VALUE for MONEY SELF-ASSESSMENT

2016/17

wm housing group

Executive Summary

As part of the Homes and Communities Agency's (HCA) regulatory framework, registered providers must produce an annual Value for Money (VfM) self-assessment. This assessment enables us to demonstrate to our stakeholders how we are making use of the rents customers pay, how we manage our financial and physical assets and our planned improvements to achieve even greater value.

VfM is central to our work. The further we make our money go, the more we can invest in improving our homes, develop our services and build new homes.

This self-assessment covers 2016/17 and reflects the third year of our Business Strategy, which detailed our aims up to 2019. However, when we launched this strategy, the world of housing was very different to today. Now with voluntary right to buy, changes in welfare benefits, the one per cent rent cut and changes in development funding, our board decided that we needed to develop a new Business Strategy.

Our new Business Strategy will take effect from September 2017 and has three objectives:

- A growing business
- A delivery focused business
- A sustainable business

Our 2017/18 Value for Money self-assessment will detail our performance and achievements against these aims.

WM Housing's approach to VfM helps to demonstrate how we maximise the potential of our income and assets whilst maintaining an awareness of financial risks and uncertainties facing the Group. An effective approach to maximising VfM means we can maintain our credit rating and increase opportunities to attract funding for new homes and services.

This self-assessment is one way in which WM Housing shows how well it meets the HCA's VfM standard as it:

- enables stakeholders to understand the return on assets measured against organisation objectives
- sets out the absolute and comparative costs of delivering services
- shows the VfM gains that have been and will be made.

We have set our self-assessment out in six key parts:

- Our approach to VfM
- Managing and using our assets
- Managing our finances
- Social and environmental returns
- Achievements 2016/17
- Overall assessment and direction of travel

This self-assessment should be read in conjunction with:

- WM Housing's Business Strategy 2014 - 2019
- Group Financial Statements for the year ended 31 March 2017

As well as describing our work, within each section we have assessed our performance against the standard using a tick system.

WM HOUSING FULLY MEETS THE HCA'S STANDARDS ✓

WM HOUSING DOES NOT FULLY MEET THE HCA'S STANDARDS ✗

Introduction

About WM Housing Group

WM Housing Group consists of 5 registered providers.

WM Housing Group

Provides support services such as our customer service centre, development, asset management, finance, governance, human resources, information technology, regeneration, regulation and risk management.

Family Housing Association (Birmingham) and Optima Community Association

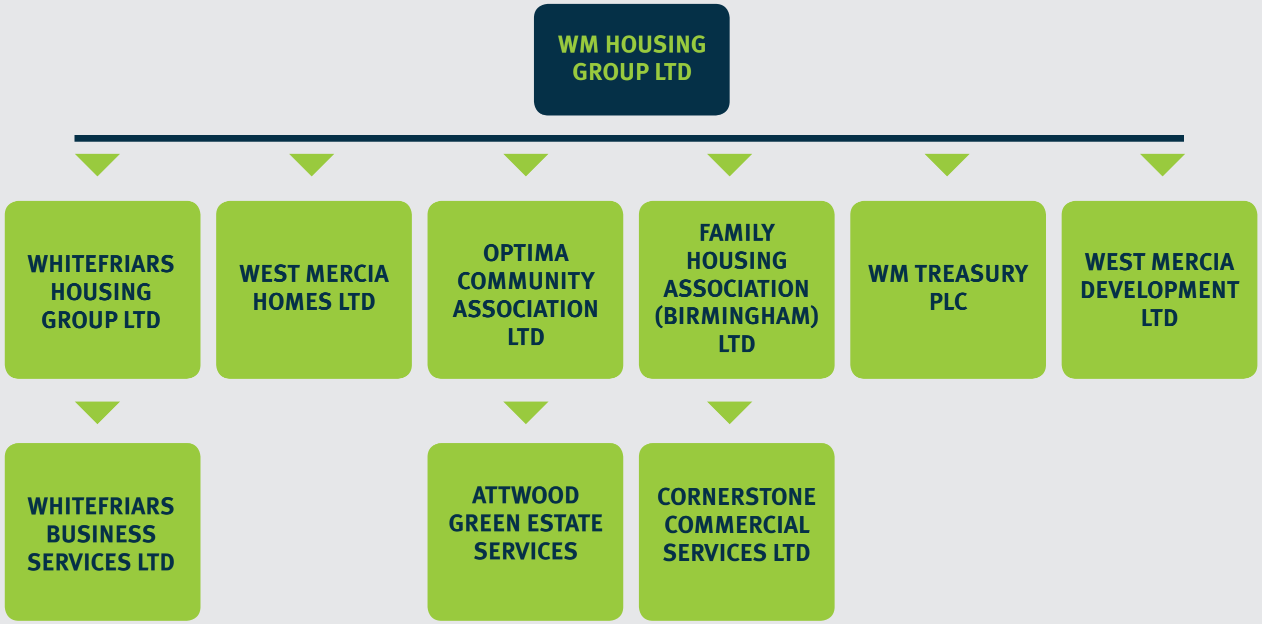
Together these two associations nearly 4,700 homes primarily in Birmingham, and provide housing management services for West Mercia Homes stock in Birmingham and Solihull.

West Mercia Homes

Owns around 7,100 homes in Birmingham, Herefordshire and Worcestershire.

Whitefriars Housing

A large scale voluntary transfer provider with around 18,600 homes in Coventry.



Our Business Strategy

We published our Business Strategy in 2014. We have made significant progress during 2016 in meeting the aims and objectives set out in the strategy.

The objectives and progress made to date are as follows:

Strengthening our governance and corporate configuration

- We successfully retained our G1/V1 rating with our regulator the HCA.
- During 2016/17, a further review of the governance structure of WM Housing Group has been undertaken by a 'Task and Finish' group comprising representatives from the Parent Board. Subsidiary Boards and key stakeholders have been consulted at various intervals throughout the review. The proposal being considered by the Parent Board at their July 2017 meeting is that the Group moves to a single joint (or co-terminous) Board for all Registered Provider members of the Group, with revisions to current committee roles and delegations. The proposal also recommends the creation of Local Service Boards (LSB's) with non fiduciary responsibilities to ensure that local service delivery is maintained and to monitor performance in each of the three significant areas of operation of the Group. A final decision is expected later in 2017.

Delivering Excellent Customer Services

- We have implemented the second phase of our major change programme – Journey to Excellence - including introducing My Account which allows customers to check their rent accounts and make payments online;
- Launched our Digital Strategy - focusing on delivering excellent services and enhancing our financial strength by ensuring that all online services are convenient and easy to use, offering 24/7 access to customers;
- Designed and implemented a new framework for the development and delivery of local improvement plans which profile and target our resources on priority issues in each neighbourhood;
- Rolled-out mobile devices to our income recovery teams to enable them to provide real time advice and assistance to customers;
- Our "right first time" repairs performance is 97.68%.

Maintaining and investing in our Assets

- We have achieved decent homes compliance;
- Our new investment planning model has been developed and implemented and includes allowance for social factors;
- We have successfully invested £22m in the last year to improve the quality of our homes;
- Ongoing improvement in average energy efficiency rating in all areas;
- Launched our rechargeable repairs scheme;
- We have updated our Assets and Liabilities register to include our contracts information which was previously recorded manually.

Enhancing our financial strength

- We have successfully maintained our A2 rating with Moody's credit rating agency;
- The Group's financial plan at 31 March 2017 incorporated all of the efficiencies and income generation that had been identified and will be delivered, whilst also accommodating any new cost pressures that had been identified. This financial plan was updated in July 2017 to reflect the impact of the creation of the new group treasury vehicle, and demonstrates that our target operating margin of 28% will be achieved by 2021/22;

Operating margin	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/25 £'000	2026/27 £'000
Turnover [5]	151,967	160,617	167,985	172,772	179,911	178,132	182,951	187,907	190,005	198,248
Operating surplus [6]	40,044	42,858	43,963	47,932	53,007	56,440	58,617	61,208	64,175	67,501
Operating margin [6] / [5]	26.4%	26.7%	26.2%	27.7%	29.5%	31.7%	32.0%	32.6%	33.3%	34.0%
For March 2017 approved business plan	26.9%	26.7%	26.1%	26.7%	28.1%	28.7%	28.8%	29.3%	30.3%	30.8%

The reduction in 2017/2018 is attributable to the £1m additional costs incorporated within the 2017/2018 budget for the setting up of the Group Treasury Vehicle. The impact of an increased development programme can be seen within the operating margin projections from 2019/2020 onwards;

- The surplus for the year ended 31 March 2017 achieved by the WM Housing Group as a whole exceeded both the budget for 2016/17 and the surplus achieved in the year ended 31 March 2016;
- All boards are active in setting, challenging and scrutinising performance targets;
- Implemented an auto arrears IT system which has resulted in our income management processes being far more efficient and debts being better managed, the level of current arrears at the end of March 2017 was over £347,000 lower than for the 31 March 2016;
- Supported customers to sustain their tenancies and reduce debts through the provision of Money Advice services to help customers to claim additional welfare benefits and income.

Developing an awareness of our work with people and partners

- We have developed a stakeholder relationship management system to enable communication with partners to be improved.
- We have undertaken a detailed staff perception survey and published a detailed action plan of improvements.

Grow and diversify

- 211 homes have been built against our business plan target of 200;
- We achieved £1,979,500 of shared ownership sales against our business plan target of £1,434,500;
- Successfully achieved savings of £714,527k and £1,148,356 reduction in borrowing required on our development schemes;
- We have committed further resources to our 2016/21 development programme to maintain our objective of delivering 400 new homes a year, together with 100 homes for market sale via our subsidiary West Mercia Development Ltd (trading as Signature New Homes).

Achievement of Performance Targets

Following the implementation of our new integrated IT system in September 2015 we experienced a dip in our rent and arrears performance indicators in late 2015/16. However, performance has significantly improved during 2016/17. Our customer satisfaction results have decreased in 2016/17. Our customer feedback team will develop an insight report to understand in greater detail the drivers for customer satisfaction and dissatisfaction across a range of data sources which will be shared with senior management to develop performance improvement plans.

Key Business Strategy Performance Results

Performance Indicator	March 2017	March 2016	Direction
% Current Rent Arrears (AA)	3.71%	3.99%	↑
% Rent Debit Collected (YTD)	100.26%	98.77%	↑
£ Total Debt (AA)	£10,683,757	£11,322,586	↑
% Void Loss (YTD)	0.74%	1.1%	↑
Total Turnaround in Days (YTD)	25.88	31.95	↑
% Repairs completed Right First Time (YTD)	97.68%	95.13%	↑
% of Properties with a Valid Gas Safety certificate (AA	99.97%	99.95%	↑
% Overall Customer Satisfaction with Service Provided (YTD)	77.29%	86.1%	↓
% Overall Customer Satisfaction with Neighbourhood as a Place to Live (YTD)	80.48%	84.4%	↓
% Customer Satisfaction with New Home (YTD)	81.86%	82.09%	↓
% Customer Satisfaction with the Repair (inc gas) (YTD)	87.92%	90.98%	↓
Loan Covenants - Risk of Breach (AA)	NO	NO	↔
Achievement of Forecast Surplus (AA)	YES	YES	↔
% Compliance with Decent Homes (AA)	100%	100%	↔

1. Our Approach to Value for Money

Our vision of "creating places where people are proud to live and work" is the basis for all we do. VfM is about being effective in how we plan, manage and operate our business within an ever changing operational and financial environment to ensure we make the best use of our resources to provide quality homes.

Business Model

Our vision and values define why we exist as a group. We believe that our approach will enable us to achieve our vision both now and in the future. Our social purpose remains the overriding primary purpose of our group, and the provision of social and affordable rented homes and shared ownership homes forms the majority of our business. However, we continue to offer much more than simply basic landlord services, working to ensure that our customers, staff and partners are helped to achieve all that they can. We think that pride in yourself, your work and where you live are at the heart of what we do.

Each of our business strategy objectives are designed to help us improve our financial performance whilst protecting and enhancing our asset base.

Our carefully selected and strategically limited areas of diversification from our primary purpose (e.g. building homes for outright sale) are closely controlled, managed and monitored to ensure that they do not add significantly to the risks faced by our group. The profits that these activities generate are 'profit for purpose', and together with the financial surpluses generated by our asset-owning subsidiaries, these are reinvested into our homes and communities to fund new developments, improvements to our customers' homes and new and improved systems and services.

Our financial strength and stability, coupled with robust and effective governance, has enabled us to maintain our credit rating and our excellent Regulatory Judgements. Maintaining our credit rating will enable us to approach the markets for additional funding to enable us to deliver key projects.

HCA Regulatory Standards – Value for Money

To meet this standard, registered providers must:

- have a robust approach to making decisions on the use of resources to deliver the provider's objectives, including an understanding of the trade-offs and opportunity costs of its decisions;
- understand the return on its assets, and have a strategy for optimising the future returns on assets - rigorous appraisal of all potential options for improving VfM including the potential benefits in alternative delivery models - measured against the organisation's purpose and objectives;
- have performance management and scrutiny functions which are effective at driving and delivering improved VfM performance;
- understand the costs and outcomes of delivering specific services and which underlying factors influence these costs and how they do so.

To us, VfM means using our resources efficiently to deliver quality services to customers, at an affordable cost. We aim to maximise the potential of our Group structure; with shared and efficient services that provide VfM and support our aims of making the best use of our income, reduce our costs and improve our services.

VfM is driven by our parent board which continually reviews the efficiency of our work and ensures that we comply with regulatory requirements. We encourage all staff to embrace VfM and innovate to find more efficient ways of providing a better service.

VfM contributes directly to our four key values:

PROVIDING EXCELLENT SERVICE

- Delivering excellence to our customers.

INTEGRITY

- Being honest in our dealings and keeping our promises.

VALUING PEOPLE

- Respectful, understanding, right first time and involving customers.

DELIVERING CREATIVE SOLUTIONS

- Innovation, meeting needs and maximising our impact in local communities.

We have an integrated approach to VfM across the Group.

Assets – We are continually improving our understanding of the performance of our assets to ensure they are appropriately maintained and deliver excellent value.

Customers – We want to ensure that our customers continually receive VfM from their rent and service charges. We involve our customers in our decision making on service improvements.

Decision making – All decisions that commit to significant growth in expenditure are approved by board and are supported, as appropriate, by a cost benefit appraisal.

Financial – Our budgets and business plans include efficiency targets and service improvements.

Governance – The parent board takes overall responsibility for agreeing budgets and establishing financial limits for the Group and its members and reviews the efficiency and effectiveness of our work.

Performance – We continually review our performance and customer satisfaction with our services. We benchmark our performance against our peers.

Staff – We continue to invest in our staff. As a result of our staff perception survey we have produced a comprehensive action plan of improvements. We also spent £277,000 on qualifications, training, coaching and attending learning events and conferences last year. This is linked to individual performance assessments and training is provided to meet individual, team and corporate objectives.

Strategic Objectives

Key to our business effectiveness is understanding the business case for the returns we should get for our money before we spend it and how we will evaluate and determine success to enable us to fully understand the VfM of each project. Inputs are primarily measured in cash. Outputs and outcomes (social value) can be measured using:

- social and economic benefits to individuals and communities;
- the quality of service and benefits to customers;
- environmental benefits;
- financial benefits - a return (surplus) for reinvestment; knock-on benefits to other local services and taxpayer.

WM Housing's approach is to maximise the potential of our Group structure, with shared and efficient Group services that provide VfM and support our aims. This allows our individual associations to stay in touch with local communities, supported by governance structures that deliver control, accountability and direct engagement with customers.

Our business ethos is built around three concepts:

Unity – we all share the same vision, values and objectives

Efficiency – we recognise that to achieve some of our objectives we need to have shared strategies and approaches

Individuality – our subsidiaries know their business and customer's best and we recognise that they should set and deliver their own strategies for service delivery whilst meeting the Group's shared vision and values.

Operating Environment

The last year has seen significant change in our environment. Following the BREXIT vote in June 2016, the pace of introduction of new initiatives such as the voluntary right to buy has slowed somewhat. They do, however, remain as potential changes in our environment which may impact on successful delivery of our objectives.

- **One per cent rent reduction** - Following the government's announcement of a reduction in rents for each of the next four years we identified savings of £2m in 2016/17 which have been delivered.

- **Extension to the Right to Buy** - The government has announced proposals for a regional pilot of the voluntary right to buy in the West Midlands. Whilst we have been preparing for the introduction of the right to buy since the 2015 election, it is clear that government priorities may have changed somewhat and so we maintain a watching brief on developments in this area.
- **Welfare benefit changes** - Changes in the way benefits are calculated and paid continue to present significant challenges. In 2016/17 the introduction of Universal Credit and further benefit caps did not have a major impact on our work. In 2017/18, however, we will see the introduction of Universal Credit more widely and at the end of March 2018 the alignment of rent to Local Housing Allowance will also present challenges. We continue to assess likely impacts of these changes and through our Housing Operations Strategy, develop approaches which mitigate their impact on our resources and our customers.
- **Deregulation** - The government's proposals to deregulate the housing sector have begun to take effect in the last year. In particular changes in the approach to disposal of stock and changing governance structures took effect at the end of the year and will form a key part of implementing our governance review in 2017/18.
- **Development funding** - The government continues to prioritise new housing development funding and there is more funding available for developments for our core customer groups. Recognising the need to optimise our growth, we intend to establish a new treasury vehicle in 2017 which will enable us to deploy our security more effectively and increase our development programme to a total of 500 units a year from 2019.

The continued growth of WM Housing has brought financial stability and enables us to continue to improve our service delivery to our customers. We are a federal structure which tailors services to meet local needs.

The importance of achieving VfM is central to our Business Strategy 2014 -2019[1]. There are seven major areas in which we work to manage and strengthen our VfM.

1. Governance and decision making

We operate a clear scheme of delegation within our financial regulations and Group standing orders. Our governance framework clearly sets out the accountabilities and responsibilities for the parent board, subsidiary boards and executive directors. Governance documents align to the Business Strategy, mission and operating principles. We have a clear programme for reporting financial decisions to our boards. The Finance, Audit and Risk Committee are responsible for in-depth examination of financial performance alongside risk management and internal and external audit findings.

The parent board is supplemented by subsidiary boards for Family/Optima, West Mercia Homes and Whitefriars Housing. The subsidiary boards are represented on key standing committees:

- Finance, Audit and Risk
- Governance, Remuneration and Appointments
- Treasury and Development.

All reports presented to boards and committees must set out the financial and VfM implications for each decision and these are supported as appropriate by option appraisals.

2. Financial management

Our financial management approach is set out in our standing orders and financial regulations. These include details of levels of financial delegation, our budget setting and variation processes and procurement limits. Annually, budget proposals are developed by the Senior Management Team and submitted to subsidiary boards and then parent board for approval. Budgets are set in line with the Group's 30-year business plan to ensure we deliver our objectives

[1] This self-assessment covers 2016/17 and reflects the third year of our Business Strategy, which detailed our aims up to 2019. A new Business Strategy has been introduced for September 2017.

whilst meeting loan covenants and providing appropriate levels of interest cover.

Key investment decisions, i.e. new developments and capital projects, must be supported by a financial appraisal which details the return expected on investment. All budgets are monitored by the budget holder and their nominated accountant. Variations from profiled expenditure are examined as well as any changes to projected out-turn.

Each local board receives budget reports which are further scrutinised by the Finance, Audit and Risk Committee. Our financial statements are published each year following external audit.

3. Procurement

The Procurement Policy was approved in March 2017 and details the principles underlying our approach. We use an electronic tendering system (InTend) which ensures tendering is secure and conducted fairly and transparently. Each tender is appraised on the basis of the most economically advantageous tender and balances cost and quality considerations in proportions that vary according to the works, goods or services being procured.

We aim to deliver economic, environmental and social benefits to the communities in which we operate, in line with the Public Service (Social Value) Act 2012. Our detailed procurement procedures are published on our intranet so that all staff responsible for buying works, goods or services can comply with our policy and procedures. We also provide regular training and communications to ensure all staff are fully aware of the need to maintain probity in procurement.

Our Anti-Slavery policy reflects our commitment to acting ethically and with integrity in all our business relationships, as well as implementing and enforcing effective systems and controls to ensure slavery and human trafficking is not taking place within our supply chains. In March 2017, we reviewed and reported our compliance with this policy to our Boards.

4. Customer involvement and scrutiny

Our customers know what it's like to actually live in our homes and use our services, so they are in the best position to help us shape, influence, and monitor the services that we provide. We look for people who want to work in partnership with us to influence the way our services are delivered and help us improve our services for the benefit of all residents. We offer a range of ways for customers to get involved including:

- **Scrutiny panels** – Each local association operates a scrutiny panel of tenants and leaseholders who examine policies and services and provide commentary and recommendations on service improvements including efficiencies.
- **Customer panels** – meet quarterly and discuss key issues and delivery plans which impact on the services customers receive. This provides staff with a vital opportunity to consult with customers and take into account their views.
- **Mystery shoppers** - customers who are trained up to 'mystery shop' the services we provide so that we can get a real insight into what is working well and what needs to be improved.
- **Contract monitors** - customers who are trained to help local associations monitor the delivery of key contracts such as grounds maintenance, gardening and communal cleaning.

We involve customers in decision making through tenant/resident associations and customer panels who are asked to comment on new or changing services. Whitefriars, Family and Optima also have tenants on their boards and their views are reflected at parent Board through the respective chairs.

5. Performance Management

Our KPI suite measures our success in relation to our Business Strategy objectives. Monthly performance reports are produced which include KPIs, project actions and risk actions. These are exception reports and therefore focus on indicators that are not meeting target or actions that are overdue or delayed. The latest available report is considered at each Parent and Subsidiary Board meeting.

KPI Targets are set annually and are approved at Subsidiary and Parent Boards and take account of our Business Strategy aspirations. Targets relating to rent collection, arrears and total debt are profiled to take account of fluctuations throughout the year including rent free weeks and benefit schedules.

A key success measure of the Group's Business Strategy is to achieve top quartile performance amongst our peers on voids, rent arrears and right first time services.

The Group uses a variety of ways to compare its financial and performance indicators with other similar organisations. The three main sources are:

- **The Homes and Communities Agency Global Accounts** – comparing headline service costs for all registered providers.
- **HouseMark** - the leading provider of benchmark information in housing. The comparators for performance offer insight into how the Group is performing operationally
- **Vantage** - provides analysis of unit costs for central services. These include IT, human resources and finance. These enable us to make sure that our expenditure on supporting the frontline functions of the Group provides good value.

We produce a monthly detailed performance report for staff and boards and to enable our customers to have the opportunity to balance the costs of providing services with quality expectations, we include key financial and performance information in our annual report to customers.

6. Managing people

Staff are one of our largest costs and most important assets. It's important we employ the right people with the right skills and we provide effective training, advice, guidance and support to ensure our staff deliver an excellent service. We continually develop staff and enhance their skills and abilities through one-to-one meetings, performance reviews and project/secondment opportunities to enable them to take on more responsibilities.

7. Risk Management and Internal Controls

Our system of control is designed to manage key risks and to provide reasonable assurance that planned business objectives and outcomes are achieved. Group board has adopted a risk-based approach to internal controls which are embedded within the management and governance processes and are underpinned by policies and strategies, financial regulations, standing orders and local processes.

The internal audit programme complies with best professional practice. Internal audit (BDO LLP) provides an independent and objective assurance and consulting activity that is designed to add value to our operations.

We have identified six strategic risks for the Group. These derive from a detailed assessment against the most recent Sector Risk Profile, our operating environment locally and the objectives of the Business Strategy. We use the three lines of defence approach to monitor the effectiveness of our controls which have been the subject of detailed assurance testing by our internal auditors to ensure we as non-executives can be assured there are robust arrangements to control risks.

All Group risks are assessed on a quarterly basis in line with the Group's financial regulations and are fully reviewed annually. Our Finance, Audit and Risk Committee receive a quarterly exception report to monitor those risks outside of appetite and have the option to request detailed reports on any risks they believe should be subject to further detailed review and scrutiny. Progress on risk actions are also monitored through our monthly performance reports.

The NHF have identified a series of potential risks facing the sector as a result of the UK's exit from the EU. Senior Management Team will complete a self assessment in April 2017 to assess the potential impact of these risks on the Group and the controls in place to mitigate the impact and identify any gaps and mitigating actions to address these which will be incorporated into the Group's risk registers. The main threats are:

- changes to interest rates or inflation;
- access to European Investment bank loans;
- Skills shortage;
- Increase in cost of construction materials;
- New procurement regime which is more expensive/time consuming;
- Restriction on government subsidies;
- Slump in the housing market.

The results of this self assessment will be reported to Parent Board in May 2017. We will continue to keep up to date on developments and will revisit our exposure as the terms of the exit become clearer.

HOW ARE WE DOING

In last year's self-assessment, we said we would:

1. Continue to embed improvements in our governance arrangements, including reviewing the best structures for us, our stakeholders and our customers.
2. Continue our work on phase two of our J2e.
3. Examine ways to provide performance information to customers.
4. Ensure we continue to achieve necessary savings to meet the one per cent a year rent cut.

As a result we have:

1. Undertaken a review of our governance arrangements, led by board members through a task and finish group, with the aim of simplifying our decision making approach and enhancing local accountability where it is important, for example performance.
2. Implemented the second phase of our major change programme – Journey to Excellence - including introducing My Account which allows customers to check their rent accounts and make payments online.
3. We continue to look at how we can keep customers aware of our performance. In particular we have looked at the role of scrutiny as part of our governance review and ways in which we can enhance its effectiveness and share improvements more widely.
4. We have successfully managed the income losses as a result of the rent reduction and have agreed plans to continue to manage these changes for the years ahead.

Overall we score ✔ for our approach to compliance with the VfM regulatory standard.

To continue to improve over the next year we will:

1. Implement the recommendations of our governance review
2. Continue our programme of identifying efficiency savings within services
3. Undertake the projects identified in our Housing Operations Strategy which seek to mitigate the effects of welfare changes and improve the sustainability of tenancies.

2. Managing Our Assets

We intend to continue to grow as a housing group by building new homes, offering new services and encouraging other registered housing providers to join us. We believe that our federal structure is ideal for other registered housing providers. Our structure means our members can benefit from efficiency through economies of scale whilst maintaining local accountability to their customers.

Given this substantial level of investment, we recognise the need to understand which of our assets are performing well and which require additional scrutiny and action to deliver a better financial return. In January last year we introduced a new return on investment model jointly developed with Savills which assesses stock performance based on financial and non financial factors. Using this we have completed a comprehensive assessment programme for all of our properties leading to the introduction of Asset Plans for each geographic part of the group which contain a range of actions agreed by Board through which to improve stock performance and remove liabilities.

Asset Management Detailed Assessment

We introduced a new five year Asset Management Strategy in 2015 which defines how we meet the HCA's regulatory expectation and supports delivery of the Group's Business Strategy.

The strategy's objectives are:

- to ensure retained assets are maintained in good order;
- to ensure we understand stock performance and address assets of concern;
- to increase income from non-residential assets.

The strategy was developed following Group-wide consultation and ensures that we meet the requirements of our funders and that our stock continues to provide the collateral needed for future borrowing. Progress against year one actions and targets was reported to Board in September 2016, including introduction of new Asset Plans for each Partner Association. These plans report on stock performance and contain targets and actions for years two and three of the Strategy. The plans are reviewed and reported to Board every year to ensure that the Asset Management Strategy is continuously updated.

The strategy strengthens our commitment to identify assets that are "cause for concern" and in need of detailed option appraisal, day to day management action or in some cases, project focused action. Our new stock performance model, developed with Savills, is in place and in active use. This model (Residential Asset Performance - RAP) ensures latest industry thinking and methodology is used to give performance assessments based on financial and social value scoring. The model replaced the former Strategic Asset Management System from late December 2015.

Using the outputs from the model along with local management knowledge, we have identified individual homes and asset groups where retention under current investment assumptions is viable and also those which present a "cause for concern" and hence require further detailed investigation to aid future investment decisions.

Each subsidiary agrees and owns a defined asset plan, these plans contain a programme of option appraisals and individual management projects to address homes presenting as "cause for concern'. To compliment this, the Group's option appraisal process has been reviewed and enhanced also to ensure best practice in determining future asset investment decisions.

As a large property owning organisation our primary function is to ensure effective management of our property assets so we can provide quality, low cost, affordable homes to rent. Through robust asset management we aim to ensure that the cost of home ownership is effectively controlled to maximise occupancy rates, income and asset value.

Stock condition data provides the foundation upon which future investment requirements are identified and planned. When combined with rental income, responsive repair costs, cyclical maintenance and tenancy turnover information it provides the basis upon which we calculate the financial performance of our stock.

Assessing stock performance and return on investment is critical to demonstrating ahead of agreeing investment and improvement works.

Before agreeing investment works each subsidiary will consider the alternatives, such as rationalisation of the housing stock and holding or palliative works to give a limited or defined life solution. Work required to “cause for concern” homes being retained will be packaged within our future Investment Work Programme. Conclusions are built into subsidiary’s Asset Plans which will include an approved five year rolling asset management plan, and 30-year view of future retained stock and its investment requirement.

The Asset Plans also include any work required for homes being retained within an approved Investment Programme. During 2016, we worked with Savills to review our full 30 year Investment Programme for retained stock. This identified up to £82m of investment programme savings over the 30 year life of the plan are capable of being realised through the introduction of revised component lifecycles and unit rates in line with the latest industry thinking.

In undertaking the exercise we have ensured that the savings could be made without detriment to the Group’s priorities for investment, which are:

- ensuring compliance with safety legislation and regulation;
- maintaining the 100% compliance with Decent Homes Standard.

We believe that even more value within the Investment Programme can be released through the adoption of a revised methodology for stock condition surveys combined with designing improvement programmes to operate on a just in time risk based approach rather than the traditional approach of replacing components en masse based on fixed lifecycles. The methodology is being introduced by Savills at a number of Housing Providers nationally. In January this year we commissioned Savills to test the methodology on a sample of 1000 of our homes picked to give a good cross section of our property archetypes and geographic operating areas. The results suggest that further value for money benefits in the order of £40m might be achievable, and therefore we are working jointly with Savills to survey a further 5000 properties and apply the new planning methodology. The results will inform our 2018/19 business planning round and are expected to lead to a new 30 years Investment Plan for the Group being introduced from April 2018. This will replace the four Subsidiary Association investment programmes with a single Group programme to ensure that the more complex investment programme design and delivery associated with the revised methodology being introduced is effectively delivered in order to achieve the value for money benefits being targeted.

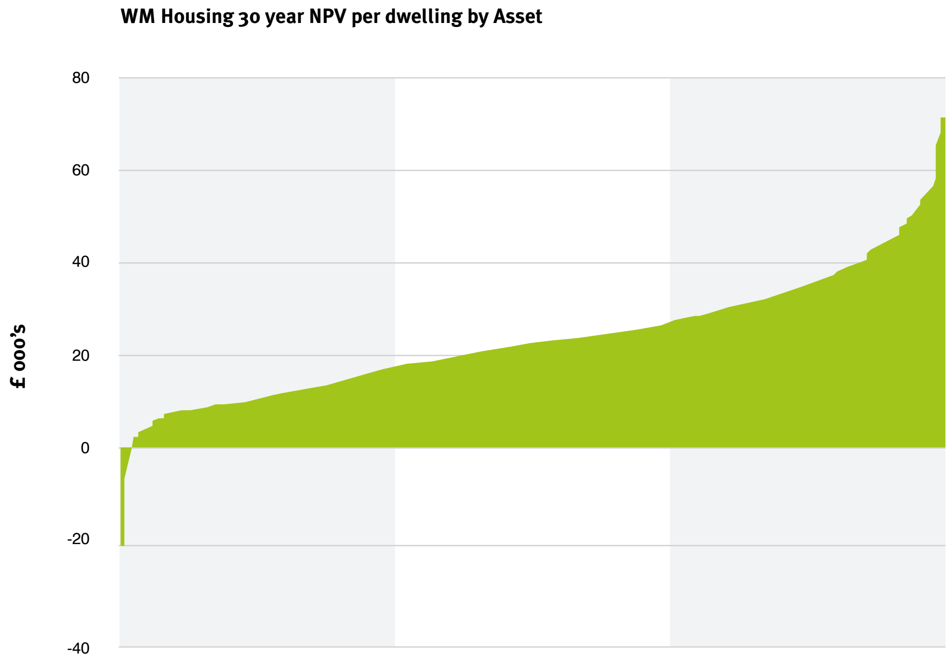
As a Group, we own and manage a variety of types of homes with different maintenance requirements. These range from individual houses in small rural communities in Herefordshire to large and complex estates and tower blocks, in Birmingham and Coventry. They are the homes that our customers live in and we need to ensure that they are affordable to heat, are well maintained and allow families to live in safe surroundings and have pride in their homes.

In 2016, we provided wall insulation to a further 763 homes in line with our strategic aim to ensure all our homes achieve a minimum Band D energy efficiency rating by 2020. Significant reductions in the level of ECO grant available means our progress towards achieving this aim is slowing. Through our Investment Plus programme we have reduced our band E or worse properties by 75% meaning at present 97.9% of our homes achieve an EPC rating of Band D or better. During 2017, we are working to identify the cost of bringing the last 549 (2.1%) of our homes up to the Band D target, the results of which will inform the work to determine the new Investment Programme and future Asset Strategy targets.

The majority of our homes are social rented but we also manage homes for leaseholders, shared owners and affordable and intermediate market rent and specialist hostel accommodation.

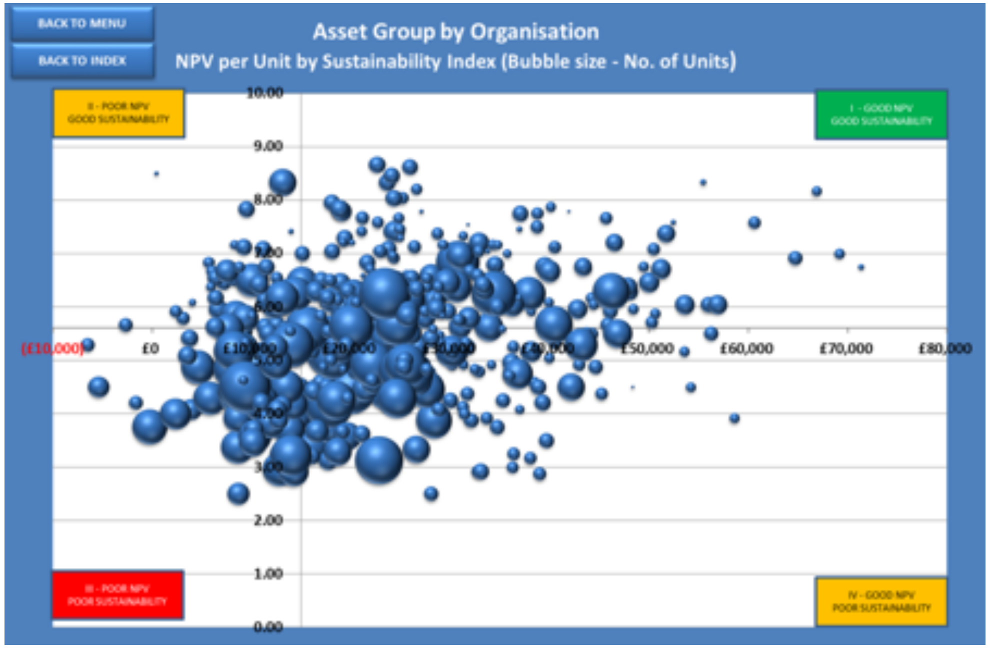
Our secondary (non residential) assets include useable or saleable land (including some garage sites) office accommodation and a portfolio of management leases and agreements providing income. We are currently reviewing our non residential land holdings to identify land that could support our development programme.

Our secondary asset review is also exploring opportunities to bring non residential assets into residential use, and exploring opportunities to increasing income through additional telecommunication sites and advertising and marketing sites.



Net Present Value (NPV) performance

Using the new Residential Asset Performance model we have identified a series of actions focused on all stock asset groups with a 30 year net present value below £10k. These actions are detailed within the asset plan for each subsidiary Association and include a program of option appraisals, complemented with targeted management action where poor performance is resulting from low rents being charged or day to day management issues such as repair or void costs.



It is not always appropriate to invest money in existing properties as some have both a low NPV but are also difficult to sustain in the longer term, as the illustration shows, the larger the bubble the greater the number of units in the Group. Whilst not necessarily a negative value, at present, our long-term planning demands that we prioritise decisions in these areas as described within our asset strategies.

Our strategic aim is to deliver homes, assets and neighbourhoods that are desirable, cost effective and safe. Desirability is achieved through providing good quality homes that are well maintained, affordable to live in within attractive environments with facilities that meet customer's needs – ***places where people are proud to live and work.***

Cost effective means that our homes and assets will generate a positive financial or social return on the investment. It also means that our services are efficient and effective, and that rents and service charges are affordable and competitive.

Safe homes and neighbourhoods are delivered by ensuring resource and funding is prioritised to deliver compliance with health and safety legislation and regulation. We ensure that future investment design maximises opportunity to improve safety in the home and that measures to reduce crime are delivered through attention to secure by design.

We have 69 asset groups containing 4,400 homes under option appraisal or management action. These are primarily located within Coventry (61 asset groups of 3,800 homes) with a second concentration (6 asset groups of 550 homes) in Birmingham. Older person's accommodation in Coventry has presented significant challenge, but through 2016 we have been implementing significant change in our older person's accommodation which involves replacing nine poor quality schemes with four new schemes. The first two of these will be ready by early July 2017 with the remaining two schemes available to let from January 2018. Eight of the nine decommissioned sites are to be redeveloped to provide new housing. As option appraisals are concluded they are reported to boards.

We have also successfully bid for HCA funding to investigate regeneration opportunities within the Spon End and Wyken areas of Coventry. Bidding closed in January with grant awarded in March. Initial option appraisals for both areas recommended that a combination of partial demolition and redevelopment combined with improvement of retained stock represents the best return on investment in both areas. Further more detailed Investigation and planning is onsite but at an early stage and we expect to have final options developed and appraised by December 2017.

Stock data

The Group uses Promaster as our single stock condition database, to provide a consistent approach to the management of stock condition data, including Housing Health and Safety Rating System (HHSRS) requirements. This supports Investment Programme modelling, determination and stock condition management.

Stock count		%
Up to 1944	4076	13.62%
1945-1949	2046	6.84%
1950s	6218	20.78%
1960s	5192	17.35%
1970s	2860	9.56%
1980s	2321	7.76%
1990s	2358	7.88%
2000s	2910	9.72%
2010s	1947	6.51%
Grand Total	**29928**	**100.00%**

Investment Programme review

The further 30 year investment programme review in progress with Savills has already been highlighted. As the work to address cause for concern stock progresses it will include the need to ensure that our future programme design responds to option appraisal outcomes, including palliative works for short and medium life stock (ensuring statutory compliance) and local management plans rather than local improvement plans for stock with an identified limited life.

Investment Plus

We have now completed four years of our five-year "Investment Plus" programme in Coventry utilising the additional bond finance running alongside our planned expenditure.

In 2016/17 we delivered £22m of investment work and received £0.3m of ECO funding and £0.7m of HCA grant relating to the re-modelling and new build works at Jack Ball and George Rowley House. This gives a total investment over four years of £104m including £5.3m of ECO funding.

Through the insulation works delivered to 763 homes over the last year we have continued to invest in addressing fuel poverty which, on average saves residents £300 a year in their energy bill. We have calculated that in total our investment in energy saving measures potentially delivers energy savings of £1.5m per annum in reduced energy consumption across our customer base.

This added to previous years' work brings our total number of homes benefiting from external wall insulation to 5,285 with a total of £13.7m of grant received from CESP and ECO funding.

Other projects have included demolition of flats in Canley to support the provision of a new homes for sale and homes for rent development. Commencement of the Manor Farm regeneration scheme; which will secure the long term future for c400 homes. Electric and gas heating upgrades and additional safety work to our high-rise accommodation including fitting of sprinklers systems to two further high-rise blocks.

Assets and Liabilities Register

All of our social housing assets are recorded on our geographic information system which sets out details of the property, any lending commitments, net present value and investment needs. The records are triangulated with our investment model, housing management system and statutory returns.

Key contracts, loan agreements and other liabilities, including covenant and cross-covenant arrangements are kept within our respective systems.

Growth and development

Achievements for 2016 – 17

211 homes have been built against our business plan target of 200. We achieved £1,979,500 of shared ownership sales against our business plan target of £1,434,500.

We have successfully achieved savings of £714,527k and £1,148,356 reduction in borrowing required on our development schemes. We have committed further resources to our 2016/21 development programme to maintain our objective of delivering 400 new homes a year, together with 100 homes for market sale via our subsidiary West Mercia Development Ltd (trading as Signature New Homes).

Growth must support the delivery of our corporate objectives to a growing business. Our programme is developed with our housing and asset management teams and local authorities. Each new development is subject to a financial viability assessment to ensure we are achieving sufficient return on our investment and rental income for our business plans. During 2016/17 we have built 211 new homes.

In addition to our affordable housing programme, our outright sale subsidiary – Signature New Homes, secured £3,122, 208 of income from sales of 12 open market homes. The profit from these sales will be re-invested back into our core business to support the delivery of new affordable housing. This year is targeted at £6,375,444.00 over 37 units; 10 of which, although legally completed, the income will not be received until 2019 due to the units being situated on joint venture scheme. This will leave a target income of £4,827,786.

WM Housing is an HCA Investment Partner and leads the Spectrum Partnership, a consortium of independent registered providers across the Midlands. Having completed the original 2011 – 15 Affordable Homes Programme, delivery in 2016 -17 has seen the completion of the Affordable Homes Guarantee Programme for the Group with only one property outstanding (to be completed and claimed in May 2017) for a Spectrum Development Partner. Since the commencement of the HCA Affordable Homes Programme 2015 – 2018, the Spectrum Development Partners have started on site with 336 properties and claimed final costs on 213, drawing down grant of £5,685,387.

Development Strategy

Our emerging new Business Strategy re-states WM's commitment to providing quality homes and neighbourhoods that enable people to maximise their potential, our commitment to our role in solving the housing crisis and our aim to increase our rate of growth.

However, this commitment is set in context of the challenges and the extent of change affecting the social housing sector. As well as the political and economic impacts of Brexit which continue to unfold, there are a number of national policy decisions regarding rental income and external funding that have a significant impact on our approach to service delivery as well as a direct impact on our ability to deliver new affordable housing.

Rental Income - Rental income offsets the cost of investing in new homes and is therefore a critical factor in determining the return on investment and overall viability of new development schemes. For general needs housing, there are 3 main challenges to future revenue streams:

- 1% year on year rent reduction;
- Extension of Local Housing Allowances to the social housing sector;
- On going Welfare Reform measures.

As well as triggering a fundamental review of how day to day services are delivered, the introduction of the 1% year on year rent reduction has had a significant impact on the financial viability of delivering new development. The extension of Local Housing Allowances to all tenants in receipt of benefit and a further tightening of the benefit cap in addition to the Welfare Reform measures already in place, have a major impact on many of our tenants who receive benefits and the affordability of their rents.

External Funding – Announced on 7th February 2017, the White Paper aims to set out 'new measures to ensure the housing market works for everyone including people on lower incomes, renters, disabled and older people.' These include:

- Re-stating commitment to affordable housing and opening up of the Affordable Homes Programme to affordable rent along with Rent to Buy and shared ownership;
- Re-prioritising Starter Homes to target households with income lower than £80k and extending the timeframe for reselling at market value to 15 years;
- Changes to the planning system including a 'de-facto' presumption in favour of development on brownfield sites, tools for local authorities to speed up house building, reduce time between planning permission and build out and establish a consistent framework for calculating housing demand.

To maximise the impact of our own financial investment in new homes, our strategy aims to secure external funding to support our development programme where possible. However, the cost saving and efficiency measures previously considered to tackle the overall funding gap remain central to our approach to delivering value for money and underpin how we will approach the delivery of our development programme.

Development Strategy Objectives

Our aim is to deliver new homes each year for households who are unable to afford to buy or rent a home on the open market through the following objectives:

- to increase the provision of new affordable general needs homes each year. 2017/18 will include affordable and social rented homes as well as Rent to Buy and Shared Ownership according to the needs of our local communities. Our aim to deliver 2/3rd rent (including Rent to Buy) and 1/3rd shared ownership across the programme;
- to support the financial strength and long-term sustainability of WM Housing by ensuring a financial return on our investment (ROI). We will measure ROI by:
  - deliver new affordable homes each year with an agreed maximum annual investment;
  - ensuring a positive financial return on initial investment in new homes over 35 years;
  - controlling cost of investment through standardisation of internal layout and components and utilisation of Modern Methods of Construction (MMC) where appropriate;
  - achieve a target cost to value ratio < 100%;
  - making best use of existing assets and land holdings to maximise return for the business and improve long term value to the business in terms of NPV;
  - establish strategic partnerships and alliances to secure our forward pipeline;
  - improve VfM by reducing management costs per unit by focusing growth on areas that can be effectively and efficiently managed by our existing housing management infrastructure.

- provide fee generating development agency services where fees generated present a commercial return;
- to implement an effective1:1 replacement strategy to address the voluntary Right to Buy scheme when it is implemented.

New Homes

In 2016-17, there were three key strands to improving VfM in relation to the delivery of the Group's strategic objective to deliver 300 new homes each year:

- reducing build costs through alternative approaches to construction and procurement;
- maximising opportunities on our own land and within our own stock;
- identifying opportunities to replicate collaborative agreement with Coventry City Council.

Reducing build costs through alternative approaches to construction and procurement

Ensuring efficiency and VfM underpins our approach to delivering new growth. We commissioned independent research to assess what lessons we could learn from the volumetric builders that would help reduce overall build costs, including the savings available from non-traditional construction methods.

The findings and recommendations highlighted a few key areas that would impact on costs:

- Gross Internal Floor Areas (GIFA) for outright sale units are smaller than our typical design;
- Build Costs per square metre are broadly comparable for traditional and non-traditional construction. The savings generated from non-traditional construction methods are mainly associated with the reduced construction period and the savings on development interest and earlier completion of revenue generating asset;
- Standardisation of internal layouts and components has the potential to minimise waste, repetitive design engineering costs irrespective of the build process;
- Standardisation of contract documentation;
- In conjunction with standardisation of design, in-house technical and design resource to reduce fees for professional services, particularly architects, Employers Agent and QS;
- The report also highlighted that volumetric house builders achieve cost savings through in-house delivery through tight control of the supply chain for materials and sub contractors. However these options would require additional resources in the in-house team and the additional cost involved would only be offset by the proportion of our programme that is land and build (the delivery of s106's being largely controlled by developers). Direct procurement of the materials and the supply chain also transfers a significant level of risk from the main contractor to WM and at this point, it is not felt that potential benefits offset the additional costs and risks to WM Housing;
- Contractor & Consultant Framework – This is due to be advertised in August 2017 with a targeted completion for January 2018. It is our intention that the procurement of the contractor and consultant framework will be utilised for the land-led and package deals to optimise efficiency. Enabling us to explore the opportunities the market has to offer and capitalise on these in the most efficient way through enhanced working relationships with key partners;

- A pilot in Coventry will deliver 3 no. 3 Bed 5 Person, 3 storey properties for general needs family housing. Due to pre-planning consultation delays we are now due to go into planning July 2017 and is scheduled to start on site by November 2017 with completion by the spring of 2018 and will enable us to assess the deliverability and flexibility of the modular product.

Maximising opportunities on our own land and within our own stock

Delivering new homes on our own land often also provides the opportunity to address other asset or estate management issues to maximise the overall impact of our investment. Last year we completed 57 units (27%) of the affordable units are identified as being delivered on our own land or part of a wider regeneration. In March 2017, we started on site at one of our former hostel sites in Coventry to build 20 affordable homes and 41 Signature New Homes properties.

In 2017/18, 200 units (65%) of completions will be delivered on our own land or as part of wider regeneration. We are targeting start on sites for a number of decommissioned older people's schemes and former housing with care schemes that are due to deliver approximately 70 new affordable homes. Further work will continue to identify opportunities on own land and within our own stock to deliver in forth coming years.

Identifying opportunities to replicate collaborative agreement with Coventry City Council

Working with our partners and stakeholders is a key element in making best use of public resources. In addition to the partnerships and joint ventures already agreed, we will continue to seek out opportunities that provide a pipeline of land or schemes with local authorities, such as that currently being pursued with Herefordshire Council and Wates and with national house builders/developers to secure longer term s106's.

Developing clear and robust policies and procedures to te proposed voluntary RTB

The final details of the VRTB scheme are yet to be announced. The Development Strategy sets out some of the key considerations that will impact on our approach to our VRTB Replacement Strategy. It highlights that to maximise our ability to achieve 1:1 replacement will require flexibility with regard to:

- Tenure split and the difference in cost between shared ownership and rented homes;
- Property types delivered;
- Geographical location across the group;
- Land led v's s106 schemes.

These will be set out in detail for consideration by Board when the details of the VRTB scheme are known.

Going Forward 2017/18

Irrespective of tenure, type or location of our new homes, delivering VfM and maximising efficiency will continue to be a key strand underpinning our approach to growth. In particular our approach to the delivery of new homes will focus on:

- reducing build costs through alternative approaches to construction and procurement;
- maximising opportunities on our own land and within our own stock;
- identifying opportunities to replicate collaborative agreement with Coventry City Council.

In addition to the learning lessons from the private sector regarding minimising costs, work is also on-going to assess the potential benefits /risks of expanding the remit of our existing development company (WMDL) as a vehicle to deliver our affordable development programme as well as the Signature New Homes programme for outright sale. Potential benefits include:

- Recovery of VAT on legal and professional fees in respect of new developments of affordable rented housing;
- Recovery of VAT on development team overheads;
- Transparency of the costs of development activities and other Group Charges, and how these are funded by members of the group;
- Strengthened governance of all development activities regardless of tenure;
- Facilitation of ‘tenure-blind’ development operations, promoting flexibility and skill maximisation across the development team;
- Existing legal and VAT structures could be utilised without incurring any additional set-up costs.
- To realise these potential benefits, we must also consider the contractual and governance arrangements that would be required to adequately support an extension of the development company in this way.

HOW ARE WE DOING?

In last year’s self-assessment, we said we would:

1. Prepare a suitable bid for development beyond 2018 looking at alternative ways of developing and with greater emphasis on shared ownership and other products for purchase as well as rent.
2. Begin to examine funding options for future asset investment.
3. Continue to use and enhance our asset return model to prioritise work in areas where it secures the best VfM.
4. Move our contract information from its current manual state onto our new assets and liabilities register.

As a result we have:

1. We have developed our new strategy to increase the provision of new affordable general needs homes each year. 2017/18 will include affordable and social rented homes as well as Rent to Buy and Shared Ownership according to the needs of our local communities. Our aim to deliver 2/3rd rent (including Rent to Buy) and 1/3rd shared ownership across the programme;

2. The investment programme is under review.

3. We continue to use and improve upon our asset return model to prioritise work in areas where it secures the best VfM.

4. At present we have not moved our information into a single register as we used our resources to upgrade and update our core information on the register and upgrade our geographic information system.

Overall we score ☑ for our approach to compliance with the VfM regulatory standard for managing our assets.

To continue to improve our Asset Management over the next year we will:

1. Analyse outlying pockets of stock and high value homes to further investigate future disposals, reduce management costs and support the development programme.
2. Refresh the RAP model to incorporate updated stock performance information, the results of the investment programme review and the latest information regarding impact of local housing allowance. It is anticipated this will be available from end of the first quarter of 2018.
3. Complete option appraisals plan and review subsidiary association asset plans to incorporate recommendations arising, and determine targets for years 3 and 4 of the Asset Management Strategy.
4. Conclude design and appraisal work associated with Wyken and Spon End regeneration.
5. Complete 30 year investment programme review.
6. Complete secondary asset review.
7. Review Group cyclical maintenance contracts to reduce suppliers and achieve reduced cyclical maintenance costs.
8. Conduct review to establish benefits available through introduction of a policy to convert gas heated properties to electric during future boiler replacement cycles.
9. Review effectiveness of Property Services establishment and structure.
10. Review retrofit standard.
11. Undertake modelling to establish return on investment available through achieving the Asset Management Strategy target of all homes meeting a minimum EPC band D rating by 2020, and the aspiration to achieve band C by 2030.

To continue to improve our Development approach over the next year:

The level of new affordable growth will be determined by the outcome and approach to the Group Treasury Vehicle. The Development Strategy sets out how WM will approach the delivery of new affordable homes through:

1. our objectives and what we aim to achieve through our growth strategy;
2. what type and tenure of homes we will provide;
3. where we aim to provide them;
4. how we intend to achieve our objectives in the context of our current operating environment;
5. resources required to deliver our objectives;
6. our emerging approach to Voluntary Right to Buy replacement.

In turn, the strategy will drive value for money throughout development activities.

3. Managing Our Finances

The HCA's latest Regulatory Judgment issued on the 30th November 2016 confirmed the Group's financial viability as V1 (the highest rating available on the V1 – V4 scale) and Governance rating as G1 (the highest rating available on the G1 – G4 scale).

On 21 February 2017, Moody's published its annual review of the Group's credit rating, affirming the A2 rating with a negative outlook. The negative outlook reflects the negative impact of the vote to leave the European Union on housing associations in general.

Around 85 per cent of our debt is at fixed rates giving absolute certainty over interest payments. Our financial plans and budgets contain prudent assumptions in relation to the remaining 15% of debt, with assumptions around one per cent above current variable interest rates for 2017/18.

Our interest rate cover for 2016/17 was 218%, meaning our operating surplus was sufficient to pay interest and financing costs more than twice over. This high ratio is brought about by our growth and a commitment to ensure new Group members do not prejudice our financial position.

WM Housing Group outperformed all of its lenders' financial covenants for 2016/17 and our financial plans forecast compliance across the long-term financial planning horizon.

The Group and boards understand the impact of stress testing of key business plan assumptions on existing loan facilities and covenants. The impacts of multi-variant stress testing are reported to and challenged by boards through the financial plan updates. Our boards understand the headroom within loan covenants and the size of any net expenditure increase that would cause a breach of loan covenants.

The table below summarises the year end loan covenant levels for the last 5 years for the borrowing entities within the Group:

Loan covenant	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12
Whitefriars interest cover						
Covenant to exceed	110%	110%	110%	110%	110%	162%
Year-end performance	223%	183%	228%	182%	258%	326%
Whitefriars EBITDA (MRI)						
Covenant to exceed	110%	N/A	N/A	N/A	N/A	N/A
Year-end performance	140%					
Net debt per unit (Whitefriars)						
Debt per unit (£) to be below:	25,000	25,000	25,000	25,000	25,0001	15,938
Year-end performance	14,755	14,503	12,915	12,099	12,1391	11,985
Interest cover (West Mercia Homes); must exceed 110%						
Covenant to exceed	110%	110%	110%	110%	110%	110%
Year-end performance	302%	281%	245%	238%	224%	197%
Gearing (West Mercia Homes)						
Covenant to not exceed	75%	75%	75%	75%	75%	75%
Year-end performance	60.5%	64.1%	59.1%	61.9%	64.5%	64.4%

Net operating cash flow to total interest (Optima);						
Covenant to exceed:	1.30	1.42	0.14	0.72	0.56	0.49
Year- end performance	1.32	1.81	1.28	1.24	1.50	1.24
Interest cover (Family)						
Covenant to exceed	115%	115%	115%	115%	115%	115%
Year-end performance	135%	168%	169%	146%	142%	146%
Gearing (Family)						
Covenant to not exceed	50%	50%	50%	50%	50%	50%
Year-end performance	39.6%	41.5%	43.9%	42.8%	42.4%	42.2%

WM Housing Group has two trading for profit subsidiaries - West Mercia Development (WMD) Limited and Whitefriars Business Services Limited. Their operations do not impact on the ability of the Group to meet covenants. The loan agreement between West Mercia Homes and WMD Ltd is limited by the lenders to £5m. There is a similar facility in place from Whitefriars for £5m which can increase up to a maximum of £10m which will allow WMD to generate the £2m per annum profit by 2019/20. WM Homes and Whitefriars will have proportional recourse over WMD Ltd.'s assets in the event of insolvency. The maximum facility that can be lent; accounts for less than 3% of the Group's overall debt portfolio. We have assumed the £15m facility is fully drawn by WMD and not repaid within the Business Plan.

Debt, liquidity and future funding

Total Group external borrowings as at the financial year end of 31 March 2017 were £539m. The Board has approved a refinancing strategy to replace £172m of existing Whitefriars and Optima debt and associated break costs with a new capital markets issue. The Group has an existing capital markets bond (£160m repayable in 2042) and the new capital markets bond issue of c. £250m will mean the Group has certainty over its interest costs for £410m of its debt. Board also approved a retained bond of £50m which could be utilised in 2018/19 onwards to fund development aspirations.

Comparing our costs and performance

We compare our financial and operational performance against our local peers through the M6 Group and the sector as a whole. The M6 Group includes:

- Accord
- Aspire
- Bromford
- Housing 21
- Midland Heart
- Orbit
- whg

Our relative performance is shown in the tables below.

	WMHG 2016/17	WMHG 2015/16	M6 Group Average 2015/16
Operating Margin (%)	28.3	22.9	26.0
Social housing lettings operating margin (%)	29.9	22.1	33.3
Net debt to turnover	3.13	3.15	2.76
Operating cost per general needs home (excluding depreciation) (£)	2,685	3,247	2,821
Rent void losses per home (£)	47.04	64.21	89.16
Board and Executive pay per home (£)	29.76	32.75	39.24

The M6 comparators are included for 2015/16, as we have not yet received the 2016/17 draft financial statements from M6 group members.

The Group's margins have increased compared to 2015/16 due to a combination of three main factors. Firstly, the effect of the efficiencies that have been achieved in order to accommodate the social rent reductions; secondly, the non-cash fair value depreciation adjustments on consolidation decreased from £4.2m in 2015/16 to £2.2m in 2016/17; thirdly, 2015/16 included additional costs in respect of our investment in the future (e.g. the introduction of our new ways of working, new systems and accommodation changes), increasing our operating costs accordingly in that year. Excluding the additional fair value depreciation charge within the Group's accounts, the 2016/17 operating margin would have been just under 30% (2015/16: 25%) and the social housing lettings operating margin would have been in excess of 31% (2015/16: 25%).

The Group's rent loss per property and Board and Executive pay per home continue to be below the average levels of our peer group.

Our Board has a good understanding of how the accounting policies that we have to apply in our Group accounts and operational decisions made regarding estate investment impact on our financial measures when compared to our peers.

Indicator	2016/17	Quartile position	Upper Quartile	2015/16*	Quartile position	Upper Quartile
Rent collected as a percentage of rent owed	100.23	2	100.3	98.77	4	100.18
Current tenant arrears as a percentage of annual rent debit	3.76	4	1.67	3.99	4	1.69
Average relet time in calendar days	24.9	3	17.67	31.95	3	18.74
Percentage of repairs completed on first visit	97.45	1	96.10	95.13	2	95.68

** Some of the KPI's reported are internal indicators with different definitions to HouseMark as they also include supported housing. Please note as organisations continued to submit their data for the 2015-16 period the sample will increase and quartile positions will shift.*

During 2015/16, we radically changed our core housing management systems, operating structures and systems. This inevitably led to some short-term deterioration in performance and affected our relative quartile performance for the year. As the new systems and ways of working have developed during 2016/17, performance has improved steadily throughout the year, and the year end position demonstrates the significant progress that has been made and the impact on our relative quartile positions.

Our performance for the year has been discussed in detail with our parent board, which has agreed performance targets for each month and will continue to monitor performance closely throughout the coming year.

Our performance remains comfortably within our business plan parameters and does not feature significantly in any stress-testing scenarios that might cause business failure.

Every £1 spent analysis	2015/16	2016/17
Management	11p	10p
Services	8p	10p
Day-to-day maintenance	21p	23p
Purchase & improvement of housing properties	41p	35p
Interest costs	17p	19p
Other costs	2p	3p
TOTAL	1.00	1.00

Year-on-year and unit cost analysis

Each year in our self-assessment we report on our unit costs compared to previous years. This is a useful guide to ensuring we continue to extract the maximum value from our services and to provide an early warning of any changes so we can ensure they are addressed. We have examined our unit costs at a Group and subsidiary level. Overall our unit costs are all at least within the middle quartiles nationally. In one case we are in the lowest quartile.

Each board reviewed its unit costs in September 2016 as part of the preparations for budget setting and service planning in 2017/18. Whilst we are generally content our unit costs compare favourably nationally, we do recognise that we appear to spend more on repairs than others. Ensuring we are achieving VfM in this area will be a key focus in the year ahead.

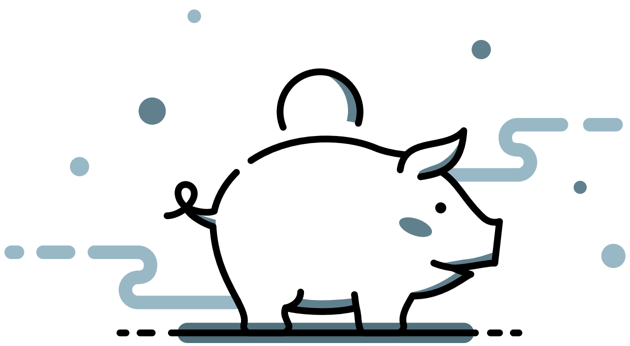
Cost Savings

The 2016/17 budget included total revenue savings to be achieved by the Operating Associations of £1.9m across WM Housing Group, or just over 1% of Group turnover, as part of our plans to accommodate the social rent reductions that were enacted in the Welfare Reform and Work Act 2016.

These savings included:

- Reduction in void rent loss £0.3m;
- Introduction of new HomeWorks pay model £0.3m;
- Elimination of supported housing project deficit £0.1m;
- Property Directorate staffing costs £0.2m;
- Additional income generation £0.2m;
- Increased recovery of rechargeable repairs £0.1m.

In addition to these savings, the budget also included efficiency savings in respect of support services ("back office" services) of £0.7m, and the impact of increased surpluses generated by our build for sale activities in West Mercia Development Limited. The results for the year demonstrate that these savings have been achieved.



Global Accounts

The table below shows the Group's performance, as shown in the global accounts, compared peer group averages and best quartile data. All figures are cost per unit.

	Headline social housing	Management	Service Charge	Maintenance	Major Repairs	Other social housing costs
WM Housing Group	3.48	0.63	0.44	1.14	1.14	0.14
Average for Peer Group	3.86	1.00	0.41	1.06	0.83	0.56
Best quartile for Peer Group	3.20	0.73	0.32	0.78	0.66	0.14

Overall, the Group has lower than average costs for services. Management and other social housing costs are in the best quartile. Service charge costs are slightly above average for the peer group.

Maintenance costs, which covers day-to-day repairs, are slightly above average however these figures reflect the 2015/16 position prior to the implementation of HomeWorks revised employee terms which will realise significant savings in 2016/17 and 2017/18. Similarly, major repairs are above average, which is potentially reflective of the significant investment in our homes particularly in Coventry. The refocusing of property investment in recent budget proposals includes the current Savills review which will consider future investment proposals and the VFM delivered.

Vantage provides analysis of unit costs for central services. These include IT, human resources and finance. These enable us to make sure that our expenditure on supporting the frontline functions of the Group provides good value.

The table below shows how central service costs compare with those of others taking part in the Vantage benchmarking exercise. These figures reflect the budgets set for the 2017/18 financial year.

Context			HR, Payroll, Training combined	IT	Finance	Total
	No. of units owned & managed	FTEs	Total costs per unit	Total costs per unit	Total costs per unit	Cost per unit (ALL)
Average	19,663	706	49	111	70	230
Midland Heart	30,714	1,803	80	123	47	251
Great Places	18,950	734	68	106	68	242
Salix Homes	8,600	370	52	162	64	277
Accent	20,934	451	26	180	71	276
Broadacres	6,070	309	79	154	119	352
Symphony	40,879	870	25	96	75	196
Torus	21,594	834	59	121	119	299
WM	30,580	978	43	90	63	195
Longhurst	18,311	714	56	79	78	213
Orbit Group	39,184	1,126	43	53	85	180

The table shows that central service costs per unit are amongst the lowest per unit of any in the peer group. Although different group structures may give rise to slightly different arrangements for these services, it is pleasing that costs appear low.

Management Accounts

Each subsidiary has quarterly management accounts and parent receive consolidated information. We are performing and achieving a surplus. Our Business Plan shows a positive trajectory with the surplus growing over the medium term and a positive outturn on a year by year on the assumptions within the Business Plan.

Treasury Vehicle

The Board approved the setting up of a Group Treasury vehicle at its meeting in March 2017 and a refinancing of the remaining Whitefriars syndicated debt and Optima debt at its meeting in May 2017. The refinancing will see some £260m of debt and breakage costs replaced with a public capital markets issue. Bank debt will move into a Group Treasury vehicle which will allow the Group to unlock borrowing capacity by using its assets as property security on a Group basis.

Loan covenants on a Group wide basis will form part of the restated loan agreements with those lenders which are being retained within the Group Treasury vehicle. This will mean the Group will no longer be required to manage covenant compliance at a subsidiary level, and the related cross-default provisions across the Group's loan agreements.

We have in place cross-default arrangements. The major Intra Group Agreement (IGA) arrangement means that if one subsidiary fails to meet a covenant within the Group then the whole Group fails.

The Group is aware of potential on-going liabilities from its pension arrangements

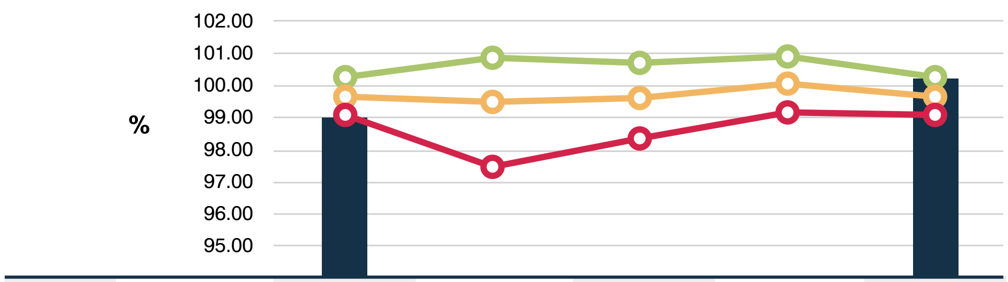
National performance comparisons

National performance comparisons are detailed in Appendix 1.

HouseMark Priority Performance Benchmarking 2016 – 17

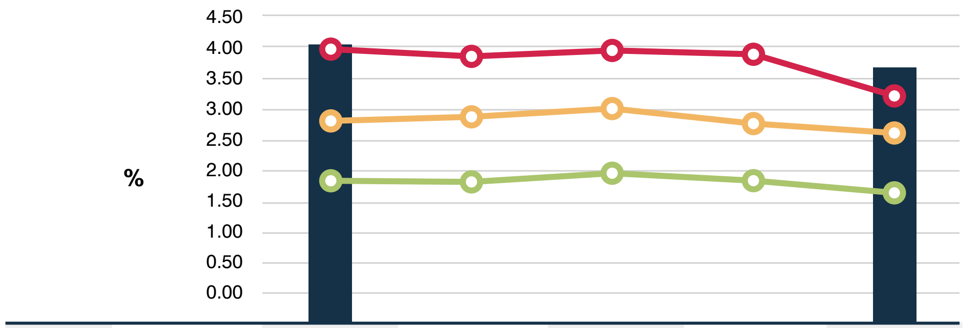
The following tables show the 2016 -17 year end performance data using HouseMark definitions.

Rent collected from current and former tenants as a percentage of rent owed (excluding arrears b/f) (GN and HfOP)



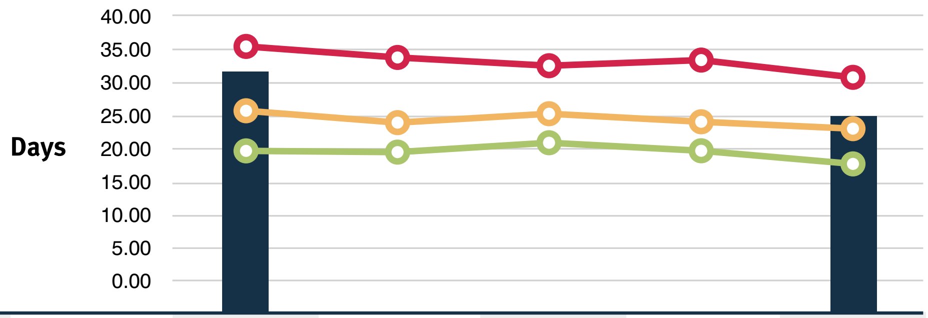
		2015-16 Quarter 4	2016-17 Quarter 1	2016-17 Quarter 2	2016-17 Quarter 3	2016-17 Quarter 4
	KPI Value	98.87				100.23
	Upper Quartile	100.08	100.83	100.67	100.83	100.32
	Median	99.71	99.42	99.57	100.02	99.92
	Lower Quartile	99.17	97.47	98.24	99.14	99.44
	Sample	380	185	188	172	158

Current tenant arrears as a percentage of the annual rent debit (GN and HfOP)



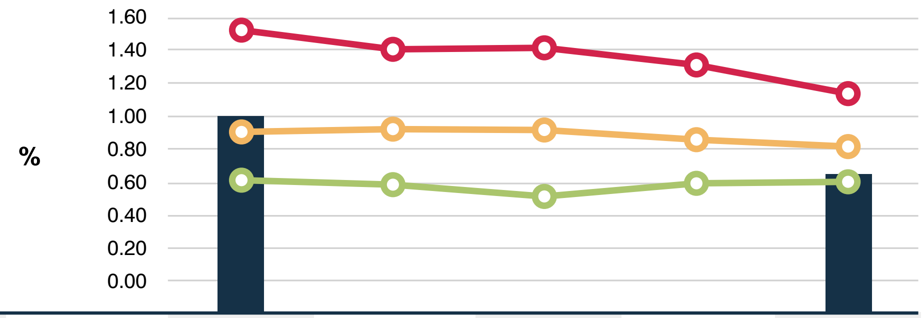
		2015-16 Quarter 4	2016-17 Quarter 1	2016-17 Quarter 2	2016-17 Quarter 3	2016-17 Quarter 4
	KPI Value	4.03				3.76
	Upper Quartile	1.85	1.88	2.01	1.92	1.67
	Median	2.73	2.73	2.86	2.63	2.43
	Lower Quartile	3.84	3.83	3.89	3.69	3.11
	Sample	385	201	201	190	157

Average re-let time in days (standard re-lets) (GN and HfOP)



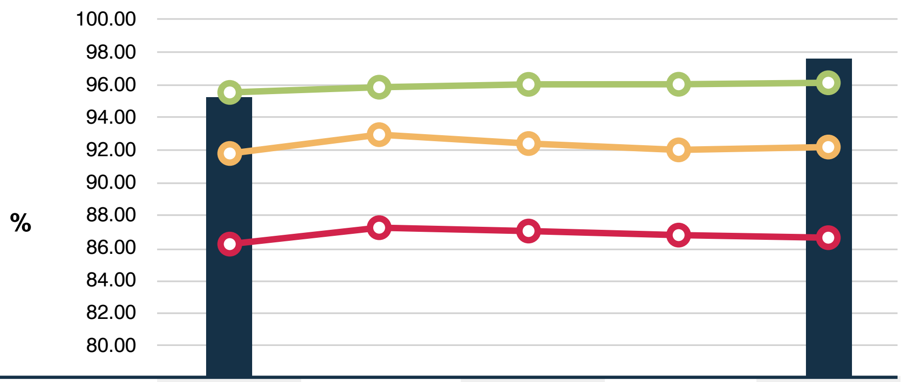
	2015-16 Quarter 4	2016-17 Quarter 1	2016-17 Quarter 2	2016-17 Quarter 3	2016-17 Quarter 4
KPI Value	32.05				24.90
Upper Quartile	19.38	19.13	20.01	18.97	17.67
Median	26.00	24.83	25.44	25.02	22.84
Lower Quartile	34.90	33.79	33.11	33.29	31.62
Sample	372	210	214	207	162

Percentage of rent lost through dwellings being vacant (GN and HfOP)



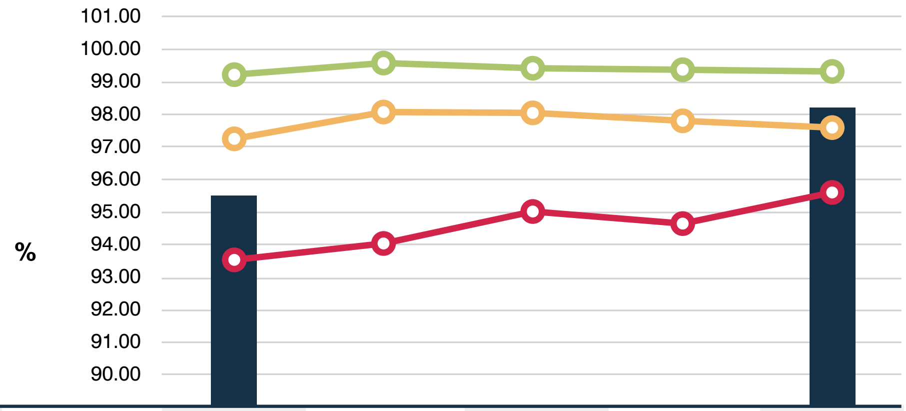
	2015-16 Quarter 4	2016-17 Quarter 1	2016-17 Quarter 2	2016-17 Quarter 3	2016-17 Quarter 4
KPI Value	1.04				0.64
Upper Quartile	0.61	0.59	0.56	0.57	0.56
Median	0.93	0.93	0.89	0.86	0.79
Lower Quartile	1.51	1.39	1.37	1.27	1.12
Sample	380	196	201	193	165

Percentage of repairs completed at first visit



	2015-16 Quarter 4	2016-17 Quarter 1	2016-17 Quarter 2	2016-17 Quarter 3	2016-17 Quarter 4
KPI Value	95.08				97.45
Upper Quartile	95.63	96.19	96.00	96.23	96.10
Median	91.91	93.00	92.70	92.10	92.43
Lower Quartile	86.01	87.93	87.00	86.70	86.53
Sample	266	144	149	143	113

Appointments kept as a percentage of appointments made



	2015-16 Quarter 4	2016-17 Quarter 1	2016-17 Quarter 2	2016-17 Quarter 3	2016-17 Quarter 4
KPI Value	95.55				98.27
Upper Quartile	99.22	99.65	99.52	99.31	99.17
Median	97.33	98.23	98.17	97.76	97.53
Lower Quartile	93.71	94.04	95.17	94.91	95.53
Sample	274	151	155	151	106

HOW ARE WE DOING?

In last year's self-assessment, we said we would:

1. Carry out our improvement plans to begin to take advantage of our new systems and achieve our performance targets.
2. Implement the first year of our savings targets to manage the one per cent rent reduction.
3. Look at our future funding arrangements to secure optimum VfM.
4. Carry out a detailed review of service charges to ensure more transparency for customers and greater VfM.

As a result we have:

1. Evaluated core priorities as part of our Housing Operations Strategy
2. Delivered new tenancy agreements which are consistent across the Group supported by new standard approaches to drive efficiency.
3. Launched a range of online services including repairs.
4. Concluded a detailed review of service charges and established a dedicated team to implement the recommendations.
5. Developed proposals for a new treasury vehicle for introduction in 2017.

Overall we score ✔ for our approach to compliance with the VfM regulatory standard for managing our finances.

To continue to improve over the next year we will:

1. Commence further work to align and unify our process approach to reduce costs.
2. Revise our executive management team to provide greater clarity of roles and reduce management costs.
3. Develop a treasury vehicle.

4. Social and Environmental Returns

As a social business, we want to ensure that we provide services that achieve wider social value for our customers. We have a Group-wide social value statement which outlines the key areas of work within which we will identify opportunities to deliver wider benefits for our customers and seek to measure the impact of our work.

The key areas are:

Procurement

We will Identify social value outcomes which are relevant and proportionate to goods, services or works being procured and will evaluate tenders in accordance with those social value outcomes and specification. This includes the goods and services we procure to help run our business (e.g. stationery, work wear, telecoms), as well as larger-scale works contracts that we commission. We will also ensure that our procurement processes are accessible to a diverse range of small and medium sized enterprises (SMEs) including social enterprises, charities and voluntary groups and will offer support to all suppliers to help them through the tendering process.

Customer involvement

We will work with our customers to identify opportunities to address issues that the community have themselves identified and support our customers in developing ideas for local solutions. This work plays an important role in delivering social value.

Property investment

We will use our Property Investment and New Development programmes as a catalyst to identify and deliver wider benefits for our customers and communities. We will also measure the impact of these programmes on softer outcomes such as increased levels of resident satisfaction as well as building targeted recruitment and training clauses into contracts (proportionate and relevant).

Social enterprise

We will consider how we can support social enterprises through our supply chains and longer term, how we can support the development of Social Enterprise within our communities.

Social finance

WM Housing will continue to look at innovative ways of supporting community led activities to generate wider social value outcomes e.g. the Whitefriars “Social Loan” and Optima’s Community Chest fund.

Securing social value

Our procurement team identifies social value outcomes which are relevant and proportionate to the works, goods or services being procured and we evaluate tenders in accordance with those social value outcomes. This includes the goods and services we procure to help run our business as well as larger-scale work contracts that we commission.

Since April 2016, we have adopted a new approach to maximising the additional social value we can achieve through our larger new build development contracts. Social Value had, for many years, been a part of the questions a bidding contractor is expected to respond to when bidding for a new contract. WM works directly with our development contractors to support them to maximise the impact they can achieve and help them focus their efforts on additional inputs that support our wider tenancy sustainment agenda and the aims of the relevant local neighbourhood plans.

This is done by supporting the contractor's to work in partnership with the relevant WM subsidiary local team and other local stakeholders and agencies. Contractors are encouraged to tailor the additional social value inputs they can offer to meet the specific needs and opportunities of the local area in which they are delivering. We focus contractor's efforts on the priority of engaging WM residents in the opportunities that are created, including training and employment opportunities, and supporting them to work with our local team and other relevant local providers to achieve this. We recognise that it is crucial that our residents get the first opportunity to benefit from these additional opportunities as it helps address key issues faced by our residents and communities – such as worklessness and helps to sustain tenancies. This approach means that their additional input complements existing provision and delivery and genuinely adds value to the area and to our residents.

Social Value in Action

Papenham in Canley, Coventry, is the site of a new housing development delivered by our contractor Bouygues and is the first main development where we have taken this new approach in 2016-17. Resources and opportunities are being maximised and we are achieving maximum value for money by working in this way. For example:

- Bouygues have allocated additional resource, not originally proposed and budgeted for in their initial tender, in response to the concerns raised by Whitefriars and local stakeholders about the significant challenges engaging local younger residents onto training and employment opportunities. Bouygues appointed a Community Engagement/ Outreach worker, initially on a 6 month (salary and on-costs approx. £8k.)
- Local agencies, including Ambition Coventry ESIF funded delivery agencies, supporting the training and employment opportunities provide by Bouygues through referring their clients to the opportunities, and their employment coaches encouraging our residents to attend;
- Training, Apprenticeship and job opportunities generated by the delivery of this contract are being successfully targeted for our local Whitefriars' residents. This has been a key focus of our new approach and is already having excellent results. The local Whitefriars Engagement Team, working closely with Bouygues, are targeting the opportunities. Places on the Bouygues' Pathways to Construction workshops and Construction Bootcamp (2 week course including CSCS card test – required to work on site) have been taken up by Whitefriars' residents. One of our local residents – 17 year old Jamie who lives in a Whitefriars' property with his Granddad and was unemployed, completed Pathways, Construction Bootcamp and then successfully interviewed for a 2 year Carpentry Apprenticeship with sub-contractor Coopers, having passed a 2 week work trial.

Employment support for residents

Unemployment, under-employment and low paid employment leading to in-work poverty, are major issues for our residents and in many of the communities where we have housing stock. As such, it is also a key issue that affects us and our sustainability as a provider of affordable housing. We are committed to developing and deliver a range of Group-wide approaches that directly respond to this key issue of worklessness and provide effective opportunities for our residents to develop their employability and secure sustainable, well paid employment.

This includes the development and on-going delivery of the following key approaches:

- Work experience opportunities for our unemployed residents and students attending schools in areas where we having housing stock;
- Supported Internships: for students aged 16-24 years with disabilities and/or additional needs;
- Targeting paid placement and apprenticeship opportunities at our customers
- Targeting our job opportunities and apprenticeships at our customers and communities;
- Partnerships with local agencies and joint initiatives to maximise the employment support and training opportunities available to our customers to increase levels of sustainable employment;
- We are also looking at how we can better support local employment and opportunities through supporting Social Enterprises and small and medium size enterprises (SMEs) through our supply chains, contracts and other mechanisms.

Our approach has proven successful and has been well-received by our customers and partner agencies, and we will be developing and expanding in 2017-18. We have used a partnership approach and sought to maximise impact and resources available at every stage. Some key examples are:

- **6-8 week voluntary work experience programme** for our unemployed residents aged 18 years + developed in partnership with Job Centre Plus (JCP). Working with a Partnership Manager for JCP in Birmingham, we secured JCP approval for our work experience programme as a valid 'opportunity' which means that, once the JCP advisor approves the placement, the resident is not at risk of being sanctioned for taking part in the programme and continued to receive their benefits whilst on work placement with us. JCP also agreed to cover the travel costs of participants and funding childcare and other carers costs if required and deemed appropriate.

The Partnership Manager congratulated WM on this initiative and our innovative approach and we arranged to pilot the scheme at Family/Optima and their Communities team engaged unemployed residents interested in work experience, and interviewed and selected three residents to take part in our pilot programme. All had been out of paid work for a long time and were keen to gain work experience and build-up their confidence and skills. The successful residents all initially got in contact with the Communities team and met the Employment coach at Family/Optima in response to accredited Customer Services training that they had arranged at their offices for residents. This NOCN Level 2 accredited training programme is provided by Employment Angels at no charge through an arrangement with the trainer – whereby they can recover the training costs if Family/Optima can guarantee a minimum group-size of the target customer group. We are working with Whitefriars Housing to enable this programme to be delivered at no charge to their residents – supporting their engagement and delivery of the Employment agenda, ConnectMe, Ambition Coventry and other programmes.

One of our HR contractors provided an excellent CV, interview prep, and job search skills workshop (at no charge) for the 3 trainees as. We will be developing our links with our HR contractors and utilising their expert input in future programmes and initiative across WM. A tailored Action Plan was drawn up to help remove barriers to employment and focus on securing paid employment, and regular job coaching sessions throughout the placement, as well as line manager and mentoring support from their host teams.

- **WM Supported Internships Programme** for young people with disabilities and/or additional needs - developed and delivered in partnership with Hereward College in Coventry.

This supported internship programme provides a 12 month academic work voluntary experience placement for students aged 16-24 years old who have disabilities (such as autism, learning difficulties, and physical disabilities) or other additional needs. This experience plays a key part in helping students develop skills and confidence in a real work environment, helping them to then secure paid employment.

Whitefriars started working with Hereward during early 2016 to explore hosting interns through this programme. In September 2016, 3 supported interns started their placements with CleanWorks in Coventry. They were supported by a full-time job coach, employed by Hereward and funded by the Access to Work (DWP) initiative.

We are hopeful that this valuable work experience will play in a key part in helping the interns to secure paid employment in the future. WM staff gain valuable experience supporting the intern and it helps us potentially recruit excellent staff to future vacancies.

During 2016-17, we worked with Hereward and Solihull Council, to develop the Supported Intern programme for 2017-18 and expand it into the Solihull area. We are members of the Solihull Supported Internship Steering Group and have successfully helped Hereward to engage with a wider range of potential host employers for future programmes.   The internship programme increases a young person with disabilities chance of gaining future paid employment from just 7% to 70% and WM will host 9 supported interns from Sept 17.

- **School work experience opportunities** – we have worked in partnership with local secondary schools in Chelmsley Wood to provide a good work experience placement for our local resident's children to help to improve aspirations and reduce the inequality of opportunities. We successfully piloted a one week work experience programme in the summer of 2016 for 4 students and it will be expanded across WM in 2017-18.

- **European Structural Investment Fund (ESIF) – ConnectMe:** Whitefriars Housing is a delivery partner for a major programme of employment support in Coventry - ConnectMe, targeting support at the most disadvantaged/unemployed residents. Coventry City Council are the lead agency and we have worked effectively in partnership with them, and other local agencies, to develop a bid which received final approval in 2017. This 3 year, 50:50 grant/match funded programme will bring in an additional £150k worth of grant to Whitefriars, and release £150k worth of 'match' funding from Whitefriars core budgets. It enables Whitefriars to appoint a full-time Employment Opportunities and Money Advice Co-ordinator and develop and deliver a programme of work.

The programme actively supports the delivery of our Tenancy Sustainment agenda and a key focus is raising awareness of the Local Housing Allowance and benefit changes and its impact, and uses this to encourage residents to access our employment support and seek paid employment.

The **ConnectMe programme** will also deliver:

- 20 voluntary 6-8 week work experience placements for Whitefriars residents per year
- 4 paid trainee placements (12-18 months) for our residents at Whitefriars and HomeWorks;
- Specialist targeted engagement and employment support for our most vulnerable and disengaged residents.

Sustainability initiatives

- Actual organisation cost savings made during 2016/2017: £14,182
- Further potential organisation cost savings identified for 2017/2018: £739,458
- Actual income generated 2016/2017: £528,288
- Potential further income identified 2017/2018: £17,000 plus
- Estimated actual customer savings made 2016/2017: £211,447
- Estimated potential customer savings identified 2017/2018: £510 per year per household

- **Energy broker:** STC Energy provides a free service which helps us to manage energy issues, such as bill discrepancies and high energy use. Over 2016/2017, we saved £13,468 and they are currently trying to resolve an issue of overpayment of £37,172.00.

Centro/LA sustainable transport funding: 1 year trial (plus free events & activities): £733 savings made so far from 2 pool cars in 6 months, compared to comparable usual mileage rates, based on basic running costs over 1791 miles, which is also equivalent to an 82% cost saving (N.B. based on grant funded cars & shared income from private users who book the car outside of office hours).

Total actual savings: £14,182

Organisation potential cost savings:

- **SHIFT environmental accreditation:** currently in progress; assessing environmental factors and efficiencies, across office energy, waste and water use, communal landlord's supply and cleaning and grounds maintenance products and the energy efficiency of our properties. Our first assessment is due in late June 2017and we are expecting savings as below, based on the average actual savings made by current SHIFT landlords, who are established with the scheme:

'We found that between 2012 and 2016 SHIFT landlords have saved 80,292 tCO2 (tonnes of carbon) from their housing stock emissions. Similarly, we collected data on cost savings from environmental improvements and based on those figures, a landlord of our size (30,000 home) can achieve savings of up to £523,200 or £17.44 per home. This all depends on your current performance and the potential for improvement so it is a maximum figure based on what other landlords are saving.'

- **Free EST transport review:** the Energy Saving Trust carried out a free of charge fleet audit, looking at all transport options group-wide, including maintenance vehicles and vehicles owned by staff and used for work purposes. They have identified potential annual savings in the region of £216,258, through a wide range of initiatives, including best practice principles and differing mileage rates.
- **Energy efficiency assessments** were carried out at two older persons schemes in Coventry (as part of a wider pilot for heat meter regulations options appraisal.) It was found that there were heat losses of in excess of 20% due to a mixture of insufficient insulation, old systems and pipework, inadequate controls. All can be rectified with minimal cost, thereby creating significant estimated cost savings, which will be reported on in the next VFM report. **Total potential savings: £739,458**

Sustainability income generated

- **Warm Zones funding Coventry: £500k** – enabling owner occupiers in Manor Farm to receive free insulation.
- **ECO funding for communal boiler replacements** (Birmingham and Coventry) **£28,288**.

Potential income identified £17,000+:

- **Community green spaces:** potential funding available for up to £7,000, across different funding streams, for improvement of existing space, equipment and facilities and community engagement, through organisations like Veolia (waste management.)
- **ECO3 update:** ECO funding has been confirmed as available for 2017 onwards, for social housing with EPC ratings of E or below and for cavity and external wall insulation, as well as district or communal heating, although at lower levels than we have accessed previously. The amount will depend on the level and type of insulation required, if we have match funding available to enable work to take place and the number of properties requiring these interventions, which meet the EPC criteria.
- **Office energy:** further potential income identified: up to £10,000 for office building energy efficiency technology.

Potential customer annual household savings

- **Energy switching: average annual £250**
- **Warm Homes Discount Scheme: £140** annual
- **Water incentives:** social tariff, disability tariff, £35 rebate, no obligation water meters: **£120** annual
- **Home energy advice:** visits are currently offered to Birmingham and Coventry residents which save on average £200 per household, per year. Birmingham energy advice is outsourced, bringing in income and Coventry advice is provided by Coventry Council, who we are currently supporting in an application for Warm Homes Discount energy company funding to finance the service provided for us.
- **Fuel Poverty Training:** 35 frontline staff across the group were trained (mostly free of charge) in a variety of energy advice and fuel poverty issues, to give out energy saving information and spot signs of fuel poverty and to make referrals to specialist agencies. **Total potential savings identified £510 per year per household**

Money Advice initiatives

Money advice is offered to our customers across WM Housing Group. We invest in providing this support for our customers as it helps them address debt and money issues they may have, whilst also increasing the likelihood of rents being paid and tenancies sustained. This saves WM Housing money that would be spent chasing rental income, unpaid rent, court proceedings, evictions, work on empty properties and then re-letting them.

Each subsidiary has different arrangements for providing this professional money advice support to customers. Much of the advice and support is provided in-house through direct employees and in addition, we also have arrangements with partner agencies such as Birmingham City Council, Coventry Law Centre or the CAB to provide additional or more detailed advice on particularly complex cases.

Customer and community engagement

The Joint Group Customer Panel (JGCP) is made up of resident representatives from the Customer Panels that operate in each subsidiary. They meet quarterly to discuss and help shape issues of group-wide significance for residents.

Community engagement teams and staff have delivered a wide range of customer and community engagement activities, with partners in their local areas, over this past year.

Examples include:

- Children wearing super-hero T-shirts, armed with litter pickers took to the streets of Coventry spruce up their communities;
- Family/Optima job skills fair in March;
- Charity golf tournament raising funds for young people project;
- Next phase of a multi million pound regeneration scheme in Coventry;
- Christmas treats for local families;
- Families enjoyed record breaking fun and games at a community fun day in Birmingham;
- Birmingham Social Housing Partnership launched a Restorative Justice Initiative.

HOW ARE WE DOING?

In last year's self-assessment, we said we would:

1. Use our work on delivering sustainable tenancies to optimise our social value.
2. Continue to use our procurement team to secure social value from those providing us with goods and services.
3. Increase the opportunities we offer customers and young people to secure training and work with us, our suppliers and within the wider jobs market.

As a result we have:

1. We continue to optimise social value through various initiatives across the Group as outlined within this self-assessment.
2. Our procurement team identifies social value outcomes which are relevant and proportionate to the works, goods or services being procured and we evaluate tenders in accordance with those social value outcomes.
3. We have offered supported internships and work experience placements and the ConnectMe programme over the last year.

Overall we score ✔ for our approach to compliance with the VfM regulatory standard for social and environmental returns.

To continue to improve over the next year we will:

1. Use our new Business Strategy targets to enhance the impact our work has on our local communities and the social value we extract.
2. Undertake the projects in our Housing Operations Strategy to enhance tenancy sustainability.
3. Continue to support customers with opportunities to move into work.
4. Trial a dedicated team for single, under-35 customers in Whitefriars.

5. Achievements 2016 - 17

1. Continued development of our housing management system and roll-out of mobile working technology to revolutionise the way that we interact with our customers.
2. Accreditation of our Customer Service Centre by the Customer Contact Association (CCA) within 9 months of its launch in September 2015.
3. Launch of our 2016-2018 Digital Strategy in October 2016.
4. Continued roll-out of our Electronic Document Management system.
5. Expansion of HomeWorks, our in-house maintenance function, to include dedicated teams for grounds maintenance (GreenWorks) and cleaning of communal areas and offices (CleanWorks.)
6. Significant progress made to redevelop our old sheltered schemes that had shared bathing facilities.
7. Conversion of Optima Community Association from a Registered Charity to a society registered under the Co-Operative and Community Benefit Societies Act 2014, in common with the other members of the group.
8. A founding member of the West Midlands Housing Association Partnership (WMHAP.)
9. Reductions in asset investment plans. Savills's commissioned to fully review the 30 year investment plan moving away from a programmed replacement to a "just in time" programme.
10. Service efficiencies – cost reductions in Corporate services, increase in income from service area's (advertising, donations) reduction in service delivery costs (management, HomeWorks pay and terms) and the expansion of Signature New Homes to achieve £2m gift aid by 2019/20.
11. Programmed review of service delivery in 2017/18 to realise further savings from adopting consistent, efficient and effective processes across the Group
12. A number of adjustments made to 'prudent' assumptions in budgets to ensure closer reflection of actual performance (capitalisation of development costs, assuming greater proportion of asset investment capitalised, changes to accounting arrangements for SHPS pension deficit)
13. 211 homes have been built against our business plan target of 200.
14. We achieved £1,979,500 of shared ownership sales against our business plan target of £1,434,500.
15. We have successfully achieved savings of £714,527k and £1,148,356 reduction in borrowing required on our development schemes.

6. Overall Assessment and Direction of Travel

In the last year we have continued to develop our approach to value for money and made significant steps towards achieving greater value in key areas. Most notably the changes in our delivery of social and added value, the development of a new treasury vehicle, changes in governance and the greater unification of processes.

Added to this in areas such as void turnaround and rent collected we have made significant improvements. With the introduction of a new Business Strategy in the new financial year we again have focused on our priorities and the need to face and resolve the challenges of further welfare reforms.

Over the next year or so, we will aim to approach our services differently and shift our focus into understanding and improving tenancy sustainability. The final roll-out of Universal Credit will, inevitably, place stresses on our income as will the Local Housing Allowance, especially for under-35s. By rethinking service approaches we will be well-placed to ensure our financial strength is maintained.

HOUSEMARK BENCHMARKING - 2016/17 EARLY INDICATIONS

APPENDIX 1

WM Housing Group participates in two benchmarking exercises with HouseMark:

Priority Performance Benchmarking (PPB) allows us to benchmark our performance in key service areas within the sector. In 2016-17 we submitted performance data for Whitefriars, Nexus, Kemble, Family Optima and the Group. Quartile information is made available to us initially in June, however, it should be noted that the quartile bandings can change slightly due to late submission of data as part of the annual costs benchmarking as explained below. The quartile bandings used in this report are as at 12 June 2017 and provide an early indication of our benchmark position.

Annual cost and performance benchmarking combines our KPI performance with our costs and provides us with 'cost per property' data for key service areas. The deadline for this exercise is the end of July and for 2016-17 and we complete this submission at a Group level only.

The complex nature of this exercise involves a lengthy validation process by HouseMark and it will be late autumn before the outcomes are published. Two reports will be made available to us, one will benchmark WM Housing Group's costs and performance against a defined peer group chosen by WM, the second will compare us with a national group of registered housing providers of various types, including ALMOs, districts, housing associations, metropolitans and London boroughs with over 1,000 units. The findings will offer us valuable information on our costs per property and how we compare with our peers.

More organisations participate in the annual submission than PPB, therefore, the performance data submitted for the additional associations will affect the PPB quartile bandings and consequently WM's final 2016/17 benchmarking position could change from those published in this report, however, from past experience these changes are minimal.

Business Strategy 2017 - 2021 and Quartile Targets

It is a target within the WM Business Strategy 2017-2021 to achieve top quartile performance by 2021 in the key performance areas of voids, rent arrears and right first time services. The target is to achieve top quartile performance as at March 2017, the start of the new Business Strategy.

The 2016/17 final quartile positions will be calculated using the information included in the annual cost and benchmarking data report to ensure that we use the largest sample size possible. At this point, the top quartile thresholds will be used to monitor the success of our Business Strategy targets. Previous years have shown that quartiles change only marginally therefore the information provided in this report can be used as an indication of top quartile performance.

Please note:

The tables within this report show the 2016-17 year end performance for each partner association using HouseMark definitions. The tables include data for last two years for the Group together with the national quartile positions. The change in performance and quartile position between 2015-16 and 2016-17 is also detailed.

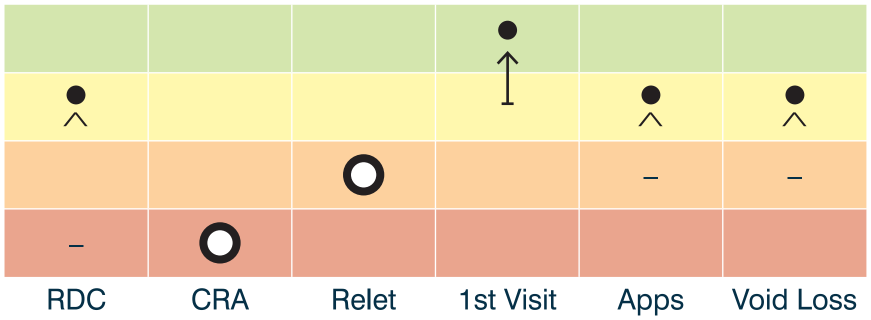
The report also includes appendices showing a quartile position summary by KPI and quartile bandings.

Please note the information was extracted from the HouseMark website on 12 June 2017, the sample size at this time is recorded within the tables.

WM Housing Group

HOUSEMARK MEASURES	WM Group Performance and Quartile Position				National Sample Size	National Sample Size	Quartile 1 Threshold
	2015/16		2016/17		2015/16	2016/17	2016/17
Rent Debit Collected	98.87%	4	100.23%	2	214	168	100.25% or more
Current Rent Arrears	4.03%	4	3.76%	4	223	170	1.66% or less
Average Relet in Days	32.05 days	3	24.90 days	3	238	162	18.18 days or less
Repairs Completed at First Visit	95.08%	2	97.45%	1	176	133	95.60% or more
Appointments Kept	95.55%	3	98.27%	2	191	126	99.16% or more
Rent Loss due to Voids	1.04%	3	0.64%	2	226	174	0.59% or less

	Change between 2015/16 and 2016/17	
	Performance	Quartile Change
Rent Debit Collected	Improved by 1.36%	Improved from bottom to 2
Current Rent Arrears	Improved by 0.27%	No change- bottom
Average Relet in Days	Improved by 7.15 days	No change- 3
Repairs Completed at First Visit	Improved by 2.37%	Improved from 2 to top
Appointments Kept	Improved by 2.72%	Improved from 3 to 2
Rent Loss due to Voids	Improved by 0.40%	Improved from 3 to 2



The performance data from each subsidiary is consolidated into Group performance. Improved performance has been achieved in each of the benchmarked KPIs. Rent collected performance improved by two quartiles and was just 0.02% from top quartile. Appointments kept and void loss have also secured improved quartile positions whilst arrears and relet performance has remained in the same quartile as the previous year. There has been a significant improvement in our relet performance however this has not achieved an improved quartile position due to the band width of 9.3 days. Repairs completed at first visit has achieved top quartile, however, our reporting of the first visit measure to include follow on jobs does inflate performance.

The table below shows the quartile bandings for the last four years and includes the change between 2015/16 and 2016/17. The quartile changes have been relatively small however in most cases the quartile 1 threshold is slightly more challenging.

	Quartile	Quartile Bandings				Change since 2015/16	
		2013/14	2014/15	2015/16	2016/17		
Rent Debit Collected %	1	99.87 or more	100.06 or more	100.18 or more	**100.25 or more**	more challenging	by 0.07%
	2	99.41 - 99.86	99.61 - 100.05	99.8 - 100.17	**99.88 - 100.24**	more challenging	by 0.08%
	3	98.94 - 99.40	99.27 - 99.60	99.3 -99.79	**99.45 -99.87**	more challenging	by 0.15%
	4	98.93 or less	99.26 or less	99.29 or less	**99.44 or less**	change of	0.15%
Current Tenant Arrears %	1	1.97 or less	1.73 or less	1.69 or less	**1.66 or less**	more challenging	by 0.03%
	2	1.98 - 3.05	1.74 - 2.75	1.7-2.58	**1.67-2.46**	more challenging	by 0.03%
	3	3.06 - 4.11	2.76 - 3.69	2.59 - 3.7	**2.47 - 3.29**	more challenging	by 0.12%
	4	4.12 or more	3.70 or more	3.71 or more	**3.30 or more**	change of	0.41%
Average Relet in Days	1	21 or less	19.90 or less	18.74 or less	**18.18 or less**	more challenging	by 0.56 days
	2	21.01 - 27.20	19.91 - 25.90	18.75 - 24.57	**18.19 - 23.58**	more challenging	by 0.56 days
	3	27.21 - 35.45	25.91 - 35.19	24.58 - 32.95	**23.59 - 32.89**	more challenging	by 1 day
	4	35.46 or more	35.20 or more	32.96 or more	**32.90 or more**	change of	0.06 days
Repairs completed at first visit %	1	95.50 or more	95.80 or more	95.68 or more	**95.60 or more**	more challenging	by 0.08%
	2	91.24 - 95.49	91.64 - 95.79	92.15 - 95.67	**92.12 - 95.59**	more challenging	by 0.03%
	3	85.84 - 91.23	86.02 - 91.63	86.9 - 92.14	**86.54 - 92.11**	less challenging	by 0.36%
	4	85.83 or less	86.01 or less	86.89 or less	**86.53 or less**	change of	0.36%
Appointments Kept %	1	99.46 or more	99.37 or more	99.40 or more	**99.16 or more**	less challenging	by 0.24%
	2	98.08 - 99.45	97.84-99.36	97.40 - 99.39	**97.40 - 99.15**	No change	
	3	95.60 - 98.07	94.07-97.83	94.43 - 97.39	**95.05 - 97.39**	more challenging	by 0.62%
	4	95.59 or less	94.06 or less	94.42 or less	**95.04 or less**	change of	0.62%
Rent Loss due to Voids %	1	0.70 or less	0.70 or less	0.62 or less	**0.59 or less**	more challenging	by 0.03%
	2	0.71 - 1.06	0.71 - 1.01	0.63 - 0.91	**0.60 - 0.82**	more challenging	by 0.03%
	3	1.07- 1.58	1.02 - 1.54	0.92 - 1.51	**0.83 - 1.22**	more challenging	by 0.09%
	4	1.59 or more	1.55 or more	1.52 or more	**1.23 or more**	change of	0.29%

WM GROUP - 2016/17

Rent collected from current and former tenants as % rent due (excluding arrears b/f)

Quartile 1	
Cambridge Housing Society	102.36
Rochdale Boroughwide Housing	102.23
Hanover (Scotland) Housing Association	101.78
Yarlington Housing Group	101.66
Guildford BC	101.39
Habinteg Housing Association	101.32
Staffordshire Housing Association	101.13
Saxon Weald	101.09
Weaver Vale Housing Trust	101.06
Bromsgrove District Housing Trust	100.97
North Wales Housing Association	100.93
Johnnie Johnson Housing Trust	100.89
Network Homes	100.83
Aberdeenshire Council	100.74
CHP	100.73
Freebridge Community Housing	100.71
Paradigm Housing Group	100.66
Hightown Housing Association Limited	100.65
City of Lincoln Council	100.58
Community Gateway Association	100.58
Mansfield DC	100.58
Raven Housing Trust	100.58
South Derbyshire DC	100.55
Arawak Walton Housing Association	100.54
Uttlesford DC	100.54
Bracknell Forest Homes	100.51
Greenfields Community Housing	100.51
Magenta Living	100.49
Plus Dane Ellesmere Port and Neston	100.49
LB of Ealing	100.43
East Thames Group	100.40
LB of Lambeth	100.38
Havebury Housing Partnership	100.37
St Vincent's Housing Association	100.36
Teign Housing	100.36
Estuary Housing Association	100.35
Epping Forest DC	100.33
LB of Wandsworth	100.33
Nottingham Community Housing Association	100.30
Rosebery Housing Association	100.30
Alliance Homes	100.29
Stafford and Rural Homes	100.27

Quartile 2	
Christian Action Housing	100.24
WM Housing Group	**100.23**
Town and Country Housing Group	100.22
Black Country Housing Group	100.21
Mid Devon DC	100.20
Pickering and Ferens Homes	100.20
Barrow-in-Furness BC	100.17
Cheltenham Borough Homes	100.16
Aster Group	100.15
LB of Havering	100.15
Together Housing Group	100.15
Southway Housing Trust	100.14
Norwich City Council	100.12
Cross Keys Homes	100.11
MHS Homes	100.11
Trafford Housing Trust	100.10
Genesis Housing Association	100.09
Orwell Housing Association	100.09
Stockport Homes	100.09
DCH Group	100.07
Denbighshire County Council	100.06
Dumfries and Galloway Housing Partnership	100.05
Vale of Aylesbury Housing Trust	100.05
North Warwickshire BC	100.04
Nehemiah UCHA	100.02
Eastbourne Homes	100.01
Colchester Borough Homes	100.00
LB of Hounslow	100.00
Brighton and Hove City Council	99.99
Newark and Sherwood Homes	99.99
Railway Housing Association	99.98
Solihull Community Housing	99.97
Coastline Housing	99.96
LB of Hammersmith and Fulham	99.96
Gosport BC	99.95
Reading BC	99.95
Royal Borough of Kingston upon Thames	99.95
Medway Council	99.92
A1 Housing Bassetlaw	99.91
South Cambridgeshire DC	99.90
Wyre Forest Community Housing	99.89
Bron Afon Community Housing	99.88
Hundred Houses Society	99.88

Quartile 3	
SLH Group	99.87
Calico Homes	99.86
Merthyr Valleys Homes	99.86
Wellingborough Homes	99.85
Broxtowe BC	99.83
North Kesteven DC	99.83
Charnwood BC	99.81
Golding Homes	99.81
Tower Hamlets Homes	99.81
West Lancashire BC	99.81
Durham City Homes	99.80
Shropshire Towns and Rural Housing	99.80
South Lakes Housing	99.78
Shoreline Housing Partnership	99.77
Gravesham BC	99.76
Orbit Heart of England	99.74
Colne Housing Society	99.72
Warwick DC	99.71
Halton Housing Trust	99.69
livin	99.69
North Devon Homes	99.67
Your Homes Newcastle	99.67
Wigan and Leigh Homes	99.66
Curo Group	99.65
Octavia Housing	99.65
Sheffield City Council	99.64
Soha Housing	99.64
Orbit South	99.62
South Yorkshire Housing Association	99.62
Derwentside Homes	99.60
Exeter City Council	99.60
Flagship Housing Group	99.60
Salix Homes	99.57
Kirklees Neighbourhood Housing	99.56
Gateshead Housing Company (The)	99.55
North West Leicestershire DC	99.53
Merthyr Tydfil Housing Association	99.51
Bournemouth Churches Housing Association	99.47
St Leger Homes of Doncaster	99.47
Northwards Housing	99.46

Quartile 4	
Dale and Valley Homes	99.44
Isos Housing	99.44
Hull City Council	99.43
First Choice Homes Oldham	99.42
LB of Hackney	99.42
South Tyneside Homes	99.41
North Tyneside Council	99.40
Wandle Housing Association	99.39
Taunton Deane BC	99.37
Two Rivers Housing	99.37
East Durham Homes	99.34
Barnet Homes	99.31
Wolverhampton Homes	99.30
Dudley MBC	99.29
Coast and Country Housing	99.26
Bolton At Home	99.25
Dacorum BC	99.23
Saffron Housing Trust	99.23
Brent Housing Partnership	99.22
WDH	99.20
Runnymede BC	99.14
Acis Group	99.13
Broadacres Housing Association	99.13
Muir Group Housing Association	99.12
Arcon Housing Association	99.05
Peaks and Plains Housing Trust	99.00
Blackpool Coastal Housing	98.97
Ongo	98.95
City of York Council	98.92
Origin Housing Group	98.90
Gloucester City Homes	98.89
Homes in Sedgemoor	98.84
Phoenix Community Housing	98.69
Sutton Housing Partnership	98.65
Salvation Army Housing Association	98.52
Hexagon Housing Association	98.49
Croydon Churches Housing Association	98.41
Berwickshire Housing Association	98.11
Warrington Housing Association	98.06
Wiltshire Council	97.94
Broadland Housing Association	97.92
Rotherham MBC	97.90
Durham Aged Mineworkers Homes Assoc	96.82

WM GROUP - 2016/17

Rent arrears of current tenants as % rent due (excluding voids)

Quartile 1	
Aberdeenshire Council	0.28
Pickering and Ferens Homes	0.48
North Devon Homes	0.49
Coastline Housing	0.54
Mid Devon DC	0.60
Shropshire Towns and Rural Housing	0.60
North Kesteven DC	0.69
Colchester Borough Homes	0.75
CHP	0.76
Community Gateway Association	0.80
Stockport Homes	0.87
A1 Housing Bassetlaw	0.95
Guildford BC	0.95
Brighton and Hove City Council	1.00
Peaks and Plains Housing Trust	1.02
Greenfields Community Housing	1.06
Berwickshire Housing Association	1.14
Johnnie Johnson Housing Trust	1.16
South Cambridgeshire DC	1.16
Cheltenham Borough Homes	1.20
Reading BC	1.20
Medway Council	1.22
Wolverhampton Homes	1.22
Teign Housing	1.23
Gosport BC	1.28
Plymouth Community Homes	1.28
LB of Ealing	1.36
Wyre Forest Community Housing	1.36
First Choice Homes Oldham	1.37
Shoreline Housing Partnership	1.41
Dale and Valley Homes	1.45
Homes in Sedgemoor	1.46
Runnymede BC	1.46
Epping Forest DC	1.49
Denbighshire County Council	1.51
Bournemouth Churches Housing Association	1.52
North Warwickshire BC	1.53
Central Bedfordshire Council	1.54
South Derbyshire DC	1.61
Yarlington Housing Group	1.61
Newark and Sherwood Homes	1.62
Raven Housing Trust	1.62
Two Rivers Housing	1.65

Quartile 2	
Hanover (Scotland) Housing Association	1.67
Blackpool Coastal Housing	1.68
Exeter City Council	1.69
DCH Group	1.71
Charnwood BC	1.76
South Lakes Housing	1.76
LB of Islington	1.79
LB of Havering	1.80
LB of Wandsworth	1.80
Kirklees Neighbourhood Housing	1.87
Broxtowe BC	1.88
Railway Housing Association	1.95
Acis Group	1.96
Bromsgrove District Housing Trust	1.96
North West Leicestershire DC	1.98
St Vincent's Housing Association	1.99
Calico Homes	2.00
Durham City Homes	2.04
Uttlesford DC	2.04
Wiltshire Council	2.04
City of York Council	2.11
Taunton Deane BC	2.16
City of Lincoln Council	2.17
Arcon Housing Association	2.19
Rosebery Housing Association	2.21
West Lancashire BC	2.22
Derwentside Homes	2.23
Gravesham BC	2.23
Swindon BC	2.23
Havebury Housing Partnership	2.26
Town and Country Housing Group	2.29
Dudley MBC	2.30
Gloucester City Homes	2.31
Eastbourne Homes	2.32
Hull City Council	2.33
Merthyr Tydfil Housing Association	2.33
Durham Aged Mineworkers Homes Assoc	2.34
East Durham Homes	2.36
Bolton At Home	2.38
South Yorkshire Housing Association	2.41
Mansfield DC	2.43
Dumfries and Galloway Housing Partnership	2.45

Quartile 3	
St Leger Homes of Doncaster	2.47
Staffordshire Housing Association	2.47
Colne Housing Society	2.48
Weaver Vale Housing Trust	2.51
Warrington Housing Association	2.53
Hightown Housing Association Limited	2.58
Your Homes Newcastle	2.60
Saxon Weald	2.61
Salix Homes	2.62
Orwell Housing Association	2.63
Solihull Community Housing	2.63
Hundred Houses Society	2.64
Gateshead Housing Company (The)	2.66
Warwick DC	2.72
Vale of Aylesbury Housing Trust	2.76
Curo Group	2.78
WDH	2.78
Saffron Housing Trust	2.81
livin	2.84
LB of Hounslow	2.86
Bracknell Forest Homes	2.89
Sheffield City Council	2.89
Aster Group	2.92
Flagship Housing Group	2.95
Bron Afon Community Housing	2.96
Golding Homes	2.97
North Tyneside Council	2.97
South Tyneside Homes	2.98
Paradigm Housing Group	3.01
Plus Dane Ellesmere Port and Neston	3.02
Together Housing Group	3.03
Barnet Homes	3.04
Wigan and Leigh Homes	3.05
LB of Croydon	3.07
Nottingham Community Housing Association	3.07
Coast and Country Housing	3.11
LB of Hackney	3.12
Norwich City Council	3.17
Christian Action Housing	3.18
Halton Housing Trust	3.22
Dacorum BC	3.28
MHS Homes	3.28

Quartile 4	
Brent Housing Partnership	3.30
Alliance Homes	3.45
East Thames Group	3.50
Croydon Churches Housing Association	3.51
Cross Keys Homes	3.53
Barrow-in-Furness BC	3.55
Estuary Housing Association	3.57
Wellingborough Homes	3.58
Orbit Heart of England	3.62
Origin Housing Group	3.63
Cambridge Housing Society	3.65
Habinteg Housing Association	3.66
Network Homes	3.69
Tower Hamlets Homes	3.70
WM Housing Group	**3.76**
Genesis Housing Association	3.78
Black Country Housing Group	3.81
Magenta Living	3.83
Sutton Housing Partnership	3.85
Broadland Housing Association	3.88
Ongo	3.90
Orbit South	3.91
Isos Housing	3.94
Broadacres Housing Association	3.96
Nehemiah UCHA	4.02
Merthyr Valleys Homes	4.07
LB of Lambeth	4.08
Octavia Housing	4.10
Southern Housing Group	4.13
Arawak Walton Housing Association	4.15
Salvation Army Housing Association	4.33
Freebridge Community Housing	4.36
Southway Housing Trust	4.40
Phoenix Community Housing	4.51
Trafford Housing Trust	4.55
Muir Group Housing Association	4.70
Royal Borough of Kingston upon Thames	5.04
Hexagon Housing Association	5.16
Rotherham MBC	5.20
Northwards Housing	5.33
Rochdale Boroughwide Housing	5.41
SLH Group	5.90
LB of Hammersmith and Fulham	5.91

WM GROUP - 2016/17

Average re-let time in days (standard re-lets)

Quartile 1	
Nehemiah UCHA	7.70
Stockport Homes	9.80
Freebridge Community Housing	10.00
Peaks and Plains Housing Trust	10.20
Yarlington Housing Group	11.25
Rosebery Housing Association	11.39
Curo Group	11.85
Barrow-in-Furness BC	12.00
Pioneer Group	12.23
Gloucester City Homes	12.51
Medway Council	12.62
CHP	13.00
Paradigm Housing Group	13.36
SLH Group	13.43
Barnet Homes	13.50
Norwich City Council	14.04
Aster Group	14.26
Raven Housing Trust	14.77
Salix Homes	14.84
Halton Housing Trust	14.92
Mid Devon DC	15.50
St Vincent's Housing Association	15.50
Hightown Housing Association Limited	15.54
LB of Havering	15.80
Golding Homes	16.00
South Cambridgeshire DC	16.00
Coastline Housing	16.60
Warrington Housing Association	16.64
Severnside Housing	16.84
Berwickshire Housing Association	16.99
Southway Housing Trust	17.00
Staffordshire Housing Association	17.00
WDH	17.00
Newark and Sherwood Homes	17.37
Cheltenham Borough Homes	17.41
MHS Homes	17.53
Tamworth BC	17.67
Industrial Dwellings Society	17.76
Derwentside Homes	17.79
Wyre Forest Community Housing	17.85
Plymouth Community Homes	18.12

Quartile 2	
Shropshire Towns and Rural Housing	18.36
Town and Country Housing Group	18.96
Bromsgrove District Housing Trust	19.00
Lewes DC	19.00
Solihull Community Housing	19.00
South Derbyshire DC	19.00
Vale of Aylesbury Housing Trust	19.00
Wolverhampton Homes	19.00
Cambridge Housing Society	19.01
City of Lincoln Council	19.03
Broadland Housing Association	19.06
Colchester Borough Homes	19.40
Octavia Housing	19.56
DCH Group	19.68
Alliance Homes	19.70
Suffolk Housing Society	19.76
LB of Islington	20.10
Teign Housing	20.40
Orbit South	20.45
Cross Keys Homes	20.77
Orwell Housing Association	20.79
City of York Council	20.87
Blackpool Coastal Housing	21.06
A1 Housing Bassetlaw	21.16
Plus Dane Ellesmere Port and Neston	21.31
Homes in Sedgemoor	21.40
Greenfields Community Housing	21.62
Phoenix Community Housing	21.83
Castle Point BC	22.05
LB of Wandsworth	22.10
Magenta Living	22.25
Merthyr Tydfil Housing Association	22.32
Mansfield DC	22.40
Bracknell Forest Homes	22.51
Central Bedfordshire Council	22.60
Tower Hamlets Homes	22.67
Arawak Walton Housing Association	23.00
Dacorum BC	23.00
Habinteg Housing Association	23.00
Orbit Heart of England	23.23

Quartile 3	
Exeter City Council	23.93
Runnymede BC	24.00
LB of Lambeth	24.36
Muir Group Housing Association	24.76
WM Housing Group	**24.90**
Warwick DC	25.33
Durham Aged Mineworkers Homes Assoc	25.40
Christian Action Housing	25.64
Reading BC	25.69
Broxtowe BC	25.80
Sutton Housing Partnership	25.80
Wellingborough Homes	25.84
Havebury Housing Partnership	26.00
Ongo	26.00
Wokingham BC	26.00
Rotherham MBC	26.06
North Kesteven DC	26.16
Community Gateway Association	26.43
Brent Housing Partnership	27.00
Railway Housing Association	27.24
Wigan and Leigh Homes	28.00
Kirklees Neighbourhood Housing	28.14
Broadacres Housing Association	28.20
Brighton and Hove City Council	28.38
Dale and Valley Homes	28.65
Islington and Shoreditch HA	29.00
Estuary Housing Association	29.06
East Durham Homes	29.44
Eastbourne Homes	29.60
Saffron Housing Trust	29.74
Bron Afon Community Housing	29.87
Southern Housing Group	30.00
Guildford BC	30.25
Dumfries and Galloway Housing Partnership	30.50
Bolton At Home	30.70
Durham City Homes	30.70
Trafford Housing Trust	30.80
South Tyneside Homes	31.52
LB of Ealing	31.73
Cannock Chase DC	32.10

Quartile 4	
Gravesham BC	33.16
LB of Croydon	33.40
Hull City Council	33.67
Northwards Housing	34.60
Together Housing Group	35.23
Isos Housing	35.30
Bournemouth Churches Housing Association	36.10
Wiltshire Council	36.19
Your Homes Newcastle	36.31
North Devon Homes	36.52
Calico Homes	37.00
North West Leicestershire DC	37.00
Colne Housing Society	37.01
Flagship Housing Group	37.21
Poole Housing Partnership	37.73
Epping Forest DC	38.00
LB of Hackney	38.88
Weaver Vale Housing Trust	40.22
Network Homes	40.75
Aberdeenshire Council	40.83
Wandle Housing Association	41.63
Merthyr Valleys Homes	42.52
Croydon Churches Housing Association	42.60
North Tyneside Council	44.19
Johnnie Johnson Housing Trust	44.26
Saxon Weald	44.44
Denbighshire County Council	45.00
Uttlesford DC	45.00
Taunton Deane BC	45.33
Gosport BC	45.53
Salvation Army Housing Association	47.31
LB of Hounslow	47.44
Rochdale Boroughwide Housing	48.06
Royal Borough of Kingston upon Thames	48.70
North Warwickshire BC	50.00
West Lancashire BC	52.52
Charnwood BC	54.67
Genesis Housing Association	56.15
Shoreline Housing Partnership	66.42
Dudley MBC	67.00
Gateshead Housing Company (The)	69.28

WM GROUP - 2016/17

Rent loss due to empty properties (voids) as % rent due

Quartile 1

Nehemiah UCHA	0.25
Rosebery Housing Association	0.25
Warrington Housing Association	0.26
Paradigm Housing Group	0.28
Peaks and Plains Housing Trust	0.30
Phoenix Community Housing	0.30
Arawak Walton Housing Association	0.31
Southway Housing Trust	0.32
East Thames Group	0.33
Stockport Homes	0.35
Barnet Homes	0.37
CHP	0.39
DCH Group	0.39
Plymouth Community Homes	0.39
Tower Hamlets Homes	0.40
Coastline Housing	0.41
Medway Council	0.41
Golding Homes	0.43
Hightown Housing Association Limited	0.44
Aster Group	0.45
Soha Housing	0.45
Two Rivers Housing	0.47
Halton Housing Trust	0.48
Pickering and Ferens Homes	0.49
Southern Housing Group	0.49
Cross Keys Homes	0.50
Greenfields Community Housing	0.51
Raven Housing Trust	0.51
Habinteg Housing Association	0.52
Norwich City Council	0.52
Yarlington Housing Group	0.52
Mid Devon DC	0.53
Nottingham Community Housing Association	0.53
Cambridge Housing Society	0.54
Sutton Housing Partnership	0.54
Tamworth BC	0.54
Central Bedfordshire Council	0.55
Estuary Housing Association	0.56
Stafford and Rural Homes	0.56
Staffordshire Housing Association	0.56
Bracknell Forest Homes	0.58
Islington and Shoreditch HA	0.58
SLH Group	0.58
Homes in Sedgemoor	0.59
Merthyr Tydfil Housing Association	0.59
Wiltshire Council	0.59

Quartile 2

Gloucester City Homes	0.60
Eastbourne Homes	0.61
Arcon Housing Association	0.63
Newark and Sherwood Homes	0.63
Colne Housing Society	0.64
Dacorum BC	0.64
North Wales Housing Association	0.64
Shropshire Towns and Rural Housing	0.64
WM Housing Group	**0.64**
Bromsgrove District Housing Trust	0.66
Broxtowe BC	0.66
Croydon Churches Housing Association	0.66
Hundred Houses Society	0.66
Muir Group Housing Association	0.66
Plus Dane Ellesmere Port and Neston	0.67
LB of Ealing	0.68
MHS Homes	0.69
Northwards Housing	0.69
South Lakes Housing	0.69
Wellingborough Homes	0.69
Curo Group	0.71
City of York Council	0.72
LB of Wandsworth	0.72
Railway Housing Association	0.72
Town and Country Housing Group	0.73
Cheltenham Borough Homes	0.74
Ongo	0.74
Havebury Housing Partnership	0.75
Gosport BC	0.76
First Choice Homes Oldham	0.77
Community Gateway Association	0.78
Dumfries and Galloway Housing Partnership	0.78
South Derbyshire DC	0.78
Wolverhampton Homes	0.78
Brent Housing Partnership	0.79
Liverpool Mutual Homes	0.79
North Devon Homes	0.79
Orwell Housing Association	0.79
Vale of Aylesbury Housing Trust	0.79
Reading BC	0.81
A1 Housing Bassetlaw	0.82
Alliance Homes	0.82
Weaver Vale Housing Trust	0.82

Quartile 3

City of Lincoln Council	0.83
Saffron Housing Trust	0.83
Teign Housing	0.83
Trafford Housing Trust	0.83
Bron Afon Community Housing	0.84
Colchester Borough Homes	0.84
LB of Croydon	0.85
Origin Housing Group	0.85
Merthyr Valleys Homes	0.86
Runnymede BC	0.86
Salix Homes	0.86
LB of Hammersmith and Fulham	0.87
Derwentside Homes	0.88
Brighton and Hove City Council	0.89
Flagship Housing Group	0.89
Broadland Housing Association	0.91
Epping Forest DC	0.93
Dale and Valley Homes	0.94
Exeter City Council	0.97
Rotherham MBC	0.98
Warwick DC	1.00
Durham Aged Mineworkers Homes Assoc	1.03
Wandle Housing Association	1.03
Isos Housing	1.04
Octavia Housing	1.04
Solihull Community Housing	1.04
South Cambridgeshire DC	1.04
Aberdeenshire Council	1.05
Taunton Deane BC	1.05
Durham City Homes	1.07
East Durham Homes	1.07
Christian Action Housing	1.08
Genesis Housing Association	1.12
North West Leicestershire DC	1.12
Wyre Forest Community Housing	1.12
Gravesham BC	1.13
St Vincent's Housing Association	1.13
Network Homes	1.18
Black Country Housing Group	1.19
Acis Group	1.20
St Leger Homes of Doncaster	1.22
South Tyneside Homes	1.23
Bolton At Home	1.24
Kirklees Neighbourhood Housing	1.24

Quartile 4

Guildford BC	1.27
Swindon BC	1.27
Berwickshire Housing Association	1.29
Coast and Country Housing	1.32
Hanover (Scotland) Housing Association	1.38
Broadacres Housing Association	1.42
Barrow-in-Furness BC	1.43
Wigan and Leigh Homes	1.43
Mansfield DC	1.46
WDH	1.46
LB of Lambeth	1.49
Saxon Weald	1.49
Orbit South	1.51
South Yorkshire Housing Association	1.54
Your Homes Newcastle	1.54
Royal Borough of Kingston upon Thames	1.55
LB of Hounslow	1.57
Salvation Army Housing Association	1.69
LB of Hackney	1.70
Denbighshire County Council	1.71
Shoreline Housing Partnership	1.71
Calico Homes	1.75
Johnnie Johnson Housing Trust	1.76
West Lancashire BC	1.78
Orbit Heart of England	1.79
Hull City Council	1.84
Together Housing Group	1.85
North Warwickshire BC	1.92
Blackpool Coastal Housing	1.93
North Kesteven DC	1.95
Rochdale Boroughwide Housing	2.00
Sheffield City Council	2.14
LB of Havering	2.18
Freebridge Community Housing	2.21
Uttlesford DC	2.35
Gateshead Housing Company (The)	2.47
Charnwood BC	2.56
Dudley MBC	2.65
Magenta Living	2.81
Severnside Housing	3.22
North Tyneside Council	3.91

WM GROUP 2016 -17

Percentage of repairs completed at the first visit

Quartile 1		Quartile 2		Quartile 3		Quartile 4	
WATMOS Community Homes	100.00	Southway Housing Trust	95.60	Two Rivers Housing	92.12	Wandle Housing Association	86.53
Hightown Housing Association Limited	99.88	Dudley MBC	95.54	Orwell Housing Association	92.00	Homes in Sedgemoor	86.14
A1 Housing Bassetlaw	99.83	Sheffield City Council	95.50	St Vincent's Housing Association	92.00	City of Lincoln Council	86.12
South Derbyshire DC	99.70	Rochdale Boroughwide Housing	95.47	Gateshead Housing Company (The)	91.71	BPHA	86.00
Gloucester City Homes	99.19	Ocean Housing	95.17	livin	91.60	Cambridge Housing Society	86.00
South Lakes Housing	99.00	Vale of Aylesbury Housing Trust	95.16	Broxtowe BC	91.41	Manningham Housing Association	86.00
Cobalt Housing	98.80	Cross Keys Homes	95.15	Hull City Council	91.40	Pickering and Ferens Homes	86.00
Mid Devon DC	98.68	United Communities	95.00	LB of Hackney	91.27	Durham Aged Mineworkers Homes Assoc	85.97
North Tyneside Council	98.60	Cheltenham Borough Homes	94.99	Saxon Weald	91.15	Golding Homes	85.95
Salix Homes	98.41	Calico Homes	94.92	WDH	91.00	DCH Group	85.45
Greenfields Community Housing	98.10	Barrow-in-Furness BC	94.85	Johnnie Johnson Housing Trust	90.92	West Lancashire BC	85.16
Wyre Forest Community Housing	97.91	Radian	94.70	Magenta Living	90.20	Sutton Housing Partnership	85.00
Medway Council	97.80	Stafford and Rural Homes	94.53	Aster Group	90.00	LB of Islington	84.90
Central Bedfordshire Council	97.70	Runnymede BC	94.30	LB of Hounslow	90.00	South Cambridgeshire DC	84.70
Community Gateway Association	97.55	Wythenshawe Community Housing Group	94.23	Curo Group	89.90	MHS Homes	84.58
WM Housing Group	**97.45**	Kirklees Neighbourhood Housing	94.18	Blackpool Coastal Housing	89.40	Town and Country Housing Group	84.40
Guildford BC	97.30	Exeter City Council	94.10	Islington and Shoreditch HA	89.00	Newark and Sherwood Homes	84.24
Norwich City Council	97.28	Royal Borough of Kingston upon Thames	94.00	Muir Group Housing Association	89.00	Pioneer Group	84.01
Northwards Housing	97.05	Rotherham MBC	93.98	Octavia Housing	89.00	Dacorum BC	84.00
Industrial Dwellings Society	96.85	Bron Afon Community Housing	93.93	Barnet Homes	88.90	North West Leicestershire DC	84.00
North Kesteven DC	96.83	Coast and Country Housing	93.90	Soha Housing	88.50	Staffordshire Housing Association	84.00
Christian Action Housing	96.80	Reading BC	93.42	Brighton and Hove City Council	88.45	Suffolk Housing Society	84.00
LB of Ealing	96.75	Derwentside Homes	93.40	LB of Lambeth	88.20	Shoreline Housing Partnership	83.72
Liverpool Mutual Homes	96.75	Stockport Homes	93.30	North Warwickshire BC	87.87	Colchester Borough Homes	83.39
Merthyr Valleys Homes	96.61	Rosebery Housing Association	93.14	Incommunities	87.83	Genesis Housing Association	83.10
LB of Croydon	96.50	Phoenix Community Housing	93.13	Salvation Army Housing Association	87.76	Tower Hamlets Homes	81.74
Solihull Community Housing	96.50	Warrington Housing Association	93.04	Southern Housing Group	87.70	Swindon BC	81.10
Freebridge Community Housing	96.40	Brent Housing Partnership	93.00	First Choice Homes Oldham	87.58	Trafford Housing Trust	79.10
Plus Dane Ellesmere Port and Neston	96.32	Mansfield DC	92.70	Origin Housing Group	87.20	Estuary Housing Association	79.00
Acis Group	96.19	Aragon Housing Association	92.67	Croydon Churches Housing Association	87.00	Nottingham Community Housing Association	77.00
Peaks and Plains Housing Trust	96.13	CHP	92.65	Alliance Homes	86.95	Network Homes	72.46
LB of Havering	96.10	Wellingborough Homes	92.43	Wiltshire Council	86.80	St Leger Homes of Doncaster	67.84
Wokingham BC	95.88	Wigan and Leigh Homes	92.34	Paradigm Housing Group	86.60	City of York Council	67.46
						Shepherds Bush Housing Group	66.80

WM HOUSING GROUP 2016 -17

Appointments kept as % of appointments made

Quartile 1		Quartile 2		Quartile 3		Quartile 4	
Cheltenham Borough Homes	100.00	Stafford and Rural Homes	99.14	Magenta Living	97.33	Cambridge Housing Society	95.00
Mid Wales Housing Association	100.00	Merthyr Valleys Homes	99.07	Dacorum BC	97.26	Muir Group Housing Association	94.99
Orwell Housing Association	100.00	South Tyneside Homes	99.07	Suffolk Housing Society	97.24	Freebridge Community Housing	94.94
Cobalt Housing	99.98	Bromsgrove District Housing Trust	99.00	Blackpool Coastal Housing	97.23	Aster Group	94.82
SLH Group	99.98	Southway Housing Trust	99.00	Paradigm Housing Group	97.10	Isos Housing	94.80
Colchester Borough Homes	99.97	Saffron Housing Trust	98.99	Rosebery Housing Association	96.98	Shoreline Housing Partnership	94.48
WATMOS Community Homes	99.95	Saxon Weald	98.90	Yarlington Housing Group	96.86	Wiltshire Council	94.09
Wyre Forest Community Housing	99.88	Durham City Homes	98.87	Town and Country Housing Group	96.82	Acis Group	93.80
Cestria Community Housing	99.83	Guildford BC	98.77	Sutton Housing Partnership	96.60	LB of Hackney	93.39
Liverpool Mutual Homes	99.83	First Choice Homes Oldham	98.70	Dumfries and Galloway Housing Partnership	96.55	Warrington Housing Association	93.05
Plus Dane Ellesmere Port and Neston	99.83	Dale and Valley Homes	98.69	livin	96.42	Broxtowe BC	93.01
East Durham Homes	99.82	Johnnie Johnson Housing Trust	98.68	Brighton and Hove City Council	96.41	North Kesteven DC	92.97
Pickering and Ferens Homes	99.80	Mid Devon DC	98.68	Gateshead Housing Company (The)	96.28	Nottingham Community Housing Association	92.33
Cross Keys Homes	99.68	Berwickshire Housing Association	98.63	Wellingborough Homes	96.21	East Thames Group	91.94
Hull City Council	99.68	MHS Homes	98.61	Dudley MBC	96.17	Wythenshawe Community Housing Group	91.76
A1 Housing Bassetlaw	99.67	Ocean Housing	98.56	Aragon Housing Association	96.15	Barnet Homes	91.65
Newark and Sherwood Homes	99.67	St Leger Homes of Doncaster	98.53	Reading BC	96.15	St Vincent’s Housing Association	91.32
Durham Aged Mineworkers Homes Assoc	99.65	Wokingham BC	98.48	Kirklees Neighbourhood Housing	96.11	Homes in Sedgemoor	91.24
Gloucester City Homes	99.62	Vale of Aylesbury Housing Trust	98.47	Together Housing Group	96.06	Sheffield City Council	91.20
Octavia Housing	99.60	Golding Homes	98.37	Wolverhampton Homes	95.99	LB of Croydon	91.15
Rotherham MBC	99.54	Charnwood BC	98.29	Solihull Community Housing	95.96	Curo Group	91.01
Northwards Housing	99.43	**WM Housing Group**	**98.27**	Bolton At Home	95.88	Wandle Housing Association	90.76
Alliance Homes	99.42	Tower Hamlets Homes	98.26	Christian Action Housing	95.86	Broadacres Housing Association	90.73
Phoenix Community Housing	99.39	North Tyneside Council	98.23	Staffordshire Housing Association	95.85	Orbit Heart of England	90.50
Norwich City Council	99.33	Rochdale Boroughwide Housing	98.11	Brent Housing Partnership	95.84	Croydon Churches Housing Association	90.47
Medway Council	99.26	Soha Housing	97.96	Genesis Housing Association	95.78	Raven Housing Trust	90.26
Derwentside Homes	99.25	Royal Borough of Kingston upon Thames	97.89	City of Lincoln Council	95.66	Incommunities	89.40
Community Gateway Association	99.23	DCH Group	97.85	LB of Havering	95.60	Estuary Housing Association	88.34
Salix Homes	99.21	Greenfields Community Housing	97.79	Epping Forest DC	95.51	Exeter City Council	85.86
Peaks and Plains Housing Trust	99.18	Shepherds Bush Housing Group	97.59	Origin Housing Group	95.50	Orbit South	84.20
Calico Homes	99.17	Coast and Country Housing	97.46	South Cambridgeshire DC	95.17	Pioneer Group	73.18
CHP	99.17					Mansfield DC	68.01

WM Housing Group
4040 Lakeside
Solihull Parkway
Birmingham Business Park
B37 7YN

wmhousing.co.uk

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