



Building Independence

Value for Money Annual Board Report 2022/2023



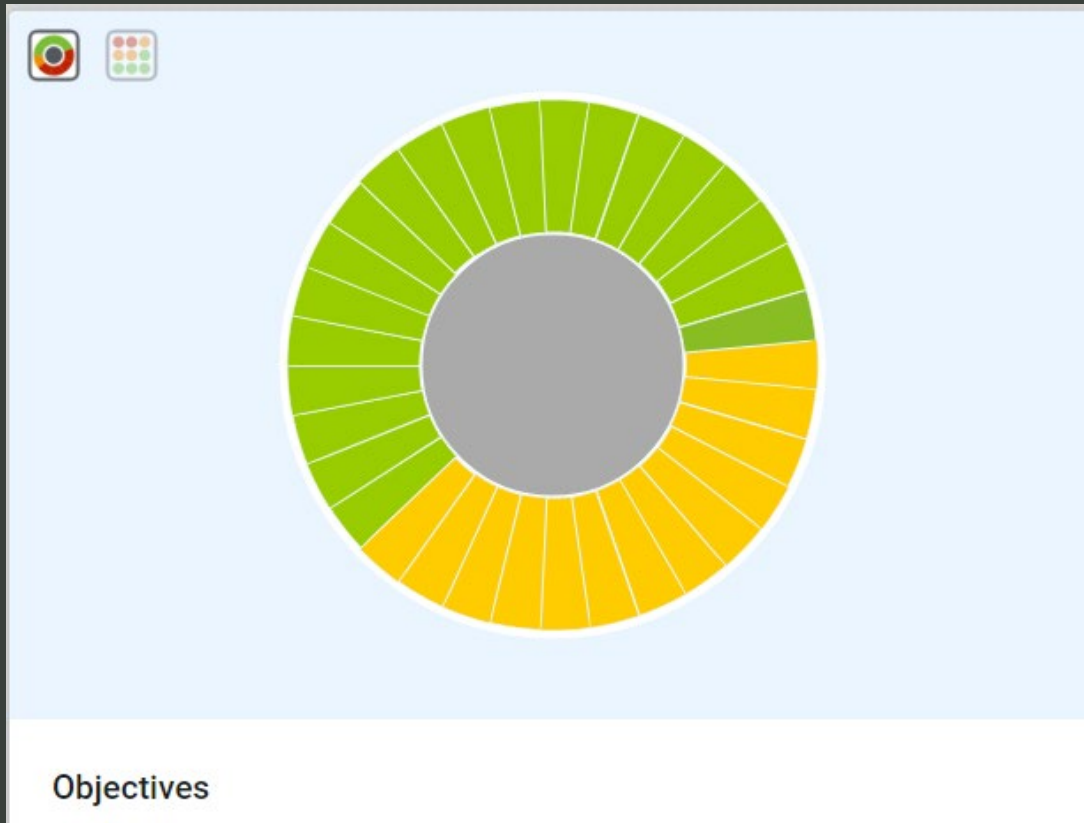
Value for Money Defined:



VFM can be described as the relationship between economy, efficiency and effectiveness. For Housing Associations within Wales this means getting the most benefit from our spending and ensuring that Tenant's rent is appropriately spent.

Current VFM Strategy Update Strategy

GOALS - Value for Money Strategy Board



- 20 of 31 Objectives Completed
- 11 objectives commenced but not yet completed

Current Value for Money Strategy

Some of our completed Objectives:

- Introduced an annual review of utilities costs in preparation for Solar PV array
- Completed our Procurement Strategy including linking it to Social Value to improve delivery in this area – WPA example
- Introduced social value to our major repairs contracts
- Reviewed and improved our delegated authorities
- Reviewed and had approved our ICT Strategy
- Reviewed and had approved our Asset Management Strategy
- Reviewed our Tenant Satisfaction Survey & Measures to improve uptake
- Identified specialist providers to benchmark with and joined national LD & Autism Housing Group
- Completed our Wellbeing strategy improving service delivery in this area including establishing our hardship fund.
- Created an annual VFM report for Board and a VFM area on our website.

Current Growth Strategy




Objectives we are still working on :

- Consider the introduction of material procurement directly.
- Consider how to include tenants more in procurement activity.
- Targeting efficiency savings through use of IT – good start made with IAuditor
- Improving our approach to recording in-year savings – not universal at this stage
- Improving our performance management suite of metrics utilizing PowerBI
- Identifying recurring cost areas and investigating for improvements – big piece of work now within Technical Team

Value for Money Metrics


MANAGEMENT COST PER SOCIAL HOUSING UNIT

Year	FCHA	Median	
2019/20	£855	£1,104	
2020/21	£803	£1,223	
2021/22	£913	£1,278	

Management Costs are made up of our admin costs for tenant services, tenant participation events and leasing properties. It is positive to note that while our costs increased our overall ranking remained broadly the same indicating our cost increases were in line with the rest of the sector. In addition to this we were well below Median spend -.


Operating Costs are all the customer service, administration and maintenance costs. Board can see that our costs in this area increased by circa 15% and our ranking dropped to 11th. It is worth noting however that the Median spend in this area increased by around 47%

OPERATING COSTS FOR LETTINGS PER SOCIAL HOUSING UNIT

Year	FCHA	Median	
2019/20	£2,986	£3,403	
2020/21	£2,948	£3,438	
2021/22	£3,572	£5,068	

Value for Money Metrics


REACTIVE REPAIR COSTS PER SOCIAL HOUSING UNIT

Year	FCHA	Median	
2019/20	£1,309	£1,144	
2020/21	£1,257	£1,107	
2021/22	£1,594	£1,204	

Our reactive maintenance costs (which are consistently above median) per social housing unit increased by circa 27%. This is a mixture of direct costs (contractor and job cost increases) and indirect costs (staff time managing the function.) Other organisations may be more able to manage cost increases as they rely more heavily on a DLO which can help control costs with regards to labour increases. The Technical Team are undertaking a lot of work in this area currently.


Our major repairs costs jumped in 2021/2022 due to catching up on a lot of our programme from 2020/2021 when the pandemic struck. It is possible other RSLs were better able to smooth their programmes so the increase was smaller.

MAJOR REPAIRS AND COMPONENT C PER SOCIAL HOUSING UNIT

Year	FCHA	Median	
2019/20	£298	£887	
2020/21	£257	£611	
2021/22	£1,060	£709	

Value for Money Metrics


GROSS ARREARS/ SOCIAL HOUSING TURNOVER

Year	FCHA	Median	
2019/20	1.20%	4.47%	
2020/21	1.60%	4.60%	
2021/22	1.81%	3.91%	

The majority of our arrears are void arrears payable by Local Authorities for void bed spaces as well as any properties which are being repurposed / recommissioned and therefore held vacant for strategic void purposes. There has only been a very small increase in % terms.


Given the void agreements we have in place for almost 98% of our housing stock it is not surprising to see that we consistently have the lowest bad debts in the social housing sector within Wales.

BAD DEBTS PER SOCIAL HOUSING UNIT

Year	FCHA	Median	
2019/20	0	48	
2020/21	0	26	
2021/22	0	22	

Value for Money Metrics


FREE CASH FLOW (BEFORE DRAW DOWN OR REPAYMENT)

Year	FCHA	Median	
2019/20	£1,860	£288	
2020/21	£582	£897	
2021/22	£1,414	£765	

This metric looks at the cash flow from operating activities of our existing stock without taking into account creditors and debtors. We are well above median on this metric. We have traditionally not ranked ourselves on this metric as they tend vary significantly due to timing differences in large transactions at year end – eg decarb grant.


Given the specialist nature of our accommodation and the fact that we have developed a lot of specialist housing on a 100% Private Finance basis it is not surprising that our turnover per social housing unit is the second highest in the sector.

TURNOVER PER SOCIAL HOUSING UNIT

Year	FCHA	Median	
2019/20	£8,184	£5,610	
2020/21	£8,424	£5,937	
2021/22	£8,932	£7,012	

Value for Money Metrics


RENTAL VOID LOSS PER SOCIAL HOUSING UNIT

Year	FCHA	Median	
2019/20	£28	£66	
2020/21	£51	£95	
2021/22	£30	£94	

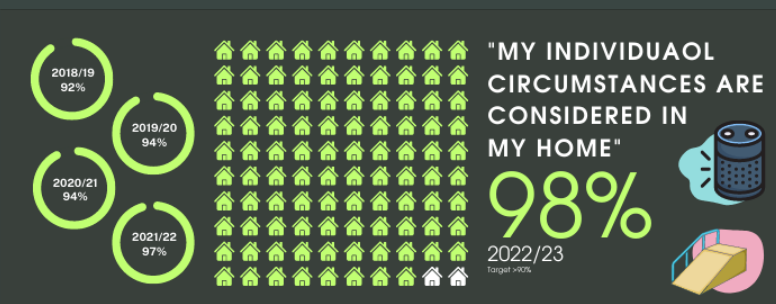
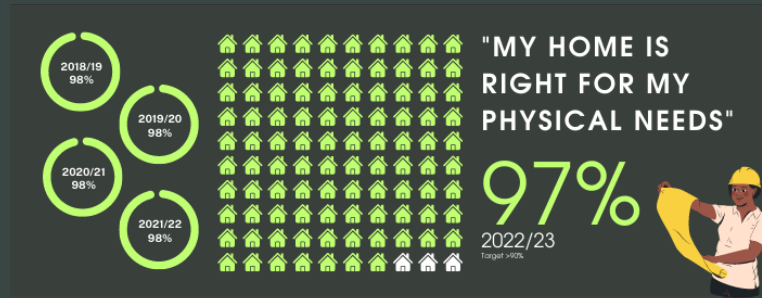
Again given our void agreements in place with Local Authorities this is a metric which we are consistently below media on. We enjoyed the second lowest in the sector in 2021/2022.

Again we have consistently performed better than median with regards to our average cost of capital (borrowing costs). This is down to successful treasury management taking advantage of low interest rates and fixing debt at a low rate when the time was right (with the GB social loan)

WEIGHTED AVERAGE COST OF CAPITAL

Year	FCHA	Median	
2019/20	2.48%	4.24%	
2020/21	1.75%	3.92%	
2021/22	2.18%	3.63%	

Tenant Satisfaction Metrics



Tenant Satisfaction Metrics



Repairs Efficiency Measures

100% Appointments kept



100% Satisfied with how FCHA dealt with the repair



77% Repairs completed on first call



100% Emergency Calls Completed



100% Repairs completed to a high standard



100% Satisfied with the contractor



0%

No. Defect Calls
(call-backs on completed repairs)



Satisfaction with new Developments



Tenant
Satisfaction



Support Provider
Satisfaction



Local Authority
Satisfaction

Employee Satisfaction Metrics



Community Benefit

PERSON-WEEKS IN EMPLOYED
TRAINING/ APPRENTICESHIP



88 Weeks

TARGET 100 Weeks

PERSON-WEEKS OF EMPLOYED OPERATIVES,
SEMI SKILLED, UNSKILLED EMPLOYEES AND TRADES
APPRENTICESHIPS WITHIN WALES.

373 Weeks

TARGET 700 Weeks



Community Benefit

VALUE OF SPEND ON
GOODS, SERVICE AND
OVERHEADS

£2,492,885



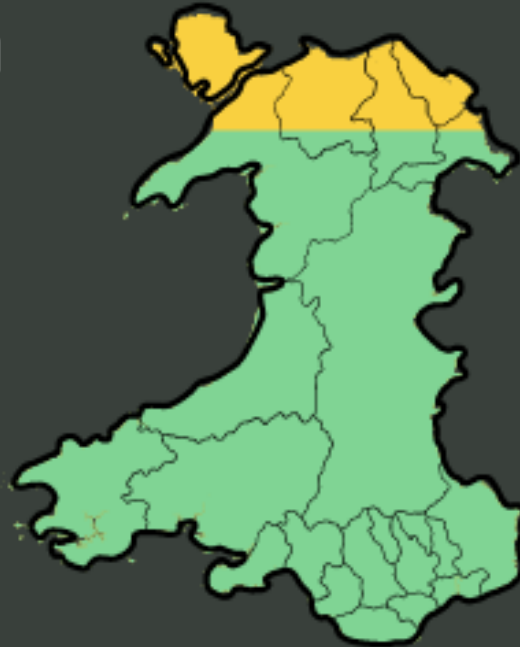
13% INCREASE
FROM 2021/22

LOCAL WELSH
SUPPLIERS

88%

TARGET

100%

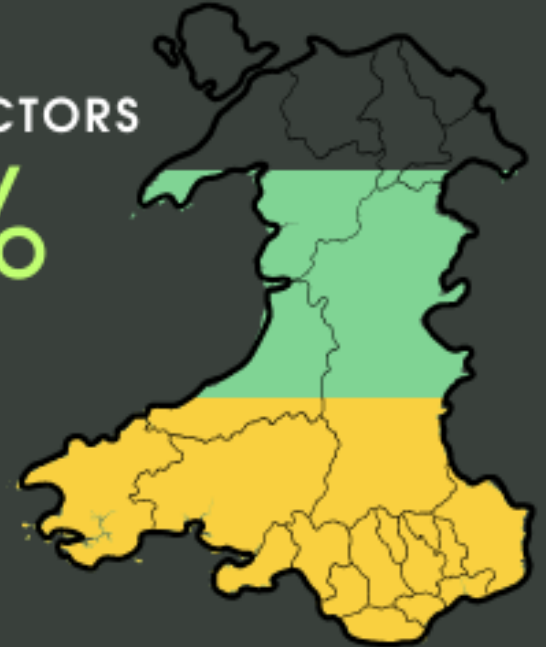


LOCAL WELSH
SUB - CONTRACTORS

76.5%

TARGET

40%



Community Involvement Grant Expenditure



TOTAL AMOUNT OF
IN-YEAR SPEND

£10,119

TARGET

£7,000

NO OF ORGANISATIONS
GIVEN GRANT FUNDING



Community Involvement Grant Expenditure

This year we have funded or part funded:

- A series of walking activities and other outdoor pursuits (Outside Lives & Cartrefi Cymru)
- Sensory equipment for tenants in Telford
- The Welsh Sports Association for People with a Learning Disability's Annual sports day
- A pool table for the tenants at 83 Park Road for use in their communal area (Mirus)
- Transport for tenants to get out to activities (Ty Dewr)
- Contribution towards a free Q & A and screening of 'Heavy Load' (punk band who created Gig Buddies) (BAVO – FCHA co-hosted and sponsored)
- Various garden & gardening projects (various support providers)
- Support to set up a Community Hub (DRIVE)

Community Benefits

(from new property handovers)



ESTIMATED ANNUAL
STAFF SALARIES

£1,138,938.48



EXPECTED TENANTS SPEND IN
THE COMMUNITY

£161,200.00

Number of New Staff
Employed in FCHA properties

59



IN YEAR SAVINGS TOTAL



ICT

£ 12,000



DEVELOPMENT

£ 79,950



HOUSING
MANAGEMENT

£ 71,701