

Value for Money Statement 2022/23

1. INTRODUCTION

This Value for Money (VFM) Statement is produced for our tenants, residents, stakeholders, board members and staff. It sets out where we are on providing efficient and effective services for all our customers and creating value for money within Habinteg.

Habinteg receive significant public funding and operate within a regulatory framework. We aim to achieve and demonstrate good practice in our approach to VFM, comparable with the best performers in the sector, as well as contributing to sector-wide expectations.

To deliver these objectives, we must in turn achieve and demonstrate VFM in all our activities, addressing cost and quality together. We believe that these aims can be summed up in one of our overarching objectives:

‘To ensure financial viability and deliver Value for Money’.

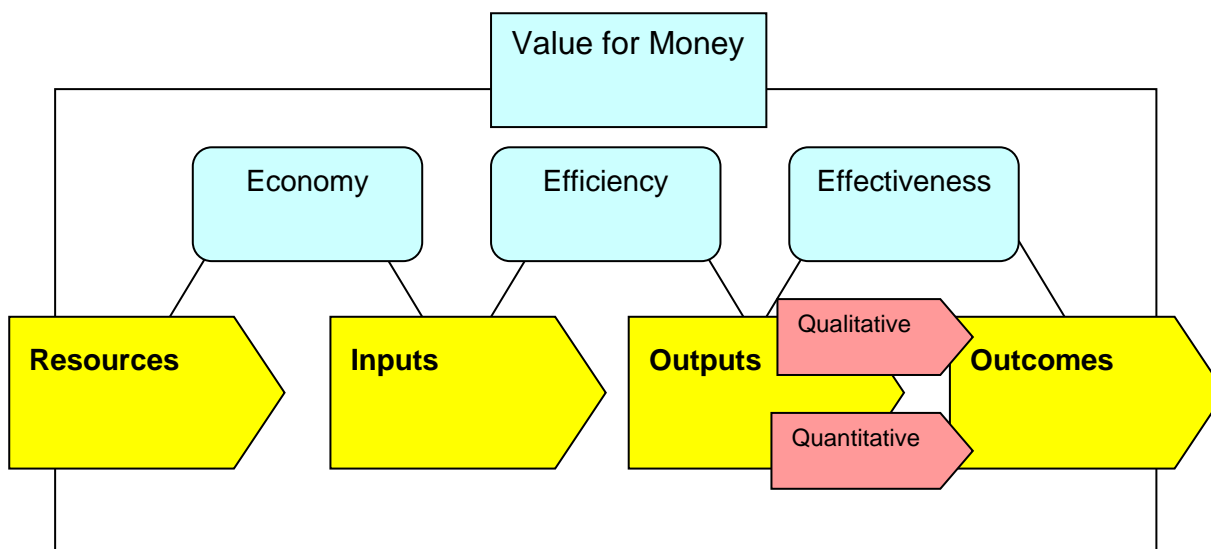
As outlined in our Corporate Strategy we will:

- Develop and maintain innovative and robust investment partnerships
- Develop and maintain sustainable and innovative commercial opportunities in accordance with our mission
- Develop and maintain sustainable growth through sound and viable financial processes.

2. WHAT DOES VALUE FOR MONEY (VFM) MEAN FOR HABINTEG?

Value for money (VFM) can be defined as the “optimal use of resources to achieve the intended outcomes”. For members of the Habinteg efforts to achieve VFM are focused on curating a portfolio of productive housing assets and managing them well to deliver the following core organisational objectives:

- Maintain effective governance
- Provide value for money customer services
- Increase the size of the business through growth
- Ensuring customer and community services enhance the health and well-being of the individual and the environment within which they live.



The Figure above highlights that VFM can be thought of as an ongoing process of optimising the relationship between resources and outcomes. This optimisation is achieved through a focus on economy, efficiency, and effectiveness:

Economy

This is what is paid for what goes into providing a service. Economy is about minimising the cost of inputs for an activity ('doing things at the right cost'). In essence economy is the careful use of resources to save expense, time, or effort.

Efficiency

This is a measure of how well things are done i.e., productivity. Efficiency is primarily associated with the process and delivery i.e., performing tasks with reasonable effort ('doing things the right way'). In essence efficiency is the delivering of the same level of service for less expense, time, or effort.

Effectiveness

This is a measure of the extent to which intended outcomes are achieved ('doing the right things')

We understand value for money is high where there is a good balance between all three – low costs, high productivity, and successful outcomes. We acknowledge that we are accountable to our customers, partners, funders, and regulators by setting out here our past performance and future aspirations.

We know that for our tenants and other customers quality and “getting it right at the first opportunity” are two essential elements of VFM.

Procurement of goods and services is another key element of VFM. In deciding whether something offers VFM, we look at whether we are obtaining the maximum benefit for the goods and services that we acquire or provide, within our resources. There is certainly no assumption that the cheapest price is best – decisions are taken based on a balance of cost and quality, taking ‘whole life’ costs into account. Measurement of progress towards achieving VFM is therefore a combination of cost, performance, and satisfaction indicators.

Procurement is a very important role within Associations, recognising this we have a specialised inhouse resource to deliver VFM through our all our contracts.

Performance in 2022/23

Business Growth

Habinteg's General Need stock increased by **28** in the year which has led to the following changes in stock

Number of units owned and managed at year end

Self-Contained	2023	2022
	Properties	Properties
General Needs Housing	2206	2178
Supported Housing	-	-
Sheltered Housing	35	35
Hostel bed spaces	61	61
	<u>2302</u>	<u>2274</u>
Non Self-Contained	2023	2022
	Bedspaces	Bedspaces
General Needs Housing	-	-
Supported Housing	-	-
Hostel bed spaces	179	179
	<u>179</u>	<u>179</u>
Total Units Owned and Managed at year end	<u>2481</u>	<u>2453</u>

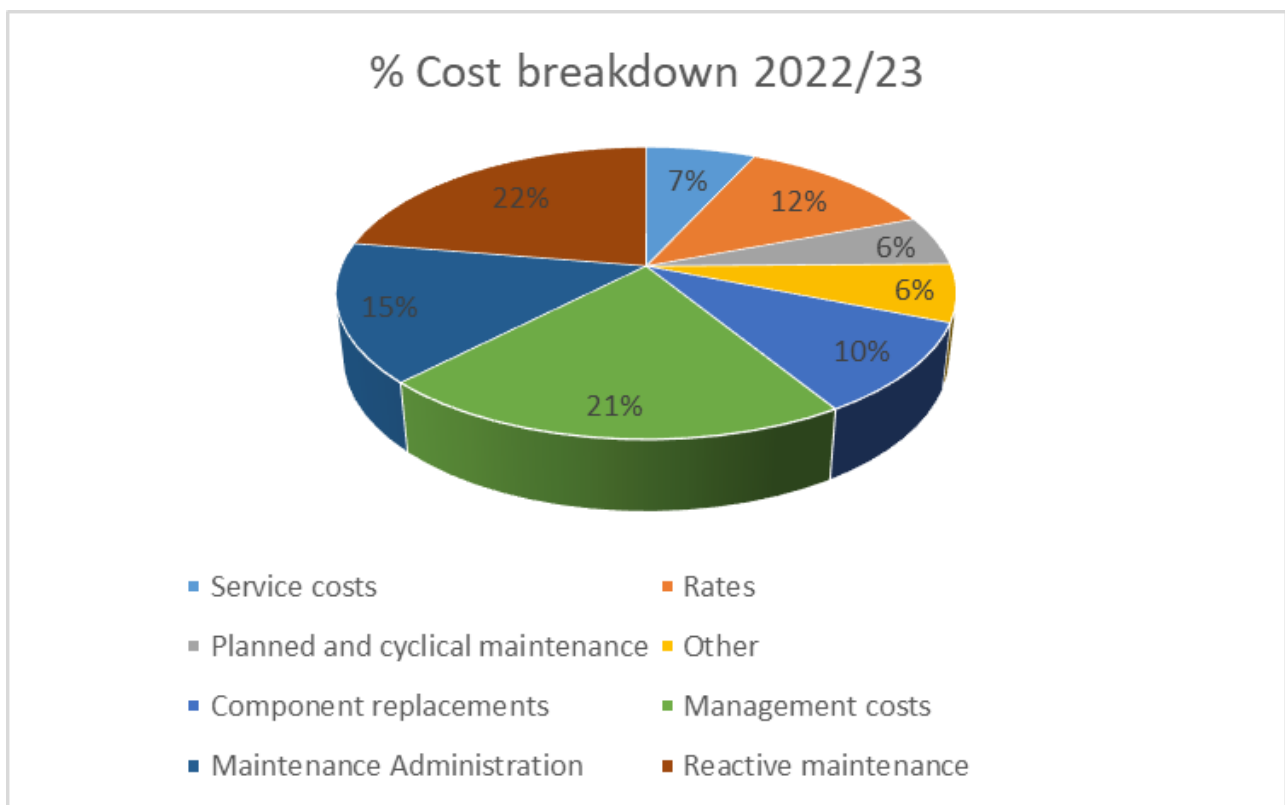
The increase in properties over last year of 1.23% reflect the figures handovers from the following schemes

Scheme Name	Hand Over Date	No of Units
64-66 Spencer Road (OTS)	13/04/2022	4
Duke Street 1 (Station View)	12/05/2022	42
25 Clifton Park (ESP)	15/03/2023	1
16 Conar's Court (ESP)	15/03/2023	1
	Total	48

We had **20** house sales during the year which when combined with our **48** completions gave us a movement of **28** properties for the year in self-contained stock. Our non-self-contained stock remained the same at **179** bedspaces. Further to this we had **115** units that went on site in **2022/23**.

Operational Costs Breakdown 2022/2023

Monitoring our income and expenditure is as vital a part of achieving Value for Money. The setting of realistic but challenging Key Performance Indicators (KPIs) is essential. By concentrating on the swift turnover of void properties and the maintenance of low rent arrears through the achievement of affordable rent levels and support to tenants ensures Habinteg maximises the income stream available. Before providing more detailed breakdown of our KPIs we feel it is important to highlight our percentage cost breakdown for the period as shown below:



It is noted that **28%** of our running costs are spent on maintaining our property, with a decrease in reactive spend of **£485k** and a decrease in planned and cyclical maintenance revenue costs of **£60K** from last year.

As demonstrated further in our Executive Summary for the period we were below our target spend on maintenance and housing management costs per

unit. Our maintenance costs per unit – (excluding admin costs) for 2022/23 were **£1338**. Our housing management unit costs per unit for 2022/23 were **£998**.

Habinteg Housing Association (Ulster) Ltd

Executive Summary

12 Month Ended 31 March 2023

Key Performance Indicators

	Actual	Target	Internal or External Target
No of Units cumulative	2241	2256	
No of Voids at 31/03/2023	20		
Surplus Before Transfers	514,753	678,812	Internal
Surplus After Transfers	541,108	704,200	Internal
Management Cost per unit	998	1,042	Internal
Maintenance Cost per unit	2,152	2,528	Internal
Maintenance Cost per unit - excluding admin costs	1,338	1,658	Internal
Administration Costs	3,862,185	4,089,212	Internal

We continue to ensure that our staff are provided with the skills and knowledge to carry out their duties and deliver value for money in their roles.

KPIs and Performance 2022/23

Below indicates how we performed last year at Q4 and Year End against our Key Performance Indicators, including performance against external targets, where these are required of us.

Area	Objective	Lead	KPI (No. & description)	Ext. Target	Int. Target	Q4 & YE
1.0 DEVELOPMENT	Operational Excellence	DoD	1.1 Onsite Starts per SHDP		100-150 Q1 = 0 Q2 = 0 Q3 = 30 Q4 = 120 (150)	96 YE 115
	Customer	DoD	1.2 Handovers (Actual Estimated) ^v		60 Q1 = 0 Q2 = 5 Q3 = 42 Q4 = 13	2 YE 48

	Financial	DoD	1.3 Budget v Actual Spend (10% variance)		Q1 = 5,406,726 Q2 = 7,402,831 Q3 = 6,686,096 Q4 = 10,203,191	8,647,301 YE 20,762,860
	Customer	DoD	1.4 % of W/C dwellings (as onsite starts)	10%	10%	8 (6.95%)
2.0 EST	Customer	CE	2.1 % Complaints responded to on time as per process.		100%	100% (6 complaints received in Q4. All 6 complaints responded to on time.)
Area	Objective	Lead	KPI (No. & description)	Ext. Target	Int. Target	Q4 & YE
3.0 ASSET MANAGEMENT	Customer	DoAM	3.1 H&S Compliance (overall Statutory)	100%		97% YE 98%
	Customer	DoAM	3.2 Emergency repairs within target	85%	85%	91% YE 91%
	Customer	DoAM	3.3 Urgent repairs within target	80%	80%	75% YE 82%
	Customer	DoAM	3.4 Routine repairs within target	80%	80%	78% YE 81%
	Financial	DoAM	3.5 Budget performance		100%	89% YE 89%
	Financial	DoAM	3.6 Maintenance costs per unit (excl. admin costs)		Q1 < £1,309 Q2 < £1,451 Q3 < £1,553 Q4 < £2,528	£2,150 YE – £2,150

	Operational Excellence	DoAM	3.7 Programme performance		95%	83% YE 83%
	Operational Excellence	DoAM	3.8 Void maintenance turnaround with target.		90% 15 days	63% YE 71%
Area	Objective	Lead	KPI (No. & description)	Ext. Target	Int. Target	Q4 & YE
4.0 HOMES & COMMUNITIES	Financial	DoHC	4.1 Current & Former rent arrears	≤ 5%	≤ 4%	4.8% YE 4.8%
	Operational Excellence	DoHC	4.2 Void relets time 80% from fit to let		15 WD	67% YE 60%
	Financial	DoHC	4.3 % of rental income lost - properties empty. ≤1.5% of rent due any given year.		≤ 1.5%	0.84% YE 1.1%
	Financial	DoHC	4.4 Homeowner service arrears		≤ 6%	Decrease of 7.5% from Q4 21/22
	Customer	DoHC	4.5 ASB - to resolve 85% of complaints made within 20 working days		≥ 85%	80% YE 91%
	Customer	DoHC	4.6 Customer satisfaction with home when moving in - 4 weekly visit		≥ 95%	96% YE 96%

Area	Objective	Lead	KPI (No. & description)	Ext. Target	Int. Target	Q4 & YE
5.0 HUMAN RESOURCES	People	DoFCS	5.1 Staff Turnover		= ≤ 10%	0.00% [16.1%]
	People	DoFCS	5.2 Sick Absence ST = Short Term LT = Long Term T = Total		=Costs 2% ≤ 5%	ST 2.4% [1.5%] LT 1.8% [3.55%] T 4.2% [5.08%]
6.0 FINANCE	Financial	DoFCS	6.1 Invoicing on Time	100%	95%	96%
	Financial	DoFCS	6.2 Gearing	≤ 50%		26%
	Financial	DoFCS	6.3 Interest Cover	>1.25		2.66
	Financial	DoFCS	Liquidity Current Ratio		>1	1.62
	Financial	ALL	Budget variance < 10%		10%	Turnover 0% Costs 3%

Housemark

Combining sector sentiment, best practice, and trend analysis, Housemark deliver high-level insights and forecasts to give housing organisations the confidence to make in-year decisions about the future of their business.

Housemark is the leading data and insight company for the UK housing sector and is jointly owned by the National Housing Federation and the Chartered Institute for Housing.

As a Housemark member, we see the benefits in being able to report on our performance , access our entire data, compare our performance with our peers, attend membership inclusive events, preview access to reports and publications, as well as avail of preferential rates for other Housemark tools and services

We participate in Housemark’s Monthly Pulse Report exercises, which allows us to report on and see how we compare against our peers on several key performance information every month. By providing a small set of valuable

metrics Housemark delivers a monthly summary report. Overleaf is an example of recent peer quartiles we participated in.

Housemark Monthly Pulse Report – Peer Quartiles May 2023

	Q1	Median	Q3
Percentage of homes with a valid gas safety certificate	99.89	99.92	100.00
Percentage of domestic properties with EICR certificates up to five years old	94.76	98.50	99.65
Responsive repairs completed in month per 1,000 properties	241.24	267.70	290.83
Percentage of responsive repairs completed within target timescale	67.06	76.82	87.76
Satisfaction with repairs in month (transactional)	83.20	87.58	91.30
'True' current tenant arrears at the end of the month (%)	2.42	3.13	3.82
Percentage of dwellings vacant but available to let at the end of the month	0.44	0.70	0.86
Average re-let time in days (standard re-lets in month)	38.33	50.39	56.80
New ASB cases reported in month per 1,000 properties	2.82	5.74	9.91
Formal Stage 1 and Stage 2 complaints received in month per 1,000 properties	2.32	3.40	5.95
Percentage of Stage 1 and Stage 2 complaints resolved within timescale in month	68.83	74.33	85.53
Percentage of customer contact received via digital channels in month	23.35	35.00	42.00
Percentage of tenants satisfied with the overall service their landlord provides (perception) - in month (LCRA)	No data	No data	No data
Percentage of working days lost to sickness absence in month	2.63	3.69	3.84
Percentage of voluntary staff turnover in month	0.67	0.79	0.91

By partaking in this monthly exercise, we also have access to analysis of up-to-the-minute sector trends, what's driving current performance and how sector policy and practice is evolving – an essential performance management tool for every data-driven business. In addition to the monthly pulse exercises Habinteg partake in the Annual Cost and Performance Comparison exercise. In doing so we receive an in-depth Annual Report from Housemark highlighting year on year Headline Financial Summaries of outputs as shown below

	2022/23	2021/22
Turnover / income	£15,088	£14,937
Operating costs / HRA expenditure	£12,642	£12,518
Capitalised spend on major works (£000s)	£2,545	£2,372
Operating margin (overall)	16.21%	16.20%
Operating margin (social housing lettings)	18.89%	17.73%
EBITDA MRI Interest Rate Cover	52.90%	62.87%
New supply delivered: absolute (social)	48	15
New supply delivered: absolute (non-social)	0	0
New supply delivered: % (social housing)	1.93%	0.61%
New supply delivered: % (non-social)	0.00%	0.00%
Gearing	24.72%	21.96%
Reinvestment %	2.95%	2.91%
Return on capital employed (ROCE)	1.48%	1.60%
Headline social housing cost per unit	£3,477	£3,267

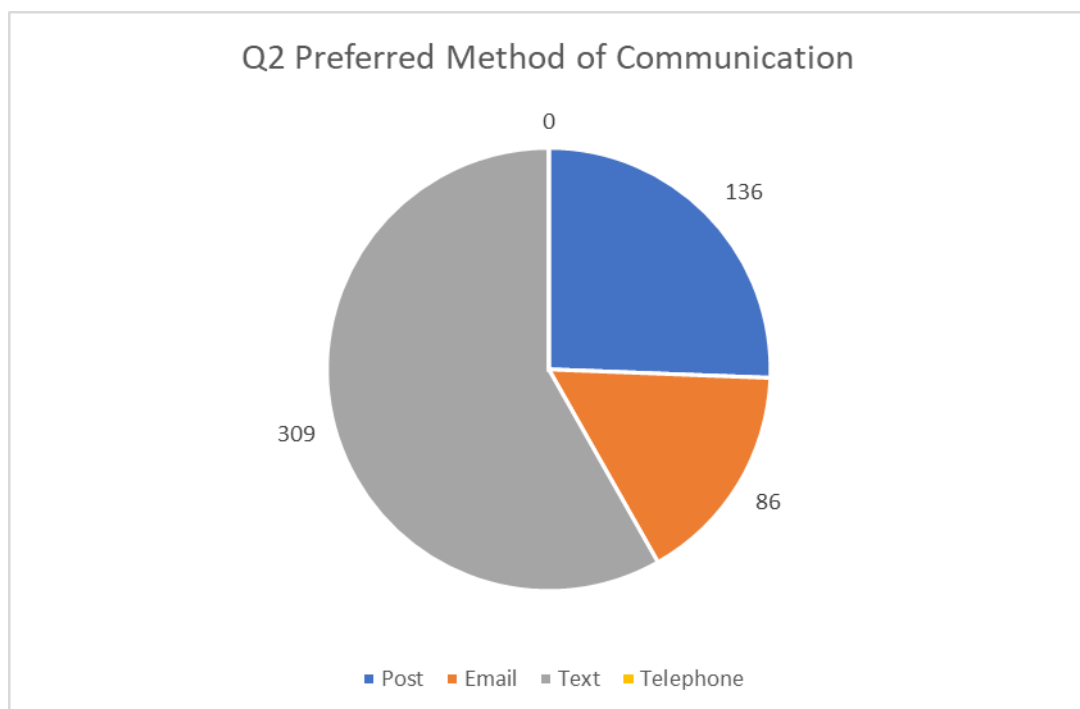
Customer Services

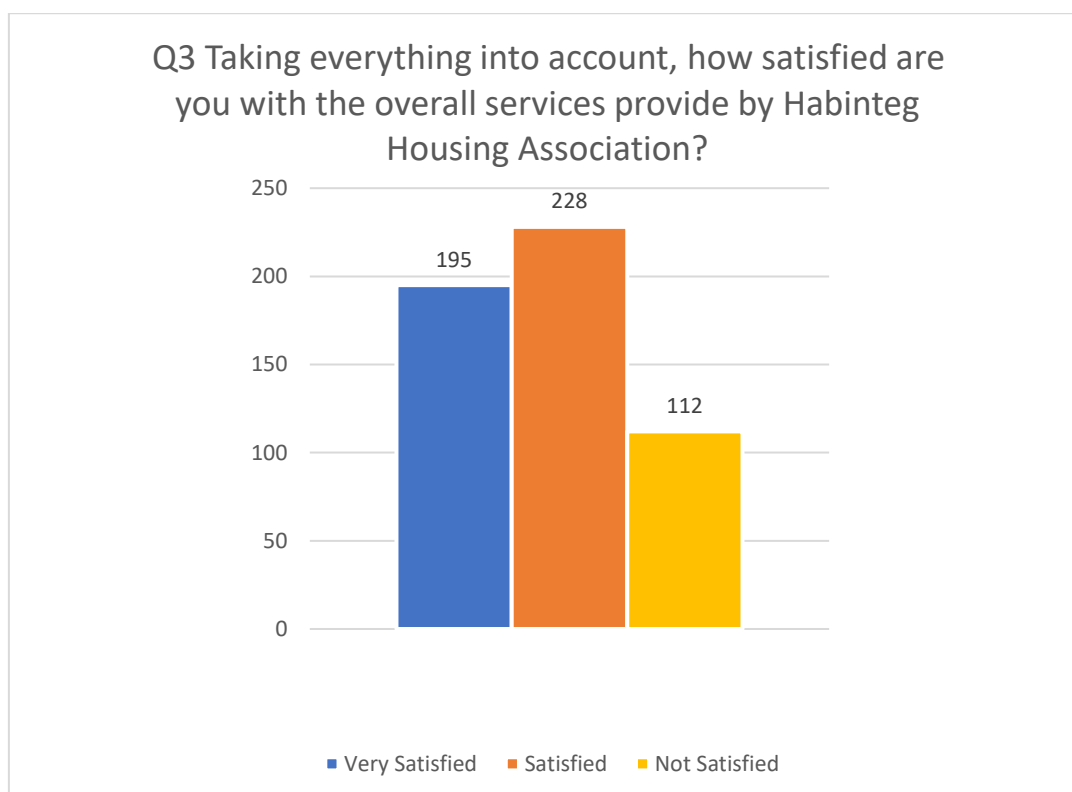
In a world of limited funding, we are constantly seeking to improve the way in which our resources are deployed. As previously demonstrated, achieving Value for Money means getting the spend right first time, and the golden thread which enables us to achieve this, across all our services, is to listen to our customer's needs and aspirations.

Knowing that customer 'buy in' improves satisfaction and therefore reduces complaints and potentially expensive mistakes we offer more communication choices to our customers than just telephone surveys. We have developed a range of communication options; these include the use of texting and social media. Texts allow us to get a quick customer response ensuring we act quickly and effectively reducing unwanted mistakes.

Engaging with our customer's is central to us achieving Value for Money whilst continually improving our service delivery.

Our Community Involvement Team oversee the conducting of Tenants Satisfaction Surveys for all service areas via a range of communication methods. In the period some key feedback (*actual numbers*) from our tenants on preferences and satisfaction of key service areas are demonstrated in the following charts;





Other key satisfaction items recorded;

- 99% satisfaction with independence, safety, and security of a new Habinteg home
- 27 compliments recorded for customer service (*only specific acts of gratitude for exceptional service are recorded*)
- 480 tenants benefitted from our in-house money/welfare advice service

Commitment to the National Customer Service Excellence Standard

The Association is a long-standing holder of the National Customer Service Excellence Standard, previously Charter Mark, and continue to be independently and rigorously assessed annually against the Standard. While not obligatory we believe being assessed against the National Standard year on year helps us focus on and demonstrate value for money benefitting not only our customers but our staff in several ways:

- By using the diagnostic tool to test in great depth those areas that research has indicated are a priority for customers, with particular focus

on **delivery, timeliness, information, professionalism, and staff attitude.**

- helps build a picture of our organisation and how customer focused we truly are. It challenges us to look afresh at our organisation from the perspective of the customer – examining what we deliver and how well.
- **Building Team and Individual Skills.** At the heart of customer service excellence are well researched concepts around the key aspects of customer insight and how this can be used to deliver an effective customer focused service. It provides guidance on a whole range of tools and techniques that can be used to deliver excellence. In this way both individuals and teams can learn new skills and gain greater understanding of these important concepts as well as how they can be used to grow a customer focused culture.

To date out of 5 criteria, (57 criterion), the Association has achieved [*previous year's figures appear in brackets*]:

- **21 [20] Compliance Plus/Best Practices**
- **35 [37] Full Compliances**

Community Investment – Health and Well Being and Environment commitment

Community investment VFM is also about enhancing the impact we have on communities in which we operate focusing on the impacts we have on people's wellbeing or welfare.

As part of our Tenant and Community Engagement Strategy **173** community events and activities took place in the period. These included social, recreational, educational and health and wellbeing events and activities.

These events and activities were organised by our Community Involvement Team were based on feedback from our tenants on what they wished to get involved in. The events and activities were received well with much positive feedback received.

We recognise the positive impact of the great outdoors to our tenants, the wider community, and the environment that we live in. During the period

- We supported tenants with funding to purchase plants for raised beds on schemes where tenants have identified the need either because of mental health problems, physical health problems or cost of living crisis to grow their own produce.
- We provided tenants with the resources and training to grow their own baskets and window boxes creating pride and a welcoming ambience on schemes.

Our Community Involvement Team continue to work closely with our Tenant Scrutiny Panels and Tenant Regional Panels to help us identify areas where improvements can be made to all our services.



INVESTORS
IN PEOPLE | Gold

Investors in People

Habinteg recognises that its people are its most valuable commodity. We have long been committed to adopting the Investors in People (IIP) framework and achieving Investors in People status. We appreciate that our people are the driving force behind our business and are critical to our organisation's success.

Investing in your people is proven to be essential in delivering sustainable results, especially in a crisis. Organisations that lead, support, and develop their workforce effectively are 17% more productive and 21% more profitable.

We are aware that employers who get this wrong not only suffer the performance consequences but also see a detrimental impact on the wellbeing of their employees.

Organisations which meet the IIP standard, are believed to reflect excellence in people management and the few that attain Gold status represent just 17% of all those assessed. We are delighted, therefore, to have been judged worthy of this top accolade, recognising our strong, ongoing commitment to investing in our staff.

We continue to be committed to investing in our staff and to at least maintaining our Gold status while continuing to drive improvement and aiming for further status recognition in this area.

Conclusion

We re-emphasise the importance of VFM and aspire towards continuous improvement on improving VFM. We will routinely review our policies, processes, systems, and measures to ensure that these underpin our VFM priorities.

We will also ensure that relevant VFM actions and outcomes are communicated appropriately with our customers and stakeholders to demonstrate progress against our plans.

Board and SMT of Habinteg Housing Association (Ulster) Ltd.

29 September 2023