and our future planned investment in those properties. This year we implemented a new system to help us evaluate both the cost of our housing assets and their long-term performance to give us a "social housing value". It is important to note that the Social Housing Value is used only to inform further analysis rather than make definitive judgements, since much of its calculation is based on subjective information.

Social Housing Value

The first stage of our annual asset review is to assess the social housing value of our properties by estate. To assess social housing value we combine the following factors:

Net Present Value	A Net Present Value (NPV) is calculated for each property. This takes the annual income and costs associated with each property, along with its 30 year planned investment programme and calculates what that property is worth to us today. The planned investment **includes** energy efficiency works to meet our corporate targets. **This is the key indicator used in our annual asset review.**
Service Performance	The following factors are used to assess service performance: • Tenancy turnover rate (how long people stay in a property) • Average void period (how long properties are empty between lettings) • Tenancies terminated in less than 12 months • Current tenant arrears • Percentage tenants arrears greater than 13 weeks • SAP Rating (indicating how energy efficient the property is).
Wider Picture	The following indicators are used to assess "wider picture" issues around the property: • Internal assessment of the popularity of the estate • Internal assessment of management time required on the estate • Resident satisfaction with neighbourhood by estate • Resident satisfaction with home by estate • National deprivation index for the estate.
Social Housing Value	The NPV is then combined with the scores for service performance and the wider picture to give an overall indication of social housing value. These are given a "traffic light" indicator as to how much social value is generated. This is used solely as a guide for areas that require more detailed investigation. This is because some of the non-financial indicators are subjective and must therefore be used with caution.

The results for 2016/17 are shown overleaf.

Key area	Stock	NPV £		Service performance		Wider picture		SHV total	
Algarkirk	40	🟢	42,695	🟢	9	🟢	6	🟢	25
Amber Hill	29	🟢	45,954	🟡	12	🟡	8	🟡	30
Bargate	20	🔴	19,418	🟡	13	🟡	8	🔴	51
Benington	33	🟡	39,369	🟢	9	🟢	6	🟡	35
Bicker	70	🟢	44,348	🟢	8	🟢	7	🟢	25
Bourne	10	🟢	54,785	🟢	8	🟢	5	🟢	23
Brothertoft	10	🟢	43,459	🟢	8	🟢	7	🟢	25
Butterwick	66	🟢	50,829	🟢	9	🟢	5	🟢	24
Donington	14	🟢	44,994	🟢	8	🟢	5	🟢	23
Fenside	886	🟡	26,071	🟡	12	🟡	8	🟡	40
Fishtoft	397	🟡	28,197	🟢	10	🟢	6	🟡	36
Fosdyke	46	🟡	39,931	🟡	12	🟢	6	🟡	38
Frampton	28	🟢	45,991	🟢	9	🟢	5	🟢	24
Freiston	65	🟢	41,675	🟢	8	🟢	5	🟢	23
Grantham	12	🔴	45,000	🟡	12	🟡	9	🔴	51
Holbeach	14	🔴	49,977	🟡	12	🟡	9	🔴	51
Horncastle	14	🟢	11,884	🟢	8	🟢	5	🟢	23
Kirton	440	🟡	31,425	🟡	11	🟢	5	🟡	36
Leverton	53	🟡	34,791	🟡	11	🟢	6	🟡	37
Long Sutton	9	🟡	26,070	🟢	9	🟢	5	🟡	34
Louth	14	🟢	42,648	🟡	12	🟡	9	🟡	31
North Somercotes	4	🟢	54,627	🟢	9	🟢	9	🟢	28
Old Leake	131	🟢	44,577	🟢	10	🟢	5	🟢	25
Skegness	32	🟡	32,156	🟡	11	🟢	5	🟡	36
Skirbeck	60	🟡	32,403	🟢	10	🟢	6	🟡	36
South Kelsey	4	🟡	39,206	🟢	10	🟢	5	🟡	35
South Ward	107	🟡	34,959	🟢	9	🟢	6	🟡	35
Spalding	15	🔴	9,969	🟡	12	🟡	9	🔴	51
Spilsby	2	🟡	25,617	🟢	8	🟡	9	🟡	37
Stamford	9	🟡	37,289	🟡	12	🟡	9	🟡	41
Staniland	514	🟡	33,077	🟢	9	🟢	5	🟡	34
Sutterton	117	🟡	34,290	🟢	10	🟢	7	🟡	37
Swineshead	157	🟡	38,729	🟡	11	🟢	5	🟡	36
Tattershall	3	🟡	38,604	🟢	8	🟡	9	🟡	37
Town	78	🟡	32,549	🟡	11	🟢	7	🟡	38
Wigtoft	41	🟡	39,980	🟢	10	🟢	7	🟡	37
Witham	193	🟡	37,101	🟢	10	🟢	6	🟡	36
Woadfarm	627	🟡	23,674	🟢	10	🟢	6	🟡	36
Woodhall Spa	2	🟢	45,891	🟢	8	🟡	9	🟢	27
Wrangle	105	🟡	35,682	🟢	9	🟢	7	🟡	36
Wyberton	381	🟡	30,483	🟢	8	🟢	6	🟡	34

Social Housing Value

All but four of our estates have a green or amber rating for social housing value.

Of these, three comprise properties acquired from another RP as part of a stock transfer. These have been temporarily leased at a low value while their future is considered

The remaining estate has a combination of service performance, wider picture and financial value issues. Whilst none of these are significant on their own the performance of this estate continues to be monitored.

There are no estates that present a concern in terms of **long-term financial value** (NPV).

There are no estates where **service performance** is an area of concern.

There are no estates that present a concern in terms of **wider picture** indicators. Wider picture refers to non-monetary indicators including tenant satisfaction.

Once we have looked at the social value of our housing assets at an estate level, we “drill down” Once we have looked at the social value of our housing assets at an estate level, we “drill down” into the data to see if there are any individual properties that might present a concern in terms of either financial value or their level of service performance.

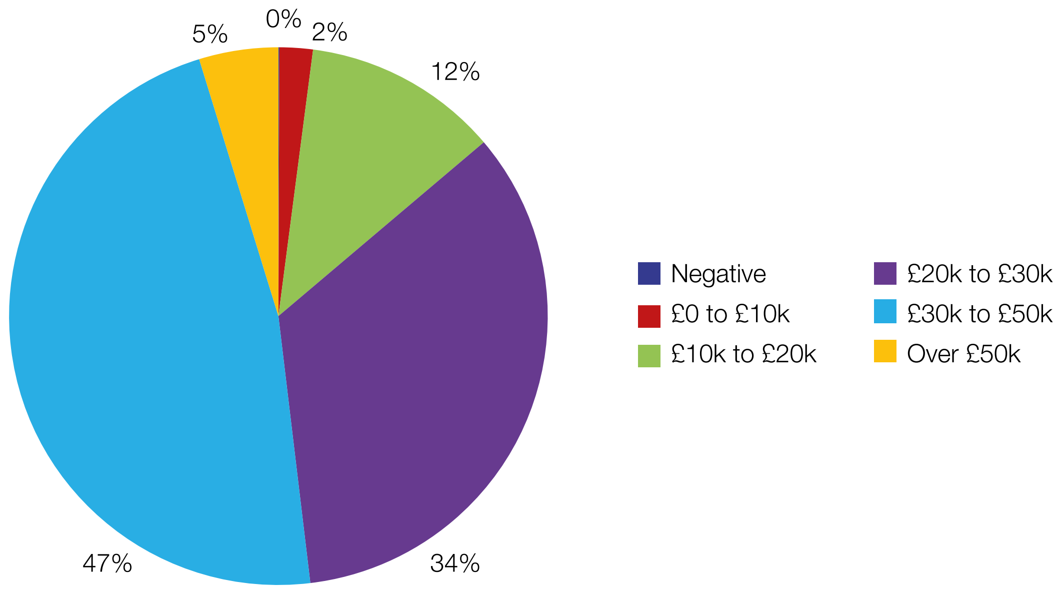
Financial Performance of Social Housing Assets

Looking at our housing properties as a whole:

- The **total net present value** of our housing assets is **£153.0 million**. This is a small **decrease** of £4.8 million on the total of £157.8 million last year.
- The **average net present value** our housing assets is **£31,483** per unit. This is a small decrease of £1,563 on the average **£33,046** per unit last year.
- **99.92 per cent** (98.16 per cent 2015/16) of Boston Mayflower’s housing assets have a net present value above £10,000.

Net Present Value (NPV)	Number of Properties	% of Total Stock
Above £50,000	231	4.75%
Above £30,000 but less than £50,000	2,522	47.13%
Above £20,000 but less than £30,000	1,667	34.29%
Below £20,000 but above £10,000	672	11.75%
Below £10,000 but above £0	101	2.02%
Negative NPV	3	0.06%
TOTAL	4,776	100.00%

Spread of 30 year NPV: Whole Stock



This means only a small proportion of Boston Mayflower’s stock (**2.08 per cent** - those of **low or negative NPV**) are of immediate concern. This is illustrated in the pie chart above.

Boston Mayflower has reviewed all properties with an NPV below £10k to ensure the value of assets is maximised as far as possible.

Just **three** properties were identified as having a negative NPV over 30 years. This is a reduction of eight from the total of 11 last year.

Properties with Negative or Low NPVs

NPV	Number of Properties	Conclusions of Analysis
Negative NPV	**3**	**3** units relate to a property acquired as part of a stock transfer from another RP. It has been temporarily leased at a low value while its future is considered.
Below £10,000 but above £0	**101**	**40** properties are in blocks with either 100% leaseholder occupancy or where three out of four units are leaseholder occupied. **34** units relate to properties acquired as part of a stock transfer from another RP. They have been temporarily leased at a low value while their future is considered.. **27** properties require a full Decent Homes works programme within the 30 year period. The majority are one bedroom bungalows, resulting in lower income.

Overall our positive NPVs demonstrate our intelligent long-term approach to asset management. Our sound investment decisions over previous years have improved the overall long-term value of our stock, excepting the adverse effect of the rent decrease imposed by the Government. Examples of these decisions are:

- Investments made in out-dated sheltered housing schemes to convert them from shared to self-contained accommodation.
- Careful selection of components such as boilers to reduce long-term maintenance costs through quality and standardisation.
- Significant investment in prefabricated properties to increase their quality and reduce their long-term maintenance costs.

Non-Financial Performance of Social Housing Assets

The key non-financial performance factor we reviewed this year was the energy efficiency rating of the property and its potential for improvement at an affordable cost. Boston Mayflower has a key target that by the end of 2017 no property should have a SAP Value below 66 (Energy Performance Certificate “C”).

Last year 11 properties were identified that might not reach SAP 66. Further work has been undertaken over the past year exploring options for those properties and there are now no properties expected to fail to achieve SAP 66 with suitable investment. Four properties have been identified for which officers consider that continued investment may not be the best value option.

4. Delivering Value-for-Money through our Services

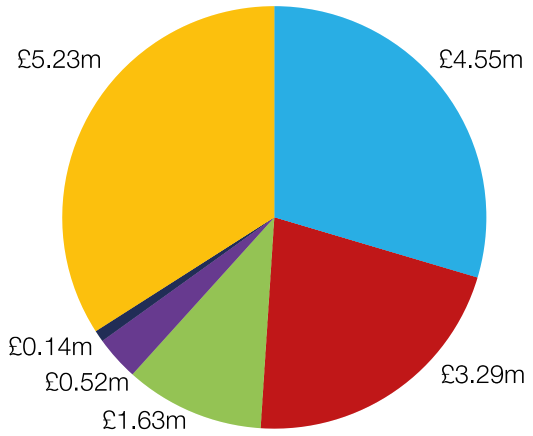
Value-for-Money in service delivery is about making use the resources available (money, people, properties) and getting more quality and quantity for the same or less. In addition it means investing in a range of improvements and activities identified in our Corporate Plan and influenced by our customers. We aim to achieve the right balance between **cost** and **quality**. To assess this balance we look at both our absolute costs and performance and how these compare to others.

What Does Our Service Cost?

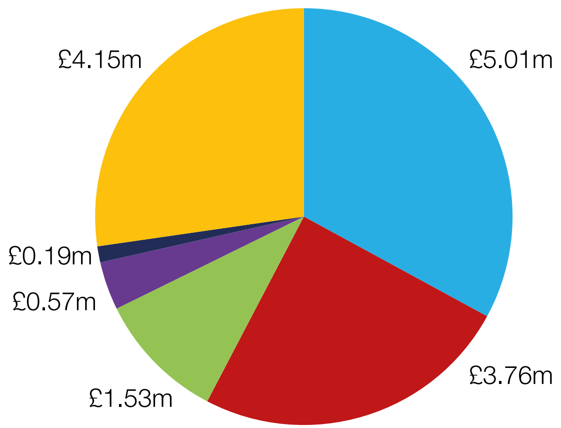
Each year we submit our cost and performance data to the Housemark benchmarking service. This enables us to see what each key area of our service costs and how that compares to similar social housing organisations to us. The charts below provide an overview of the breakdown of how we spent our money over the last two years.

The most recent Housemark benchmarking cost data has been produced for 2015/16, hence the 2016/17 figures are not yet available. For the purpose of this statement, the median costs for 2016/17 are estimated to be the median for 2015/16 uplifted by 2.04 per cent.

Spend 2016/17



Spend 2015/16



- Major works and cyclical maintenance (Gross)
- Responsive repairs and void works
- Housing management
- Estate services
- Bad debts
- Other services and costs

Total Spend = £15.37 million

Total Spend = £15.21 million

<u>Notes:</u>
Major Works and Cyclical Maintenance Costs are shown before capitalisation. Depreciation costs are not shown in these charts.

Other Services and Costs include costs relating to any function outside core social housing lettings. These include costs for provision of service to leaseholders and shared owners, landlord services in care homes, Supporting People funded services, services such as telecare provided to non-Boston Mayflower tenants, one-off exceptional costs and grant funded activities.

How Do Our Costs Compare to Others?

To understand whether our costs are high or low we need to see how they compare to housing association average costs.

Homes and Communities Agency Global Accounts

Each year our regulator, the Homes and Communities Agency (HCA) produces the "Global Accounts of Housing Providers". This is a compilation of all the accounts of Registered Providers of Social Housing. This enables us to compare our costs in key areas against the average costs incurred by providers of social housing across the country.

The most recent Global Accounts were produced for 2015/16, hence the 2016/17 figures are not yet available.

The table below details how we compared to other housing providers for 2015/16:

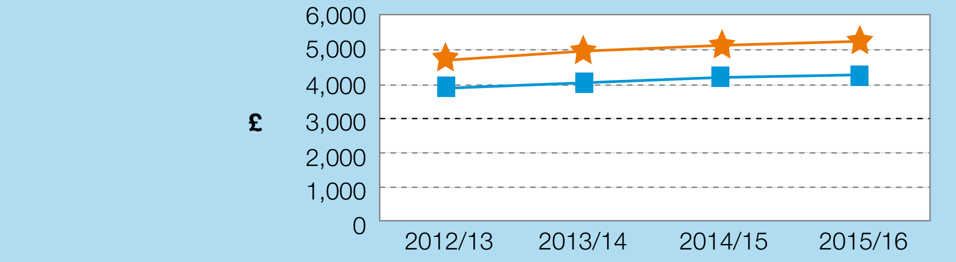
	Headline Total Social Housing CPU £'000	Management CPU £'000	Service Charge CPU £'000	Maintenance CPU £'000	Major Repairs CPU £'000	Other Social Housing Costs CPU £'000
Boston Mayflower	3.42	1.19	0.33	0.72	1.17	0.01
Upper quartile (higher cost)	4.40	1.24	0.58	1.18	1.10	0.51
Median	3.55	1.02	0.37	0.98	0.81	0.26
Lower quartile (lower cost)	3.19	0.78	0.24	0.82	0.57	0.12

CPU = Cost per unit

Major Repairs costs in 2015/16 included the cost of remodelling a sheltered housing scheme. Despite this, Boston Mayflower's social housing headline overall CPU remains well below the median spend for all registered housing providers.

If the costs of remodelling the sheltered housing scheme are excluded from the analysis above, Major Repairs CPU for 2015/16 were £789.

Social Housing Income per Unit

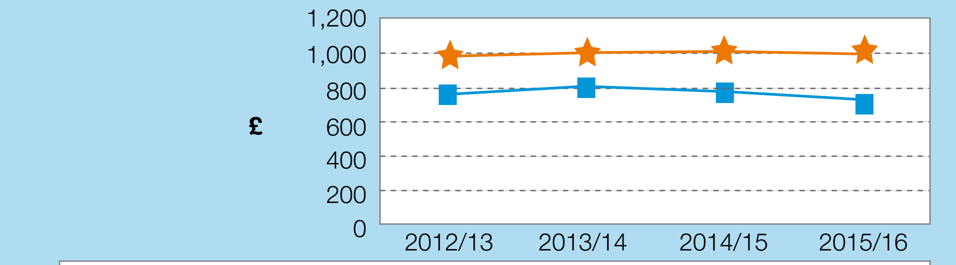


	2012/13	2013/14	2014/15	2015/16
Global	4,773	4,973	5,162	5,497
Boston Mayflower	4,013	4,124	4,202	4,208

The Global Accounts show that on average we receive less income per property than the average across the country. That means we need to make our money go further to deliver the high quality service our residents expect.

Our income is lower because rents are set based on a formula that takes into account both the capital value of the property and the average weekly earnings in our area. These are both lower than the national average, meaning that the rents we charge are lower too.

Routine & Planned Maintenance Costs per Unit

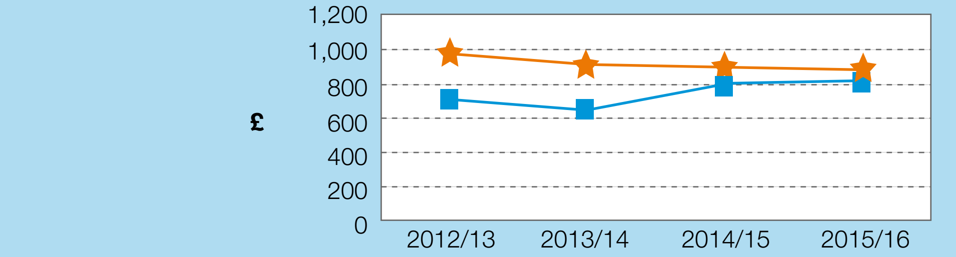


	2012/13	2013/14	2014/15	2015/16
Global	992	1,015	1,017	1,015
Boston Mayflower	764	833	769	716

Our routine and planned maintenance costs remain broadly stable and around 20 per cent lower than the sector average.

These costs will vary from year to year since reflecting the timing of planned works.

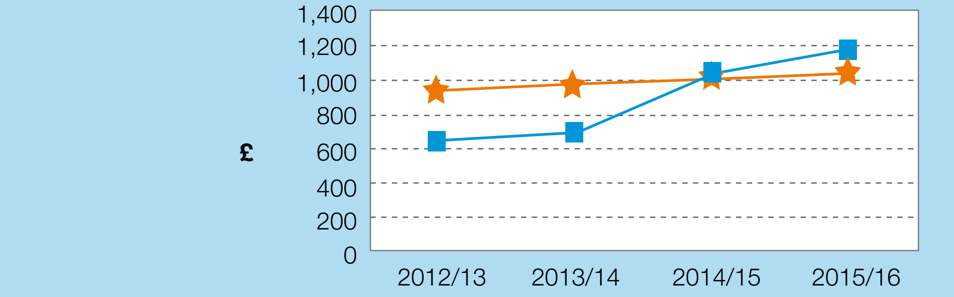
Major Repairs Costs per Unit



	2012/13	2013/14	2014/15	2015/16
Global	989	919	918	890
Boston Mayflower	715	618	773	789

Major repairs costs will vary significantly depending upon the programme of major works for the year and the amount that can be capitalised. Despite this our costs have remained below average.

Management Costs per Unit

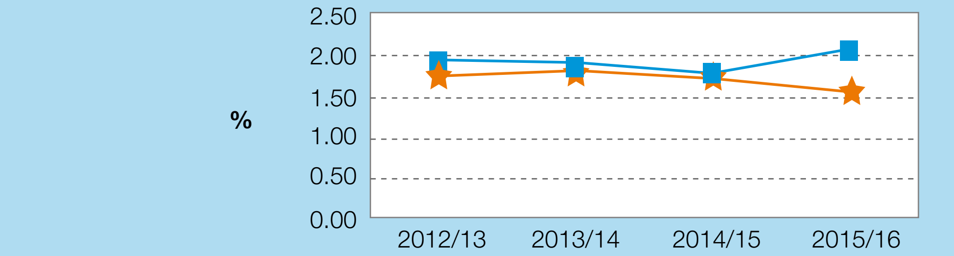


	2012/13	2013/14	2014/15	2015/16
Global	952	990	1,034	1,076
Boston Mayflower	634	707	1,059	1,188

To aid comparison, the costs of remodelling an existing sheltered unit have been excluded from this graph.

Actual costs have increased slightly over the last two years reflecting investment in improved service delivery and our Corporate Plan targets. Nevertheless management costs generally remain reasonable.

Void Rent Loss

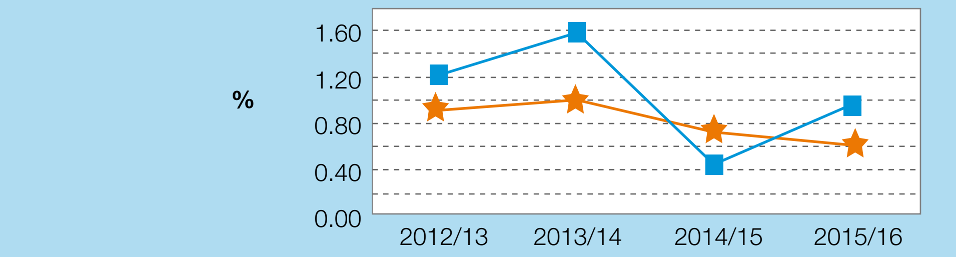


	2012/13	2013/14	2014/15	2015/16
Global	1.70%	1.80%	1.60%	1.53%
Boston Mayflower	1.98%	1.90%	1.71%	2.02%

Void rent loss is the per cent of our total rental income that we could not collect because properties were empty.

Whilst our performance here has not been as good as the average across the sector we can see an improving trend after taking account of units deliberately held vacant for major works. This is despite the fact that at present we have a number of properties undergoing refurbishment that are therefore not available for letting.

Bad Debts



	2012/13	2013/14	2014/15	2015/16
Global	0.90%	1.00%	0.73%	0.67%
Boston Mayflower	1.25%	1.57%	0.44%	0.95%

The bad debt per cent is the per cent of total income that we have written off or expect to write off from rent arrears.

This percentage has fluctuated significantly over the past few years due in the main to a significant amount of historic arrears being written off in 2013/14 and 2015/16. We have seen this position improve from 2014/15 with the introduction of our new Income Team from April 2014. Whilst we expect to continue to improve we have made additional allowance in our financial plans for bad debts reflecting the potential impact of further Welfare Reforms being implemented by the Government.

Value Delivered in Key Service Areas

In this section we compare our comparative cost and performance for each key area of service delivery to demonstrate how we perform compared to similar organisations. This is based on the data we supply annually to the Housemark benchmarking service.

Results are provided for each of the last three years by the numbered circles:

15 = 2014/15

16 = 2015/16

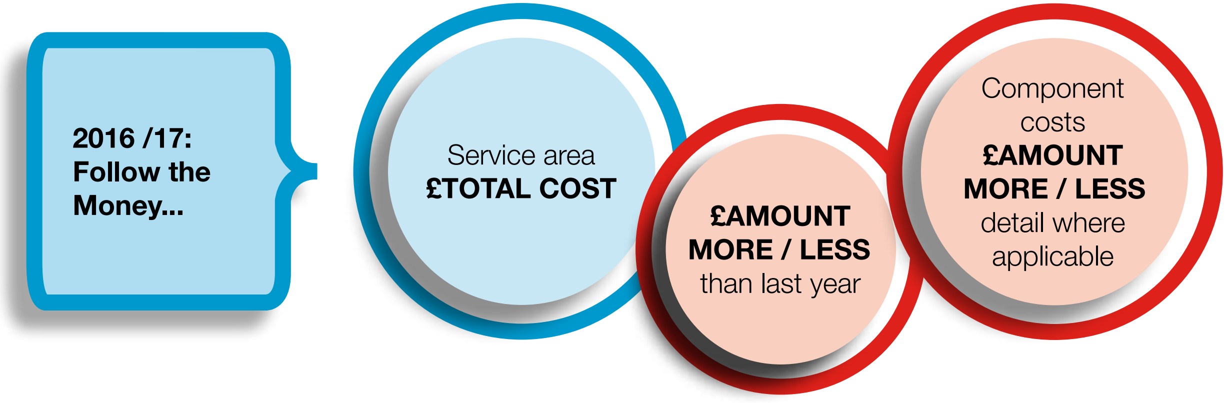
17 = 2016/17

Our Peer Group consists of Stock Transfer organisations (Housing Associations formed by taking over properties formerly owned by local authorities) of between 2,500 and 7,500 units in the East Midlands (18 organisations).

For each area assessed details of the costs and key performance indicators are provided. Costs are shown as **total costs per property** after overhead costs have been allocated. For each year we have indicated how we compare to others as follows:

●	Indicates our costs are much lower than the average when compared to our peers Indicates our performance is much better than the average when compared to our peers
●	Indicates our costs are a little lower than the average when compared to our peers Indicates our performance is a little better than the average when compared to our peers
●	Indicates our costs are average when compared to our peers Indicates our performance is average when compared to our peers
●	Indicates our costs are a little higher than the average when compared to our peers Indicates our performance is a little worse than the average when compared to our peers
●	Indicates our costs are much higher than the average when compared to our peers Indicates our performance is much worse than the average when compared to our peers

For each area assessed we have provided a **Follow the Money** diagram that shows how our spending has changed from last year to this year. This represents the **direct cost** of each service before overheads are allocated. There is a separate section detailing overhead costs.



The **oblong blocks** represent the **overall position** and detail the total cost for the year and how this has changed from last year.

The **round blocks** detail the **components** of the movement in cost between last year and this year.

Finally we have then provided the Board's overall assessment of the Value-for-Money for each area with the use of a "VFM Stamp", for example:

Responsive Repairs and Void Works

Our total responsive repairs and void works cost per property have decreased compared to last year so our costs are now better than average when compared to our peers. This has moved us into the "Good Performance, Low Cost" quadrant. Costs in 2015/16 were impacted by the costs of interim staff. As these posts are now filled permanently, our costs have returned to a lower level.

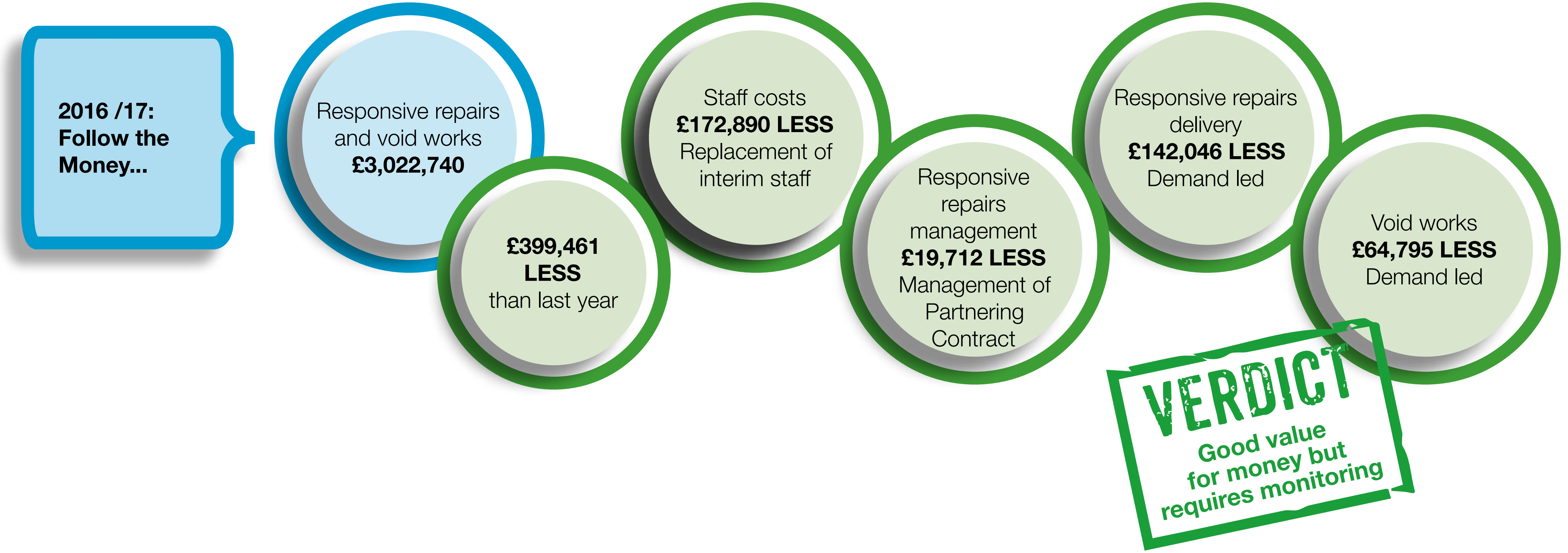
Our repairs and maintenance policy was reviewed to ensure that we only bear the cost of repairs that are our responsibility. It is estimated that the impact of this in the year was between £25k and £75k.

Repair completion time has decreased, moving to an average of 3.96 days to complete each repair. This places us second when compared to our peers. The average amongst our peers was 9.66 days with a range from 3.50 days at best to 32.80 days at worst.

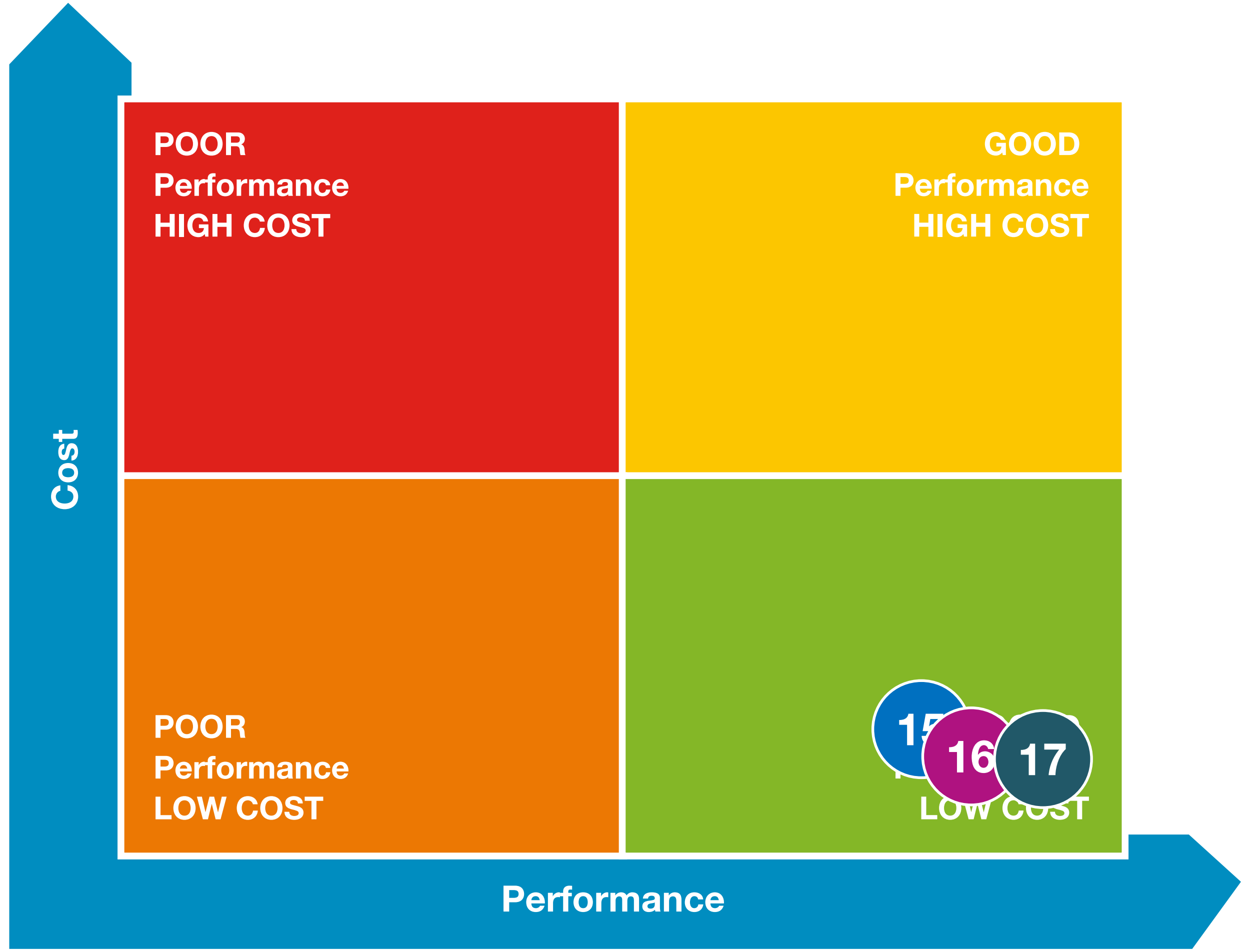
Repairs satisfaction is at 96.80 per cent, which remains better than average and places us fourth in our peer group. The average amongst our peers was 94.90 per cent with a range from 98.60 per cent at best to 73.00 per cent at worst.

Whilst Value-for-Money in repairs and void works delivery remains good, costs and performance continue to be monitored closely to reduce the likelihood of a recurrence of the slight reduction in performance last year.

	2014/15	2015/16	2016/17	Median 2016/17	What does this say about VFM?
Cost per property	£763.18	£829.26	£734.26	£835.08	Keeping these costs low increases our surplus so that we can invest that in achieving our objectives.
Performance:					
Average repair completion time.	3.49 days	4.50 days	3.96 days	9.66 days	Completing repairs quickly is a good measure of service quality.
Satisfaction with repairs.	90.80%	90.80%	96.80%	94.90%	Resident satisfaction is a good measure of service quality.



Major Works and Cyclical Maintenance



Our total major works and cyclical maintenance costs decreased quite substantially compared to last year and remain much better than average when compared to our peers. These costs will often vary significantly between years depending upon the programme of works undertaken. Our cost / quality performance has remained stable year on year hence much of the data is obscured.

This year we have continued to invest in energy efficiency works to improve the standard of our properties in line with our **Affordable Warmth** corporate objective. This has helped increase our average SAP rating. The current average amongst our peers is 71.33.

Satisfaction levels are at 93.50 per cent, a level that is much better than average and places us first in our peer group. The current average amongst our peers is 88.00 per cent with a range from 93.50 per cent at best to 71.00 per cent at worst.

	2014/15		2015/16		2016/17		Median 2016/17	What does this say about VFM?
Cost per property	£1,082.80	●	£1,105.13	●	£1,014.33	●	£1,693.00	Keeping these costs low increases our surplus so that we can invest that in achieving our objectives.
Performance:								
Percentage of dwellings that are non-decent.	0.00%	●	0.00%	●	0.00%	●	0.00%	Homes being at the Decent Homes Standard or above is an indication of quality.
Average SAP (energy efficiency) rating of self-contained dwellings.	68.4	●	70.0	●	73.97	●	71.33	The energy efficiency of a property is an indication of quality.
Percentage of respondents very or fairly satisfied with the overall quality of their home.	93.50%	●	93.50%	●	93.50%	●	88.00%	Resident satisfaction is a good measure of service quality.

Housing Management: Rent Arrears and Collection

Our dedicated Income Team focuses on both arrears prevention by supporting people with **financial capability** (one of our corporate objectives) and improving collection of all sources of income.

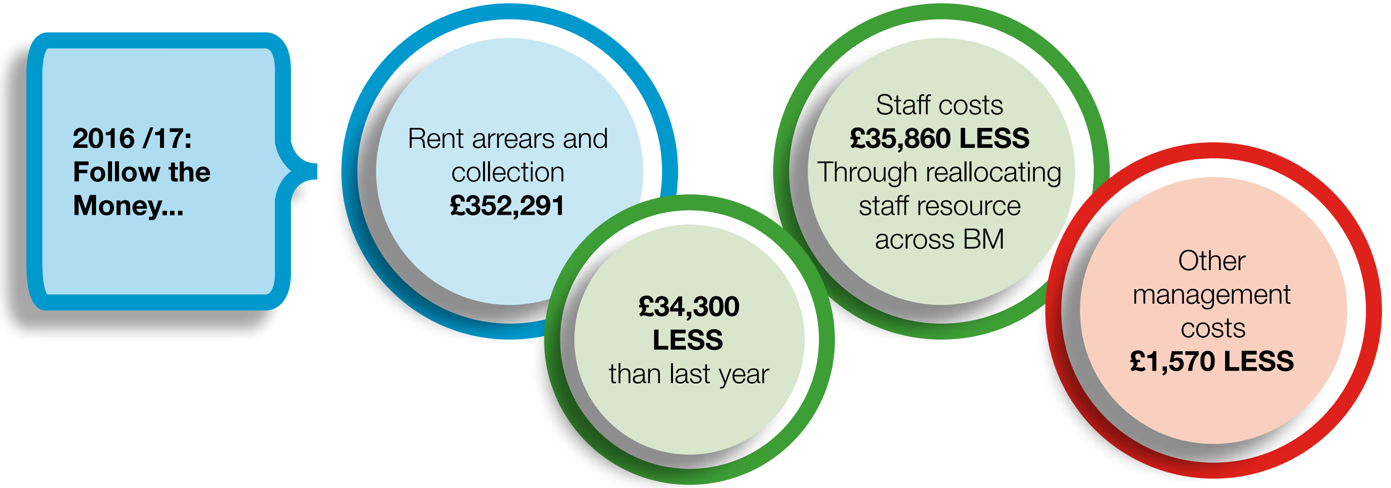
Performance has improved in most areas since last year and remains better than average in most areas. Current tenant arrears performance of 1.79 per cent is better than the average amongst our peers of 2.04 per cent where the range is 0.76 per cent at best and 4.36 per cent at worst.

Former tenant arrears levels have improved so we are now above average when compared to our peers.

Historical bad debts were written off in the year, inflating the percentage reported this year. We are now reviewing the debt ledger quarterly and expect no distortion in future years.

The Government imposed a rent reduction of one per cent per year for the four years from 2016/17 to 2019/20 will result in a significant loss of income. This makes it all the more important for us to continue to improve our collection rates.

	2014/15	2015/16	2016/17	Median 2016/17	What does this say about VFM?
Cost per property	£118.35	£145.86	£142.22	£135.87	Keeping these costs low increases our surplus so that we can invest that in achieving our objectives.
Performance:					
Percentage of rent collected (excluding current arrears brought forward).	100.15%	99.17%	101.17%	99.68%	Collecting as much rent as possible maximises our income.
Current tenant rent arrears as % of rent due (excluding voids).	1.32%	1.73%	1.79%	2.04%	Keeping rent arrears low maximises our income.
Former tenant rent arrears as % of rent due (excluding voids).	0.73%	0.79%	0.48%	0.86%	Keeping rent arrears low maximises our income.
Gross arrears written off as % of rent due.	0.14%	0.37%	0.74%	0.35%	Keeping write-offs as low as possible maximises our income.

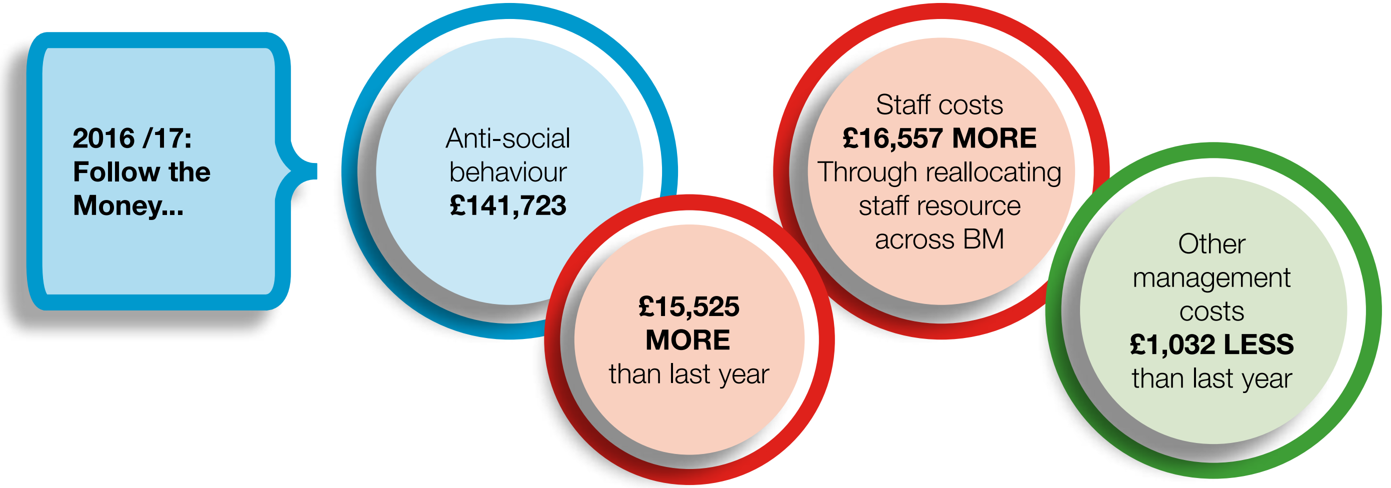


Housing Management: Anti-Social Behaviour

Tackling Anti-Social Behaviour (ASB) was identified as an area requiring improvement last year and it is pleasing to see that there has been a significant improvement in the percentage of ASB cases resolved successfully.

During 2014/15 we received accreditation from Housemark for our approach to tacking anti-social behaviour. This was accompanied by an action plan, which has now been delivered and which we expect will support us in improving performance further.

	2014/15	2015/16	2016/17	Median 2016/17	What does this say about VFM?
Cost per property	£64.82	£48.06	£54.66	£54.60	Keeping these costs low increases our surplus so that we can invest that in achieving our objectives.
Performance:					
Percentage of respondents satisfied with anti-social behaviour case handling.	86.20%	81.25%	84.60%	93.13%	Resident satisfaction is a good measure of service quality.
Percentage of respondents satisfied with anti-social behaviour case outcomes.	74.20%	70.97%	83.3%	91.00%	Resident satisfaction is a good measure of service quality.



Housing Management: Lettings

Performance has improved reducing the number off properties available for letting but vacant at the year end. in most areas and our performance is worse than most of our peers across all four indicators.

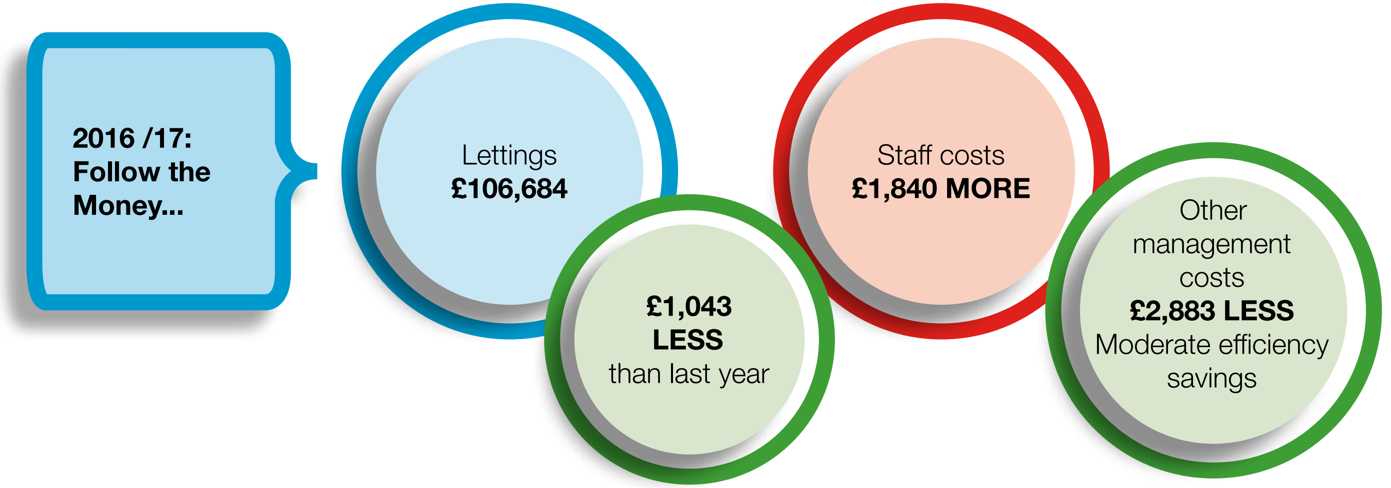
The high percentage of units vacant and unavailable for letting reflects the closure of two sheltered housing schemes due for demolition or redevelopment.

If the units related to these two schemes were excluded from the analysis, then we would be performing better than our peers in both the percentage of units that were vacant but unavailable for letting at the end of the year and the rent loss due to empty properties as a percentage of rent due.

The performance assessment on the left and the VFM stamp below represent the performance of the function after eliminating the impact of these projects.

The Government imposed rent reduction of one per cent per year for the 4 years from 2016/17 to 2019/20 will result in a significant loss of income. This makes it all the more important for us to continue to improve our re-let times. The service is currently undergoing a review and restructure that is intended to improve performance over the year ahead.

	2014/15	2015/16	2016/17	Median 2016/17	What does this say about VFM?
Cost per property	£27.54	£44.44	£43.38	£72.28	Keeping these costs low increases our surplus so that we can invest that in achieving our objectives.
Performance:					
Percentage of units that were vacant and available for letting at the end of the year.	0.42%	0.94%	0.42%	0.61%	Vacant properties reduce our rental income reducing funds available to spend on services.
Percentage of units that were vacant but unavailable for letting at the end of the year.	1.17%	0.85%	1.40%	0.49%	Having units unavailable for letting means we cannot collect rental income for those properties.
Average time in days to re-let empty properties.	25.49	27.88	32.29	25.84	The quicker we can re-let an empty property the less money we will lose.
Rent loss due to empty properties (voids) as a percentage of rent due.	1.63%	1.85%	2.67%	0.99%	Vacant properties reduce our rental income reducing funds available to spend on services.

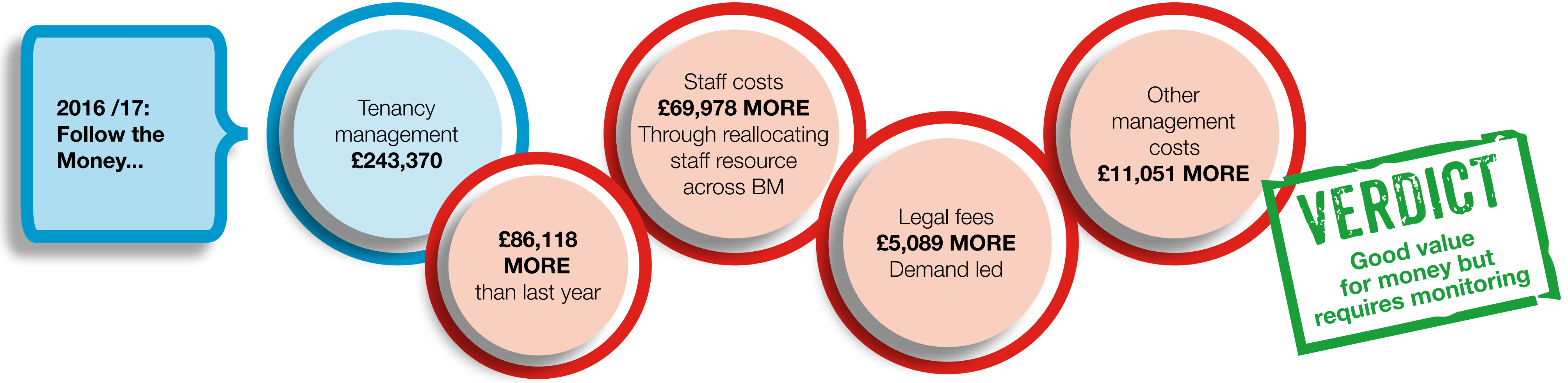


Housing Management: Tenancy Management

Most of our performance has improved and we are especially pleased with our satisfaction levels with the overall service at 96.80 per cent.

The level of tenancy turnover has improved despite the inclusion of tenants who moved as a result of planned housing improvement work., This has led to our turnover remaining slightly above average for our peer group

	2014/15	2015/16	2016/17	Median 2016/17	What does this say about VFM?
Cost per property	£85.97	£60.58	£93.92	£82.27	Keeping these costs low increases our surplus so that we can invest that in achieving our objectives.
Performance:					
Tenancy turnover.	8.13%	8.43%	7.34%	7.11%	Low tenancy turnover indicates residents are satisfied with their properties.
Percentage of tenants evicted as a result of rent arrears during the year.	0.27%	0.11%	0.42%	0.31%	Low eviction rates indicate successful tenancy management.
Percentage of tenants very or fairly satisfied with the overall service provided.	96.80%	96.80%	96.80%	88.70%	Resident satisfaction is a good measure of service quality.

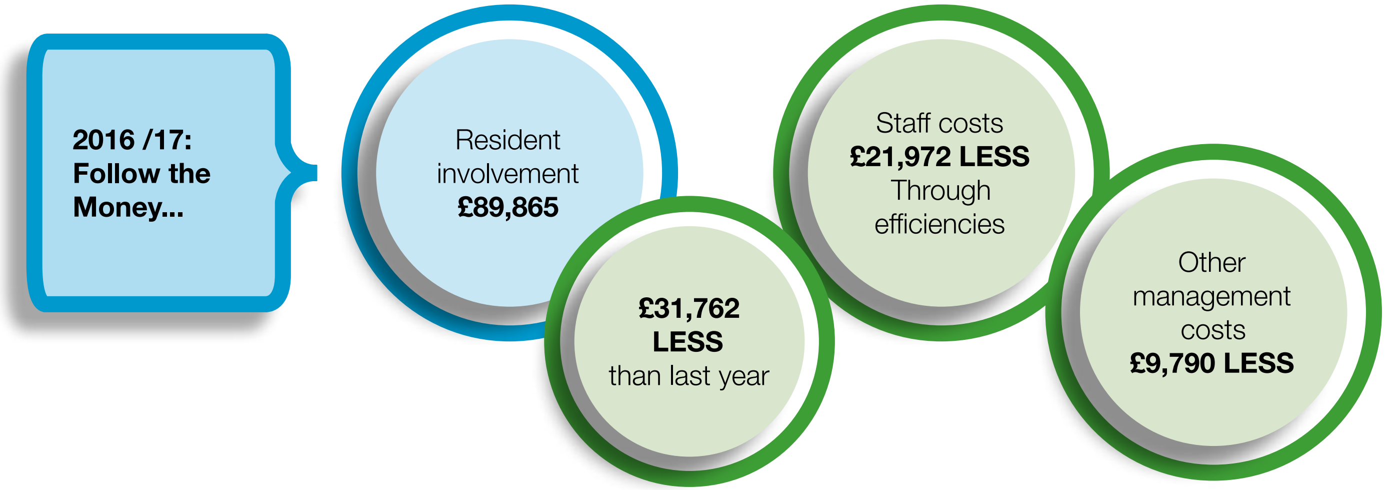


Housing Management: Resident Involvement

Savings have been achieved in the latter part of the year through combining our tenancy management and resident engagement functions producing in the year a reduction of £22k from last year's costs.

Satisfaction levels are at 87.80 per cent, a level that is better than all our peers.

	2014/15		2015/16		2016/17		Median 2016/17	What does this say about VFM?
Cost per property	£49.35	●	£56.30	●	£30.28	●	£60.74	Keeping these costs low increases our surplus so that we can invest that in achieving our objectives.
Performance:								
Percentage of tenants who are satisfied that views are listened to and acted upon.	87.80%	●	87.80%	●	87.80%	●	75.20%	Resident satisfaction is a good measure of service quality.

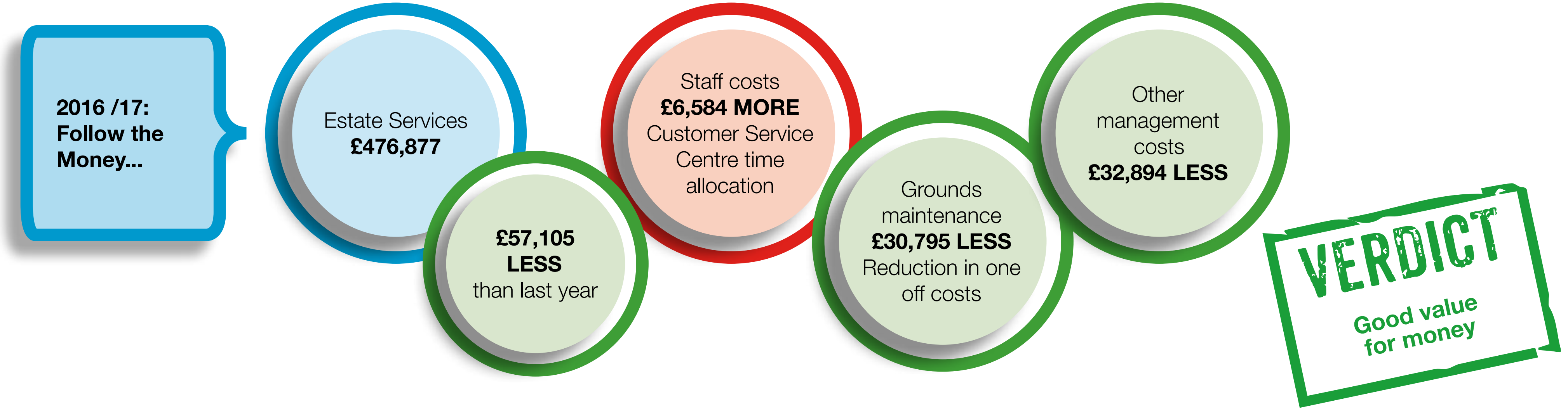


Estate Services

Our Estate Service costs have reduced this year as a result of the high level of investment last year. Many costs, in particular those related to the maintenance of footpaths and fencing are cyclical in nature and will vary significantly from year to year. Because of this we have not classified this spend as particularly low as a result of the drop this year.

Our satisfaction levels are at 90.80 per cent, which much better than the average amongst our peers of 88.20 per cent.

	2014/15		2015/16		2016/17		Median 2016/17	What does this say about VFM?
Cost per property	£111.18	●	£121.36	●	£63.60	●	£134.23	Keeping these costs low increases our surplus so that we can invest that in achieving our objectives.
Performance:								
Percentage of residents satisfied with their neighbourhood as a place to live.	90.80%	●	90.80%	●	90.80%	●	88.20%	Resident satisfaction is a good measure of service quality.



Overheads

Although the cost of our overheads looks worse than average when compared to our peers as a per cent of turnover or as a per cent of direct revenue costs, when we look at how we compare based on the average cost per employee we perform better or even much better than the average of our peers in most areas.

When we look at the total cost of our services, including the allocation of overheads, on the whole this also indicates we are more cost effective than our peers.

We believe that our overheads look high as a percentage of turnover because our turnover is generally lower than average, due in the main to the lower rents in our area. We have also seen that our costs are substantially lower than the sector average resulting in our overheads being a higher proportion of cost.

A number of VFM savings are recognised in the Follow the Money diagrams below. In particular the following savings were made:

- The replacement of contract and interim staff in IT has contributed to the saving of £44k in staff costs
- Further savings in office costs this year of £14k resulted from the closure of satellite offices
- Printing and stationery costs have been reduced by £34k. Further savings will be made as we encourage residents to obtain their statements via the Tenant Portal rather than by post.

	2014/15	2015/16	2016/17	Median 2016/17	What does this say about VFM?
Overhead costs as % adjusted turnover.	12.28%	12.61%	12.61%	11.67%	
Overhead costs % direct revenue costs.	27.02%	28.36%	30.03%	29.43%	Keeping these costs low increases our surplus so that we can invest that in achieving our objectives.
Office premises cost per employee (office user).	£3,071.21	£2,583.84	£2,338.94	£3,890.70	
IT cost per employee (IT user).	£4,617.80	£4,657.09	£4,154.74	£5,991.66	It is better to spend money on service delivery than back office functions.
Finance cost per employee.	£3,075.20	£2,456.12	£2,856.30	£2,749.58	
Central cost per employee.	£8,980.85	£10,050.72	£8,709.68	£8,847.74	

Performance against our Corporate Priorities

Boston Mayflower monitors its performance against its Corporate Strategy targets on a monthly basis. These are reported to and scrutinised by the Board on a quarterly basis.

The performance against target for the year ending 31 March 2017 for each Corporate Strategy strand is as follows:

Corporate priorites: Excellent services

Current overall rating	Corporate plan outcomes	Target for year end				Performance at year end	Performance against target	Rating
	1. Repairs: Top quartile performance 2016/17.	1.1	Average end to end time for all reactive repairs.	3.5 days	Lower	3.96	-0.46	
		1.2	Percentage of repairs completed on first visit.	96.50%	Higher	97.22%	0.72%	
		1.3	Percentage of residents satisfied with the most recent repair.	98.90%	Higher	96.77%	-2.13%	
	2. Accredited ASB: Top quartile performance 2016/17.	2.1	Percentage of closed ASB cases that were resolved.	98.50%	Higher	79.63%	-18.87%	
		2.2	Percentage satisfied with the way their ASB case was handled.	87.00%	Higher	86.96%	-0.04%	
	3. Accredited complaints: Top quartile performance 2016/17.	3.1	Percentage of stage one complaints upheld fully or partially.	45.00%	Lower	46.13%	-1.13%	
		3.2	Percentage of complainants satisfied with compliant handling.	79.00%	Higher	100.00%	21.00%	
	4. Customer Service: Top quartile performance 2016/17.	4.1	Percentage of contacts closed at first point of contact.	90.00%	Higher	68.22%	-21.78	

The majority of the targets for the year were either exceeded, or performance was improved from last year.

For repairs, the percentage completed on first visit remains above target. The average end to end time for reactive repairs has decreased however it continues to fall below our ambitious target however remains in the upper quartile. Satisfaction with the most recent repair has also increased slightly. As it still falls short of our target, this continues to be actively addressed with our repairs contractors.

The percentage of closed ASB cases that were resolved fell significantly. The new ASB Customer Relationship Management (CRM) module has been created to record and monitor all cases of ASB, the bespoke system captures a huge amount of information that we are able to report on to help manage and resolve cases efficiently. There has been a dip in the level of ASB cases closed and resolved this is due to a review of all live cases before the implantation of the new recording system which resulted in the closure of a high number of historic cases. The increased level of unresolved cases has in the main been affected due to not being able to contact the reporter of the original case, no further action being possible or the complainant requesting no further action is taken to address the issue. Satisfaction with ASB case handling has improved, however, falls slightly short of our revised target.

100 per cent of claimants are recorded as satisfied with complaint handling. Work carried out to understand our performance in this area proved very successful. There was a high level of satisfaction expressed based on the feedback from the customer satisfaction survey that focuses on the complaints process. There has been some excellent feedback received based on the complaints handling process even from those where the complaint outcome was not favourable to the customer. All customer surveys are carried out by the impartial Business Intelligence Team who are responsible for reporting data from across the business in a fair, accurate and timely manner.

There has been an increase in the percentage of contacts closed at first point of contact. During the year our Customer Service Centre and Telecare Call Centre were merged and it is anticipated this will lead to further improvements in performance in the year ahead.

Corporate priorites: Growth

Current overall rating	Corporate plan outcomes	Target for year end				Performance at year end	Performance against target	Rating
	1. Growth: 500 additional net units by 2020.	1.1	Net additional units.	125	Higher	-12	-137	

Six properties were developed and 18 were sold giving a net decrease of 12 units.

Since the year end, further properties have been developed and a number of contracts for new developments signed.

Corporate priorites: Affordable warmth

Current overall rating	Corporate plan outcomes	Target for year end				Performance at year end	Performance against target	Rating
	1. Homes insulated to a high level: Minimum EPC rating C and average SAP rating 71 on GN properties by 2018.	**1.1**	Minimum EPC level of any BM property.	E	Higher	E	0	
		1.2	Average SAP of GN properties.	71.00	Higher	73.97	2.97	
	2. Efficient boilers: 85% of boilers rated SEDbook A by 2018.	**2.1**	Percentage of boilers which are rated SEDbook 2005 A.	75.00%	Higher	77.15%	2.15%	
	3. Tenants know how to maximise energy efficiency: 20% of tenants to have received a visit from an Affordable Warmth Officer by 2018.	**3.1**	Percentage of tenants who have received a visit from an Affordable Warmth Officer.	20.00%	Higher	13.67%	-6.33%	

EPC levels and SAP ratings exceed the target for the year. These targets both become more challenging in the year ahead as further planned efficiency improvements are delivered.

The percentage of Boilers which are SEDbook 2005 "A" rated or equivalent is now ahead of target. Budgets are in place to continue delivering more efficient boilers in the year ahead.

The number of tenants to have received a first visit from an Affordable Warmth Officer continues to be behind target having improved from 8.59 per cent to 13.67 per cent, this is due in part to the support these officers have continued to give in the early part of the year to a solar PV installation project and is expected to further improve in the year ahead.

Corporate priorites: Living independently

Current overall rating	Corporate plan outcomes	Target for year end				Performance at year end	Performance against target	Rating
	1. Assessment of need: All vulnerable tenants are assessed for their needs and have a support plan in place by 2018.	**1.1**	Percentage of vulnerable adults assessed and with a support plan.	100.00%	Higher	100.00%	0.00%	
	2. Signposting: 85% of tenants with identified support needs are signposted to the appropriate services(s).	**2.1**	Percentage of tenants assessed as requiring support who did receive appropriate support.	85.00%	Higher	97.04%	12.04%	

Both targets were exceeded for the year, with 100% achievement on the assessment of need.

Corporate priorites: Financial capability

Current overall rating	Corporate plan outcomes	Target for year end				Performance at year end	Performance against target	Rating
	1. Financial Capability Assessment: All new tenants receive an assessment for financial capability by 2018.	**1.1**	Percentage of new tenants who receive a financial capability assessment prior to sign up.	100.00%	Higher	100.00%	0.00%	
	2. Financial Capability Support: 95% of tenants identified as requiring financial capability support receive support by 2018.	**2.1**	Percentage of tenants assessed as requiring financial capability support who received appropriate support.	95.00%	Higher	100.00%	5.00%	
	3. Accessing Financial Capability Support: Tenants have access to appropriate financial capability support reducing the number of probationary tenancies that fail due to rent arrears to below 3%.	**3.1**	Percentage of probationary tenancies that fail due to rent arrears.	3.00%	Lower	0.86%	-2.14%	

Performance has been outstanding against all targets.

Issues experienced in earlier years with the delivery of financial capability support have been addressed with support made available for all identified tenants.

5. Overall Value-for-Money Assessment

The Board has considered the combined cost and quality indicators detailed in this assessment against our corporate objectives. The conclusion is that overall our annual Value-for-Money Self-Assessment indicates our services represent **good** Value-for-Money.

The Board's decision is based on the assembled evidence and their reasoning is summarised in the "VFM Verdict" column in the table below. We do however invite the readers of this assessment to make their own judgement based upon the evidence presented in this report and indeed to challenge our conclusions if they believe they are incorrect.

Corporate Strategy Theme	VFM Verdict
Excellent Service	**Corporate Priority Targets:** Three of eight exceeded, of those not met, three have ambitious targets and we outperform our peer group despite not attaining our target. **Benchmarking of Cost and Performance:** In most cases demonstrates good Value-for-Money. One area is average, another average and improving with one area (Lettings) being poor and deteriorating. **AVERAGE** Value-for-Money **IMPROVING** trend
Growth	**Corporate Priority Targets:** The one target of a net increase of 125 homes was not met, with a net decrease of 12 homes at the end of the year. Work has been carried out to identify developments that meet appropriate criteria for Boston Mayflower and it is anticipated that the longer term target of 500 units by 2020 could be met. **GOOD** Value-for-Money **IMPROVING** trend
Affordable Warmth	**Corporate Priority Targets:** Three of four exceeded, the one not met has improved substantially and plans are in place to address this in the year ahead. **GOOD** Value-for-Money **IMPROVING** trend
Living Independently	**Corporate Priority Targets:** All targets were exceeded for the year. **GOOD** Value-for-Money **IMPROVING** trend
Financial Capability	**Corporate Priority Targets:** All targets were exceeded. **GOOD** Value-for-Money **IMPROVING** trend

Corporate Strategy Theme	VFM Verdict
Money, Resources and Assets	**Housing Properties (Assets):** • The total Net Present Value of our housing assets is **£153.0 million.** • All but three properties (0.06% of total housing stock) make a long-term financial contribution to Boston Mayflower. **Money and Resources:** • The HCA Global accounts indicate that we are generally very efficient when compared to the sector as a whole. • The detailed Housemark Benchmarking information indicates that overall our resources are balanced effectively across our services and our corporate priorities. **EXCELLENT** Value-for-Money **Housing Properties (Assets): STABLE** trend **Money and Resources: STABLE** trend
Our People	**Costs** are generally low as evidenced by the low cost of the majority of our services detailed in this report. **Performance:** The feedback about our staff we receive from our customers is very positive and indicates good Value-for-Money. This is reflected in the high levels of customer satisfaction across our services. **GOOD** Value-for-Money **IMPROVING trend**
Risk Management	We have a robust risk management process in place ensuring risks are reviewed regularly by staff and Board Members alike. As well as managing risks that could be detrimental to the viability or reputation of the organisation we also monitor risks associated with Value-for-Money such as those around performance, delivering our objectives, customer service and procurement. Our approach to risk management supports the delivery of Value-for-Money by supporting us in identifying possible risks to achieving good value. **VFM Rating Not Applicable**

6. Value-for-Money Action Plan

This section details both the progress we have made against the actions and targets we identified in our VFM Self-Assessment last year and sets new targets and actions for the year ahead.

Delivering Value-for-Money from our Assets

Action / Target 2016/17	Progress	Action 2017/18
Refresh the annual formal review of the long-term Asset Plan including consideration of the long-term social value of our assets starting in **October 2016.**	**Complete** Results are included in the Delivering Value-for-Money from our Assets section above. **VFM Benefit:** A thorough annual review of our housing assets has two key benefits. First it helps us to ensure we are spending the right money on the right properties. Second it helps us identify properties that may not be providing us with Value-for-Money in the long-term in order for us to identify suitable solutions for those properties.	Refresh the annual formal review of the long-term Asset Plan including consideration of the long-term social value of our assets starting in **October 2017.**
Refresh the planned programme of disposals of properties as part of the annual long-term Asset Plan review starting in **October 2016.**	**Complete** Results are included in the Delivering Value-for-Money from our Assets section above. **VFM Benefit:** Identifying properties that may not be providing us with Value-for-Money in the long-term in order for us to identify suitable solutions for those properties. Potential solutions may include (but are not limited to) remodelling, change of use or disposal.	Refresh the planned programme of disposals of properties as part of the annual long-term Asset Plan review starting in **October 2017.**

Action / Target 2016/17	Progress	Action 2017/18
Refresh the planned programme of actions for properties as part of the annual long-term Asset Plan review starting in **October 2016**.	**Complete** Results are included in the Delivering Value-for-Money from our Assets section above. **VFM Benefit:** Identifying properties that may not be providing us with Value-for-Money in the long-term in order for us to identify suitable solutions for those properties. Potential solutions may include (but are not limited to) remodelling, change of use or disposal.	Refresh the seven planned programme of actions for properties as part of the annual long-term Asset Plan review starting in **October 2017.**
Deliver a cumulative net increase of at least 175 homes by **March 2017.**	**In progress** We have achieved a cumulative net increase of 74 homes. Work was undertaken to identify further development opportunities and we currently have 277 homes for which we have either signed a contract or signed a Letter of Undertaking. There are a further 78 homes for which we have agreed a price and given a strong indication we will proceed. This growth will be offset by the demolition of 77 homes in two sheltered schemes and homes that will be removed from the social housing total due to RTB or RTA transactions. **VFM Benefit:** As a social housing organisation it is important we continue to work to deliver affordable properties to meet known housing need. Growth is one of our corporate priorities.	Deliver a cumulative net increase of at least 300 homes by **March 2018.**

Delivering Value-for-Money through our Services

Action / Target 2016/17	Progress	Action 201718
To implement all the recommendations made by the Customer Scrutiny Panel prior to their agreed due dates.	**Complete** On the rare occasions where it is not possible to deliver by the agreed due date this is discussed with the Customer Scrutiny Panel and a new date agreed. **VFM Benefit:** Actions identified by the Customer Scrutiny Panel are intended to improve the overall customer experience and the quality of our service. As such they should all contribute to improving Value-for-Money.	To implement all the recommendations made by the Customer Scrutiny Panel prior to their agreed due dates.

Corporate Priority Targets for 2017/18

Corporate plan outcomes	Target for year		
Repairs: Top Quartile Performance 2017/18.	Average end to end time for all reactive repairs.	4.00 days	Lower
	Percentage of repairs completed on first visit.	97.36%	Higher
	Percentage of residents satisfied with the most recent repair.	97.00%	Higher
Accredited ASB: Top Quartile Performance 2017/18.	Percentage of closed ASB cases that were resolved.	98.50%	Higher
	Percentage satisfied with the way their ASB case was handled.	89.00%	Higher
Accredited complaints: Top Quartile Performance 2017/18.	Percentage of stage one complaints upheld fully or partially.	41.96%	Lower
	Percentage of complainants satisfied with complaint handling.	89.00%	Higher
Customer service: Top Quartile Performance 2017/18.	Percentage of contacts closed at first point of contact.	75.00%	Higher
Growth: 500 additional net units by 2020.	Net additional units.	125	Higher
Efficient boilers: 85% of boilers rated SEDbook A by 2018.	Percentage of boilers which are rated SEDbook 2005 A.	85.00%	Higher

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