



Our Value for Money Statement **2021/22**
Period 1st April 2021 – 31st March 2022

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Open

Fair

Flexible

Achieving

Executive Summary

Monmouthshire Housing Group was established in January 2008 following a large-scale voluntary transfer from the local authority. Since transfer MHA Group have worked hard to improve the lives of residents, delivering high quality, affordable and accessible homes and services within the communities it serves. A strong commitment to value for money is always embedded and optimised when developing our vision, strategy and annual objectives.

Vision

MHA provides **high quality homes and services** that **meet our stakeholders' expectations. Daily, we seek to transform lives by enabling communities to realise their ambitions.** We have created an environment where people can have a **brilliant quality of life**, in areas where they **aspire to live and work.**

Making our money go further enables us to devote more resources to achieving and exceeding our business objectives: providing more and better homes, improving service quality and supporting a wider range of activities to help tenants realise their ambitions.



Defining

What is meant by value and VFM and what are the perspectives of key stakeholders?

What does the term 'Value for Money' mean?

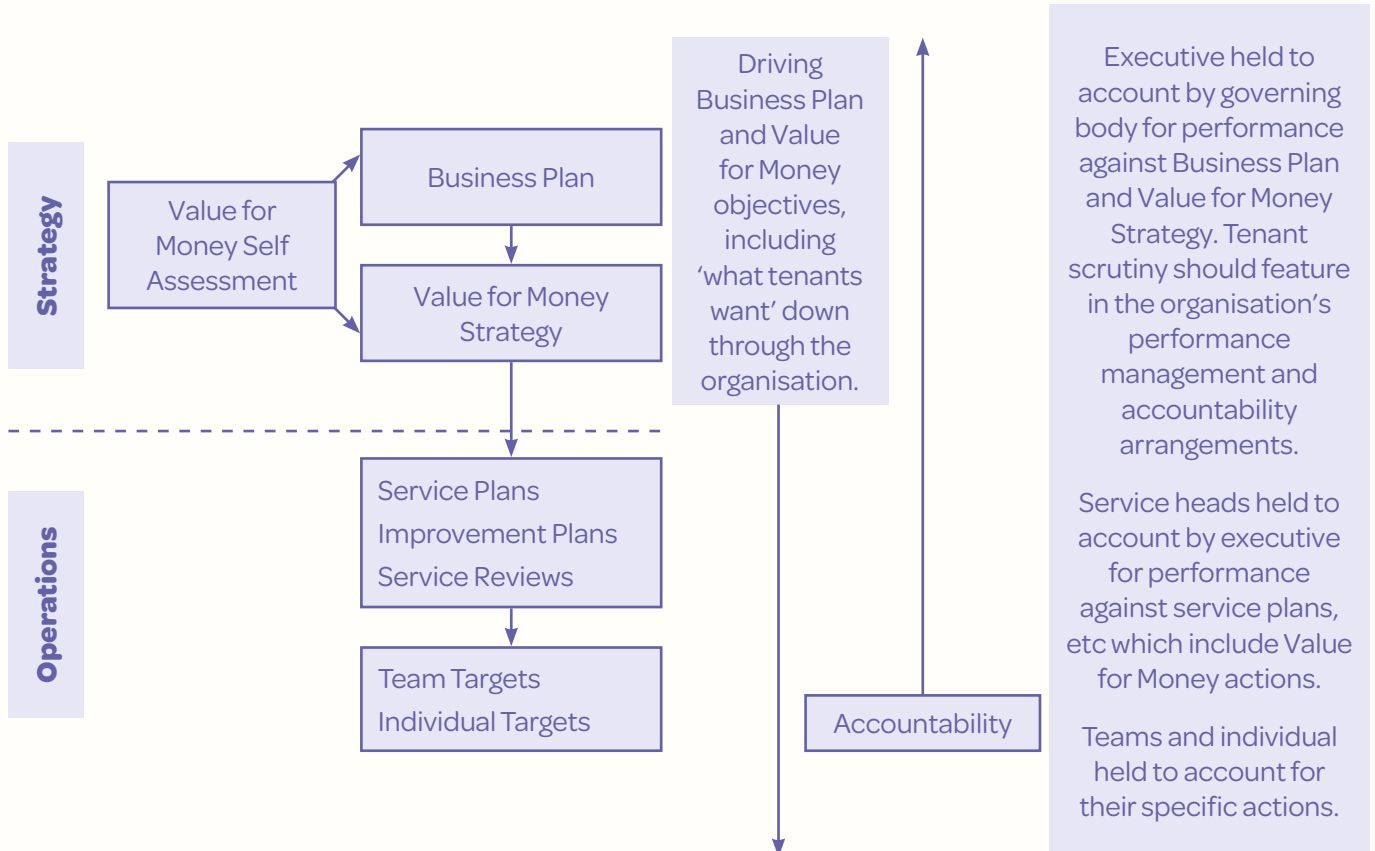
According to our representative body, Community Housing Cymru and Housemark:



Value for money is about ensuring that every pound spent delivers the maximum impact possible in terms of quality and/or quantity. Without Value for Money as an overarching principle: you will inevitably spend more than you need to achieve your objectives. Nobody likes throwing money away and our tenants certainly can't afford for us to do so."

Embedding value...

This statement parallels our VFM Policy (available on our website), which sets out MHA Group's approach to value for money. It gives key aspects of the VfM process and identifies the main reporting procedures. The policy is reviewed annually by the Board of Management and complies with Welsh Government's regulatory requirements, to ensure our costs and performance are transparent and accessible to our stakeholders. This is the model adopted by MHA Group:



Key objectives detailed within MHA's Value for Money Policy:

Integration of Value for Money into decision making, planning and reporting

Monitoring of the achievement of Value for Money through reporting and benchmarking

Ensuring that the principles of Value for Money are understood and it is the responsibility of all staff to pursue Value for Money in the Association's activities

Ability to demonstrate that Value for Money is being achieved

Through our Stakeholder Engagement Strategy we will continue to work with a wide range of partners from the local community so that the best possible outcomes are achieved for our tenants, making sure we are delivering services equitably and addressing those in greatest need and suffering from socio-economic deprivation, given the current climate.

Service users are at the heart of the decision-making process, with dedicated service improvement focus groups and our Community Voice Committee, who report directly to the Management Board, play a pivotal role in driving value, maximizing positive outcomes for service users and holding MHA Group to account. Their focus for the year ahead is Fuel Poverty and scrutinising results of surveys and other consultation to see where further improvements can be made.

Furthermore, the association's corporate objectives highlight a commitment to securing VFM through our activities so we have a clear understanding of the association's costs, performance and quality of services and by taking action to ensure that the right balance is achieved.

Measuring the value of our key stakeholders

Key costs and performance are benchmarked across the sector so that we can compare and understand any differences, and strive for further improvement. The key ratios from the latest published results are shown below. MHA invests more of its resources than its peers in major repairs, ensuring our properties are kept to a high standard.

Key Performance Indicator	MHA 2021/22	MHA 2020/21	All Wales LSVT average 2020/21
Operating costs for lettings per social housing unit	£4,205	£3,972	£3,419
Management costs per social housing unit	£1,345	£1,063	£1,286
Reactive repair costs per social housing unit	£1,675	£1,746	£1,232
Major repair and component costs per social housing unit	£1,722	£1,089	£1,293
Bad debts per social housing unit	£3	£18	£20
Weighted average cost of capital	2.24%	2.98%	4.85%
Gross arrears / social housing turnover	5.4%	5.0%	4.8%
Total rent per social housing unit	£5,983	£5,976	£5,215
Rental void loss per social housing unit	£33	£42	£90

Our stakeholders play a vital role in driving improvement and helping us to maximise our positive impact. We want to continue to nurture and develop these relationships and operate a robust stakeholder engagement strategy to bring a more structured approach in achieving a mutually beneficial arrangement in terms of future strategic planning.

On a more local level MHA Group want to continue to measure the wider impact on the communities in which we serve, and use a range of other tools to monitor our VFM effectiveness as a social landlord..

Delivering

What are we doing to achieve VFM and what are the big issues that need to be tackled?

Tenant Satisfaction

Satisfaction data is collected and used across all service areas (see 'Housing Management & Repairs sections below). In addition, MHA conduct its own tenant satisfaction survey every 2 years. The last survey completed in January 2022 achieved a response rate of **38.33%**, our highest engagement to date. The results are used at team level to identify gaps in provision, so resources can be targeted in the right areas.

90.7%

satisfied with overall service

75.2%*

satisfied with service charges providing Value for Money

87.5%*

satisfied with quality of their home

87.3%

of residents who trust MHA as a landlord

88.7%

satisfied that rent provides Value for Money

87.5%*

satisfied with neighbourhoods as a place to live

89.8%*

satisfied with repairs and maintenance

MHA Group's use of Voicescape software has given us an opportunity to capture satisfaction in real time. The Customer Contact Centre and Repairs have been the focus of the pilot scheme.

Repairs



For 2021/22 satisfaction achieved **94.04%** against a target of **95%**

This is an increase from **92.03%** on the previous year

Customer Call Centre



The team have taken on average **25** seconds to answer **98.4%** of calls

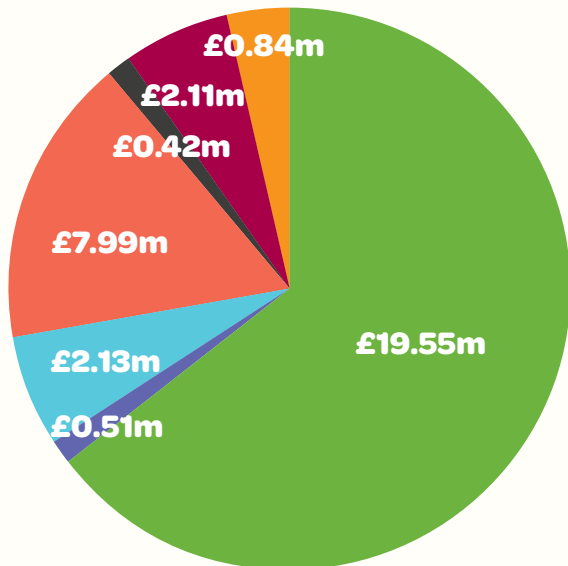
85% resolved at first point of contact, an increase of 1.8% on last year

Customer satisfaction with the service provided by the Contact Centre is **99.36%**

Cost & Performance

Where the Group receives its money:

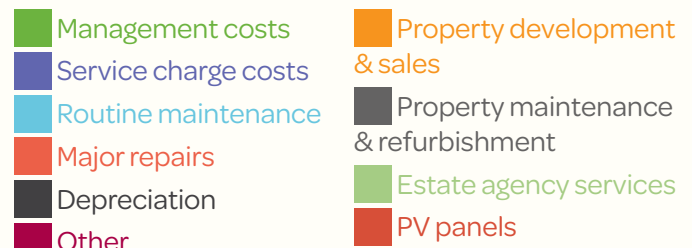
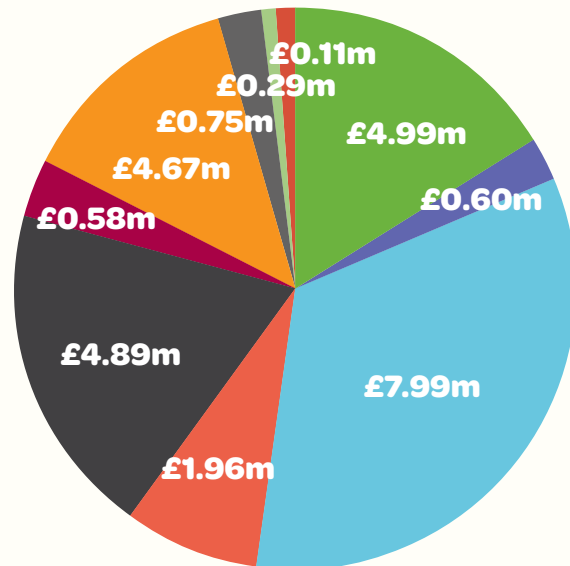
Income 2021/2022



Total **£31.33m**

How the Group's funds are spent:

Expenditure 2021/2022



Total **£26.83m** / Operating Surplus **£4.5m**

We have in place a **£65m** long term private placement loan funding from the Pension protection Fund along with a 5 year revolving credit facility with Barclays of **£20m**, which is currently undrawn. This funding has laid a truly solid foundation for MHA's future ambitions, and has already helped to fund the major repairs expenditure and contribute to the funding of our development programme and corporate plan objectives. Alongside this external funding, we expect Welsh Government will continue to provide an annual dowry of **£2.6m** which is vital to the funding of our planned repairs programme and the financial health of the organisation.

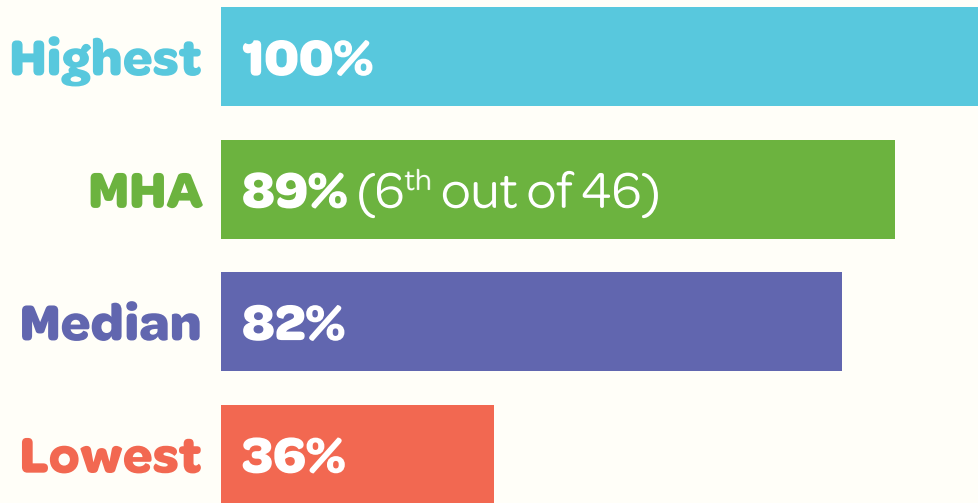
We continue to build on the success of previous financial years with strong corporate health. Our cash generation from operating activities is strong with **£12.2m** cash generated from operating activities during the year.

Performance

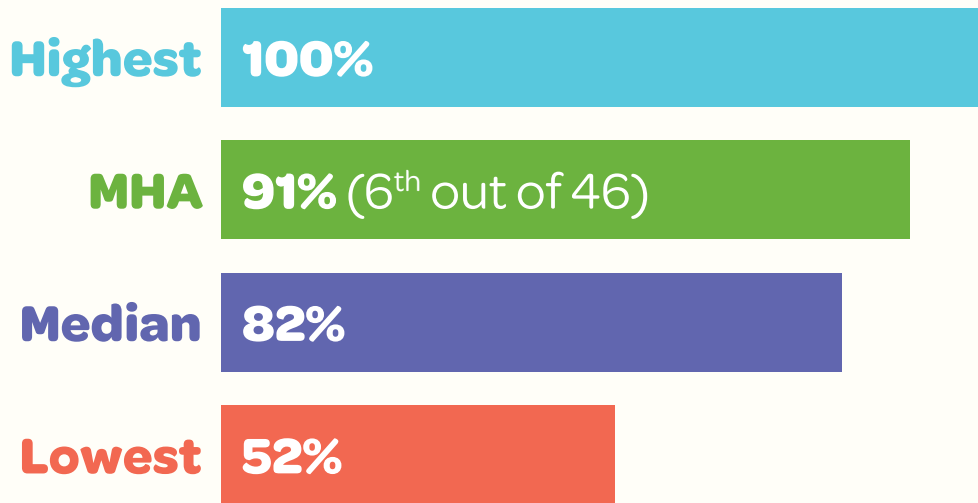
The Group monitors a range of Performance Indicators (PIs) across all service areas and strive for excellence, delivering the best services we can to our customers. MHA also uses public information from Welsh Government and other sources to benchmark our performance against others in the sector.

In terms of tenant’s satisfaction “where rent provides value for money” MHA Group celebrates **6th position**, in the recently conducted Countrywide Social Landlord Tenant Satisfaction Survey, compiled by Welsh Government . See below:

How satisfied or dissatisfied are you that your rent provides Value for Money? ⁱⁱ



How satisfied or dissatisfied are you with the service provided by your social landlord? ⁱⁱ



Our Management Board and senior executive team receive quarterly reports on performance, with relevant areas of responsibility also devolved to the respective Committees through a pyramid monitoring system.



Annual targets are reviewed and boundaries pushed, particularly in relation to maintaining low rent arrears so more resources can be ploughed into delivering front line services.

99.8%

of rent collected from current and former tenants

1.97%

of current rent arrears

Housing Management

Social Value

It is important to us that satisfaction is not the only driver. Understanding and measuring the social value and positive outcomes within our wider communities are equally important.

Budget **£876k**

70% core funding

30% grant funding/
commissioning

In 2021/22 we:

Engaged with **444** local people, **309** of whom were new to engagement.

Were awarded **£14,250** in small grants or ad hoc financial support to spend in MHA communities.

Awarded **£13,000** to community groups through Pitch for Your Project.

Received **£19,000** in Community Benefits from development, asset management procurement, and the grounds maintenance contract including the hiring of 1 x apprentice and money to support local community development projects.

Dedicated **£25,000** to financially support the more vulnerable tenants living with stress and trauma, caused by hardship and poverty.

Awarded **£7,000** in community sponsorships supporting a range of groups and providing items such as a defibrillator, School Uniform for families, and food to help alleviate food poverty within the community.

Our money saver experts have helped **443** tenants to maximise their income, totalling **£582,280.31**.

Supported **14** tenants with digital devices and supported many more to get online, enabling them to contact loved ones.

34 Tenants have actively taken part in completing training courses.



For more information about the impact we are making within our communities see the Tenants Annual Review 2021/22, available on our website.

The Housing Support Grant contract with MCC provides funding for our Housing and Wellbeing service. Housing and Wellbeing provides tenancy and/or housing related support to people in housing need and through timely and effective interventions, this can promote improved wellbeing. This project is delivered by 4 MHA staff members, covering 3 FTE posts. The Housing and Wellbeing service covers Caldicot, Abergavenny, Usk and surrounding areas.

The service is provided to MHA tenants alongside other tenures outside of the organisation who reside within the above geographical areas.

Over the past year, the service continued to provide support to people who were presenting as homeless and who were rehoused in temporary accommodation until June 2021. Following MCC's remodelling for the service the team returned to their substantive role of providing support to people through their place-based model from June 2021.

The team have supported **162** people and have achieved fantastic lasting outcomes with their approach to support with having the person at the forefront of everything they do. The team have set up a drop-in surgery in Caldicot, promoting the service and making the service more visible and accessible to those living in the community and are rolling this out in the Abergavenny area in May 2022.

To what extent do you agree with the following statement - "I trust my social landlord" ⁱⁱ

Highest

100%

MHA

87% (8th out of 46)

Median

77%

Lowest

45%

Neighbourhoods

Tenancy Coaches

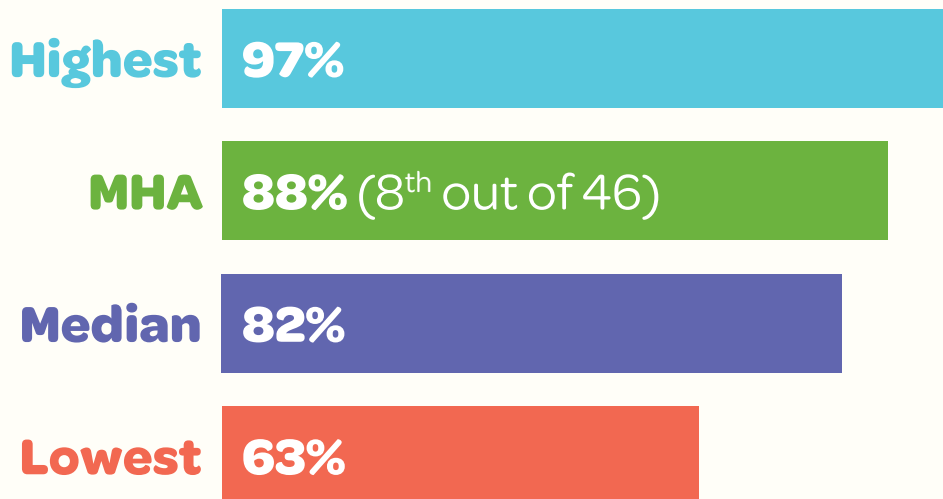
Tenancy Coaching is aimed at sustaining MHA tenancies and is not restricted by timescales, or lack of engagement by tenants. Its primary goal is to prevent crisis leading to the loss of tenancy, but it would also operate to assist MHA in shaping up and validating its approach towards a tenant who poses a safeguarding or financial risk to the organisation, its neighbourhoods and tenants.

The tenancy coaches have had a very busy year as we came out of lockdown and have been working tirelessly with MHA's most at risk tenants. The tenancy coaches are supporting **74** tenants currently, the service has received **34** new referrals in the last year and has closed **8** people.

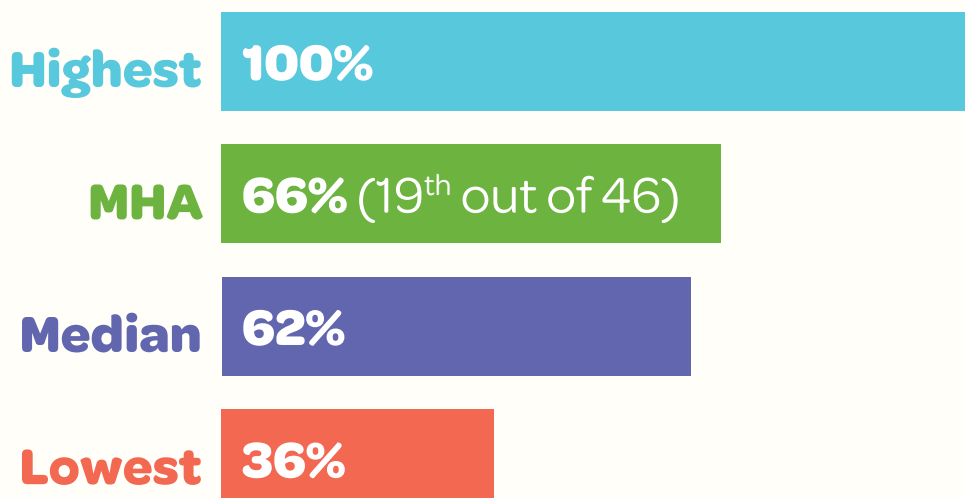
Community benefits

Received **£19,000** in Community Benefits from development, asset management procurement, and the grounds maintenance contract including the hiring of 1 x apprentice and money to support local community development projects.

How satisfied or dissatisfied are you with your neighbourhood as a place to live? ⁱⁱ



How satisfied or dissatisfied are you with the way your social landlord deals with anti-social behaviour? ⁱⁱ



Responsive Repairs, Voids & Planned Maintenance

Repairs and maintenance is one of the most important services MHA provides for its tenants. In 2021/22 we caught up with all of the repairs we had to put on hold due to Covid and we have continued to carry out all of our compliance cyclical servicing acknowledging that the health and safety of our tenants and their homes is paramount.

At MHA we strive to provide a repairs service that is convenient to our tenants. In 2021/22 we started a service delivery review of our repairs and maintenance services, we have worked with colleagues across MHA, met with peers and have had the involvement from our tenants. We listen when our tenants tell us what they want from a repairs and maintenance service, they have previously told us the most important thing to them is having an appointment for their repair and getting it Right First Time.

In 2021/22 we attended, in average, over 96% of appointments made on time and completed over 97% of the repairs Right First Time. It is pleasing that satisfaction levels have improved and satisfaction for our repairs is high at over 93% satisfaction. We have an internal work force carrying out planned maintenance works, responsive repairs and refurbishments to our empty homes, meaning the values of MHA are at the heart of everything we do.

Recent survey results have placed MHA's repairs and maintenance service 5th compared to other housing associations.

How satisfied or dissatisfied are you with the way your social landlord deals with repairs and maintenance? ⁱⁱ

Highest

100%

MHA

90% (5th out of 46)

Median

75%

Lowest

36%



97.2%

Repairs completed right first time (Target 96%)



96.93%

Repairs appointed kept (Target 97%)



94.04%

Customers satisfied with repairs (Target 95%)



23.99

Days void turnaround time - standard lets (Target 30 Days)

Property Management

Targeted Recruitment and Training (TR & T) and Community Benefits

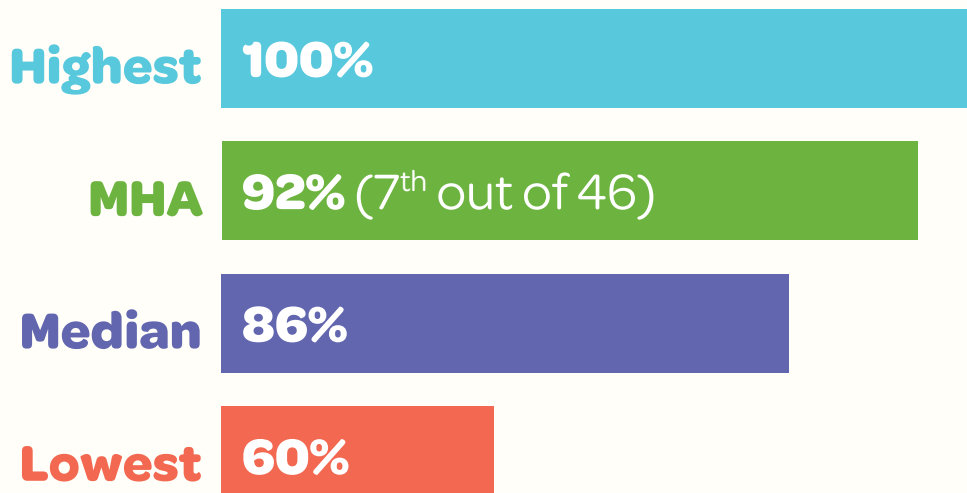
MHA has undertaken a review of its Procurement Policy to take account of new legislation and guidance, and includes further guidance for TR & T and Community Benefits. However, MHA has already committed to providing employment and training opportunities to the people of Monmouthshire and / or securing funding or “benefits in kind” for local communities. It is imperative that we support the economic needs of communities, and we therefore aim to maximise spend within locality and increase local business capacity as a part of sustaining our business. In addition, we will provide educational, training and work placement opportunities for unemployed people/tenants, which will develop their work related and employability skills. To support this outcome, MHA has incorporated clauses into our invitations to tender and works contracts for all major development and property maintenance projects to ensure that each successful contractor agrees that by entering into the contract for ‘the works’ as outlined within the contract, they are agreeing to enter into providing the required financial Community Benefits and /or TR & T opportunities or both.

Our Engagement and Work & Skills Wise teams will then work with the contractor to ensure the communities directly receive funding or support for local projects and / or to support a tenant or member of a tenant household into any available work opportunities.

Recent examples of achieved Community Benefits and TR & T, totalling £19,000 include:

- Pembroke Road, Primary School Chepstow - awarded **£4,100** towards an outside nature adventure trail in school grounds. Used by all children in the school and local community for both recreational and learning purposes.
- Devauden Community Council - **£2,716** awarded for Improvements to their community hall and potentially fund gym equipment, helping with parking and encourage outdoor exercise all year around.
- School Uniform assistance scheme - **£4,000** awarded to assist families with costs, especially those items not readily available at pre-loved uniform events such as blazers and shoes.
- Cwtch Angels in Abergavenny - **£500** towards a **£2,000** fund tackling ‘Holiday Hunger’ and help to alleviate food poverty in the summer holidays. This money was specifically targeted at low income working families, not eligible for other support
- Chepstow Comprehensive school - awarded **£200** for topsoil in their new edible garden, helping pupils learn about and tackle food poverty
- Together Works Community Hub, Caldicot - **£1,000** towards a **£4,000** table-top tablet used by the local community to improve digital literacy and inclusion
- 1 x Apprentice

Thinking about your home specifically, how satisfied or dissatisfied are you that your social landlord provides a home that is safe and secure? ⁱⁱ



Way Forward

This report demonstrates MHA's strong commitment to securing Value for Money from its' activities, and in doing so illustrates to our tenants and other stakeholders that we deliver effective and efficient use of the resources available to us.

Our commitment to Value for Money, is to:

- Continue to improve our understanding of our current value for money position
- Promote and embed a value for money culture
- Optimise the future returns on assets deployed
- Direct resources to achieve the right balance between frontline services, maintaining existing assets and providing new homes
- Maintain a high level of tenant satisfaction with value for money, for example, in relation to rent & service charges

In reviewing 2021/2022, the pandemic continued to impact on our ambitious plans, and we managed the delay/cessation of key activities such as the development of new homes. There are more challenges ahead and, operationally, we strive for high performance and high satisfaction whilst considering the costs and the consequences of the current socio-economic downturn and the subsequent impact on tenants.

Last year, MHA introduced its local rent policy which enables us to set a fair, transparent and affordable rent for all. This policy continues to be monitored and adapted to ensure that our rents remain affordable and continue to provide excellent value for money. Next year MHA have also ringfenced £50,000 to provide direct financial support to individual tenants and communities.

Our key drivers and values are culturally embedded throughout the organisation so all are making the right choices in how the Group uses its money and resources. Staff are encouraged to think not just about saving money but also about VFM in its wider sense, such as the cost to the customer, service quality, performance and social value.

Going forward this year's 5 Year Corporate Plan 2022/27 has a dedicated Vfm objective, illustrating some of our plans:

In partnership with our tenants deliver services that enhance our current offering and secure value for money...

Our targets for this year are to:

- Embed the Community Voice Committee into MHA's decision making and consultative process
- Maintain overall tenant satisfaction at 90%+
- Identify potential rebranding opportunities for MHA
- Develop a digital offer for tenants, giving 24-hour access to services through the introduction of a new Tenant Portal
- Complete phase 2 of MHA's local rent setting policy
- Explore avenues to alleviate fuel poverty for tenants

At a strategic level, our economic vision for 2022/23 will be to remain financially viable, build on our resilience and invest in our growth and diversification strategies to achieve additional income for reinvestment in core activities.

Our ambitions are supported by an extremely favourable refinance in 2021 and this continues to provide a strong platform for growth. The Association has a significant development programme scheduled for the next five years along with the further growth of our trading subsidiary (Capsel Limited) for the benefit of the Association. All of which will strengthen the organisation and feed back into our corporate vision to create good quality homes and an environment where people can have a brilliant quality of life, in areas where they aspire to live and work.



For more information about our ambitions please visit our website and view our Corporate Plan 2021/22.

ⁱ Community Housing Cymru & Housemark 2016 'Maximising Our Contribution: A practical guide for Welsh Housing Associations on how to define, deliver and demonstrate Value for Money' - Steve Smedley & Hayley Macnamara

ⁱⁱ Welsh Government report: Social landlords: tenant satisfaction survey - What housing association and council tenants think about their homes. First published: May 2022.

Full results can be found by visiting <https://gov.wales/social-landlords-tenant-satisfaction-survey-html>