VALUE FOR MONEY

Self Assessment 2014/15

shropshire
housing group

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INTRODUCTION

Shropshire Housing Group's **Business Effectiveness Strategy** was reviewed and updated in May 2015 and describes how we are seeking to become increasingly efficient and in all investments we aim to maximise returns to our business, to our customers and to our communities.

As our 2013/14 self-assessment made clear, Value for Money is not a one off process but an essential part of all that we do, helping us to evaluate our actions and inform our discussions with customers, make business critical investment decisions and make the most of our assets. We recognise our role in helping to deliver national as well as local priorities and this means using our surpluses to build more homes.

Our **Corporate Plan for 2015-20** sets out our core purpose, values and ambitions.

Our **purpose** is to support our residents and communities by providing and managing quality homes.

Our **Values** are encapsulated in:

- PASSIONATE about what we do in serving people and communities
- RESOURCEFUL and well-resourced with a focus on delivery
- INNOVATIVE, creative & forward thinking
- DETERMINED to be the best we can be
- EFFECTIVE in meeting our ambitions, with great quality and value

Our **Ambitions** are:

- **Well Run**
- **Growing and Developing our Business**
- **More Homes More Choice**
- **Excellent Services and Satisfied Customers**
- **Working for Sustainable Communities**

Our approach to VfM is designed to deliver our ambitions and achieve:

– The very best outcome possible from the considered use of all of the resources at our disposal and an ability to increase available resources through doing things differently.
– Maximum benefit for our tenants, other service users and communities and an understanding that choices have to be made between competing priorities.
– More opportunities to improve and develop our business further.
– More openness to self-evaluation and involvement of stakeholders in helping to shape how we work.
– A culture throughout the organisation which recognises the importance of managing performance, providing great value and customer care and which sees Value for Money activity embedded into the work of every team.

INTRODUCTION

As a consequence of the Government's emergency Budget on the 8th of July we are recasting our financial forecasts and future business plan projections. We are doing so with a clear sense of purpose and focus.

This VFM self assessment does not form part of SHG's strategy for meeting the 1% reduction in rent over the next 4 years. The detail of which will appear in our recast financial forecasts to be submitted to the Homes and Communities Agency (HCA) by the 30th of October.

A summary of this VfM Self Assessment is contained within our published **Financial Statements** whilst our **Social Accounts** (which aim to measure the return to communities from our investments) have been uploaded on our website along with this assessment.

The remainder of this document follows the 5 ambitions of our 2014 Corporate Plan.

CORE AMBITION 1 – WELL RUN

As a business, and as a work force, we want to reach our individual and collective potential. We aim to provide and manage quality affordable homes and to operate for community benefit, well run, not just on paper but in the eyes of stakeholders.

In 2014 we said we would	We did	Return to Business, Customer, Community
Build on the 5% 2013/14 efficiency savings and deliver a further 5% or £161,000 of cashable savings, off all revenue budgets (excluding maintenance).	Hold our budgetary position throughout the year delivering £161,000 of savings as planned whilst continuing to deliver great services and in many cases better customer satisfaction as measured by our biennial tenant survey. This means that for the last two consecutive years we have delivered planned savings totalling £351k.	Business
Achieve £300,000 saving on responsive repairs compared to 2013/14 actual expenditure	Communicate our responsive repairs policy more clearly to tenants enabling us to hold our out turn costs this year to the 2013/14 original budget, saving over £290,000.	Business
Achieve a 50% reduction in letting costs, with a target cost per let of £70 and £35,000 overall saving compared to 2013/14	Return responsibility for Homepoint (the countywide choice based lettings team) to Shropshire Council and achieve the agreed cost per let target and an overall year on year saving of £37,000 to the Group thus exceeding expectations.	Business
Deliver 15% or £183,000 TRL operating efficiencies compared to 2013/14	Exceed the target, achieving efficiencies of £240,000 by examining all areas of expenditure such as van hire and fuel costs, although TRL did just fall short of returning a profit to the Group.	Business
Improve our financial rating from V2 to V1 by year three of the Group Business Plan	Refinance last summer and undertook our first private placement. We are delighted to confirm that in January 2015 the HCA upgraded SHG to the highest V1Viability rating which will enhance our standing in the financial markets.	Business
Modernise our Group governance structure	Achieve co-terminus Board arrangements by December 2014. We now have stronger and leaner governance arrangements with a smaller single group of board members alongside a streamlined executive team which, taken together, will save over £80,000 per year from April 2015.	Business
Refresh Board membership and skills	Successfully recruit new Board members with desired skills to timetable.	Business
Deliver VfM through partnership and shared procurement	Pursue joint working initiatives to create greater value for ourselves and our customers for example providing a shared IT service with Severnside Housing through our unITe team.	Business
Continue to monitor our performance and learn and develop as an organisation	Monitor and enhance our overall performance – and listen to and improve employee feedback with 92% of staff surveyed saying they would go the extra mile for SHG.	Business

CORE AMBITION 1 – WELL RUN

In 2014 we said we would	We did	Return to Business, Customer, Community
Have appropriate standards and accreditations in place to run our business effectively and efficiently	Build on our IIP Gold award, maintain ISO14001 for TRL, gain safety accreditations for TRL and the Foyer and make savings by bringing energy assessments in house.	Business
Support and encourage our Scrutiny Panel TRIP	Help TRIP to a flying start conducting 3 reviews which each delivered demonstrable and real efficiencies to service delivery.	Business, Customer
Spell out our VfM achievements and how we use resources wisely	Produce an improved VfM self-assessment and communicate our achievements widely through tenant newsletters and stakeholder events.	Business, Customer, Community
Work closely with Stakeholders and partners in ways that are beyond reproach and manage risks	Refresh our approach to risk management, hold two well received stakeholder events and host a visit from the Regulator in Autumn 2014 and maintain our G1 Governance rating.	Community
Be a Place shaper and community leader facilitating community led initiatives	Continue to be a strong advocate for Locality Commissioning, place based interventions and supporters of neighbourhood planning, such as in Much Wenlock	Community
Support Parish Councils and community groups	Work with numerous local groups and remain pioneers in Community led development establishing the Marches Community Land Trust Services in June 2014	Community
Support local investment, jobs and growth	Follow an in depth programme of support to assist individuals groups and communities (see Social Accounts)	Community
Improve our STAR customer satisfaction rating to at least 2010 levels	Commission our 2014 Customer survey with ST&R Housing and Severnside, saving almost £1,000 each and gain valuable insight into tenant views across Shropshire. In many areas we significantly exceeded our targets but in others we have not done so well. Overall we improved on our 2012 position but we still fell short of where we were in 2010 in a few areas. (See Excellent Services and Satisfied Customers)	Customer

Our VfM Targets for 2015/16 driven by our new Corporate Plan 2015/20 are:

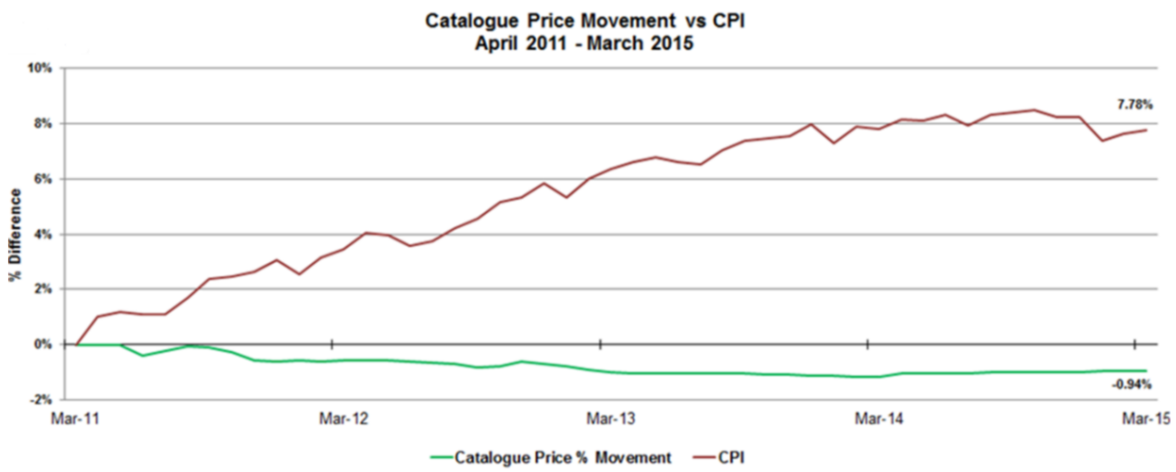
- Securing 4% or £200,000 VfM reductions in controllable budgets built into 2015/16 base budgets; and
- Protecting operating margins of 29% and growing surpluses to 12%;
- Securing efficiencies in the Board and executive restructures exceeding £80,000 per annum;
- Securing savings over £100,000 pa from procurement exercises including insurances and mobiles;
- Exceeding our 50 new homes a year target through efficiencies and recycled sales proceeds;
- Reducing tenancies terminated from 8.3% of stock to 7.3%, by addressing tenancy failure and capturing the associated costs and savings;

- Reducing average re-let times towards our target of 25.3 days and thus improving income at an average of £12.51 per property per day (based on a Group average weekly rent of £87.62);
- Improving first time access for gas servicing from 77.8% to 85% capturing the associated savings;
- Securing over £25,000 of savings per annum within TRL following 2014/15 TRIP review of "right first time".

Embedding VfM within our culture
In addition to our strategic VfM savings all staff are encouraged to identify and make VfM savings throughout the year. A selection of savings achieved in 2014/15 includes:-

Staff VFM Item	Savings Made 2014/15
Negotiated saving on advertising package with the Shropshire Star	£1,378 in year saving
Replacement laundry equipment installed at Millmead	38% or in-year saving of £1,056 to tenants
Housing Officers working from sub-office in Ludlow	Over £3,000 mileage and time costs saved
Revised bulk mail arrangements negotiated	£1,950 for full year
Wem waste collection negotiated from estimate	£5,000 in year saving, £18,400 for full year
Use of Online rail booking for CEO	59% or £319 in year saving

Efficient procurement in 2014/15
Our current Procurement Strategy describes our approach. 2014/15 brings to an end the fourth year of procuring goods and services through a consortia approach (Central Housing Investment Consortium - CHIC). We have kept track of our purchases, over the four years, benchmarking prices against our 2011/12 baseline. Whilst inflation (CPI) has averaged 2.3% year on year (a compound effect of 7.78%) we can show real cash savings of £320,539 in total and £66,259 for this year without factoring in CPI. In 2015/16 we will review our Procurement Strategy, developing a 5 year plan for CHIC. The following graph shows the trend in material price inflation over our savings period.



This approach is balanced with spot purchases elsewhere to ensure that we get the best price whilst supporting the local economy. Importantly, this also helps us to manage the market place and ensures SHG gets competitive prices all year round.

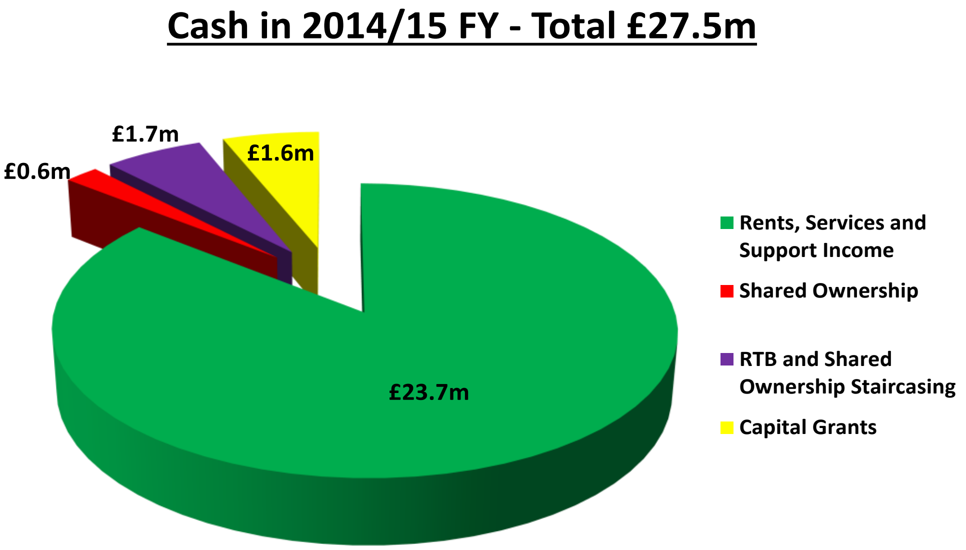
We tender a number of services each year to ensure competitive prices. During 2014/15 we achieved the following efficiencies:

External Audit: £8,000 Internal Audit: £8,000 Office cleaning: £8,053
Electricity supply: £9,000 Roofing: £11,676 Gas supply: £27,000
Fuel and oil purchasing: £44,079

Tendering of mobile phones was held back to 2015/16 to facilitate collaboration with our unITe partner Severnside Housing. The other significant tender due in 2015/16 is Insurances which we anticipate (together with mobile phones) will generate savings in excess of £100,000 for SHG.

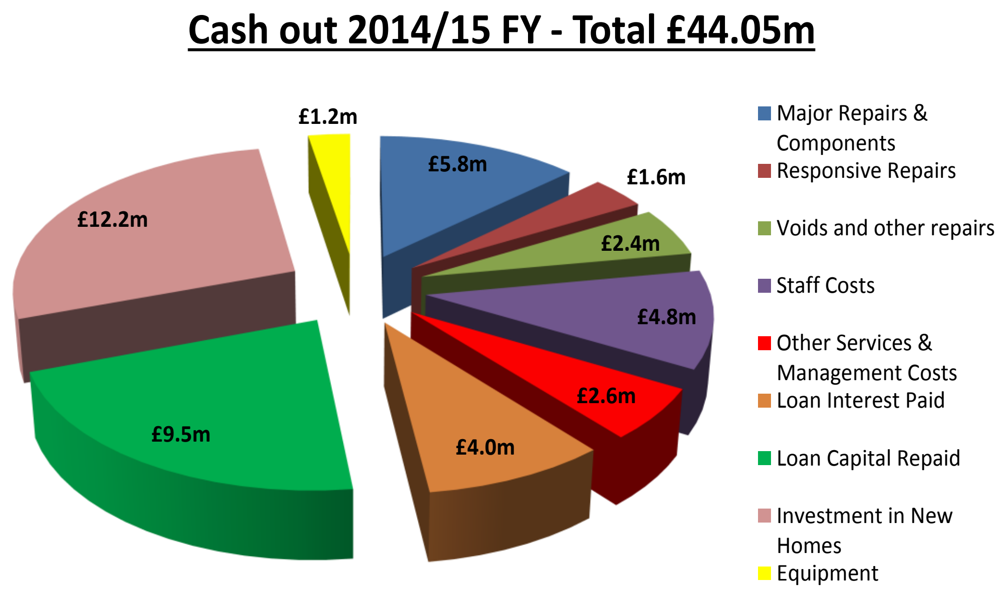
We continue to pursue partnerships and have recently extended our Memorandum of Understanding with Severnside to gain economies of scale through collaboration. We continue to pursue countywide offers to tenants especially with ST&R Housing and Severnside.

Business health and how we spend our money
Managing our financial resources effectively is central to being well run.

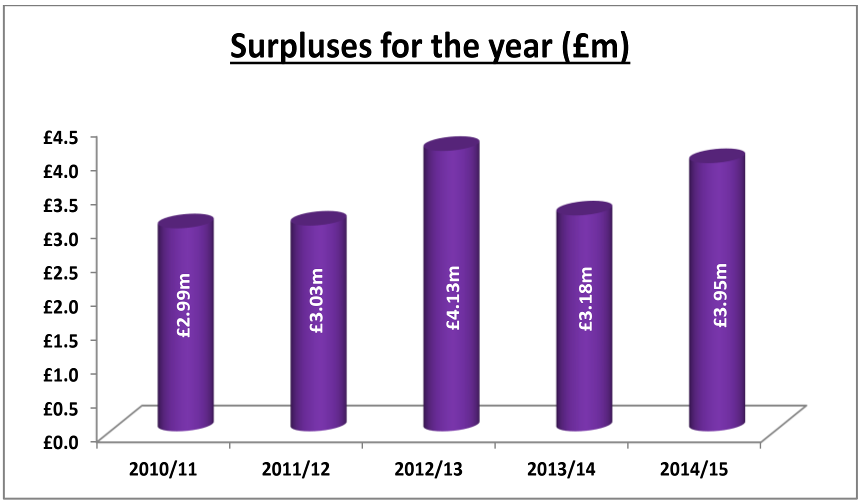


In 2014/15 we received £27.5m of cash and spent £44.05m, up from £31.1m last year, reducing our cash held by £16.56m.

The bulk of the cash spent was for repaying loans following refinancing, however, with a larger development programme it is no surprise that our investment in new homes also increased from £8.9m to £12.12m. Our staff costs (excluding our repairs and maintenance company TRL) fell slightly from £4.9m to £4.8m on the year as did the other service and management costs heading falling slightly from £2.8m to £2.6m. In real cash terms we spent more last year than we received. Our cash flow for the year from operating activities was £9.029m, down slightly from £9.113m from last year.



The surpluses we make are an important source of financial capacity and should be viewed as working capital available to be reinvested in meeting our core ambitions. Surpluses also support our cash flow and potentially reduce the amount we need to borrow, and therefore the interest payments that we are liable for. Our overall Group surplus for 2014/15 was £3.95m, or 16% of turnover, up from £3.18 (13%) last year. By way of comparison, although slightly dated, the 2014 Global Accounts record that global operating surplus for the sector increased by 8% between 2012/13 and 2013/14 with the operating margin for the stock transfer providers improving from 26.7% to 27.2%. Our surplus increased by 24.39% compared to last year's surpluses. Our Business Plan sets out our plans to reinvest surpluses to build new homes, maintain asset values and improve the quality of services to customers and communities.



CORE AMBITION 1 – WELL RUN

Turnover increased by 5% in 2013/14 across the sector according to the 2014 Global Accounts, with turnover from social housing lettings increasing by 5% and total turnover from non-social housing activities increasing by 13%.

SHG turnover rose by 5.7% in 2014/15 to £24.2m, up from £22.9m last year. This was made up as follows:

- Turnover from social housing lettings - up by 5.3%; and
- Turnover from non-social housing activities - increased by 12.8%

Operating costs
The 2014 Global Accounts describe operating costs within the sector increasing by (4.5%), consistently greater than inflation throughout the period. Operating costs for stock transfer providers increased by (3%), operating costs per unit for the stock transfer sub-sector increased by 4% to £3,472.

The operating cost of Shropshire Housing Group in 2014/15 fell by 7.2% to £16.173m. Our operating cost per unit stands at £3,482 compared to £3,809 in 2013/14. Our margin increased from 24% to 33%, returning to 2012/13 levels.

In July 2014 we completed our scheduled refinancing involving a restructuring of debt and the creation of a revolving fund with RBS and taking a private placement with Canada Life. The purpose of the refinancing was to provide the Group with greater financial freedom and to create additional capacity to grow the business through the development of more homes. We also created a new treasury vehicle for the purpose of holding and distributing resources within the Group. There are additional costs associated with refinancing and meeting interest payments, some are one-off however. The Group spent £4.477m on interest payments and refinancing costs up from £3.504m in 2013/14.

The following table shows our change in turnover, operating margin and surplus by year:

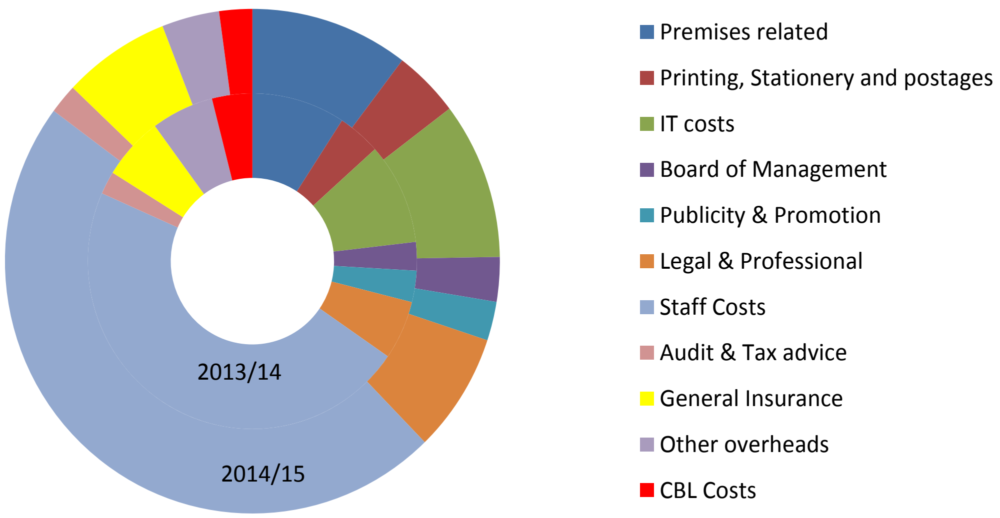
Year	Turnover £'000	Operating Margin %	Surpluses £'000
2012/13	22,444	32.58%	4,129
2013/14	22,923	23.97%	3,178
2014/15	24,238	33.27%	3,953
% change on last year	5.74%	46.77%	24.39%

We have looked at our costs carefully. The cost equation is a simple one, the more money we spend on overheads the less we have to spend on services and operational activities.

Management costs, set out in the following chart, have increased in absolute terms from £4.285m in 2013/14 to £4.486m in 2014/15. An increase from 24.6% of operating costs to 27.7% over the same period. However, as a proportion of turnover our management costs have decreased from 18.7% of turnover to 18.5% over this period. Please note the Housemark comparison on page 10 shows overheads, as a percentage of adjusted turnover, increasing marginally. This like for like comparison with our peers focuses on indirect costs such as premises and supplies and services.

This increase in costs takes account of the additional premises related revenue costs associated with the office move from rented accommodation at Talbot House to Edinburgh House, Wem. We now own and sublet space at Edinburgh House to West Mercia Police and Shropshire Council, enabling single point of service similar to that provided in Craven Arms. IT costs for the year show an increase as a result of improved internet/telephony connectivity associated with this premises move and the rollout of a new Customer Relationship Management system.

Comparative Management Costs



Analysis also highlights some of the additional one-off legal and professional costs associated with refinancing, such as establishing out Treasury vehicle and Governance review. We also experienced a light increase in general insurance as a result of claims and change of specification, we subsequently retendered this service. On the upside there was a significant reduction in Choice Based Letting costs resulting from decisions made to no longer host this countywide service and to return it to Shropshire Council.

We have compared costs of delivering services with other similar organisations by participating in Housemark's annual core benchmarking exercise and by sharing data with the PlaceShapers family. Comparison provides useful business intelligence which allows us to understand differences and identify areas for improvement. Direct costs and other overheads are all key variables affecting our "profitability". The Housemark comparison chart below highlights some key trends:

CORE AMBITION 1 – WELL RUN

Business Activity	Measurement	2014/15				2013/14				2012/13	2011/12
		Our Result	Peer Average	Quartile	Rank	Our Result	Peer Average	Quartile	Rank	Our Result	Our Result
Overheads	% Of Adjusted Turnover	14.15%	11.96%		24/27	14.08%	12.49%		33/44	12.40%	15.59%
Major Works & Cyclical Maintenance	Total Cost Per Property	£1,520	£1,636		11/27	£1,705	£1,391		29/44	£1,478	£1,650
Responsive Repairs & Void Works	Total Cost Per Property	£727	£797		10/27	£775	£776		22/44	£678	£671
Housing Management	Total Cost Per Property	£463	£422		17/27	£418	£445		17/44	£448	£422
Estate Services	Total Cost Per Property	£120	£128		10/27	£102	£142		13/44	£100	£110

= Top Quartile = Upper Median Quartile = Lower Median Quartile = Bottom Quartile

The number and selection of organisations taking part in Housemark's core benchmarking varies year to year. For 2014/15 our peer group was LSVT Central organisations (2500-7500 units).

We recognise that for our size our overheads are higher than some peers. To help put this in context SHG:

- Pays a price for operating in Shropshire, a deeply rural area with dispersed population and stock;
- Supports customer access to the two geographically distinct communities we serve through two area headquarters;
- Is a relatively complex organisation for our size having:-
  - A large supported housing team in the SUSTAIN consortium;
  - A domestic violence refuge and a foyer, which works with young people to support their transition to independence;
  - An in-house contractor, Total Response Limited (TRL), for repairs and maintenance with a large workforce of over 100 employees increasing our overheads (but brings a range of benefits, such as greater quality control and VAT efficiencies);
  - A diversified business with not-for-profit areas, such as HomeLife.

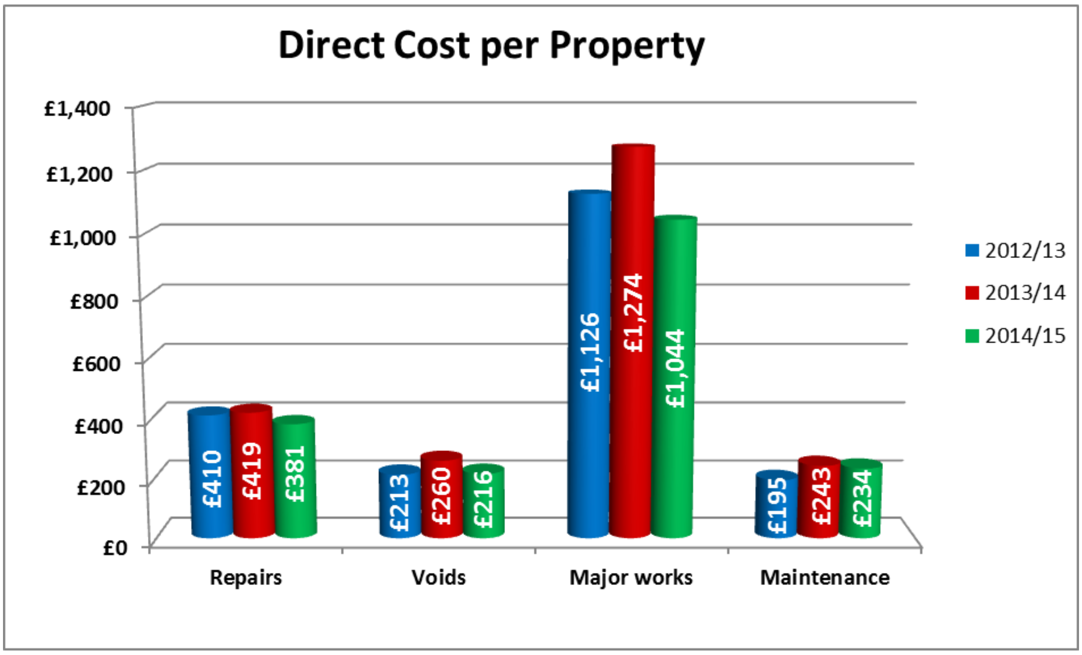
This complexity enables SHG to fulfil its ambitions to be more than a bricks and mortar landlord.

The focus for us in 2015/16 is to continue to address our relatively high overheads for instance by streamlining our executive and non-executive teams and working towards a return of 5% or more from commercial holdings through increased sub-letting of space to other organisations.

Looking at Repairs and Maintenance

The Group now holds properties at a historical cost of £109.9m net of grants and depreciation which rose from £101.6m last year. The existing use value for social housing of these properties is now in excess of £177.9m. We continue to invest in our assets to improve asset values and customer satisfaction. Specifically we have controlled responsive repairs costs whilst investing an additional £0.5m in planned maintenance. Our direct costs per property for major works and cyclical maintenance are £1,520 which compares favourably with the median for the sector which is £1,636.

CORE AMBITION 1 – WELL RUN



We continue to invest extensively in our existing stock, during 2014/15 we carried out the following planned improvements:

- 200 kitchens, up from 180 in 2013/14
- 135 bathrooms, up from 119 in 2013/4
- 174 external doors, down from 208 in 2013/14
- 196 heating systems, down from 200 in 2013/14
- 64 roofs, down from 90 in 2013/14

With 28.5% of our homes not on mains gas and with fuel costs continuing to be a significant part of the monthly household expenditure, we have invested in renewable heating, fitting air source heat pumps to 44 homes in the year in Acton Scott, Cleobury Mortimer, Childs Ercall, Higher Heath and Hope Bowdler. We have also continued to invest in fabric improvements undertaking external wall insulation projects in Church Stretton, Clunbury and Ludlow, with 45 homes benefitting from improved SAP scores.

More ambitious plans have been made increasingly difficult due to uncertainty of government funded initiatives.

Responsive Repairs, by its nature continues to be a service that is important to our customers, but also potentially volatile in its demand for financial resources. In 2014/15 we continued our focus on managing our responsive repairs and void budgets (historically these have been subject to overspend), spending £1,470,475 on responsive repairs against a budget of £1,472,000. This equated to 14,065 repairs (down from 15,665 in 2013/14) at an average cost of £104.55 per repair. We spent £2,496,734 on responsive repairs and void works in 2014/15 at a cost of £727 per property which is comparable with our peer average.

Customer satisfaction in repairs has improved to 96% with a continued focus on right first time and the use of appointments. The average length of time to complete a repair has fallen from 11.7 days to 10.4 days in 2014/15 but remains worse than our peer average and is an area where we still have room for further improvement which is why we are working with our tenant scrutiny panel **TRIP** . They have carried out their first review on right first time repairs and by implementing their recommendations we aim to both save money and improve customer experience. TRL's focus in 2015/16 is very much on controlling costs and growing their turnover particularly by expanding private works.

Case Study - Repairs Right First Time

The TRIP review looked at how we ensure that repair jobs are completed Right First Time. The review led to a detailed action plan and included improved outcomes for customers, the business and our communities:

GETTING IT RIGHT FIRST TIME

TRIP Tenants & Residents' Improvement Panel

The new Tenants & Residents Improvement Panel (TRIP) was set up in December 2013. We promised to tell you what has improved as a result of all their hard work, investigations and recommendations. The first area they delved into was how we ensure our repair jobs are completed Right First Time. The Panel talked to customers, staff and other organisations to find ways we could improve this service. All their recommendations were approved, and these are some of the things we have done as a result:

THE PANEL FOUND:	WHAT WE DID TO FIX IT:
When customers rang the repairs line from a mobile, the phone system was cutting them off if they did not press number 1 or 2 to choose an option.	We have changed the phone system so that now those customers are directed to a member of the Customer Service Team.
We did not have sufficient spare hand held devices for our Total Response Operatives if any devices stopped working. This was causing delays in repairs being fixed.	We have purchased more hand held devices to stop this happening.
Our Operatives were having to carry a variety of makes for a particular component (e.g. door locks), which was taking up valuable space in vans and leading to delays when a different make of component was needed.	Our Development Team are working to standardise the kitchens, bathrooms, heating, doors and windows that we fit to new homes wherever possible. Our Asset Management Team also use a standard range of components for our replacement programmes. Over time, this will reduce the number of different makes for components within our homes.
There was limited feedback coming in from customers to tell us about customers' repair experiences.	We have widened the variety of methods used to survey customers for their feedback.

The results speak for themselves, as the percentage of repairs where customers were satisfied that we fixed it Right First Time has risen from 80.7% in December 2013 to 96.9% in September 2014. We thank the Panel and for all those staff involved in making the changes, for helping us to make a difference to the repairs our customers receive. If you have any experiences (good or bad) we would love to hear from you.

The Panel's second review saw them investigating how we allocate and re-let our properties, and focussed on helping us to increase the properties we let to the first person we offer them to. The recommendations were all approved and Managers are working on them now. An update will follow in the summer 2015 newsletter.

Our in house contractor Total Response Ltd returned a small deficit for the Group of £25k in 2014/15 compared to a surplus of £154k in 2013/14. However this was against a backdrop of reduced work from the Group of £812k. TRL remain the most cost effective way for the Group to provide quality services to our tenants within an agreed market benchmark cost. By using Total Response not only can we plan and schedule work more effectively but we can demonstrate cost savings. Against an efficiency saving target of £183,000 TRL actually saved over £240,000 and conceded a negotiated 3% reduction in prices for all larger scheduled maintenance work.

We continued to offer all repairs by appointment, and have once again showed an improvement in our percentage of repairs appointments kept from 98.7% in 2013/14 to 99.3% and are delighted that our push on customer care has resulted in increased individual customer satisfaction on responsive repairs from 91% in 2013/14 to 95.7%. The 2014 STAR survey shows how we have improved overall satisfaction with repairs and maintenance from 81% in 2012 to 83%. However, customer satisfaction in the quality of home fell to 85% from 87% suggesting our continued focus on long term asset improvements through our revised Asset Management Strategy is even more important.

Looking at Housing Management

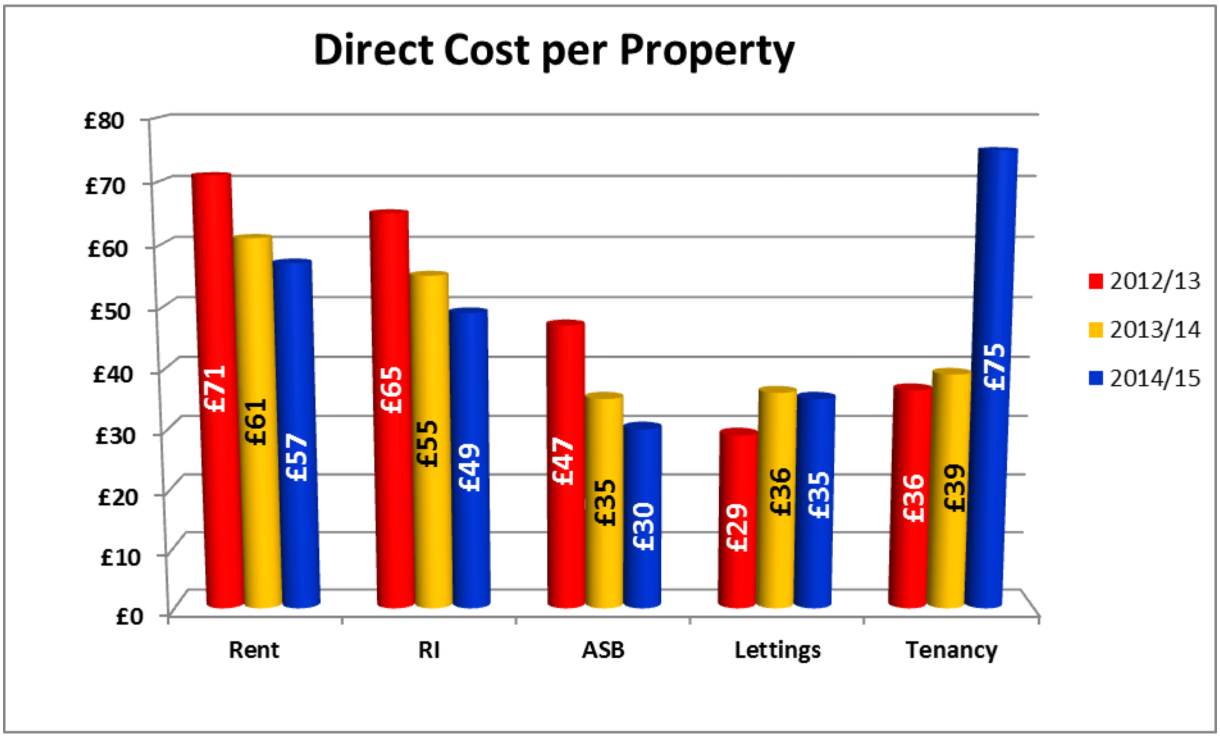
We have updated our regulatory compliance statements for all consumer standards. We have managed the risks associated with welfare reform including the introduction of the total household benefit cap and the under occupation deduction and associated increased turnover of properties. We are now managing the introduction of Universal Credit, with our own mini Direct Payments pilot driving changes to practices and team structures.

We continue to invest in supporting our customers to get the most out of their home and communities through additional measures such as money management support and investment in digital inclusion, and we have supported local social enterprises to improve IT literacy and support into work projects for our tenants.

We have invested in improved access and customer support and complaint handling to ensure that we remain open, available and responsive to our tenants.

We continue to support TRIP, our tenant scrutiny panel and have established 2 new Community Panels to deliver local regeneration through local “Neighbourhood Plans”.

We will be reviewing the effectiveness of our new Community Panels in 2015/16.



Our overall cost per property of housing management increased from £418 to £463 against a peer average of £422 in 2014/15. This is an area where we have seen both an investment and a re-apportionment of costs to more accurately reflect the Housemark cost codes. Direct cost per property for Housing management in 2014/15 are set out above, totalling £247 against a peer average of £252. Specifically we have seen reducing costs for (CBL) Choice Based Letting which we returned to Shropshire Council this year whilst greater time has been spent on tenancy management as we carry out a comprehensive mapping exercise of our stock as part of our service charge project for open space. Our direct cost per property of rent arrears/collection improved to top quartile in 2013/14 to £59.22 a drop of £10.22 per property. In 2014/15 this improved again to £57.09 against a peer average of £76.

Rent Collection

Arrears, as a percentage of rent due, have improved between the year end 2013/14 (2.50%) to the year end 2014/15 where we achieved 2.18%.

A number of initiatives were taken to improve arrears recovery including establishing a dedicated rents team; extending direct debit dates and introducing other payment options; strengthening the wording of letters; improving arrears automation, and fast tracking (and funding) referrals to the CAB for debt mediation.

In January 2015 we introduced a new Tenancy Policy, with 12 month Starter Tenancies for all except transferring Assured Tenants, followed by 5 year fixed term tenancies to assist us to better enforce tenancy obligations from the start of the Tenancy. In addition we have introduced a Credit Reference check for all new tenants helping us to identify applicants who are already in significant debt signposting them to debt mediation. This also helps applicants to make more informed choices about whether they can afford the new Tenancy.

Average re-let times for our properties (excluding major works) continues to be cause for concern, deteriorating from 29.8 days in 2013/14 to 34.3 days in 2014/15 whilst the properties let on first offer rose from 56% to 58.4% in 2014/15. This performance is being appraised as it seems to relate to demand and we have started a year long voids project review and commissioned HQN to look at our sheltered housing schemes. Our focus is on how we manage our empty properties, what we invest and how we market our properties so they are attractive to our customers. What we are seeking to achieve is reduced rent loss, reduced works at void stage, reduced turnover, increased customer satisfaction, and tenancy sustainment.

We have seen some improvements, but some areas remain a concern;

- We have seen an overall reduction of tenants moving home from 499 in 2013/14 to 394**.** This is mainly because we have managed out most of our initial exposure to tenants looking to downsize but also because of the effort we have put into improving tenancy sustainment. The reduction in turnover has meant that our total rent loss from voids has fallen year on year for both Meres and Mosses Housing Association (MMHA) and South Shropshire Housing Association (SSHA) – but this improvement would have been better still if we had also improved re-let times;
- We have also managed to maintain our voids budget by spending £1,026,259 against a budget of £1,129,500 but individual void costs have increased from an average of £2,085 in 2013/14 to £2,464 per property in 2014/15;
- Re-let times in the 2015 year to date in MMHA stock have improved considerably, but the improvement is less marked in SSHA stock. Similarly significantly more MMHA properties are let on first offer than in the previous year – but the improvement is only marginal in SSHA stock;

- Sheltered housing re-let times are slowly improving, but remain far higher than for general needs homes. We have created a detailed action plan as a result of the HQN report, which will focus investment on improving three particularly problematic schemes, and will also change allocation practices tasking scheme staff to create local scheme waiting lists;
- We continue to see reduced demand for some larger rural 3 and 4 bedroom properties and 2 bedroom flats.

CORE AMBITION 2 – GROWING AND DEVELOPING OUR BUSINESS

Whilst we continue to invest in core activities we want to grow, diversify and expand our business. We continue to look to develop new business opportunities to increase our financial strength and capacity to invest in our ambitions. Any opportunities entered into require careful evaluation, risk assessment and project delivery.

In 2014 we said we would	We did	Return to Business, Customer, Community?
Increase TRL turnover by 5% per annum until 2015	Modify our TRL business plan expectations downwards to reflect reduced Group expenditure on work where TRL can be competitive.	Business
Increase TRL profitability	Achieve efficiencies within TRL to reduce costs and improve profitability but recognise that the business requires further re-profiling to account for future planned expenditure.	Business
Expand our customer base	Continue to expand our customer base by working with developers, whilst pursuing other private works.	Business
Secure 75% of all maintenance work procured by the Group	Secure 68% of all work commissioned by the Group whilst demonstrating competitive pricing.	Business
Evaluate a TRL Green business	Set up a TRL renewables team working on SHG's work but with capacity to undertake private works.	Business
Convert homes to affordable rent tenure on re-let as part of our agreement with the HCA to broaden our rental offer and to invest in further growth in new homes.	Successfully complete the 135 ART conversions required from the first HCA grant allocation during 2013/14 so we didn't convert any more homes to ART during 2014/15.	Business
Use commercial assets wisely	Move from inadequate rented office accommodation with poor public access in Wem to Edinburgh House and establish plans for enhancing commercial values.	Business
Continue to support and develop the SUSTAIN consortium	Continue to provide Value for Money housing support to Shropshire Council and SHG and private clients alike whilst delivering a 15% efficiency saving to the Council within 2014/15 whilst they consider how best to re-commission services.	Business, Customer, Community
Expand Homelife	Continue to expand our customer base across South Shropshire gaining a strong reputation as a trusted provider of bespoke personalised services to 68 HomeLife customers at 31st March 2015.	Business, Customer, Community

CORE AMBITION 2 – GROWING AND DEVELOPING OUR BUSINESS

HomeLife

HomeLife is our person centred service available to all South Shropshire residents offering personalised support since April 2012 catering for a range of individual needs. We see the HomeLife service as a valuable addition to our overall service to older and vulnerable customers, both our own tenants and to the wider community. Individuals can choose to buy in additional hours of support as and when they need them. This means that support is not a fixed service charge, but an optional extra, at an affordable price (compared to the local market), met by the customer themselves from their own resources or from personalised budgets.

HomeLife has had a good year showing a steady increase in user numbers to 68 clients receiving over 150 weekly hours of support with the average hours purchased per client rising. After a slow start, the number of referrals from People2People (Shropshire Council's Adult Social Care team) has increased significantly and we will continue to develop this relationship further in 2015/16 as we demonstrate an even stronger track record and service reputation. Due to the complex needs of clients being referred by People2People we have been able to increase our hourly rate, thus supporting an increase in income and capacity to expand further.

Total Response Ltd (TRL) Private Works is recognised for its role in contributing to SHG's surpluses so that the Group can continue to achieve its key ambitions. TRL has established a private works team to provide repairs and maintenance services to the private sector and Registered Providers (RPs) within Shropshire. The team, which is still in its infancy, already provides services for neighbouring RPs and has private customers across the whole of Shropshire. As part of its growth strategy in 2015/16, the team has plans to employ a Business Development Team Leader to support the current client base and to reach out to potential customers who have been contacting us for quotations.

The Marches Community Land Trust Services was established in the summer of 2014 as part of SHG's commitment to the Homes and Communities Agency's Community Led Programme, developing 69 new homes. **Marches Community Land Trust Services** offers a pragmatic and flexible solution to rural housing delivery and SHG has shaped its' offer to communities via a 'stewardship journey' from concept to completion. One of the notable successes of this venture is the partnership with Neenton Community Society, the re opening of the public house, the Pheasant, and the provision of both open market and affordable shared ownership housing.

Floreat Homes is our branded private home ownership offer. The development of the Floreat brand recognises that this market is extremely competitive and requires a recognised brand that home owners can trust. In 2014/15 we established a market presence for Floreat Homes and commenced the first two open market schemes under the Floreat brand (**Floreat Homes**).

CORE AMBITION 3 – MORE HOMES MORE CHOICE

Despite reductions in grant, SHG has risen to the challenge to build and acquire new homes in Herefordshire and Shropshire. As a lead development partner, SHG continues to sweat existing assets and secure funding from the market and partners to address local housing needs for a variety of housing tenures.

In 2014 we said we would	We did	Return to Business, Customer, Community?
Develop and acquire small sites for private rent and sale	Acquire a small scheme at Roman Downs for private rent and built two schemes at Besford House and Neenton which provided a small quantity of private sales.	Business and Community
Employ Dynamic Asset management Plan	Continually review our assets to inform investment and disposal decisions, selling 8 homes other than through right to buy and converting a rural property to shared ownership	Business and Community
Complete 200 new homes by 2015	Complete the homes we had contracted with the HCA, developing or purchasing 97 properties within the year and completing 185 new homes over our previous Corporate Plan.	Business, Customer and Community
Provide homes for rent, sale and shared ownership	Diversify our home offer. The total number of lettings for 2014/15 was: 229 for MMHA and 322 for SSHA (including Foyer and Refuge). These lettings included existing stock at both social and affordable rent and shared ownership homes as part of community led projects at Hodnet, Lyonshall, Orleton, Park Hall, Onibury and Church Stretton.	Customer
Provide Homes at affordable rent	Increase the number of affordable properties to rent across Herefordshire and Shropshire with 4,645 properties in management at the year end.	Customer and Community
Support tenants to move and stay in homes longer	Continue to support our tenants to move to more appropriate accommodation through 27 mutual exchanges. In Partnership with Shropshire Council we also spent over £150,000 on adaptations helping 29 households to remain living independently in their homes.	Customers and Community

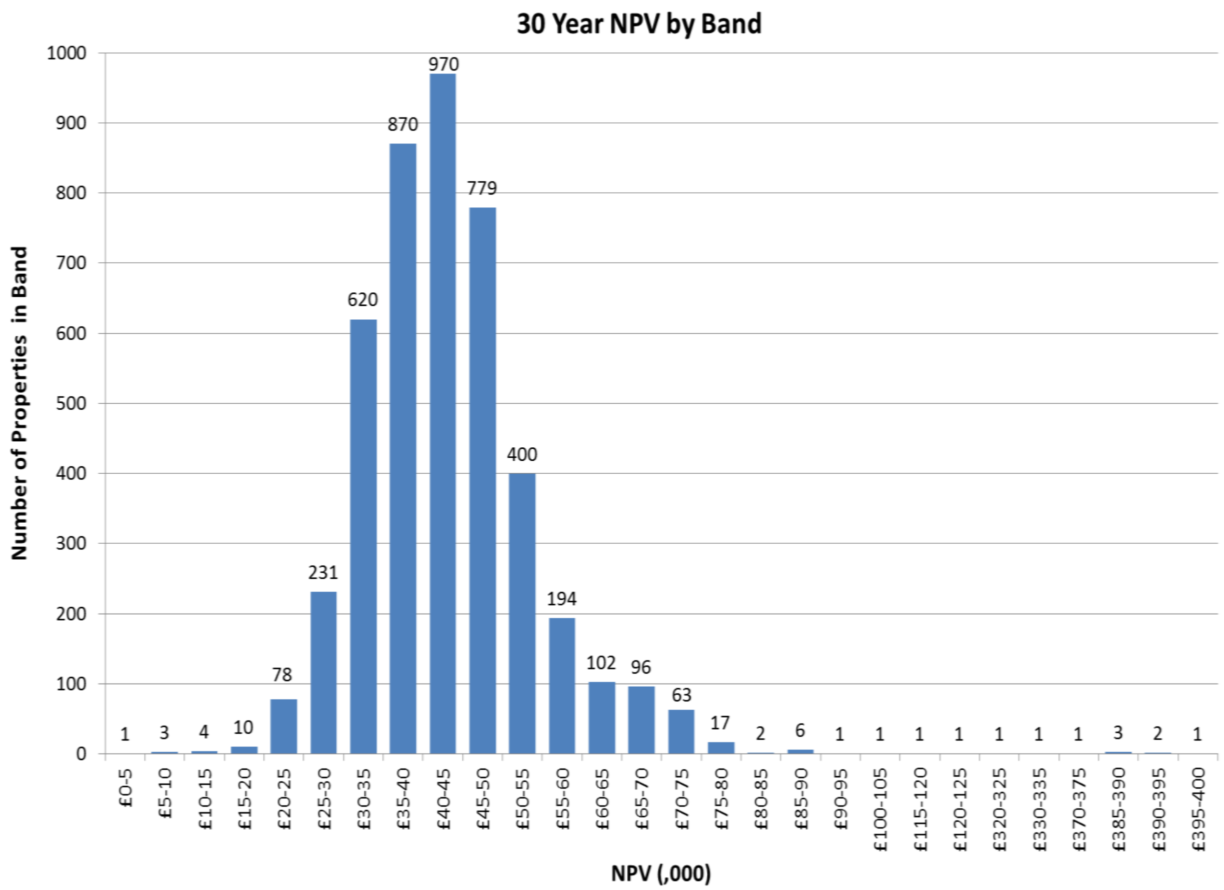
Delivering new homes and supporting communities is managed through our New Homes Strategy 2015-18. We have successfully completed the HCA 2011-15 Programme on time and on budget and commenced the new 2015-18 programme early with an agreed and funded programme of 148 homes. During the year we have completed over 90 homes and started 35 more adding 2% to our stock numbers towards our overall aim to increase our stock by 7% over the next five years. The Strategy seeks to target new homes to areas of geographic need and deliver more smaller homes in response to welfare reforms whilst being clear about the build quality, benchmark costs and return on investment required.

We have maintained **Constructionline**, the UK's largest online database of pre-qualified suppliers, improving our efficiency whilst maintaining a credible select list of suppliers, returning competitive tendering and reduced costs.

Understanding our Assets is essential to a healthy business
We are very clear about how our investment must improve the quality of home for our customer, and how providing a quality home contributes to the success of our business. In 2014/15 we continued to use a nett present value calculation to inform our investment decisions and measure the financial value of our assets. Our total nett present value has improved from £190,995,000 to £194,876,905 in 2014/15.

In 2015/16 the Board will debate further expansion of this approach in a revised Asset Management Strategy in which we will also link nett present value to our average debt per unit. By this intervention we would expect to see the total nett present value to continue to grow.

To inform our decision making we have developed an understanding of where higher rental values occur in our market towns overlaying this information with data on maintenance costs, turnover and tenant satisfaction. In this way we evaluate our worst performing assets to inform where we need to continue to invest and maintain a quality home where tenants wish to live and where we need to consider other options including changing tenure and outright sale. This table identifies 18 properties with issues and a nett present value of less than £20k. Although this is a snapshot, the process informs our maintenance and disposal decisions, which in turn contributes to business plan investment decisions for new development.



CORE AMBITION 3 – MORE HOMES MORE CHOICE

During 2014/15 we have disposed of 8 properties. This generated a capital receipt of £313k. The properties were; Curdale Close, Cleobury Mortimer, Edelweiss, Ludlow, High Hatton and Shawbury. These disposals were made on the basis of high maintenance costs and low demand. Proceeds from these disposals, together with Right to Buy and small land disposal proceeds are now ring fenced for new acquisitions or existing stock investment and subject to evidence of return to customer, business or community. The investment reserve sits at £800k at the end of 2014/15. No commitment has been made but we expect to acquire a minimum of 8 new homes in areas of high demand and with low maintenance costs as part of a clear and targeted approach to maximise returns.

In addition to outright sale we changed the tenure of one property in Longville following analysis by the Board of possible options. This property had a substantial maintenance requirement, and as a rental home was in low demand. The Board decided not to dispose of this property, as it is in a small hamlet, and disposal would have further eroded the availablility of affordable housing in that rural community. The VfM challenge we found was how we funded the required investment in this property and brought it back into use.

Accutely aware of the need to provide more choice in the housing market, we explored the potential of a shared ownership tenure, offering a local person access to home ownership in this hamlet. We invested £45,000 in works and fees on the property returning it to an acceptable standard before marketing it locally. We sold a % share of the property which more than balanced out our investment and chieved an Internal Rate of Return of 5.22% which is slightly below our New Homes Strategy's approved yield for shared ownership investment.

As this approach to understanding our assets is still fairly new within our organisation, the Board will commission an internal audit into the decisions on disposal and investment in 2015/16 with an ambition to learn from best practice and to seek assurance that we are progressing in the right direction.

CORE AMBITION 4 – EXCELLENT SERVICES AND SATISFIED CUSTOMERS

Providing social housing is our core business, it is what drives us but we are also committed to provding great services and high standards of customer care across all areas of our work.

In 2014 we said we would	We did	Return to Business, Customer, Community?
Invest in Staff training and development	Continue to invest in the development of our staff spending £98,282 in 2014/15 across SHG to ensure that they have the right qualifications and skills to provide excellent services.	Business
Maintain IIP Gold award	Have an Interim visit in 2015 and continue to work towards a reassessment in 2016.	Business
Expand our leadership programme, developing an Achieve Academy	Appoint a Learning and Development Manager, agree the Achieve Academy framework and continue with our leadership group development with a focus in the year on emotional intelligence.	Business
Ensure that staff are focussed on group ambitions	Fully engage staff in the review of the Corporate Plan and undertake a full staff survey in conjunction with staff consultation group which showed a sound understanding of our Corporate ambitions and values with 86% of staff clear about our ambitions.	Business
Review housing management quality standards	Review all of our housing management quality services and share these with Stakeholders.	Business, Customer
Invest in sustaining tenancies	Launch our new Tenancy Policy in January 2015, and begin to review the Neighbourhoods team structure with a view to shifting resources to early intervention, including pre-tenancy checks and more proactive management of Starter Tenancies.	Business, Customer
Develop a range of countywide policies	Improved our county-wide approach to allocations by continuing to engage with the HomePoint Board and Operations Groups. Collaborate on evolving our SUSTAIN Housing Support offer in response to Council budgetary pressures. Jointly commission a review of sheltered housing with STaRH and work with them to reframe the offer going forward.	Business, Customer
Support and strengthen TASS and TARCA	Continue to support and develop the role and understanding of our two tenant bodies holding quarterly Director meetings and provide training opportunities.	Business, Customer
Support good neighbours and tackle anti social behaviour	Place an on-going emphasis on controlling anti-social behaviour and improve customer satisfaction with outcome and case resolution.	Business, Customer, Community

CORE AMBITION 4 – EXCELLENT SERVICES AND SATISFIED CUSTOMERS

In 2014 we said we would	We did	Return to Business, Customer, Community?
Develop a better understanding of our customers' needs	Conduct telephone surveys on budget priorities and carry out our biennial STAR customer satisfaction survey following up queries with those who were happy to tell us more.	Customer
Improve levels of customer satisfaction	Maintain satisfaction with our overall services (87%) and improved our satisfaction score in 26 of 39 key aspects of satisfaction.	Customer
Invest in resident community initiatives	Establish 2 new Community Panels to deliver local regeneration through local "Neighbourhood Plans" with an £80k annual regeneration budget. Develop a new approach to measuring Social Value which was shortlisted in the HANA awards helping to inform our first ever annual social accounts.	Customer, Community
Develop a range of neighbourhood plans	Deliver 8 Neighbourhood Plans as promised, starting a further 8 for completion in 2015/16 all with the involvement and backing of local communities.	Community

Our People

Employees are one of our greatest assets. In July 2013 we achieved the **Investors in People** Gold Award confirming the great strides that we have made in providing the right working environment for our employees, ensuring that they continue to be well trained, highly motivated, rewarded appropriately and focussed on delivering the services that our customers want and need.

We continued to support staff consultation group in producing joint actions following the staff survey.

The annual pay award settled within the period for staff across the Group was 1.25%. We have held pay at or below the regional average for a number of years now. A review of pay and rewards will input to the 2015/16 budget process. Sickness absence has increased marginally to 7.6 days per person compared to 6.7 days per person in 2013/14 but remains better than the industry median. Staff turnover also increased to 15.9% from 11.9%, largely as a result of greater movement in Total Response Ltd.

Our Customers

In 2014 the results of our STAR (customer satisfaction) survey, showed some strong areas of customer satisfaction, with overall satisfaction with our services as a landlord remaining at 87% and with satisfaction that the rent represented value for money increasing slightly from 85% in 2012 to 86% in 2014.

Customer satisfaction with the contacts they have with staff has improved in many areas, reflecting well on our decision to invest attention and resources in this area in 2013/14, for example:

- The rating of the helpfulness of our staff increased from 83% in 2012 to 90% in 2014

- Satisfaction with the ability of staff to deal with queries quickly and efficiently increased from 79% in 2012 to 87% in 2014.

Satisfaction with call response times was also rated highly (92% in 2014 – not measured in 2012); this supports our own call monitoring data which shows that we met our targets in this area. In 2015/16 we will be working to improve on other aspects of our call handling. There are areas of service with which customers are less satisfied, such as listening to customer views and acting on them, the quality of their homes and completing planned works in a timely way with good communication throughout. We have agreed a plan which will guide our action to improve our service in these areas and have been able to follow up specific issues with tenants who have been willing to tell us more the reasons why they are not happy with aspects of our service.

Case Study – Investing in supporting tenancies

By carefully monitoring customer accounts and working with customers we continue to respond positively to welfare reform. This falls into 3 broad areas:

1. Under Occupancy - we put in place an action plan to assist over 400 affected tenants, specifically:-
   - We carried out over 200 homes visits;
   - We moved 112 tenants;
   - We helped 98 households increase their wages to take them out of the benefits which caused the under deductions occupancy;
   - We helped 69 tenants receive financial assistance to downsize.

We have now ceased separate monitoring of the under occupancy group as their impact on overall arrears has reduced to normal levels. They are now monitored as part of the arrears patches by income officers.

2. General assistance: we have been proactive in helping tenants, specifically:-
   - We helped with budgeting, fast track appointments with outside agencies (e.g. Citizens Advice Bureau (CAB)), benefit claims and support into work. In 2014/15 49 tenants were referred to CAB for assistance which we funded;
   - We assisted another 25 tenants who were affected by the first round total household benefit cap of £500 per week;
   - We are now contacting 185 tenants affected by the reduced cap;
   - We have established our own mini direct payments pilot to learn from our tenants own experiences.

3. Universal Credit - our experience of the 17 claimants to date is concerning:-
   - We have not received any referrals from the Job Centre Plus (JCP) for ‘Personal Budgeting Support’;
   - We have noticed that most claimants have not been paid the correct money on the correct day, we received no notification of this for at least a month and this was often too late to verify the first months rent resulting in delayed payments;
   - We have applied for 5 ‘Alternative Payment Arrangements’ (APA). Payments have been haphazard and notification information has been very limited making it hard to monitor payments. Our APA figures replicate the national figures at being around 1/3 of Universal Credit applications.

CORE AMBITION 4 – EXCELLENT SERVICES AND SATISFIED CUSTOMERS

Supporting our tenants helps them with their tenancies and it makes sense to SHG, sustaining our income.

Customer Priorities

We have asked our customers about their service priorities, through the STAR survey, other surveys and two stakeholder events held in autumn 2014. From this we know that priorities do vary, to some degree, from place to place and amongst different groups of customers; although unsurprisingly all continue to prioritise repairs, maintenance and other issues which affect the quality of their home and the attractiveness of neighbourhoods, including the impact of other tenants. We are proud of our maintenance record, the positive views tenants have of our workforce and of the investment we have made in our homes but recognise that expectations are high and that we still have work to do to ensure our plans are well understood, that they represent good value for money and that work is carried out in a way that takes better account of our customers' needs. Supporting good neighbours and tackling anti social behaviour (ASB) is good for tenants but also makes good commercial sense. When dealing with ASB we always seek to ensure that we have full engagement and that complainants understand their role in helping us to resolve the issues. Unless it is serious ASB, we will always use early interventions to resolve the issue such as mediation, which is carried out by 2 of our Neighbourhood Management Officers who have been fully trained. We also use Good Neighbour Agreements, usually drawn up in conjunction with the Police or Local Authority laying down ground rules for how to behave.

In cases of serious ASB, we will take a case to court immediately, without notice if there is a clear threat of harm or violence. All of the team are trained in producing and writing witness statements to reduce our legal costs. We have an excellent relationship with our solicitors and get a lot of free advice and support in all ASB and tenancy matters.

Our Performance

We set ourselves targets annually with the aim of improving our performance over time and taking into account the performance of others. For 2014/15 our Audit and Risk Committee agreed targets which would mean better services within largely existing resources. The Committee receives regular reports highlighting trends and enabling performance to be challenged and actions agreed. We have had a mixed but generally improving year in terms of performance.

CORE AMBITION 4 – EXCELLENT SERVICES AND SATISFIED CUSTOMERS

This table shows key performance areas for 2014/15:

Key Performance Indicator	**Cumulative Yearly Performance**			**Housemark Benchmarking 2014/15**		
	2014/15	**2013/14**	**2012/13**	**Upper Quartile**	**Median**	**Lower Quartile**
Rent Arrears						
Current Tenant Arrears (%)	2.18	2.50	2.33	1.46	2.01	2.70
Former Tenant Arrears (%)	1.42	1.37	1.25	0.55	0.71	1.16
Rent Collected (% of rent debit)	98.8	99.5	99.7	99.9	99.63	99.51
Empty Properties						
Average Relet Time ('standard' days)	34.3	29.8	26.1	17.69	25.57	31.83
Average Relet Time ('major works' days)	66.8	57.8	97.2	40.34	58.5	71.15
Let on First Offer (%)	58.4	56.0	63.3	74.93	69.22	52.80
Time taken for works (days)	11.9	11.7	11.2	Not available	Not available	Not available
Tenancy Turnover (% tenancies terminated)	8.8	10.2	8.4	7.93	8.45	9.08
Anti-Social Behaviour (ASB)						
Respondent Satisfaction with Handling of ASB case (%)	78.7	73.5	66.9	90.24	84.00	72.75
Respondent Satisfaction with Outcome of ASB case (%)	78.0	74.1	60.6	85.27	78.00	72.10
Cases resolved successfully (%)	90.6	81.4	79.9	97.87	95.58	93.02
Repairs						
Appointments Kept (%)	99.3	98.7	98.5	99.30	98.93	97.97
Average time taken to complete repair (days)	10.4	11.7	10.4	6.50	8.50	10.59
Customer satisfaction with repair (%)	95.6	91.0	84.5	96.85	95.3	89.52
Average repairs per Property	3.4	3.5	3.7	3.0	3.4	4.0
Servicing and Maintenance						
Gas servicing - Serviced within 12 months of last service (%)	97.5	99.7	99.6	Not available	Not available	Not available
Average SAP(energy efficiency) rating	65.6	64.5	64.3	72.0	70.5	69
Homes not meeting Govt. 'Decent Homes' Standard* (%)	0.11	0.10	0.10	0.0	0.0	0.0
Customer Service						
Average call waiting time (seconds)	19.0	22.5	31	Not available	Not available	Not available
Corporate						
Staff Turnover (%)	15.3	11.9	15.7	11	13.8	16.6
Average sick days per Employee	7.6	6.7	9.8	7.8	9.3	11.3
Our Housemark benchmarking group for 2014/15 is LSVTs with 2500-7500 units, the majority have a group structure and/or a Direct Labour Organisation.						

CORE AMBITION 5 – WORKING FOR SUSTAINABLE COMMUNITIES

SHG has often been a pioneer in developing a vision for carbon neutrality and helping tenants to tread lightly on the environment. We are an established energy supply company with 91 homes in Ludlow receiving heat from a biomass boiler. But we have also sought to describe and support sustainable communities.

In 2014 we said we would	We did	Return to Business, Customer, Community?
Trial new heating technologies in tenants homes	Continue a programme for boosting affordable warmth for tenants and install a ground source heat pump at Three Crosses, Clee Hill.	Customer and Community
Create a purchasing partnership with Shropshire Building Supplies (SBS)	Support SBS in joining the procurement framework through CHIC helping to sustain the local economy.	Business and Community
Introduce mobile solutions for TRL to improve efficiency	Provide all our TRL operatives with PDAs and explore electronic certification for the gas and electrical teams.	Business

SHG's 2014 Corporate Plan described relatively few targets for sustainable communities and this has to some extent been taken by the wider use of social value. Within our business model his area of activity is perhaps better described as return to the community.

SHG measures "Social Return on Investment" (SROI) in a manner that purposely doesn't monetise it to better understand and evaluate the trade-offs and opportunity costs of spending decisions in terms of their impact on the lives of our customers and the neighbourhoods they live in. In this way we recognise some of what we do within the Group does not produce an income/financial return but has a wider social value, such as spending £80,000 this year on community regeneration projects. Our approach to SROI was shortlisted for a national housing award during the year. We propose to ask for an advisory audit in 2015/16 to inform the inevitable evolution of how we capture and measure social value. Our **Social Accounts** have been reviewed by the Audit and Risk Committee and published alongside this VfM self-assessment. Our Social Accounts provide a real insight into the depth and breadth of work undertaken by SHG either independently, for instance through the Foyer and Refuge and sheltered hubs, but also in partnership with other charitable bodies that we support through service level agreements to deliver shared priorities such as helping tenants move into work.

We continue to work with and to support our tenant bodies and other stakeholders in their work in communities, but we have also supported longstanding partners such as Grow Cook Learn realise their ambitions by taking on the Asset Transfer of the Discovery Centre in Craven Arms as a place for them to promote training and development opportunities to residents and visitors alike.

Through our community led development and partnership with Shropshire Council we have been able to help a range of communities to realise their housing needs but to also provide much wider returns locally. For instance, mixed tenure community led development of 16 homes at Park Hall, Oswestry opened on 19th November 2014, and secured additional funding of £38,000 from Shropshire Council allowing the Whittington

Parish Council to replace existing street lights to low energy lamps delivering carbon and revenue savings.

Closing Remarks

SHG has once again adapted its approach to meeting the Value for Money standard with a clear emphasis in this self assessment on how we have achieved what we said we would do in our 2014 Corporate Plan and how we performed against the specific VfM targets which we set for ourselves.

The Board of Management and Executive team have worked very closely to carefully evaluate the absolute and comparative cost of what we do, the value placed by others on what we have delivered and the satisfaction of customers with our performance. By taking costs out of our core business we have once again sought to do more whilst improving customer satisfaction with service. By doing more for less in some areas we have also improved our overall financial position and generated increased surpluses to reinvest back into the business to meet future stakeholder priorities. The refinancing of the Group in July 2014 has led to an increased cost of loans but greater all around financial capacity and flexibility. Our new V1 Viability status underscores the approach taken. We took time during the year to consult with stakeholders on our strategic ambitions, producing our 2015/20 Corporate Plan to drive our business forward. We have confidence, therefore, that we have and will continue to adapt to changing circumstances.

By continuing to appraise the assets we hold and disposing of properties with a low nett present value as the opportunity arises we have been able to boost resources available alongside loans and grants to support our growth ambitions. We have completed an ambitious development programme on time and to cost, venturing for the first time into open market sales and rent alongside our shared ownership and affordable rent homes. These returns will materialise in 2015/16 as we enter into the 2015/18 development programme and have development commitments to deliver at least another 200 homes of mixed tenure by 2020. We have plans to make even greater use of modelling next year to release problematic assets enhancing our capacity to support a shared ambition of More Homes, More Choice. This will also help us to manage risks and costs in areas which have become increasingly demanding such as repairs and maintenance, voids costs and tenancy sustainment. We have commenced reviews this year which will help shape our future business.

We have once again placed a lot of emphasis on helping tenants to manage the challenges of welfare reform and the impact that this is having on our business. Our Social Accounts describe some of the extensive work that we do to support tenants and communities, for instance, helping the Government to help tenants into work. Our reputation as a landlord is also important to us and it is pleasing therefore that we have improved customer satisfaction in the vast majority of areas covered in our STAR tenant survey.

We recognise the challenges that lie ahead, including, continuing to demonstrate that we represent Value for Money in all aspects of our work as we seek to demonstrate returns to the business, customers and communities for every pound we spend.