

2017/18

Value for Money Statement





Our assurance to you

Welcome to your 2017/2018 Value for Money Statement, which details how MVH is spending well and spending wisely. This statement is our assurance to you that Merthyr Valleys Homes is achieving Value for Money (VfM).

Value for Money is about more than costs and spending. It's also about us working as efficiently, effectively, economically and equitably as possible so we can maximise the resources available allowing us to deliver excellent services to tenants and to benefit the wider community.

This year, our commitment to VfM was strengthened with the Democratic Body developing the Value for Money Strategy entitled 'Yfory Cryf' (Strong Tomorrow). It sets out the principles for MVH to follow and using this, we will continue to look at opportunities to improve services – actively involving tenants and employees to ensure Value for Money continues to be achieved.

Thanks,

Fran and Nicola
Chair of Democratic Body and Chair of Board

Introduction

Our Democratic Body, Board and our Members have worked on developing a new approach to monitoring and evaluating Value for Money through the year. Together they agreed a new Balanced Scorecard and 7 new Golden Rules for Value for Money which were adopted by the Board in June 2018. Our Golden Rules enable us to evaluate our annual performance in terms of economy, efficiency, effectiveness and equity (the 4 “e”s). Equity (fairness) is fast becoming an intrinsic part of Value for Money and our Democratic Body wanted to recognise it as a measure.

The Democratic Body monitors Value for Money on behalf of our Members annually and they have approved the 2017/18 Value for Money Statement, concluding that MVH has provided Value for Money during 2017/18. The results are shown overleaf.



Our performance for 2017/18

We will always set an affordable rent	
<div>👤</div> <div>We decided our target rents should be based on 28% of average earnings i.e. living rent</div>	<div>👤</div> <div>We moved to a 52 week rent year to help tenants on Universal Credit</div>
We will always keep our tenants safe	
<div>👤</div> <div>Set up two tenant safety forums</div>	<div>🎯</div> <div>We achieved ISO18001 health & safety accreditation</div>
We will always protect our environment	
<div>🎯</div> <div>Over 1,000 tonnes of building materials recycled</div>	<div>👤</div> <div>76 homes clad with external wall insulation</div>
We will always treat staff and tenants fairly	
<div>👤</div> <div>6% - Gender pay gap, in favour of women</div>	<div>£</div> <div>420 tenants benefited from £543,000 p.a. in additional benefits through help from the income maximisation team</div>
<div>👤</div> <div>88% of tenancy breaches resolved with no further action</div>	
We will review major areas of expenditure i.e. over £100,000 p.a.	
<div>🎯</div> <div>£56,400 saved by preparing & serving 69 notices & representing ourselves in 3 hearings</div>	<div>£</div> <div>£100,000 p.a. the amount we saved renewing our insurance cover</div>
We will always invest in our local community	
<div>£</div> <div>£41,297 awarded to local groups by our tenants and employee Grants & Sponsorship panel</div>	<div>👤</div> <div>25 weeks of apprentice placements secured from Y Prentis as part of our new office build with Jehu</div>
We will always develop our in-house staff; consider succession planning and offer work placements and apprenticeships	
<div>👤</div> <div>16 work placements offered 4 of which secured fixed term contracts</div>	<div>👤</div> <div>78 people sign-posted to employment information through our RISE (Resources, Information, Support and Engagement) project</div>

Rule #1

We will always set an affordable rent

We believe that this is one of the foundation stones of economic value for money. It all starts with setting a rent that tenants can afford to pay to cover the cost of the services that we provide. This year we decided to concentrate on affordability. We did this through a series of consultations with the Board and Democratic Body which resulted in us adopting the Joseph Rowntree model for living rent.

Our rents are now 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.

Tenant Members were asked if they would agree to move to a 52 week rent year. We felt that this would make it easier for those tenants moving onto Universal Credit and for those who pay by direct debit. This was a major shift in practice for us as the 48 rent week year had been in place prior to transfer. Tenants responded positively to this and we made the change from 1st April 2018.



**52 week
rent year**

We moved to a 52
week rent year to
help tenants on
Universal Credit



Rule #2

We will always keep our tenants safe

Following the disastrous fire in Grenfell Tower in June 2017 we carried out a wholesale review of our fire safety procedures across all our flats. Obviously we focussed heavily on St Tydfils Court (our only high rise block) ensuring that the cladding was safe; that we could evacuate the building and that we were compliant with fire safety regulations. We were commended on our procedures by the fire service. We set up a Tenant Safety Forum (TSF) and Resident Fire Safety Committee after the Grenfell fire. All TSF members have passed their Level 2 Health & Safety exams.

We achieved ISO18001 accreditation for Health and Safety. This demonstrates that we employ best practice across all aspects of health and safety.

Our Health and Safety Manager is accredited to deliver training. In previous years we have used external trainers. By carrying out training in-house we have saved around £15,000. We have also provided health and safety training to Gellideg Foundation Group free of charge, saving them £2,100.

Our ASB Team has been working hard this year, the number of ASB cases dropped by around 27% year on year. The team also made 8 victim support referrals through a new scheme this year in partnership with South Wales Police Authority who provide additional security measures for victims of domestic abuse e.g. panic alarms, additional locks etc.

We launched our open gardens project, allowing tenants to incorporate areas at the front of their homes, which were previously open plan, to create defensible spaces. We created 12 front gardens with our in-house team and we plan to do at least 16 in 2018/19.

Jehu involved year 6 pupils from Coed y Derwen Primary School in a site visit and a health and safety session at our head office development site in Gellideg.



Rule #3

We will always protect our environment

Fly-tipping remains an on-going problem across the borough with 89 separate incidents. This year we have been more proactive in identifying the culprits and when necessary, presenting evidence to the Local Authority. We have resolved 38 incidents of fly-tipping using covert cameras and we have issued 4 invoices totalling £500 to recover the cost of removal.

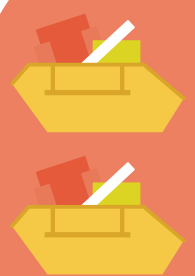
As an organisation we recycle our office waste and building waste wherever possible. In total we recycled 1,045 tonnes of building materials during 2017/18 and the Environmental Team has saved approximately £4,000 by using recycling facilities rather than landfill.

In 2017/18 we installed external wall cladding to 76 properties and we completed 112 loft insulation top ups. These measures should reduce the amount of gas/electricity used to heat these homes and reduce our tenants energy bills.

We organised a litter pick and unwanted waste clearance on Trelewis Estate (Nant Gwyn, Mandeg & West View Crescent), providing 2 skips. 15 tenants participated in this. We also held 2 workshops to establish local issues around fly-tipping, littering and barriers to recycling. A working group was established for Gurnos, involving Keep Wales Tidy, Fly Tipping Action Wales, Groundwork, Natural Resources Wales, MTCBC and the Welsh Government.

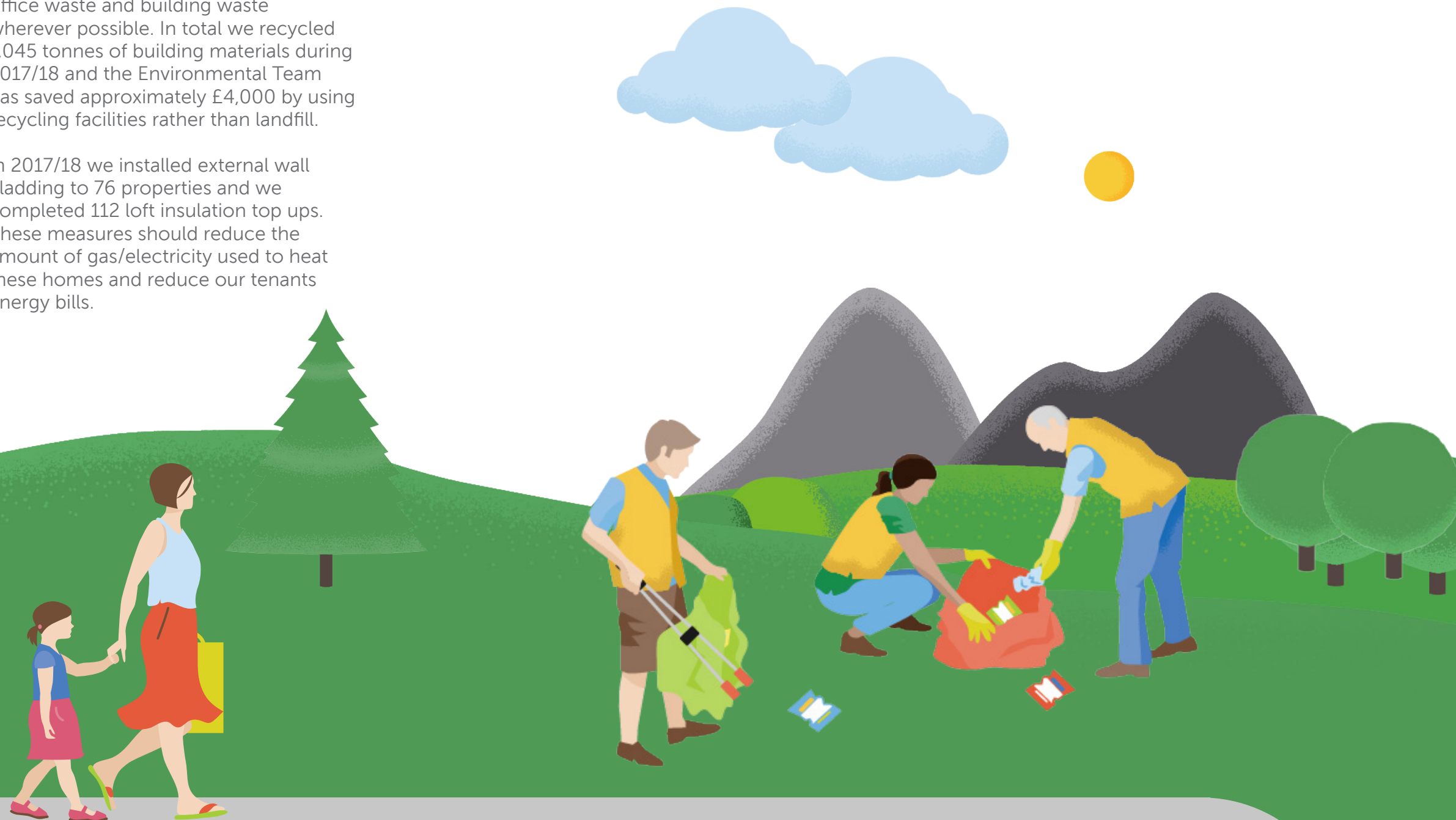
An unused planter for growing vegetables was moved from Rhydfach to Horeb Close, saving around £400.

Our new head office has photovoltaic panels to generate electricity and an electric car charging point which staff can use free of charge during the day. We will report back on the value for money generated by these measures in next year's VfM Statement.



2 skips filled

during the litter pick and unwanted waste clearance we organised in Trelewis where 15 tenants attended.



Rule #4

We will always treat staff and tenants fairly and equitably

Our gender pay gap for 2017/18 was 6% in favour of women which is a huge achievement compared to other organisations, particularly as the majority of our employees are male (68%).

We also decided to introduce a salary banding system to eliminate any potential equal pay issues. All staff (except for the Executive Management Team) have been moved to salary bands from spot salaries. This was done in consultation with the workforce and a Trade Union ballot was held. Each job was scored against a set of criteria and the results were shared on an individual basis. Employees were also given the right to appeal their bandings, 17 staff members exercised this right, 2 of which were successful, giving us assurance that, in the main, the bandings were accurate.

We ran a consultation on value for money in January/February 2018 to ask our tenant Members what they value in terms of the services we provide. We want to promote the value for money that we offer and improve tenants' perception of this. We held a series of focus groups with Members of all ages and the outcome were these 7 Golden Rules. They also commented on the most effective means of communication i.e. small items on social media; local notice boards and our website. We will trial this through the summer.

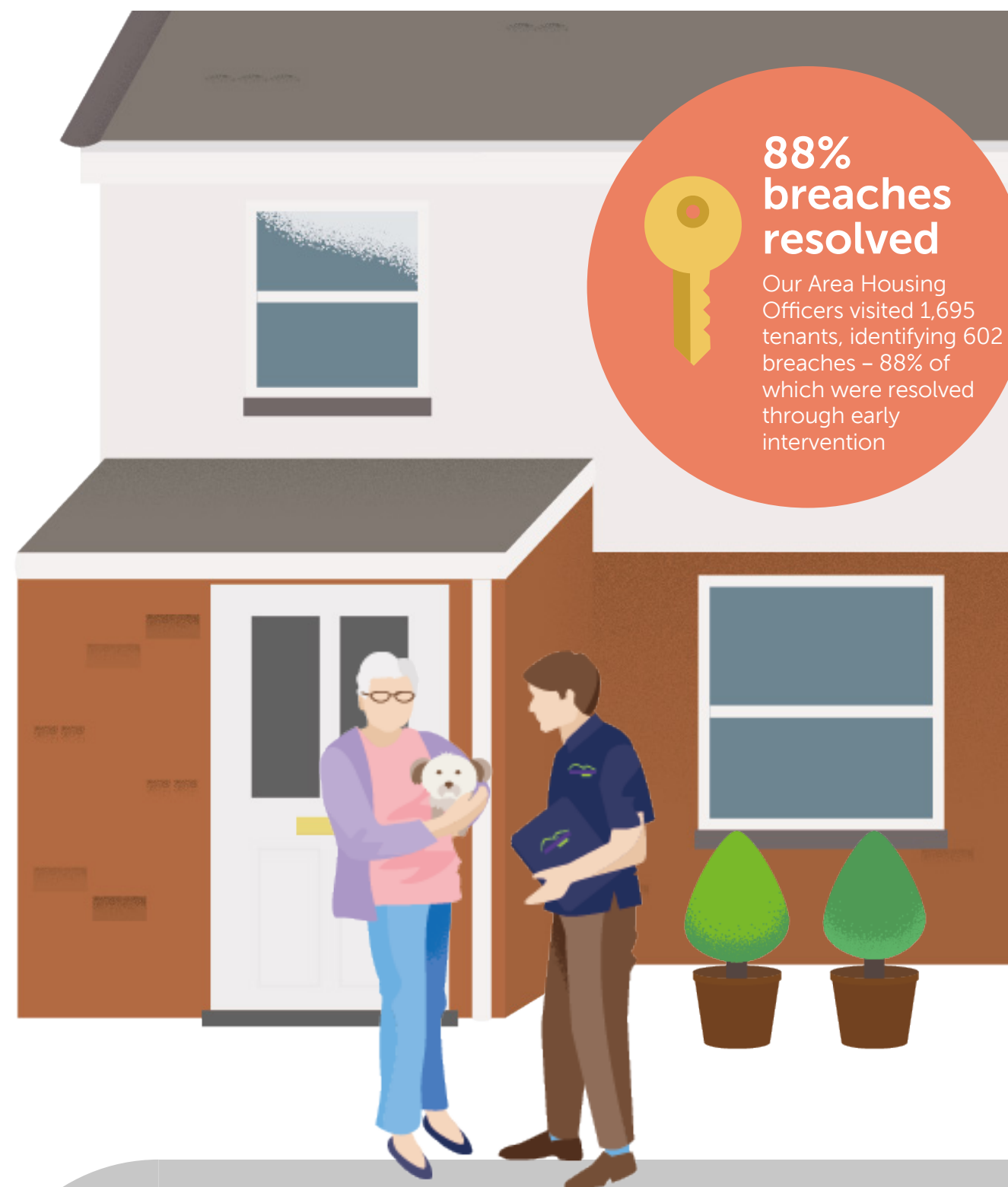
Our Complaints Panel, consisting of 4 Democratic Body Members (3 tenants and 1 employee) dealt with 8 complaints in 2017/18, 2 of these were upheld/partially upheld and 6 were rejected. 2 complaints were escalated to the Ombudsman in the year however the Ombudsman chose not to investigate these.

Our Area Housing Officers visited 1,695 tenants in 2017/18 which identified 602 tenancy breaches. Early intervention resolved 531 of these breaches with no further action. 44% of visits resulted in the reporting of repairs, which protects our assets and prevents high cost void properties. The visits also generated 68 new support referrals which helped to sustain tenancies.

We completed the replacement of our Housing Management system in the year. We have developed our new system in-house over the past 3 years. It's been a long and complex process but the new system puts the customer first, enabling us to see all their information on one screen so that we can answer queries more quickly. Our reporting is now consistent; the system is GDPR compliant and we are no longer reliant on a 3rd party to be able to update the system.

399 tenants have benefited from our weekly income maximisation service. On average they are each £19.67 better off per week. This equates to additional disposable income of £408,000 p.a.

21 pensioners have benefited from our Pensioner Benefits Review, gaining additional weekly income of £115 per week on average (mainly from claiming attendance allowance). Several pensioners received back-dated one-off payments totalling £9,000 in the year.



Rule #5

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

We commissioned a review of our Procurement Strategy in 2017/18 by Procurement for Housing's Improva Team. This was a collaborative piece of work, involving key staff; the Democratic Body and the Board who were all given the opportunity to express their views. The Procurement Strategy was adopted in March 2018 and it will ensure that we follow good practice.

The Area Housing Officers saved us £56,400 by preparing and serving 69 notices and representing MVH in 3 possession hearings.

The annual expenditure on tools and equipment for our tradesmen reduced by £24,000 as a result of additional controls. A further £24,000 was saved on the leasing costs of 19 new vehicles over the 5 year contract period.

The insurance contract for MVH expired in 2017/18 so an OJEU tender was required due to the value involved. We moved to a 1 year plus optional extension of 1 year and split the tender between motor insurance and the remaining insurances. Overall we saved £100,000 p.a. (a 22% reduction in costs).



£24,000 reduction

in the annual expenditure on tools and equipment for our tradesmen as a result of additional controls.

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 covers all our repairs and maintenance work. Overall, for every £1 spent through the framework an average of £1.85 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 2017/18:-

- Employed/retained 53 permanent/fixed term contracted employees.
- Supported 11 work placements and apprentices.

- 46 individuals received training opportunities.
- Jasonic provided 15 key safes for vulnerable tenants with a £228 discount.
- Bell Group donated £200 to our Members' charity Merthyr MIND in exchange for the use of a meeting room.
- Bell Group painted the communal lounge in Rhydfach as a community benefit, saving us £1,000.
- Colin Laver installed a new heating system in TAG Youth Club, this equated to a discount of £3,000.
- In terms of other in-kind contributions, our contractors contributed £7,625 e.g surplus materials/tools and equipment to an amateur productions theatre set construction.



The Gellideg Foundation Group is contracted to carry out grounds maintenance on the Gellideg estate and clearing the gardens of empty properties. This contract has meant employment for 4 people; training for 3 people including one individual who has no hearing. Gellideg Foundation Group supported this person to have upgraded hearing aids. They recruited one long term volunteer, who is an MVH tenant, he has now progressed into a paid position in 2018/19. In addition to this, short term volunteers were also recruited.

We have introduced more competition between our preferred contractors by running mini bids for packages of work. This has secured savings of around £23,000.

Our contract with Jehu for the head office development secured the following community benefits:-

- £10,000 pot for community benefits was used to support one of our apprentices for a 12 week period on-site, with £4,500 this pot used to refurbish the Multi Use Games facility on Lansbury Road, Gellideg.

- 25 weeks of apprentice placements were secured from Y Prentis.
- Jehu also offered one of MVH's apprentices 10 weeks' work on site
- Other work placements offered included 3 weeks' labouring work

Other community benefits include:-

- Free driver awareness training by South Wales Fire and Rescue Services for all our operatives and Homes and Properties Supervisors and Managers, saving approximately £2,250.
- Setting up a job club at Trelewis Community Centre in partnership with Communities for Work.

Two handy home hints events were held in the year (April and June). We gave out painting packs which were donated by Rabarts and cleaning packs which were donated by Jasonic.

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, dog-grooming, 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 £12,426,580 in Merthyr Tydfil a further £4,788,330 was spent in Wales – all of which benefits our local economy.

Corporate Social Responsibility

We donated £1,928.30 to our Members' charity Merthyr and the Valleys Mind in 2017/18.

We donated £49,500 to the Gellideg Foundation Group as a final contribution to their Well-Being Centre.

The Grant and Sponsorship Panel awarded £31,300 to local groups. These groups provide important community networks and functions which otherwise may not be funded.

In addition to this the Grants and Sponsorship Panel and the Board donated £10,800 to the Merthyr Cynon Foodbank and we encouraged other local organisations to contribute, securing additional contributions of £2,000 from Cynon Taf Housing Association; £5,000 from Merthyr Tydfil CBC and £2,000 from Merthyr Tydfil Housing Association.

We have carried out a range of activities at our sheltered 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. Most of these activities are held on a weekly basis with 6 to 20 tenants at each session. Around 86 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

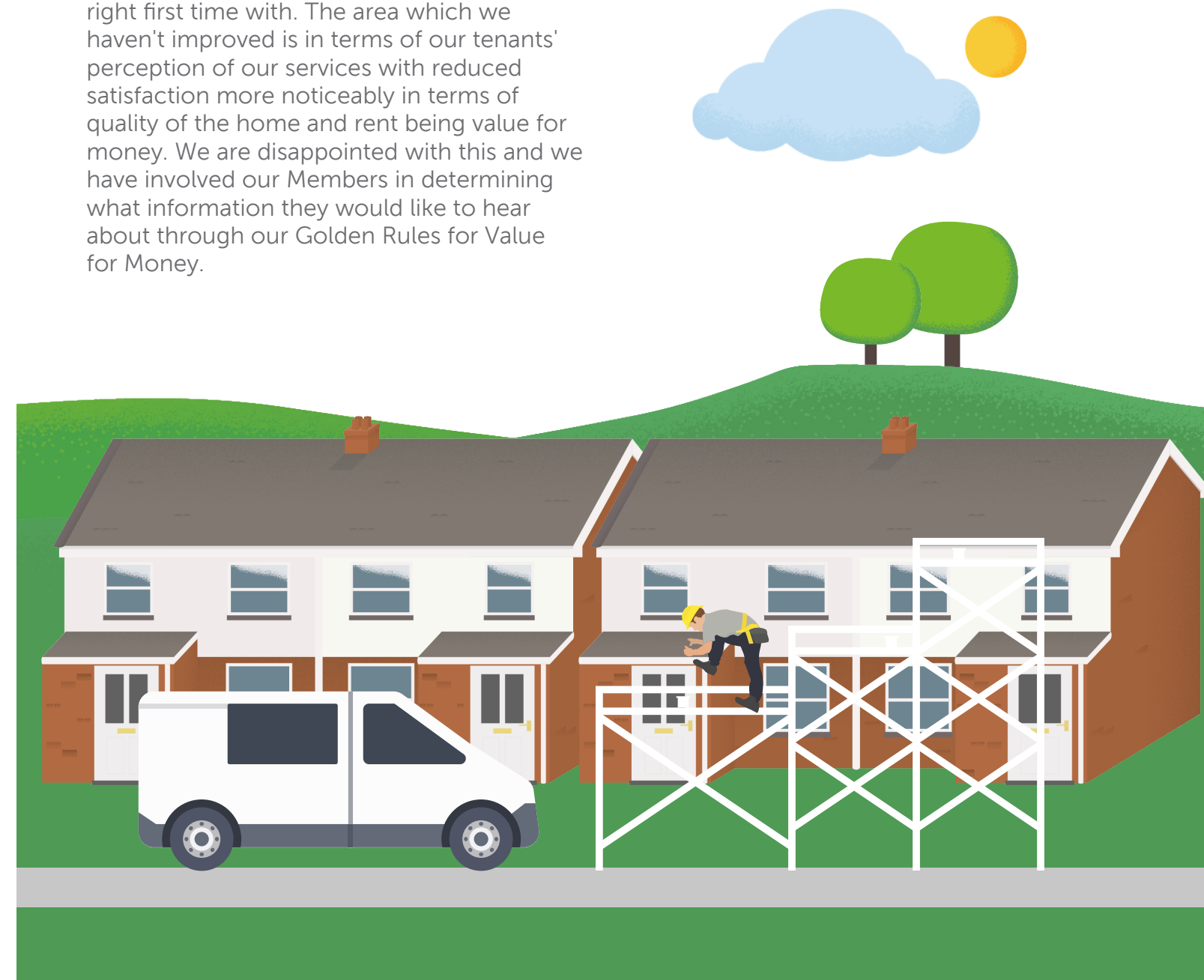
- **16 work placements were offered in 2017/18.** Of these 4 secured further fixed term contracts with MVH.
- **We appointed our first female apprentice in 2017/18.** She is training to be a brick layer.
- **We appointed 9 of our current tradesmen as multi-skilled operatives and all are now in the process 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.
- **9 apprentices were supported by MVH.** 3 qualified in 2017/18 and were offered permanent contracts.
- **9 employees were promoted** during the year and 12 completed professional training in their respective areas.
- **Our RISE project has sign-posted 78 tenants** to information about employment.



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. we carried out repairs quicker than last year; our re-let times have improved and we have improved on the repairs done right first time with. The area which we haven't improved is in terms of our tenants' perception of our services with reduced satisfaction more noticeably in terms of quality of the home and rent being value for money. We are disappointed with this and we have involved our Members in determining what information they would like to hear about through our Golden Rules for Value for Money.

We are aiming to improve across all areas in the Balanced Scorecard, particularly where we are losing income or services to tenants are below par.



			2015/16		2016/17		2017/18		Notes on 2017/18 Performance				
			PI	YoY	HouseMark (overall)	HouseMark (Wales)	PI	YoY	HouseMark (Peer Group)	Target	PI	YoY	
Efficiency	Internal KPI	Percentage rent/ service charges collected	96.70%	↑	n/a	n/a	96.37%	↓	n/a	96.50%	96.06%	↓	Introduction of Universal Credit plus some sickness absence in the Income Team has had an adverse effect on collection rates, albeit a relatively small dip in performance
	Internal KPI	Average re-let time	72.00	↑	4th quartile	4th quartile	42.52	↑	4th quartile	35	41.59	↑	Slightly improved performance year on year despite having more empty properties in 2017/18
	Internal KPI	Percentage repairs completed at first visit	96.60%	n/a	1st quartile	1st quartile	96.61%	↑	2nd quartile	95.00%	99.00%	↑	
	Internal KPI	Average days to complete repairs	32.80	↓	4th quartile	4th quartile	32.80	→	4th quartile	n/a	19.31	↑	Planned work was originally being included with responsive repairs, this was changed in 2017/18
Economy	Housemark	Cost per property of Major works	£ 2,106.48	↑	4th quartile	4th quartile	£1,832.86	↑	4th quartile	n/a			No information on this for 2017/18 as yet, this will be available in Quarter 3 of 2017/18 from Housemark. We would expect the expenditure per property to reduce in line with our capital programme.
	Housemark	Average Rent Arrears /Bad debts per property	£175.16	↓	4th quartile	3rd quartile	£184.96	↓	4th quartile	n/a			No information on this for 2017/18 as yet, this will be available in Quarter 3 of 2017/18 from Housemark. We would expect this to increase in line with our increased arrears.
	Internal KPI	Rent per social housing unit	£ 72.19	↑	n/a	n/a	£75.10	↑	n/a	£78.74	£79.14	↑	This increase is expected because of the guideline rent increases and convergence with target rent.
	Internal KPI	Percentage of rent loss from voids	2.00%	↑	4th quartile	4th quartile	0.89%	↑	3rd quartile	1.25%	0.98%	↓	This is in line with our increase in empty property numbers. Performance has stabilised.
Effectiveness and Equity	STAR	Overall tenant satisfaction	83.8%	↑	4th quartile	4th quartile	84.99%	↑	4th quartile	87%	85%	↑	STAR survey results were positive for overall satisfaction with an increase of 1.8% since we last carried out this exercise in 2015/16
	STAR	Satisfaction with quality of home	82.30%	↑	4th quartile	n/a	83.86%	↑	4th quartile	n/a	81%	↓	Disappointingly this has reduced by 1.3% since 2016/17's survey. One theory is that tenants' expectations grow once their homes have been brought up to WHQS.
	STAR	Percentage satisfaction with repairs	75.20%	n/a	4th quartile	4th quartile	77.02%	↑	4th quartile	n/a	75.00%	↓	There has been a tiny decrease in satisfaction of 0.2% since the last STAR survey. Our in-house surveys reveal a much higher satisfaction rate from tenants who have recently experienced the repairs service. The Democratic Body will carry out a scrutiny exercise on this service.
	STAR	% satisfied that rent/service charges represent VfM	80.20%	n/a	4th quartile	4th quartile	81.22%	↑	4th quartile	n/a	77.00%	↓	This result was very disappointing and it led us to running focus groups on VfM and working with Members and the Democratic Body to develop Yfory Cryf and the 7 Golden Rules for Value for Money.
	STAR	Percentage satisfied with neighbourhood	86.20%	n/a	2nd quartile	1st quartile	87.14%	↑	2nd quartile	n/a	86.00%	↓	There has been a tiny decrease in satisfaction of 0.2% since the last STAR survey. Our in-house surveys reveal a much higher satisfaction rate from tenants who have recently experienced the repairs service. The Democratic Body will carry out a scrutiny exercise on this service.
	Internal KPI	% vulnerable people achieving independent living	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	48.90%	n/a	This is a new measure and therefore there is no comparative data. This is an extremely difficult area of our work with the majority of tenancies failing because of addiction, mental health and learning difficulties
	Internal KPI	No. of direct beneficiaries of community investment activity	n/a	n/a	n/a	n/a	35	n/a	n/a	n/a	117	↑	There have been far more direct recipients in terms of training and employment.
No. of dwellings at year end			4,182		4,160		4,131						

