Value for Money Self-Assessment

Section 1

Introduction and foreword

In its drive to secure better performance for Housing Associations, the Homes and Communities Agency (HCA) introduced some years ago a requirement for all Housing Associations to publish an annual Value for Money self-assessment statement. Although this requirement has resulted in increased attention being focused by boards and management on delivering value for money, (securing increased efficiencies, economies, and better outcomes for Housing Associations in the UK), recent changes to the economic environment in which we operate has meant that it is even more important to achieve the best return that we can on the assets and resources that we use.

In a letter (June 2016) to the chairs of all housing associations with over 1000 properties, Julian Ashby from the Homes and Communities Agency discussed the need to achieve a step change over the next five years in terms of securing real economies, and raised issues concerning the quality and consistency of the data presented and the self assessments being produced, citing in particular the concern over the wide variation in headline social housing costs being reported.

As a result, the HCA has signposted its intent to reinforce its focus on VFM regulation and the need to challenge providers on their approach to optimising efficiency in the achievement of their objectives. As such, it provided each of these associations with a set of economic data gathered from their published accounts, and a comparison to the sector figures as a whole. Although Westfield Housing Association was not provided with this data, we used our own, gathered from the 2014-15 final accounts, together with the comparators to assist our Board, staff and tenants in assessing how the service that we provide compares to others in our sector, in our 2016 self-assessment.

The HCA has not provided this data for 2017, but one of the large associations has produced a set of figures to be used in their own self-assessment, which it compiled from the HCA global accounts (published February 2017), and this, our 2017 self-assessment, uses these updated figures as comparators.

Last year we also received graphical information from the NHF and HouseMark, a benchmarking club, on operational efficiency from 2008/09 to 2014/15 showing the headline results from over 250 English housing associations. As it is difficult for us to obtain consistent information from the sector as a whole, our self-assessment in 2016 made use of these comparators where they were available and in the absence of updated external information this year, we have added in our latest results.

As a small association, our aim is to provide where possible consistent data on our own performance year on year.

As noted in our previous VFM self assessments , although all Housing Associations are subject to HCA standards, smaller associations such as Westfield with less than 1,000 properties are not subject to the same level of regulatory control, scrutiny, and engagement as larger associations. Our approach continues to be that the guiding principles of securing added value should be embedded in everything we do, in our approach to our work, and in our relationships with stakeholders, and we consider that, if we are successful in this approach, little additional work is required to demonstrate that we do deliver value for money as a matter of course. The figures should speak for themselves.

This does not, of course, mean that we can afford to be complacent. Indeed, the fundamental principle behind the VFM self Assessment is to provide a level of rigour to the measurement of our own performance against targets, and to stimulate the achievement of even more 'bangs for our bucks'.

Westfield Housing Association published its third annual self-assessment in September 2016. This, the September 2017 update, confirms our commitment and approach, and provides up to date figures for comparison and analysis, reports on whether we achieved our targets from last year, and sets new targets for the forthcoming year.

Section 2

What does the HCA require?

The original HCA requirement stated that the Board is required to make an annual self assessment covering the following areas:-

- the cost of delivery of services and how these costs relate to relevant benchmarks
- if we have achieved our targeted gains for the year, and our future targets
- how decisions over resources are made
- the return we get on the use of our assets
- how we evidence our improved performance
- how we assess our value for money options
- how our Board gains reassurance over these areas

In its 2016 letter to larger housing associations, the HCA have made it clear that they expect a robust understanding of the costs associated with service delivery, and that boards and management use that information to drive up performance. Their focus was primarily on costs, (rather than improvements in performance and outcomes), and they made a particular point that whilst there were significant differences in the costs incurred by different housing associations, only 50% of the difference could be accounted for by their regression analysis which factored in differences such as LSVT stock, geographical dispersal, scale of provider, location, etc. etc. The remaining 50% was down to genuine differences in cost efficiencies and it is important that boards and management are able to correctly interpret this information in order to determine what factors represent strategic decisions, (for example investment decisions), and what if any represent inefficiencies in areas that could be improved.

So, to summarise, the HCA are requiring housing associations to:-

- understand their costs, how they compare, why do they vary from peers, and what are the key cost drivers, and
- look at how good arrangements are for delivering a strategic approach to VFM.

The HCA also placed emphasis on the extent to which associations report not only their successes and strengths, but also their weaknesses, and in fact the recognition of weakness and its use as a driver for improvement is a key area for HCA comment and inspection.

Section 3

What is the impact of this on Westfield and how do we compare?

The recent guidance and information does not change Westfield's ethos, which is detailed below and, as before, concentrates on the long term prosperity of our customers. However, it does point towards a more robust challenge from the board and management. Overall our performance (shown in Figure 1) is very good when compared to the HCA figures.

In terms of our unit cost data (that is, the information from our published accounts 2015-16 concerning all social housing costs), in every category our costs are below the median, and in four out of the six categories are below or at the lower quartile level. This performance is not as good as in the previous year, but includes for the first time the impact of the FRS 102 accounting adjustments, including for WHA a significant adjustment to pension costs.

Without having access to the detailed methods of extraction, it is not possible for us to determine whether the impact of some FRS 102 provisions have been excluded from the figures. For the purposes of clarity, Removing the additional pension costs would reduce our overall costs by £298 per property.

To secure value for money it is not simply enough to ensure the economic delivery of services; we must ensure that the quality of provision is as good as that provided by other associations. And so when considering our performance we look at what our customers say. Their assessment is shown later in this document.

Info from HCA for comparisons – updated from HCA global accounts published February 2016

Unit Cost Data	Closing social housing units managed	Headline social housing cost CPU £K	Management CPU £K	Service charge CPU £'000	Maintenance CPU £K	Major repairs CPU £K	Other social housing costs CPU £K
WHA (2016)	560	3.47	0.77	0.08	0.67	0.68	0.12
(2015)	551	2.79	0.57	0.10	0.62	0.50	0.13
Sector level data							
Upper Quartile 2016		4.40	1.24	0.58	1.18	1.10	0.51
2015		4.30	1.27	0.61	1.18	1.13	0.41
Median 2016		3.55	1.02	0.37	0.98	0.81	0.26
2015		3.55	0.95	0.36	0.98	0.80	0.20
Lower Quartile 2016		3.19	0.78	0.24	0.82	0.57	0.12
2015		3.19	0.70	0.23	0.81	0.53	0.08

Key Contextual Information (NOT UPDATED)	% Supported housing	% Housing for older people
WHA	0%	14%
Sector level data		
Upper Quartile	4%	15%
Median	1%	8%
Lower Quartile	0%	4%

FIGURE 1

Section 4

Westfield's Approach

(a) What does WESTFIELD mean by Value for Money?

Traditional approaches to securing Value for Money have considered the 3 E's

- Economy – getting the goods and services that we use for the best price (but having regard to quality)
- Efficiency – using these goods and services in the best possible way
- Effectiveness – using these goods and services to achieve what we want and making sure that we do this effectively

However in our opinion that only tells half the story. At Westfield our baseline is the provision of good quality well maintained affordable housing to those in need. But our **ambition** continues to be to make a lasting and positive difference to the lives of our tenants and to the community around us. And that means so much more than simply counting the pennies and using them well.

(b) What do WE want to do, and what is our ethos?

Unlike many larger organisations who seek to achieve economies by aggregating and streamlining processes, we pride ourselves on looking at the 'smaller' picture. So, for example, instead of looking for the lowest common denominators to categorise our tenants and their needs, we seek to treat every person as an individual – responding to their particular requirements rather than delivering a standard service to all.

And because we want to make a lasting difference to their lives, we look at what we can do to help our tenants to improve their circumstances and life chances from the cradle to the grave. By providing support for families that starts before birth, and lasts well into old age, we aim to improve the potential of all our tenants and their families. Further on in this document you can see the types of initiatives and help that we provide.

In order for us to achieve effective targeted support, we need to have a clear idea of what is needed, and we get this through our tenant feedback, and through our Board. Because the Board has a strong, lasting and engaged representation from tenant and community members, we are successful in securing the trust of our communities and we have an excellent knowledge of what will really make a difference to their lives.

Our close working relationships with other local organisations means that we are able to utilise partnership working to help make a difference to our communities.

And looking at that wider local community, we want to make sure that every action we take secures benefits. So, our spend of around £2m a year on goods and services, is spent locally wherever possible, and usually on small providers. This means that we are putting money directly into pockets of local people and local firms, so that our local economy is strengthened. Again, more detail of how we do this is provided further on in this document.

For us, therefore, achieving VFM is about making a bigger difference not only in terms of delivering our core business of quality homes and good management, but by achieving long term improvements to our customers, our communities, and our economic and social environment. We do this mindful of the legitimate and sometimes competing interests of our key stakeholders: tenants, local communities, local partner organisations, taxpayers and funders.

(c) Our approach to Value for Money and the use of measurements

To date our approach to Value for Money has been to concentrate on doing the right things as economically as possible at a service delivery level, and then to utilise the surpluses that we generate to further increase our stock of homes, and also to provide the, (to our mind at least as important), ongoing support initiatives to help our tenants and our communities.

Our approach can be summarised as:-

- In the delivery of our core business, seeking to reduce wasteful activity in everything that we do, in order to generate spare cash to
- provide targeted support to our tenants and their communities, and
- to maximise the economic and environmental benefits as we do so

In doing this, we have to date concentrated more on our own performance than comparisons with other organisations. So, for example,

- we don't belong to a benchmarking/best value group, because our low staffing levels mean that attending meetings would compromise our service delivery, and we are not convinced that we would see much benefit from this

- locally, we have not joined the Choice Based Lettings scheme, because for us it seems a cumbersome and inefficient way of enabling tenant choice. Other local associations are now also questioning this approach which appears to not have delivered as successfully as was hoped for
- although we seek to achieve efficiencies in our transactional costs (how we process data and transactions), we have not tried to do this through standardisation where that clearly does not accord with our values which are to treat every person as an individual
- we believe that the benefits of doing it right first time for each tenant outweighs the potential cost of getting it wrong, and suffering a downturn in reputation,
- and finally, we believe in critically reviewing proposals for new ways of working, to ensure that potential disruption and investment will be matched by tangible service or economic benefits.

But we are clear about the need to

- know what our purpose, objectives and values are
- recognise the operating environment in which we work, and the influences it places upon us
- make sure that we are doing the right things, we have a clear business plan aligned to our corporate objectives
- make sure we have the right assets in place to deliver our objectives
- make sure we do it right!

Our underlying principles are:-

- to achieve economy, efficiency, and effectiveness in everything we do
- to treat everyone as an individual
- to secure long term life improvements for our tenants
- to maximise the returns across a wide range of indicators.

These are key to Westfield's ethos, and we don't usually talk about it, we just do it.

BUT we are not complacent. This, our fourth annual self-assessment, reflects our commitment to identifying areas for improvement and to ensuring that these improvements happen.

Section 5

Our performance

At Westfield we monitor a number of key activities on a quarterly and annual basis. These activities are summarised into easy to read graphs which are presented to our Board at each meeting. They serve to show our performance over time, and deal with the key activities of the organisation.

We also monitor what our tenants think of us. Every two years we send out questionnaires about our performance, and we report on the results to Board and use them to improve our service.

The tables below show information from two separate sources:-

- the external benchmarking data from HouseMark was used last year to compare the median point for over 250 English associations with Westfield's performance. This has been updated for our performance, but not for those of other associations as we do not possess that data, and
- our internal data compares Westfield's performance in previous years with the latest figures that we have.

Readers should note that:

- the tenant satisfaction survey contains data from the 2014 and 2016 returns as the information is collected every two years, and
- the 2015-16 figures are taken from the final accounts and there are some significant differences in how these accounts have had to be produced, arising from the new and mandatory accounting treatments in Financial Reporting Standard 102.

(a) The costs of our services - compared to other providers

The figures shown on the next page are taken from Westfield's 2014-15 and 2015-16 final and management accounts, and from the HouseMark publication 'Housing Associations Operational Efficiency 2008/09 to 2014/15'.

Our performance compares very favourably with the HouseMark median figures for 2014-15, with the exception of two areas. One is the SAP rating, and the other the overhead costs as a percentage of adjusted turnover. There is no definition of 'overhead costs' or of adjusted turnover and so it is not clear whether the comparison in this figure is accurate.

	HouseMark Benchmarking Comparatives 2014-15 Data		
	Updated for WHA 2015-16 Data		
	2015-16	**2014-15**	
	WHA	**WHA**	**HM Median**
Housing Management costs per property	449	456	497
Rent arrears current tenants % rent due	1.7%	1.4%	3.3%
Average relet time (days)	13	9	24
Repairs and Maintenance (inc overheads)	612	570	575
Days to complete repairs	Not Available	Not Available	8.2
Respondents very or fairly satisfied with repairs and maintenance	93%	95.2%	82.3%
Cost per property Major Works (inc overheads)	741	548	1127
Cost per property Cyclical Repairs (inc overheads)	331	241	270
Very/fairly satisfied with quality of home	92.16%	92.91%	86.60%
Average SAP Rating	68.5	68.3	70.5
Overhead costs % adjusted turnover	15.30%	12.00%	11.80%
% satisfied/fairly satisfied with HA service	99%	98%	88%
% consider rent to be VFM	98%	98%	83.20%
% satisfied with service	98%	95%	88%

Note: Satisfaction survey for WHA figures from 2016 return; previous 2014

(b) The costs of our services – year on year comparison

The table below shows how our costs have moved over the past four years. This should provide good information about how Westfield is managing to control its costs, however the figures for 2015-16 and 16-

17 cannot realistically be compared to the previous years because of the impact of the changes to accounting practice as a result of the (mandatory) adoption of FRS 102.

FRS 102 requires significant changes to the accounts in terms of how pension costs, grants, and depreciation are shown. It is possible to ‘unpick’ these changes, but this means removing the link between the figures shown and the statutory accounts. For the figures shown, the main impact is on the recognition of potential pension liabilities which, for 2015-16 and 2016-17, introduced a significant additional charge which feeds through to the overheads shown in many of the lines.

WHA performance statistics shown in previous VFM statements	**FRS 102 2016-17**	**FRS 102 2015-16**	**2014-15**	**2013-14**	**Progress Over 4 years**
Operating cost as % turnover	58.35%	62.79%	58.14%	66.79%	Improved
Av weekly cost/dwelling on management	£8.41	£8.63	£8.77	£9.49	Improved
Routine/emergency/cyclical repairs as % rent	£9.50	£9.80	£9.02	£11.48	Improved
Routine/emergency/cyclical repairs per property	£438	£447	£398	490	Improved
Staff Costs per property (inc FRS)	£642	£931	£723	£747	Improved
WHA HouseMark statistics (all include overhead allocations and hence FRS in 2015-16)					
Housing management per property	£424	£676	£456	£500	Improved
Repairs/maintenance per property	£572	£613	£570	£671	Improved
Major repairs per property	£772	£741	£548	£567	*Improved
Cyclical repairs per property	£267	£331	£241	£255	Improved
Overhead costs as % adj turnover	10.9	15.3	12.4	12.6	Improved
Current arrears as % rent due	2.25%	1.69%	1.38%	1.26%	Worse

*** Major repairs represent replacement of components and therefore an increase in spend means an increase in investment in properties.**

As can be seen from the tables, the overall direction of travel for the four years 2013-14 to 2016-17 is to drive costs down, even allowing for the significant additional costs brought in through the adoption of FRS 102 which affect the overhead allocations significantly due to the impact of pensions valuations, grant writebacks and other adjustments.

How efficient are we?

The HouseMark data shown above provides some information about our efficiency and effectiveness in comparison with other English associations.

We score well on tenant satisfaction surveys, and our figures for relet times and current tenant arrears show us outperforming against the median. The data that we have does not allow us to compare against the best performance because we do not have access to the benchmarking detail.

Our own targets

	2016-17	**2015-16**	**2014-15**	**2013-14**	**Target**	**P**	**T**
Current arrears as % of rent roll	2.27%	1.69%	1.38%	1.68%	3% *	↓	√
% voids loss	0.45%	0.27%	0.33%	0.85%	<0.30%	↓	X
Ave days to relet	13	8.95	9.26	6.23	<14	↓	√
Staff costs as % net rent receivable	13%	13%	14%	15%	<20%	↑	√
Tenant satisfaction repairs response time	95%	98%	97%	98%	>95%	↓	X
Rental surplus as % net rent receivable	39%	37%	26%	28%	>25%	↑	√
Average working days lost to illness	11.3	5.8	6.39	7.75	6.5	↓	X
Bad debt loss as % rent roll	0.52%	0.62%	0.81%	1.82%	<1.82%	↑	√

↑= improved performance over 4 years √ = target met

What these figures show us is that although we have been able to improve our performance in terms of staff costs, our performance in a number of areas has decreased during the last year. It has been a challenging year for us due in part to an increasing level of voids requiring significant refurbishment which has impacted on our repairs budgets, our void loss, and relet days. The figures for Rental surplus in 2015-16 and 2016-17 have been taken from our statutory accounts, and show a difference to those of prior years due to FRS 102 changes.

Last year we set targets for our performance in key areas. These were to:-

- maintain our void loss at less than 0.30% **X NOT MET**
- reduce our overall relet days to 8.00 days **X NOT MET**
- hold our bad debt loss at below 1% **√ MET**
- reduce our complaints from 7 to 3% **√ MET**
- review our IT strategy to determine which projects will deliver optimal cost/benefits **DEFERRED PENDING REVIEW OF BUSINESS CONTINUITY PLAN**
- review the costs/benefits of in house debt management **√ MET**

We use these figures to review our working practices and challenge ourselves to do better in the future. In 2014-15 we met all of our targets, in 2015-16 we met 3 out of 4. And in 2016-17 we have met 3 out of 6, deferred 1, and have not met 2.

Reflecting on the reasons for this, it can be seen that the combination of increased stock turnover and significant void repairs has impacted negatively on both void loss and relet times. It also should be noted that the significant savings that we are making on staffing costs does mean that some of the additional work required to deliver planning and review projects has not been completed. You can see how the information above feeds through to our new targets for 2017-18 and beyond below.

(c) How effective are we?

The HouseMark data provides some evidence of how we perform against the median of other English associations. The information below shows how we are moving year on year against our own targets.

Our own targets

	2016-17	**2015-16**	**2014-15**	**2013-14**	**Target**	**P**	**T**
% tenants satisfied with repairs efficiency	98%	99%	98%	99%	95%	↓	√
% tenants satisfied with repairs quality	99%	98%	99%	99%	95%	-	√
% repairs carried out on time	95%	98%	97%	98%	95%	↓	√
% tenants satisfied with repairs response time	95%	98%	97%	98%	95%	↓	√
Housing and Admin staff retention - number of leavers	-	-	-	-	NA	–	–
Number of formal complaints	3	7	3	4	-	↑	X

↑= improved performance over 4 years √ = target met

These indicators show that in terms of our core business, we continue to perform well although less well overall than in previous years. Our stable staffing levels allow us to achieve efficiencies through knowledge and improvements in performance. Although we continue to work well with our contractors, our most recent feedback from customers shows a slight dip in satisfaction. The reasons for this are currently being investigated.

Notwithstanding this recent dip, our repairs service continues to show outstanding performance. We believe that this is due to our policy of providing a service using local contractors who work with us closely to ensure that our tenants receive an excellent and low cost service. This helps us to retain tenants, and also helps to support small businesses locally.

Financial Performance - Return on Assets

Note: FRS 102 has changed how our asset cost is shown from the costs reported in previous VFM self assessments	**31 March 2017**	**31 March 2016**	**31 March 2015**	**31 March 2014**	**Improved?**
Total Assets (*exc SHG - restated*)	£29,458K	£27,798K	£26,662K	£25,440K	↑
Surplus before financing costs	£1,478K	£1,301K	£1,385K	£970K	↑
Return on Assets *(restated)*	5.02%	4.68%	5.19%	3.81%	↑
Cost of Capital	5.3%	5.3%	5.3%	5.3%	–
Number of properties	574	560	551	537	↑
Surplus per property	£257.49	£232.21	£251.36	£180.63	↑

This measurement shows how much we generate through our activities, how much our housing assets cost, what the percentage return on these housing assets is, and how much the capital that we have borrowed in order to invest costs us.

What we are looking for is a constant improvement if possible on our surplus, and an increasing return on our assets. We also need to ensure that the return on our assets is at least the equivalent of the cost of capital to us. Under the previous reporting system, we were able to demonstrate that in every year the return on assets has outstripped the cost of capital. However in the table above we have removed the impact of Social Housing Grant which previously showed the value of our housing properties at the cost to the Association, rather than at their actual cost. SHG meant that the Association received a significant contribution towards the costs of property purchase. As a result, the return on assets in every year is now showing as less than the cost of capital. The impact of FRS 102 is also shown in the 2015-16 figures as the actual surplus decreased, reflecting the impact of pension, grant and depreciation adjustments now required. This has been reversed in 2016-17.

As can be seen, our financial performance remains strong, and this should enable us to continue to provide more houses (our core business), and to extend our support to our communities in other areas. However, the external operating environment continues to be much less favourable than previously, and we need to continue to monitor our costs and performance carefully, and to secure savings and improvements where possible.

The paragraphs below detail some of the improvements we have made and the projects which we are currently supporting. The final paragraphs show our ambitions for the following years.

Improvements to VFM made in 2016-17

(i) Bond issue

In October 2013 we secured an additional £6Mof low cost finance to invest in new houses through a successful bond issue. This increased our balance sheet borrowings by 150%, and the intention was to increase our housing stock by an estimated 11% (60 houses) over the next 2-3 years.

As can be seen from the stock numbers, we have actually secured an additional (net) 54 houses in the four years to March 2017. The bond represented a significant saving on traditional bank rates when it was secured, and we have ensured that bond finance has been used to achieve value for money on new house purchases. Going forward the picture is less certain as the political and economical environment throws up real challenges to our sector, and to our investment plans.

(ii) Increased our stockholding

We continued to work with local builders to increase our stock as noted above. These new properties are built to a high standard, are energy efficient, and are located on popular development sites. They are providing much needed additional quality housing, and, as a condition of our purchase is that any development must be sustainable in the longer term, will provide additional funds in later years.

(iii) Increased support for our social activities

We continue to grow our local nursery provision by increasing the amount of space available within the building, and the level of support that we are able to offer. Improved management processes and support have meant that the nursery has managed to turn around what was a very challenging position given the recent increase in grant funded provision which reduced the fee paying hours. We continue to support the nursery's activities through management input, providing back office functions, cash flow support and Board input. Our nursery is one of our best success stories, securing 'outstanding' ratings from Ofsted, and being utilised by Cumbria County Council as a provider of both specialist and free nursery places.

In recent years the nursery has been a net contributor of finance, generating profits each year in addition to making a huge contribution towards our longer term goals as good primary care at an early age is a known precursor of enhanced life chances. In financial terms, we seek to ensure that the nursery is viable in the longer term, and as part of our commitment to the local community we provide a level of security for the cash flow and profitability forecasts. One of our VFM targets for 2017-18 is to review whether the future of the nursery could be better served if it operates as a stand-alone organisation.

(iv) Flexible working practices

In 2013-14 we began a process of restructuring, and the benefits of this in terms of reduced salary costs and increased effectiveness is now being felt. However, although we have secured very significant savings through a combination of changed working practices and a more flexible flat structure, there is a need to review the current structure to ensure that it remains fit for purpose in the future. A key VFM target for 2017-18 is to carry out a review of the current structure in order to determine the optimal provision, and to ensure that the Association has a robust staffing provision for the future.

(v) Secure improved terms through procurement practices

We continue to challenge costs through rigorous procurement practices. All our costs are closely monitored although we are keen to balance the competing benefits of cash cost reduction with supporting the local economy. Our list of procurement savings is contained in the VFM log which is reported to Board as part of the management accounts report every quarter. It is, however, difficult to continue to squeeze new additional procurement savings year on year.

(vi) Debt management

Our staff continue to manage housing and other debt far more rigorously, and in addition are themselves taking cases to court rather than securing the services of solicitors and debt recovery agents. Although this incurs additional costs in staff time and court fees, overall we believe and can demonstrate that the control and recovery of debt is delivering benefits. This is, however, an area which requires continual monitoring in order to demonstrate a positive cost benefit.

(vii) Numerous ad hoc VFM savings

As part of our culture, staff are always seeking ways to be more cost effective in what they do. We can point to many small improvements which, taken together, help to ensure that our service provides good value for money.

Value for Money initiatives continued from previous years:

We have continued with a number of VFM initiatives that were introduced in previous years. These include:-

- the energy efficiency project which delivers savings and income from PV tiles and other retrofit projects to both the Association (via installations at the Minto Centre), and for our tenants through home installations
- the 50% nursery support offered by the Housing Association for our tenants and staff using the nursery
- the neighbourhood investment fund support for local organisations, additional support to cover funding lost through government savings on support for vulnerable people, activities for older people to promote social inclusion, etc. etc.
- ongoing savings through renegotiated contracts for cyclical painting contracts
- staff savings through changed roles and posts deleted on the maintenance structure
- significant reductions in debt write off through new debt management procedures on the nursery provision
- savings on the pension provisions through renegotiated terms and the closure of the DB scheme
- the provision of financial support to our tenants through a funded initiative with the Cumbria Money Advice Centre
- ongoing procurement savings on uniforms, stationery, refreshments, telephone, etc. etc.
- continued improvements to back office processing.
- Savings on nursery debt management

VFM plans for the future

Although we can demonstrate a continuing drive to secure Value for Money through our normal ongoing activities, we are mindful of the need to formalise our approach as required by the HCA. The following details how we will continue to do this in the future, and also identifies our plans and targets for the coming year.

Our approach in 2017-18

In 2014-15 we introduced a requirement for staff to identify and quantify their plans and achievements to secure Value for Money through a VFM log. An updated log is produced for Board on a quarterly basis, and the latest record shows ongoing savings of nearly £430,000 a year. In addition to these we continue to:-

- support our local economy and tradespersons through local purchasing power
- provide assistance and support to our tenants through our investment fund, projects, and infrastructure
- expand our excellent nursery and pre-school provision
- grow the number of properties that we have to provide good housing to more local people
- and strive for further efficiency savings.

Our targets for 2017-18

Looking at our performance over the past 4 years, and taking into account the social and environmental changes that affect our work, we have set the following targets for 2017-18.

- Reduce our void loss to less than 0.30%
- reduce our overall relet days to 8.00 days
- hold our bad debt loss at below 1%
- review the staffing structure to ensure a robust provision in future years
- review the nursery provision in order to ensure a robust structure for future years

In addition, the following target remains to be completed for 2016-17

- review our IT strategy to determine which projects will deliver optimal cost/benefits

Conclusion

We believe that at Westfield we can demonstrate that we provide Value for Money in the way that we carry out our business. However we do not see the process of securing Value for Money as an end in itself. Rather, we seek to use the savings that we can achieve to help us to provide a long term improvement in the lives of our tenants and their communities. By ensuring that tenants see our houses and estates as good places to live, we are able to ensure that our lost costs (bad debts, void costs, re-let times) are kept to a minimum. This, together with the efficiencies and savings that we can achieve through Value for Money initiatives means that we have more resources to use to secure our long term ambitions. And by spending our money wisely and, wherever possible, locally, we can do our part in helping to build a sustainable future for our locality.