



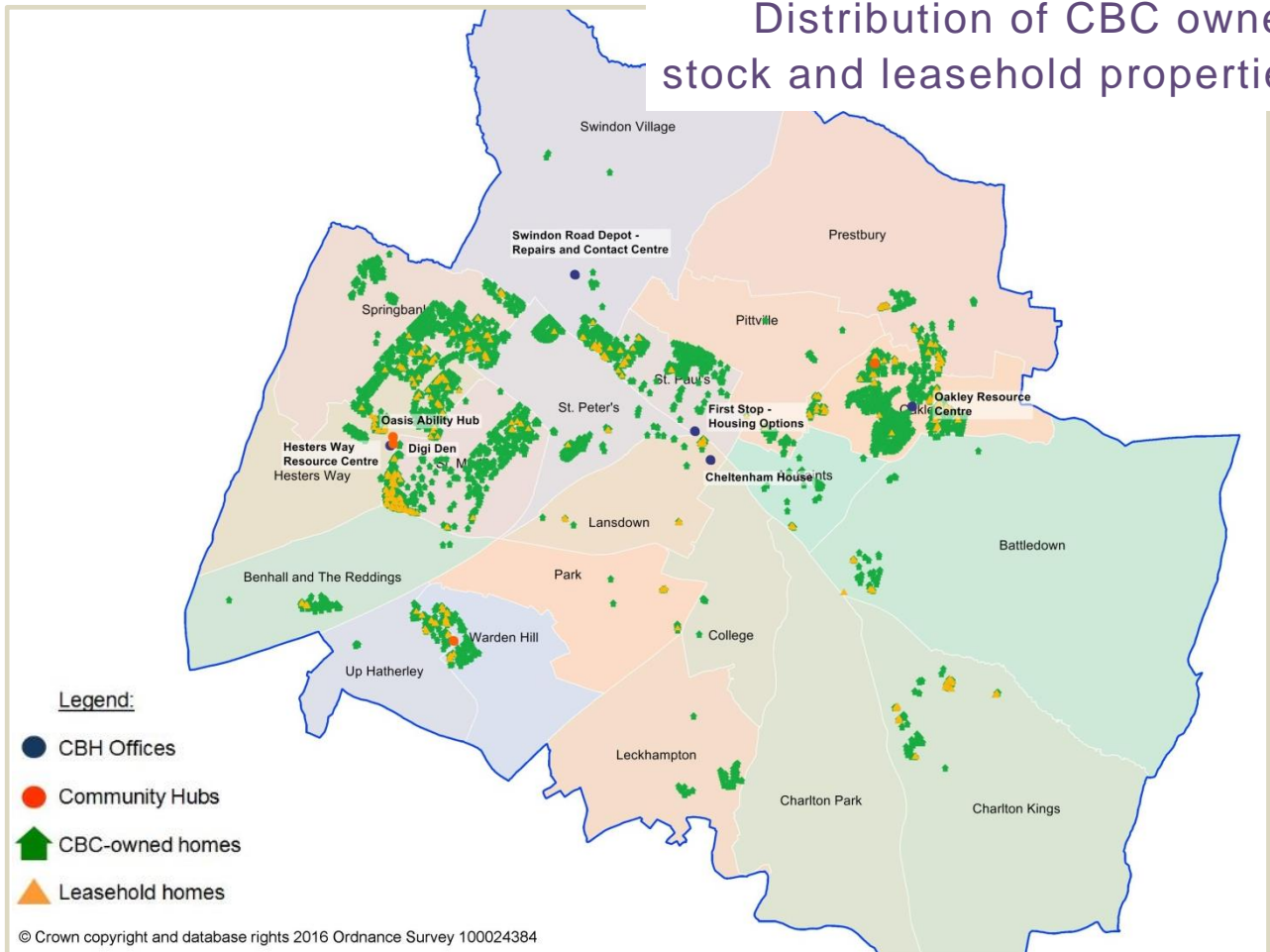
CHEL TENHAM BOROUGH HOMES

*Value for Money in the HRA:
a look behind the numbers*

January 2018

WHO	WHAT	HOW
WE ARE	WE DO	WE SPEND

Distribution of CBC owned stock and leasehold properties



3,989

CBC
owned
homes

Almost 1 in 10 homes
in Cheltenham is
managed by CBH

518

CBC
owned
homes for
older people

473

Leasehold
homes

26

CBC
shared
ownership

730

CBC
owned
garages

ABOUT CBH

We are Cheltenham Borough Council's housing ALMO, set up in 2003 for the not-for-profit management and maintenance of council-owned homes.

A 30 year Management Agreement sets out our relationship with CBC and enables us to have clear plans for the future and to continue fulfilling the aims of the Council's Housing Revenue Account (HRA) Business Plan, which are to:

- ✓ **Maintain homes to a high standard**
- ✓ **Provide value added services to people and communities**
- ✓ **Build new homes**

We successfully manage the HRA budget. We identify the need to spend on homes and services each year, then invest that to deliver repairs and improvements to homes, to provide new homes, and to deliver high quality services to tenants and leaseholders. A recent in-depth survey of tenants shows that overall satisfaction with CBH's services has **increased to 88%** placing CBH among the higher performing social housing providers in England and Wales.

We continue to monitor and manage spend throughout the year and identify efficiency savings that we **re-invest in services or homes**. Our tenants help us to understand what is important to them and in doing so shape the services CBH provides.

Delivering added value

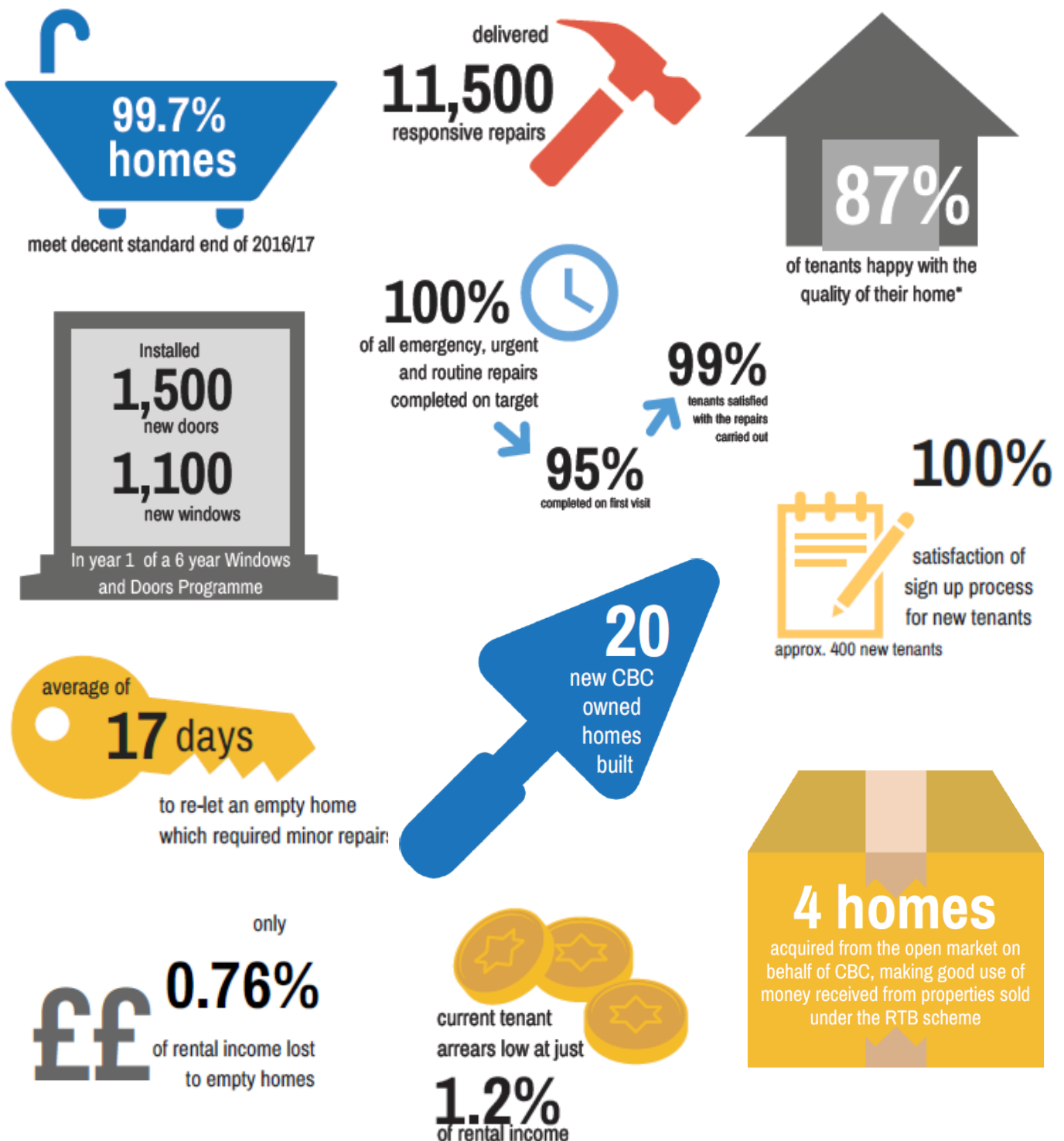
We are a committed and passionate local organisation. We share the Council's vision for Cheltenham to be a 'place where everyone thrives' and support the delivery of the Council's Housing and Homelessness Strategy. CBH makes Cheltenham a better place by providing great homes and building stronger communities. We operate within the most deprived communities across Cheltenham and by understanding what is important, and the local pressures faced, we make use of our skills and knowledge to provide **enhanced services** within the HRA to make a positive difference to people's lives.

CBH is successful because the people that work for us demonstrate **pride, enthusiasm and dedication** in what they do. We have clear plans for the future and a robust approach to achieving value for money (VFM) in the HRA. We are **successfully delivering additional savings over and above those identified in response to the Government's 1% annual rent reductions**, which remain in place until 2020. Our tenants and leaseholders also give their time, energy and commitment to shape our services. We are achieving this at a time of **unprecedented change and challenge** for the social housing sector.

DELIVERING IN THE HRA, 2016/17

The infographics below provide a look behind the numbers in the HRA and show a small selection of achievements highlighting the excellent work that went on in 16/17.

Maintain Homes to a high standard and build new homes

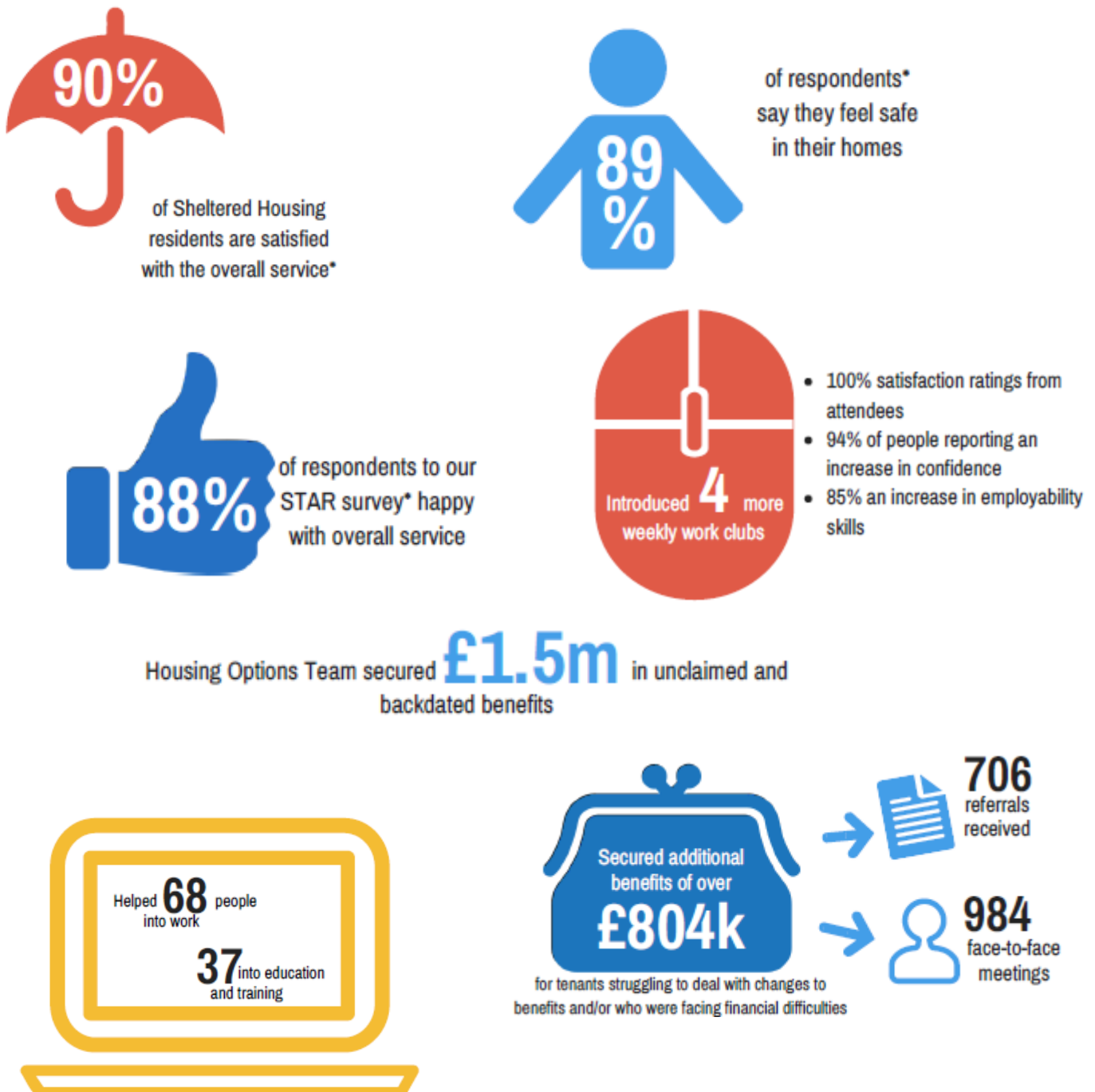


* Taken from comprehensive biennial STAR survey. Just over 1,000 tenants responded – almost ¼ of tenancies.

DELIVERING IN THE HRA, 2016/17

Where appropriate, CBH also delivers more than high quality landlord services: providing people with support and advice in areas that will enable them to improve their quality of life.

Provide value added services to people and communities



* Taken from comprehensive biennial STAR survey. Just over 1,000 tenants responded – almost ¼ of tenancies.

ENSURING VFM IN THE FUTURE

The previous two pages provided an overview of some of the excellent services we are delivering to meet the needs expressed by tenants and leaseholders. In order for us to continue to do this effectively and efficiently, and enhance services further, we have developed a clear **Vision** and three **Aims** for CBH.

Our Vision:

Make Cheltenham a better place to live by providing great homes and stronger communities

Our Aims:



Great Homes



Stronger Communities



Inspired People










At the heart of this is the recognition that to achieve our vision we must look after our CBH colleagues, ensuring that they, in turn, are able to look after our customers. We want employees to feel valued and inspired to 'go the extra mile' for our customers. Our systems and processes will be improved so that we are better able to meet customers' needs and employees are able to work as effectively as possible.

We are clear that achieving good value for money (VFM) is not just concerned with reducing costs; it is about understanding the need to spend and then managing that effectively, to maintain strong core services and continue to achieve positive change and outcomes.

CBH has clear and measurable plans in place setting our priority areas of work, to ensure that we are always improving and seeking to find new and more innovative ways of working. On the following page is a selection of those priority areas of work to 2020, ensuring we achieve our three Aims.







We Aim to provide Great Homes via:

-  **Improving systems** – enhance systems, making it easier for customers to interact with us online
-  **Enabling Asset Modelling** – to make sure we have a clear understanding of the costs involved in maintaining each property and when that cost reaches a point that is financially unsustainable
-  **Completing the ‘Cheltenham West Vision’ regeneration project** – investigating the potential to regenerate an area of Cheltenham to improve quality of life for the people living there
-  **A windows and doors programme** – improving security and energy efficiency across all homes
-  **New supply opportunities** – undertake new ways of bringing more properties into the business to balance out stock lost to Right To Buy & help meet local housing need
-  **A solution for non-traditional build properties** – deliver the strategy to refurbish and extend the life of these property types
-  **Insourcing existing works programmes** – to make best use of the skills we have in-house, improve quality and reduce costs
-  **Service Improvement Programme (SIP)** – to develop & enhance the processes, applications & supporting technologies that enable CBH to deliver efficient & cost effective services into the future
-  **Managing Welfare Reform** – mitigate the effects that ongoing changes to benefits are having on tenants, people in need of social housing and the business






We Aim to build Stronger Communities by:

-  **Supporting community projects and initiatives** - source external funding, resourcing community organisations and harness partner support and capacity
-  **Enhancing our role as a local community builder** - work with partners to deliver locality based community investment
-  **Transitioning from direct delivery** – an overall shift from direct delivery to true partnership working
-  **Promotion of Social Value** – measure the social value we bring to the communities within which we work



We Aim to deliver this with Inspired People via:

-  **Staff Development** – empowering and supporting colleagues to achieve their potential through personal and professional development opportunities so that they are able to ‘go the extra mile’ for our customers
-  **Effective recruitment** – modernise the recruitment and selection process
-  **Values** – live our values because they reflect a culture we all believe in

ENSURING VFM IN THE FUTURE

CBH is responsible for managing the resources of both CBH and the Council's HRA. A key milestone in the delivery of our Vision has been the development of a suite of Key Performance Indicators demonstrating the balance across costs, performance and satisfaction, where costs relate to both CBH and CBC within the HRA.

CBH makes use of an established model to provide a clear understanding of actual Costs per Property (CPP) for the financial year just completed and set challenging targets based on future budgets. The CPP are directly linked to actual spend and budgets at the highest level and, together with challenging targets for levels of performance and satisfaction, enable informed decisions as **CBH delivers the right balance across costs, performance and satisfaction**. Our current VFM suite is included on the following pages, showing position at the end of 2016/17 and the direction of travel through 2017/18 and 2018/19. Commentary is included to provide some context to the numbers, following each table.

Providing Great Homes

Key to RAG colours:

On or better than target Slightly off target Off target

Key VFM Performance Indicators <i>VFM is the right balance between cost per property (CPP), performance and satisfaction</i>	2016-17	2017-18	2018-19
	year-end outturn compared to target (as a RAG)	year-end target (approved)	year-end target (draft)
Direct CPP of Major Works & Cyclical Maintenance	£2,596	£2,395	£2,116
% homes non-decent at end of year	0.46%	0.75%	0.97%
% homes with valid gas safety cert	99.93%	100%	100%
Average SAP rating (09 methodology)	69.67	70.50	70.50
STAR Satisfaction with overall quality of the home	86.56%	88%	89%
No. new build properties handed over	20	9	40
Direct CPP of Responsive Repairs & Void Works	£551	£601	£612
% of Emergency, Urgent and Routine repairs completed within target	99.78%	99%	99%
% tenants satisfied with repairs	99.40%	99%	99%
Direct CPP of Rent Arrears and Collection	£105	£115	£122
Current arrears as % of rental income (excluding court costs)	1.20%	1.85%	2.86%
Rent collected from current & former tenants as % rent due (excluding arrears brought forward)	100.16%	98%	97%
Direct CPP of Lettings	£40	£41	£42
% Rent lost to vacant homes	0.76%	0.71%	0.71%
Ave time taken to re-let minor void CBC properties in days	17.41	17	16.5
Complaints closed at stage 1 - % within agreed timescales	96.3%	96%	96%
No. of complaints per 1000 homes	12.01	13	13
% of contact centre calls answered	91.67%	95%	95%

Major works and Cyclical Maintenance Costs reflect the planned investment needed to ensure stock is maintained to a high standard. It includes the £13m, 6 year programme to deliver new windows and doors to around 5,000 homes; an acceleration of stock surveys to ensure that we have excellent data with which to make the best investment decisions. Costs can appear higher than other providers as CBC's stock is comparatively older, with the majority (around 72%) being built before 1960.

Performance across the range of indicators in the table above remains strong and has improved on the previous year's outturn; targets to 2018/19 set a clear direction of travel. The non-decency target reflects a conscious decision about a small number of non-traditional build properties awaiting options appraisal which will therefore have no decent homes work carried out. Sufficient responsive repairs will still be undertaken. We are developing a strategic approach to dealing with these property types, which includes pre-fabricated and 'Cornish' build properties. Work on the latter is anticipated to begin in 2019. Satisfaction with the quality of the home remains high; this data is obtained by carrying out a regular STAR (Survey of Tenants and Residents) satisfaction survey.

Our new supply programme accounted for 20 new CBC-owned homes in 16/17 with a further 9 planned in 17/18.

Responsive repairs and void works Costs were low in 2016/17 due to reduced demand on the service as a consequence of mild winter weather, plus more efficient ways of working in the responsive repairs team. The 16/17 CPP figure is better than the sector average and future targets reflect prudent budgeting, that takes account of more usual levels of demand and exceptional weather. Customer satisfaction remains very high and target times for repairs are consistently met.

Rent Arrears and Collection Costs reflect increased resourcing in preparation for the roll out of Universal Credit (UC) across Cheltenham from December 2017. This has been carefully modelled and has enabled strong rent collection and arrears performance in this area. CPP is currently higher than the sector average but investment has also enabled CBH to carry out important work to support people facing financial difficulties, helping them improve their quality of life and maintain their tenancies. Future targets reflect the challenges that will be faced with the roll out of UC, changes to benefit payments and the establishment of new associated processes, which are nationally recognised across the sector. CBH continues to raise awareness of the upcoming changes, having visited all of the 1,800 households expected to be affected and continuing to provide benefit and money advice.



Our responsive repairs service is very important to and highly regarded by tenants: 11,500 responsive repairs were delivered during 2016/17, with ongoing satisfaction levels running at 99%

Lettings Costs are slightly higher than the sector average: this area of the business maintains very strong customer satisfaction and performance, with void re-let times and rent loss low. Future targets seek to maintain these levels.

Complaints Performance is strong, reflecting the ease with which customers can make complaints and the effectiveness of the processes dealing with them. Contact centre calls answered is slightly off target but future targets reflect the desire to drive that figure higher. Work to enhance telephony systems will support our ability to achieve this.



Building Stronger Communities

Key VFM Performance Indicators VFM is the right balance between cost per property (CPP), performance and satisfaction	2016-17	2017-18	2018-19
	year-end outturn compared to target (as a RAG)	year-end target (approved)	year-end target (draft)
Direct CPP of ASB	£60	£61	£57
% closed ASB cases that were resolved	98.10%	98%	98%
% satisfied with the way their ASB complaint was dealt with	98.85%	95%	95%
Direct CPP of Resident Involvement	£68	£81	£71
STAR % Customers satisfied CBH listens to their views & acts upon them	66%	69%	70%
Direct CPP of Tenancy Management	£101	£98	£97
Overall Customer satisfaction (%) STAR Survey	86.13%	87%	89%
STAR Satisfaction with value for money of the rent	87.04%	88%	88%
Income generated on behalf of customer year to date	£794,721	£680,000	£680,000

ASB This area demonstrates strong performance and satisfaction, and future targets seek to maintain those levels. Investment in ASB work reflects the importance in which it is held by tenants and means a CPP higher than the sector average. Our ASB work is proactive and preventative, with successful work being carried out with local schools over the year, for example. We also work closely in partnership with the Police, supporting various initiatives in communities and successful crime operations.

Resident Involvement CPP has outperformed the target due to changes to structures at a senior level and a pause on recruitment to vacant posts to enable a review of relevant service areas. A review of the allocation of employee time to this service area also contributed to the reduction in CPP. This cost re-allocation has generated a corresponding rise in tenancy management CPP. Tenants play a big part in shaping the services we deliver and currently almost 10% of our tenants are involved in some way with CBH. We are using the feedback received through our STAR survey inform the re-design of teams and roles to meet the needs of tenants.

Tenancy Management CPP has increased, as mentioned above, missing the target. Overall customer satisfaction with CBH and with the Value for Money for their rent remains high: this data was re-visited during 2017 and remains at 87% for VFM with the rent and has increased to 88% for overall satisfaction, both of these figures place CBH among the top performing housing providers in the sector.




Our annual tenant and leaseholder awards bring people of all ages together to celebrate their achievements and communities

When compared with other providers CPP for both tenancy management and resident involvement is higher than the sector average. The decision to continue to invest appropriately in supporting strong communities through neighbourhood and community management and involving residents enables us to support wider local agendas which CBH is well placed to help deliver.

Key VFM Performance Indicators VFM is the right balance between cost per property (CPP), performance and satisfaction	2016-17 year-end outturn compared to target (as a RAG)	2017-18 year-end target (approved)	2018-19 year-end target (draft)
Average number of working days lost to total sickness	9.64	8	8
Percentage of staff satisfied with your organisation as an employer	63.87%	75%	82%


Employee satisfaction levels with 'CBH as an employer' are regularly sourced. This point in time survey was carried out during a period of change and uncertainty and followed a full review of pay structures, as part of our 'pay harmonisation' project. Since then our 'People Strategy' has been developed with employees; it aims to make CBH a great place to work and to create an environment where colleagues feel supported and empowered to make things happen for both colleagues and customers alike. The future target reflects the confidence that this figure will rise when the question is next asked.

Creating an environment where colleagues are encouraged to **go the extra mile** will inspire and enable staff to continue to deliver great new projects which truly improve the lives of our customers. Examples of such projects include:

 The **hugely successful 'Hamper Scamper' appeal**, which aims to buy gifts for children living within disadvantaged households across Gloucestershire. This year we took on the challenge of providing the pupils of St Thomas Moore School and some of their siblings, gifts for Christmas. The school is located in Hester's Way and the overall appeal raised 2,700 gifts for disadvantaged children of which **our employees contributed almost 300, 11% of the total gifts donated**. CBH employees also donated enough food to produce 20 food hampers for the appeal that went alongside gifts donated to those families in particular need.



Hamper Scamper - The Gift Tag scheme buys gifts for children in disadvantaged homes, CBH employees contributed 300 gifts, 11% of the county total of 2,700

 Our 'Alternative Provision Scheme' (APP) was a 6 month project to help **inspire a group of young people from All Saints Academy** to stay in mainstream education. The pupils gained experience in a number of areas, from regenerating community gardens, developing first aid skills, working with Crimestoppers on the dangers of knife carrying to working in our repairs' and contractors' teams. This gave them a first-hand chance to experience the types of careers that they could pursue in the future. The feedback we received was fantastic and we hope to carry out this type of project again.



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