

Value for Money

Self Assessment Summary 2016



WYTHENSHAW HOUSE

Executive Summary

Wythenshawe Community Housing Group Limited (WCHG) was established in April 2013 when Parkway Green Housing Trust (PGHT) and Willow Park Housing Trust Limited (WPHT) entered into a group structure, creating an organisation of almost 14,000 homes and 550 staff. For the year ended 31 March 2016, the Group delivered **£2.9 million** of VFM savings, against a target of £2.6 million. The Group has also identified a further £1.5 million it can save during 2016/2017.

How does the Group deliver Value for Money (VFM)?

VFM underpins decisions made across all areas of the organisation, to deliver the Group's Vision and Objectives included in the Group's Strategic Plan (www.wchg.org.uk/wchg-strategic-plan).

The Group has a comprehensive VFM Strategy (2014-2017) which sets out our approach in delivering VFM. In addition to this summary report, we also prepare a detailed VFM Self Assessment every year in line with the Regulator's requirements, to ensure that our costs and performance are transparent and accessible to our stakeholders. Both documents (detailed VFM Self-Assessment and summary) are available on the Group's and Subsidiaries' websites.

The Group and its Subsidiaries each have a clearly structured 30 year business plan which is reviewed and regularly stress tested to ensure the future financial viability of the Group.

Stakeholders are key to the Group in setting our VFM approach and targets. For example, tenants who are our main stakeholder, have been involved in areas such

as reviewing and approving policies, procedures and strategies. They have also undertaken Service Reviews and Mystery Shopping of our services in order to ensure that the quality offered is in line with the service standards that tenants expect.

We continue to work with a wide range of partners from the local community in order to ensure that the best possible outcomes are achieved for our tenants. As set out in our Annual Report for 2016 and the full 2016 VFM Self Assessment, we have achieved significant improvements for Wythenshawe by working with the local council, charities, schools and the police. We will continue to find new ways of working to ensure that the maximum benefit is achieved for the investment in the local community.

What is VFM?

VFM is about making the right **choice** in how the Group uses its money and resources.

Economy, Efficiency and Effectiveness are key drivers for VFM for both you and the Group.

Economy

- how well do our services compare with other organisations?

Efficiency

- can we deliver the same service for less money, or can we deliver an enhanced service for the same cost?

Effectiveness

- are we delivering the services that you actually need at the time when you need them?

Year 3 for WCHG (2015/2016)

The Group has again had another successful year with services developed further in consultation with tenants. This has also delivered further savings which have been reinvested into front line services and developments.

The full VFM Self Assessment for 2016 details all the improvements over the past 12 month, some highlights are highlighted below.

“Delivered savings of **£2.9m** during the year and identified a further **£1.5m** for the next 12 months.”

“Investment of **£3.6m** in community investment schemes which has delivered **£21.6m** worth of benefit to the wider community.”

“Invested in a range of community schemes (employment and skills, education, community and financial inclusion, youth, health, community safety and involvement) to support and promote regeneration in our community.”

“**72 new homes** built and transferred into management (34 affordable rent, 10 market rent and 28 shared ownership).”

“A sustainable development programme of **451 units** (including our new extra care scheme, Village 135), consisting of 266 affordable rent properties, 131 shared ownership properties, 54 outright sale properties.”



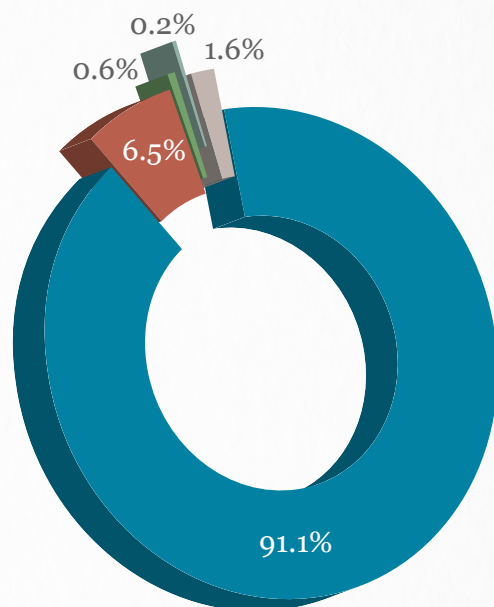
Operations

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 and revenue grants. Income for 2015/2016 (£65.7m) was as below:

Income 2015/2016

- Rental income **£59.8m**
- Disposal proceeds including RTB and Shared Ownership **£4.3m**
- Revenue Grant income **£0.4m**
- Other income including interest receivable **£0.1m**
- Non-social housing income **£1.1m**

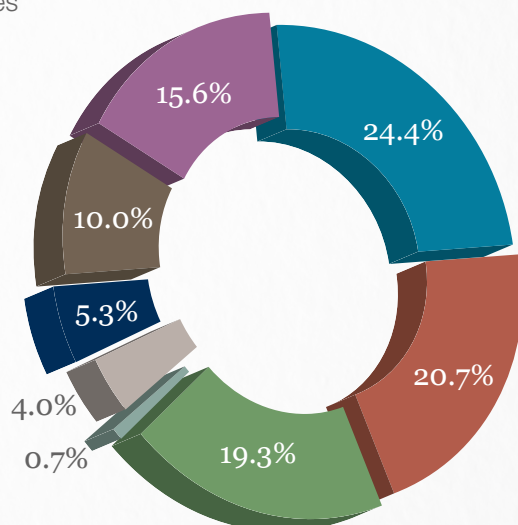


How the Group's funds are spent:

For the year ended 31 March 2016, the above income resources were used to fund the following operational spend (£63.0m):

Expenditure 2015/2016

- Management & Services **£15.4m**
- Routine & Planned Maintenance **£13.1m**
- Investment in Stock **£12.1m**
- Bad debts **£0.4m**
- Other including Regeneration **£2.5m**
- Cost of sales **£3.3m**
- Interest payable **£6.3m**
- Purchase and development of new properties **£9.8m**



Performance

The Group monitors performance in all service areas to ensure that the best possible service is delivered to its Tenants and the wider community. Key costs and performance are benchmarked across the sector through Housemark so that we can compare and understand any differences, and strive for further improvement. The peer group used is the Northern Large Scale Voluntary Transfer Organisations with stock over 7,500 properties (group includes 21 other organisations).

This information is reported to the Group and Subsidiary Boards and also the Tenant Committee in order to be open and transparent. All indicators are continuously reviewed to identify trends and plan for future changes.

The key performance measures for 2015/2016 were...



100.6%

% of current rent collection



4.03%

% of current rent arrears



£116k

former tenant rent collection

We continue to pursue all arrears in order that the rental income can be invested into front line services for all tenants.



94.4%

% of repairs completed on the first visit



99.9%

% of Emergency and Appointable Repairs completed within the target time



96.9%

% of customers satisfied with repairs



19 days

Total average void turnaround time for properties let in the month (calendar days)

Repairs are a key service for tenants and the Group continues to improve services to ensure that high quality repairs are completed on time and right first time.



82.0%

% of calls - first time fix



98.5%

Satisfaction with contact centre



3.12%

Sickness absence

The Contact Centre aim to answer calls quickly and resolve tenants' queries at the first phone call.

The Group continues to reduce sickness to maximise the effectiveness of our staff.

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



The 2015/2016 costs are also benchmarked through Housemark - peer group used is the Northern Large Scale Voluntary Transfer Organisations with stock over 7,500 properties (group includes 21 other organisations).

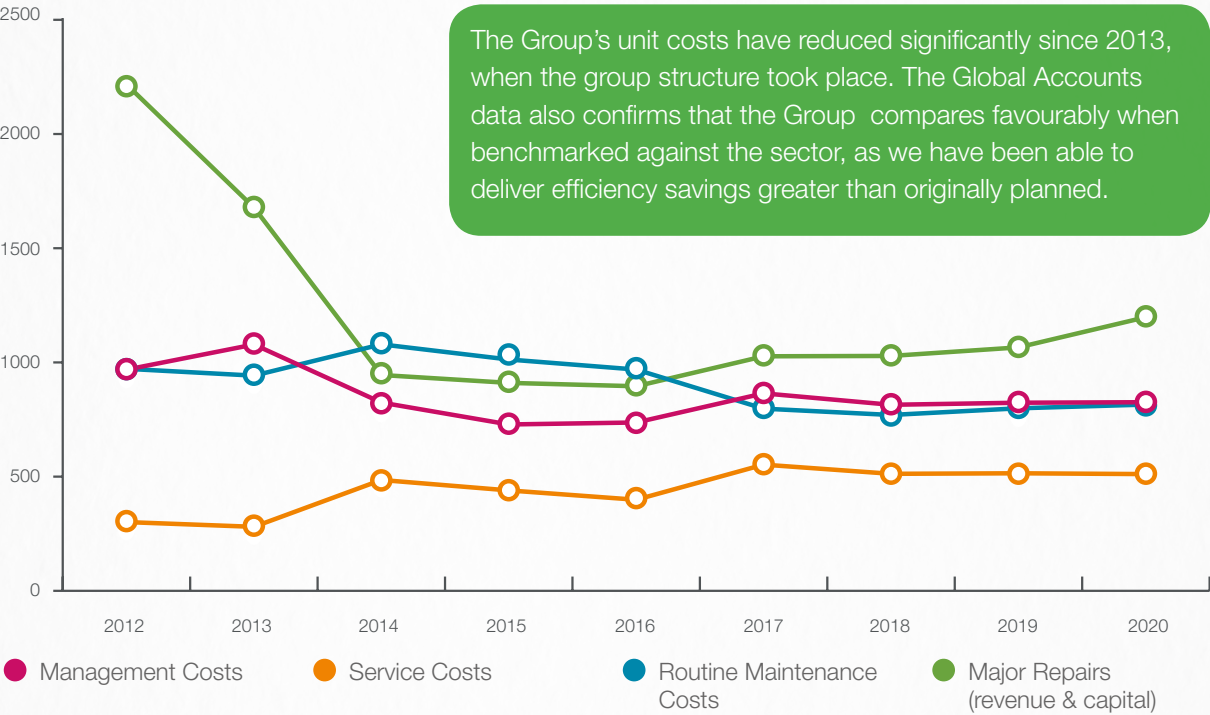
KPI	Direction of Travel	Ranking 2016	Ranking 2015	Ranking 2014
Overheads as a % of turnover	↑	3rd	6th	8th
Overheads as a % of direct costs	↔	1st	1st	1st
Responsive & Void Repairs - CPP	↑	2nd (CPP - £616)	3rd (CPP - £654)	5th (CPP - £718)
Percentage of all repairs completed at the first visit	↓	4th	2nd	2nd
% of tenants satisfied with repairs and maintenance	↔	13th	13th	
Major Works & Cyclical Maintenance - CPP	↑	13th (CPP - £1,526)	16th (CPP - £1,986)	16th (CPP - £1,903)
% of tenants satisfied with the overall quality of their home	↔	11th	11th	
Housing Management - CPP	↑	3rd (CPP - £353)	6th (CPP - £366)	6th (CPP - £369)
% of tenants satisfied with their neighbourhood as a place to live	↔	11th	11th	
Rent Arrears & Collection - CPP	↑	9th (CPP - £132)	11th (CPP - £141)	7th (CPP - £120)
% rent collected	↑	4th	12th	19th
Current tenant rent arrears (net of HB) as a % of rent due	↑	13th	14th	14th
% of tenants satisfied that rent provides VFM	↔	14th	14th	

↑ = Performance improved from last year compared to others
↓ = Performance worse then last year compared to others
↔ = Performance the same as last year compared to others
CPP = Cost per property

Performance

The Group has also benchmarked its costs using its statutory accounts and the Regulator’s Global Accounts information which reviews all the accounts for the sector. The graph below shows the trend using statutory accounts for the historical data, and the Group’s business plans for forecasting.

Cost per property - CPP	Direction of Travel ¹	WCHG 2016	WCHG 2015	Global Accounts 2015 ²	WCHG 2014	Global Accounts 2014 ²	WCHG 2013	Global Accounts 2013 ²	WCHG 2012	Global Accounts 2012 ²	Upper quartile (2015)	Median (2015)	Lower quartile (2015)
Management	↑	£740	£732	£1,034	£825	£990	£1,072	£952	£965	£908	£1,270	£950	£700
Services	↓	£397	£437	£514	£481	£517	£283	£498	£303	£461	£610	£360	£230
Maintenance	↓	£966	£1,008	£1,016	£1,073	£1,016	£940	£993	£969	£979	£1,180	£980	£810
Major Repairs	↓	£899	£914	£929	£948	£985	£1,675	£989	£2,210	£1,028	£1,130	£800	£530
Other	↑	£132	£112	£144	£78	£143	£100	£152	£56	£79	£410	£200	£80
Total	↓	£3,134	£3,203	£3,637	£3,405	£3,651	£4,070	£3,584	£4,503	£3,455	£4,300	£3,550	£3,190



¹ Direction of Travel – key: ↓ reducing costs; ↑ increasing costs; ↔ no change
² Global Accounts – average cost per property across traditional and stock transfer organisations

Way Forward

The Group is well placed to deal with the future challenges that it will face and has evidenced 3 years of delivering VFM services whilst continuing to identify new ways to deliver services economically, efficiently and effectively.

The Group delivered VFM Savings of £2.9m during 2015/2016 against a target of £2.6m. Savings made included £1.5m relating to development and investment, £0.3m from the Group's property maintenance service, a further £0.3m from housing management, £0.2m each from community investment and from the Group's central services. A further £0.3m was achieved due to the Group structure harmonisation. We have delivered this saving by continuously reviewing the services that we offer and working with tenants to adapt services to meet their individual needs. A further £1.5m of savings has also been identified for 2016/2017.

A full break down of the savings made for 2015/2016 and those planned in 2016/2017 is included in the detailed 2016 VFM Self Assessment.

The Group will continue to build on the strong performance demonstrated over the last 3 years, looking for more efficient ways of delivering the services our tenants want, against the backdrop of the 1% rent reduction from 2016 to 2020, in addition to Welfare Reform.

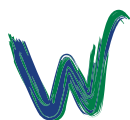
The Group will work with tenants, partners and stakeholders to continue to deliver key services to tenants and the community.

We will continue to work with other similar organisations to develop our measurement of social impact in all our activities.

The Group will continue to invest in new opportunities for Wythenshawe and review its existing stock so that it continues to provide high quality homes to our tenants and meet the Decent Homes Standard.

The Group will be working towards further improving its return on asset approach helping to ensure we are better informed when assessing all the options available regarding our properties.

To find out more please read our full 2016 VFM Self Assessment which is available at www.wchg.org.uk/vfm



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Community Housing Group
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