

## Value for Money Statement 2017

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Mission Statement: To house people in need, particularly those associated with education.

Registered with the Homes and Communities Agency as a Registered Provider (Registration No. LH0426); affiliated to the National Housing Federation; registered with the Financial Services Authority as a registered society under the Co-operative and Community Benefit Societies Act 2014 (Registration No. 17955R); and registered with the Charity Commission as an Exempt Charity under the Charities Act 1960 (Registration No. 255199).

[www.teachershousing.org.uk](http://www.teachershousing.org.uk)

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## 1. Why a Value for Money Statement?

The Homes and Communities Agency (HCA), which regulates all housing associations, requires that an annual self-assessment of Value for Money (VFM) is produced and published by all registered providers. The HCA seek assurance that housing associations have a clear and strategic approach to VFM. The Regulatory Framework published in 2012 introduced the VFM Standard which requires registered providers to deliver a comprehensive and strategic approach to VFM in meeting the organisation's objectives.

The annual review of VFM should be carried out across all of the Association's activities and it should include operational matters and assets. It should reflect:

- The association's social mission and the interests of stakeholders
- How the standard is being met
- Financial, social and environmental performance.

Teachers' Housing Association (THA) has adopted a VFM Strategy that focuses on ensuring that we are providing beneficial services to our tenants that fit within our VFM Strategy and that are also of value to other stakeholders. We ensure that we take the priorities and expectations of both tenants and stakeholders in to account whilst ensuring that we continue to make the best use of our assets.

This statement demonstrates how THA approaches VFM strategically and operationally and sets out the key principles of the VFM Strategy. The Strategy and Annual Statement are available on our website [www.teachershousing.org.uk](http://www.teachershousing.org.uk) and are publicised in our newsletters.

VFM has been embedded across the Association via Board meetings and its reports, staff meetings, policy reviews and resident consultation meetings.

The Board has established Asset Management and Development Strategies to ensure VFM and effective return on assets. Our Tenant Reading Panel reviewed the Asset Management Strategy in 2014 and had no additional comments regarding its VFM content. It is next due for review by the Reading Panel in 2017.

VFM is a standard item for discussion at our Annual Consultation Meetings held with tenants where we focus on the various service contracts paid for through Service Charges. We use these meetings to ensure that tenants feel that the contracts they pay for e.g. gardening, window cleaning etc. represent good value and we use feedback provided to challenge and improve the services provided, changing contractors if appropriate.

Our Tenant Satisfaction Survey carried out in January 2017 demonstrated an increase with levels of satisfaction amongst tenants with regards to VFM of both rent and Service Charges. A relatively high percentage of tenants are satisfied with the value for money of their rent (90%), although fewer are satisfied with the VFM of service charge (75%). Tenant satisfaction with rent VFM has increased by 6% since 2013, while satisfaction with service charges VFM has risen by 3%. We are currently reviewing all of the data contained in the report and we will review how we can improve on these levels further.

## 2. Our Definition of VFM

THA's strategy aims to ensure a co-ordinated approach is taken and provides a focus to embed VFM and good practice throughout the association. The Board has defined VFM as:

- Achieving maximum benefit within the resources available in respect of service provision and obtaining goods and services.
- VFM involves ensuring that assets are used as effectively as possible to achieve the Association's aims.
- VFM is about achieving the right balance between economy, efficiency and effectiveness.
- VFM is not just about cost. It is also about determining whether THA provides services that benefit its tenants and that take into account and manage tenants' priorities and expectations.
- VFM ensures that tenants receive a service that is considered to be of value to them.

## 3. How does Teachers' Housing Association achieve the best VFM?

THA is a small, charitable housing association with a unique objective to house those associated with education. Because of our size and the geographical spread of our properties it is vital that we maximise the value and use of all of our assets to achieve more homes, provide better services and in turn, help to improve the lives of people who approach us for housing.

At THA we are clear about what we want to achieve as an organisation and by ensuring we deliver VFM in our day to day activities we are able to meet our objectives and deliver a good quality, professional service of which we are proud.

We undertake sustainability reviews of all our housing assets on a periodic basis to ensure that they are achieving the best return on assets and value for money. We will detail work undertaken in this area later in the report.

Our housing stock is widely spread from Hull to Devon and the property portfolio ranges from new build estates and street properties to Grade II listed buildings. Our client group includes key workers working in education and older people with support needs. We have properties in high value areas where schools have difficulties in recruiting and retaining staff due to high property costs.

Our development strategy is to provide affordable homes to those working in education in Greater London. We believe that the provision of low cost home ownership does not currently provide best value for us but this will be kept under review.

THA provides a quality tenant centred service by:

- having small patches managed by generic housing management staff
- having dedicated scheme managers for our sheltered housing schemes and local caretakers for our general needs housing
- offering tenants direct access to senior staff

- providing various ways in which tenants can influence the services that we provide

THA is committed to maximising its resources by:

- ensuring we have competitive major repair contracts
- completing rigorous reviews of service contracts
- following our Asset Management Strategy which uses sustainability reviews to appraise each scheme/area for stock viability
- completing reviews of void properties prior to letting to see if they can be reconfigured to make better use of the space
- considering if major repairs and improvements add overall value
- researching the availability of grants
- use of small, local contractors who are able to provide a flexible and responsive service

#### 4. VFM Principles

- **Financial Value:** At THA we maximise returns on our assets with a view to our social aims and objectives, reduce the cost of operational activity, make procurement savings and carry out sustainability reviews. We recognise that our Operating Costs per unit are higher than others in our benchmarking group. However the geographical spread of our properties means that we are unable to benefit from the economies of scale that other providers are able to benefit from as we rely on smaller, local contractors to carry out works for us. We continue to review costs and explore ways in which we can make savings.
- **Social Value and Economic value:** At THA we measure social value by undertaking tenant satisfaction surveys, monitoring the level and content of complaints, monitoring tenant satisfaction with our repairs service, holding a tenant phone in day and regular scheme "walkabouts" with tenants. Our tenants benefit from having a generic housing management service and dedicated patch officers who are fully involved in the service delivery on the estates they manage. This is reflected in the high level of tenant satisfaction.
- Tenants of our sheltered housing schemes benefit from the provision of dedicated scheme managers. This benefit is evidenced by the monitored outcomes from support planning. This outcome focused approach ensures tenants can live independently for longer and avoid costs to the NHS and care industry.
- THA offers employment opportunities in several areas, often for part time roles and maintains comprehensive training plans for all its employees.
- We are members of the G320 group of smaller housing associations in London. The Group has developed a Toolkit to enable members to describe and think about the social value of the work we do. In our 2016 report we stated that we would develop our social value work

using this tool kit. Unfortunately due to staff changes within the organisation this work has not progressed as planned. It is our intention to progress this area of work in the coming year and we hope to report on progress in this area in the 2018 report. It should however be noted that we are anticipating new guidance being issued by the HCA with regards to VFM which may impact on the information contained within future reports.

- The Association has an Approved Contractor Panel and works primarily with smaller sized companies with whom we have built up a good relationship over a long period of time. Working in partnership with these companies is of mutual benefit to both the contractor and the Association. We recognise the financial difficulties which can face companies of this size and our internal procedures try to ensure that payment is made as speedily and efficiently as possible after receipt of an invoice.
- Our Estimates and Tender Policy directs how work is procured. We obtain tenders for larger scale works and seek estimates in the case of smaller jobs. In all cases we aim to provide an excellent service at a competitive rate. In 2016/17 the returned tenders for boiler replacement works at Peter Kennedy Court and The Anchorage confirmed the good value of the contractors chosen. In both case the tenders were the most competitive received and the contractors provided excellent service both during and after the installation process. By tendering for large scale works such as these we ensure that the best VFM is achieved. The total saving achieved in 2016/17 was £57,321 against budget and £45,085 against the next lowest tenders.
- We are cost conscious in all spheres of maintenance and obtain savings where possible on all levels of works. For example in 2016/17 we achieved savings of £49,600 on minor works across all our properties by tendering for smaller jobs. In addition we will challenge quotes where we feel they are too high and this resulted in a 5% saving on the cost of Lift Consultants for Romaleyn Gardens.
- THA is a member of Procurement for Housing and we have worked with this procurement club on several projects to assist in obtaining competitive costs. The outcome of this collaboration has in some instances, resulted in our local contractors proving to be more cost effective.
- **Environmental impact:** The Board approved an Energy Efficiency Strategy in 2014 under which one of the main priorities was to improve the heating in those properties which do not have a gas supply. These properties have older style storage heaters which are costly for tenants to run and in the general needs properties this is compounded by the building construction being solid brick rather than cavity and therefore being harder to insulate. Moreover many of these properties are within Conservation areas which limits the external works permitted.

- We were previously unable to install gas fired central heating systems due to financial constraints and upgraded the old electric night storage heaters within our Brent Area properties. Tenants now benefit from efficient, controllable electric heating. In addition to the new heating systems, tenants at some Brent properties had improved insulation. This year we were completed further insulation work at one of our Brent properties. It is believed that the combination of efficient heating and better insulation will result in real savings for tenants.
- We have continued to make improvements to the energy efficiency within our properties by renewing the communal boilers within the sheltered housing schemes. All sheltered schemes have now benefitted from modern fuel efficient boilers as older boilers have been replaced. Two schemes were upgraded in 2016/17. Across the general needs properties we continue to install SEDBUK A rated energy efficient boilers when the existing boilers need replacing. In 2016/17 we installed 9 such boilers.

How do we achieve VFM Principles in our day to day operations?

- VFM is embedded throughout the association via, staff review meetings, team meetings, staff meetings, appraisals and performance management.
- There is emphasis on VFM in our business planning, budgeting, policy reviews and asset management.
- Service Offers and our Tenant Service Charter are agreed with tenants following consultation. The latter was reviewed in the past year with both the Reading Panel and tenants at consultation meetings being given a chance to comment and influence the Charter. No comments were received and the new Tenant Service Charter was adopted by the Board in March 2017.
- VFM principles are measured by monitoring performance indicators and challenged by benchmarking with other providers.

## **5. Development and Asset Management**

THA has a programme of asset and sustainability reviews (Asset Management Strategy) incorporating all or some of the above techniques to ensure we achieve VFM from the Association's property assets.

As part of our Asset Management Strategy all our properties are subject to a programme of sustainability reviews designed to ensure best use of assets.

Strategic decisions regarding our stock are based on whether to:

- -retain stock
- -invest to improve stock
- -dispose, demolish, swap or rationalise stock
- -change the use or tenure of the stock

This year we completed sustainability reviews on the following properties:

- Brent
- Firmans Court
- Peter Kennedy Court (general/teacher housing and sheltered)

As part of our Asset Management Strategy we have reviewed opportunities to increase the number of homes we provide using our existing assets. This is particularly relevant when flats become void and we consider opportunities to create more or larger units. However sometimes it is not cost effective to do this so all opportunities are subject to a financial appraisal.

This year we disposed of Challoners Cottage. This was a former Scheme Manager property in Brighton. Following on from the retirement of the Scheme Manager and a brief period of renting the property on a market rent, we carried out a full evaluation on this property looking at all options and reviewing what would work best for the Association. We took the decision that disposal represented the best option with regards to this asset which no longer met our strategic objectives. The money released was used in part to purchase a ex Leaseholder property at Verona Drive giving another unit that we are able to let to the local teaching community in that area on a sub-market rent.

We are continuing our programme of sustainability reviews and as part of this are reviewing garden land available within our properties which may be suitable for additional development. Building more homes without incurring land costs is an effective way of achieving more development and maximising the use of our assets.

In addition we continue to operate a subsidiary company to deliver our development activities achieving cost savings for THA. By processing all financial accounts and returns in house for the subsidiary we achieve further savings. This year we started work on developing a property in Brent. The property currently consists of 2 x 2 bedroom flats and 1 x studio flat. It was felt that there was sufficient space within the roof space to develop a further 1 bedroom flat and we took the decision to remodel the existing properties. Planning consent for this work has been granted and when finished the property will consist of 1 x 2 bedroom flat and 3 x 1 bedroom flats giving us the maximum return on this asset. We will report further on this work over the coming year.

Establishing the return on our assets includes:

- having an understanding of the profile of the housing stock and differences and risks within, such as age, location, build quality, building status (whether listed), and insurance claims records
- undertaking investment appraisals using Net Present Value (NPV) calculations and returns on capital investment
- social and environmental value, including housing demand from our specific client groups and stakeholders

Our turnover has increased from £3.16m in 2010 to £4.09m in 2017, an average annual increase of 3.7% in seven years.



Turnover was reduced in 2016-17 by 0.16%, despite the Government's 1% reduction in social rent income.

Our reserves have increased from £7.56m in 2010 to £11.3m in 2017, an average annual increase of 4.5% in seven years.

At the end of March 2017 our loan gearing ratio was 13% providing scope for obtaining further loan funding for new developments. The Board has adopted a Development Strategy and ensures Value for Money by appraising development proposals financially using NPV after thoroughly researching all aspects of each proposed scheme.

## 6. Operating Costs

Operating costs are in essence the total costs incurred in delivering the Association's objectives. Included are costs of every sort including one off costs, which are shown in the income and expenditure statement of the annual financial statements. The profile of the Association requires us to incur a number of fixed or semi fixed costs which can be difficult to reduce or control. Operating costs also include costs of services to tenants which are recovered by way of tenant service charges.

THA measures operating costs as reported in the annual Financial Statements but also seek to analyse costs and identify "one off" costs to focus on those costs where it is considered that the Association can obtain greater VFM than at present. Operating costs are reviewed on a regular basis.

Our total operating costs were stable with only minor fluctuations between 2011 - 2015 with the exception of 2013 which saw slightly higher operating costs. Our statutory accounts for the year ended 31 March 2017 have been produced in accordance with the accounting standard FRS102. This was first introduced in 2016. Our total operating cost per unit per week in 2017 was £109.08, a reduction from £121.25 in 2016. The net operating cost per unit per week excluding major repair and cyclical maintenance costs reduced from £74.17 (2016) to £71.02 (2017).

We have detailed how our operating costs compare with our benchmarking group below. One of the reasons why our operating costs are high compared to others in our Benchmarking Group is the number of sheltered housing schemes we manage which have significantly higher service charges than general needs housing. Managing remote sites can result in high travel costs and these are closely monitored to ensure costs are kept as low as possible without compromising operation effectiveness.

In addition to this we have incurred other costs this year which have impacted on the overall operating costs. These have included

- an increase in bad debts £3,212
- an increase in property depreciation £1,497
- an increase in component depreciation £945
- a decrease in the recognition of pension deficit of £46,041
- provision for accountancy costs for FRS102 £6,188
- increased staffing costs £25,076 part of this increase is the increase in the National Minimum Wage.
- Tenant Satisfaction Survey £5,802

## 7. Savings in 2016/17

As part of our Strategy, we identify areas each year where, in addition to our usual activities, we can demonstrate that VFM has been achieved. The table below highlights where we have made savings and the impact that they have had on the Association and service delivery. The table demonstrates the savings made in the current year and also, where appropriate, looks to the future as to how further efficiencies can be made.

| Item   | Savings Added/VFM Outcome  |
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| <p>In 2016/17 we saw an increase in the cost of staff and Board recruitment.</p> | <p>This year has seen a significant amount of recruitment carried out within the Housing Management Team as well as the recruitment of the new Finance Director and Company Accountant within the Finance Team.</p> <p>We achieved VFM by recruiting all staff through THA's own recruitment process for all except one post; for which we used an external recruitment consultant.</p> <p>We spent £16,596 against a budget of £15,000 of which £11,114 was the cost of the recruitment to the Finance Director position working with consultants.</p> <p>The average cost of recruitment was £1,660* per post compared to 2015/16 £390 and 2014/15: £1,264**</p> <p>*this includes £11,114 recruitment costs relating to one post.</p> <p>**this included consultancy costs relating to recruitment for one post.</p> <p>We have saved costs on Board Recruitment by participating in the NHF Get on Board partnership deal (£1,000) and by carrying out a review of skills and experience required annually and planning our recruitment and succession planning.</p> |
| <p>We saw an increase for the overall costs for stationery and printing.</p>     | <p>We spent £4,783 in 2016/17 up from £3,889 in the previous year. We are reviewing this area and continue to seek the most cost effective suppliers.</p>  |
| <p>We saw a decrease in the cost of postage this year.</p>                       | <p>We spent £7,154 against £7,786 in the previous year which represents a VFM saving of £632.</p> <p>Head Office staff increasingly use email to send documents etc. however due to the location of some of our schemes, there are often large</p>   |

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|  | <p>mail outs that need to be sent. Whilst we try to time these to coincide with staff visits, this is not always possible. We will continue to explore how these costs can be further reduced in the coming year.</p>  |
| <p>We spent £8,729 on training for our staff and Board Members this year.</p>  | <p>This represents a slight decrease on the amount spent on training in 2015/16 when we spent £8, 866 – giving us a small saving of £137</p> <p>We continue to make use of internet training opportunities where possible, particularly for health and safety training which is more accessible to our staff in this format. During our annual Scheme Manager Seminar we maximise the time available to incorporate in-house training alongside external training in the programme. Where possible we include our caretaking and head office staff in sessions, reducing our overall training costs.</p> |
| <p>We have seen an increase in staff sickness levels.</p>  | <p>This year saw an increase in the average number of days sick. We reported last year that the average was 5.98 days. This year the average number of days was 8.47. The average days were increased by one member of staff who was on long term sick following a terminal diagnosis.</p> <p>We continue to monitor staff sickness to identify trends and address any impact absence may have on service delivery.</p>  |
| <p>We have entered in to a mobile phone contract with Daisy Spiritel.</p>  | <p>This is the 2<sup>nd</sup> year of a 5 year contract on which we were able to negotiate a saving on the previous contract. The contract will save THA £43.89 per month (£526.68 per year)</p>   |
| <p>We have entered in to a Photocopier contract with M2 Managed Services.</p>  | <p>This is the 2<sup>nd</sup> year of a 5 year contract on which we were able to negotiate a substantial saving on the previous contract. We anticipated that the contract would save THA £2,760 per year. However, at the end of 2016/17 there had been a saving of £3,845 against budget.</p>  |
| <p>In 2015/16 we were able to negotiate a significant saving on the supply of Landlord communal gas across all sites where this is supplied.</p> | <p>The new contract (commenced in April 2016 for a period of 3 years) represents a saving of 27% which makes a significant impact on Service Charges payable by tenants.</p>   |

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| <p>In the same period we were also able to negotiate a saving on the supply of Landlord communal electricity across all sites.</p>                             | <p>The new contract is in place for 3 years from April 2016 and represents a saving of 3% which is passed on to tenants.</p>   |
| <p>We continue to see the benefit of having tendered our Audit Service in 2014.</p>  | <p>In 2016/17 we saw a significant increase in the Audit costs. Spend in this year was £13,480 up from £10,007 in the previous year. The reason behind this increase was the introduction of the new accounting standard FRS102 and the substantial amount of work required to bring the accounts inline with the new standard.</p>  |
| <p>We saw a decrease for expenditure on publicity material this year.</p>  | <p>Costs decreased from £5,714 to £3,606 in 2016/17</p> <p>We continue to invest in publicity to promote the Association's activities and focussed in particular on publicising Queen Mother Court where we wanted to address some long term void issues. The publicity which included newspaper articles and advertisements was successful and the voids issues in this scheme were addressed.</p>  |
| <p>In previous years we reported that we had reviewed arrangements for rent accounting and in 2015/16 we outsourced our direct debit processing to Allpay.</p> | <p>We continue to benefit from the use of the Allpay system and in 2016/17 this service cost £4,375 against a budget of £5,500 which represents a saving of £1,125.</p>  |
| <p>In addition to Allpay detailed above, 2016/17 saw the introduction of Callpay.</p>  | <p>This service cost £359 to set up and gives a tenant the option to make payments to their rent account over the telephone using a bank/credit card. We believe that by offering more methods for rent and arrears payments this will have a significant impact on our arrears figures as we move forward.</p> <p>We are also taking payments from tenants at the point of sign up ensuring that new tenancies are in credit as they start.</p> <p>We were able to negotiate the cost of processing card payments down to 0.35% for debit cards and 1.95% for credit cards which equates to a saving of £16 on £10,000 of debit card payments and a saving of £24 on £10,000 of credit card payments.</p> |
| <p>We continue to provide a management service to Old Etonian Housing Association (OEHA)</p>   | <p>This generates income to THA whilst also providing opportunities for both organisations to share costs where appropriate.</p>   |

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| Insurance is a substantial cost area for the Association. Each year we undertake a comprehensive review of the cover in place and changing needs. | A long term rate stability agreement (3 years) was entered into with Aviva in 2016 which achieved savings for the 2016/17 renewal. Changes in the property portfolio this year included the disposal of 2 Challonors Cottages and the addition of 8 flats at 7 Holmesdale Road. |
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## 8. Benchmarking 2016/17

THA is a member of a London based benchmarking group of smaller housing associations known as BM320. The following information is taken from the annual BM320 report for the year ended 31 March 2017.

It should be noted that in some areas THA is unique in this group, particularly in relation to the profile of its tenants and location of its stock as detailed previously in the report.

| Description   | THA Performance 2016 | BM320 Average for 2016 | THA Performance 2017 | BM320 Average for 2017 |
|---|----------------------|------------------------|----------------------|------------------------|
| Overall satisfaction with the service   | 92%                  | 91%                    | 88%                  | 91%                    |
| Satisfaction of tenants with the value for money of rent                        | 80%                  | 87%                    | 90%                  | 87%                    |
| Satisfaction of tenants with the value for money of service charges             | 62%                  | 77%                    | 75%                  | 76%                    |
| Satisfaction of tenants with the overall maintenance service                    | 89%                  | 78%                    | 82%                  | 85%                    |
| Rent collected as a percentage of the annual rent charges                       | 99.53%               | 99.94%                 | 100.13%              | 99.9%                  |
| Rent arrears (current tenants) expressed as a percentage of annual rent charges | 3.1%                 | 3.02%                  | 3.32%                | 2.59%                  |
| Average re-let time (calendar days) GN  | 23                   | 21.85                  | 22.6                 | 17.0                   |
| Average re-let time (calendar days) SH  | 61                   | 26.5                   | 51.5                 | 22.1                   |
| Working days lost due to sickness absence                                       | 5.98                 | 6.1                    | 8.47                 | 5.4                    |

| Description  | THA Performance 2016 | BM320 Average for 2016 | THA Performance 2017 | BM320 Average for 2017 |
|--|----------------------|------------------------|----------------------|------------------------|
| Weekly operating cost per unit excluding development costs and major repair voids. | £74.17               | £87.53                 | £71.02               | £89.38                 |
| Operating cost as a percentage of turnover   | 91%                  | 71.18%                 | 84.2%                | 74.11%                 |
| Average weekly management cost per home  | £30.94               | £20.73                 | £32.68               | £17.23                 |
| Average weekly cost per home of responsive repairs                                 | £13.12               | £8.80                  | £12.79               | £8.33                  |
| Average weekly cost of planned/capital repairs (stock investment costs)            | £6.60                | £4.83                  | £6.65                | £4.02                  |
| Percentage of repairs completed on time  | 96%                  | 97.1%                  | 98%                  | 96.15%                 |

#### Areas for Improvement for THA identified from Benchmarking Data for 2017.

| Item   | Proposed Action   |
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| <p><b>Average Re-let Times</b></p> <p>Although the Association's performance in the time taken to re-let properties improved slightly at the end of 2016/17 with 40.0 days being the average; we feel there is still more work to be done to improve this further.</p> | <p>Our combined average re-let time for both sheltered and general needs was 40.0 days (down from 50.3 days in the previous year). We consistently rank as one of the worst performers in this area in the benchmarking group.</p> <p>When this is broken down it takes on average 22.6 days to re-let a general needs property. However it has taken on average 51.5 days to re-let our sheltered housing stock. We have had some long term voids that have been hard to let and which in turn have had a significant impact on our re-let times.</p> <p><b>Outcome:</b> We have now let all the long term voids and we are starting to see improvements in our re-let times which are reducing.</p> <p>We continue to review the ways in which our longer term voids are advertised and we explore all avenues with regards to the options available to us.</p> |

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|  | <p>We continue to publicise our sheltered housing schemes to as wide an audience as possible and the use of our asset management strategy ensures that we are directing our resources appropriately.</p> <p>Specific target setting for voids has been considered and will be introduced in this financial year which we hope will reduce the re-let times further.</p>  |
| <p><b>Arrears Control</b></p> <p>The association saw in increase in the rent arrears (current tenants) expressed as a percentage of annual rent charges.</p>                       | <p>We have seen an increase in arrears this year to 3.23%. In part this has been caused by some very high level arrears cases at some of our general needs properties. Staff changes within the Housing Management Team have also impacted on the collection of rent arrears and the overall figure.</p> <p><b>Outcome:</b> We continue to work to reduce arrears. We have recently appointed a temporary Housing Manager who is working through the arrears in areas such as Haringey where they amounts owed can be significant. We hope to be in a position to make a permanent appointment in the coming months to support the Housing Management Team with regards to arrears collection.</p> |
| <p><b>Satisfaction with Service Charge VFM</b></p> <p>The Association's tenants have lower satisfaction levels with VFM of service charges compared to our Benchmarking peers.</p> | <p>The 2017 Tenant Satisfaction Survey demonstrates that there has been a shift with in satisfaction with more tenants now being satisfied with Service Charges than has previously been reported.</p> <p><b>Outcome:</b> We discuss Service Charges and VFM as standard items at each of our consultation meetings. We will continue to operate "variable" rather than "fixed" service charges to ensure that our charges are fully transparent and accountable to tenants.</p>   |
| <p><b>Weekly Operating Costs</b></p> <p>The Association's weekly operating cost is significantly higher than the average for the benchmarking group</p>                            | <p>The Board and Senior Management Team continue to review the operating costs and will adopt targets for reduction and continued control.</p> <p><b>Outcome:</b> As outlined above, this year we have been impacted by some high costs which have increased the weekly operating costs. Some of these costs have been 'one off' costs</p>   |

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|  | <p>and will therefore not affect future years. However, due to the location and nature of some of our properties, higher than average operating costs are not always avoidable.</p> <p>We continue to regularly review all operating costs to assess where savings could be made.</p> |
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## 9. Summary

In summary, we have embedded our Value for Money Strategy in all areas of our operations and we consider, for the reasons stated above, that THA is achieving Value for Money. The Management Board have reviewed this report and they are assured that THA is making steady progress in delivering its VFM Strategy and at the same time maintaining high standards of customer satisfaction.