

PRHA Value For Money Assessment 2016/7

PRHA's Value for Money Statement

PRHA is a small community-based social landlord and support provider operating predominantly in East London. We provide &/or manage 97 units of general needs accommodation & 517 of supported housing. Our local communities are amongst the most deprived in the country & our residents therefore are likely to be amongst the poorest section of the population. They are more likely to be affected by unemployment or low paid work. Our supported housing residents are doubly disadvantaged because of histories of homelessness, poor mental health & /or substance misuse, low levels of literacy & numeracy and poor physical health. For PRHA this means that we aim to reinvest as much of our income back into homes and services as we can safely achieve. We aim to provide not just housing-related services but also access to education, training & employment opportunities & specialist support for people with support needs. Our aim is to develop more resilient residents who can achieve sustainable economic & personal independence.

Value for money for PRHA therefore is about achieving the best possible outcomes for our residents & the wider community not just in relation to housing but in many areas of their lives.

What we mean by Value for Money

PRHA aims to meet its' strategic & business objectives in the most efficient manner. This means aiming to deliver above the minimum requirements for our residents, achieving high levels of resident satisfaction & being cost-effective whilst also fully contributing to the achievement of wider outcomes for the community & maintaining financial stability.

Meeting our strategic objectives

PRHA aims to strike a balance through its VFM decision making which takes into account the 6 key objectives of the organisation:

- To improve the quality of life of our residents & service users through a wide range of services including access to employment training & education , money management advice & access to specialist services
- To provide good quality housing and property-related services
- To support the personal and professional development of our staff and volunteers
- To be a provider of choice for support services
- To manage growth, diversify & remain viable
- To celebrate our diversity & to share knowledge and expertise. This includes partnerships with local community organisations to provide services & community facilities.

Our Value for money approach

PRHA aims to deliver a robust Value for Money approach in order to meet its overall strategic objectives, provide good quality services to its residents/service users & to meet the requirements of its' commissioners & regulators. It also enables PRHA to maintain financial viability & manage risk within an uncertain & challenging external environment. This strategy is embedded in a number of other PRHA strategies including those for procurement, asset management, human resources & quality.

PRHA aims to deliver its' strategy by achieving the following objectives:

- Involving residents in decisions about service provision & in scrutiny of services & costs
- Ensuring that Value for Money is a key focus of continuing Board & staff review & that both quality & cost are monitored & reported on
- Understanding our costs
- Benchmarking costs internally and externally
- Managing our resources effectively through cost controls & monitoring
- Ensuring our business plans & departmental/service/staff work plans deliver value for money & quality services & that staff understand the role they can play in delivering value for money

- Ensuring that we meet the requirements & standards of our commissioners
- Ensuring that we maintain organisational cohesion & positive staff relations
- Challenging how we deliver services & understanding how this relates to quality & cost
- Recycling cost savings to further improve services

Internal Self Assessment

Our Internal self-assessment stage is where we analyse what our current cost & quality drivers are for priority areas (so that we can evaluate priority areas & also start to establish a statistical baseline before we start improvements).

As a small organisation providing mainly supported housing and delivering a number of relatively short-term support contracts we often experience high levels of change even within one financial year. This can significantly distort our performance information, both financial and operational, and makes comparison between years & even within any one year more difficult to achieve. You will therefore find “health warnings” attached to some of the information within this report.

What we have achieved so far

Asset Management

- ✓ **Return on assets:** We have reviewed our asset management strategy. This enabled the Board to see that all of PRHA's properties remain financially viable and of a satisfactory standard. We measure by looking at the expected running costs (housing management and repairs) & future improvement costs against the projected income.
- ✓ **The stock condition survey and programmes** are reviewed annually and amended to ensure that any necessary investment is made in our buildings.
- ✓ **Review of loan finance:** PRHA's borrowing has funded a number of its more recent developments. A review was undertaken to establish whether these still remain the most cost-effective option.

Savings on costs directly affecting services and residents' costs

- ✓ Continuing savings from the 2015 PRHA **Utilities cost review**. Both gas and electricity are on long term fixed rate contracts and have seen savings over the past 3 years. The savings have been helped by 2 unusually mild winters. Most of PRHA's supported housing properties have communal heating systems fuel supplies throughout.
- ✓ **Day to day maintenance costs** are pegged through linking to Schedule of Rates. We have retendered our main responsive repairs contract in collaboration with another small Association.
- ✓ **Costs linked to support services:** Most of PRHA's support services contracts were retendered in 2016-7 & PRHA undertook a major review of the costs related to these services. The main improvement for service users was in relation to increased personalised support hours & additional service offers.

Reduced overheads / office costs & increased efficiency

- ✓ IT systems: During the year we completed the replacement of our IT systems. This provides a more stable platform that will be more reliable and allow staff to work more effectively. We also now purchase “almost new “ hardware which provides cost savings.
- ✓ Shared training with voluntary sector groups & Local Authorities and access to free training is developing staff skills at less cost.
- ✓ Staff recruitment- savings were made & added value brought to our services by partnership with the LB Tower Hamlets' WorkPath service which offers employment opportunities to local residents and traineeships.
- ✓ Insurance: We retendered the insurance and achieved a saving of c.20% on previous years.

Collaborative procurement

- ✓ **PRHA works with other organisations and agencies to achieve “economies of scale”**. This means that we are able to benefit from reduced costs which we couldn't otherwise achieve as a small provider on our own. We currently procure responsive repairs and gas servicing contracts in partnership with other small Housing Associations.
- ✓ We have jointly procured development services through the North River Alliance for over 10 years. This alliance of 11 small and medium sized organisations is a development partner of the GLA and has received funding for over 500 new homes from the Mayor's Housing Covenant 2015/18 Programme.

Added value & improved services for residents

- ✓ Traineeships: We benefitted from the contribution of 14 trainees to our work during the year. We also partnered with local colleges to offer placements to students.
- ✓ Recruitment: PRHA & Kipper recruited 8 people this year. We aim to recruit people with “lived experience” including our own residents & service users of other support services. This year 50% of new staff had lived experience.
- ✓ Volunteers: We have also benefitted from the contribution of over 100 volunteers during the year. These include PRHA residents and members of our local communities.

Performance against PRHA's Resident set priorities

(Local Offers)

- ✓ PRHA's Service Users Advisory Panel (SUAP) oversees PRHA's “local offers” & target setting. The 3 priority areas chosen by residents in 2016-17 remained the repairs service, Anti-social Behaviour and communication with our residents. These are the areas that have been reported on predominantly in the Report to Residents 2016-7 (available on www.prha.net).
- ✓ The repairs service has a number of indicators in the Report to Residents. These comprise performance against target indicators (repairs undertaken to timescale, appointments kept, first fix targets, and post inspection repairs) and satisfaction indicators (speed of repair, quality of repair, and the repairs service received). The report includes historical information so that trends can be identified and explored.
- ✓ The resident-led Maintenance Advisory panel meets throughout the year to review the repairs service & to undertake inspections of our properties.

Added value for local communities

- ✓ There has been a continued focus on local recruitment and advertising for jobs. This is aimed at strengthening the local economies of the deprived areas that we work in as well as giving additional opportunities to our own residents and service – users. 25% of the posts recruited to during the year were filled by local people.

Customer Outcomes and Resident Involvement

This is a key outcome for PRHA. We have undertaken consultation with PRHA residents through a range of mechanisms:

- ✓ Consultation on the VFM strategy through Local Offers at a strategic level & on specific issues
- ✓ Service Users Advisory Panel meets bi- monthly and twice a year with the Board.
- ✓ Maintenance Advisory Panel (MAP) consisting of PRHA residents meets bi-monthly to review all aspects of repairs and maintenance service and carry out post repair & regular property inspections.
- ✓ Resident involvement at PRHA Board level
- ✓ Resident representation on PRHA staff interview panels and at a range of meetings and events.
- ✓ Resident led projects such as the Lankelly Chase funded peer consultancy project , the MenTalk Health group and the Upbeat Linkworker group.
- ✓ We review all service charges every year. These vary considerably between different schemes and general needs blocks. Supported housing tends to include fuel costs and very extensive services such as fire alarm & security systems and significant communal areas. In general needs we have a number of units with specific disability adaptations such as between floor lifts. Also some of our general needs properties (e.g. Levanter House) are maintained by the landlords rather than PRHA and they set the charges. This makes it difficult to make comparisons between services or with other providers. Each year therefore we carry out review & consultation on a service by service basis as part of the service charge setting process.

How we performed in 2016-7

PRHA has a number of mechanisms in place to track performance and tenant satisfaction. Performance information is monitored regularly by senior managers and also reported to the Board.

Tenant satisfaction is measured through annual surveys of supported housing and general needs residents. As PRHA only houses 614 households the surveys can tend to vary significantly between years due to the small numbers involved or to changes in the services that we manage. This is particularly the case for respondents from PRHA's General Needs accommodation, which having only 97 units makes it difficult to identify trends or draw firm conclusions in isolation from PRHA's supported units.

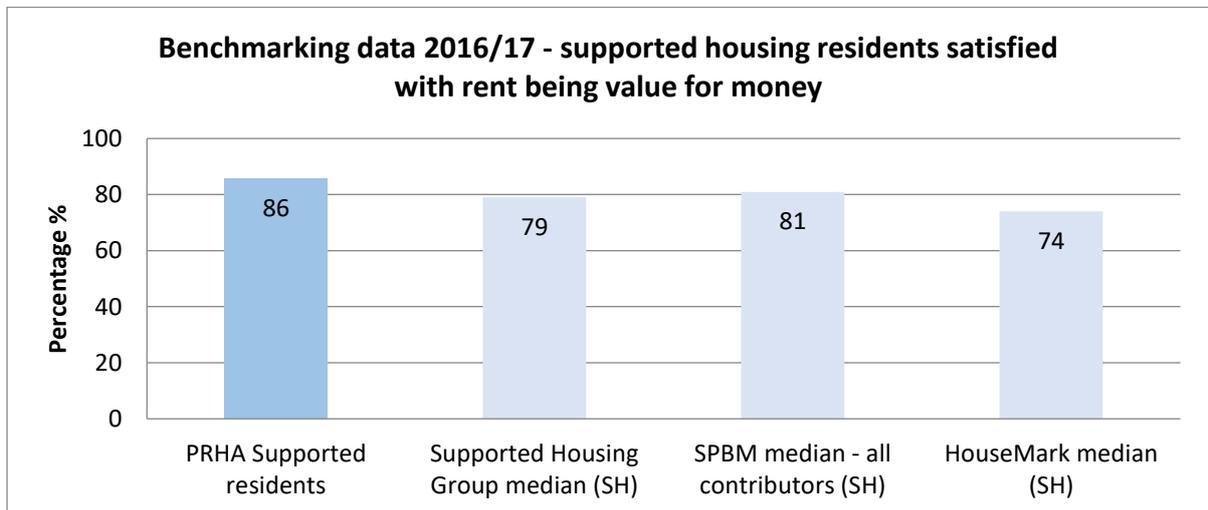
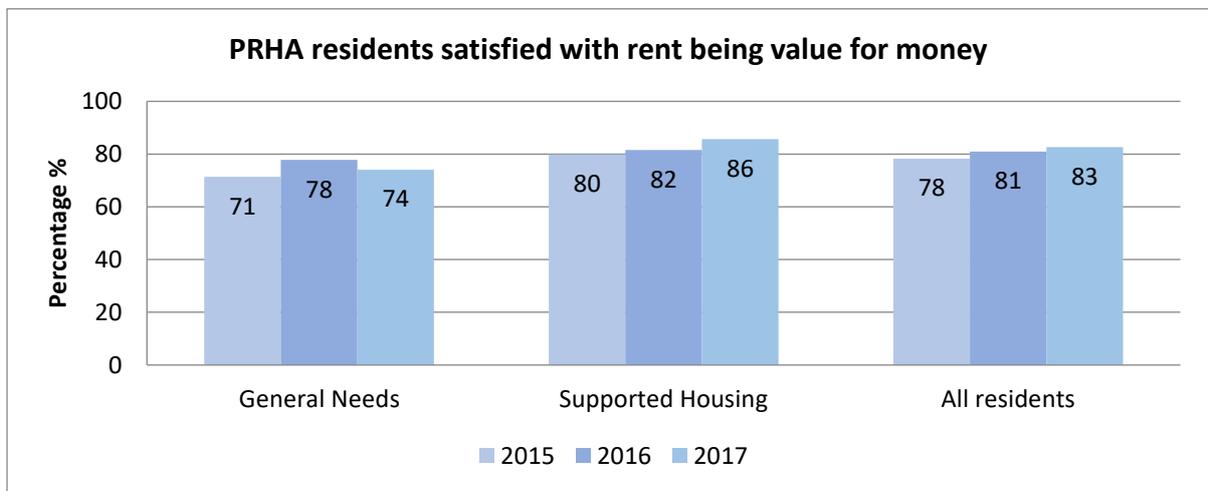
Nevertheless PRHA always investigates further where satisfaction appears to have dropped and is intending to focus on specific areas in the future.

See Appendix one on benchmarking arrangements.

SATISFACTION

Residents satisfied with their rent being value for money

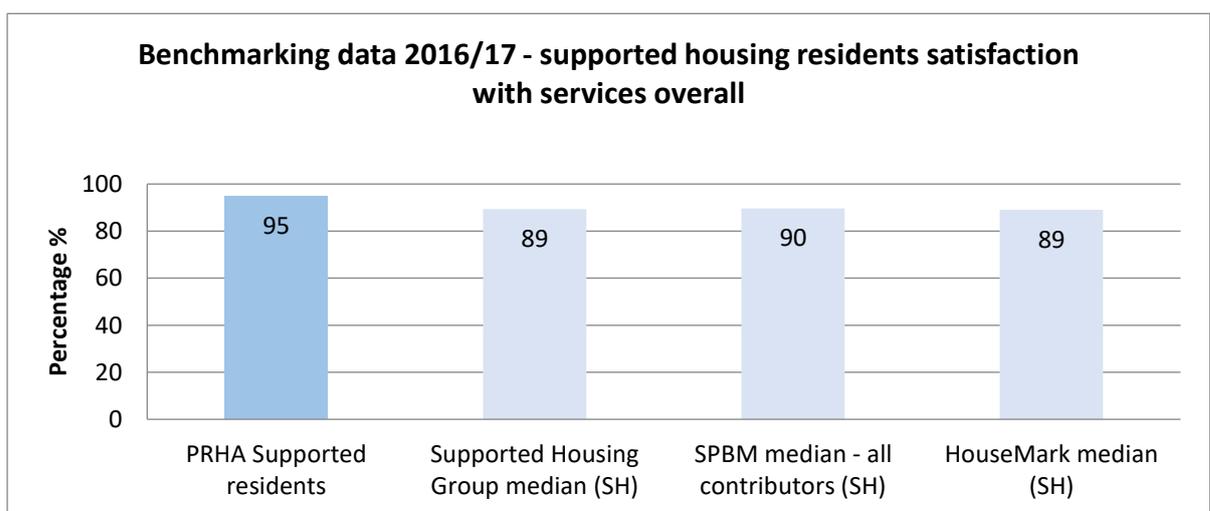
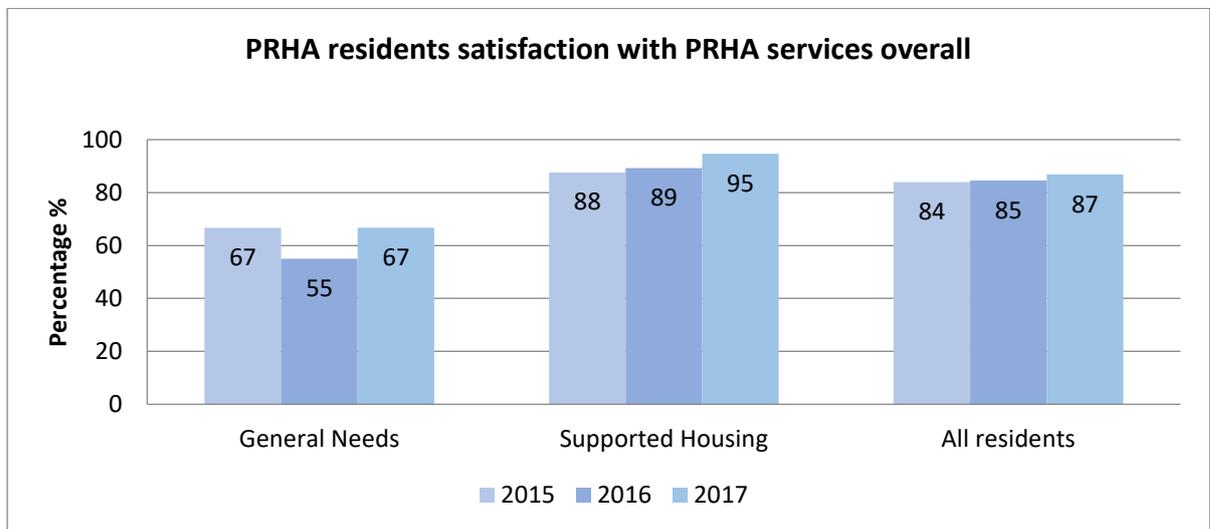
This is the third year in a row that this has increased for PRHA's supported housing residents, and for PRHA's residents overall. Satisfaction for our general needs residents decreased this year (with 7 dissatisfied in total) but remains above the level in 2015.



Satisfaction with the services provided by PRHA overall

This has increased slightly in relation to the previous year, from 85% to 87%. Satisfaction among our supported residents was 95%, which is above the median for the SPBM Supported Housing Group and HouseMark, both of which are also 89% for 2016-7.

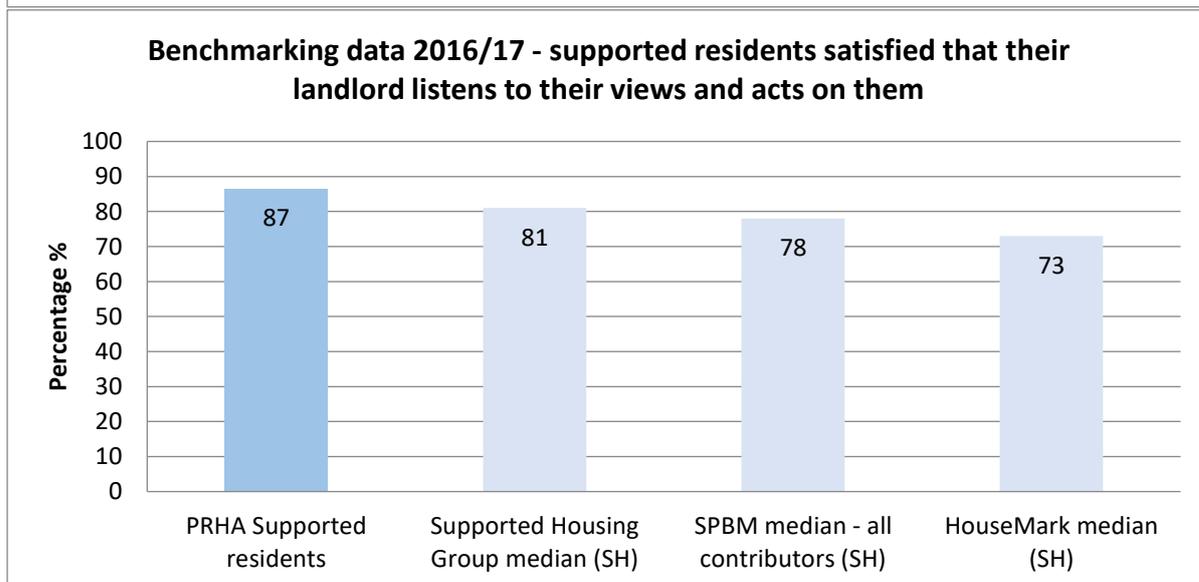
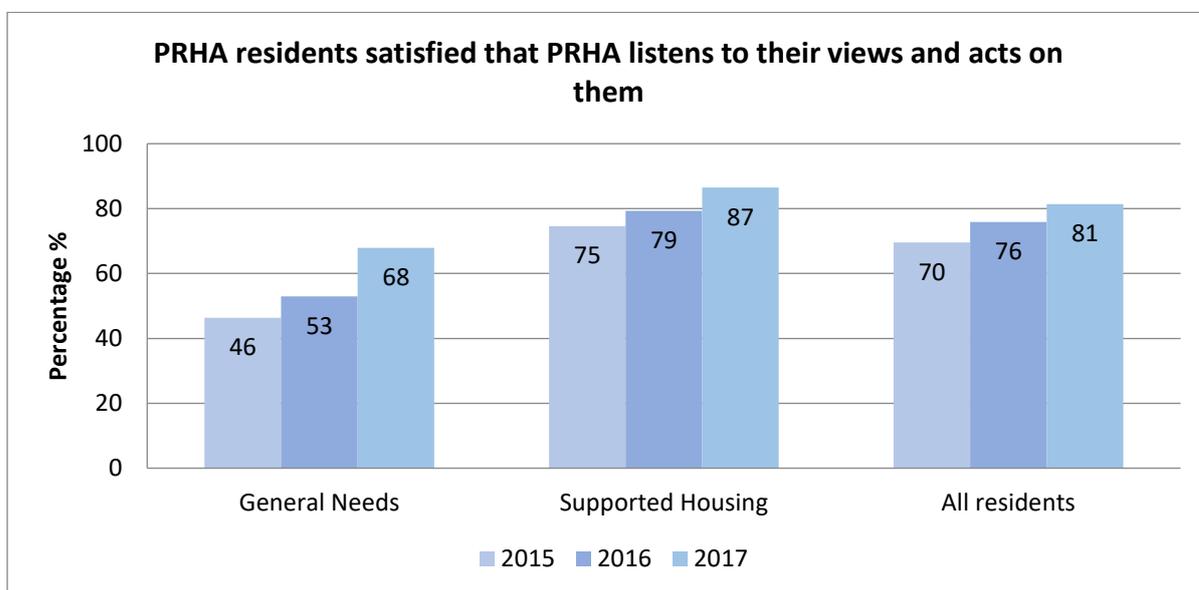
Satisfaction amongst general needs & floating/low support residents (where other providers provide the support services) has increased again following a drop last year.



Residents are satisfied that PRHA listens to their views and acts on them

The figures for PRHA's supported housing residents compares favourably with benchmarked figures (see table below). An area for improvement last year was the satisfaction levels from general needs and low/floating support residents which remained relatively low. This has now increased to 68% which is close to the benchmarked Borough average of 68.8%.

PRHA has now implemented the on-line survey tool. This has boosted the response rate from General Needs /low/floating support residents by 36%.



Repairs

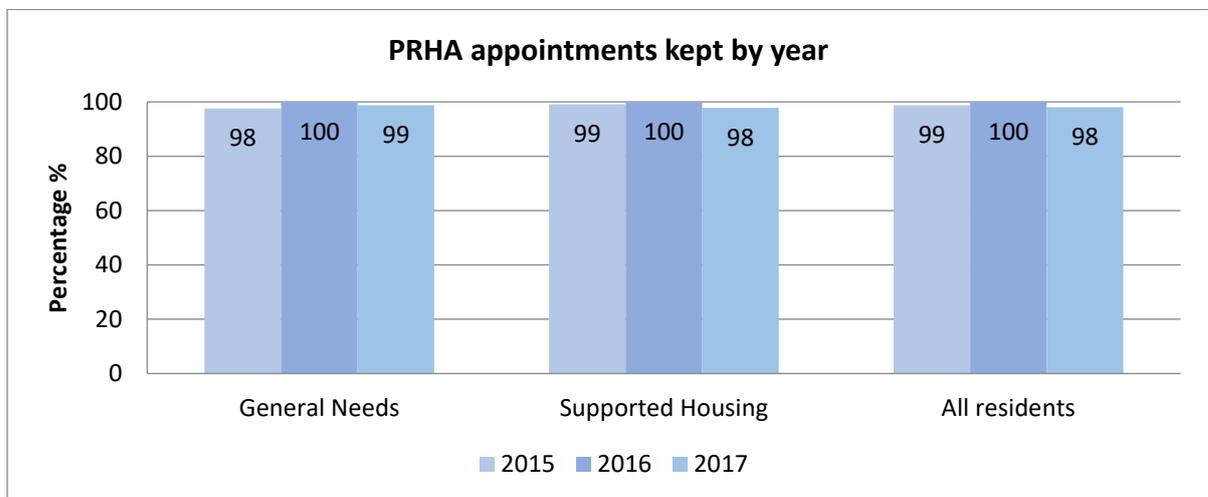
PRHA's repairs service not only carries out normal responsive repairs and major works but also carries out a large number of tenant-like repairs in its supported housing projects. These are generally classified as routine repairs but may be urgent or even emergency in some cases.

Our responsive repairs contract was retendered and a new contractor started in February 2017. All of the targets were reviewed to ensure that there are improvements to the service that will increase satisfaction.

- **PRHA Emergency Repair performance is 100% (target 100%).**
 - 2016-7 SPBM Supported Housing Group median 97%
- **PRHA Urgent Repairs performance is 98% (target 98%)**
 - 2016-7 SPBM Supported Housing Group median 96%
- **PRHA Routine Repairs performance is 98% (target 98%)**
 - 2016-7 SPBM Supported Housing Group median 95.5%

Appointments kept

- **98% of appointments made with residents were kept by PRHA,** a decrease from the previous year where 100% of appointments were kept. This is being closely monitored but may be partly due to changeover of contractors



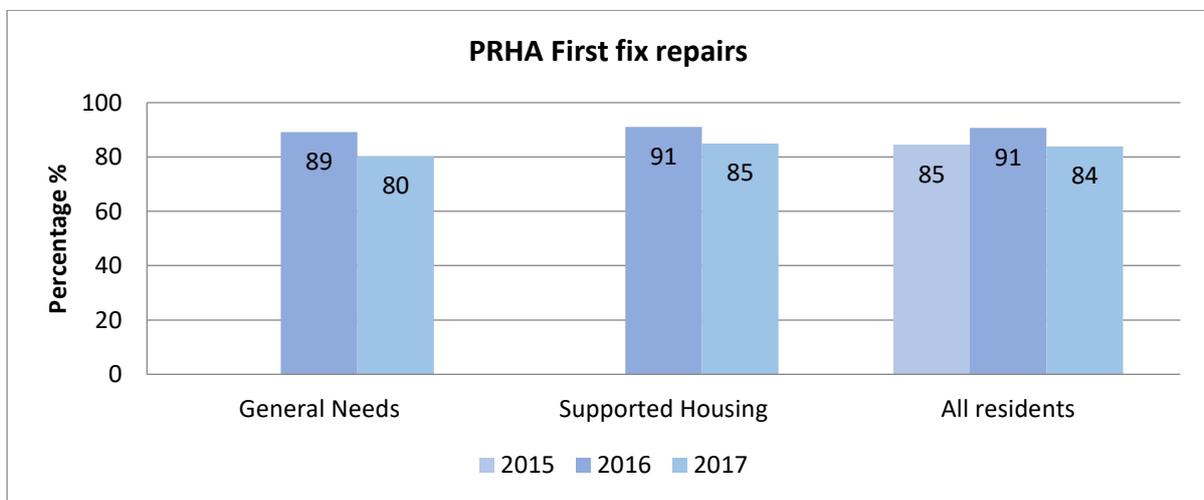
First fix repairs

➤ **The proportion of repairs resolved on the first visit** fell compared to the previous year, from 91% in 2015-16 to 84%.

- 2016-7 SPBM Supported Housing Group median 94%

This represents 189 responsive repairs which were not resolved on the first visit (16.1%). However, 98.8% of responsive repairs were completed within two visits, with only 1.2% of repairs taking three or more visits by operatives or contractors.

See areas for improvement below.



Overall Satisfaction with repairs

The 2017 survey showed a lower level of satisfaction with the repairs service overall (71%), reversing the previous upwards trend from 2014 (71%) through 2015 (78%) and 2016 year (80%). In analysing the causes for this it is interesting to note that satisfaction with speed of repair and quality of repair have increased. Further investigation will take place into the possible causes including First Fix levels and communication/organisation of repairs service.

This year the levels of general needs & low/floating support residents satisfaction has increased slightly but still remains below the level reported in 2015.

The levels for supported housing residents meet the Supported Housing group median benchmark. See areas for improvement below.

Income maximisation

The majority of PRHA's housing is short or medium term supported housing for homeless people. **Last year we made 250 lettings on 614 units.** This is 41% turnover compared to 47% in the previous year. This is still a very high level compared to general needs accommodation & low support supported housing. This brings with it significant challenges in terms of human and financial resources as well as the potential for high losses on void periods and bad debts. Delays in reletting may be caused by tenant damage or delays with nominations (all units are subject to 100% Local Authority nominations).

Voids in supported housing

The percentage of bedspace days available to let (i.e. void maintenance performance) has improved to 97.1%, in contrast to static figure of 96.2% for the previous two years. This has now met PRHA's target of 97%, but PRHA will continue to work towards improved void turnaround times.

The percentage of available bedspace days that were actually utilised (re-letting performance) remains below PRHA's target of 98%, with performance for the year being 96.2%.

Arrears

Current tenant arrears were 8.51% as a percentage of annual rent for 2016-17, a reduction on the 9.1% for the previous financial year. However it remains above our target of 7% and will continue to be a major focus for PRHA. The introduction of senior manager oversight of services and individuals that are of concern appears to be having an impact and this will continue. See areas for improvement below.

Former tenant arrears remained at 2.6% as a percentage of annual rent for 2016-17, matching the previous year. It is below PRHA's upper limit target of 3% for former tenant arrears.

Rent collected as a percentage of annual rent receivable for all residents was 99.5% in 2016-17, an increase on the 97.0% figure for 2015-16, and on the 2014-15 figure which was 89.1%. The target remains set at 101% to focus on improvement and to facilitate the reduction of arrears. The proportion of rent collected for our supported services was 99.7%, with the SBPM Supported Housing Group median being 98.7%.

Areas for improvement 2017-8

Satisfaction

There has been a welcome increase among all residents in relation to reported satisfaction with PRHA's services overall. However there remains underperformance in relation to overall satisfaction with the repairs service. This will be analysed and there will be a focus on communication & organisation of the repairs service as well as First fix repair rates.

Void losses

The cost of turnover in supported housing remains a key issue. Void turnover has increased due to changes in the commissioning strategy and this brings with it increased rent losses and also increased costs for void repairs. We will continue to work closely with commissioners to ensure that this is managed.

While PRHA has little direct control over referrals it can ensure that void turnaround is as swift as possible and that we minimise delays with referral agencies being notified of potential vacancies.

Arrears

PRHA works with many residents who have histories of rent arrears & eviction. Nevertheless we aim to ensure that everyone maintains their tenancy and in doing so minimises their arrears. Continuing focus on early intervention, financial inclusion & support with Universal Credit will remain a focus.

Training and systems review

- Embedding VFM approaches across staff teams: will remain a focus of team meetings.
- Learning from complaints: Teams will be supported to review learning where appropriate.
- Implementing the VFM action plan & ensuring regular reporting to the Board & Senior Management Team on progress

Cost savings/service improvement

- Retender of servicing contracts
- Review landlines & broadband contracts to achieve lower costs and better services
- A review of On Call support services (deferred from 2015-6)
- Final closure of the Kipper Project subsidiary: all business now transferred into PRHA

Benchmarking

Providence Row Housing Association is a participant in three benchmarking groups with the aim of promoting best practice and improving performance by comparing and learning from other providers. The focus of each group differs with two of the groups specifically relating to benchmarking and best practice for supported housing providers and one relating to general needs residents only.

Benchmarking data has been used in the Satisfaction and Repairs sections of this report where available. All benchmarked data is used internally by PRHA to drive improvements in its own performance and set internal targets where appropriate.

Pan London Benchmarking Group: A voluntary benchmarking group comprised of London based Supported Housing providers with a specific focus on homelessness provision. The group focuses on identifying best practice in support provision and on benchmarking satisfaction data from Annual Surveys. It also focuses on housing management, performance and Value for Money.

SPBM Supported Housing Benchmarking Club: A national supported housing benchmarking group, the Skills and Projects (SPBM) Supported Housing Benchmarking Group. This includes a number of smaller supported housing providers. The majority of the benchmark figures provided in this report come from the 2017 Annual Report of the SPBM Supported Housing Benchmarking Club.

Tower Hamlets Housing Forum (THHF) Benchmarking Group - PRHA is an active member of this group, which comprises Registered Providers with mainly general needs stock within the London Borough of Tower Hamlets. It focuses solely on performance within the borough, mostly in relation to housing management and financial indicators. These are published on the LBTH website and reviewed by Councillors. The Group is also involved in reviewing and benchmarking performance against the Local Offers that have arisen from consultations involving residents, LB Tower Hamlets, and the Registered Providers within the Borough.