

2018/19

Value for Money Statement





Our assurance to you

Welcome to your 2018/2019 Value for Money Statement. This statement is our assurance to you that Merthyr Valleys Homes (MVH) is getting the most out of our resources – achieving Value for Money (VfM) for our employees and tenants.

Value for Money sits at the heart of everything we do at Merthyr Valleys Homes. It is more than just spending wisely; it is about doing the right things and doing them well. Our Democratic Body, working alongside our Board, developed our Value for Money Strategy which sets out the principles that guides our work at Merthyr Valleys Homes. We are uniquely placed as Wales' first tenant and employee mutual to ensure that we are doing the things that matter to our employees, tenants and the wider community – we are different, we think differently, we act differently – this is the mutual way. We continue to work creatively to ensure our values are the foundation and core of everything we do ensuring as many people can benefit as possible.

This is an exciting time for our mutual as we plan our strategy for the next three years. Value for Money will be a driving force throughout this, ensuring we are an effective social business as we continue to invest in our homes, our staff and in our communities.

Best wishes,

Natalie and Nicola
Chair of Democratic Body & Chair of Board

Introduction

Our Democratic Body, along with Board and our Members agreed a new Balanced Scorecard and 7 new Golden Rules for Value for Money in June 2018. Our Golden Rules enable us to review our annual performance in terms of economy, efficiency, effectiveness and equity (the 4 "e"s).

The Democratic Body monitors Value for Money on behalf of our Members annually and they have approved the 2018/19 Value for Money Statement, concluding that MVH has provided Value for Money during 2018/19. The results are shown overleaf:



Our performance for 2018/19

We will always set an affordable rent



Living rent 28% of average earnings in Merthyr Tydfil



Current tenant arrears **reduced by £40,000**

We will always keep our tenants safe



90 tenants attended a presentation on fire safety in the home



Supported 118 tenants to maintain their tenancies including 17 with hoarding issues



Supported 24 victims of crime and ASB

We will always protect our environment



Resolved 70 incidents of flytipping



Over 220 people volunteered with us to clean up the borough

We will always treat staff and tenants fairly



Gender pay gap 3.4% in favour of women



525 tenants benefitted from our income maximisation service

We will review major areas of expenditure i.e. over £100,000 p.a.



We reviewed all our building maintenance contracts



Reduced expenditure on telephony by £22,000 per year

We will always invest in our local community



For every £1 spent through our contractor framework £1.93 is re-invested in the local economy.



We spent £12.946m in Merthyr Tydfil.

We will always develop our in-house staff; consider succession planning and offer work placements and apprenticeships



We supported 10 work placements & volunteers.



14 employees gained a professional qualification.

Rule #1

We will always set an affordable rent

We adopted 'Living Rent' from 1st April 2018. Our Living Rent Policy was co-produced with our Democratic Body and the Board. For 2018/19 our rents (including our average service charge where applicable) are based around 28% of the published average residence earnings for Merthyr Tydfil. This has meant that our target rents for bedsits decreased by 6% year on year and our target rents for 1 and 2 bedroomed properties had a rent increase of below 4.5% for 2018/19. This is great news for single tenants/lone parents in smaller properties who find it the most difficult to afford to run a home.



During the year we monitored our rents against actual earnings of new and prospective tenants so they were affordable. We also reviewed household occupancy data and conducted a tenancy audit to update our records on household make-up which will influence our future rent policy.

Despite full roll-out of Universal Credit, our current tenant arrears reduced by around £40,000 year on year, giving Board and Democratic Body the confidence to reduce the 2019/20 budget for bad debts in exchange for increasing the number of employees in the Income Team and Community Well-Being Team to support our tenants moving onto Universal Credit.

We moved to a 52 week rent year in 2018/19. This is easier for those tenants who pay by direct debit and those who are moving onto Universal Credit as any housing element included in their payment is based on a 52 week year. This was a major shift in practice for us as the 48 rent week year had been in place prior to transfer.

We purchased some software in 2018/19 to help us trace former tenants who have outstanding debt with us. We have recovered £8,000 of former tenant arrears compared to the cost of the software which was around £3,500.



Rule #2

We will always keep our tenants safe

We have been following the Grenfell Tower Inquiry all year to ensure that our tenants are as safe as possible. We carried out a risk assessment on all our composite fire doors in our blocks of flats and determined the level of risk. Having discussed this with our Tenant Safety Forum (TSF), who fed into our strategy to deal with the fire doors, we sourced new fire doors which were compliant with building regulations and visited the manufacturer with 6 representatives from the Tenant Safety Forum and Residents Fire Safety Forum. Once we had reported our findings to the Board we replaced the 18 doors that posed the highest risk and we will replace the remaining 200 fire doors during 2019-20.

A recent court case involving an English Registered Social Landlord, where a death was caused involving a domestic through-floor disabled access lift, prompted a review of our inspection and servicing regime for adaptations within tenants' homes. Although these items are not directly covered by health and safety legislation as they are domestic in nature and use, as a result of this case, we have adopted a 6 monthly inspection and servicing programme in line with lifting equipment fitted in common areas.

The Residents Fire Safety Forum has been closely working with South Wales Fire and Rescue Service (SWFRS). Over 90 tenants and residents have attended presentations

in our Community Living Schemes on fire safety in the home and fire safety advisory visits and referrals have been undertaken by both MVH and SWFRS.

Members of our Tenant Safety Forums have achieved nationally accredited health and safety qualifications delivered by our Health and Safety Manager. We have made savings in excess of £3,500 over the year by delivering bespoke and accredited safety training to both employees and tenants on subjects including construction site safety, first aid, radon, asbestos awareness and manual handling.

We saved £1,840 by carrying out in-house Site Management Safety training for 4 employees. Similarly we saved approximately £1,700 through the delivery of in-house training on conflict management and Radon and Asbestos awareness, which would have previously been delivered by a third party.

We provided support to 24 victims of crime and Anti-Social Behaviour (ASB) during the year through increased safety measures at home e.g. panic alarms, additional locks as well as emotional support.

Additional CCTV has meant that we have prevented crime and ASB. It has also meant that we are able to capture clearer evidence of crimes being committed.

We completed the pilot of the open gardens project, creating 13 more front gardens from areas that were previously open plan, to create defensible spaces.

We supported 17 tenants with hoarding issues through our Making Spaces project. Hoarding exposes tenants to the risk of fire and can cost a housing association up to £35,000 per household if it is not supported.

Our Supporting People Service is partially funded by Welsh Government. It plays a crucial role in preventing homelessness in Wales by enabling people to manage their own lives and live confidently in safe, secure homes. The service delivers remarkable value for money by providing high quality support to vulnerable people. It often helps avoid hospitalisation and reduces pressure on services such as health, social care and the criminal justice system. During the year we supported 118 tenants to maintain their tenancy and a further 656 people with 'one off' housing related support.



We spent £141,000 in 2018/19 on disabled adaptations to 197 of our properties, ensuring that tenants can live independently in their homes for as long as possible.

We gave away over 20 pairs of non-slip slippers in our community living schemes to prevent falls in the home.



Rule #3

We will always protect our environment

Fly-tipping has increased significantly year on year with 440 separate incidents in 2018/19. This year we have more reporting channels and we have been more proactive in identifying the perpetrators and when necessary, presenting evidence to the Local Authority for prosecution. We have resolved 70 incidents of fly-tipping using covert cameras and other investigative methods and issued invoices totalling £4,262 to recover the cost of removal. In terms of rubbish collected over the year the tonnage has reduced, saving approximately £1,500. Our preference is to use education and recycling to tackle this problem. In addition to this the

Environmental Team completed 46 winter projects, cutting back vegetation and tidying up areas that have become overgrown.

We have worked with a variety of schools, volunteers, Keep Wales Tidy, Natural Resources Wales and our Community Living Schemes, involving over 140 people to carry out community litter picks and recycling projects. At last year's Spring Clean events throughout the borough, over 80 people including school children were involved and 310 bags of rubbish were collected, 136 of which contained recyclable items.

Instead of giving our office employees the day off when we moved into Ty Brychan we organised a day in the community. More than 20 employees disposed of old furniture and equipment from the 3Gs former office in Chestnut Way, Gurnos and then dug out and weeded the 2 planters along the roadside in Caedraw. Our Environmental Team then planted them up, vastly improving the aspect of the road.

We supported the Gurnos Mens' Group's Growing Wild event in September. The day was spent planting in an area of the Gurnos, all plants were provided by the Local Authority and over 50 members of the community participated.

We installed external wall cladding to 60 properties; 170 new boilers and we completed 68 loft insulation top ups. These measures should reduce the amount of gas/electricity used to heat these homes and reduce our tenants' energy bills.

A number of skip days were held across the borough in 2018/19. This allowed tenants to dispose of unwanted items free of charge and as a result 18 tenancy breaches were resolved.

Our new head office has photovoltaic panels to generate electricity and an electric car charging point which staff and visitors can use free of charge during the day. Our electricity usage has reduced by 25% year on year, a saving of approximately £6,800 p.a.

Whenever possible we recycle furniture that is left in our properties. We work closely with Merthyr Valleys Homes' People Fund in supporting tenants who have suffered uninsured losses e.g. following fire, flood, domestic abuse etc. We have also donated furniture to new tenants who have come to us through the homelessness route. This charity is fully funded by MVH and in total we supported 11 of our tenants through this charity.

During 2018/19 we cleared some waste ground to make it into a community allotment in Ynysfach. We plan to open this up to people throughout the borough, with a view to promoting healthy eating and getting out into the open air combined with helping with mental health, and also encouraging the younger generation to become involved e.g. by targeting schools. The Community Wellbeing team are progressing this project.

The Environmental Team were also involved in a project in 9th Avenue, Galon Uchaf with the Galon Uchaf Residents Board and two volunteers. A large amount of green waste was chipped and reused on site, improving the area for all users of the facility. We also worked at every Community Living Scheme throughout the winter in clearing communal areas weeding and clearing pathways around the complexes.



**310
bags of
rubbish**

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during our Spring
Clean events
throughout
the Borough



Rule #4

We will always treat staff and tenants fairly and equally

Our gender pay gap for 2018/19 was 3.4% in favour of women which is a huge achievement compared to other sectors, particularly as the majority of our employees are male (61.6%). Our ultimate aim for this is equality.

We launched the 'Happy Me' well-being scheme for our employees, offering a range of activities and initiatives that employees can benefit from and improve their well-being. Activities include a walking group; pilates and advice on healthy eating which is provided by Gellideg Foundation Group.

During 2018/19 we were working towards Tai Pawb's Quality in Equality and Diversity award which ensures that we employ best practice across governance, service, access, involvement and culture. We were delighted to have achieved this April 2019.

Our Complaints Panel, consisting of 4 Democratic Body Members (3 tenants and 1 employee) dealt with 74 complaints in 2018/19, 39 of these were upheld/partially upheld and 35 were rejected. Of the 7 complaints that were appealed, 2 were upheld. No complaints were escalated to the Ombudsman in the year.

Our Area Housing Officers visited 1,333 tenants in 2018/19 which identified 427 tenancy breaches. Early intervention resolved 302 of these breaches with no further action.

525 households have benefited from our weekly income maximisation service which equates to 735 adults and 177 children. On average each of these households is £24.75 better off per week. This equates to additional income of around £675,700 p.a. Over £2,000 of white goods was provided through the Buckland Trust and the Discretionary

Assistance Fund to 11 tenants. Over £4,100 of goods was granted to 11 of our tenants from the Merthyr Valleys Homes People Fund which is fully funded by MVH.

In 2018/19 we recognised that some families were struggling over the school holidays. 58 families benefitted from our holiday hamper scheme in the summer holidays and a further 73 benefitted from our Christmas hamper scheme.

75 children took part in our Summer Fun Kids Club, where we ran activities during the 6 weeks summer holidays.

We accessed £98,696 of Discretionary Housing Payment scheme and £2,304 from the Vicars Relief Fund. At least 2 evictions were prevented using these funds during the year.

We helped around 18 tenants to access reduced energy tariffs; get money off their utility bill and one refund.

Our Floating Support and Income Teams have issued more than 260 foodbank vouchers.



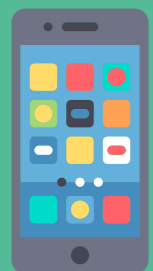
Rule #5

To review all major areas of expenditure over £100,000 p.a

We have been working with Procurement for Housing's Inprova Team on a scheme to replace our existing procurement framework for subcontracted improvement works. The aim of this is to build capacity by increasing the number of businesses who can bid for work. This will go live in June 2019.

Whilst the cost of our STAR surveys is well below £100,000 we have decided to conduct our tenant's survey on an annual basis and therefore we tendered this contract in 2018. This will ensure that tenant views are current.

We have reduced expenditure on telephony by around £22,000 p.a. following the office move with all employees working from one head office.



**£22,000
reduction**

in expenditure on
telephony following
the office move

Rule #6

We will always invest in our local economy

As a mutual we take our Corporate Social Responsibility very seriously.

We include community benefits in our contracts, wherever possible and we expect our contractors to work with us to improve our communities. We have a contractor framework that complements our Homes and Property Services team and carries out a range of repairs and maintenance and capital improvements.

Overall, for every £1 spent through the framework an average of £1.93 is reinvested in the local economy.



The majority of our contractors are local businesses and through our contracts they have enabled the following to be achieved in 2018/19:-

- Employed/retained 50 employees.
- Supported 5 work placements and 8 apprentices.
- Our contractors spent over £2,265,711 with small and medium businesses in Wales and £13,567 was spent with community/voluntary organisations and social enterprises.
- Gave 48 individuals training on safety and asbestos
- Donated £40,835 to organisations in Merthyr Tydfil.
- In terms of other in-kind contributions, our contractors contributed £11,499 and what would equate to £9,882 in in-kind labour.

The Gellideg Foundation Group is contracted to carry out grounds maintenance on the Gellideg estate

and they also run our new in-house cafe. These contracts have meant permanent employment for 5 people and training for 6.

We continue to offer Member benefits through our Mutual as follows:-

- Staff and tenant discounts from a range of local businesses including food, bikes, car repairs/servicing/MOTs, tyres, gym membership, hair salons, furniture, domestic appliances, building materials, uniforms, flowers, photographs and paint.
- Members can attend a variety of sporting events and activities at discounted rates e.g. Merthyr Town Football home matches and fun camps, Parkwood Outdoors Dolygaer, Introductory round of golf at Merthyr Tydfil Golf Club and Rock UK (Treharris).

In total, MVH spent £12.946m in Merthyr Tydfil a further £2.101m was spent in Wales – all of which benefits our local economy.

Corporate Social Responsibility

We donated £4,764 to our Members' charity, the Alzheimer's Society Cymru in 2018/19.

We invested £61,000 in the Community Zone building in Chestnut Way, Gurnos so that Forsythia Youth Club and the other agencies who operate from that building have suitable accommodation. Members of the Youth Club helped to decorate the rooms. We have worked closely with the Local Authority to ensure that the building was suitable for the other agencies to operate from and through the local authority's grant funding we seconded a member of staff to run the building through 2018/19 and purchased furniture and equipment for the building.

We spent £19,000 to upgrade the lights and flooring in the sports hall at Trelewis Community Centre so that it is suitable for the activities that are held there. During the year 26 different activities were held including work clubs, indoor curling, seasonal parties, community litter picks and a sports day.

We donated £12,080 to the Gellideg Foundation Group to help furnish their Well-Being Centre.



£12,080

was donated to the Gellideg Foundation Group to help furnish their Well-Being Centre

In addition to the donations to Gellideg Foundation Group, the Grant and Sponsorship Panel awarded £32,361 to local groups. These groups provide important community networks and functions which otherwise may not be funded.

We have carried out a range of activities at our Community Living Schemes to address issues such as loneliness, dementia, healthy living and physical and mental wellbeing. Activities include bingo, coffee mornings, knitting, quizzes, arts and crafts, dancing, curling, cooking, exercise and organising free home eye tests. Between 15 and 80 tenants participated in these activities on a monthly basis.



Rule #7

We will always develop in-house staff; consider succession planning and offer work placements and apprenticeships

We worked with Community Impact Initiatives to deliver the Community Legacy Project which involved a full property renovation and completion of the Construction Skills Certificate Scheme (CSCS). 18 tenants and people who were referred by Adref participated, gaining construction skills, experience and were provided with the opportunity to gain a CSCS card.

We helped one of our tenants gain a reflexology qualification, whose job offer was based around this and is now in permanent employment.

10 work placements and volunteer positions were offered in 2018/19. In addition to this we have worked closely with Careers Wales to help disengaged pupils who were approaching school leaving age. One student was not attending school at all but we offered some work experience for 2 days per week with the proviso that the student attended school for the other days. This was successful and the student has now signed up to Level 1 in construction at Merthyr College.

In 2018, the Democratic Body asked that we look into starting a tenant training academy, which using our in-house skill or links to suppliers, provide training and skills opportunities to tenants and members.

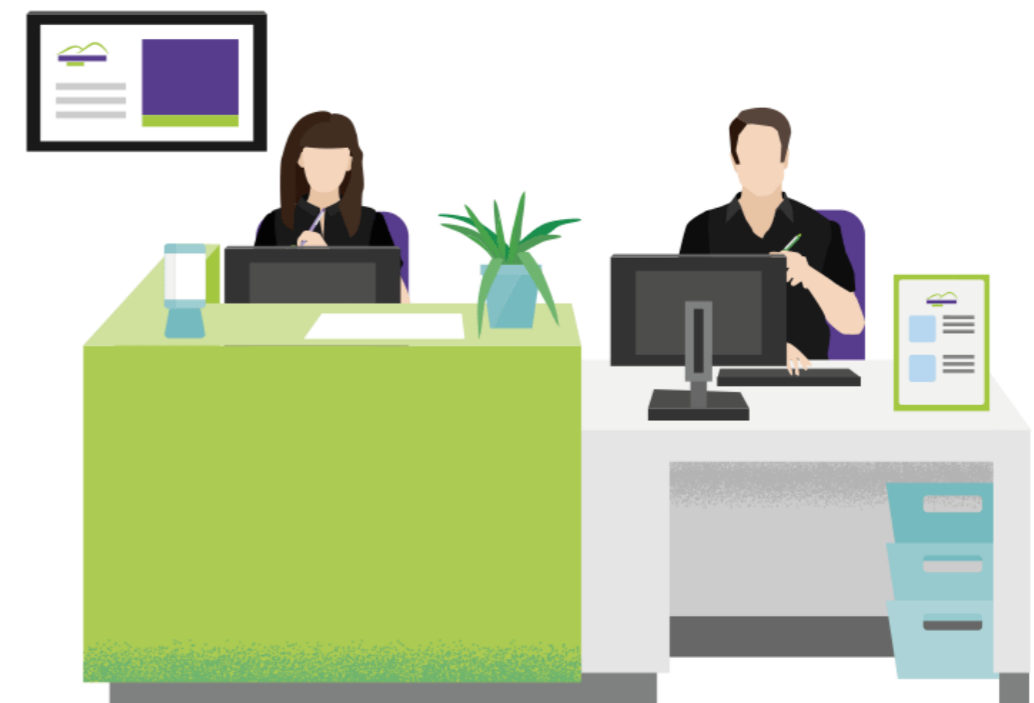
We have worked with the Santander graduate scheme and offered a work placement in our Communications Team. We have supported 3 funded work placements via Elite and Remploy, 1 is now in permanent employment.

We appointed our second female apprentice in 2018/19. She is training to be a carpenter.

We appointed 5 more of our current tradesmen as multi-skilled operatives and all 15 are now in the process of completing their qualification. This means that whilst being qualified in their existing trade they will also have a level 2 qualification in 2 other trades, allowing us to utilise their skills more efficiently and effectively. 2 apprentices were appointed during the year and a further 5 were supported by

MVH. 3 apprentices qualified in 2018/19, 2 of which were offered permanent contracts and one was enrolled on a degree level apprenticeship.

Apart from the 15 tradesmen who were promoted to multi-skilled operatives a further 5 employees were promoted during the year and 14 employees gained a professional qualification in their respective areas.



Outcome of Value for Money training

Employee training was part of the Value for Money Action Plan.

An on-line course was offered to all employees and we are delighted to report that 83 employees submitted suggestions (165 in total) to improve value for money, many submitting more than one idea.

This is a great example of members having a say!

We are acting on many of their suggestions already:-

- Improving the voids process through the use of technology to plan work.
- The mobile working project to cut down on paperwork and make best use of the electronic equipment we provide to our employees.
- To look into different ways of communicating with tenants which fits into our research project on how tenants want to interact with us.
- Considering better ways to procure goods and services and getting good quality from our procurement which fits into both our Dynamic Purchasing System and our procurement review.
- How to involve tenants in value for money and social value.



Value for Money Balanced Scorecard

The Democratic Body has reviewed the statistics in the Balanced Scorecard and they have concluded that our performance in key areas of our business is improving year on year. E.g. our rent collection increased year on year; our re-let times have improved and overall tenant satisfaction increased by 3%.

Our STAR survey results show an improvement in tenant satisfaction across a wide range of services and we will endeavor to continue to improve on this.



			2016/17			2017/18			2018/19			Notes on 2018/19 Performance
			PI	YoY	HouseMark (Peer Group)	PI	YoY	HouseMark (Peer Group)	Target	PI	YoY	
Efficiency	Internal KPI	Percentage rent/ service charges collected	96.37%	↓	n/a	96.06%	↑	n/a	96.50%	96.33%	↑	Full roll-out of Universal Credit was expected to have had an adverse effect on the rent collected during the year but despite this we have seen improved performance year on year
	Internal KPI	Average re-let time	42.52	↑	4th quartile	41.59	↑	Median	35	39.21	↑	Slightly improved performance year on year with fewer properties becoming empty in the year.
	Internal KPI	Percentage repairs completed at first visit	96.61%	↑	2nd quartile	98.29%	↑	1st quartile	n/a	n/a	n/a	We can no longer collect this statistic because of a system change. Once all trades are on our appointment system this will again be possible.
	Internal KPI	Average days to complete repairs	32.80	→	4th quartile	22.71	↑	4th quartile	28	20.76	↑	This represents the number of working days taken to complete day to day repairs and has improved year on year
Economy	Housemark	Cost per property of Major works	£ 1,832.86	↑	4th quartile	£1,801.85	↑	3rd quartile	n/a	Not yet available	n/a	Due to the age of our housing stock and the number of non-traditionally built properties we expect this to be high. It was the reason for the stock transfer. We expect the expenditure per property to reduce in 2018/19 line with the expenditure on our capital programme. This statistic is produced by Housemark whose latest stats relate to 2017/18.
	Housemark	Cost per property of Rent Arrears and Collection	£184.96	↓	4th quartile	£201.10	↓	3rd quartile	n/a	Not yet available	n/a	This statistic is produced by Housemark whose latest stats relate to 2017/18.
	Internal KPI	Rent per social housing unit	£75.10	↑	n/a	£79.14	↑	n/a	n/a	£83.25	↑	We changed our rent policy to adopt Living Rent from 1/4/18 however our rents are still converging with our living rent and therefore we expect this to increase above the guideline rent increase.
	Internal KPI	Percentage of loss from voids	0.89%	↑	3rd quartile	0.98%	↓	Median	1.50%	1.07%	↓	Void turnaround times worsened from July to November, in part due to contractor capacity, prompting a reallocation of in-house teams to reduce void numbers in quarter 4 of 2018/19, bringing overall nos down to 29 at yearend and keeping our overall rent loss below target.
Effectiveness and Equity	STAR	Overall tenant satisfaction	84.99%	↑	4th quartile	85%	↓	Median	n/a	88%	↑	From 2018 onwards we intend to conduct annual STAR surveys. This year's results show significant improvement in overall tenant satisfaction.
	STAR	Satisfaction with quality of home	83.86%	↑	4th quartile	81%	↑	4th quartile	n/a	83%	↑	This has improved slightly year on year but remains 4th quartile.
	STAR	Percentage satisfaction with repairs	77.02%	↑	4th quartile	75.00%	↓	Median	n/a	81%	↑	This has improved significantly year on year and is around median performance.
	STAR	% satisfied rent represent VfM	81.22%	↑	4th quartile	77.00%	↓	4th quartile	n/a	79%	↑	This slight improvement was disappointing considering our move to living rent from 1/4/18. We intend to review our service charges in 2019/20 in terms of both cost allocation and services provided.
	STAR	Percentage satisfied with neighbourhood	87.14%	↑	2nd quartile	86.00%	↓	2nd quartile	n/a	87%	↑	There has been a slight increase in satisfaction of 1% since the last STAR survey.
	Internal KPI	% vulnerable people achieving independent living	n/a	n/a	n/a	48.90%	n/a	n/a	n/a	39%	↓	This is an extremely difficult area of our work with the majority of tenancies failing because of addiction, mental health and learning difficulties. 46 out of 118 service users maintained their tenancies and no longer need support and a further 57 people are continuing to receive support i.e. 48.3%. We provided early intervention "one off" housing related support to a further 656 tenants.
	Internal KPI	No. of direct beneficiaries of community investment activity	35	n/a	n/a	117	↑	n/a	n/a	111	↓	The number of direct beneficiaries has reduced slightly year on year
No. of dwellings at year end			4,160			4,131			4,100			

