



Our Value for Money Statement

Period 1st April 2023 – 31st March 2024

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Open

We will act honestly and with integrity and our decisions will be made inclusively and transparently.



Fair

We are committed to delivering services with an even-hand and ensuring equality of opportunity for everyone.



Flexible

We will be innovative and proactive and view change as opportunity.



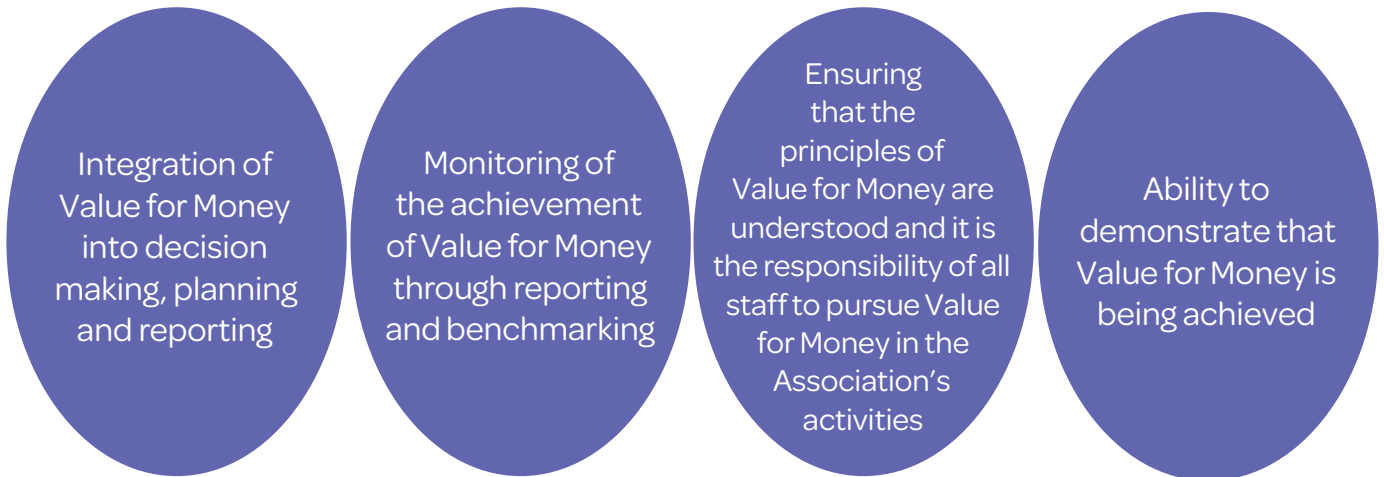
Achieving

We will set and reach ambitious goals and targets.

Executive Summary

Monmouthshire Housing Group's vision is to deliver sustainable, safe, high-quality homes, services and support within its communities.

With the housing sector already balancing the increased cost of building and maintaining sustainable homes with the ever-growing demand for additional tenancy support, it is crucial that we continue to operate at optimal levels to effectively accommodate these additional challenges. Our strategic plans are underpinned by this cultural mindset, ensuring that every resource is used wisely to benefit both MHA Group and create real 'value' to those within its communities. Our approach to creating value is set out in MHA's Value for Money Policy.



Our growth plans are closely tied to Capsel Homes Ltd (MHA Group's trading subsidiary), and its commitment to supporting MHA's social and community objectives. This support is realised both directly, by expanding the supply of new low-carbon, affordable homes, and indirectly, through gift aid generated from its commercial activities. Over recent years, Capsel Homes has gifted back £790k to MHA, which has been instrumental in funding essential loft insulation and other 'green' initiatives in its stock.

'Value' means different things to different people. This statement recognises what the term 'value' means to our stakeholders, how we have positively impacted people's lives and how efficiencies are made, managed and maximised

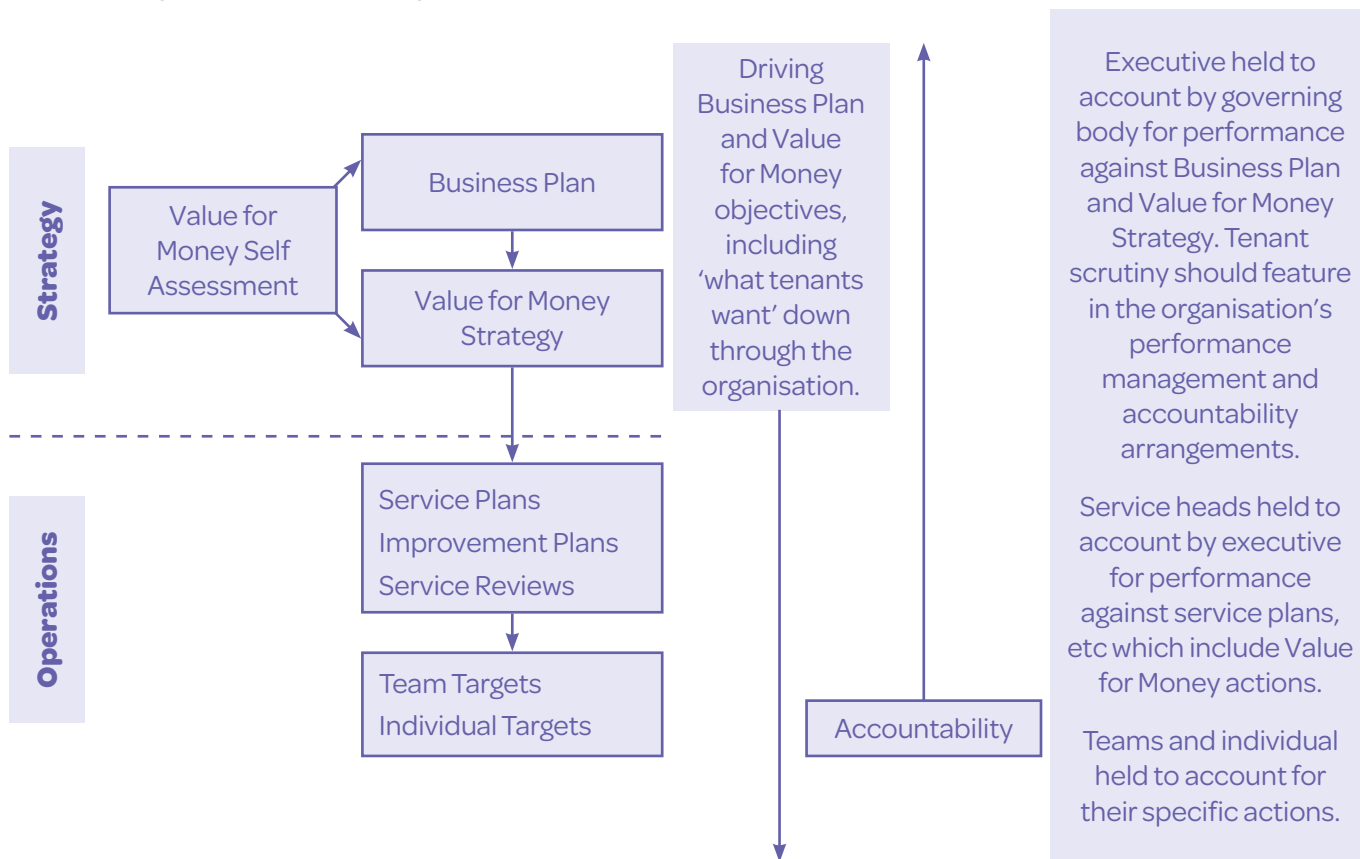
Our vision is to provide high quality homes for both existing and new customers. We seek to transform lives and help people realise their ambitions within vibrant communities and areas where they aspire to live and work.

"VFM is not just about financial measures or cutting costs. It should be an overarching principle covering the whole business, seeking to balance costs with desired outcomes and informing options and choices; supporting more new housing provision, improving homes and services and allowing associations to develop appropriate additional activities."

– Bob Smith, Regulatory Board for Wales 2017

Embedding Value for Money

Model adopted within MHA's VfM Policy, demonstrates the key aspects of internal processes and procedures:



Performance

Snapshot of key achievements during the year 2023/2024:



£65,299

Cost benefits from intro of new technologies per year



89.3%

Satisfaction with overall service



£710,501

Savings based on procurement activities.



51

New homes built

'Adopters' of the UK's Sustainability Reporting Standards

Regulation: Judgement



[Visit our website](#) to read more about our future plans, and the positive impacts made within our communities over the past year.

Operating surplus

Our operating surplus (excess income, less operating expenses) is reinvested into maintaining existing homes, delivering more affordable homes and providing exceptional services for tenants.

The Association's operating surplus for the last four years were:

Financial Year	Operating Surplus £'000	Operating Surplus %
2023/24	6,333	24.36
2022/23	1,120	4.61
2021/22	3,820	13.34
2020/21	4,217	18.41

The above performance ensured that MHA generated sufficient surpluses to meet funder requirements and to support the Association's future development ambitions as laid out in its' long-term Business Plan. During the 2023/24 financial year significant improvement was seen in financial performance as a result of delivering efficiencies across a number of initiatives including the Association's Digital Strategy and various procurement initiatives.

Optimising our income

Maximising rents

MHA's rent setting policy aims to provide a methodology of calculating rents which are sufficient to ensure MHA continually maximises its contribution to its communities; whilst ensuring that rents always remain fair, transparent and affordable for tenants.

Minimising the time our homes are empty between tenancies

MHA continues to work towards a reaching target of 28 days from 'keys in to keys out'. We have continued to lead in the sector with a void standard superior to other RSL's inclusive of a full redecoration, all repairs completed, flooring throughout and garden works where necessary.

Maximising the amount of rent and service charges recovered

Current and former tenant arrears have reduced year on year, and this can be attributed to preventative work being undertaken in both areas, together with a supportive approach and clear expectations

Date	Monetary Amount	Gross Collectable Debit (£)	Performance Value	Target
March 2024	216,123.93	21,796,288	0.99%	1%
March 2023	244,827.08	20,139,413.5	1.22%	1%

Percentage of current rent arrears compared to previous year:

Date	Monetary Amount	Gross Collectable Debit (£)	Performance Value	Target
March 2024	475,966.47	21,796,288	2.18%	3%
March 2023	450,460	20,139,413.5	2.24%	3%

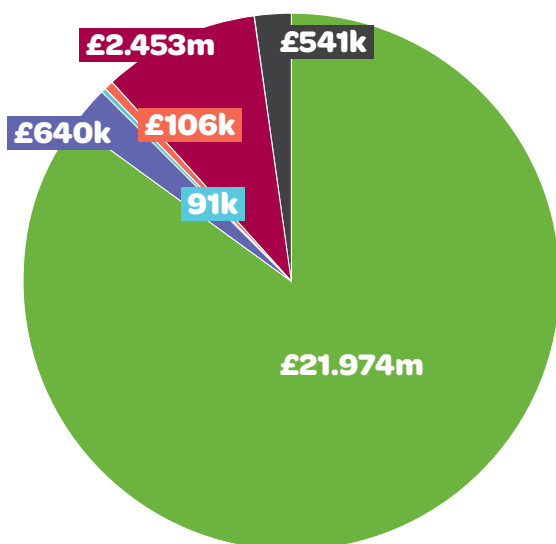
Optimising our cost base

Key Performance Indicator	MHA 2023/24	MHA 2022/23
Operating costs for lettings per social housing unit	£5,459	£5,978
Management costs per social housing unit	£1,174	£1,435
Reactive repairs costs per social housing unit	£2,426	£2,833
Major repair and component costs per social housing unit	£1,698	£1,474
Bad debts per social housing unit	£4.96	£40.02
Weighted average cost of capital	2.25%	2.25%
Gross arrears / social housing turnover	5.25%	5.06%
Total rent per social housing unit	£5,736	£5,361
Rental void loss per social housing unit	£46.99	£43.97

MHA has strived to reduce its' management costs year on year to facilitate greater investment within its' communities. Greater investment in planned major repairs, over a number of years, has had a positive impact on reactive repairs over the same period. Bad debt levels demonstrate the association's proactive and supportive stance to managing tenant debt. The association's weighted cost of capital remains extremely low following a large refinancing exercise in 2021 where MHA secured long term funding at extremely low rates of interest – allowing it to further invest in the communities that it serves and to deliver sustainable growth of affordable housing in the region it operates within.

Where the Group receives its money:

Income 2023/2024

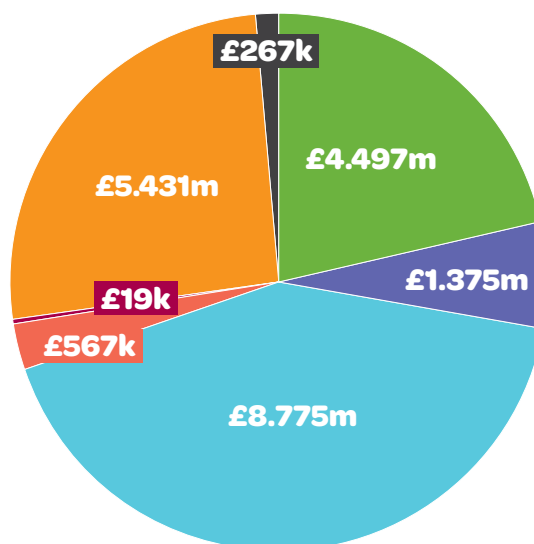


- Rents Receivable
- Service Charge Income
- Leaseholders Income
- Income for Support Services
- Government Grants Amortised
- Other Income

Total **£25,804m**

How the Group's funds are spent:

Expenditure 2023/2024



- Management Costs
- Service Charge Costs
- Routine Maintenance
- Major Repairs
- Bad Debts
- Depreciation of Housing Properties
- Other Costs

Total **£20,931m**

Procurement

We successfully delivered budgetary savings totalling **£710,501**, demonstrating the value of strategic procurement practices. Key achievements include:

- **Energy Savings** - Worked with energy consultants to analyse consumption data and determine the optimal time to approach the market, resulting in contract savings of over 50% compared to the previous agreement.
- **Roofing Works** via Dynamic Purchasing System (DPS) to access pre-qualified local suppliers, supporting economic growth. The winning supplier's bid was 53% cheaper than the second-placed submission.

Additionally, **£53,046** secured through procurement contracts, community benefits and external funding. These funds will be allocated to support activities, events, and projects led by MHA's Engagement Team.

Customer Satisfaction & Performance

MHA conducts its own survey with service users, the last achieving a response rate of 32.9%, results of which are used at team level to identify gaps in provision, so resources can be targeted in the right areas.

See results below, including comparable position against the 45 other RSL's across Wales:

90%

satisfied with overall service



60%

satisfied with service charges providing Value for Money



94%

satisfied with quality of their home



87%

satisfied that rent provides Value for Money



84%

satisfied with neighbourhoods as a place to live



85%

satisfied with repairs and maintenance



Customer Call Centre:



99.8%

satisfied with services provided by the CSA Team

Satisfaction with repairs:



96.54%

satisfaction with the repairs and maintenance service provided by Building Services.

Housing Management

Despite falling inflation rates, the cost of meeting life's essentials such as the weekly shop, heating our homes and filling our cars continue to be unaffordable for many people.

Social housing tenants have the highest rate of poverty of any tenure and are particularly hard hit, with one in 7 Monmouthshire children living in poverty and families having to regularly access emergency food parcels and visit foodbanks.

With a digital deprivation rate of 12.5% (in 2019) in rural Monmouthshire we know digital isolation and connectivity in some areas, remains a real challenge leaving many residents, particularly older who are unable to communicate, connect and engage with essential services and their loved ones.

Long periods of isolation coupled with struggling to make ends meet can have a major impact on people's health and wellbeing. MHA's dedicated financial and wellbeing and employment specialists work hard to provide support and guidance to get residents back on track.

Overall Budget
£996k

External funding
& main sources
£440,096
(44% of overall budget)

Community 'value' created this year...



£1m+

secured as additional income for tenants and support clients, an increase of **£350k** on previous year



£149k

recouped in Shared Prosperity Funding to deliver the iConnect digital inclusion project



£133k

directly assisted those suffering hardship



32

people were supported into employment this year representing a social value of **£412,032**



£25k

supported local community groups through Pitch For Your Project



444

tenants supported by Money Wise Team



£9,200

from external resources - fuel vouchers, DAF and food club vouchers etc. were passed onto those in need



23

attended training courses



984

digital champion volunteer hours creating a total social value of **£10,253** with a total of **13,467** community volunteering hours delivered, equating to the value of **£140,326**



63

people were assisted with tenancy issues



39

events co-produced, attracting **1,739** attendees

Visit our '**Brighter Futures**' footage capturing lived experiences.

Responsive Repairs, Voids and Planned Maintenance

MHA implemented a new repairs system in 2023. This has enabled improved appointment scheduling and better communication for appointment reminders to customers.

MHA continues to deliver high quality homes putting customers first, providing full decoration and flooring throughout when turning over a void property.

Planned up-grades such as kitchen, bathroom, heating and external works are carried out at void stage, alongside a planned programme for delivery.

Value creation...



97.46%

of repairs completed right first time with target



96.54%

customer satisfied with repairs with target



99.84%

repair appointments kept with target



34

days void turnaround time – standard lets (excluding major work voids)

In 2023/24 we ...



installed

128

kitchens and bathrooms



installed

187

boilers heating upgrades



installed

147

windows and doors



installed

122

new roofs

Property Management

TR&T & Community Benefits

MHA are committed to ensuring that all that we do has a positive impact within our communities. Our investment programmes provide us with further opportunities to ensure that our tenants and residents remain at the heart of what we do and that their priorities are our priorities. It is important to us that we secure as much value as possible from any investment we make and that the value we secure is reinvested back into the communities that need it most.

We are committed to supporting the resilience of communities, which has made huge efforts to sustain its wellbeing and welfare through locally instigated programmes and activities.

Our aims in realising social value in our investment is to create opportunities for our tenants and their families to gain valuable work experience; to provide funding to enable our community partners to deliver projects, and to work with our tenants to mitigate the challenges posed by the increased cost of living.

Click here to see what our Engagement Team achieved during the year.

Making the most of our people

Keeping everyone safe

MHA Group recognises the importance of investing in healthy learning and development programmes supporting mandatory, role specific (e.g. health and safety) and professional qualifications. Its popular and equitable 'Future Leaders' programme allows 3 employees a year to learn and grow their leadership skills through mentoring, coaching and project management.

MHA also operates a non-work related personal development programme, financially assisting employees to learn additional personal skills, some examples of this include: horticulture, fitness instructor and driving lessons.

Encouraging Fitness and Wellbeing

A number of MHA policies and benefits support the wellbeing of its employees including a cycle-to-work scheme, buying and selling holidays, counselling services/occupational health, the right to request flexible working and regular 6-weekly check-ins with managers.

With a growing emphasis on staff health and wellbeing, MHA relaunched and reinvigorated its dedicated health and wellbeing group 'Life & Soul'. The creation of staff groups such as Motivate, Minimise Me weight loss group and Monmouthshire Milers running group saw staff coming together, socialising and working towards a common health and fitness goal.

All of which promotes the HSE Management Standards to reduce stress levels and provide expertise to support individuals in maintaining good levels of attendance.



Attendance levels

in 2023/24 sickness absence rates were **3.08%**



100%

of colleagues felt confident they have the skills to do their job (recent staff survey)



3.5%

of MHA colleagues gained professional qualifications in last 12 months



Turnover (voluntary)

in 2023/24 staff turnover rates were **9.8%**



14.4%

median pay gap... MHA Group pay Real Living Wages

Our VfM Plans for 2024-25

MHA's continuous improvement plans focus, in the main, around strengthening our commitments to the environment (Planet), the communities in which we serve (People/Places) and strengthen our financial position and the way we are governed (Prosperity).

We are passionate about creating a more sustainable Wales, actively supporting the Wellbeing of Future Generations (Wales) Act and are proud to be part of the growing community working together to promote prosperity while protecting the planet, to achieve the United Nation's sustainable development goals.

We have adopted the UK's Sustainable Reporting Standards (SRS), ensuring we are reporting our environmental, social and governance performance in a transparent, consistent and comparable way.

Read our [Responsible Business Strategy](#) (ESG).

Our 5 key commitments to Value for Money is to:

- Maintain high levels of tenant satisfaction with VfM (rent and service charges)
- Optimise future returns on assets deployed
- Continue to improve our understanding of our current value for money position
- Direct resources to achieve the right balance between frontline services, maintaining existing assets and providing new homes.
- Continue to promote and embed a VfM culture



PEOPLE



PLACES



PROSPERITY



PLANET

Targets set for 2024/25

Planet & Places

- Deliver phase 1&2 of the Operational Energy Net Zero Pathway Decarbonisation programme
- Service review and improvement of our Void Gold Standard and services, in line with WHQS2
- Review our approach to damp and mould
- Achieve 0.5% business waste to landfill target

Prosperity

- Maintain overall rent arrears at 3% and 6% UC arrears - maximum
- Carry out a VfM review of external grounds maintenance contracts
- Achieve a further 20% channel shift
- Secure further alternative funding and resources to address digital exclusion
- Reduce non-contract spend, roll out contract management training and prepare for new Procurement Act 2023

People

- Achieve overall customer satisfaction target of 90%, and develop a targeted improvement plan
- Create a new EDI Strategy and action plan
- Achieve 95% target of tenancies sustained beyond Year 1



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