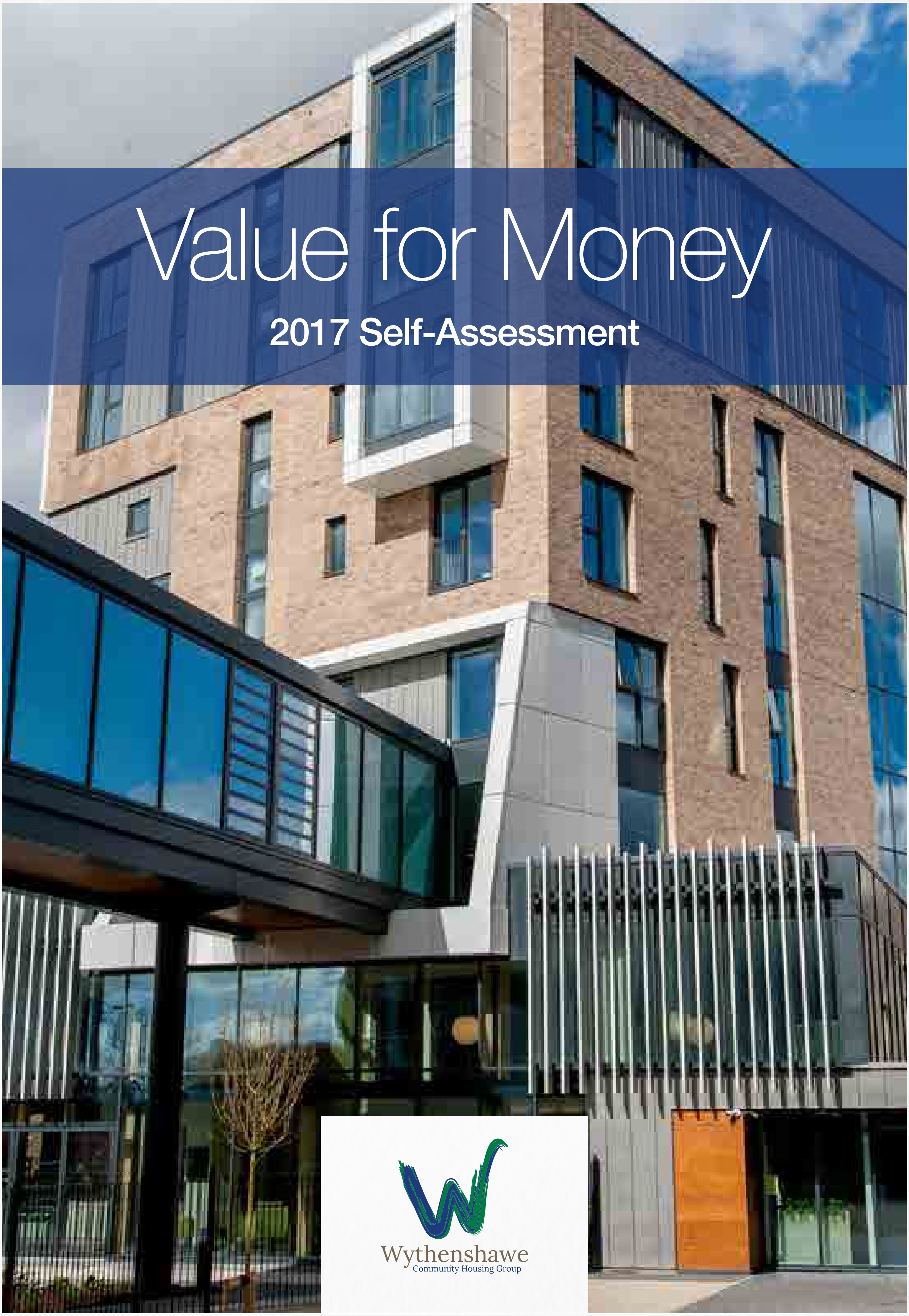
Value for Money

2017 Self-Assessment



Wythenshawe Community Housing Group

Value for Money

2017 Self-Assessment

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Foreword from Councillor Glynn Evans, Group Board VFM Champion

"The Group has again delivered significant efficiency savings for 2016/2017 (£2.4m), and identified a further £1.1m for 2017/2018. We will continue to ensure VFM remains key to everything we do to support the financial viability of the Group, in the ever changing operating environment."

1 Executive Summary

Wythenshawe is Manchester's largest district, with a stock profile of mostly 3 bedroom houses, designed in 1927 as a 'Garden City'. The housing estates in Wythenshawe had previously been described as representing an "extreme pocket of social deprivation and alienation".

Over the past 2 decades, the housing stock has been transferred from Manchester City Council to local housing trusts Willow Park Housing Trust Limited (WPHT) in East Wythenshawe (1999) and Parkway Green Housing Trust (PGHT) in West Wythenshawe (2006). These organisations were set up with a focus on improving the community as well as managing and maintaining the stock to ensure the Decent Homes Standard was achieved and maintained.

Wythenshawe Community Housing Group Limited (WCHG) was established in April 2013 when PGHT and WPHT entered into a group structure, creating an organisation of almost 14,000 homes. Key to the creation of WCHG was a business case which outlined the key financial and non-financial benefits of delivering the group structure, including forecast efficiencies of £2.2million annually.

For the year ended 31 March 2017, WCHG delivered the following:

- The Group identified and delivered savings of **£2.4 million** in areas such as development and investment through more effective procurement, without compromising the excellent performance levels and quality of the services, as evidenced through the Group's performance indicators;
- **155** new homes built, with 125 of these properties transferred into management (86 affordable rent and 39 shared ownership), and 30 outright sale properties. The Group will complete **296** new homes between 2017 and 2018, with a further **167** new homes planned to be developed from January 2018;
- A social return of **£13.9 million** across a number of community investment schemes (employment & skills; youth & education; health & wellbeing; financial inclusion; community safety; social housing; and Wythenshawe Garden City) on an investment of **£3.5 million**. The Group will continue extending its approach to measuring social return across the Group's remaining service areas.

For 2017/2018, the Group has set a Value for Money (VFM) target of **£1.1 million**.

2 WCHG's Vision & Challenges

WCHG's vision is to create:
"Communities where people choose to live and work, having pride in their homes and value the services."

The values of the Group are built upon

Honesty ***Communication*** ***Respect***
Teamwork ***Passion***

which we aim to deliver by 2020. The Strategic Plan was updated during 2016/2017 (2nd Edition) to reflect the changing operating environment for WCHG to ensure it remains fit for purpose.

Each of the above key challenges will continue to be the subject of strategic focus throughout the next 3 years, supported by the Group's delivery of the annual **Corporate Plan** and **Service Plans**.

The Group's Strategic Plan can be accessed through the hyperlink below:

http://www.wchg.org.uk/wchg-strategic-plan/

3 Strategic Approach to VFM

The Regulatory Framework for Social Housing in England was published by the HCA[1] in March 2012 and came into force on 1 April 2012. This introduced the VFM Standard which set out the Board's responsibilities for ensuring that VFM is promoted, developed and communicated across the Group.

The VFM Standard is planned for a review by the HCA during 2017/2018, with a revised Standard issued later this year, to take effect from April 2018.

The 2012 VFM Standard contains a specific expectation that Registered Providers (RPs) will publish annually a robust VFM Self-Assessment document which provides information which is transparent and accessible to our stakeholders on how we are achieving VFM.

VFM is defined as maximising the Group's outcomes from its available resources. VFM is about managing the choice that exists between the **cost, quality, and speed of delivery** (timeliness) of products and services provided.

This can be achieved through the 3 Es as follows:

- **Economy** – delivering the product or service at the best price (competitive) minimising cost, time and/or effort;
- **Efficiency** – delivering the same quality of product or level of service for minimum input of cost, time or effort; or obtaining maximum benefit from a given level of input;
- **Effectiveness** – delivering an improved product or service, i.e. getting a better return for the same investment but ensuring the outcome matches customer's expectations.

VFM underpins the delivery of the Group's Vision and Objectives (Section 2).

The Group's VFM Strategy 2014-2017 was developed and approved by the Group and Subsidiary Boards in May 2014, and is reviewed annually with a formal review planned for Quarter 3 of 2017; it can be accessed on the Group's website and also through the hyperlink below:

http://www.wchg.org.uk/wp-content/uploads/wchg-vfm-strategy.pdf

The four key objectives of the Group's VFM Strategy are as follows:

1 Develop the understanding of staff and promote a VFM culture within the Group;

2 Work with tenants so that they shape VFM decisions and provide scrutiny over the VFM delivered by the Group. Further information on this is included in Sections 4 to 5;

3 Ensure that VFM products or services are delivered to tenants (Section 6); and

4 Ensure compliance with the HCA's VFM Standard.

[1] ***HCA** - Homes and Communities Agency*

The Group supports the delivery of the VFM Strategy through the following:

3.1 The Group and its Subsidiaries each has a 30 year business plan which is reviewed annually, and formally approved by the Parent and Subsidiary Boards. The Group's business plans continue to be stress tested to ensure financial viability is not adversely affected by changes in the operating environment.

3.2 The annual budget setting cycle for the Group commences in October of each year, the Group takes a Zero Based Budgeting approach – all costs are reviewed annually to ensure they remain valid and appropriate, helping eliminate waste leading to tighter budgets.

3.3 The Tenant Service Review Group (SRG) reviews service delivery and performance management information, allowing tenants to hold the Group accountable for VFM, and to influence resource allocation. To date SRG have carried out reviews across 9 areas of the business. During 2016/2017, a review was carried out on External Contractors where 10 recommendations were formally identified (and approved).

3.4 The Group has 5 Service Panels, each meet on a quarterly basis to review and monitor performance across front line services. These Service Panels (Local Performance, Customer Services, Property, Housing, and Rents, Financial Inclusion & VFM) remain key to shaping the Group's policies and strategies prior to presenting to the Tenant Committee for approval.

3.5 Internal Performance Management – the performance of the Group (WCHG) and its Subsidiary organisations (WPHT and PGHT) is monitored by the Group and Subsidiary Boards, and the Tenant Committee.

The Group also has a robust performance management framework where monthly performance is monitored through Key Performance Indicators, satisfaction and financial data by the Leadership Team (LT), and subsequently reported to the Group Leadership Team (GLT) and Board.

The Group's Business Intelligence System (Qlik) enhances our ability to analyse and utilise data to improve reporting and performance across the Group, by using a Dashboard approach enabling cost, performance and satisfaction to be reviewed together in addition to benchmarking and trend analysis.

In the Group's Corporate Plan a specific VFM objective is included for each service area ensuring VFM is embedded across all business areas.

The Group's Appraisal Framework has a clear VFM competency (demonstrating efficiency and effectiveness) which every member of staff is measured against through performance targets which are monitored through the monthly one-to-ones and appraisal reviews.

The target for management accounts production moved from 3 days after the month end to 2 days with effect from April 2017, although this was achieved from March 2017 - more timely management information will enable better informed decision making. The reduction in production time has been achieved through the automation of processes, and the redeployment of work freeing up senior finance team members to assist budget holders to generate further efficiencies throughout the business.

3.6 External Performance Management – the Annual Report (combined with the VFM summary version of the VFM Self-Assessment) provides an overview of the Group's performance and is made accessible to all tenants. Feedback from tenants is used to further develop performance improvements. Tenants are involved in the development and sign off of the Annual Report through a Communications Panel.

Costs, performance and satisfaction are benchmarked where appropriate across the sector through a range of sources to allow clear comparisons and to drive improvement. Managers and budget holders utilise this data to support decision making when reviewing services and budgets.

This year, the Group will be looking to develop an integrated Annual Report which will include the Social Impact Report also.

4 Stakeholders

Stakeholders are key to the Group for setting our VFM approach and targets and have been instrumental in the development of the VFM ethos across the Group and assist in scrutinising and monitoring performance.

For WCHG, stakeholders are recognized at the wider level as follows:

Tenants & Residents

What they Value:

- That we provide good quality homes, in a desirable environment, services which provide VFM and that decisions are taken in the best interests of tenants.

What is delivered:

- Good quality homes, both existing and new, which meet the Decent Homes Standard (100%).
- Good quality services as evidenced by our performance indicators.
- A Governance and Involvement Structure which offers tenants a choice of involvement mechanisms, influence over product and service delivery, and puts tenants at the heart of decision making.

Local Authority – MCC[2] & Trafford

What they Value:

- The Group is a fundamental partner of MCC, and we have led on pilot initiatives to support our local authority partners, which has contributed to improvements and efficiencies for both our Partners and the Group.
- We will continue to support MCC and Trafford in helping them balance the local housing market by meeting need / demand, building sustainable communities, increasing well-being, independence.

What is delivered:

Some examples of projects delivered include:

- The Group is a key player in the Manchester Move and now Housing Access Board partnership – this includes the City's choice based lettings service and strategic review of housing demand and provision of services. There are a number of separate work plans that are supported from this partnership, for example, housing strategy, homelessness, Housing Options for Older People (HOOP). The partnership continues to provide VFM with savings of VAT of c£20k per annum and the provision of the Homeswapper service as part of the overall package. Savings have also been made on the annual cost of membership of Manchester Move, which is now £7.50 per property.
- We continue to support MCC through their Confident and Achieving Manchester programmes and have worked with MCC and other partners to develop our key worker offer, linked to the Early Help Hub. We now have 6.5 FTE[3] key workers who provide tenancy support to tenants using the model of assessment and support planning developed and agreed by the partnership. In addition, we have 4 FTE Property and Welfare Coordinators, who work specifically with tenants who have issues with property condition and hoarding. This work ensures that more tenancies are sustained for vulnerable tenants, which in turn means fewer tenancy failures and void costs.
- We also act as a hub for youth work in Wythenshawe, chairing the Wythenshawe Youth Alliance and bringing together youth work organisations locally to share resources, work on quality assurance and apply for funding. Funding from MCC enables us to deliver youth work across five sites in Wythenshawe and has enabled us to leverage in additional funding from other partners. We are working with MCC to develop an independent Youth & Play Trust for Manchester. The aim is to attract new investment to youth and play services across Manchester – improving outcomes for our young people.
- The Group continues to deliver a joint grounds maintenance service across Wythenshawe in partnership with MCC. The Group takes the lead management role by directly managing the City Council's team which is co-located at the Group's depot. In early 2017, this was extended to cover the 13 local parks and generates management efficiencies equating to c£35k for the benefit of WCHG and MCC. It has also enabled the shared pool resourcing of plant and machinery driving higher utilisation rates and maximising value from equipment. This strategic approach to partnerships with the local authority brings about broader relationship benefits for both parties from shared planning / standards, shared resources and shared intelligence.

AGMA / GMCA[4]

What they Value:

- We work with a number of partners on a Greater Manchester level to progress priorities, for example the Greater Manchester Troubled Families project, which is being delivered on a Greater Manchester scale but with our focus in Manchester as detailed on the left. This enables a wider conversation and influences decision making on a larger scale, bringing together a stronger voice and economies of scale.

What is delivered:

- WCHG is delivering one of the largest programmes of new housing developments by an RP in Manchester making a significant contribution to the total LCHO[5] in the Manchester City region.
- Since 2013 the Group's approved Development programme includes 690 new homes, with most of these properties part funded within the various HCA programmes of 72 homes (AHGP[6]), 316 homes (AHP[7]), 135 Extra Care homes (CaSSH[8]) & 167 homes (SOAHP[9]).

  To date 227 of these new homes have been completed with the remaining 296 units under AHP on site and due for completion in phases between June 2017 & May 2018 with the other 167 SOAHP units planned to commence on site in January 2018. The tenure mixes of these 690 properties include:

  - **320 Affordable Rent**
  - **48 Market Rent**
  - **229 Shared Ownership**
  - **39 Rent to Buy**
  - **54 Outright Sale**
- Our flagship scheme, Village 135, opened in March 2017, working in partnership with MCC to deliver an extra care offer to over 55s. The mixed tenure scheme of affordable rent, shared ownership and properties for outright sale includes 5 "Neighbourhood apartments" that will be jointly managed by the local authority and CCG (Clinical Commissioning Group) as step up / step down beds to prevent hospital admission and provide respite and options for those leaving hospital.
- We are currently working to develop proposals for the re-provision of accommodation for people with Learning Disabilities and transition accommodation for younger adults.
- WCHG are the lead provider of Aids and Adaptations on behalf of MCC for Wythenshawe and deliver adaptations to all RP stock in the area on behalf of MEAP[10]. This lead partnership role is part of driving efficiencies, providing assistance to people with disabilities to stay independent in their own home and the Group funding 40% of the cost to any adaptations with the remaining 60% DFG[11]. Services have improved significantly in the first 12 months of the partnership, for example, average waiting times for customers have reduced from over 12 months to 6 months.

*[2] **MCC** – Manchester City Council [3] **FTE** – Full Time Equivalent [4] **AGMA / GMCA** – Association of Greater Manchester Authorities / Greater Manchester Combined Authority [5] **LCHO** – Low Cost Home Ownership [6] **AHGP** – Affordable Homes Guarantee Programme [7] **AHP** – Affordable Homes Programme [8] **CaSSH** – Care and Support Specialised Housing [9] **SOAHP** – Shared Ownership and Affordable Homes Programme [10] **MEAP** – Manchester Equipment & Adaptations Partnership [11] **DFG** – Disabled Facilities Grant*

Funders

What they Value:

- The Group's Funders are integral to the delivery of VFM. At 31 March 2017, The Royal Bank of Scotland PLC, Nationwide Building Society and Santander provided combined facilities of £144m.
- The Group's funding structure was updated in May 2017 after an extensive funding review, the Group's new Funders (The Royal Bank of Scotland PLC; M&G) provide a more flexible funding arrangement with combined facilities of £151m.
- The Group has sustainable business plans, and can demonstrate effective performance management and use of resources, resulting in good performance, which ultimately helps to protect loan security.

What is delivered:

- Loan facilities have supported both investment in existing stock to achieve 100% Decent Homes, and the development and acquisition of 155 new homes in 2016/2017, as well as the longer term development programme of 296 properties to be delivered between 2017 and 2018, and a further 167 new homes to be developed from 2018.

Regulator

What they Value:

- Viability and compliance with the Regulatory Code and Standards.
- Protection of public funds.

What is delivered:

- The HCA has performed independent assessments of various aspects of the Group's activities as part of their annual regulatory plan for the Group, based on the business plan submissions, the financial forecast returns, the statistical data returns, the quarterly survey returns, the annual financial statements and the auditor's report to management.
- The HCA re-confirmed the gradings for Governance and Viability as G1 and V1 for the Group in October 2016.
- During the year, the Group received a total of £4.9m grant from the HCA which went towards the development of 155 new homes which transferred into management during 2016/2017.

Partner organisations

What they Value:

- The Group works with a number of other partners such as:
- JV[12] North – development consortium;
- Procurement Frameworks, e.g. Procure Plus, Pfh[13], Cirrus[14], National Housing Consortium;
- Procurement Hub;
- Local schools and colleges (e.g. MEA[15]);
- BIG Lottery Fund;
- the Manchester College;
- City in the Community;
- Manchester United Foundation;
- Heritage Lottery Fund;
- Job Centre Plus and other local employers;
- Carbon Literacy Programme;
- Local Enterprise Partnership;
- Age Friendly Manchester;
- Greater Manchester Police;
- Greater Manchester Fire & Rescue Service;
- Manchester City Council;
- Manchester Forum Trust;
- Wythenshawe Youth Alliance;
- Young Manchester.

What is delivered:

Some examples of projects delivered include:

- We work alongside our construction framework partners, contractors and consultants to deliver new homes and to promote and maximize wherever possible local employment initiatives. Local employment of personnel and apprentice training is encouraged through various initiatives, local labour and apprentice training, KPI information is provided via the JV North Development framework.
- The Group works in partnership with numerous procurement frameworks to drive collective purchasing on component rates, examples include Procurement for Housing for our fleet model, and Procure Plus for investment activity. We have developed a new partnership with the Procurement Hub to deliver our stock condition contract.
- WCHG supports local schools aiming to improve outcomes for Wythenshawe children. WCHG sponsors the Manchester Enterprise Academy. WCHG staff volunteer as Governors and mentors and have provided focussed support for students on interview practice. MEA is one of the top 100 most improved schools in England and has transformed results in all areas. In 2015, Ofsted commented: "The governing body is very effective and has helped greatly to drive the academy forward." "The academy's sponsors support the academy extremely well, for example in providing specialist advice to students' on writing CVs."
- Manchester Athena is a jointly-owned company, and the 'delivery arm' of a partnership between Greater Manchester RPs. It's objective is to leverage RPs' combined resources to tackle social issues material to our communities, particularly to reduce unemployment. WCHG became a member of Manchester Athena in 2015 and the partnership has been successful in attracting funding through the Greater Manchester Skills for Employment contract and Building Better Opportunities £10m Big Lottery and European Social Fund grant.
- As partners in the Carbon Literacy programme we are working as one of 20 landlords to reduce the carbon footprint of Manchester. Our commitment is to deliver one day's worth of learning for every colleague regarding carbon literacy. This training has been delivered using a combination of peer to peer training and on line resource, thereby saving money by not using external trainers or taking significant time away from the workplace. The training programme commenced in early 2017 and to date 70% of colleagues have completed the programme and are accredited as Carbon Literate. 10% of colleagues are in the process of studying to achieve the accreditation and the remainder have yet to begin their programme of study.
- The Group's Turnaround project provides employment to people with low level criminal records and supports them in their rehabilitation. We provide up to 3 placements per year in conjunction with Procure Plus to people on this scheme.

[12] ***JV*** *– Joint Venture* [13] ***Pfh*** *– Procurement for Housing* [14] ***Cirrus*** *– a consortium of RPs, local authorities who have joined together to establish EU compliant frameworks for the procurement of products and services* [15] ***MEA*** *– Manchester Enterprise Academy*

Colleagues

What they Value:

- Staff are encouraged to identify VFM savings. Managers are responsible for ensuring VFM is embedded across the Group and that VFM is delivered on an operational level. The Group's Leadership Team is responsible for monitoring delivery.

What is delivered:

- The Group's performance management framework is described in Section 3, in addition to actual performance against target. VFM achievements delivered can be found in Section 6. The Group's VFM Tracker is used to report VFM savings.
- The Group's investment in corporate training for the year 2016/2017 was £54.4k and focused on improving management capability with programmes relating to Managing Performance, Code of Conduct, Business Partnering.
- Staff sickness has seen a slight increase from 3.12% for 2015/2016 to 3.33% for 2016/2017, which is due to the number of long term sick (LTS) cases which occurred during the year. A number of these lasted for 3 months or more and several were as a result of planned medical procedures requiring a specified recovery timeframe followed by a successful return to work. Absence and LTS cases are managed in line with the Group's Attendance Management Policy and access to Occupational Health is sought at appropriate intervals.
- The TUPE transfer of the stores took place in September 2016, which will realise an efficiency of £200k per annum for the Group (£115k was realised for the current year since the implementation was mid-year). It has also improved the technology and data management of our stock and materials handling and introduced processes like 'click and collect' which is driving operational efficiencies.
- An operating model review of the housing service was carried out in 2016/2017, resulting in streamlined roles and an improved offer to customers. The new structure resulted in identifying recurring financial savings of £450k per year and a more focused service for customers and reducing duplication.
- We continually review structures and resource requirements to ensure they meet business requirements.

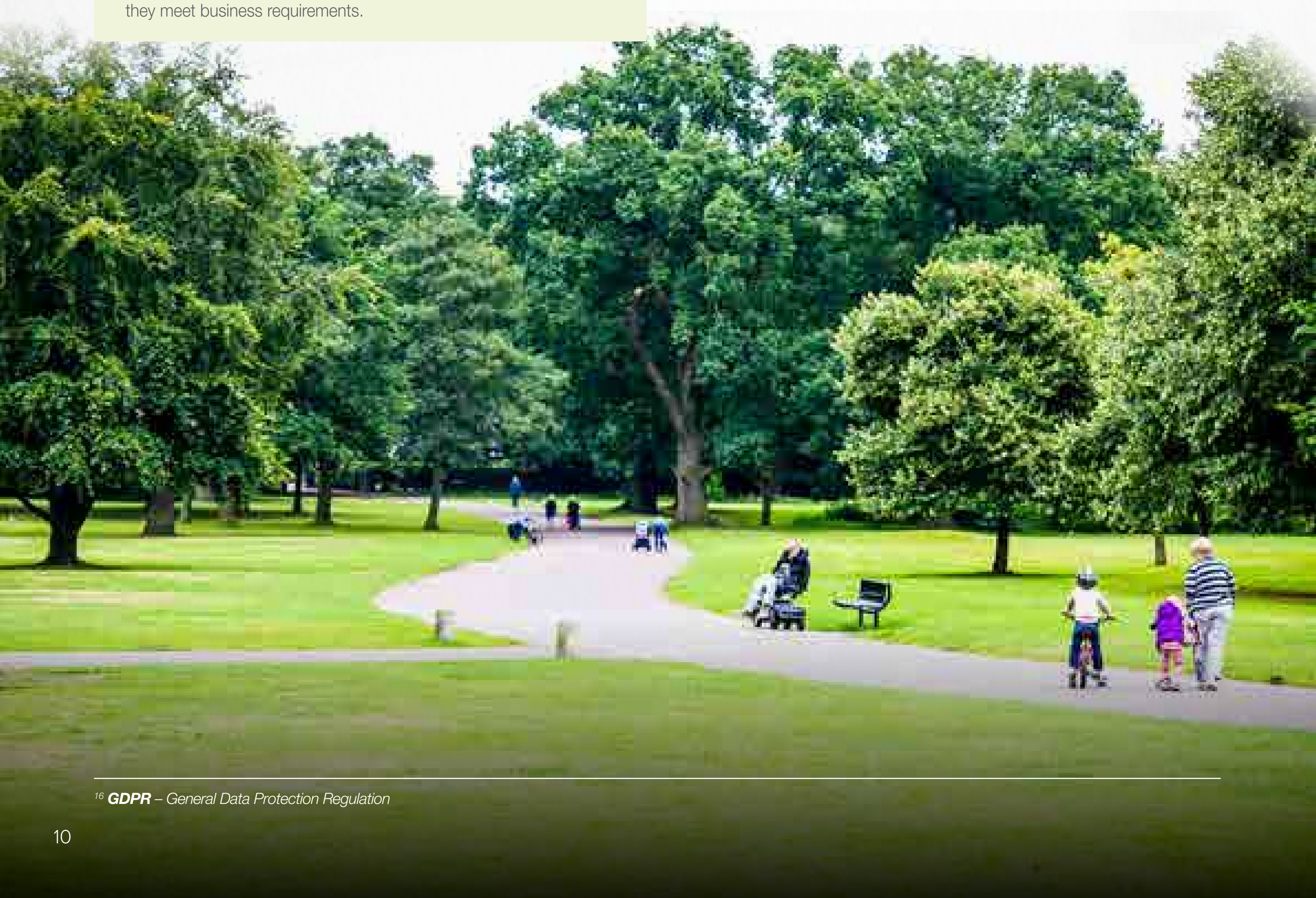
Auditors

What they Value:

- The External Auditors (Grant Thornton UK LLP) annually audit the Group's Statutory Accounts, which includes a review of the VFM section included within the Strategic Report.
- The Internal Auditor (KPMG to March 2017; BDO from April 2017) carries out an annual review of the effectiveness of the Group's internal control system.

What is delivered:

- The Group's External Auditors issued a 'clean' opinion on the Group's Statutory Accounts, including the Strategic Report. The 2017 External Audit Management Letter reflected no issues, misstatements or internal control deficiencies identified during the course of the 2017 audit.
- As part of the Group's Internal Audit Annual Plan for 2016/2017, the Internal Auditor reviewed 5 key risk areas during the year (Allocation – Voids Management; Core Financial Controls; Cyber & Privacy Review; Rent Arrears Management; Risk Management).
- The Internal Auditor confirmed Significant Assurance on all but one of the areas reviewed - the Cyber & Privacy review was given Partial Assurance due to the fact that controls need to be strengthened with the introduction of GDPR[16], although processes are in place and the Group is on target for compliance by the deadline of May 2018.

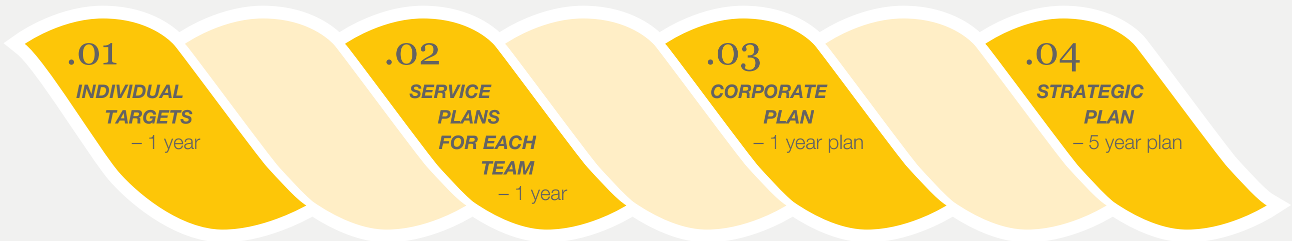


[16] ***GDPR*** *– General Data Protection Regulation*

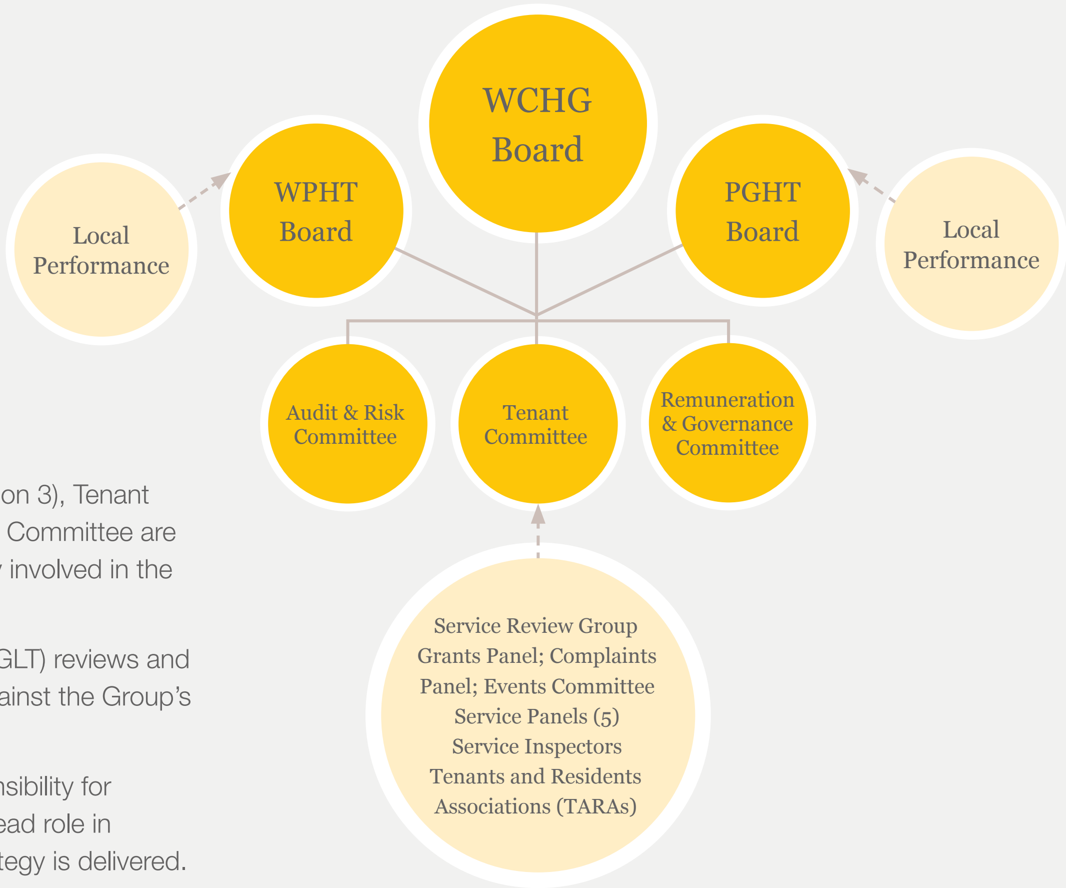
5 Decision Making & Governance

The Group's **Strategic Plan** is developed and agreed after extensive consultation with the Board, staff and the wider stakeholders. Aligned to the Strategic Plan is the Group's **Corporate Plan**, which is then further broken down into the detailed **Service Plans**, which document each service area's targets for the year in delivering service improvements, whilst demonstrating VFM.

A summary of the '***golden thread***' process is as below:



The above golden thread is supported by the Group's approach to performance management *(Section 3)* ensuring its delivery and integrity.



As referred to previously (Section 3), Tenant Service Panels and the Tenant Committee are consulted with and extensively involved in the decision making process.

The Group Leadership Team (GLT) reviews and appraises all new initiatives against the Group's objectives.

The Board has ultimate responsibility for decision making and takes a lead role in challenging how the VFM Strategy is delivered.

The Board recognises and acknowledges its overall ownership and responsibility for meeting the HCA's VFM Standard, and receives assurance of the Group's compliance as follows:

- The Regulatory Framework requires all RPs to adopt and comply with a recognised code of governance. The Group has adopted the National Housing Federation's Codes, the 2015 Code of Governance and Excellence in Conduct – a compliance review was reported to Board in June 2017;
- The Governance framework includes a Group Audit & Risk Committee which offers more detailed challenge and scrutiny in relation to VFM;
- Board recruitment endeavours to ensure it includes members with expertise in key areas such as finance, development, housing, regeneration;
- All Board and Committee reports include a formal requirement for VFM implications to be identified and referenced;
- Performance is reviewed by the Boards at each meeting. Management accounts are also presented to the Boards at each meeting overseeing cost control;
- The Board has been fully engaged in the development of the VFM Self-Assessment, leading to its formal approval before publication;
- Board Awaydays are held three times a year, and in 2016/2017, have covered areas such as the Group's Strategic Plan and the wider Manchester Housing Strategy; Growth; Funding including the new Funding Environment and Risk Awareness; Regulation; Youth Work; Resident Involvement – all of which have an impact on VFM for the Group;
- The Group Board has a VFM Board Champion, who has been engaged as part of the VFM self-assessment process. Engagement will continue through the year 2017/2018 to sustain focus in delivering VFM for our stakeholders.

The Group has a strong risk management process; the Group's Risk Management Strategy was last reviewed and approved by the Board in January 2017. GLT is responsible for ensuring that the Group's strategic risks are regularly reviewed, updated and scrutinised by the Audit & Risk Committee and reported to the Board twice a year. Managers are responsible for reviewing and updating operational risks.

Other key strategies which align with the Group's VFM Strategy impacting on VFM are:

- Neighbourhood Strategy;
- People Strategy;
- Procurement Strategy;
- Treasury Management Strategy;
- Asset Management Strategy.

6 VFM Achievements 2016/2017

6.1 Assets (Incorporating Return on Assets) 15

6.2 Operations 23

6.3 Treasury Management 36

6.4 How gains will be reinvested to achieve more VFM 39

Efficiency Metrics 2017 – Summary

A Sector Scorecard has been developed by the housing sector and is being piloted during 2017/2018 - 15 indicators have been proposed over the following 5 areas:

Section	Indicator	2013/2014	2014/2015	2015/2016	2016/2017	Direction of travel[17]
Business Health	Operating margin	11.7%	13.6%	17.9%	20.0%	↑
	Operating margin on social housing lettings	10.8%	13.2%	16.4%	21.1%	↑
	EBITDA MRI % interest	174.7%	284.7%	342.7%	349.3%	↑
Development – capacity & supply	Absolute number of units developed	111	24	72	155	↑
	Units developed as a % of units owned	0.8%	0.2%	0.5%	1.1%	↑
	Gearing	38.0%	39.5%	38.1%	38.8%	↔
Outcomes delivered	Customer satisfaction – overall service	89.3%	85.0%	85.0%	85.0%	↔
	£s invested for every £ generated In new supply	£0.67	£0.55	£0.86	£0.84	↔
	£s invested for every £ generated In community	£0.05	£0.07	£0.09	£0.05	↔
Effective asset management	Return on capital employed (ROCE)	2.3%	2.4%	3.2%	3.4%	↑
	Occupancy	99.7%	99.8%	99.8%	99.7%	↔
	Ratio of responsive repairs to planned maintenance	0.75	0.69	0.64	0.47	↑
Operating efficiencies	Headline social housing cost per unit	£3,404	£3,203	£3,300	£3,170	↑
	Management cost per unit	£825	£732	£741	£684	↑
	Service charge cost per unit	£481	£437	£398	£443	↑
	Maintenance cost per unit	£1,073	£1,008	£967	£802	↑
	Major repairs cost per unit	£948	£914	£900	£975	↓
	Other social housing costs cost per unit	£78	£112	£295	£266	↑
	Rent collected (general needs only)	97.7%	99.7%	100.3%	99.9%	↔
	Overheads as a % adjusted turnover	10.2%	9.2%	8.6%	8.4%	↑

The above results reflect a strong trend of improving performance from 2013 to 2017:

The Business Health metrics show significant improvement for the Group from 2013/2014 to 2016/2017, which is further confirmed by the movement in the Operating Efficiencies metrics - due in part to the efficiencies identified as a result of the Group Structure in the earlier years.

As expected, the Group's operating margin of 20% is lower than the sector (median is 31%) which is due to the low operating surplus. This is linked to the Group's strategic choice of significant investment in the wider community, the provision of value added services which are then reflected in the social return on investment. The Group has robust stress testing in place, which supports the Group's ability to vary its operating expenditure as appropriate, which continues to be closely monitored by the Group.

Interest cover is 349.3% against a sector median of 226.7% reflecting upper quartile performance for the Group.

Gearing has remained steady despite the increase in total debt over this period, this is due to the increase in the value of the Group's housing properties. 2016/2017 would indicate upper quartile performance when compared to the sector (median of 44.6%), in line with the above metric.

Return on capital employed reflects a steady increase over the period to date, though at 3.37% is lower quartile (median is 4.19%), which is linked to the low operating margin for the Group.

Operating efficiencies reflect the efficiencies made as a result of the Group structure, and compare favourably with the sector (consistent with the Global Accounts data).

[17] ***Direction of Travel*** *– key: ↓ - reducing performance / increase in costs; ↑ improved performance / decrease in costs; ↔ - no change*

6.1 Assets
(Incorporating Return on Assets)

6.1.1 Economic Returns:

The Group's stock is split into property groups based initially on the archetype and then analysed further using the Group's Stock Appraisal Model framework, which includes financial techniques such as Net Present Value and Return on Asset (initially developed with IPD[18] during 2014/2015, approach further developed with Savills using the Asset Performance Evaluation tool). This is then overlapped with the day to day information of repairs demand to identify ways of saving money by batching preventative works together. Our stock is surveyed on a 4 year cycle; the last Stock Condition Survey was completed in November 2013 using a 14% sample, with the next survey currently in progress and due to be completed by September 2017. Investment decisions are then made utilising all available data, ensuring we maximise our return.

Voids and letting performance data is also utilised by the Group to develop an understanding of the return on assets at the detailed level. Stock demand, turnover and costs are some of the key drivers behind the model. The Group has set upper quartile challenging targets on void turnaround times at 19 days and for 2016/2017, the Group achieved **17.2 days** which was ranked above Upper Quartile in Housemark annual benchmarking with 19 other RPs in the peer group. This is important to the Group due to the impact on income through void rent loss - the Group achieved 0.40% rent loss through voids loss.

The Group include all Standard and Major void within the turnaround period and do not remove voids which have had capital works undertaken like some of our peers, if we were to apply this approach our average turnaround would have been 13.3 days.

Efficiencies within our void management team have enabled us to reduce the operational staff by 1.5 FTE, annual salary saving of £44k.

We have set further stretching targets to reduce this further in 2017/2018 and refine our processes.

The Group also carries out individual high void cost appraisals 'Graded Voids' to examine and identify trends for component renewal, which we feed into the Investment renewal programmes.

The Group's Internal Auditors have undertaken a full audit of the void process from termination to the new tenant signing up for a property, and gave 'Significant Assurance' in addition to highly recommending a number of the processes as good practice.

As good practice, we undertake Asbestos Refurbishment Surveys at void stage and any high risk materials are removed, rather than removing them at a later date causing intrusion to the new tenant, who also receive a notification letter confirming any low risk items (floor tiles) when they sign up for the property.

The Group continues to monitor high and non-users of our repairs service. This identifies those households that may require support in accessing our services or possible intervention with replacements where properties have excessive component failures. Alternatively, it also enables us to intervene in cases where property abuse has taken place and implement appropriate actions. This proactive approach has helped the Group control costs on repairs and our benchmarking data confirms that our demand on repairs is 2.93 repairs per property compared to our peers average of 3.2 repairs per property. The Group remains upper quartile on repairs demand and costs amongst its 'Housemark on the ball' peer group.

Efficiencies within the operational team have enabled us to reduce the operational fleet by 26 vehicles returning an annual saving off £75k (£350k over the term of a five year lease in place), in addition to a reduction in the environmental impact of reducing the Group's carbon footprint.

[18] ***IPD** – Investment Property Databank Limited (part of MSCI – Morgan Stanley Capital International)*

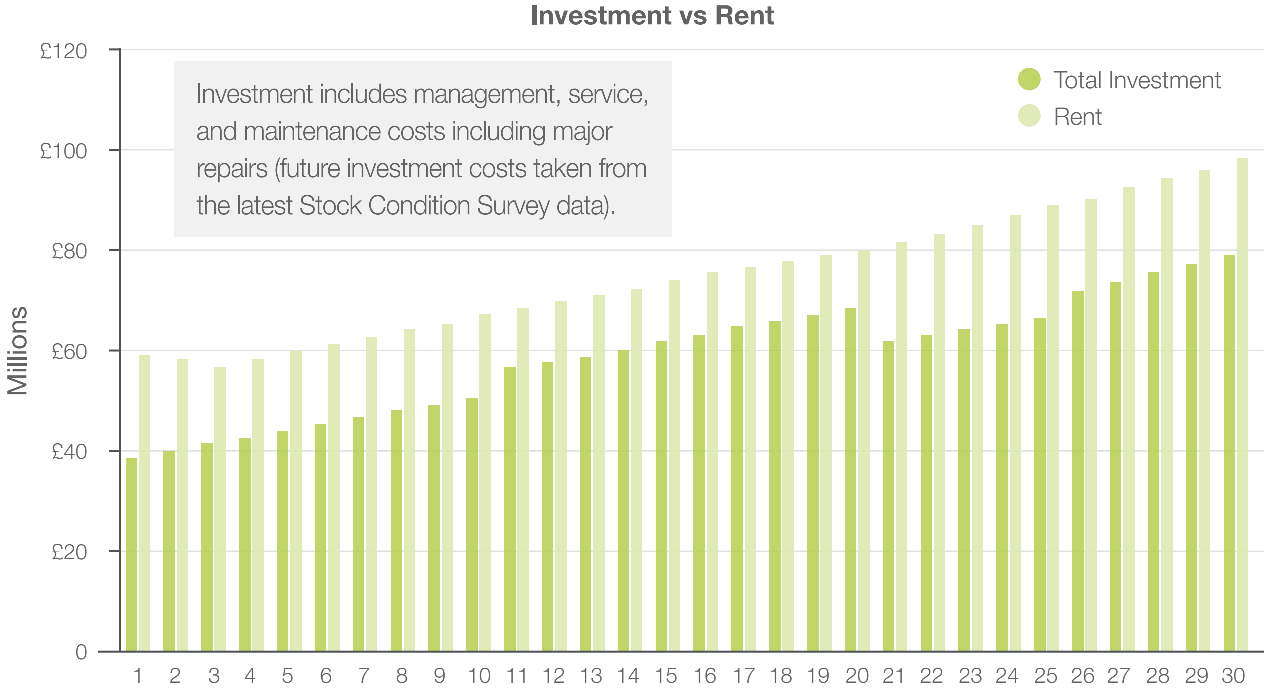
During 2017, the Group further developed its Stock Appraisal Model which determines return on asset information at a location and stock type level to further improve our decision making in this area. The model's approach allows the Group to assess its stock portfolio using Net Present Value measures, allowing benchmarking against other RPs using similar methodology. The Stock Appraisal Model acts as a trigger to review further the investment decision ahead of the budget process and consider alternative options such as re-development, other future maintenance requirements and demand which then helped to inform final decisions. The data is used to evaluate 'best use' options for different categories of stock including decisions relating to capital investment, disposals, demolitions, and conversions.

The Group's Stock Appraisal Model provides return on asset data as below:

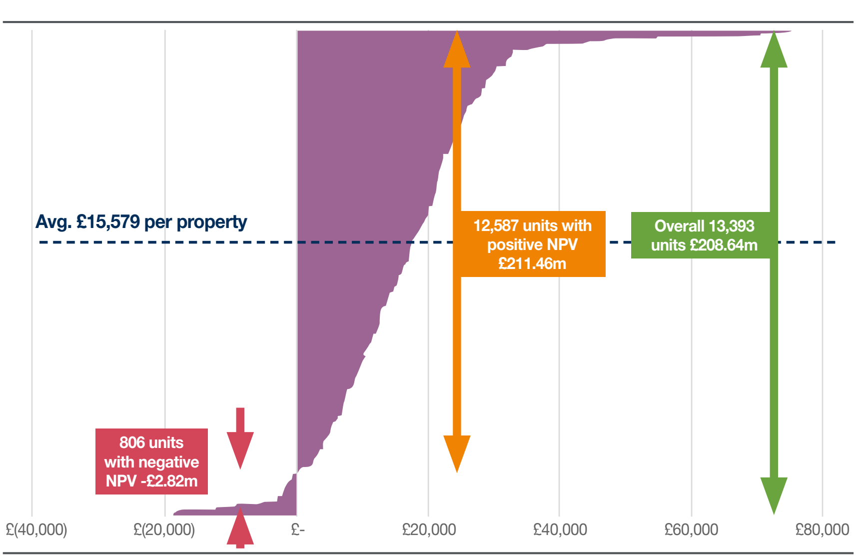
The Group continues to utilise this data in the annual budget setting and development of the investment programme to ensure investments are made to sustainable stock. Examples include our review of multi storey flats with lifts and the decision to bring forward lift renewals to four of the Group's blocks.

Asset Performance Evaluation data is being utilised to support option appraisal of the Group's worst performing stock groups, resulting in a focus on sheltered accommodation (with the lowest NPV values – negative) and examination of the longer term viability of these identified schemes and assessment of potential candidates for additional investment, disposal or redevelopment.

The increase in our development programme in line with the Group's Strategic Plan, will also lead to further improved returns.



The lowest performing assets include the Group's sheltered accommodation which have the lowest negative NPV, driven mainly by the high management, service and maintenance costs related to the schemes.



Source: *Interim APE Modelling Results – July 2017*

The Group up-dated it's Asset Management Strategy in October 2016 and is supported by a detailed Asset Management Investment Plan. This is also supported by our Environmental Sustainability Strategy. The Plans and Strategies ensure we have a detailed understanding of assets, the cost drivers, and opportunities to maximise the return from our investment decisions.

The Asset Management Plan clearly identifies the properties and components to be renewed over the next 5 years. The plan enables colleagues to maximise day to day resources and aids decision making on repairing components versus whole scale renewal. We maximise cost efficiency by adopting a clear planned maintenance programme which is developed by our in-house understanding of component failures that occur, through the day to day repairs demand. Areas such as whole life costing, product choices, component standardisation and impact upon customer satisfaction/desirability are all ingredients of an effective Asset Management Plan.

The Asset Management data for the Group is held on one central common system, Promaster, which has direct links to the Group's Housing Management database and Qlik reporting tools. Each year we track and monitor demand levels on repairs and set ourselves challenging reduction targets. The balance of repairs driver information, tenancy management and recharge activity has enabled us to reduce our average repairs per property each year. The Group is currently delivering 2.9 repairs per unit per annum which is medium quartile and a strong position considering the age profile of the Group's stock. Examples include:

- annual track record of reducing gas repairs on average by 7% achieved through simplifying systems, customer information and targeting renewals on high failure rate components;
- roofing repairs have reduced for the last 3 years by targeting renewals in areas that have high exposure or airport impact;
- policy changes agreed with customers implemented to reduce repairs burden such as removal of electric fires and removal of electric showers with mixer valves.

The energy efficiency rating (SAP) of the Group's stock is measured at 70.02. This rating is periodically assessed through a review of the RdSAP(Reduced Data SAP) data collection produced for each EPC (Energy Performance Certificate) which are uploaded to the new Promaster 4 Asset Management System.

The rating is expected to improve, reflecting the level of investment the Group continues to carry out (e.g. replacement high efficiency boilers, cavity and wall insulation), combined with the changing stock profile as new build properties complete.

The forthcoming Stock Condition Survey will also provide additional data to supplement the sample size and verify the current rating, which equates to an average energy rating of band C.

The Group is part of a MCC led Working Group to tackle carbon reduction with objectives to improve all homes and achieve an average energy rating of B by 2027.

Alongside the physical work, we continue to work with our tenants to promote changes in behaviour which will reduce carbon emissions and save them money.

Examples include the work we undertake with customers during our annual gas safety check. Gas operatives provide customers with annual advice and guidance on running an efficient home in terms of efficient settings & controls and how to maintain a warm home with adequate ventilation. This is supported by the Group's detailed safety tips booklet which is distributed periodically.

The Group is committed to ensuring it continues to meet the Government's Decent Homes Standard; 100% of our homes currently meet the Decent Homes Standard.

Future Plans:

The Group will be undertaking a new Stock Condition Survey in 2017/2018 and develop a new 5 year investment programme and up-dated appraisal model. The new up-dated Stock Condition Survey will update the Group's Business Plan and refine the stock data held by the Group.

The Group will also be considering the investment needs of the high rise buildings following the recent tragic Grenfell Tower fire and further implications for all assets with communal entrances and approach to fire safety.

6.1.2 Social Returns:

This is the third year that the Group has reported on its social impact, this year will also see the production of an integrated report for the first time, combining the Group's Annual Report and the Social Impact Report. The decision to move to this form of reporting reflects the significance to the Group of delivering social value.

A review has taken place of how social impact is measured and reported, in response to an increased understanding of the impact delivered. Although the HACT Wellbeing Valuation model[19] is still being used where appropriate, the Group is moving towards focusing reporting on outputs and outcomes. This is to increase understanding of social value and its accessibility to stakeholders.

As part of the Greater Manchester Housing Providers' Group, the Group is currently working to establish some common indicators to achieve a consistent approach across the region and sector. The indicators chosen have been based around the Greater Manchester Social Value Policy[20] – some of these indicators have been included in this report (see table A) and more will follow in future reports.

The Group's 2016/2017 social impact assessment results are as below:

Directorate	Investment £m	Social Value 2017 £	Social Value 2016[21] £	Social Value 2015[22] £	Social Value Ratio 2017
Community Investment – Health & Wellbeing	£1.0m	£4.7m	£6.2m[R]	£4.0m[R]	1:5
Community Investment – Employment & Skills	£0.9m	£3.9m	£4.3m[R]	£3.3m[R]	1:5
Community Investment – Youth & Education	£0.4m	£0.7m	£1.1m[R]	£1.3m[R]	1:2
Finance (Financial Wellbeing)	£0.3m	£3.1m	£4.0m	£0.5m	1:11
Housing (Community Safety)	£0.5m	£0.5m	£1.2m	£2.5m	1:1
Housing (Social Housing)	£0.3m	£0.4m	£0.8m	N/A	1:2
Property (Wythenshawe Garden City)	£0.1m	£0.5m	£0.5m	N/A	1:4
Total	**£3.5m**	**£13.9m**	**£18.0m**	**£11.6m**	**1:4**

Overall, whilst many of the output and outcomes of programmes have improved, the reported value has decreased, in large part due to the methodology used. For example the HACT Wellbeing Valuation model states that if an individual continues to participate in the same activity year after year, the impact on their wellbeing reduces[23], this can lead to a reduction in the reported value of the same number of people participating in an activity of up to 38% in year 2 and 57% in year 3.

[19] ***HACT Wellbeing Valuation model*** *– http://www.hact.org.uk/publications-and-tools*

[20] ***Greater Manchester Social Value Policy*** *– https://www.greatermanchester-ca.gov.uk/downloads/download/27/gmca_social_value_policy_-_november_2014*

[21] *Some figures for 2016 have been restated (R) to make them consistent with the revised methodology and reporting systems used in 2017.*

[22] *Some figures for 2015 have been restated (R) to make them consistent with the revised methodology and reporting systems used in 2017.*

[23] *https://valueinsight.zendesk.com/hc/en-us/articles/204679011-Beta-Applying-values-in-subsequent-years*

Outcome	Value year 1	Value year 2	Value year 3
Regular volunteering	£2,591	£2,014	£1,397
Attendance at voluntary / community organisation	£1,519	£1,163	£806
Participating in frequent moderate exercise	£3,461	£2,649	£1,837

Repeat participation has many benefits such as increased skills development, knowledge, fitness etc. In future years the increased reporting of output and outcomes will better reflect this.

Highlights for WCHG:

Community Investment (**health & wellbeing**) – as part of our Health Strategy, WCHG is committed to providing support to help improve the health and wellbeing of the people in Wythenshawe, who have some of the highest levels of long-term illness, disability and heart disease. Positive outcomes include:

- 21,577 (17,394[R]) hours volunteered across Wythenshawe;
- 207 (217) regular volunteers;
- 85 (64) residents actively involved in tenant groups;
- 14,515 (10,242) people participating in physical activity at Wythenshawe Games;
- 13,968 (12,218) engagements (footfall) in healthy living sessions at the Woodhouse Park Active Lifestyle Centre; and
- 299 (294) people engaged at food growing events.

Community Investment (**employment & skills**) – WCHG offers a range of support to help residents in Wythenshawe develop and increase their skills and to move into sustained employment, delivered in partnership with other organisations. Positive outcomes include:

- 199 (154) people supported into full time employment;
- 6 (6) people starting apprenticeships;
- 41[24] people attending work experience;
- 330 (581) people benefitting from training;
- 31 individuals starting GM skills work placements;
- 242 people benefiting from digital inclusion projects; and
- 66% of businesses based at the Enterprise Centre owned by a Wythenshawe resident.

Community Investment (**youth & education**) – the Group offers services for children and young people at a number of locations across Wythenshawe. The Group's aim is to deliver a fully inclusive, quality youth offer available to young people from 11 to 19 years of age. Positive outcomes include:

- 16,646 (15,604) total attendance (footfall) at youth provision services;
- 1,976 (757) young people attending the WOW Zone throughout the year;
- 340 (259) young people reporting improved confidence or self-esteem; and
- 466 (303) young people reporting improved social skills.

Financial Wellbeing – this service aims to support income collection and tenancy sustainment, much of the work is delivered in partnership with other organisations where vulnerable tenants facing financial hardship have been given advice that has helped them to stay on top of their budgeting, including maintaining their rent payments. Positive outcomes include:

- 135 (85) customers reporting that their wellbeing had improved after benefiting from financial inclusion services;
- 661 (655) money health checks carried out;
- 964 (955) appointments held with customers to help them manage their finances;
- 34 (16) tenants helped to sustain their tenancy by downsizing their home as a result welfare benefit reform; and
- £1.2m (£2m) rental income generated from tenants supported through the service.

Community Safety – WCHG's Community Safety Strategy aims to improve the quality of life for local residents by helping to reduce anti-social behaviour and crime within our communities. Positive outcomes include:

- 175 (270) individuals reporting that their wellbeing had improved following intervention to address antisocial behaviour.

[24] *Reporting on this outcome started in 2017*

Social Housing – one of the aims of the Group's core business of providing social housing, is to improve the wellbeing of people moving from homelessness or temporary accommodation into a secure, affordable home. Positive outcomes include:

- 1 (5) person who had been sleeping rough moved into a secure home; and
- 53 (83) adults / 46 (71) households moved from temporary accommodation to a secure home, this included 24 (37) adults / 20 (27) households with dependent children.

Wythenshawe Garden City – Wythenshawe was developed in the 1930s as a garden city with wide treelined streets and a fruit tree in every garden. Jointly with MCC, we have responsibility for maintaining and improving most of the green space in Wythenshawe including 14,000 trees. Positive outcomes include:

- 73 tonnes of carbon removed from the atmosphere;
- 2,252 tonnes of carbon stored in the trees;
- 2.8 tonnes of airborne pollutants removed from the atmosphere saving the NHS c£15k; and
- 5,426,804 litres of water intercepted by trees, saving c£7k in sewage charges.

Greater Manchester Social Value Policy outcome reporting (table A):

Key Objective	Outcomes
1 Promote employment and economic sustainability	• Supporting people into work as covered in section on 'employment and skills' above; • 39% of spend with suppliers based in GM (based on spend with top 40 suppliers by value); • 1,018 apprenticeship weeks delivered (directly employed apprentices); • £6.6m inward investment attracted into the local area.
2 Raise the living standard of local residents	• 100% of staff paid the Living Wage (the Living Wage Foundation); • Indicators included in section on 'financial wellbeing' above; • Established a food distribution warehouse to support seven food banks in Wythenshawe.
3 Promote participation and citizen engagement	• 67 tenants involved in scrutiny, shaping services, performance measurement etc; • Volunteering activity included in section on 'health and wellbeing' above.
4 Build capacity and sustainability of the voluntary and community sector	• £258k spent with the community and voluntary sector via grants and service level agreements; • 40 community and voluntary sector organisations supported.
5 Promote equality and fairness	• 59% of workforce living in Wythenshawe; • 19.5% of colleagues living in managed properties; • 10:1 ratio of Chief Executive pay to lowest paid employee; • Organisation registered with a disability accreditation scheme = Disability Confident Employer.
6 Promote environmental sustainability	• 1.03 CO_2 equivalent output per full-time employee; based on powering business buildings, not housing stock; • 69,114 business miles (20795 CO_2e); • SAP rating of 73; representing energy rating of managed properties; • 855 existing homes have received loft and cavity wall insulation; • c1,000 properties have had A rated energy efficient condensing combination boilers installed.

The Group's social value ratio can be further benchmarked against the PlaceShapers[25] members where the average social value ratio calculated for LSVTs for 2014 was 1:10, or alternatively 1:12 for RPs with stock over 10,000 units.

Further information can be found in the Group's Social Impact publication: www.wchg.org.uk/social-impact/

[25] ***PlaceShapers** is a national network of over 100 community based housing associations, owning c750,000 homes in total*

Future Plans:

The review of the methodology and reporting systems will continue to ensure that the most appropriate outcomes of each activity are measured. Many stakeholders find it difficult to understand social value in monetary terms so more emphasis will be placed on outputs and outcomes that are more valuable and meaningful.

Work is currently underway to develop a five year plan for all the centres managed by the Group. This includes how to maximise delivery of social value and may lead to further changes in how the impact is measured e.g. the study may find that the benefits of repeat custom / participation outweigh the improvement to wellbeing in which case the decision may be taken to stop using the HACT model.

The Group will continue to support the Greater Manchester Social Value Network[26] to encourage organisations across the region to increase delivery of social value and promote good news stories that others can learn from.

Further information is available in the 2017 report and the 2017 social impact methodology[27].

[26] Greater Manchester Social Value Network – https://gmsvn.org.uk/

[27] social impact methodology – http://www.wchg.org.uk/social-impact/

6.1.3 Environmental Returns:

Addressing fuel poverty, health and wellbeing has always been an important consideration when making asset investment decisions. Examples of ongoing work include:

Description	VFM saving
WCHG have installed solar photovoltaic panels to the rooftops of 399 homes to date - (these panels generate electricity from the sunlight), and solar thermal panels to 142 homes (these panels generate heat) to date.	This is a form of renewable energy generation which saves an estimate of 220 tCO2 annually. By exporting approximately one third of the energy generated, the Group has received approximately c£82k in feed-in tariffs payments.
Two bio mass schemes aimed at reducing carbon emissions and tackling fuel poverty, whilst replacing the existing, poorly performing gas / electric heating were implemented at Sharston Multis and West View Court, servicing 212 homes. Work is now progressing on external wall insulation, cladding and new windows with low emissivity glazing.	The two schemes will save an estimate of 700 tCO2 annually - using a carbon neutral fuel source of wood pellets, the scheme is a long-term carbon reduction action. Anticipated savings to residents are £135 per annum.
In 2016/2017 WCHG insulated 1,080 homes with cavity wall insulation. Cavity wall insulation fills the existing empty cavity in the external walls reducing heat loss.	WCHG received 86% funding towards the cost of works (c£645k), collectively the works will save 240 tCO2 annually. On average the works improved EPCs from band D to band C, potentially achieving annual energy savings of £180 annually per property.
Also in 2016/2017 WCHG replaced c1,000 old inefficient boilers with new A-rated (condensing combination) boilers. To date WCHG's boiler programme has upgraded 9,500 boilers – approximately 70% of stock.	This is estimated to save 560 tCO2 per annum. A year on year decrease of £28k has been recorded for the cost of major heating repairs representing a saving of 5% on the previous year's expenditure of £552k.
WCHG's Cotefield Road new build development has been built to exceed building regulations, built to Code for Sustainable Homes Level 3 and Level 4 standard.	These properties achieve on average a band B on their EPC. This 38 property development alone will save 88 tCO2 per annum.
The Group operates a waste recycling centre for its in-house operations to ensure recycling is maximised from our activity and waste costs are kept to an absolute minimum.	The Group processed 3,600 tonnes of waste through the centre, achieving a recycling level of 99% with the assistance of Kenney Waste Management.
WCHG have committed to supporting the Carbon Literacy Project and are part of the working group.	70% of the Group have successfully completed Carbon Literacy Training and a scheme has been implemented to reward staff who make suggestions that have an impact in reducing the Group's carbon footprint.

Other examples include the Real Food team who have implemented sustainable practices as part of the project (e.g. the re-distribution of food waste in partnership with FareShare and green waste recycling); the recycling of waste furniture from the housing stock for re-use where possible by the Neighbourhoods team, and the Wythenshawe Works team.

Future Plans:

The Group previously commissioned an independent report to quantify the positive impact of recently completed projects and to examine opportunities for further activities to help meet the challenging targets set out in the Environmental Sustainability Strategy. This has helped to set the baseline for the Group, and will be repeated on a regular basis, identifying recommendations to further reduce environmental impact, in turn helping to achieve a reduction in carbon emissions from WCHG activities by a minimum of 34% by 2020.

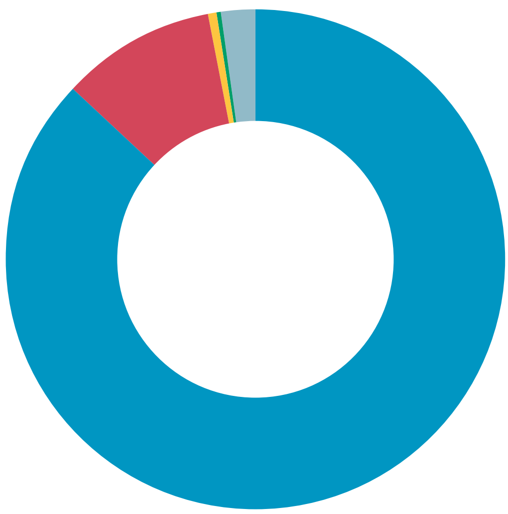
6.2 Operations

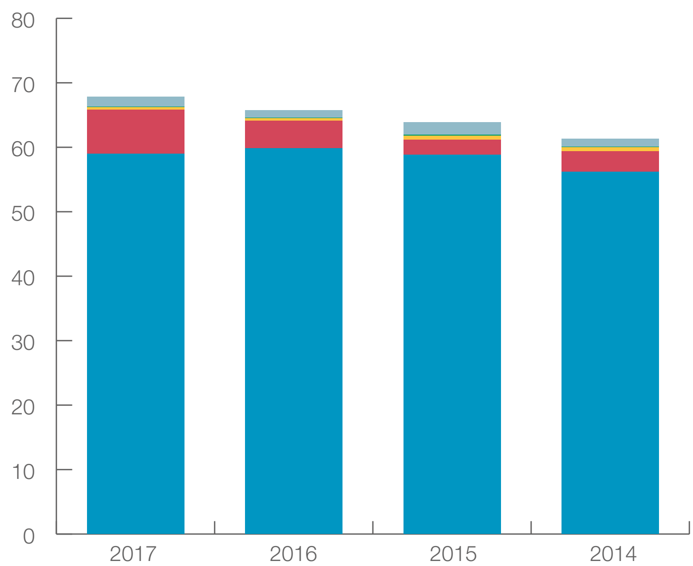
6.2.1 Where the Group receives its money:

The Group receives the majority of its income from rental turnover, in addition to Right to Buy sales proceeds, Shared Ownership first tranche proceeds, Outright sales proceeds and revenue grants. Income for 2016/2017 (£68.1m) was as below:

Income 2017

- Rental income **£59.2m**
- Disposal proceeds including RTB, Shared Ownership and Outright Sale **£6.8m**
- Revenue Grant income **£0.4m**
- Other income including interest receivable **£0.1m**
- Non-social housing income **£1.5m**





Income 2014 – 2017

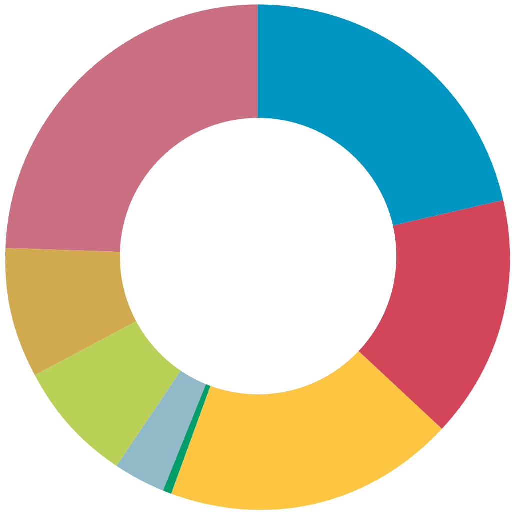
- Non-social housing income
- Other income including interest receivable
- Revenue Grant income
- Disposal proceeds including RTB and Shared Ownership
- Rental income

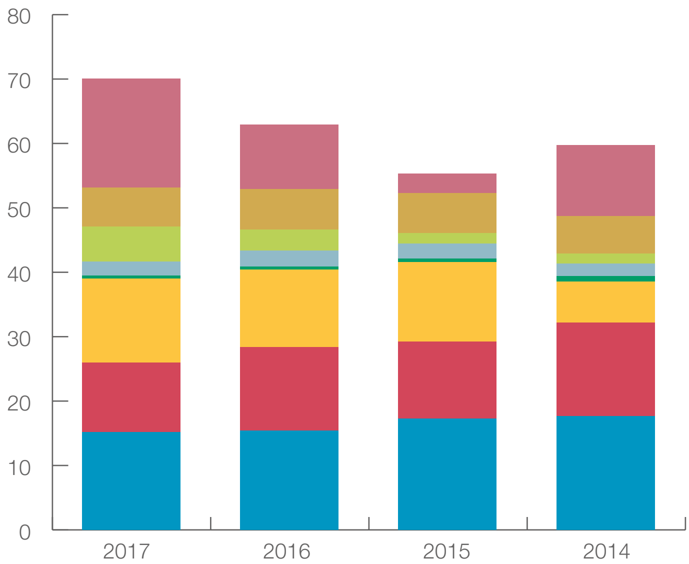
6.2.2 How the Group's funds are spent:

For the year ended 31 March 2017, the above income resources were used to fund the following operational spend (**£70.4m**):

Expenditure 2017

- Management & Services **£15.2m**
- Routine & Planned Maintenance **£10.8m**
- Investment in Stock **£13.2m**
- Bad debts **£0.4m**
- Other including Regeneration **£2.2m**
- Cost of sales **£5.5m**
- Interest payable **£6.0m**
- Purchase and development of new properties **£17.0m**





Expenditure 2014 – 2017

- Purchase and development of new properties
- Interest payable
- Cost of sales
- Other including Regeneration
- Bad debts
- Investment in Stock
- Routine & Planned Maintenance
- Management & Services

6.2.3 Performance

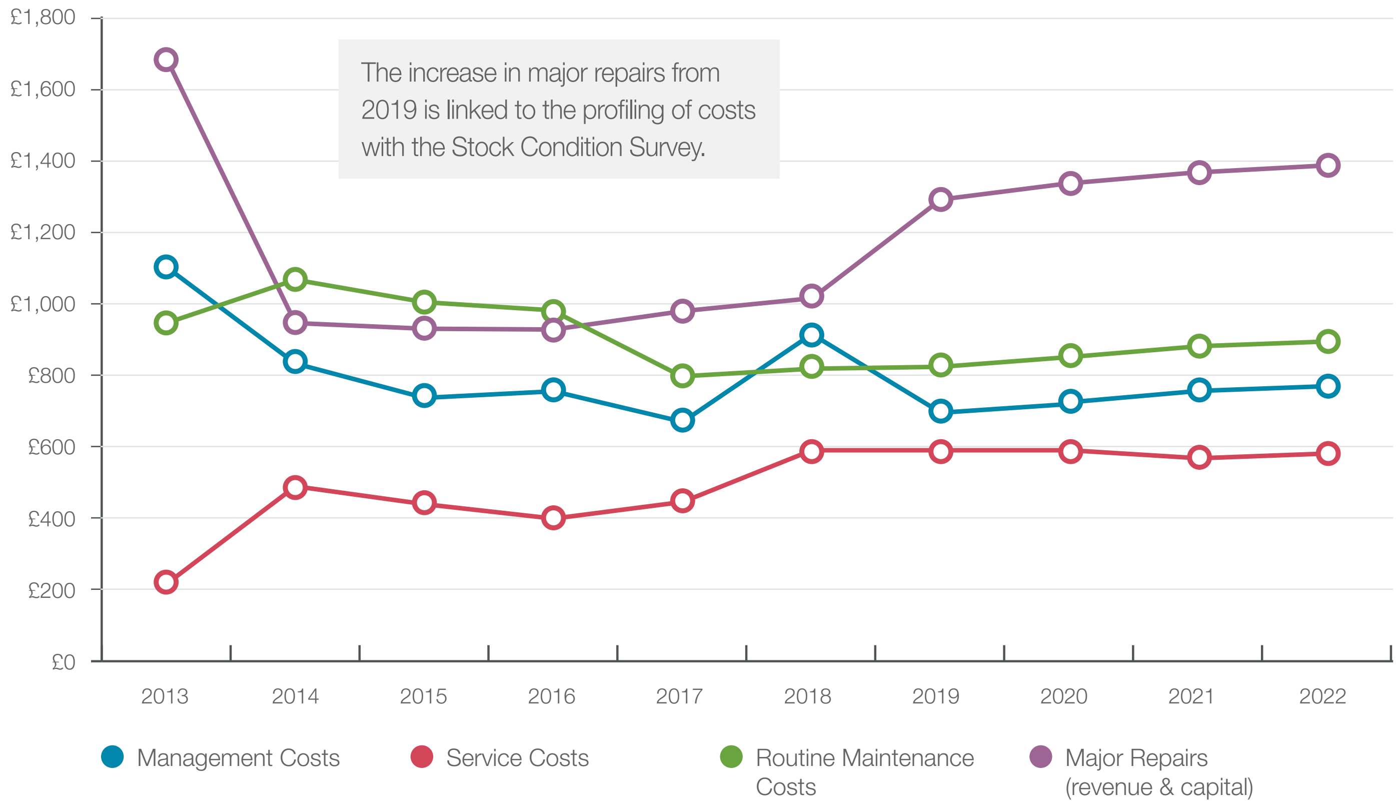
All costs are benchmarked across the sector through a range of sources in order that a clear comparison of operating costs is achieved and variances understood.

The Group is a member of Housemark, BOB[28], Northern Housing Consortium, ContactNet, APSE[29]; and HQN[30]. For areas where there are no national benchmarking mechanisms (e.g. Financial Inclusion, grounds maintenance, facilities), we have facilitated the development of local benchmarking groups to allow comparisons of costs of individual services.

This is utilised during budget setting so that the opportunity costs of decisions are understood and acted upon.

The Group also carried out the following benchmarking exercise utilising the HCA's Global Accounts information:

Cost per property - CPP	Direction of Travel[31]	WCHG 2017	WCHG 2016	Global Accounts 2016[32]	WCHG 2015	Global Accounts 2015	WCHG 2014	Global Accounts 2014	WCHG 2013	Global Accounts 2013
Management	↓	£684	£741	£1,036	£732	£1,034	£825	£990	£1,072	£952
Services	↑	£443	£398	£529	£437	£514	£481	£517	£232	£498
Maintenance	↓	£802	£967	£998	£1,008	£1,016	£1,073	£1,016	£939	£993
Major Repairs	⇔	£975	£900	£876	£914	£929	£948	£985	£1,675	£989
Other	⇔	£141	£168	£520	£162	£144	£159	£143	£135	£152
Total	↓	**£3,045**	**£3,174**	**£3,959**	**£3,252**	**£3,637**	**£3,485**	**£3,651**	**£4,053**	**£3,584**



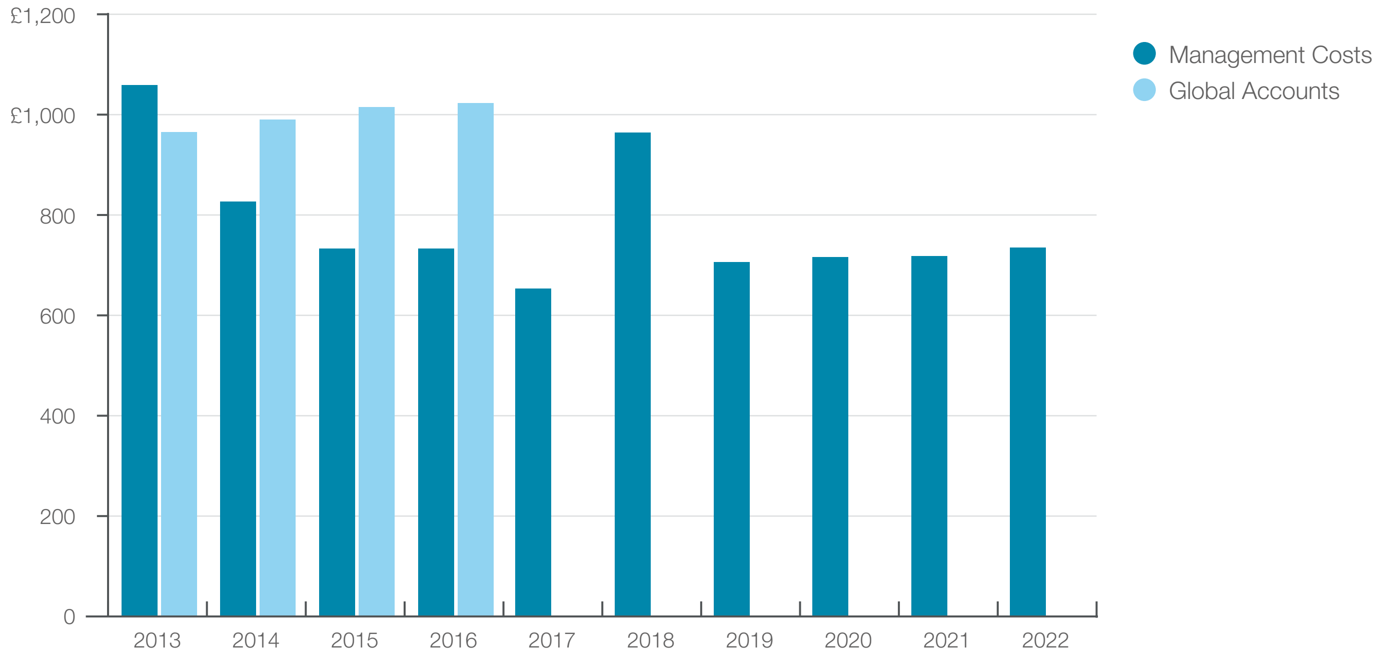
[28] **BOB** – *Back Office Benchmarking* [29] **APSE** – *Association of Public Service Excellence* [30] **HQN** – *Housing Quality Network*

[31] **Direction of Travel** – *key: ↓ - reducing costs; ↑ - increasing costs; ⇔ - no change*

[32] **Global Accounts** – *average cost per property across traditional and stock transfer organisations*

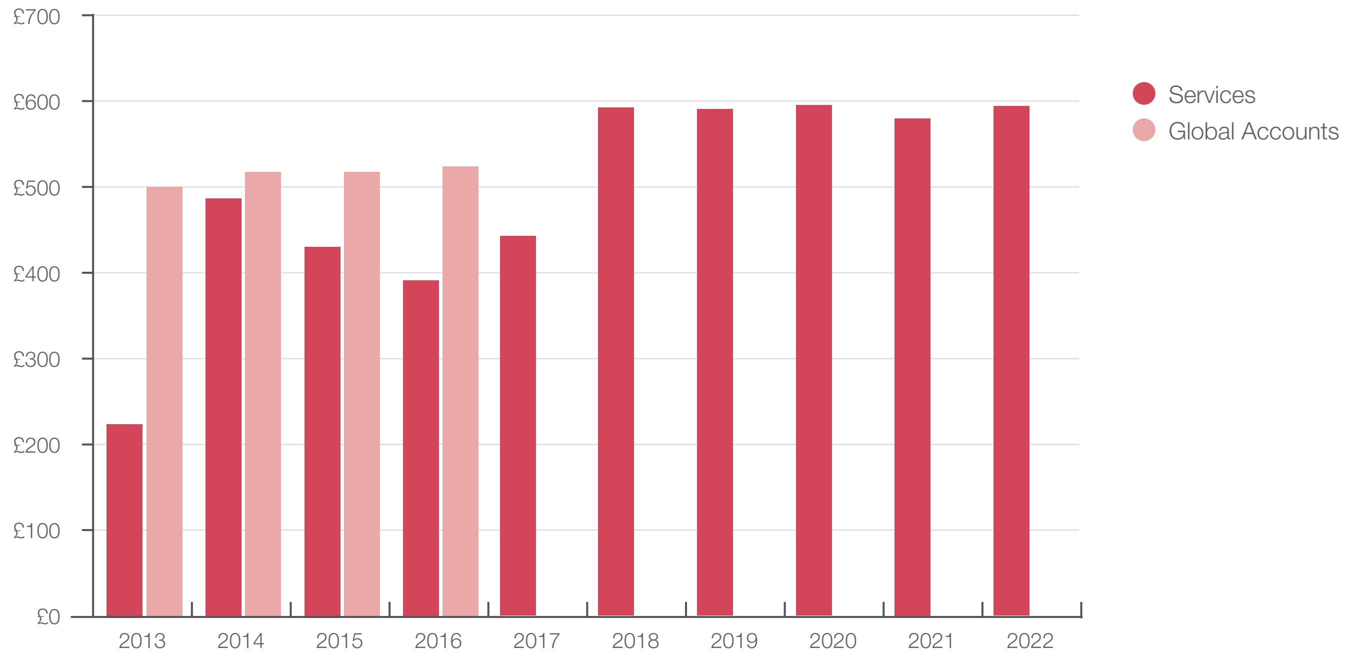
Each of the above social housing cost areas can be analysed further as follows, using the Group's approved Business Plan to forecast costs:

Management Costs



Management costs are higher in 2018 as they include a one-off central provision for any unanticipated spend.

Services



Service costs have increased from the previous year due to a reallocation of costs from routine maintenance costs. The forecast costs for services also include Community Investment which is separated in the Global Accounts. This is higher than in previous years as we no longer receive a £300k contribution from MCC towards the Woodhouse Park Active Lifestyle Centre.

Routine Maintenance Costs

The above chart reflects the reduction in the Group's routine repair costs consistently over the last 4 years from above sector average to a current position of below sector average. The movement in routine maintenance costs between 2016 and 2017 is due to the reallocation of costs to service costs and major repairs.

Major Repairs (revenue & capital)

The major repairs chart demonstrates the Group is investing in its stock at a consistent level to sector peers ensuring the Decent Homes Standard is met, whilst demonstrating VFM. The expenditure profile is driven by the Group's stock condition survey and the increase in profile going forward reflects the stock condition profile as the components age since the stock transfer investment programmes of the two Subsidiaries.

Key performance for WCHG for 2016/2017 in addition to the 2016/2017 costs is also benchmarked through Housemark - the peer group[33] used is Registered Providers in the North West with stock over 7,500 properties (group includes 16 other organisations).

Targets are set in line with objectives and the agreed balance between service, quality and cost, in consultation with our customers.

Satisfaction data in the tables below for 2015 to 2017 are based on the 2014 STAR results, no results are provided for 2014 since the previous STAR survey was carried out in 2012. Internal satisfaction data used in the tables is based on transactional satisfaction surveys carried out by the Group.

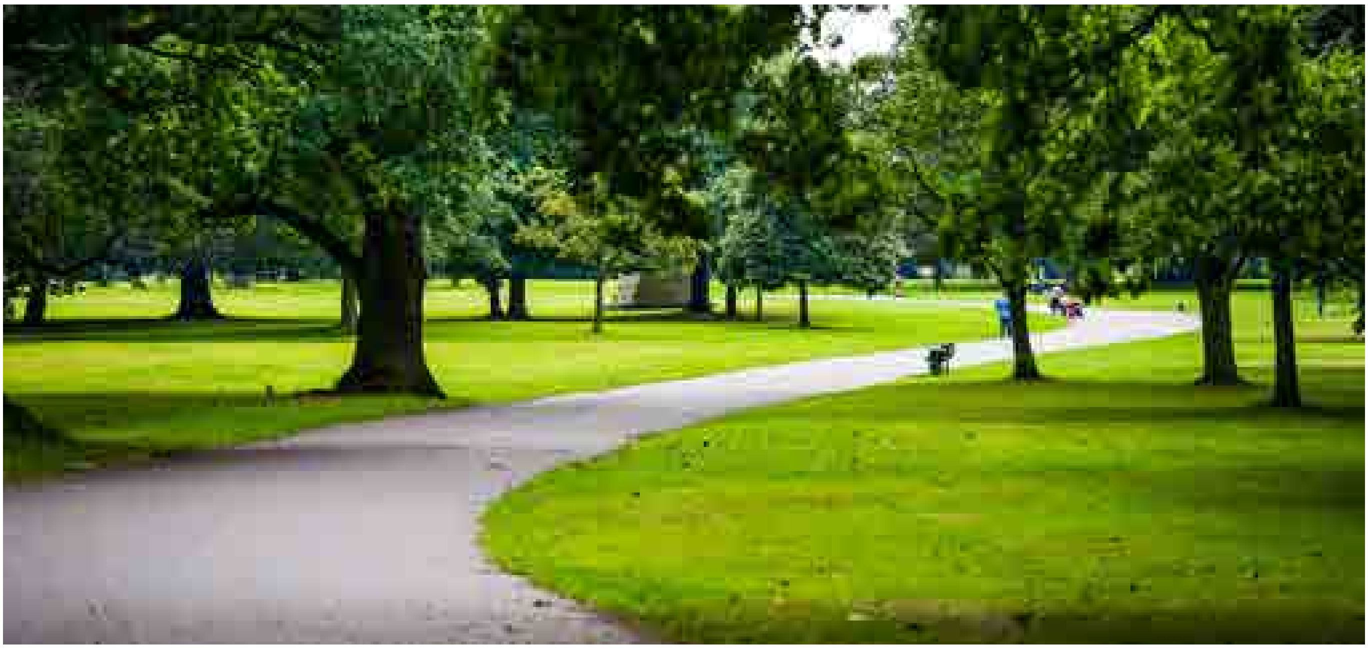
HOUSING	KPI	Direction of Travel[34]	Actual Performance 2016/2017	Target 2016/2017	Actual Performance 2015/2016	Actual Performance 2014/2015	Actual Performance 2013/2014
Housemark	Housing Management - CPP	↔	£352 - 3rd, upper quartile		£353 – 3rd, upper quartile	£366 – 6th, upper quartile	£366 – 6th, upper quartile
Housemark	% of tenants satisfied with their neighbourhood as a place to live	↔	11th - lower quartile		11th – lower quartile	11th – lower quartile	
Internal	Property Turnover Percentage	↑	4.47%	5.50%	4.70%	5.67%	6.10%
Internal	Total average void turnaround time for properties let in the month (calendar days)	↑	17.2 days	19 days	19.1 days	19.99 days	22.3 days
Internal	% of customers satisfaction with the ASB service	↓	97.6%	99.75%	100%	99.4%	97.3%

A number of internal reviews and efficiency savings has seen our housing management costs per property reduce from £366 in 2014 to £353 in 2016, which was maintained for 2017. We continue to drive efficiencies within this service, whilst maintaining the service level to tenants.

[33] ***Peer group** – Bolton at Home, City West Housing Trust, First Choice Homes Oldham, Liverpool Mutual Homes, Magenta Living, New Charter Homes, Northwards Housing, One Manchester, One Vision Housing, Regenda Group, Riverside Group, Rochdale Boroughwide Housing, Salix Homes, Together Housing Group, Trafford Housing Trust, Wigan and Leigh Homes.*

PROPERTY	KPI	Direction of Travel[34]	Actual Performance 2016/2017	Target 2016/2017	Actual Performance 2015/2016	Actual Performance 2014/2015	Actual Performance 2013/2014
Housemark	Responsive & Void Repairs - CPP	↑	£523 - 1st, upper quartile		£616 – 2nd, upper quartile	£654 – 3rd, upper quartile	£718 – 5th, upper quartile
Housemark	Percentage of all repairs completed at the first visit	↓	94.23% - upper quartile	94.50%	94.39% - 4th, upper quartile	98.93% - 2nd, upper quartile	98.47% - 2nd, upper quartile
Housemark	% of tenants satisfied with repairs and maintenance	⇔	10th - lower quartile		13th – lower quartile	13th – lower quartile	
Housemark	Major Works & Cyclical Maintenance - CPP	↑	£1,407 - 6th, middle upper quartile		£1,526 – 13th, middle quartile	£1,986 – 15th, middle lower quartile	£1,903 – 15th, middle lower quartile
Housemark	% of tenants satisfied with the overall quality of their home	⇔	11th - middle lower quartile		11th – middle lower quartile	11th – middle lower quartile	
Internal	% of properties having a gas safety inspection within the last twelve months.	⇔	100%	100%	100%	100%	99.99%
Internal	% of Emergency and Appointable Repairs completed within the target time	↑	99.94%	99.92%	99.93%	99.83%	99.90%
Internal	% of customers satisfied with repairs	↑	99.92%	97.00%	96.92%	96.30%	96%

Responsive and void cost per unit for the Group has continued to improve in recent years from £718 per unit to £523 per unit taking the organisation from 5th position with our peer group to 1st position in our peer group. This direction of travel has been detailed in section 6.1.1 (Economic Returns) and driven by our Repairs Service Policy aligning to our tenancy responsibilities, enforcing these and implementing recharges. We recognise this direction of travel has had an impact upon satisfaction levels from our customers as we have withdrawn certain repairs which is reflected in our STAR survey satisfaction measure that indicates a lower quartile position, ranked 10th out of 13 peers. The reduction in recorded repairs completed at first visit from 2015/2016 follows a change in the way we calculate repairs completed at first visit to better align to our peers enabling benchmarking.



[34] ***Direction of travel key:*** *colour measures actual performance against the target; ↑↓ direction of travel measures performance movement between 2015/2016 and 2016/2017*

CENTRAL	KPI	Direction of Travel[34]	Actual Performance 2016/2017	Target 2016/2017	Actual Performance 2015/2016	Actual Performance 2014/2015	Actual Performance 2013/2014
Housemark	Overheads as a % of turnover	↑	7.94% - 3rd, upper quartile		8.61% – 3rd, upper quartile	9.20% – 6th, upper quartile	10.24% – 8th, upper quartile
Housemark	Overheads as a % of direct costs	↓	20.20% - 3rd, upper quartile		18.18% – 1st, upper quartile	16.13% – 1st, upper quartile	17.10% – 1st, upper quartile
Housemark	Rent Arrears & Collection - CPP	↓	£99 - 12th, middle lower quartile		£132 – 9th, middle upper quartile	£141 – 11th, middle upper quartile	£120 – 7th, middle upper quartile
Housemark	% rent collected	↓	99.9% - 6th, middle upper quartile	100.5%	100.60% – 4th, upper quartile	99.56% – 12th, middle lower quartile	97.69% – 19th, lower quartile
Housemark	Current tenant rent arrears (net of HB) as a % of rent due	↓	4.1% - 9th, middle lower quartile	4.26%	4.03% – 13th, lower quartile	5.03% – 14th,lower quartile	4.30% – 14th, quartile
Housemark	% of tenants satisfied that rent provides VFM	↔	13th - lower quartile		14th – lower quartile	14th – lower quartile	
Internal	Former tenants cash rent collection	↑	£176k	£150k	£116k	£132k	£122k
Internal	% of complaints where the customer received a full response within 14 calendar days	↔	100%	100%	100%	99.56%	98.55%
Internal	% of complaints first time fix	↑	93.48%	95.00%	91.60%	89.87%	93.67%
Internal	% of calls answered in 30 seconds	↑	88.98%	90.00%	87.89%	79.40%	81.79%
Internal	% of calls - first time fix	↑	83.03%	85.00%	82.03%	89.17%	88%
Internal	Satisfaction with contact centre	↓	98.40%	98.50%	98.47%	98.14%	98%
Internal	Sickness absence – overall	↓	3.33%	3.00%	3.12%	3.54%	3.4%

We have continued to look for further efficiencies relating to the cost of rent collection. Savings have been achieved through renegotiation of contracts relating to rent transactions which has seen a reduction in costs of £12.5k in overall costs based on 2016/2017 transaction volumes. We have also outsourced the print and production of arrears letters, this has seen a £37k reduction in costs and considerable efficiencies in staff time for production of these letters. Automation of payment posting and restructuring of the financial inclusion team have also provided staff efficiencies.

The Group received over 160,000 telephone calls during 2016/2017. Enhancements were made to the Performance Management system to help ensure that the Group has the correct number of staff to deal with peak periods, which has led to an improvement in the percentage of calls answered within 30 seconds by 1.1% with satisfaction remaining in line with the previous year's performance. Performance fell slightly below the targets that were set, but further refinement of this model will drive out further improvements during 2017/2018.

The percentage of calls with a first time fix has increased by 1% over the past 12 months; this is due to ongoing training for all staff in the contact centre and job shadowing opportunities with other departments.

The number of complaints resolved at the first stage has improved compared to the previous year; this is in line with our Complaints Policy which allows tenants to escalate a complaint if they are not satisfied with the outcome. Complaints have remained consistent with the previous year, however no complaints have been escalated to Stage 3 in the process and satisfaction has remained high with the complaint handling process at 89%.

The sickness absence rate for 2016/2017 was 3.33%, higher than the target (3.00%) and the previous year (2015/2016 - 3.12%), and remains a KPI the Group wants to reduce further to achieve VFM.

To ensure the sickness absence performance is managed appropriately, a number of measures are in place including:

- Building on the absence management refresher training which was delivered to managers: Human Resources Business Partners provide coaching on a one to one basis reminding line managers of the range of support measures available to support colleagues with health issues and ensuring absence is managed consistently in line with the Group's policy;
- Absence management is addressed as part of new starter inductions to ensure that new starters are fully aware of the Group's expectations;
- Moving the sickness absence KPI from a sole HR team target out to the wider business. Managers are now able to monitor within the Corporate Performance information, the level of sickness in their teams and therefore take ownership, along with their Human Resources Business Partner to address issues and reduce the sickness rate;
- HR deliver a 12 month calendar of events to promote Health and Wellbeing, providing access to confidential Health Screening, and information of National Health campaigns;
- We have a range of Occupational Health support measures available and can tap into these service providers to provide access to support for specific health related issues;
- Absence during a probationary period is taken very seriously and the policy provides the option for extension or termination. However, before making any decision to take either of these options, the process includes considering the full circumstances of each case.

6.2.4 VFM achievements:

For the year 2016/2017, the Group delivered total VFM achievements of £2.4 million against a VFM target of £1.5 million (set out in the 2016 VFM Self-Assessment).

Using efficiency gains as a % of turnover as a measure, this would give 3.72% for the Group for 2017 (4.44% for 2016; 6.26% for 2015; 7.08% for 2014), which can be benchmarked against the PlaceShaper members where the % efficiency gains calculated for LSVTs for 2014 was 3.44%, or alternatively 2.73% for similar RPs (with stock over 10,000 units).

VFM achievements were £2.4m as detailed below:

Service Area	Actual efficiency savings	Expected efficiency savings
Development & Investment	£1.239m	£1.005m
Wythenshawe Works	£0.439m	£0.275m
Housing Management	£0.181m	£0.098m
Community Investment	£0.407m	£0.110m
Support	£0.123m	£0.043m
Total	**£2.389m**	**£1.531m**

Progress against VFM targets set in the 2016 VFM self-assessment is identified over the following pages with.*

i) Development & Investment - £1.239m – This service area manages and delivers the investment in our tenants' homes, the delivery of new housing provision and environmental investment in the neighbourhood. VFM savings delivered in 2016/2017 included:

- **£817k** (* target was £838k) tender efficiencies relating to the Bramcote and Greenbrow contracts;
- Continuation of the Cavity and Loft Insulation Upgrade programme delivered over **£420k** worth of work to which WCHG contributed **c£125k** saving **c£295k**;
- A cost saving of **£52k** relating to new meter and new gas supply costs waived by National Grid when upgrading gas supplies in anticipation of new metering regulations;
- Coordination of back boiler removals ahead of roofing programme, avoiding the need to rebuild / retain chimney stack, leading to reduced costs of **£36k** *(against a target of £62k)*, the saving was less than anticipated due to factors such as customer preferences, shared chimney stacks in addition to additional redecoration costs incurred;
- Cost savings of **£25k** by using GRP (fibreglass) instead of asphalt repairs to flat roofs *(against a target of £105k, the saving was less than the target since demand led)*;
- A review of the Investment Team structure also yielded efficiency savings of **£14.5k**.

ii) Wythenshawe Works - £439k – This service area covers the provision of Responsive Repairs, Voids, Planned Works and Environmental Services to the Group's housing properties. VFM savings achieved during 2016/2017 were as follows:

- The implementation of the merchant model for the supply of materials yielded cost savings of **£115k** for 2016/2017 *(*against a target of £200k which was the full year effect of the recurring saving);*
- The harmonisation of the Group's fleet arrangements to better fit operational delivery, with a reduced number of vehicles from 141 to 115, led to cost savings of **£75k** *(in line with the target set);*
- Procurement savings of **£113k** relating to grounds works, wraps and vehicle management systems for the new fleet;
- **£121k** as a result of processes – an improved approach for major structural repairs, (method of under pinning existing floors has meant the avoidance of decanting resulting in **£35k** savings for the year), waste disposal and mobile technology.
- Implementation of the new weekend working review resulted in savings of **£15k**.

iii) Housing Management - £181k – functions included within this service area are allocations, neighbourhoods, community safety and resident involvement. Efficiencies achieved during 2016/2017 were as follows:

- Establishment of the new Assure24 team by bringing together the Wardens and the CCTV teams to provide a more cohesive service providing costs savings of **£91k** (against a target of £78k);
- The interim management structure within Housing leading up to the Housing Operating Model lead to **c£50k** within Tenancy Management;
- A review of the community alarm provision yielded savings of **£15k** (against a target of £20k) - the saving was slightly lower than anticipated due to one off transfer costs;
- Procurement savings of **£8k** (new mediation service, legal service services);
- **£17k** as a result of improved processes.

iv) Community Investment - £407k – This service area aims to develop Wythenshawe as a community where people choose to live and work. VFM improvements during the year 2016/2017 included:

- Local residents support our community investment programmes by volunteering their time to run activities, this helps to develop their skills and enables us to deliver more for the resources available to us - this support was valued at **238k** for the year;
- Additional income from room hire during the day within term time at the Benchill Community Centre raised **£22k**;
- External funding raised **£77k** to support delivery of community projects such as summer play schemes, fun days (against a target of £80k).
- The delivery model for working with young people delivered savings of **£60k** (against a target of £20k) -achieved through structuring the WoW Zone function.
- The Wythenshawe Games sporting event was delivered within a reduced budget, achieving the **£10k** saving which was set as the target.

Further insight on the Group's investment and achievements is included in the Community Investment publications:

http://www.wchg.org.uk/community-investment-brochures/

v) Support - £123k - covering back office support areas such as Business Development, Customer Access, Finance, Human Resources, ICT, and Rents. VFM savings for 2016/2017 were:

- A cost benefit analysis of memberships identified a saving of **£53k** for the year (against a target of £43k);
- Improved claims management led to reduced insurance renewal premiums, saving of **£32k**;
- Procurement savings of **£38k** when negotiating new contracts relating to payment processing and improved management of contracts.

Accreditations:

The Group has a track record of improving its performance, achieving the following service focused accreditations:

Accreditations	2013/2014	2014/2015	2015/2016	2016/2017
Customer Service Excellence				
Fair Train (Gold)				
Housemark - Community Safety, and Complaints				
Housing Diversity Network				
HQN - Repairs & Maintenance, and Gas Servicing				
Investors in People (Gold)				
Living Wage Accreditation				
Tenant Advisor - Resident Involvement				

The Group's Gas Servicing team were awarded two awards in June 2016 (relating to 2015/2016) for 'Innovation' and 'In-house collaboration with the DLO' (Morgan Lambert).

In July 2017, the Group also won the National Excellence in Scrutiny Award at the Northern Regional TPAS awards.

More recently, the Group has also been shortlisted in four categories in the 2017 Investors in People Awards, in addition to being shortlisted in the national CIPD (Chartered Institute of Personnel and Development) Awards 2017.

The Group has reviewed its approach to memberships and accreditations (using a cost benefit analysis approach) – as a result, £53k of recurring annual savings have been made from 2016/2017.

6.3 Treasury Management

The Group completed a review of its current funding structure during 2016/2017 and put in place a revised structure from May 2017 which will better support the Group's updated Strategic Plan, and the Government's Policy for delivering more homes.

The Group's revised loan funding is as detailed below:

Trust	Funder	Loan Facility	Loans drawn[35]	Current headroom	Security (2016 Valuations)	Asset Cover Ratio
PGHT	RBS	£36m	£21m	£15m	£53.5m	255% (110%)
PGHT	M&G	£25m	£25m	N/A	£32.7m	131% (105%)
PGHT	**Total**	**£61m**	**£46m**	**£15m**	**£86.2m**	**187%**
WPHT	RBS	£25m	£14m	£11m	£27.6m	197% (110%)
WPHT	M&G	£65m	£65m	N/A	£68.8m	106% (105%)
WPHT	**Total**	**£90m**	**£79m**	**£11m**	**£96.4m**	**122%**
Total		**£151m**	**£125m**	**£26m**	**£182.6m**	**146%**

** funding agreement covenants included in brackets.*

[35] *Loans drawn as at 05 May 2017*

Housing properties are charged to the relevant funders in line with the loan agreements, unencumbered properties are in the process of being charged but unallocated through a security trustee. Unencumbered stock as at May 2017 is valued at £64m for PGHT and £116m for WPHT.

Based on asset cover requirements of 110%, the Group has scope for additional funding of c£160m. Given the challenging operating environment and the Board's low appetite for risk in such circumstances, the Board takes a prudent approach and as such, surpluses and spare capacity are to be utilised on achieving the Group's business objectives, as identified in Section 6.4. The Group protects itself against the full impact of uncertainty and, in particular, interest rate increases by having an appropriate proportion of its debt at fixed rates - £90m of the above funding from M&G has been priced at 3.4%, whilst the bank funding has a debt cost of 3.37%.

The Group's effective interest rate for 2017 was 3.9% (4.2% for 2016) which is lower than the sector's average effective interest rate of 4.9% for 2016 (HCA's Global Accounts). The Group's forecast interest rate will increase to 4.2% for 2018, and then fall to 3.8% for 2019 and 2020 reflecting the new funding structure implemented.

ROCE[36]	2014	2015	2016	2017
PGHT	1.5%	3.3%	3.9%	4.5%
WPHT	2.6%	1.8%	2.6%	2.5%
WCHG	2.3%	2.4%	3.2%	3.4%

ROCE is calculated as the operating surplus as a percentage of the capital employed. The above table reflects a steady increase since the group structure was implemented, due to the reduced operating costs.

Interest cover (EBITDA MRI[37], used by the HCA as one of a range of indicators for financial performance) can be assessed for the Group as follows and reflects the increasing surpluses over the period 2014 to 2017:

Interest Cover	2014	2015	2016	2017
PGHT	171%	356%	437%	478%
WPHT	161%	250%	287%	271%
WCHG	175%	285%	343%	349%

The 2016 Global Accounts indicate EBITDA MRI interest cover across the sector for 2016 at 170% for groups (2015 – 153%), and 158% for entities (2015 - 148%), confirming strong performance from both Subsidiaries and the Group.

Gearing (total debt as a % of assets valuation) is assessed as:

Gearing (asset)	2014	2015	2016	2017
PGHT	42%	40%	40%	37%
WPHT	39%	42%	39%	40%
WCHG	38%	40%	38%	39%

[36] ***ROCE*** *– Return on Capital Employed*

[37] ***EBITDA MRI*** *– Earnings before Interest, Tax, Depreciation, Amortisation, less Major Repairs expenditure capitalised.*

The 2016 Global Accounts indicate gearing across the sector for 2016 at 50% for groups and entities (2015 – 49%), again confirming strong performance from WCHG.

The Group sets and charges rents in accordance with the Rents Restructuring Policy, and does not currently utilise the additional 5% tolerance on its charged rents. From April 2016, the Group applied the 1% reduction in line with the Government's direction. The effect of the 1% reduction for 4 years until 2020 has been assessed as part of the ongoing review of the Group's Business Plans, and remains comfortably within the constraints of the Group's existing loan facilities.

The Group has continued to work on its asset and liability registers during 2016/2017 to ensure complete and in line with HCA's revised Regulatory Framework.

6.4 How gains will be reinvested to achieve more VFM

The Group is required to retain surpluses in line with its Business Plans in order to meet the repayment requirements of the Group's Funders.

The Group and Subsidiary Boards regularly review financial performance.

As noted in earlier sections, efficiencies have been made as a result of the two organisations (PGHT & WPHT) coming together and how these efficiencies are invested are discussed with the Boards at the formal Board meetings and the Board Awaydays.

The Group will continue to build on the strong performance demonstrated over the last four years looking for more efficient ways of delivering the services our tenants, against a backdrop of the 1% rent reduction from 2016 to 2020, in addition to welfare reform.

The Group has an approved development programme of 690 units consisting of houses, bungalows and apartments including the Village 135 extra care development. The programme has 320 affordable rent, 229 shared ownership, 48 market rent, 39 Rent to Buy, and 54 outright sale. The business plan has been stress tested and sensitivity tested to include the programme and this is reviewed regularly in light of building cost increases. The build programme runs until 2018.

The Group invests in a range of community schemes (covering employment and skills, education, community and financial inclusion, youth, health, community safety and involvement) to support and promote regeneration within the area.

The Group continually seeks to identify viable options where new homes can be developed to meet the government's demand for granting pathway to home ownership.

The Group's aim is that VFM savings made will be reinvested in order that services can be sustained or further improved for customers during a period of considerable reform within Housing.

7 Gains planned for 2017/2018 to achieve more VFM

The Group has a VFM tracker which will seek to capture all VFM savings during the year 2017/2018 as they occur to ensure forecast gains can be delivered.

Total VFM gains planned for 2017/2018 are c**£1.1 million** as follows:

Area	Identified Improvements	Estimated Financial Benefit	Expected Outcomes
Development & Investment	Grant funding of Cavity and loft insulation works to 960 properties, with projected grant of £475k.	£475k	Financial savings - total expected value of works of £610,000 with net cost to WCHG of £135k.
Development & Investment	Review of Asset Performance Systems - anticipated savings of £12k first year from reduced subscription costs.	£12k	Reduced costs.
Housing	Implementation of the new Housing Operating Model.	£457k	Reduced employment costs, more effective working practices.
Property	Retaining in-house legal processing on gas and electrical.	£50k	Financial efficiency and capacity usage internally.
Property	900 Reduced gas repairs (quantity and cost for the Group).	£50k	Reduced quantity of break-downs on heating systems.
Resources - HR	Continued use of online and negotiated arrangements with recruitment agencies.	£10k	Reduced costs whilst no impact on service delivery.
Resources - Rents	Restructured team to create a specialist team to focus on welfare reform especially for those tenants effected by the benefit cap.	£76k	Reduced staff cost for FI team, greater alignment with the rents team.
TOTAL		**£1.130m**	

8 VFM Action Plan 2017/2018

The VFM Action Plan for the Group is as follows:

Objective	Action	Progress	Responsibility
Deliver efficiency savings identified on an annual basis. To manage and achieve efficiency.	To manage and achieve efficiency savings set on an annual basis and to continue to ensure VFM is embedded within the Group, through training, and performance management. This will be supported by the Group's Procurement Strategy, and toolkit.	Efficiency savings of £2.4m were made against a target of £1.5m for 2016/2017 – see section 2.4. £1.1m efficiency savings have been identified and set as a target for 2017/2018 – see section 7. The Group's updated Procurement Strategy was developed during 2016/2017, and approved by Board in January 2017, and will be rolled out during 2017/2018.	Senior Management
Delivery of the Housing Operating Model.	To implement the new Housing Operating Model, achieve the efficiencies identified whilst ensuring focused services.	The new Housing Operating Model was implemented from November 2016 (c£450k annual savings), with a more focused service for customers, reducing duplication.	Senior Management
Review return on asset data and Stock Appraisal Model approach to consider alternative models and further benefits they may offer	To improve analysis of asset modelling data and better inform disposal and investment business decisions	The Group updated its return on asset approach to include Net Present Value data, with the new Stock Condition Survey data to be incorporated from September 2017 – see section 6.1.1.	Senior Management
Improve the measurement of social value across the Group.	To work with other RPs to further develop the HACT model.	The Group's social value reporting approach has been updated for 2016/2017 and is reflected with section 6.1.2.	Senior Management
Maximise environmental returns.	Implement the Group's Environmental Sustainable Strategy and annual Board up-date on progress.	Report to Board in progress – see section 6.1.3	Senior Management
Enhance tenant involvement.	VFM targets to be set based on consultation with tenants.	The Group continues to work with tenants when setting VFM targets through the Tenant Committee and the Rents & VFM Panel.	Tenant Committee Senior Management

9 Summary & Dissemination

The Group believes that it complies with the HCA's VFM Standard and has demonstrated this within the Group's 2017 VFM Self-Assessment.

The Group has during the year ended 31 March 2017 delivered VFM savings of **£2.4 million** against a VFM target of £1.5 million (set out in the 2016 VFM Self-Assessment).

The Group has also identified an additional **£1.1 million** for 2017/2018.

The Group's VFM Self-Assessment 2017 will be made accessible to its stakeholders through the following methods:

- The full VFM Self-Assessment will be on the Group's and Subsidiaries' websites;
- A summary is included within the Strategic Report, as part of the 2017 Statutory Accounts. The Statutory Accounts will include a hyperlink to allow direct access to the full self-assessment for all users;
- An abridged version to be contained within the Annual Report to Tenants and also through the quarterly Newsletter to Residents, copies to be available at the Tenant Conference;
- Staff will be kept updated through monthly departmental briefings, team meetings and staff newsletters;
- Social media – link to the full assessment on Facebook and Twitter.

Wythenshawe
Community Housing Group

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