



Value for Money Statement and score card, Sept 2018

Barrhead Housing Association and its subsidiary Lavern Property Services Ltd continues to strive for cost efficiencies throughout all aspects of the business. This statement and score card is intended as a discussion document to help encourage conversations with our staff, our Board, customers and partners as we continue to seek to provide and demonstrate value for money.

Subject to feedback we intend to issue this value for money statement annually, and will update this each year following completion of the Annual Return on the Charter. Where we have indicated no data, this means we have not been collecting this data and will do so going forward.

Background

Barrhead HA was set up in 1986 as a locally controlled community organisation working within East Renfrewshire. We are located in the centre of Barrhead.

Our Mission: 'At the heart of our community – investing in your future'

Our Vision: 'BHA believes that everyone deserves a secure home'

Our Values: respectful, adaptable, dedicated, aspirational, and responsive.

Achieving value for money enables us to achieve our vision.

What is value for money for Barrhead HA?

In summary, it is about delivering maximum value whilst minimising costs. It's about providing an effective, high quality service whilst making the best use of our limited resources.

Our draft objectives in achieving value for money are:

- Affordable rents
- Efficient procurement
- Improving services

- Maximising income
- Investing in the future
- Reducing our costs as a proportion of turnover
- Generating surplus to make a wider social impact, including new homes
- Maintaining a minimum cash balance of £2m

What have we been focusing on over the last 3 years?

Contracts large and small are tendered to achieve value for money for our tenants and owners.

Specifically:

- We completed a feasibility study during 2017 with an Architect and in consultation with our sheltered housing residents to consider what improvements could be made to the physical building going forward – these would add value to the development as well as enhance the residents’ ability to remain independent. This resulted in funding being awarded by the Scottish Government for enhancements worth £290,000 for 2018 – these are currently out to tender and include increased emergency lighting, enhanced footpaths, external electric storage for mobility scooters and we will convert the upstairs office back into a rented unit.
- We have spent a great deal of time and resources to meet the new General Data Protection Regulations deadline of 25th May 2018 and this included closing the office on a Wednesday afternoon for a period of time. All staff had to be trained on this new regulations which will continue as we prepare to meet Freedom of Information regulations to come. We have enhanced our website information in the download section to ensure more information is available to our tenants and residents.
- We have re-tendered our repairs service and awarded the contract to the lowest cost multi-trade contractor, with an appointment from July 2018 for 1 full year plus a further year.
- We have recently implemented our own Repairs Operative service and early signs are promising against performance and costs; this will be reviewed during 2018/19 with a view to expanding in-house services.
- We tendered for internal audit services for the next three years and appointed Wylie Bissett to work with our team to review key risk areas.
- We re-tendered our insurance contract in July 2016 for 3 years and this will now be re-tendered to commence a new contract in July 2019.

- We also use contractors from the tendered I Flair framework agreement for 10 priority areas including landscaping, cyclical and planned works. Currently in our second, 4 year framework (2016), we have agreed to commence work on a further 4 year framework to commence in 2020. We have used the framework for our kitchen and bathroom replacement programmes, our landscaping services and our gas contracts. It now has more specific community benefit clauses for local initiatives including employment training and jobs. We also remain members of two other framework clubs including Scottish Procurement alliance and NHS Services framework.
- During 2017/18 we also tendered for close cleaning services, gutter cleaning services, and our stock condition survey.
- We benchmark and compare costs trends to understand our business activities. We joined Housemark in June 2016 for 3 years and FLAIR members also benchmark and do peer reviews to learn from each other.
- We work with our local Tenant Scrutiny Panel made up of representatives from our tenant groups and customers, to input into our policy development, performance and budget setting process including rent reviews. We feel we allow participation in our work for those who choose to work with us.
- Tendering for the best cost is not restricted to repairs and services provided. We look to obtain value for money for our overheads too. For example, tendering our external audit services, and photocopier supplier. We re-invested in our IT system during the year working with our current contractor to re-negotiate the terms of their services.
- We also look to employ staff through the subsidiary which allows savings on salary costs. Both our Property Factoring Assistant and Repairs Operative are employed through the subsidiary. The subsidiary also provides us with employment opportunities to potentially re-model services for the future. We launched our LPS website during the year.

We will continue to tender for contracts and obtain quotations for specific work where applicable to ensure we achieve the best cost without compromise to quality.

Social Value and Impact

We are committed to the wider regeneration of our communities and as such provide a range of opportunities – these include:

- employability projects and partnerships,
- welfare and energy advice,
- the provision of preventative activities for our older people

- Opportunities for training and education for trainees considering a career in housing.
- Community benefit clauses to deliver additional local benefits
- Support through the Climate Challenge fund for an energy project in Auchenback for the last two years of almost £206,000 to improve both the building and the energy efficiency advice for local people.
- Support and funds for projects to deliver environmental benefits at the sheltered housing project using external grant and partnership employment training
- Craft Café at the sheltered housing complex to encourage health and wellbeing through creative participation. We received external funding for this via Linstone HA and the Scottish Government
- Creative Pathway youth employability project has delivered specific environmental training for both the sheltered housing project and through our 30th anniversary garden make-over competition.
- Aspiring Communities funding of almost £189,000 has been awarded for a new project called DIY Dunterlie focusing on new skills for local residents.
- Community choices Participatory Budgetting – following an application process and community voting event (with 2500 votes cast), 7 projects shared £30,000 towards the growth of their chosen projects during the year.

We access external funding wherever possible and work in partnership with the wider third sector, our FLAIR and local authority colleagues.

Value for Money Scorecard – our measurement of VfM

Process	2017/18	2016/17	2015/16
Rent and mainstream service charges collected as % of rent due	100.3%	100.8%	99.3%
Sheltered Service charges as % of total rent charged for sheltered housing	16.18%	10.44%	15.35%
Average re-let times	17.43 days	13.4 days	11.6 days
Repair appointments kept	97.9%	90.7%	96.5%

Value and Social Value	2017/18	New July 2016	2015/16
Satisfaction with the quality of new home	92%	92%	91.4%
Satisfaction with the overall service provided	94%	94%	95.4%
Satisfaction with repairs service	91.9%	82%	93.2%
Satisfaction with neighbourhood management	91%	91%	78%

Satisfaction that rent provides value for money	94%	94%	51%
Satisfaction that service charges provides value for money	No data	No data	No data

Financial	2017/18	2016/17	2015/16
Growth in turnover	3.45%	4.63%	0.0%
Operating Margin	26.9%	31.6%	30.7%
Turnover/ Management & Maintenance Admin costs	457%	476%	503%
Total cost per property for housing management	£382	£358	£353
Day to Day & void costs per unit	£468	£413	£423
Major works and cyclical per unit	£866	£824	£901
Total cost per property of major works and cyclical	£803,679	£764,787	£812,532
Total cost per property of responsive repairs and voids	£434,492	£383,247	£381,473
Gross tenant rent arrears as % of rent due	3.07%	2.81%	3.81%
Rent loss due to voids as % of rent due	0.37%	0.43%	0.26%
Gross arrears written off as % of rent due	0.03%	0.06%	0.47%

Our People	2017/18	2016/17	2015/16
Staff satisfied with organisation as employer	No data	No data	No data
Sickness absence average days lost per employee	0.93%	0.97%	3.19%
Staff turnover in year	14%	20%	24%

Property Standard:

	2017/18	2016/17	2015/16
Percentage of tenants satisfied with the quality of their home:	92.3%	92.3%	91.4%
Average days to re-let empty homes:	17.43 days	13.4 days	11.6 days
Planned investment spend per property:	£558	£558	£660
Compliance with Scottish Housing Quality Standard:	98.39%	98.2%	98.4%
Compliance with EESSH	77.7%	50.6%	41.4%

During 2017/18, we spent £1,231,400 on property improvements and repairs. We are still not at the 100% target set for SHQS as we have 14 properties that do not meet the standard as owners in mixed tenure blocks have not consented to the installation of door entry systems. We will continue to work on bringing this up to 100%. We are also now working on new targets for 2020 and 2050 on the energy efficiency standard for social housing. We will provide every home with an energy efficient certificate during 2018 and will ensure all works required to meet the 2020

standard will be met where we can – we may have some properties types that will be exempt as we cannot meet the target.

Building New Homes:

We completed the provision of 15 new homes at Rankin Court in April 2016. Unfortunately the 14 new homes planned for Kirkstyle Lane in Neilston were aborted by the Council during 2017 and all abortive fees repaid to the Association. This also resulted in the Association being unable to take forward our private loans for new build properties that we tendered for during 2017. We remain committed to delivering new homes for the area, particularly as part of the Scottish government’s 50,000 target – plans are underway for partnership working to deliver new homes with Taylor Wimpey in Neilston and eventually Barrhead South, with Bellway at Blackbyers, Barrhead, with Avant in Barrhead South, in Dealston Road Barrhead and hopefully a development of new homes in Walton Street, Barrhead.

Reducing Costs:

In order that we provide value for money, it is important that we continue to operate from a financially stable base. We need to generate sufficient funds to meet our existing loan commitments and increase investment in existing homes as well as building new homes.

2017/18 update:

Turnover growth: 3.45%	Operating margin (gross): 26.9%
Rent collected from tenants	Total overhead costs (incl salaries) as a % Of rent due: 28.4%
As % of rent due: 100.3%	

Our key objective is to maintain our financial stability, maintain our cash reserves at no less than £2m, commit to our investment in our stock, continue to review and ensure effectiveness of overhead spend, and if possible grow our business through increased stock eg new affordable units and business innovation.

Improving Services

A good repairs service:

	2017/18	2016/17	2015/16
Percentage of tenants satisfied with repairs and maintenance:	91.9%	82.3%	93.2%
Cost per property for day to day repairs works:	£468	£413	£323
Repairs completed at first visit:	81.74%	78.3%	89%
Repairs appointments kept:	97.9%	90.7%	96.5%

A good housing management service:

	2017/18	2016/17	2015/16
% of tenants who are satisfied with our management of their neighbourhood:	91%	91%	79%
Cost per property of housing management:	£382	£358	£353

We aim to make our communities great places to live and satisfaction with the management of our neighbourhoods has grown over recent years – 60% in 2001 to 91% in 2016. We work in partnership to ensure our communities are safe, and we support community project to improve the health and well-being of our customers.

Sustaining our tenancies over a 12 month period 2017/18:

New existing tenants: 100% compared with 100% in 2016/17.

New homeless tenancies: 85% compared to 96% in 2016/17

New tenancies from the waiting list: 84.6% compares with 90.5% in 2016/17

New tenancies through LA nominations: n/a

Added Social Value

1. Welfare Rights Project:

Initially funded from the Big Lottery, we made this a permanent post in April 2016. In the last year our welfare officer has helped a further 250 tenants obtain financial income of over £137,000. Universal Credit for 21 clients received payments of £36,655. Overall Housing benefit received during the year was £2.047m.

2. Employability Youth Creative Pathway project:

Funded for a fourth year, this project continues to support local young people into training, further education and employment. During 2017/18 xx young people attended workshops to help deliver improvements to local areas and providing these young people with new skills that will help them achieve in the future. Project value per annum: £146,000, 50% from People and Communities Funding.

3. Sheltered Housing Projects:

Various activities have taken place at the complex which has been resourced via Volunteers including our mouse mates classes for IT, physical activities classes, and our Craft Café; a People and Communities funding project shared with Linstone HA. External improvements have been made over the last year to tidy up and allow external areas to be used better. We conducted a feasibility study during 2017/18 to consider how we can upgrade the complex and via consultation and application for funding we have now secured £290,000 for upgrading the facilities. We will include converting the first floor office back to a lettable property.

4. Community Regeneration Officer:

With partners Williamsburgh HA, we have appointed a full-time officer to develop our strategy on wider economic regeneration – this appointment was made permanent in April 2018. This will focus our attention on the needs of our communities and the external funding available to make improvements to people's lives. The Officer has worked with the local community to develop our Strategy and

has been successful in obtaining external funding for a range of projects due to be delivered over 2017/18 and 2018/19.

5. Climate Challenge Funded energy efficiency project within Auchenback:

Our partnership work with Auchenback Active continues to be successful with a second phase of the Climate Challenge fund being taken forward during 2017/18 which benefits Auchenback's wide energy project. CCF funding received over the last two years ensures that energy efficiency measures and a project on food miles and waste continues to benefit the local area. With funding for a new boiler and solar panels, the Association has helped ARC achieve £250,000 of funding for the local area.

Customer Services:

Over the last three years we have re-structured our staff team to create three customer services officers with distinct geographical patches – during 2017 we reviewed these patches. The officers provide a personal one stop shop approach to customer services which includes a repairs service. We also introduced a new computer system in 2014 which continues to be developed to create better services for our customers, our staff and our Board. We have recruited a part-time IT business and support Officer during August 2017 and upgraded all our IT equipment during 2017/18 including our servers, our individual thin client computers, and our flexi clocking system for staff. We continue to develop our document management system. We have extended our office opening hours to include a late night service to 7.00 pm on a Thursday. Our complaints policy provides us with invaluable feedback from customers and leads to improvement to services. We also had to take in-house the housing list following the termination of the East Renfrewshire Housing Register and created our own list updating all the information as we went along, We also took our complaints module in-house too – this had been outsourced but has now been transferred to our new housing system along with allocations.

Affordable Rents

We aim to provide rents which are affordable and provide Barrhead HA with income to continually invest in existing properties and in growth through new homes.

Percentage of tenants who feel their rent is good value for money: 51% 2015/16 but this has increased to 94% in July 2016

Tenant arrears as a % of rent due: 3.82%

How does this compare? We have been tracking value for money for rent since 2001. Following our comprehensive survey of 349 tenants in July 2016, 94% of tenants were satisfied that their rent represented value for money. A substantial increase from 51% in December 2013 and this could relate to a number of things including the timing of the year for the surveys and the details provided at the interviews on what we actually provide by way of additional services. This information is important to us. We operate in East Renfrewshire where traditionally

social rents have been higher than that provided by the local authority. We have restricted rent increases over the last 3 years and continue to consult with our customers on our annual rent review. We will work with our customers to offer different rent increase options for proposals as part of our rent consultation going forward.

Measures of Affordability

Over this last year, the Association has used the new toolkit available for the wider housing sector from Scottish Federation of Housing associations. It allows average rents to be measured against moderate income which assumes landlords like BHA cannot determine a rent level for every single tenant. Following this test however, most of our rents remained affordable but not surprisingly, the following categories were unaffordable – single people and single pensioners. We will review these areas when considering our rent harmonisation results later this year, when we will have completed 4 years of rent harmonisation.

Average weekly rent 2017/18

Apartment size	Rent inc SC	Total	Scottish average	Difference
1 bed	£61.75	5	£67.44	8.4%
2 bed	£73.72	340	£73.33	0.5%
3 bed	£86.46	354	£74.94	15.4%
4 bed	£92.55	209	£81.37	13.7%
5+ bed	£112.90	23	£90.39	24.9%

Average weekly rent and service charges for sheltered housing 2017/18

Apartment size	Rent	Service Charge	Total
1 bed	£84.85	£11.84	£96.69
2 bed	£90.35	£11.49	£101.84

Procurement efficiencies

We have now produced a new procurement policy following the new Procurement legislation introduced in 2016. Over recent years we have worked to tender contracts where ever possible to ensure we review our costs. We now utilise a framework agreement with our housing association partners which has access to approximately 20 contractors to help us deliver our planned and cyclical programmes. We joined a second framework in 2016, Scottish Procurement Alliance which gives us further access to contractors for work. We have joined a new procurement club, Housemark in 2016 and this will allow us to compare costs with the wider housing sector. We joined a further NHS servicing framework giving us access to Architectural services for new build. We continue to work with one main contractor for reactive repairs and voids and appointed new contractors in July 2018.