



# OUR VALUE FOR MONEY STATEMENT 2019/20



Creating the right environment for people to flourish



[www.linc-cymru.co.uk](http://www.linc-cymru.co.uk)

# Our Approach to Delivering Value for Money



We are committed to delivering services that meet the needs of our tenants and residents to ensure that we achieve value for money in all that we do.

## What is Value for Money? (VfM)

Great quality services are an essential part of VfM, delivering high levels of satisfaction and positive outcomes for tenants, residents, communities, and our staff. Tenants have been and will continue to be, involved in the development and implementation of our approach to VfM.

VfM is not just about saving money, it is about ensuring we are economical, efficient and effective, all with equity at the heart of our business. This is commonly known as the “4 E’s” which are detailed below:

### **Equity – ‘Doing things fairly’**

The quality of being fair, impartial and accessible in all decision making. Equity is the thread that runs through our approach to VfM.

### **Economy - ‘Doing things at the correct/right price’**

This is the price paid for what goes into providing Linc products and services. Economy is about minimising the cost of resources for an activity.

### **Efficiency - ‘Doing things the right way’**

A measure of productivity, how much you get out in relation to what is put in. Efficiency is primarily associated with the process and delivery i.e. performing tasks with reasonable effort.

### **Effectiveness - ‘Doing the right things’**

Value for money is achieved when a balance between all three elements is delivered; relatively low costs, high performance and successful outcomes and impacts for our tenants and residents.

## Reviewing our areas of focus for 2019/2020

At the end of last year, we set ourselves several specific areas of focus for the year 2019-2020. Our progress in these areas is set out in the table below.

Area of focus	Status
Revising and refreshing our Value for Money Strategy	Completed
Improving our repairs and maintenance service	Completed
Launching a new Tenant Engagement Strategy, listening to more tenant and resident voices	Completed
Releasing efficiency savings through our digital transformation programme, including launching a new customer portal	Ongoing
Capturing social value returns across a wider range of activities	Ongoing
Launching a new finance and housing management system to provide real time data and reduce the need to complete manual tasks	Ongoing
To map out business processes and reduce any waste to improve efficiency	Completed
Improve our approach to Corporate Social Responsibility by joining and working with Business in the Community	Completed
Deliver a range of innovative homes utilising the latest design and technology including Passivhaus and Modular Homes	Completed
Further developing our approach to using evidence and data to improve our decision making	Ongoing
Explore opportunities to embed community benefits into procurement across wide business contracts	Completed
Set up a VfM group with terms of reference and representatives from all key areas of the business	Completed
To launch the OneLinc business plan sharing the new purpose and values	Completed
To recruit a new procurement lead to ensure that the procurement function is centralised with a focus on VfM	Completed
Implement a new finance system to improve reporting and administrative efficiency, and to cut out paper	Ongoing
Develop a wellbeing strategy to build on our new purpose and values launched in 2018/2019	Completed
Develop a bespoke leadership programme for middle managers to build on the leadership programme delivered to the Senior Leadership Team	Ongoing

## Coronavirus (COVID-19)

The end of this reporting period has brought unprecedented challenges for us all, following the impact of Coronavirus (COVID-19) across the world. This has been a time of adaptation and the adoption of new ways of working to make sure that our staff have everything they need to continue to deliver essential services under challenging circumstances for our tenants. The full impact of this time will be outlined in the Value for Money Statement 2020/2021.



# How We Compare



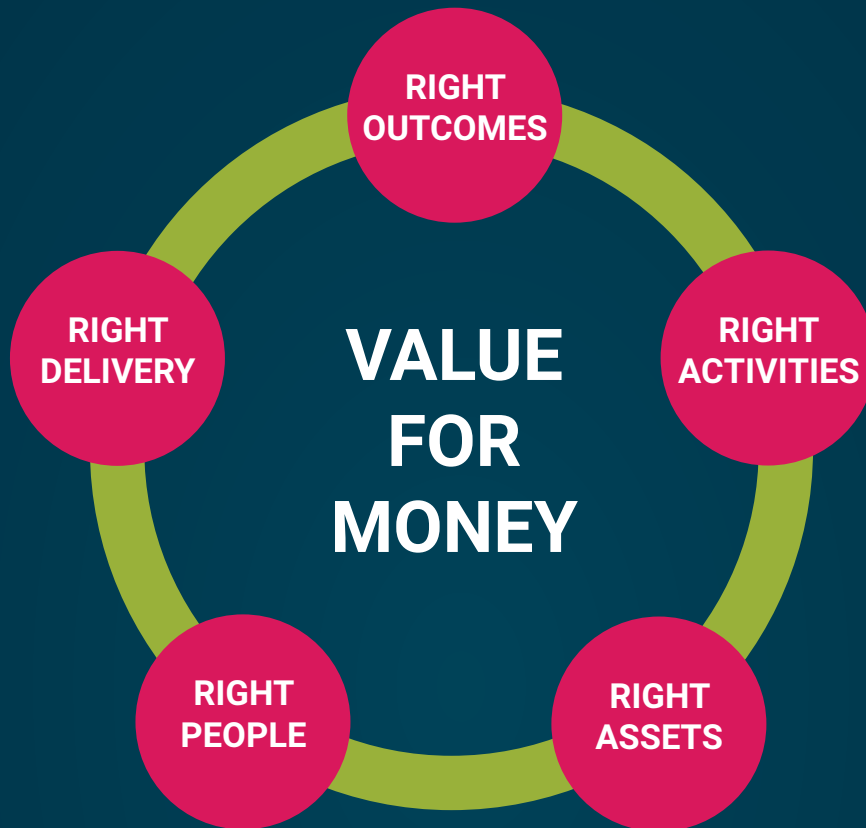
## Social Housing Indicators

Social Housing Indicators	Welsh Sector Minimum 2018/19	Welsh Sector Median 2018/19	Welsh Sector Maximum 2018/19	2018/19 Linc	2019/20 Linc
Total operating costs per social housing unit	£1,931	£3,203	£4,327	£4,255	£4,253
Management costs per Social Housing unit	£93	£1,128	£2,193	£1,320	£1,253
Reactive repair costs per Social Housing unit	£522	£1,082	£2,095	£1,262	£1,228
Major repairs and component costs per social housing unit (Capital Expenditure)	£231	£670	£2,390	£533	£715
Major repairs and component costs per Social Housing unit (Capital & Revenue Expenditure)	£348	£946	£2,390	£831	£838
Bad debts per Social Housing unit	£0	£38	£116	£49	£0
Weighted average cost of capital	1.79%	4.23%	9.46%	3.55%	3.71%
Free cash flow (before draw down or repayment of loans) per Social Housing unit £000	-£1,155	£723	£2,406	£717	£6
Gross Arrears/Social Housing turnover	1.21%	4.49%	7.52%	3.25%	3.97%
Total Turnover per Social Housing unit	£4,295	£5,459	£8,426	£6,304	£6,505
Rental void loss per Social Housing unit	£9	£54	£135	£68	£74

- 2019/20 Linc figures and the 2019/20 housing sector benchmark will be updated once available.

# Our Principles

Our five VfM principles have been established to support and embed VfM, to ensure that the use of our resources fully supports our Strategic Priorities. Tenants and residents have also taken part in defining the five principles and what they mean in practice.



## Right Activities

This is all about having clear business plans and strategies, enabling all service areas to deliver the vision of the business and focus on what matters the most to our tenants and residents. We always aim to exhibit high standards of governance and have adopted and are compliant with the Community Housing Cymru Code of Governance.

Here are key measures that will ensure we are making progress against the Right Activities:

### **Positive Progress against the OneLinc Business Plan**

The OneLinc Business Plan 2019-21 features 4 distinct priorities, the following page are key highlights from our action plan to help us achieve our purpose, 'creating the right environment for people to flourish.' We will continue to work on these priorities to improve and provide an even better service to tenants in the year ahead.

## Below are key highlights from our action plan...

<b>Modern and excellent services</b>	<b>Status</b>
Undertaking 'customer journey mapping' against 4 service areas	Completed
Undertaking an exercise to map out customer demand via the customer contact centre	Completed
Developing a data strategy and action plan	Completed
Developing a self-service board portal	Completed
Ensuring a dynamic CRM system is in place and a replacement finance system	Ongoing
Developing a new tenant engagement strategy	Completed
Supporting over 100 tenants to sustain their tenancies through support provided by our strive in house support team	Completed
<b>Prosperous Business</b>	<b>Status</b>
Appointing a procurement and value for money lead officer	Completed
Extending community benefit clauses across development and assets	Ongoing
Developing our Welsh language approach with a new Welsh language scheme and action plan	Completed
Achieving the 'investors in diversity' status through accreditation with the national centre for diversity	Completed
Mapping an Assurance framework utilised throughout Linc service areas	Completed
Reviewing the leadership and management of food hygiene across care and ensure system of assurance is appropriate for all environments	Completed
Reviewing the business performance of the nursing homes and develop effective strategies to maximise returns	Ongoing
<b>Wellbeing and personal development</b>	<b>Status</b>
Reviewing all staff terms and conditions	Ongoing
Delivering a Leadership programme for executive & senior leadership, line managers and modernisation project leads	Ongoing
Developing a health and wellbeing strategy	Completed
Signing the mental health 'time to change' pledge and develop an action plan to progress	Completed
Reducing the reliance on agency staff in nursing	Ongoing
Strengthening our approach to safeguarding	Completed
<b>New business and growth</b>	<b>Status</b>
Reviewing our funding strategy	Complete
Establishing a property sales subsidiary	Ongoing
Delivering an additional 210 new homes	Complete
Researching and reviewing models of extra care and community living for older people	Ongoing
Appraising all existing and planned developments to ensure clarity over alternative uses and options	Ongoing
Sourcing additional grant sources in addition to social housing grant and innovative housing programme	Ongoing
Planning for social care services development and identifying growth areas	Ongoing



## Robust assurance against Corporate Risks

Risk can be defined as the combination of the probability of an event and its consequences.

The risk management process is intended to provide a systematic, effective and efficient way by which risks can be managed at different levels throughout Linc. This is a continuous process by each area of service and is an integral part of their decision-making process.

The Corporate Risk Register and Operational Risk Register are important tools which indicate the risk appetite of Linc and are regularly reviewed and presented to both our Board of Management and Audit Committee.

In 2019, we introduced a new Board Assurance Framework to provide additional assurance to Board on areas they had identified as of key strategic importance. In addition, our internal auditors will be undertaking checks against corporate risk controls during 2020/21.

## Demonstrating active engagement from a broad customer and stakeholder base

We want tenants and residents to know that their views are important to us.

68% of tenants and residents in our survey believe we listen to tenants and residents' views and act on them which is an increase of 4% from last year.

76% of tenants and residents feel that we provide opportunities for tenants to have a say, which is an increase of 3%.

Over the last year we continued to deliver a variety of tenant and community led programmes of engagement, ensuring tenants have a voice on the range of services they receive from Linc and within the community:

- We created our new Tenant and Community Engagement strategy with input from our Tenant Panel and Branching Out Club with a new aim to hear more voices.
- We held our first Tenants and Residents Strategic Group meeting in February 2020. This is a small group of up to 8 tenants who will act as a voice for tenants to feed into strategic matters. The group replaces the Panel which was disbanded in November in order to develop a new and more meaningful framework for engagement based on hearing more voices, data and research.
- We ran a successful residents Mini-Conference and Scrutiny Bootcamp, with over 40 residents joining us to take part in workshops on our design standards and reducing evictions.
- We received 97 responses to our digital engagement exercise.
- We consulted on a new Tenancy Management Policy and we have had 20 responses with comments and suggestions for making it more accessible.
- Two new tenant community groups have been set up in Newport.
- We plan to undertake a stakeholder survey in 2020/21 to establish levels of active engagement with stakeholders.







## Additional Funding Received

- Residents in Maesteg got together to develop a Bridgend Association of Voluntary Organisations (BAVO) project to reduce loneliness and isolation and were granted £26,000.
- Blaenau Gwent Reach partnership project with The Open University supports residents of Blaenau Gwent to explore their heritage and identity through creative arts workshops and activities. The project and its associated research were granted £37,500 from UK Research and Innovation.
- We accessed £3,000 additional funding from Natural Resources Wales for Urban Greening at Cragside Close, St Mellons and Barrack Lane.
- Welsh Procurement Alliance awarded us £10,000 for community benefits associated with Maesyffynon Extra Care.

# Right Assets



This section is about developing and maintaining high quality homes and care environments that are fit for the future and consider the Wellbeing of Future Generations Act in our business decisions.

Here are key measures that demonstrate progress against Right Assets:

## Number of new homes handed over against target

During 2019-2020 we had a target of 237 new homes to be handed over. As well as the delivery of 159 newbuild homes, following a successful merger with Baneswell Housing Association, we formally took over responsibility for their 70 homes during the year, bringing a total of 229 new homes to Linc.

78 properties were delayed under the newbuild schemes due to weather, legal and contractual issues and COVID-19.

## Satisfaction with quality of home

It is important to us to find out how satisfied our tenants and residents are with the quality of their home.

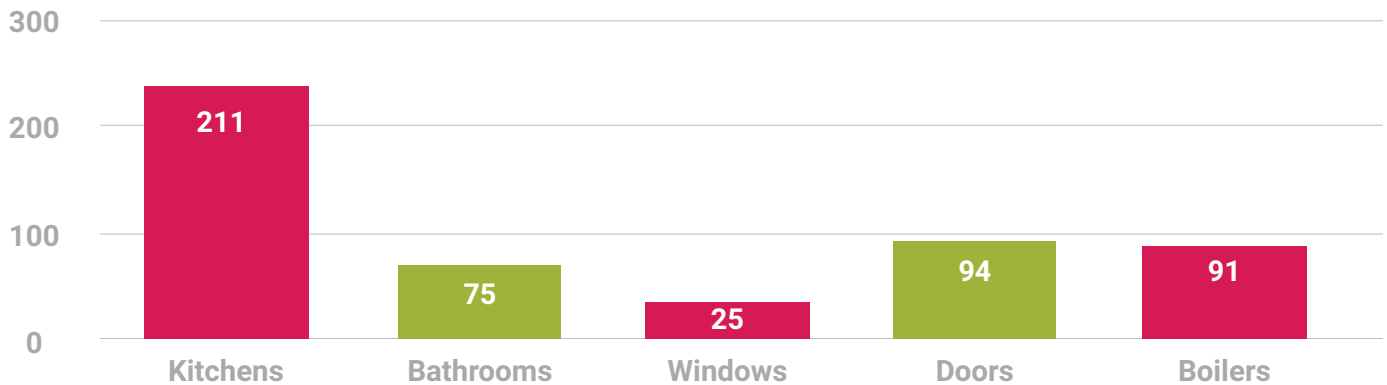
## Planned programme delivery against target

	2018/2019	2019/2020
<b>% of of tenants satisfied with the quality of their home</b>	75%	76%

We had a target planned programme of 444 replacements (kitchens, bathrooms, windows, doors and boilers) and achieved a total of 496 replacements during the year which is an increase on the annual target.

	Target	Actual
<b>Target of replacements (kitchens, bathrooms, windows, doors and boilers)</b>	444	496

## Planned Programme 2019 -2020



### Number of acceptable fails under Welsh Housing Quality Standard (WHQS)

At the end of the financial year 2018-2019, Linc was 99.94% fully compliant with WHQS including acceptable fails. For the year 2019-2020 this figure is reported at 99.60% fully compliant with acceptable fails.

### Adaptations

We have completed 146 adaptations in people's homes in this financial year. This has supported tenants to live safely and independently at home. We have claimed £1,014,610 grant for this work from the Welsh Government.



# Right People



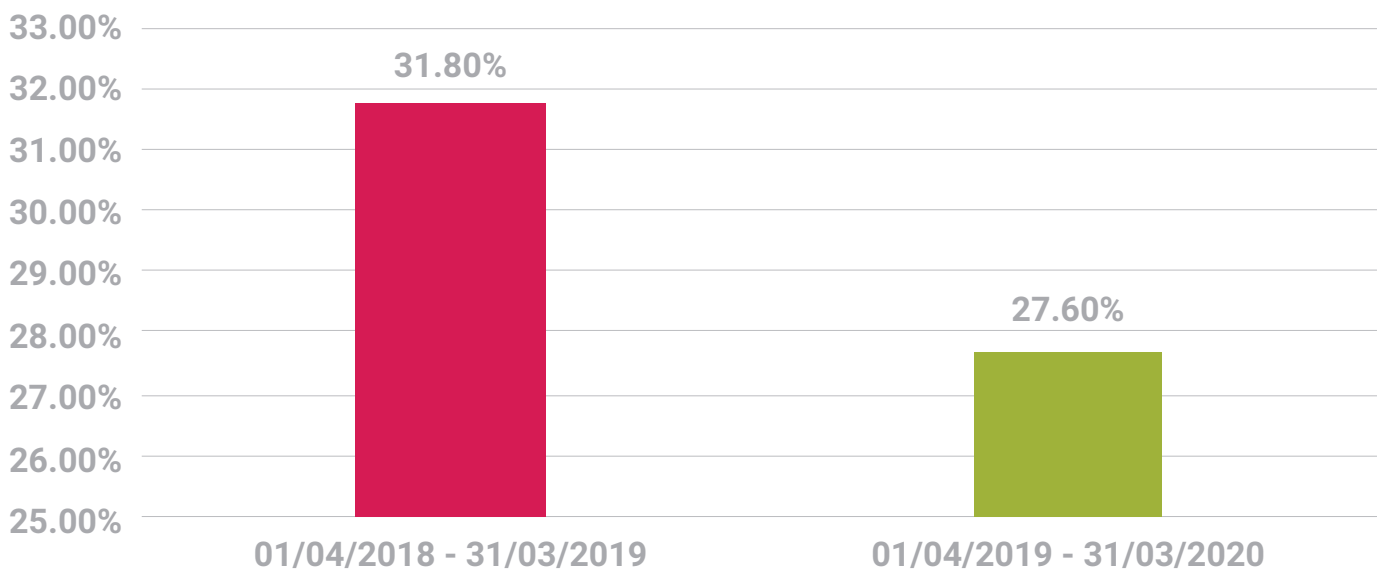
This principle details how we will attract, train and develop the best people to enable them to engage our tenants and residents with honesty, trust and confidence. We will invest in our people to create a working culture where people thrive and achieve their potential. We are committed to ensuring we have the right staff in the right roles with the right knowledge and skills to deliver a high-quality service within a culture of integrity and innovation.

Here are key measures that demonstrate progress towards us having the Right People:

## Turnover Rates

As demonstrated in the diagram below there has been a reduction in rates of staff turnover from the previous year, down from 31.80% to 27.60%. Lower staff turnover results in cost savings.

### Staff Turnover

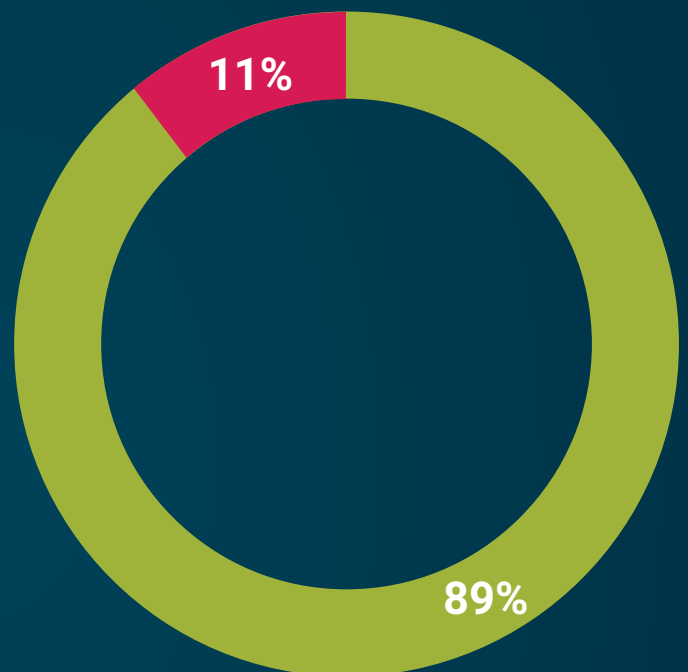


## Staff and Pulse Survey Results

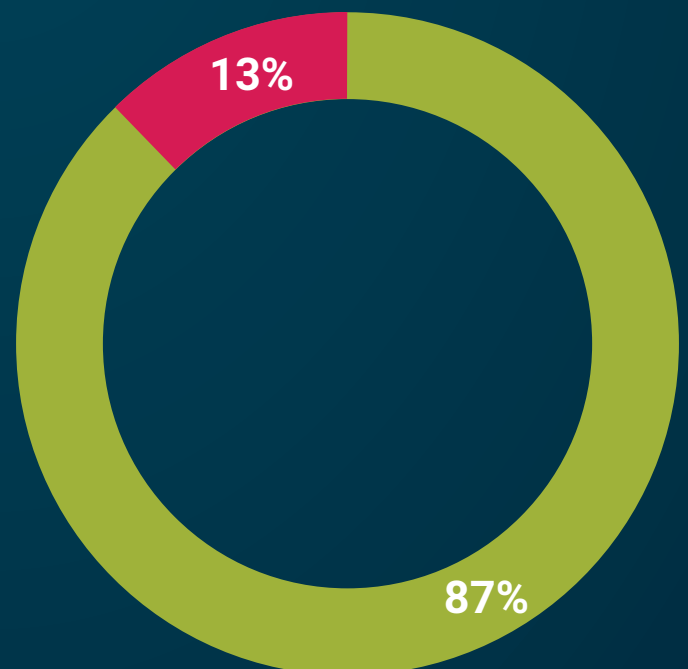
Due to the COVID-19 pandemic, our colleagues are currently working in different ways to how they would normally work in their role. This may be that they are working from home instead of working from the office or out in the field. Some are also undertaking a different role having been redeployed within the business to maintain the critical functions required at this time.

We wanted to ensure that no matter how everyone's individual situation had changed, as many people as possible feel supported in their role and connected to their team. We carried out a short survey and the results are outlined below.

Do you feel you are being supported in your role during this time?



Do you feel you are connected to your team during this time?



# Right Delivery



This is about us being efficient and effective in the way that we work. Using innovative approaches to ensure that we are well equipped to deliver the activities that make a difference to our tenants and residents.

Here are key measures that demonstrate our progress towards Right Delivery:

## Repairs Satisfaction

As illustrated below, satisfaction with the repairs service remains a challenging area for us as satisfaction has dropped from 64% last year to 62%. This is an important area for the organisation to continue to monitor as dissatisfaction in this area can impact on our ability to deliver value for money.

### Repairs Satisfaction



## Net Promoter Score (NPS)

NPS is a customer loyalty metric that measures how likely customers are to recommend a service or product. It is used widely in many sectors worldwide. To obtain an NPS score, service users or customers are asked how likely they are to recommend that service to other people on a scale of 0 to 10.

	2018/2019	2019/2020	
NPS score	+34	+51	👍

## Providing Services tenants and residents expect

We always strive to provide services to our tenants and residents that they expect from us, and whilst there is a drop of 1% in satisfaction from 76% to 75%, we are confident that this is a good indication that we are able to provide our tenants and residents with what they need. Of course, as with all other areas of measure, we will look to continuously improve in this area.

## Ease of doing business

We were pleased to see a slight increase in the results for 2019-2020 showing a higher number of our tenants and residents find that they can do business with Linc easily, at 83% for 2019/20. This is a great result and it is pleasing to see this increase in score.

### Ease of doing business



## Neighbourhood as a place to live

We have continued to receive very high levels of satisfaction for neighbourhoods as a place to live. There is a slight drop in satisfaction this year from 85% to 83%. However, these are still positive results and our teams continue to work with individuals and communities to address issues they are facing and help ensure neighbourhoods are a great place to live.

## Average days to re-let

This year we have spent extra time getting our homes ready for tenants to move into so that less work was needed once they moved in. This has meant our time to let an empty property has increased from 17 days to 24 days.

# Right Outcomes

For us, the Right Outcomes mean that our rent and service charges are affordable and provide VfM. We also want to support tenants to ensure we have sustainable tenancies and to ensure we are reducing homelessness. We also want to see a procurement strategy that delivers a range of community benefits. Our new procurement processes will support modern, efficient services that offer value for money and great quality. We also commit to ensuring our services are designed to protect the wellbeing of future generations.

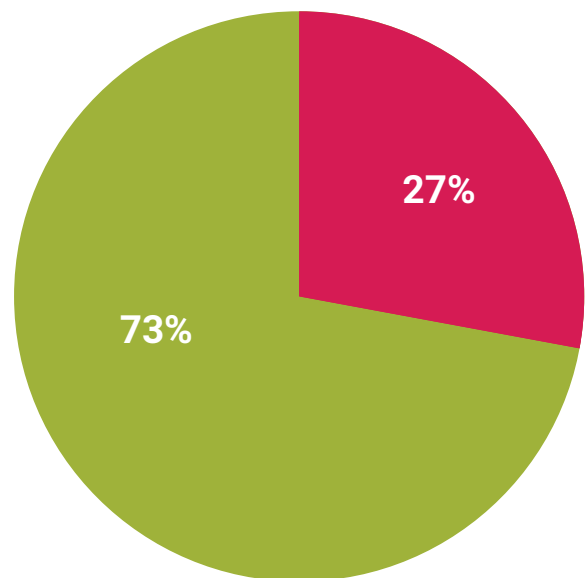
Here are key measures that demonstrate our progress towards Right Outcomes:

## Number of evictions

This year the number of evictions was 9 which is an increase of 4 from last year. Whilst this number is still low, for those tenants being evicted it can be a traumatic experience, and our teams are constantly working to ensure that no individual or family lose their home. Eviction really is the last resort when all interventions have failed. We will continue to do all we can to reduce evictions and to support tenants to sustain their tenancies.

## Positive against negative reasons for giving up tenancies

### Reasons for ending tenancies 2019/2020




We continue to review the reasons tenancies end and aim to reduce the number of tenancies ending for 'negative' reasons. We will continue to support more tenants to sustain their tenancies. Understanding the reasons tenants leave, helps us to continue to improve our services and homes.



## Strive

Our inhouse housing support team, known as 'Strive' have continued to support tenants to sustain their tenancies.

	2018/2019	2019/2020	
No of tenants being supported by Strive	129	145	

## Rent provides value for money

This is an important statement and one we regularly check with our tenants. We are pleased to say that there has been an increase shown in the results this year, with 87% of tenants saying that their rent provides value for money, up from 85% last year. We feel that this is a very positive demonstration by our tenants and residents that the homes we offer provide them with value for money for the rent that they pay.

## 87% of tenants say that their rent provides value for money

Ensuring rents are affordable is a key aspect of being a responsible landlord and we have undertaken a review of the affordability of our rents and service charges against different property types and sizes in each Local Authority area.

Community Housing Cymru has been assisting in developing a sector wide approach to this issue and commissioned Altair to conduct research into a range of affordability models.

The research found that the most common definition of affordability adopted is the Joseph Rowntree Foundation (JRF) Living Rent Model. This states that a living rent should be affordable for a household with someone in full-time employment, working the average number of hours per week (including overtime) and earning around the minimum wage.

Our rents were assessed against this model for the 2019/20 rent review. We have again run proposed rents for 2020/21 through this model to assess affordability. In line with expectations to also consider the impact of service charges and energy costs, we have expanded analysis to these areas.

### **All our rents fall within the affordability criteria once service charges are considered.**

We do not run our extra care and bungalows through this model due to the specialist nature of the accommodation



## **Procurement provides additional value through efficiency and community benefits**

In February 2020 we were pleased to appoint our first Procurement and Value for Money Manager. Over the coming year, we expect further progress in this area.

The procurement process is about how we as a business meet our needs for goods, services and works. A sound procurement strategy and associated processes help us to achieve value for money and manage risk and opportunities to generate benefits for the organisation and the wider community whilst minimising damage to the environment.

## Community Benefits

We undertake a range of social value activities, which we deliver or commission, and these make a real difference to the lives of our tenants, residents, and the wider community. It is central to our social purpose and we are proud of our work in this area, and the outcomes we achieve.

Many of our community engagement, community regeneration and community benefits activities are delivered in partnership with our tenants and residents, third sector organisations, mainstream services, and other stakeholders. This activity utilises the expertise and knowledge that already exists and maximises our impact and VfM.

### Linc social value activities include:

- Working with our supply chain to deliver targeted recruitment and training
- Supporting local community groups
- Externally funded projects
- Collaborative projects
- Health and wellbeing initiatives
- Volunteering

### Examples of community benefit activities this year include:

- Unicorn Southern painting Aberbeeg Community Centre
- Planting of a 40ft native hedgerow in partnership with Keep Wales Tidy at St Martins Church Caerphilly, associated with Jehu and our Mountain Road site
- Greenhouse for Llys Glyncoed extra care scheme associated with Morganstone and our College Road site
- A footpath for RTB's football and Rugby Club associated with Pendragon at our Gwaun Helyg site
- Outdoor play equipment for St Julian's Primary School associated with Jehu and our Durham Road site
- Donation to St Julian's Allotments towards increased security associated with Jehu and our Durham Road site





## **Carbon reduction measures**

Climate change is a top priority for Welsh Government who were one of the first to declare a climate emergency in April 2019 and set out an ambition to achieve net zero carbon by 2050.

The 2019 Better Homes, Better Wales, Better World report to Welsh Ministers sets out the extent of the significant decarbonisation challenge for the 1.4 million homes in Wales that are responsible for 27% of all energy consumed and 15% of all demand-side Greenhouse Gas emissions.

We recognise our responsibility in meeting the ambitions of Welsh Government, and we will keep the Wellbeing and Future Generations Act and its seven goals at the forefront of our minds as we shape our ambitions and priorities. Creating outcomes in collaboration with our colleagues from public and private sectors will help us deliver a range of Welsh Government objectives and achieve value for money.

We are working to survey our homes in anticipation of the new funding round for the Innovative Housing Programme (IHP) which will be funding to pilot retrofit solutions for several housing archetypes.

- All our new homes currently being planned will be low carbon, energy, and water efficient and climate resilient.
- We have supported the formation of a Linc staff environmental working group. Its outcomes include an action plan that explores carbon accounting, Green Dragon Accreditation and environmental improvements throughout the business.
- Our Natural Resources Wales funded project, 'Growing Green Spaces' supported 10 areas to improve their access to green space.
- The Growing Green Spaces project also accessed an additional £3000 from Natural Resources Wales to fund urban greening projects in two areas.
- Our Community Regeneration Team in partnership with community volunteers in Caerphilly and Newport also planted 256 trees in November and December 2019, to form native species rich hedgerows.



## Collaboration with other RSL's

- We are proud to be working with Cynnal Cymru to develop a consortium of 22 other Housing Associations to form Carbon Literacy Cartrefi Cymru. This new organisation will develop training to raise carbon literacy across the housing sector in Wales. The formation of the consortium will share costs and ensure no duplication offering maximum value for money.
- We led a PPE procurement collaboration across the sector with CHC to gain a consistent supply of PPE for the Welsh Housing Sector, at a cost-effective price. A tender was put together which gained lots of interest and improved supply.

## Recycling

- We have recycled and gifted a large amount of office furniture this year and estimate the second-hand value of these items to be £5,115.
- The donations made to a range of schools, community groups, charities and business start-ups has led many of these organisations to keep in touch and some have since worked with us to provide services for tenants, work placements and a permanent job.
- Two hospital beds worth over £3,000 were donated back into the NHS.

These activities have saved Linc on storage, landfill and transport costs.

## Student Placements

In 2019/20 we hosted 7 student placements from the University of South Wales and Cardiff Metropolitan University. The students who undertook practical placements included 4 MA Art Psychotherapy /Art Therapist students, 2 BA Hons Creative and Therapeutic Arts students and 1 BSc Housing Studies student. The students provided 454 sessions across the year which using the British Association of Art Therapist Rates is the equivalent of £13,760 worth of therapy.

## Employability

We have worked with a range of partners such as Job Centre Plus, local businesses, employment agencies, and the third sector such as the Princes Trust, to help 9 people into work this year and have provided periodic ongoing employability support to 15 people.



# Looking forward

We will continue to develop operational delivery plans to measure our progress and will report these within our publications internally and externally. We will also continue to produce and publish an Annual Value for Money Statement to evidence our delivery of VfM.

The Value for Money Strategy will be reviewed annually and approved by the Board to ensure it is aligned to our business plan and strategic corporate objectives.

## Our areas of focus for 2020/21

We set ourselves several specific areas of focus for the year 2020-2021

Areas of focus 2020/21
Launch our new agile work plan and principles
Releasing efficiency savings through our new finance and housing management system
Releasing efficiency savings through our digital transformation programme, including launching a new customer portal
Capturing social value returns across a wider range of activities
Develop an environmental strategy
Review our approach to service charges through cross business and tenant collaboration
Revise and refresh how community benefits are embedded into contracts





Creating the right environment for people to flourish



Investors  
in Diversity  
Award

Achieved.  
Valid Until  
December 2021



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