WFHA Business and Value for Money Plan 2021/2024

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Business Plan 2021/24

1.0 Improved Accountability	Deliver in year		
	2021/22	2022/23	2023/24
1.1 Recruit to and develop our Tenant Scrutiny Panel to enable the Panel to scrutinise our performance			
1.2 Adopt and implement the NatFed Together with Tenants Charter			
1.3 Develop and implement strategies for improved tenant engagement, empowerment and involvement			
1.4 Deliver and implement an equality, diversity and inclusion action plan			
1.5 Deliver our Value for Money Action Plan 2021/24			
1.6 Publish our performance results in accessible formats			
1.7 Improve satisfaction with complaints handling from 66% in the 2018 STAR survey	75%	85%	90%
1.8 Improve tenant satisfaction that we listen to and act on tenants' views (2018 STAR survey = 64%, Acuity 2020 benchmark median = 79%)	70%	80%	85%
1.9 Improve satisfaction with customer service (2018 STAR survey = 82%)	85%	90%	92%

2.0 Safe and good quality homes and services	Deliver in year		
	2021/22	2022/23	2023/24
2.1 Maintain 100% compliance with landlord health and safety obligations			
2.2 New Stock Condition Survey			
2.3 New Development Strategy			
2.4 Review service provision to ensure safety and accessibility post Covid			
2.5 Deliver at least 20 net zero carbon new homes through the Build London Partnership			
2.6 Purchase properties through private sale and bring them back to social housing use	4	4	2
2.7 Review our sheltered housing provision to ensure it meets (future) demand			
2.8 Develop our estate / community offering			
2.9 Refresh safety information to tenants - annually			
2.10 Procure a repairs and maintenance service			

	Deliver in Year		
3.0 Environmental Sustainability	**2021/22**	**2022/23**	**2023/24**
3.1 New Asset Management Strategy			
3.2 Create a plan to improve the energy performance of all our properties			
3.3 Develop and implement a Sustainability Strategy to de-carbonise our operations	**Develop**	**Implement**	
3.4 Greening of estates			
3.5 Periodically provide accessible information to tenants regarding fuel and water efficiency			

4.0 A Stronger Organisation	Deliver in Year 2021/22	Deliver in Year 2022/23	Deliver in Year 2023/24
	Bronze	Silver	Gold
4.1 Investors in People Accreditation			
4.2 Review staff pay & reward mechanisms and recruitment & retention policies			
4.3 Invest in information and communications technology to improve efficiency, data security & integrity and increase our online presence and online options for tenants	Implement ICT review findings	Tenant Portal	
4.4 Adopt the new NatFed model code of governance			
4.5 Deliver our Feb 2021 Governance Action Plan (including succession planning for Board)			

4.6 Independent Governance review			
4.7 Head office refurbishment to create a community hub and co-working space (to create a new income stream)			
4.8 Consider and explore formal partnerships with other organisations in order to create economies of scale and deliver greater impact			
4.9 Review our vision for WFHA to ensure we remain purposeful going forward			

Value for Money (VFM) Action Plan 2021/24

Internal targets		Deliver in year		
		2021/22	2022/23	2023/24
1.0	Improve tenant overall satisfaction with our services from 86% in the 2018 STAR survey. (WFHA tenant survey Dec 2020 = 91% satisfied with customer service and 100% satisfied with performance during pandemic. Acuity 2020 benchmark median = 89%)	90%	90% STAR survey	90%
2.0	Tenant satisfaction with the quality of their home (2018 STAR survey = 83%, Acuity 2020 benchmark median = 88%)	85%	87%	89%
3.0	Tenant satisfaction with the quality of their neighbourhood as a place to live (2018 STAR survey = 87%, Acuity 2020 benchmark median = 90%)	88%	90%	91%
4.0	Maintain staff sickness and other unplanned absence at below the Acuity 2020 benchmark median = 5.54 days per FTE, we achieved 1.7 days in 2020/21	<2	<2	TBC
5.0	Improve the average re-let time of our homes from 23 days at March 2021 (Acuity 2020 benchmarking median = 17.81 (GN), 18 (HfOP) and 23 (SH) = 19.6 days average)	19 days	18 days	18 days
6.0	Reduce current tenant rent arrears from 4.3% at March 2021 (Acuity 2020 benchmark median = 2.82% (GN), 1.10% (HfOP) and 5.10% (SH) = 3% average. Going forward our stats will be split by housing type)	4%	3.5%	3%
7.0	% of repairs completed at first visit. Current performance = TBC (Acuity 2020 benchmarking median = 94%)	90%	94%	95%
8.0	% of tenants satisfied with most recent repair (2018 STAR survey = 81%, Acuity 2020 benchmarking median = 95.84%)	86%	95%	96%
9.0	Tenant satisfaction with the value for money of rent (2018 STAR survey = 80%, Acuity 2020 benchmarking median = 89%)	85%	89%	90%
10.0	Tenant satisfaction with the value for money of service charges (2018 STAR survey = 72%, Acuity 2020 benchmarking median = 77%)	75%	77%	80%
11.0	Cost per property of responsive repairs and void works. Current performance TBC (Acuity 2020 benchmarking median = £715)	724	730	TBC
12.0	Overhead costs as a percentage of turnover. Current performance TBC (Acuity 2020 benchmarking median = 16.13%)	31%	29%	25%

	RSH VfM metrics	Achieved 2018/19	Achieved 2019/20	Target 2019/20	Benchmark 2019/20	Target 2020/21	Target 2021/22	Target 2022/23	Target 2023/24
1.0	Reinvestment	3.90%	5.90%	4.00%	4.90%	5.00%	5.00%	5.00%	5.00%
This metric looks at investment in properties (existing stock as well as new supply) as a percentage of the value of the total of properties held. We narrowly missed our reinvestment target for 2019/20 as delivery of our development programme has not been as swift as we would like. We were able however, to purchase one additional home and reinvest in existing homes, producing a reinvestment percentage of 3.90%. Following some delays, caused in part by the coronavirus pandemic, our development finance is now available. However, we were unable to complete the purchase of two additional homes in the last quarter of 2020/21, as expected, which supports our reinvestment target of 5% for the year.									
2.0	New supply delivered	0%	0.30%	0.70%	0%	0.70%	0%	0%	7.25%
This metric looks at the number of units delivered in the year. Performance for 2019/20 and 2020/21 is disappointing – and caused by the delay in availability of our RCF.									
3.0	Gearing	(6.10%)	(2.03%)	12.00%	33.90%	5.00%	5.00%	5.00%	25.13%
This metric assesses how much of the adjusted assets are made up of debt and the degree of dependence on debt finance. We have low levels of historic debt finance and significant balance sheet capacity in order to leverage finance to deliver future development plans. We used available cash to purchase one new unit in 2019/20, hence the decrease in gearing compared with 2018/19. Our target for 2020/21 was based on draw down of development finance in 2020/21 to fund the purchase of new homes, however availability of funds was delayed.									
4.0	EBITDA (MRI)	774%	264%	600%	172%	172%	-130%	TBC	TBC
Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI) interest cover %. This metric is a key indicator for liquidity and investment capacity. It seeks to measure the level of surplus that a provider generates compared to interest payable. The reduction in 2019/20 compared to 2018/19 reflects significant investment / maintenance.									
5.0	Cost per unit	£5,707	£5,869	£5,600	£6,150	£5,800	£5,810	£5,900	£6,149
This metric assesses the costs of managing each property. Our VfM benchmarks and targets are informed by the Regulator's Value for Money Summary Report (Jan 2020). Approximately half of our stock is Housing for Older People (HOP). This, together with our location, significantly influences our headline cost per unit. RSH Value for Money Metric data, shows that HOP provision incurs an additional £1,400 per unit, and, a London location incurs an additional £1,900 per unit. Delivery of our Development Strategy and increasing our units in ownership / management is key to further improving our headline cost per unit.									
6.0	Operating margin Social Housing lettings Overall	 8.30% 7.66%	 4.19% 6.76%	 12.00% 10.00%	 20.60% 19.20%	 6.29% 8.04%	 6.29% 8.00%	 6.30% 8.00%	 7.50% 9.50%
The operating margin demonstrates the profitability of operating assets, before exceptional expenses are taken into account. RSH benchmarking data shows that associations with large proportions of Supported Housing or Housing for Older People (such as WFHA) tended to record lower operating margins (by around 10 percentage points), compared to those with smaller proportions of HOP or none at all – our targets for 2019/20 were set accordingly. We are disappointed with our results but acknowledge that additional expenditure incurred this year was largely concerned demand-led spend on maintenance. There is further work for us to do in improving the profitability of our social housing assets and key to this will be the results of a new Stock Condition survey being undertaken in early 2021, immediately followed by a review of our Asset Management Strategy.									
7.0	Return on capital	1.60%	0.89%	2.00%	3.40%	2.50%	1.65%	1.21%	0.91%
This metric compares operating surplus to total assets, less current liabilities and is a common measure on the commercial sector to assess the efficient investment of capital resources. The ROCE metric supports providers with a wide range of capital investment programmes.									