



Hafan Cymru

2018-19

Value for Money
Statement



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Introduction

At Hafan Cymru we are dedicated to providing the highest quality housing-related prevention and support services and innovative community based projects that can deliver the sanctuary, support and transitional housing needs of our client group.

This document shows how our costs and performance compare to similar Housing Associations and also shows the wider impacts the money we spend in local communities has through looking at our Social Value.

We want to continue to provide good quality homes, and excellent responsive services to all of our tenants and clients to enable them to live independently in their communities, so we need to get the best use out of all our resources.

We will concentrate on ensuring best Value for Money through continually:

- ❖ listening to our clients – about the quality of our services and what matters to them
- ❖ reviewing our costs and how our services are performing – how can our services provide Value for Money if they are not effective? If there is poor Value for Money are our services being as effective as they could be?
- ❖ reviewing our procurement contracts and processes - particularly those activities and contracts which can give added value and benefit to local communities across Wales
- ❖ reviewing our asset performance - to make sure that our homes are up to Welsh Government standards, and also that we are maximising the use of all of our assets to support our wider business and service aims
- ❖ measuring the wider impact we have on the wellbeing of our clients - we will measure the wider social value we help to create for communities across Wales



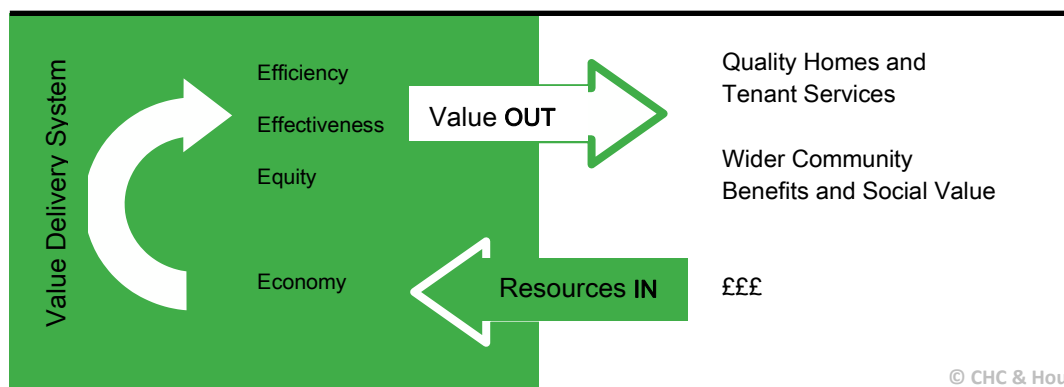
1. How We Define Value for Money

Contrary to how it sounds, Value for Money isn't just about saving money it's about:

- ❖ ensuring that Hafan Cymru delivers maximum value to the people using our services while minimising costs
- ❖ the impact on people as well as the actual money we spend
- ❖ providing an effective and high quality service which meets the needs and expectations of the people accessing our accommodation and services as efficiently and cost effectively as possible
- ❖ making the best use of available or limited resources, and working effectively and efficiently while maintaining, and improving the service to our clients
- ❖ ensuring a clear correlation between transparent and well understood costs, and the quality and level of service provided

Our Value for Money strategy is based on the established model of:

- ❖ Economy - getting the best price for providing our services - taking price and quality into account
- ❖ Efficiency - getting the best results from the resources we have - how much you get out in relation to what you put in
- ❖ Effectiveness – getting the right results for our clients and the business - the amount of effectiveness (quantitative) or the value of effectiveness (qualitative)
- ❖ Equity – our services are only of value if they also fair – recognising diversity and making sure that we spend money taking the requirements of our clients into account



2. Our approach to Value for Money

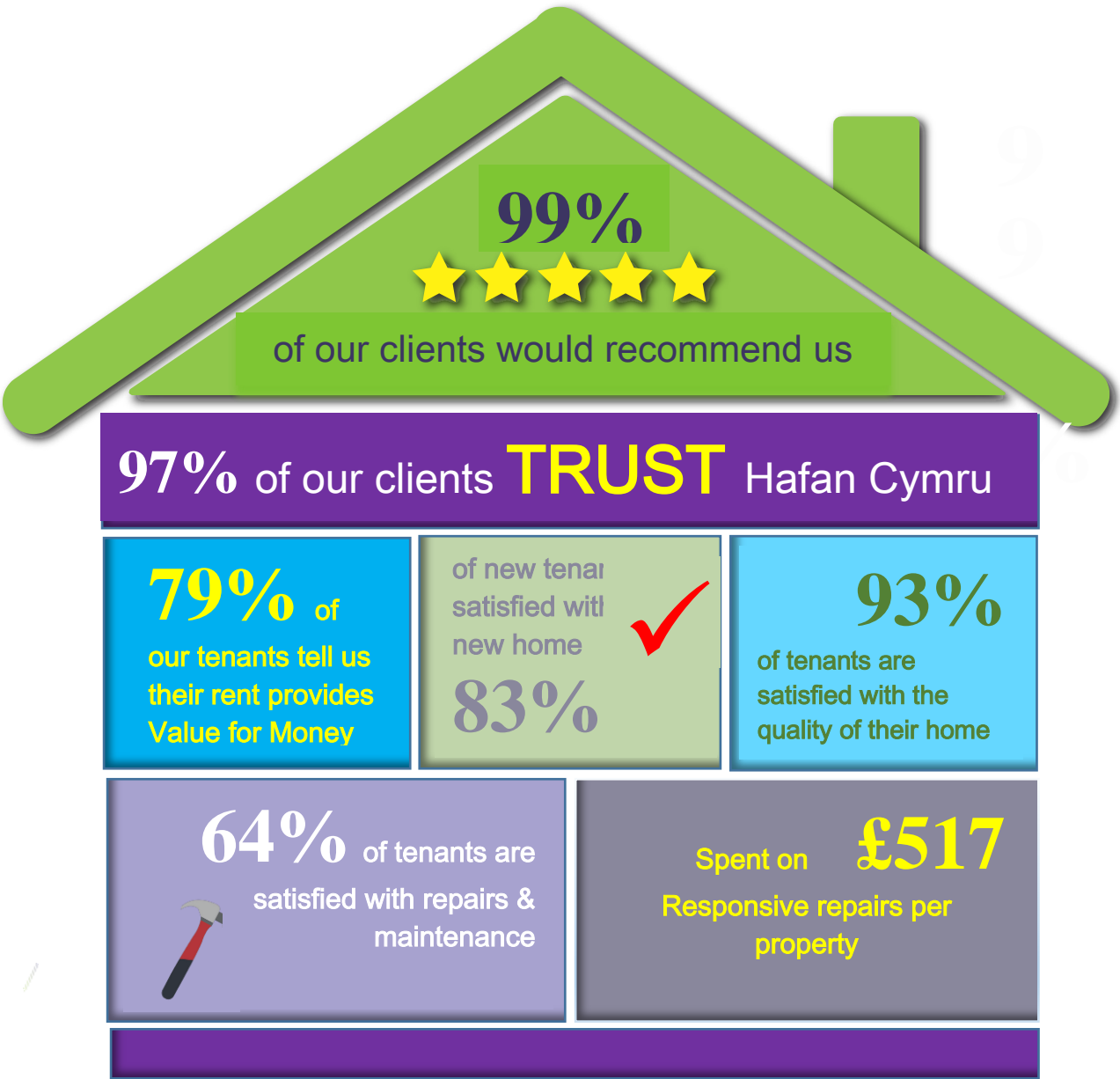
Our approach to Value for Money ensures that we will continue to be able to deliver our Pledge: *'We believe that all individuals, couples and families who require accommodation and support to live well should experience a service that we would be happy for our own families and friends to access and receive'* and our Mission: *'To 'build opportunities for people to live well' through re-gaining their independence, and self-worth through feeling safe, personally developing and connecting with their communities'*. By embedding Value for Money across Hafan Cymru we are increasing and improving our opportunities to deliver on our Pledge and Mission.

Our strong commitment to Value for Money is reflected in our business plan and in our service-delivery plans. We are continuing to develop our business and operational strategies so that Value for Money is central to the way we work, plan and deliver services across Wales.

We see Value for Money as the key not only to financial sustainability but also to continuously improving the quality of services for our clients whilst supporting delivery to ensure we are meeting client needs. However, we need to ensure any decisions focused on keeping costs and wastage low do not negatively impact on those services, outcomes and outputs. This in turn will contribute towards the financial viability of Hafan Cymru enabling us to continue to achieve our long-term strategic aims.

We continually assess opportunities to enhance our services to clients and actively involve our employees and clients to achieve value for money. Additionally, we continually look for the best value for money by sourcing the best materials at the best price, and we're always looking for ways to make our services work more efficiently and effectively. There is a culture of "do the right things" and "do things right", helping ensure our service delivery is economical, efficient, effective and equitable.

3. 2018-19 Headlines



4. How we deliver and embed Value for Money across Hafan Cymru

Throughout our Value for Money journey we embed a 'Golden Thread' of Quality ensuring that we continually review contracts, outcomes and outputs to meet our clients' needs, give the best Value for Money and continuously improve.

By being innovative and thinking creatively in our use of a variety of methods and means to improve our business intelligence and deliver our services in the most effective way possible, we aim to embed an organisational culture of improvement where Value for Money is the central element.

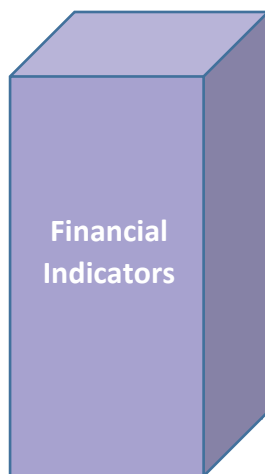
By making our cost, performance and satisfaction benchmarking data more visible both within and outside of Hafan Cymru and by holding regular staff strategy events to inform our business planning, we can make evidence-based decisions to drive service improvement and ensure that our services are meeting the needs of our communities.

Hafan Cymru's Value for Money strategy is based on 3 central pillars:

- ❖ Financial Indicators
- ❖ Tenant & Client Perspective
- ❖ Social Value

We collect and analyse objective data and details from these 3 areas and our Board of Management thoroughly and consistently reviews and scrutinises this information. This process informs us about our strengths and weaknesses in terms of delivering Value for Money and enables us to plan how we can use our available resources to best effect and to improve our services.

Specifically within these 3 areas we focus on 5 main fields, and each of these has key performance indicators so we can see how well we are performing year on year and also compared to other similar housing associations. All these key performance indicators have accompanying narrative in order to tell the Value for Money story behind the data.



Costs & Performance of Services:- Staff costs; cost of delivery of services; repairs & maintenance costs; arrears and voids; benchmarking - of ourselves against similar housing associations, as well as showing the relationship between costs and performance over time

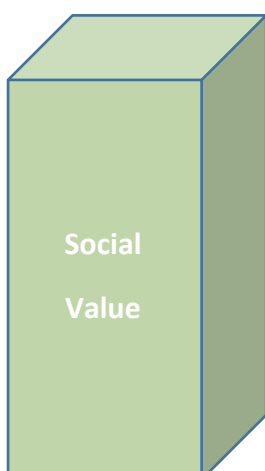
Procurement:- Cost savings and those due to collaboration with others; new & existing contracts – the development and tendering process particularly for contracts which can add value for local communities and performance over time

Asset Management:- Housing stock condition – including Asbestos Surveys, Electrical Testing, Gas Safety Records, Legionella Risk Assessments, Fire Risk Assessment Staffing – staff sickness and turnover between costs and performance over time



We measure by an annual tenant & client satisfaction / perceptions survey using HouseMark STAR questions so we can compare with other similar housing associations; annual client and tenant get-togethers; focus groups; regular tenants' housing scheme/project meetings; through collecting the story behind the data – case studies of clients' 'journeys' with us

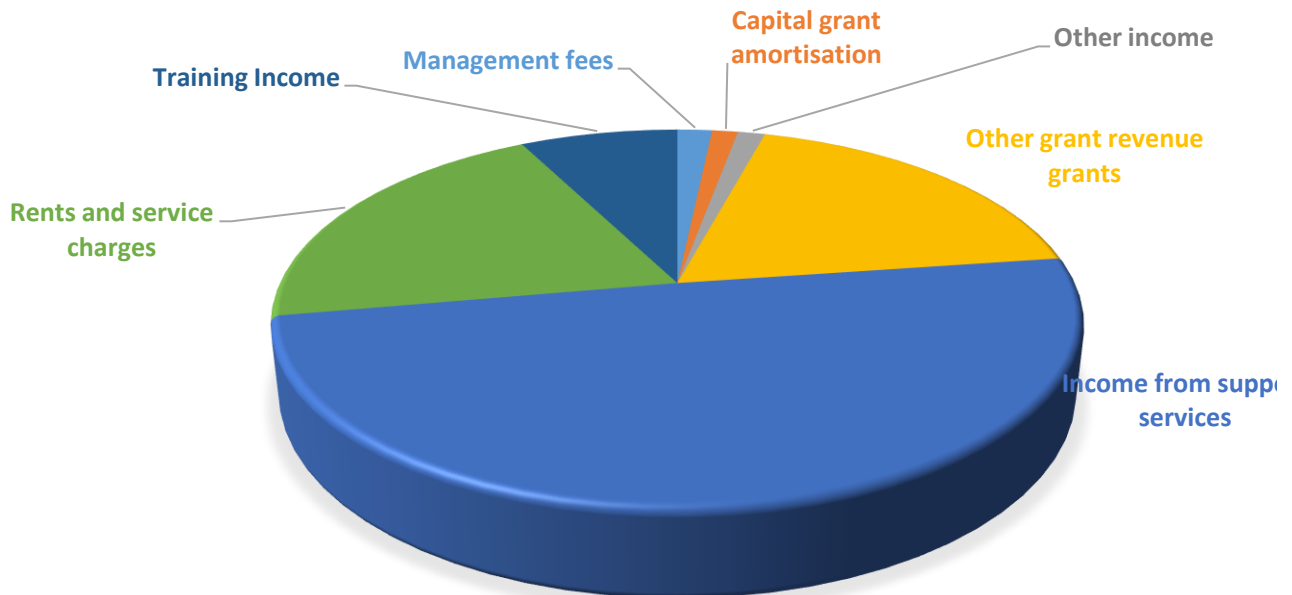
Tenant and client satisfaction levels and feedback across a range of areas including quality and type of services, repairs, housing, contractors; feedback about what matters to clients and what they see as the value of our services



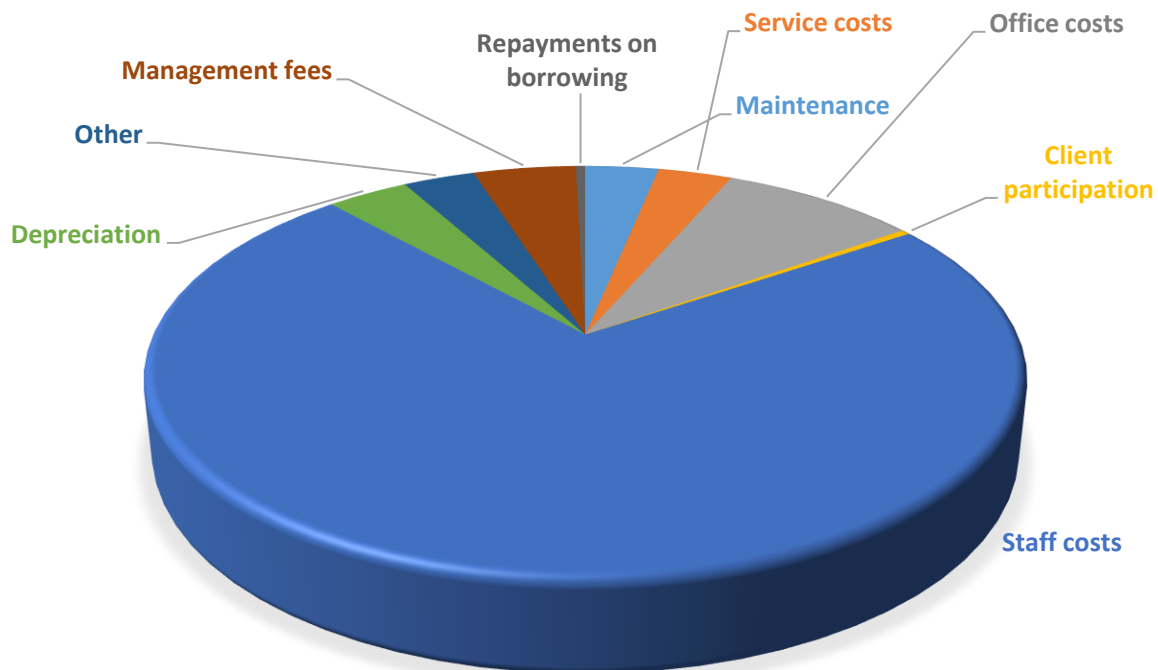
We measure using various SROI / SV tools e.g. HACT Wellbeing Valuation tool, HACT housing data; Welsh Government Family Savings Calculator

Quantifying the benefits of our services to individuals (e.g. wellbeing, health, financial inclusion), the Welsh economy, local communities and the local environment

WHERE DOES OUR MONEY COME FROM 2018-19



WHAT DO WE SPEND OUR MONEY ON 2018-19



5. How are we doing and how do we know this?

Wherever possible we benchmark ourselves against national or local data and the Welsh Government has created a comparison tool which allows users to select and compare data from different housing associations. Where available, we have included comparison with Bro Myrddin, First Choice and Merthyr Tydfil Housing Associations because they have a similar annual turnover (in £m) to Hafan Cymru.

In terms of staffing measurement, we have benchmarked our turnover and sickness rates against the Office for National Statistics national data and our staffing costs against similar housing associations where available.

A. Costs and Performance of Services

Value for Money isn't just about costs and if we only focus on how much money has been spent we will miss seeing the bigger picture – what has changed and improved for our tenants and clients - therefore regularly gathering the views of our tenants and clients is essential to us. We then analyse the relationship between cost and performance in order to get a full view of VfM and this means setting ourselves key performance indicators (KPIs) in relation to all outcomes such as performance, satisfaction and value so we can see where we need to concentrate our efforts to improve outcomes for people.

The Value for Money KPIs we use at Hafan Cymru are linked to our business aims and objectives so that we have an informed, balanced view of how we are performing. We look at our costs, the quality of our services, how our services perform year on year and in comparison to other similar landlords, and most importantly the value (or satisfaction) the services we deliver bring to our tenants and clients.

Our Executive Team regularly report on all of our KPIs to our Board who scrutinise this information so that they have the assurance that our performance is on target and our services are continuously improving.

Indicator	2017-18	2018-19	Bro Myrddin 2017-18	First Choice 2017-18	Merthyr Tydfil 2017-18
Repairs & Maintenance					
• Responsive repairs cost per property	£575	£517	£1199	£989	£840
Major Works & Cyclical Maintenance					
• Cost of major works and cyclical maintenance per property	£340	£484	£649	£390	£106
Rent Arrears					
• Current tenant arrears as % of annual rent	7.4%	6.3%			
Voids & Re-lets					
• Percentage rent loss due to empty properties	4.15%	7.29%			

B. Asset Management

By ensuring effective asset management we can make sure that our homes will meet future needs and standards, so sustainability is a key theme throughout our Asset Management Strategy, in terms of environmental sustainability and by ensuring we have the right mix of homes which will be affordable to tenants.

We are also improving our data and systems that will drive forward our asset management by providing improved information so we can better understand the needs of our clients, their homes, our costs and the rate of returns. This ensures that Hafan Cymru can target investment in our existing housing assets and where we can develop future homes through effective partnerships with other associations. In 2018-19 we developed a new Asset Management Strategy and an Assets and Liabilities Register which will further help us to improve the management of our assets.

Our houses

The asset management of our houses is about more than investing in good repairs and improvements. It is about reviewing and evolving our housing stock so we end up with the right accommodation in the right location, supported by high quality services for our tenants. We must consider quality and value for money, particularly the lifespan of a home and how future running costs will affect our tenants.

In 2018 we carried out a full Stock Condition Survey of each of our properties so that we have the most up to date information in order to prioritise and plan our spending on repairs and maintenance. This means our housing stock will benefit from a comprehensive planned maintenance improvement programme in the coming years which will continue to raise standards and help to tackle fuel poverty issues.

In terms of regulation, 16 of our homes require minor works to ensure they fully meet the Welsh Housing Quality Standard. Works to remedy the shortcomings identified in these 16 homes will be carried out within the current financial year meaning we will be 100% compliant by the end of the year.

In addition to meeting Welsh Housing Quality Standards, we comply with gas safety regulations, electrical safety regulations and fire precautionary legislation through annual servicing of appliances and smoke detectors. This ensures our homes present safe environments for our tenants to live in.

Welsh Housing Quality Standard	Hafan Cymru			Bro Myrddin		First Choice		Merthyr Tydfil	
	2016-17	2017-18	2018-19	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18
Non-compliant stock	20	14	16	0	0	0	0	0	0
Fully compliant stock	66	72	75	492	443	29	40	242	277
Compliant stock subject to acceptable fails	5	5	5	343	430	0	0	756	715

There are some areas which need improvement, but these relate in the main to where external elements are only marginally acceptable. Work to improve many of these items will commence in the financial year 2019/2020 as identified in the Property Investment Action Plan. This plan identifies an estimate of what level of future investment will be required by estimating the future life expectancy of components within dwellings, and the dwelling itself. As work commences on the Property Investment Action Plan, consultation with partners, stakeholders and our tenants will help to refine our investment decisions to make sure we are addressing the things that are important to all.

% of checks completed by the anniversary date at 31.03.2019	2017-18	2018-19
Gas safety	100%	100%
PAT testing	100%	100%
Fixed electrical testing	99%	99%

Our staff

Our staff are our greatest asset and it is through our staff that we put our commitment to achieving Value for Money into action, firstly by:

- empowering our employees to make decisions that help us deliver more and better;
- monitoring performance through regular reports on activity; and
- seeking out our employees' views and input on how we can become more effective and efficient.

Additionally we maximise Value for Money by supporting our staff through:

- providing training
- reducing turnover
- reducing sickness
- engaging staff in strategy development

		2017	2018	National Average 2017*
Indicator				
Staff Sickness	Ave days lost per FTE** per year	14.9	8.22	4.1
	Hours lost per year	14829	7994	
	Cost per year	£132 074	£72 863	

*Statistics from Office of National Statistics / Chartered Institute of Personnel & Development

**FTE = Full Time Equivalent post

C. Procurement

We recognise the importance of getting procurement right and the part it plays in achieving Hafan Cymru's Pledge, Mission and aims, and in improving the purchase, delivery and cost effectiveness of goods, products and services for our clients. Procurement therefore has a significant role to play in achieving cost savings and ensuring efficiency.

We recognise that how we spend money can have major impacts across Wales as and we are committed to increasing the positive impact we have on the Welsh economy, building on procurement and community benefit best practice.

In 2018–19, we continued to demonstrate impact through our procurement activities and during the year 89% of our contract spend has gone to Welsh businesses and has been put directly back into the Welsh economy.

Here are some of our procurement savings headlines:

- ❖ Utilisation of Citrix Sharefile (provided via Bro Myrddin licences at no cost) has resulted in a relative saving of £3774
- ❖ 60 x mobile phones procured via the PFH procurement framework at lower unit rate of £114.60 (to assist with mobile phone signal issues)
- ❖ Mobile device management purchased at cost price and installation done by internal ICT staff
- ❖ Laptops procured utilising Bro Myrddin account with Dell computers. Total savings for this £4884
- ❖ Credit of £5000 applied to Hafan Cymru ICT support account based on savings made during implementation phase.
- ❖ Migration from Citrix gateway for mail on mobile phones to the in-built Active Sync, projected saving of £2500 per year if all staff have mobile mail
- ❖ Change of Broadband provider saving approx 40-50% per connection
- ❖ Mobile phone contract savings through removing dongles and changing plan details resulted in a saving of approx £24000
- ❖ Security fob retirement produced a saving of £13500 against budgeted figures of previous financial year

D. Tenant and Client Perspectives

Our clients are at the heart of our business and their input and feedback is integral to informing us about how we are doing, what we are doing well and where we need to improve.

We measure satisfaction levels of a range of aspects of our services by:

- an annual tenant & client satisfaction / perceptions survey using HouseMark STAR questions so we can compare with other similar housing associations;
- annual client and tenant get-togethers;
- focus groups;
- regular tenants' housing scheme/project meetings;
- through collecting the story behind the data – case studies of clients' 'journeys' with us; and
- support exit surveys, post-repair satisfaction surveys and informally through support sessions directly with our staff

In the main, satisfaction levels remain reasonably high and generally about or above average compared to other Housing Associations in Wales. Tenants can confidentially give us feedback about the services we provide. We know from this feedback that repairs and maintenance continues to be the most important driving factor for satisfaction and we will continue to closely monitor this.

Currently we benchmark against other housing associations whose housing stock is predominantly General Needs housing, as opposed to our stock which is pre-dominantly Transitional Supported Housing, only around 5% of our stock is General Needs. Additionally we have around 100 housing units and most other housing associations we benchmark against have significantly more stock.

The table following compares Hafan Cymru to 2 other housing associations in South Wales (based on similarity of annual £m turnover) and we have used the Welsh Government Housing Association comparison tool found at <https://gweddi.gov.wales/topics/housing-and-regeneration/services-and-support/regulation/housing-association-comparison-tool/?lang=en>

HouseMark STAR Indicator	Clients & Tenants Satisfaction Survey 2018-19 (19% response rate)	Tenant Satisfaction Survey 2017-18 (16% response rate)	Clients & Tenants Satisfaction Survey 2016-17 (24% response rate)	Tenants Satisfaction Survey 2015-16 (23% response rate)	Bro Myrddin Housing Association 2017-18	Merthyr Tydfil Housing Association 2017-18	Welsh Govt Housing Association comparison tool 2017-18 Average	CHC Sector Wide Survey 2014 (15% response rate)
Satisfaction with the service provided by the housing association	100%	79%	99%	91%	89%	94%	86%	84%
Satisfaction that the housing association gives you the opportunity to make your views known	92%	72%	97%	72%				78%

Satisfaction that the housing association listens to your views and acts upon them	94%	72%	96%	64%	74%	91%	72%	69%
The housing association is providing the service I expect from my landlord	99%	79%	98%	87%	87%	93%	74%	80%
I trust the housing association	97%	69%	97%	86%	83%	100%	84%	78%
Satisfaction with the overall quality of your home		93%		87%	85%	86%	85%	83%
Satisfaction with your neighbourhood as a place to live		79%		77%	79%	91%	85%	84%
Satisfaction that rent provides value for money		79%		95%	89%	90%	82%	81%
Satisfaction that the service charge provides value for money		79%		87%				
Satisfaction with the way the housing association deals with repairs and maintenance	64%*	58%		86%	87%	86%	80%	77%
Satisfaction with the way the housing association deals with anti-social behaviour		73%		75%	58%	100%	67%	
Satisfaction with the condition of the property when you moved in		83%		81%				75%

* Data taken from clients' & tenants' annual consultation events 2018

Satisfaction with the overall quality of tenants' homes remains strong in comparison to others but clearly we have much work to do to improve satisfaction with regards to repairs and maintenance. Together, the overall quality of a tenant's home and the quality of the repairs and maintenance services tenants receive have been the key drivers for tenant satisfaction and we recognise that we need to have renewed focus on ensuring that these aspects of our services are more effective.

E. Social Value – the benefits of every £ we spend

By reporting on our social value we can measure and assess the positive impact of our services. It helps to demonstrate not only the benefits to our tenants and clients, but to the wider community as a whole.

By supporting clients and tenants in the way we do we are adding social value every day – by offering opportunities to learn new skills, gain qualifications or volunteer, by running digital or financial inclusion programmes, by supporting tenants and clients with budgeting to tackle food and fuel poverty, by using local suppliers and renewable resources wherever possible, by supporting clients to improve their health and wellbeing – we are delivering added social value daily.

Last year we produced our first social value report based on 11 in-depth interviews with clients and their range of support needs. The results show that receiving support from us means our clients reduced their use of other (usually public) services by 74%. Additionally, for every £1 local authorities spend with Hafan Cymru (through commissioning contracts) there is a social value return of £4.63 i.e. an added value of 363%. If we look at our annual turnover 2017-18 of £5m, this means that we were able to provide an additional £18m of value back into the Welsh economy.

**Reduction in
costs to
other services
74%**

**Social Value of
£4.63**

6. The Future

Delivering and demonstrating Value for Money is a continuous activity which is fundamental to our business' aims and objectives. The Welsh Government Housing Regulator's view of Value for Money continues to evolve, so our approach will also be continually evolving to reflect the changing nature of the environment we operate in, and our operational planning will continue to put Value for Money at the centre of our business development strategy. We aspire to transform and improve both the quality of our services to tenants, clients and communities across Wales and the way we deliver them, and Value for Money will be the driver of these ambitions.

As we have shown, we have many areas where we are doing well in terms of Value for Money but clearly there are areas where we need to concentrate our focus for delivering improvements to services. We will explore and utilise the widest range of solutions, including better use of technology, to make our services more efficient to deliver and easier for tenants and clients to access. We will continue to explore working in partnerships, where appropriate, to bring added value to our existing or new services.

We are confident that in the coming financial year we can achieve further efficiencies and improvements for our tenants and clients and continue to generate social value for them and for our communities across Wales.