



Keniston

## **KENISTON HOUSING ASSOCIATION LIMITED**

### **Value for money report 2017**

Keniston Housing Association Limited  
13 Artington Close Farnborough Kent BR6 7UL  
tel: 01689 889700 fax: 01689 889701 email: [enquiries@keniston.co.uk](mailto:enquiries@keniston.co.uk)

Regulated by and registered with the Homes and Communities Agency, no. L1965  
Registered with the Financial Conduct Authority as Co-operative & Community Benefit Society  
with charitable status, no. 19475R Member of the National Housing Federation

[www.kenistonha.co.uk](http://www.kenistonha.co.uk)

## CONTENTS

1.	Introduction	2
2.	Our aims	2
3.	Our approach to value for money	3
4.	Our performance over the year to 31 March 2017	5
5.	Purchasing and procurement	9
6.	Efficient and effective working	11
7.	Returns on assets	12
8.	Priorities for 2017-18	16
9.	Appendix 1: Peer Group members	18

## **1. Introduction**

Keniston believes that Value for Money (VFM) is about:

- Using our finite resources to create the most impact – getting the best outcomes for customers and stakeholders – by paying the right price for the right goods, services and properties.
- Providing good quality, appropriate and locally focused services to the right people at the right time.
- Balancing cost, quality and added value.
- Getting the most out of our assets and staff, by operating efficiently and effectively.

This report serves three main purposes. Primarily it is a focal point for our work on VFM. Secondly, it allows a resident, member of staff or stakeholder to understand how Keniston approaches achieving VFM, how we compare to others, and our priorities going forward. Thirdly, it also provides Board assurance on VFM and fulfils our regulatory requirement to publish a robust self-assessment of our work during the 2016-17 year.

Our approach to assessing and demonstrating value for money will develop further as we continue to learn how to improve our own approach and monitor ourselves against others.

## **2. Our Aims & Values**

At Keniston our purpose is to meet housing need by providing good quality well managed affordable homes. We will deliver the services tenants want through exceptional and innovative customer service and by listening to feedback from residents, and acting on what is said.

At Keniston we are clear about our three key objectives to:

1. Maintain high resident satisfaction
2. Provide more homes for people who need them
3. Support communities and enable opportunities for individuals

Our Values are central to how we work to achieve our objectives. We define these as:

- Respect: we will be courteous and considerate, treat everyone as individuals and value diversity.
- Openness: we will listen, be accessible and communicate clearly.
- Accountability: we will take responsibility for our actions and decisions.
- Honesty: we will say what we mean, accept our mistakes and learn from them.
- Excellence: we take pride in what we do and go beyond what is expected.

### **3. Our approach to value for money**

We are clear about what we want to achieve and every year there are further demands on our resources. We plan to provide more homes for people in need by acquiring or developing new homes, and achieving value for money in our day to day activities enables us to do more of this. Our ethos remains that we should provide a service which we can be proud of and which adds to the respect and dignity that will help build independence amongst individuals and enhance their contributions to building strong communities.

Our governance structure supports how we ensure we are achieving VFM across the association:

- The Board approves both the VFM summary in the Financial Statements and the full VFM report;
- Every Board report considers the VFM implications of its topic;
- The Audit Committee acts on behalf of the Board to ensure that the association obtains appropriate assurance through the internal and external audit functions.

To achieve value for money we are focused on having the right people to provide the right level of service at the right cost. Staff need to be properly trained to do their work and have the right resources to enable them to carry out their roles effectively. Keniston has a remuneration strategy which describes how we set pay to recruit staff with the right skills and achieve good staff retention.

Our programme of investment in our housing stock is based on a 30 year forward projection of the need to replace building components. Cost projections are tested in the long term financial plan to ensure future financial viability, along with 'stress testing' different scenarios that may impact on our ability to resource the investment required. Ongoing and timely investment in its housing is fundamental to maintaining the physical asset and the public investment in Keniston's social housing and supports our high customer satisfaction ratings for quality of the home. The Association also makes an annual budget available for estate improvements – we believe residents are more likely to be proud of and respect where they live and this will result in more cohesive communities and better neighbourhoods. Together these programmes help to maintain the overall condition and value of the Association's housing stock.

### ***Building in value for money***

Keniston has a range of approaches to ensure value for money is being obtained.

- In day to day maintenance we use contractors who are on the Association's approved list and where standard hourly rates are agreed in advance. We monitor repair volumes and job costs.
- For larger repairs or development contracts we tender for the work. Where a contractor has demonstrated quality and has been the lowest tenderer we may enter a partnering agreement at a price based on previous tenders.
- Keniston is a member of Procurement for Housing and purchases through this organisation for a limited range of services or products where price advantage can be achieved. Keniston is also a member of the South East Consortium, a procurement club for a limited number of organisations.
- Budgets are set annually and results are monitored against these monthly.
- The Board has a keen interest in seeing Value for Money delivered and helps to set the annual strategy as well as reviewing this annual report.
- We obtain and act on feedback from resident surveys focusing on how they perceive the value for money of their rent, service charge and other matters.
- We distribute detailed service charge accounts to all tenants and leaseholders, as part of our approach to accountability to our residents.
- We compare costs and performance through benchmarking with a peer group of comparable associations (listed at Appendix 1) using industry standard measures. We are participating in the NHF sponsored Sector Scorecard initiative, developing a set of common sector wide measures of VFM performance.
- We report back to our residents through our annual report and through our VFM report, both of which includes performance and cost information.

## 4. Our performance over the year to 31 March 2017

A key starting point is to analyse our cost and performance across a range of activities, comparing trends over time and with two peer groups – the BM320 group of 15 comparable small London based associations (listed at Appendix 1) with whom we compare costs, performance and share good practice, and nationally with all 100+ associations who benchmark via the SPBM/ Acuity system, using HouseMark measures. The detailed results of this exercise are set out in the table below. This shows areas where – to achieve the optimum combination of cost and quality – we are performing well, and areas that we need to focus on in more depth.

### *Performing well*

- **Satisfaction with service quality is high.** This is evidenced through both the 3-yearly STAR survey, transactional surveys on completion of repairs, and our biennial estate services surveys. It applies to both our general needs and sheltered housing tenants. Our residents score us highly for overall services, the repairs service, the quality of their home and neighbourhood, estate services, and that Keniston listens to their views and acts on what we hear. We are proud but not complacent about this and are looking to understand more about what matters the most to all our tenants. A challenge will be to maintain these scores going forward.
- **Satisfaction with value for money of rents and service charges is high.** Our scores compare well to others – above average compared to both our peer group and nationally. Sheltered housing tenants were even more satisfied at 94% (rent) and 92% (service charges). This measure is a key example to demonstrate our values of openness and accountability. We are pleased that our residents believe they get good value. We do not take this for granted and we are determined to maintain this quality.
- **Performance on re-letting void properties is good, and has improved further this year.** We have significantly reduced the time it takes to relet properties, and are better than average compared to both the peer group and nationally. Sheltered housing in particular has been relet quickly. This performance contributes well to our value for money story – as well as helping to maximise income it also contributes to meeting housing needs promptly and maximising the social value of our assets. We know that this can only be achieved through an effective system of cohesion and joint working between housing management, property services, our contractors, and local authority partners.
- **Reactive repairs are generally performing well.** We are better than average in completion within our target times and the average time to complete repairs. Direct spend on works is also better than average. Satisfaction with the last repair at 94% is better than average compared to our peer group, albeit below average nationally. We are, however, below average for the peer group for completing repairs in a single visit (although better than average nationally) – often a factor in overall satisfaction – and we will investigate this further.

- **Cost per property per annum at £348 for housing management is better than average for both our peer group and nationally.** These costs are primarily driven by staffing and overhead costs. We continue to focus on ensuring we have the right staff resources with the appropriate skills and experience.
- **Cost per property per annum at £745 for responsive repairs and voids compares well to our peer group.** They are however higher than the average nationally. This measure includes both direct works costs and our costs of managing the service.
- **Gas safety compliance remains at 100%.**

### *Areas to focus on*

- **Staff sickness levels have reduced, but remain higher than we would like.** We know that this stems mainly from a small number of staff on long term absence. Absence management is a key focus for managers and is monitored closely.
- **Our spend per property on major & cyclical works is high at £1,776 per annum.** This compares to the peer group average of £1,404 per annum. This is primarily driven by higher spend on major works costs rather than our internal costs of managing the service – our weekly spend on major works per property is significantly higher than our peers at £27.39 per week. Cyclical works costs are below average. We will look at our major works spend in more detail during 2017-18.
- **Overall weekly operating costs at £103 per property are higher than average.** They have remained static compared to the previous year.
- **Rent collection has marginally improved, but remains just below 100%.** This is below average. Arrears measured in relation to the total rent debit have increased from previous years but remain better than the average for the peer group. We know that the key driver for this increase has been in the arrears of those owing larger amounts - £500+, partly attributable to changes in welfare benefits. We continue to focus on income management with an emphasis on prevention.
- **Void spend per property at £2.14 per week is slightly higher than average.** This figure fluctuates depending on the volume of voids and their condition, so needs to be interpreted with caution. Although we do not believe this to be one of our priority areas, we will keep this under review.

### *Sector Scorecard measures*

The NHF in conjunction with Home Housing Group have developed a common set of metrics with which to compare performance, costs and efficiency. This is currently being piloted using data from the 2016-17 year. Keniston has volunteered to be one of the pilot associations. At the time of writing, limited comparison data is available. Included in the table below are three selected measures of financial performance drawn from the scorecard – operating margin, return on capital employed, and gearing. It is expected that the sector scorecard will become a key comparison tool in future years.

**Performance & cost indicator trends & comparison**

					2015-16		2015-16	
Topic area	Measure	Keniston 14-15	Keniston 15-16	Keniston 16-17	Peer Group median	Peer Group Quartile <sup>1</sup>	National SPBM median	National SPBM quartile
Satisfaction	Overall services – Gen Need	93%	94%	94%	89%	1	91%	2
	Overall services – Older People	96%	97%	97%	92%	1	95%	2
	Overall services – BME		93%	93%			88%	1
	Quality of home - Gen Need	89%	91%	91%	85%	1	89%	2
	Quality of home - Older People		98%	98%	93%	1	96%	1
	Neighbourhood - Gen Need	88%	89%	89%	86%	2	89%	2
	VFM of rent - Gen Need	87%	87%	87%	80%	2	86%	2
	VFM of service charges – GN	80%	82%	82%	77%	1	76%	2
	Repairs & maintenance - Gen Need	91%	91%	91%	83%	1	87%	1
	Listening to views & acting on them - Gen Need	85%	86%	86%	69%	1	78%	1
Voids & lettings	Average relet time - GN (days)	29	21	17	23	2	22	2
	Average relet time - Older People (days)	12	21	12	38	1	26.5	1
	Lettings to BME households	24%	39%	24%	40%	3	14%	2
People	Average days lost to sickness	18.1	17.4	12.8	6.0	4	7.1	4
Income	% rent collected	99.91	99.25	99.63	100.1	4	99.94%	3
	Current arrears as % of rent due - all tenants	2.7	2.7	3.23	3.3	2	3.02%	3
Maintenance	Repairs fixed on first visit	84%	89%	91%	98%	4	90%	2
	Repairs completed in target time	97%	96%	95%	96%	2	97%	3

<sup>1</sup> Quartile data compares the most recent data for Keniston with the most recent peer group data. Datasets may therefore not be the same year.

Topic area	Measure	Keniston 14-15	Keniston 15-16	Keniston 16-17	2015-16		2015-16	
					Peer Group median	Peer Group Quartile <sup>2</sup>	National SPBM median	National SPBM quartile
Maintenance (cont.)	Average days to complete all responsive repairs	6.6	6.8	6.6	7.0	2	6.6	2
	Satisfaction with repair	94.8%	95.3%	93.8%	95%	2	97%	4
	Properties with a valid gas safety certificate	100%	100%	100%	100%	1	100%	1
	Reactive maintenance spend/ property p.w./ £	N/A	9.91	9.9	10.81	2	8.80	3
	Cyclical maintenance spend/ property p.w./ £	N/A	2.87	3.08	8.66	1	4.83	1
	Major works maintenance spend/ property p.w./ £	N/A	33.86	27.39	14.34	4	10.72	4
	Void works spend/ property p.w.	N/A	3.50	2.14	1.92	3	2.11	3
Estate Services	Satisfaction with estate services	N/A	85%	93%	87.5%	1	87.5%	2
Costs <sup>3</sup>	Weekly operating cost per unit/ £	87	104	103	92	3	88	3
	Weekly management cost per unit/ £	17	21	14	29	1	21	1
	Cost per property p.a. - Housing Management/ £	N/A	N/A	348	447	2	402	2
	Cost per property p.a. - Responsive repairs & voids/ £	N/A	N/A	745	835	2	683	3
	Cost per property p.a. - Major & cyclical works/ £	N/A	N/A	1776	1404	3	869	4
Sector Scorecard <sup>4</sup>	Operating margin (overall)			24.9%			25%	
	Return on capital employed (ROCE)			3.2%			3.5%	
	Gearing			6.36%			31.09%	

<sup>2</sup> Quartile data compares the most recent data for Keniston with the most recent peer group data. Datasets may therefore not be the same year.

<sup>3</sup> Cost data derives from both our Financial Statements and using HouseMark 'Cost per Property' definitions. The latter is only available for Keniston from 2016-17.

<sup>4</sup> New selected measures from Sector Scorecard being piloted in 2017 – limited comparisons available. All data is 2016-17.

## **5. Purchasing and procurement**

A key area in achieving VFM is ensuring that we are vigilant in our purchasing and procurement activities – taking a long term whole life approach to costs, benchmarking, re-procuring where appropriate and capturing the impact of the changes we make. This section summarises our achievements, both ongoing savings from previous years and actions carried out during 2016-17.

### ***Highlights from following up from previous years***

#### **Postage**

We purchased a franking machine 3 years ago. We saved £2,200 in the current year compared to the costs of standard second class postage and some £9,000 since implemented 3 years ago.

#### **Void schedule of rates**

We continue with our arrangements with contractors for carrying out repairs to void properties through a schedule of rates. This supports swift turnaround as evidenced by our average relet period of 15 days.

#### **Insurance**

Included in our insurance premiums are several additional benefits which would otherwise come at an additional cost to the Association. The benefits include a bereavement counselling service, a probate helpline, a second medical opinion service, and an employee counselling service. If the Association had purchased these services separately, it would have cost in the region of £3,000 a year.

#### **IT support**

There was no increase in the price of the maintenance contract with our key IT software provider over the previous year.

### ***Changes during 2016-17***

#### **Internal Audit**

We started an exercise to re-procure our internal audit service. This is ongoing during 2017-18.

#### **Responsive repairs**

We have reduced spending on responsive repairs through a combination of a lower volume of repairs and a lower average job cost. This stems from attention to managing the performance of our contractors, clarity over our repairing obligations, and benefits from investment in planned works.

In 2016/17 the average works cost of responsive repairs per property was £9.90 per week. This compares to the benchmark of £10.81 per week. Quality has been

maintained with 94% satisfaction levels and an average time of 6.6 days to complete all repairs.

### **Training**

Altogether staff and board attended 99 sessions of training during the year at a cost of £17,546. This was less than last year because of a range of reasons including shared procurement with the SELSA group, and use of cost effective methods such as webinars.

### **Development costs**

During the year we retained the services of Adams Integra consultants to help us with our plans for development. This cost us £15,500 for the year. There was no increase in the charge rate from the previous year. Our external development support needs are currently under review to help ensure that we maximise our potential for developing and acquiring more homes.

We progressed our development partnership working with Orbit Homes, with the aim of starting our first development scheme with them during 2017-18.

### **Insurance**

We managed to hold the overall cost of insurance flat compared to last year despite an increase in Insurance Premium Tax from 6% to 9.5%. A large part of this was due to a £1,500 rebate due to our low claims history. A windfall saving of £2,500 was made on Directors' and Officers' cover.

### **Lifts**

The lift service and breakdown contract was re-tendered with a new contractor awarded the contract at £9,250 per annum. This achieves a saving of £1,346 per annum when compared to the 2012-13 contract cost.

### **London Fire Brigade (“LFB”)**

Keniston is a member of the LFB Primary Authority Partnership scheme working closely with the LFB to improve fire safety across the organisation and its buildings. Keniston has an excellent fire safety management record and as a result did not require full use of the standard contract hours (60 hours) costed at £4,000. We negotiated a reduction in the standard hours to 30 hours delivering a 50% saving.

### **Gas heating service, maintenance and gas safety agreement**

The increase in the cost of the gas servicing and maintenance contract for the year was negotiated at 2% compared with an RPI inflation figure of 2.5%. In addition, we installed 60 new gas heating systems to properties previously with electric heating. We negotiated inclusion of these within the contract at no additional cost, equivalent to a saving of 1.5% in the cost per unit. In real terms we therefore achieved an effective 2% saving.

### **Utility purchasing**

In total we spent approximately £50,000 in 2016-17 on purchasing electricity and gas, primarily for communal electricity. Benchmarking fuel tariffs through Procurement for Housing, we obtain comparative pricing and negotiate directly with suppliers to achieve the optimum combination of price and contract length.

We re-procured our electricity contract in 2016-17, achieving after negotiation a 1.2% saving on a total spend of about £40,000, 9.4% better than the original renewal quote. This helps to achieve VFM for service charges, as reflected in resident satisfaction.

### **Stock reinvestment**

Keniston procures its stock reinvestment works through a combination of tendered and partnered arrangements. Tenders received were broadly in line with our proposed budgets indicating our budget forecasts were in line with the current market.

We were able to maintain contract costs of heating renewal for our Darrick Wood sheltered scheme, central heating upgrades and electrical testing against costs tendered in 2013-14, during a period where the industry has experienced increases in excess of 5% per annum.

## **6. Efficient and effective working**

We are keen to explore opportunities for more efficient and effective working, focusing on measures that enhance the customer experience while retaining our ethos of close contact with our residents and a personal 'people centred' service. During 2016-17 we started implementation of two changes in how we are using technology to support 'smarter working'.

### **Interactive digital communication**

During the year we implemented an interactive texting service in partnership with our IT provider Omniledger, and this will be developed further in 2017-18. This will reduce costs while offering a quicker and more customer focused service, for instance:

- We confirm by text repair orders when raised, and again on completion immediately the work has been finished. This saves the cost of postage, phone calls and data entry compared to current arrangements, while enabling tenants to easily and immediately alert us if they have any concerns regarding the work.
- We can send and receive messages regarding rent payments and account balances, supporting efficient working by our rent income team.
- We are able to quickly, easily and cheaply communicate information by text to all residents at a location on matters of interest – e.g. progress with resolving a lift repair or a reminder of a resident event.

Investment in the service has been £9,137 including implementation and training. We estimate savings of about £21,000 annually, together with service improvements.

### **Mobile working**

We have invested in hardware and software to support more effective mobile working for staff that spend significant time out of the office. This is being rolled out and will allow staff to complete work whilst offsite rather than continuously having to return to the office. We expect this to help save in terms of travel costs and time and also allow more site visits.

## **7. Returns on assets**

Part of our approach to delivering value is to assess what returns the association is getting from its investment across each type of our assets. This section reviews the position in relation to the key groups.

### ***Return on assets - staff***

Our staff are a key asset. If staff don't get service delivery right then one of our main aims for high levels of resident satisfaction, would not be achievable. We hold the Investors in People Silver Award. We pay at the upper quartile level because we compete for good quality and experienced staff that are attracted by central London salaries. Turnover in staff is low, saving on recruitment costs. We ensure that we are paying market rates via 2-yearly external salary benchmarking exercise, last carried out in 2015-16.

Where feasible, we directly employ caretakers, cleaners and gardeners. Paying the London Living Wage as a minimum helps to deliver high quality services popular with residents while keeping service charges competitive. Our site based staff act as the Association's eyes and ears on the ground, helping us respond swiftly to incidents such as dumped rubbish, and minimises vandalism and graffiti.

As noted above, staff sickness levels are higher than average, driven primarily by a small number of long term absentees. The average per staff member excluding long term sickness for 2016-17 was 4.8 days. Although the average has reduced from the previous year, this remains a key area for us to focus on.

### ***Return on assets - properties***

The Association's most significant physical assets are its housing properties. The simplest way of testing the return on these assets is to look at the Income and Expenditure account in the end of year audited accounts. For the year to March 2017, the Association made a surplus of over £1.07 million after interest and it ended the year with an increase in cash of approximately £700K.

### **Stock reinvestment**

In 2016-17 Keniston spent £1,019,000 (including VAT) on replacing building components in its housing stock. In total, we carried out works to 231 properties across 9 schemes, comprising:

Component	Properties
Kitchen replacements	0
Bathroom replacements	42
Heating systems (individual)	78
Heating systems (communal)	39
Fencing	12
Cavity wall insulation	48
Roof replacements	12
<b>TOTAL</b>	<b>231</b>

Our stock investment programme is based on the expected life of key building components. Our fully funded long term (30 year) financial plan is based on the average spend required projected forward. We are aware that our current level of investment is higher than the average for our peer group and as noted elsewhere is an area that we are looking into in more detail. Our aims are to ensure and demonstrate that we are paying the right price for the right quality, in order to achieve the best whole life costs, while maintaining high resident satisfaction and protecting the value of our assets.

### **Variations in returns across our stock**

We are aware that a strategic approach to asset management includes an assessment of variations across our portfolio in the level of return on assets. Our return on assets employed is 3.2%. At a basic level, after testing we concluded that none of our properties required the recognition of an impairment transaction in our financial statements. Taking this further, we also assessed the Net Present Value (“NPV”) by scheme. This showed that each scheme taken as a whole delivers a positive NPV score – the anticipated return from these properties is more than the investment made in them.

At a more detailed level there are a small number of individual properties which have negative NPVs – primarily street properties within the Hayles St/ Elliott’s Row area where significant investment has been made into refurbishment of unimproved properties. This has in part prompted our developing approach to option appraisal of the remaining unimproved stock – see below. Other variations in the NPV between schemes have been as expected. More recently developed housing at Broadwater Gardens and Junction Rd deliver lower (but still positive) NPVs than our older stock.

We are developing an approach to carrying out options appraisals of our very small number of unimproved properties as they become vacant. These form part of our

portfolio of street properties in Elliott's Row/ Hayles St SE11. This has to date led to a decision to dispose of one property.

### ***Return on assets - viability***

The long term financial forecast is updated annually and demonstrates that the Association remains financially healthy with projected growth. In line with regulatory standards we also “stress test” our long term financial forecast, incorporating the impact of the 4-year annual 1% rent reduction, and modelling a variety of scenarios impacting on our operating costs and income. This shows that that continuing rent decreases after this present four year period would be prejudicial; we also know that it is interest cover rather than gearing which limits our capacity to borrow to develop more homes. We are confident that our approach has been robust, and that should adverse events occur there are a number of achievable mitigating actions we can take. On this basis we are satisfied that the Association's assets produce a reasonable return as well contributing to the Association being stable financially.

### ***Return on assets - providing more homes for people in need***

We are actively exploring ways in which we can increase the number of homes for people in need. A key element in 2016-17 has been to investigate the potential for more intensive and effective use of our existing sites through infill development. We are planning, in this way, to create a forward development programme. In addition to this, we are working in partnership with Orbit Homes to acquire and develop small new housing sites and are also pursuing acquisition of existing social housing in our core areas where other providers are looking to rationalise their stock. Keniston has the capacity to increase its stock without immediately needing to employ additional staff, offering the opportunity to enhance value for money of our services.

We have also been testing our ability to finance further developments by developing and refining our long term financial projection. The Association has capacity to borrow more in terms of uncharged assets, with its current low gearing ratio and its high interest cover, but when considering new borrowing we make sure that we can afford the repayments. Future plans and risks will also be taken into account when considering how to invest going forward. During 2016-17 we commissioned an external review of Treasury, including both our existing loan portfolio and an assessment of future borrowing capacity. This will feed into a review of our development strategy planned for 2017-18.

### ***Return on assets – social value***

#### **Community development**

We help to fund and support the Darrick Wood Community Centre. The local community group exists to encourage and empower residents to participate and work together to engage local residents in community involvement to the benefit of all local residents. They receive an income of around £5,000 per year from hiring the

community centre to various groups. These groups include a local childminding networking group and karate for adults and children.

As well as specific areas such as training, this helps to achieve community cohesion and wellbeing. A fun day was held which was organised and funded by the resident group, attended by up to 100 people. Local partners were invited to participate.

Our sheltered schemes have communal lounges for residents to enjoy social activities. These include themed tea parties in celebration of national events, coach trips to local garden centres and gardening competitions.

Keniston funded social events at two of our smaller schemes, building community cohesion and informal interaction with staff.

### **Training & employment**

Training has been made available to residents at no or little cost to the Association, helping to build confidence in preparation for work readiness. The Darrick Wood Community Group has continued to use some of its receipts from letting the community centre to fund some of these training courses and community activities.

During the year we recruited two members of our tenants' households as a gardener and a cleaner. We host work experience placements in partnership with Darrick Wood School. We also hosted a young offender at our Darrick Wood estate to fulfil his community service obligation and carried out some gardening works supervised by his probation officer.

Bromley Youth Service, through engagement with young people at the Darrick Wood Youth Group, provides a range of support helping young people towards employment, including:

- Information on writing a CV, supporting to write personal statement, discussing key skills;
- Interview skills – mock interview;
- Advice on using websites to look for employment;
- Supporting to complete online applications.

### **Sustaining tenancies**

Our aim in our income management and tenancy management work is to sustain tenancies where this is realistic. As well as supporting our social purpose, we are mindful of the wider cost to the public sector of homelessness. We carried out one eviction during 2016-17.

Our tenancy sustainment work during the year has included:

- Multi agency work to support a tenant with a history of street homelessness, mental ill health and alcoholism, including with MIND, health services and the police. This has led to engagement with Alcoholics Anonymous and volunteering at a local nature reserve.
- Preventing the need for eviction of a family for rent arrears through working with the multi-agency safeguarding hub to obtain financial assistance.

- Assisting a sheltered housing tenant with a history of substance misuse and mental ill health to engage with the mental health services and provide budgeting support.

### **Affordable warmth**

As part of Keniston's commitment to improve energy efficiency within our stock reinvestment programmes, in partnership with the Help to Heat funding and the Energy Savings Trust, we obtained a total grant of £55,000. This part funded a programme of cavity wall insulation to 48 flats and the installation of gas central heating as a direct replacement for the electric heating system to 42 flats at our Merrow St. estate. The total project spend was £257,000. The EPC rating for these properties improved from band D to band B with predicted savings on energy costs of £300 per household per annum.

We replaced communal boilers at our Tarling Close sheltered scheme with A rated models. This will help keep the heating charge down.

We continued to work with the 'Green Doctor' service, focusing during 2016-17 on Burnhill House residents to offer practical support helping to make their homes more environmentally friendly and cheaper to run. They give homes a check-up and then offer energy saving advice. They also identify financial support when needed and fit energy saving equipment. Visiting over half of all residents, they found that nearly 40% were in fuel poverty. Two thirds were helped by fitting a water saving device. A total of £179 was saved by two tenants through switching tariffs and another now has a payment plan to manage a fuel debt of £258. The cost of the service was £6,600.

## **8. Priorities for 2017-18**

We have identified a range of initiatives to enhance our approach to value for money. These include:

- Further work to understand our level of investment in planned works and the reasons for it being higher than our peers. This will include a review of contract procurement and comparison of unit costs for component renewals. We have not set a numeric target for reducing the level of investment as we need to understand the reasons for disparities in more detail first. We are committed to preserving the quality of our stock as we believe this contributes to our high satisfaction levels, below average reactive repair spend, and helps maintain its long-term value.
- We will continue to look at how we communicate with our residents, in particular developing further our use of the interactive texting service. As well as enabling faster and more responsive services, we will also achieve cost savings through the reduction in postage, printing and manual data entry.
- Income management remains a key priority. We are closely monitoring performance trends and in particular the increase in larger debts. We continue to devote increased resources into this area of work and expect this to stabilise the adverse trend, albeit in the context of further welfare reform implementation.

Efficient working practices and enhanced communication through texting is part of our approach.

- We aim to ensure that all our properties are occupied legitimately. We are investing resources into tenancy audits and will deal robustly with any evidence of unlawful occupancy.
- We want to ensure that Keniston tenants are achieving the best value for money in their spending on fuel. We promote and fund the Green Doctor service to give advice on energy reduction and utility tariffs. In 2017-18 the focus for the service is on Merrow St, Southwark, where tenants are already benefitting from improved insulation and the installation of gas central heating.
- Continued focus on management of staff sickness levels. As part of our approach to people management, we are reviewing our HR procedures with external support.
- Option appraisals of unimproved properties as they fall vacant. Within our stock we have a small number of unimproved street properties in Southwark. As and when they become vacant, we will review the options including investment and disposal, considering costs, quality and (in relation to disposal) opportunities for investment of the proceeds.
- Revision of our strategic plan. Work is starting during the current year on developing a new strategic plan for Keniston, covering all key activities. Value for money will be embedded into the approach.
- Further work to promote ways in which our residents can interact with us digitally.

## **9. Appendix 1: Peer Group members**

Barnsbury Housing Association

Bexley Community Housing Association

CHISEL Ltd

Coin Street Secondary Housing Co-op

Co-op Homes (South) Ltd

Ducane Housing Association

Gravesend Churches HA

Keniston Housing Association

Kingston Churches Housing Association

Mount Green HA

Penge Churches HA

Teachers' Housing Association

The Co-operative Development Society

The Hyelm Group

Walterton & Elgin Community Homes