

VALUE FOR MONEY STRATEGY 2010-2013

Review Date August 2011

Table of Contents

1.	INTRODUCTION	3
2.	THE VfM STRATEGY	3
2.1	Aims and Objectives	3
2.2	Embedding and Delivering VFM	4
2.3	Understanding our Costs and Performance	5
2.4	Reviews	5
2.5	IT	6
2.6	Procurement	7
2.7	Management Process and Embedding the Culture	9
2.9	Partners and Contractors	9
3.	ACTION PLAN	12
4.	REVIEW PROGRAMME	Error! Bookmark not defined.
<u>Appendix 1</u>	<u>VfM DRIVERS</u>	12
<u>Appendix 2</u>	<u>Progress to Date</u>	14

1 ASCHAM HOMES VISION AND KEY PRIORITIES

1.1 The Ascham Homes VFM Strategy underpins Ascham Homes vision of:

“Working together to provide quality homes in a thriving community”

Making the best use of resources is one of the key priorities of Ascham Homes and underpins our aim to deliver services more efficiently whilst not compromising on service quality. The VFM Strategy also supports one of the Council’s key corporate principles: ***achieving excellence*** through ensuring VFM.

1.2 At Ascham Homes we share the Council’s principles and priority commitment to VFM through:

- Providing the best quality service at the most affordable price;
- Managing our costs to be competitive;
- Improving our efficiency and effectiveness;
- Maximising external funding to deliver our priorities;
- Working with others to drive up quality and drive down costs.

2 THE VFM STRATEGY

By adopting a formal VFM Strategy, Ascham Homes is making a commitment to:

- Promote VFM throughout the organisation; and
- Ensure that the appropriate mechanisms to support the VFM process are in place and regularly reviewed

Successful delivery of these commitments requires clarity throughout the organisation about the:

- Aims and objectives of the VFM Strategy
- Tools for embedding and delivering the strategy
- Allocation of responsibilities and the management of the process
- Engaging with residents on the delivery of the VFM Strategy

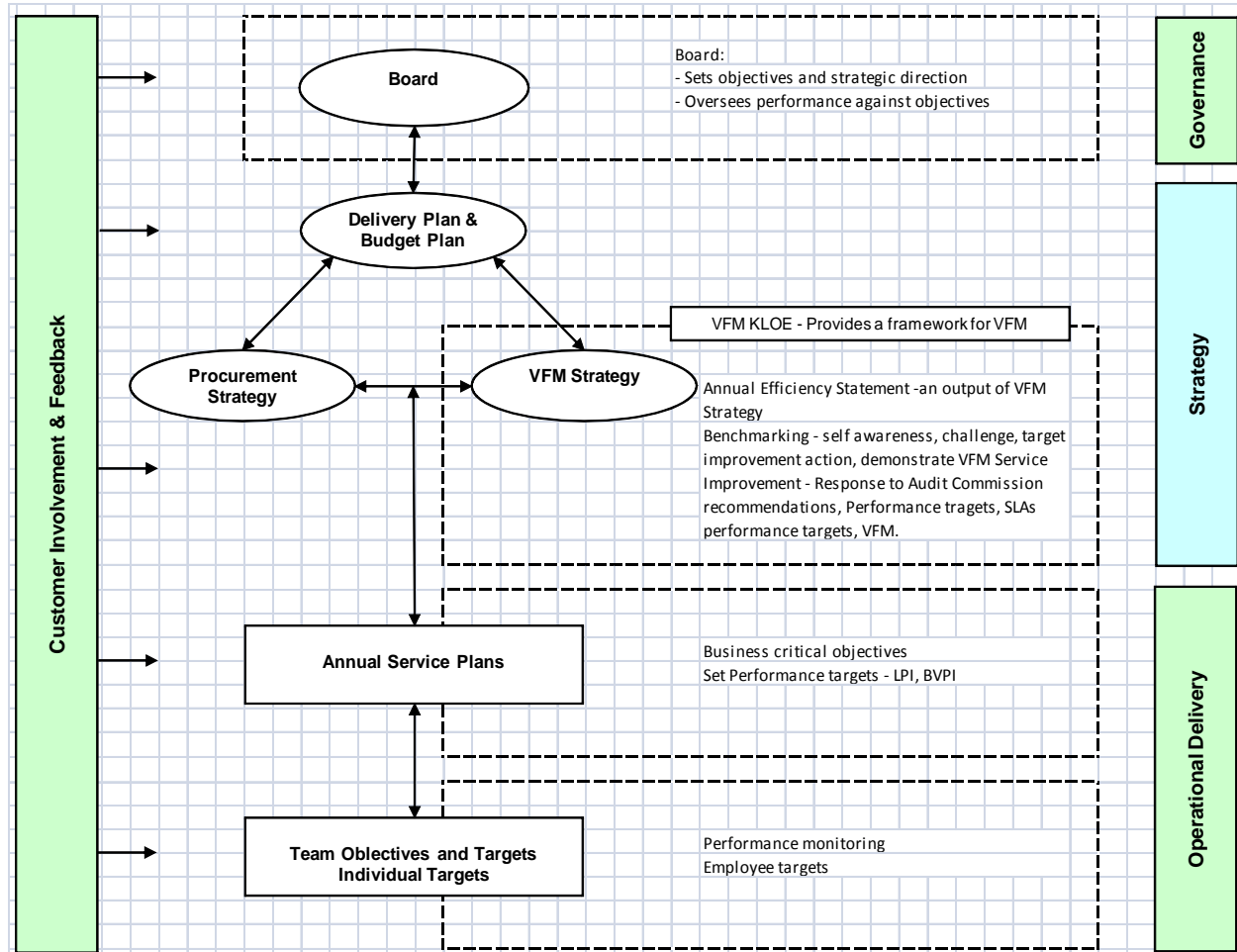
2.1 Aims and Objectives

2.1.1 Ascham Homes VFM Strategy will have four Aims to ensure that:

- Embedding the VFM Culture
- Understanding our costs and performance.
- Minimising our costs and maximising performance through Service and VFM reviews, Procurement practises and IT practises
- Managing the process

2.2 Embedding and Delivering VFM

2.2.1 To attain a VFM culture within Ascham Homes it is important to recognise the key principles of VFM that are embedded in the organisations business culture. The diagram below illustrates where the VFM strategy fits within the Company's strategic thinking.



2.2.2 To ensure the delivery of VFM the company provides clear links between frontline services and strategic objectives set out in key documents such as Annual Service Plans and VFM strategy. This is complimented through developing and managing the following components and processes:

- The Annual Efficiency Statement;
- Strategic Partnering arrangements;
- Customer Focus
- Financial Stewardship;
- Procurement Strategy;
- VFM Strategy;
- Annual Service Plan;
- Response to Audit recommendations;
- Monitoring SLAs;
- Benchmarking and performance management;

2.3 UNDERSTANDING OUR COSTS AND PERFORMANCE

2.3.1 To deliver a successful VFM Strategy Ascham Homes will review and make improvements to the financial management systems to improve the budget management to maintain spend within the resources, better understand the costs of the service, support managers, contribute to the review programme and to maximise the use of the financial resources in delivering the company's vision. This includes:

- Budget reviews including zero base budgeting
- Robust budgetary control
- Activity based analysis and costing
- Assessing and maximising fees and charges fairly

2.3.2 Ascham Homes is a member of Housemark and utilises the results to make improvements to the service quality and cost. More extensive use of benchmarking is to be undertaken on a service specific basis to further assist in delivering the performance standards.

2.3.3 The service is high cost low performing and a target of improving both cost and the quality measures has been set. This will be reviewed when the 2009/10 Housemark benchmarking exercise is available in October 2010 which will influence and revise the future targets of Ascham Homes both in overall terms and for individual services. A report will be received by the Board as soon as the information is available.

2.4 REVIEWS

2.4.1 Since Ascham Homes has been in operation we have undertaken reviews of services and SLA's resulting in reduced costs. To ensure that all services demonstrably provide VFM a comprehensive schedule of service, SLA and efficiency reviews are proposed. This schedule will cover both back office and frontline services over a three year period and delivers a proposed efficiency target of at least 2.0% (approximately £400,000 pa) for 2011/12 and at least 3% for 2012/13 and 2013/14 as well as the need to deliver the savings to secure the financial position. The programme is shown with the action plan.

2.4.2 The reviews will be undertaken by a small team of officers and finance staff. An advisory group of residents will be consulted and the Board through its Vfm champion will have ongoing involvement. However all final report will require Board approval. A key tool of the reviews will be business process engineering (BPR) as recommended by the Housemark review.

2.4.3 The essential elements of the reviews will be the 4 C's of

- Consult
- Challenge
- Compete
- Compare

2.4.4 As part of the compare element all review managers should undertake benchmarking. The benchmarking will be with similar organisations or activities.

Currently there are several parts of the service which belong to established benchmarking groups, mainly through HouseMark.

- 2.4.5 The **service review schedule** over a three-year period will cover all its activities; both services provided to customers and internal support services. We will prioritise the review programme so that we review those services that have been identified by the Audit Commission inspection report as being poor performing and not delivering VFM.
- 2.4.6 The Council is a key partner in service delivery and helping to achieve efficiencies and improvement. Currently there are a number of **SLA's** and other arrangements with Waltham Forest Council to the value of approx £0.4m which are subject to annual negotiations on price and performance and most have been subject to review with some taken in house.
- 2.4.7 It is essential that these services continue to demonstrate quality, are fit for purpose and VFM. Not only is there a current need to demonstrate this for the audit commission but the VFM standard set by the TSA requires that VFM is reported on and demonstrated to residents, no distinction being made between service providers. In delivering efficiency reductions in the management fee these services have to make a contribution.
- 2.4.8 **Efficiency reviews** are short sharp analysis of particular spend using the 4 Cs to improve on the services provided and potentially reduce costs. The 2010/11 programme is based on those services which were not subject to review in the recent restructuring and on the Audit Commission recommendations. The Action Plan for 2011/12 and 2012/13 sets out other areas that need to be reviewed but this is subject to the Housemark benchmarking exercise for 2009/10 accounts which is due in October. This is expected to influence and revise the future targets of Ascham Homes both in overall terms and for individual services and a report will be received by the Board as soon as the information is available

2.5 IT

- 2.5.1 We will look to maximise service efficiency and tenant satisfaction through telephony and ICT development across our services, buildings and assets as well as look to reduce costs through ICT enhancements. It was identified by the Housemark review and the Audit Commission stated that "IT does not fully support the work of the ALMO".
- 2.5.2 Ascham Homes could make substantial improvements through improved use of ICT and we will be reviewing both the IT service and the ICT Strategy in 2010/11. The Strategy will harness the new technologies available and maximise the potential of the existing technology infrastructure to improve VFM and service improvements.
- 2.5.3 Specific improvements contained in the action plan to be made in 2010 are to
- correct Repair Finder/SOR conflicts to improve diagnostics and minimise repeat work.
 - implement the interface between Codeman and iWorld
 - implementation of the online court application system for arrears cases
 - explore the use of the iWorld module for leasehold management
 - explore the use of ICT in Asset Management
 - review the use of mobile working

2.6 PROCUREMENT

- 2.6.1 Procurement forms an integral part of the VFM Strategy with the potential to deliver significant savings for the spend undertaken through the use of modern methods of procurement. It has the potential to deliver service improvements and unit cost reductions for Ascham Homes in all procurement activity. Ascham Homes is developing a Procurement Strategy covering all works, goods and services. The Strategy will detail how Ascham Homes uses its spending power to deliver better VFM as well as delivering on business plan objectives. It will explain how it uses all procurement methods such as partnering consortia and traditional tendering methods in procurement as well as the use of e-procurement methods and technology to gain efficiencies in the process and improve the competition in tendering. Local enterprises will be provided with information and assistance to gain access to contracts let by Ascham Homes. Residents will be fully involved in the decision making for major works contracts to improve accountability and contractors are expected to demonstrate their commitment to Ascham Homes values and objectives.
- 2.6.2 Ascham Homes has access to the contracts negotiated by the Council such as those for energy and stationery. These are utilised when they represent VFM. We currently have major partnering contracts in place for the Decent Homes programme, responsive and voids repairs and gas servicing. The Decent Homes Contract and works are due to be completed by 2011 and resources for substantial investment are limited in future. The responsive, voids and mechanical & electrical contracts are currently being extended until the full procurement process is completed during 2011/12. Other procurements will be governed by the same procurement rules and a full contracts register will be kept.

2.7 Review of Housing Management Activities of Ascham Homes and the Council

- 2.7.1 Ascham Homes are also in discussion with the Council about how housing management services can be “joined up” to produce savings for both Ascham Homes and the Council. Services to be considered could include tenancy support, property lettings and resident consultation. In addition consideration will be given to more “joined up” activity in the finance, legal and HR functions where the elimination of duplication will be a key or where outsourcing may produce VfM savings

MANAGEMENT PROCESS AND EMBEDDING THE CULTURE

2.8.1 The Board

The Board of Ascham Homes has overall responsible for direction and governance. To ensure strong governance, the Board challenges and agrees the VFM Strategy, ensuring that the organisation maintains a healthy environment for the delivery and sustainability of a VFM culture within the organisation. This responsibility is managed through the Executive Management Team and the VFM Working Group.

The Board is asked to consider a VFM Champion to increase the focus on improvements in this area of their work. The Board VFM champion will not conflict with the role of the Board but will be charged with ensuring that VFM is a consideration in all areas considered by the Board and will contribute in an advisory capacity at all VFM activities including service reviews. The Board VFM champion will also hear the views of residents and ensure that officers take their views into consideration in review reports.

2.8.2 Executive Management Team

The Executive Management Team has responsibility for the delivery of the VFM Strategy and action plan together with the programme of reviews and provide leadership in embedding VFM in the culture of Ascham Homes. They will ensure that the VFM Strategy and action plan is put in place, reviewed on a regular basis and make proposals as to any suggestions for changes to the Board as appropriate. They will involve managers in the scrutiny of activities, identification of efficiencies and implementation of improvements.

2.8.3 VFM Working Group and Vfm Advisory Group

Ascham Homes is establishing a VFM working group comprising of staff, who will drive each service review. The group will be tasked to integrate strategy to operational service delivery. The Group reports regularly to the Board through the Executive Management Team. The VFM working group's terms of reference are subject to consultation but are likely to include:

- Providing leadership throughout the organisation on VFM issues;
- Implementing the VFM strategy throughout the organisation whilst promoting actions to embed the strategy in Ascham Homes culture;
- Creating, reviewing and delivering a detailed action plan;
- Reporting to the board and executive management team on progress;
- Scrutinising areas of spend and challenging the current practices;
- Promoting benchmarking;
- Identifying efficiency drivers;

In addition an Vfm Advisory Group of Residents chaired by the Board Vfm champion will be formed to provide their views on service reviews both at an early stage in terms of particular concerns on activities being reviewed and on the potential outcomes of the review. Residents will be invited from the list of those who have expressed a particular interest in Vfm activity or from those wishing to get "involved" in Ascham homes activities

2.8.4 Managers

Managers are responsible for ensuring VFM in the day to day management of their service and in helping to consider VFM in any new proposals or reviews of their service area. They need to work with the Executive Team to ensure that VFM is understood by all their staff and that the VFM action plans are achieved

2.8.5 Staff

All staff are to be made aware of the importance of VFM through training, briefings and team meetings and encouraged to contribute ideas for the efficiency agenda via the staff suggestion scheme. They will assist in the implementation of any improvements and to the setting of efficiency targets. It is their responsibility to deliver VFM in their day to day activity.

2.8.6 Other Groups

There are also **specific groups** who have the responsibility to review areas of operation and to which reports may be presented:

- **Decent Homes Procurement Board** to ensure compliance with the procurement code and ensure VFM achieved;
- **Strategic Partnering Board** of Ascham Homes and Waltham Forest Council who as part of their strategic remit can request and receive reports on service areas as well as progress reports on VFM and efficiency;
- **Scrutiny Committee of the Council** who can request and receive reports on service areas and achievements of the strategy;
- **Audit Committee of Ascham Homes** who can request and receive reports and action plans to resolve issues;

2.9 CONSULTATION/ CUSTOMER INVOLVEMENT

2.9.1 Resident's views are central to our business and we need to ensure that they are kept involved in determining our VFM Strategy, and in any service reviews. We will use our budget consultation process to identify resident's priorities for the future, and to consult on efficiency targets. We will also look to assess the VFM of the tenant involvement support structure in our budget, as well as assess the cost/ benefit of different methods of resident engagement and involvement. Residents will be included in:

- the VFM Advisory Group
- procurement decisions
- the determining of targets
- help to identify areas for improvement .
- review of the strategy
- determining resource priorities
- determining how savings are to be reinvested

2.9.2 We will regularly report on progress against the Strategy and action plan using a range of communication mechanisms.

2.10 PARTNERS AND CONTRACTORS

2.10.1 Our partners which includes Waltham Forest Council will be briefed on how we are responding to the VFM agenda and how they can contribute to this Strategy.

Contractors as key deliverers of services to our residents, have a role to play in delivering VFM and improving outcomes for our residents through the Procurement Strategy. It is therefore necessary for the Strategy to be well understood and for our contractors to play their part in its delivery.

2.10.2 This could be through participating in service reviews, proposing innovations or making changes to services. Briefings are proposed to ensure that contractors are aware of the strategy and the implications for how they are expected to work with Ascham Homes.

2.10.3 In establishing new procurements of goods and services it should be a clear VfM strategy that any indexation should be below the standard inflation rate, thereby integrating continuous improvement into the payment mechanism

3 VfM ACTION PLAN

VfM Action	Original Target Date	Proposed Target Date	Responsibility	Progress	Outcome
Ensure that Service Review methodology takes into account Value for Money		September 2010	Head of Strategy	To be published on intranet	
Training of the staff on the revised VfM strategy, procedures and action plan*		October 2010	Head of Finance		
Consultation with residents on the revised VfM strategy and action plan*		October 2010	Head of Finance	This will be carried out at the Residents Conference 2 nd October	
Develop and implement Medium Term Financial Strategy*	December 2010	January 2011	Director of Finance/ EMT	Interim MTFS to go to November Resources and Board. Final report to January Board	
Review the client management costs of the repairs and voids contract		December 2010	Head of Asset Management		
Carry out training to ensure that managers understand the links between finance and performance. Include VFM indicators in the performance management framework and in the financial budgets*		December 2010	Head of Finance	This has formed part of the budget setting process	
Include recommendations from Housemark Cost Centre Benchmarking in this action plan*		December 2010	Head of Finance/ Head of Strategy		
Develop and embed an effective Tenants Recharge policy*		December 2010	Head of Finance/ Head of Strategy		

Resolve the future of the grounds maintenance service		December 2010	Head of Operations		
Develop and maintain a grants register		December 2010	Head of Finance		
Update the ICT Strategy*		January 2011	Head of Strategy/Director of Finance	This will come out of the IT service review	
Train Ascham Direct staff to log repairs calls more accurately*		January 2011	Head of Customer Services		
Review of the charging policy and collection process for Leaseholder Service Charges*	December 2010	January 2011	Services and Income Manager		
Include VFM targets in individual performance plans		January 2011	Head of Human Resources		
Implement the interface between Codeman and iWorld subject to funding availability		March 2011	Head of Asset Management		
Correct Repair Finder/SOR conflicts		March 2011	Maintenance Manager		
Review the procurement of materials	December 2010	March 2011	Head of Finance	This will be included in financial controls	
Improve the financial management systems*		March 2011	Head of Finance		
Exploit further opportunities for external funding of our activities – green initiatives, power and heating etc		March 2011	Head of Strategy/ Head of Finance		
Reduction in the use of Agency Staff		March 2011	Head of Human Resources		

* indicates inclusion in Audit Commission Improvement Plan

4 REVIEW PROGRAMME

SERVICE and Efficiency REVIEWS

Service Area	Year	Lead
Aids and Adaptations	2010/11	Deputy Chief Executive
ASB	2010/11	Head of Strategy
Finance	2010/11	Director of Finance
Human Resources	2010/11	Chief Executive
ICT	2010/11	Chief Executive
Leaseholder Management	2010/11	Director of Finance
Legal	2010/11	Chief Executive
Joint Housing Management Services review with Council	2010/11	Chief Executive
Complaints	2011/12	Chief Executive
Diversity	2011/12	Chief Executive
Garages	2011/12	Deputy Chief Executive
Lettings	2011/12	Head of Strategy
Policy and Performance	2011/12	Chief Executive
Responsive Repairs	2011/12	Deputy Chief Executive
Voids Management	2011/12	Deputy Chief Executive
Estate Management	2012/13	Deputy Chief Executive
Income Management	2012/13	Deputy Chief Executive
Gas Servicing	2012/13	Deputy Chief Executive
Major Works (Asset Management)	2012/13	Deputy Chief Executive
Parking permit/vehicle removal	2012/13	Deputy Chief Executive
Resident Involvement	2012/13	Deputy Chief Executive
Tenancy Management	2012/13	Deputy Chief Executive

5. Procurement Reviews

5.1 Procurement reviews will be incorporated within the Procurement Strategy but forthcoming reviews include the following:

Procurement	Year	Lead
Review of Procurement Strategy with full Contracts Register	2010/11	Director of Finance
Repairs and Maintenance Extension of Contract	2010/11	Deputy Chief Executive
Repairs and Maintenance New contract	2011/12	Deputy Chief Executive
Mechanical & Electrical Extension of Contract	2010/11	Deputy Chief Executive
Mechanical & Electrical New Contract	2011/12	Deputy Chief Executive

VALUE FOR MONEY DRIVERS

APPENDIX 1

Obtaining VFM has been a priority of central government for some time and some of the key drivers include:

Gershon

VFM is a long standing concept within Local Government and is the relationship between Economy, Efficiency and Effectiveness. The current efficiency drive was initiated following a review by Sir Peter Gershon into the efficiency of public services in 2004. The recommendations have been translated into a series of efficiency targets within the Comprehensive Spending Review (CSR) 04 and 07.

To assist housing organisations address the challenge that the Gershon review represented a Guidance Note was produced "The Social Housing Efficiency Technical Note, ODPM, 2005" which defines efficiency as:-

"Efficiency is not about cuts, but about doing more for the same – raising productivity, increasing effectiveness and enhancing value for money".

The note sets out four ways in which efficiency gains can be measured:

- Reducing inputs (money, people, assets) for the same outputs.
- Reducing prices (procurement, labour costs) for the same outputs.
- Getting greater outputs or improved quality (extra service, productivity) for the same inputs.
- Getting proportionately more outputs or improved quality in return for an increase in resources.

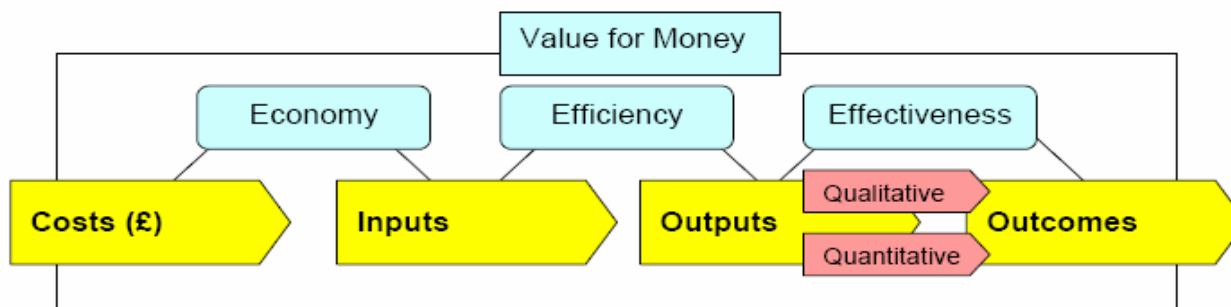
Audit Commission

The Audit Commission has reinforced the requirement for public sector organisations to deliver VFM. VFM is one element in the KLOEs covering the quality of services in each activity. In addition there is a cross cutting KLOE issued specifically covering VFM (KLOE 32), which sets out the standards expected and gives criteria for housing organisations to assess and improve their efficiency. This is a key driver in developing the strategy for improvement.

The Audit commission in the VFM within Housing Supplementary Guidance October 2005 stated that:

VFM has long been defined as the relationship between economy, efficiency and effectiveness, sometimes known as the ‘value chain’.

It is illustrated by the following diagram:



The VFM KLOE asks two fundamental questions of organisations:

- 1. How do the organisation's costs compare to others, allowing for local context, performance and policy choices?**
- 2. How is Value for Money managed, including through partnership and procurement and taking a long-term view?**

The first question focuses our attention on how much our services cost and how these costs compare with other organisations, including a consideration of the standard of services provided.

The second question addresses the wider issue of how we manage our overall approach to VFM and the way in which we are encouraging a culture of VFM within our organisation.

VfM PROGRESS TO DATE

APPENDIX 2

1 Audit Commission Inspection Report

At the inspection by the Audit Commission recent inspection in May 2010 Ascham Homes was assessed as providing a one star service with uncertain prospects for improvement with VFM assessed as our weaknesses outweighing our strengths.

The main recommendations of the May 2010 report on VFM were:-

Ascham Homes should improve its approach to VFM by:

- working to improve the balance of costs and service outcomes;
- embedding VFM in the work of the ALMO and effectively monitoring VFM of services;
- making arrangements to balance budgets in the medium and long term, while being mindful of the need to protect services to customers;
- creating robust and fair systems to charge leaseholders for major works and support leaseholders who face large bills for major works; and
- accurately estimating and billing leaseholders for revenue costs.

It is crucial for Ascham Homes to be able to demonstrate effectively that it is delivering VFM across all its services and activities. It must therefore:

- Address the recommendations made.
- Be prepared for short notice inspection by the Audit Commission
-

This strategy brings together all the actions to be taken to address all these recommendations and ensure that VFM is embedded within the service.

2 Tenant Services Authority (TSA)

The TSA, established in December 2008, has consulted on the setting of service standards which will be applicable to all social housing providers. The Government has announced that the TSA will be wound up but it has not yet decided what will replace it. Nevertheless the assumption is that its work will be continued in another form.

Standards and one of these is VfM:

Ascham Homes is not registered with the TSA, however Waltham Forest Council as the owner of the stock and landlord will be registered. Waltham Forest Council is the responsible authority for meeting the standards. This will be delegated to Ascham Homes as the managing agent. The approach of Ascham Homes to the TSA standard will be developed with Waltham Forest Council

The TSA VfM standard required outcome is:

“In meeting all TSA standards, including their local offers, registered providers shall have a comprehensive approach to managing their resources to provide cost-effective, efficient, quality services and homes to meet tenants’ and potential tenants’ needs.

Registered providers shall set out in an annual report for tenants how they are meeting these obligations and how they intend to meet them in the future. The provider shall then meet the commitments it has made to its tenants.

Specific expectations:

- Registered providers shall demonstrate to their tenants:
 - how expenditure has been prioritised in relation to each of the standards and in the delivery of local offers, and in meeting other needs such as investment in new social housing provision
 - how they have ensured value for money has been secured and tested
 - plans and priorities for delivery of further value for money improvements
- Registered providers shall have arrangements for tenants to influence the services delivered and the cost of those services that result in service charges to tenants.”

The new standard moves on from the previous mechanistic approach to one of increased customer engagement in the prioritisation of resource allocation and deployment of savings achieved. There will be an increase in customer involvement requiring an increase in the reporting to customers on costs and standards to enable monitoring of the value achieved. Changes are essential to the budget setting processes to enable customers to determine priorities for investment and resource allocation also reporting and

consultation on service charging. It is expected that there will be a greater emphasis on service review programmes and procurement to demonstrate how better value has been achieved. As part of the self regulation the Council are now expected to scrutinise the performance against the VFM standard annually. A more detailed reporting need is therefore expected.

In setting the standards, the TSA expect landlords to develop with tenants local offers, performance measures, monitoring and review arrangements and procedures for the rectification of poor performance. There is no requirement for such on VFM however there are clear links to all the other standards. Ascham Homes are putting in place plans on how these offers are to be developed and the local offers have to be in place by 1st October 2010. This strategy, and in particular the schedules of service and SLA reviews, are the first step in developing Ascham Homes approach to this standard.

2.2 FINANCIAL PLAN

Ascham Homes, in common with all other ALMOs and councils, is facing an uncertain future as the Government reviews how to finance council housing in the future but no significant change to the current regime is anticipated before 2011/12 at the earliest.

Based on the current subsidy regime Waltham Forest's current HRA business plan shows that it has a steady reserves position of between £5-6m from 2010/11 onwards. However there are continuing pressures on Ascham Homes which will need to continuously review the costs of its services to ensure it can demonstrate to both the Council and the Audit Commission that it is delivering a VFM service.

Ascham Homes is working closely with Waltham Forest Council to secure its financial position and improve on the financial management. A Strategic Partnership Board has been set up with officers of Ascham Homes and Councillors to address the strategic issues faced by the ALMO.

It is proposed to develop 2% efficiency savings on an annual basis over the next 3 years as part of the VfM strategy which will be used by the Board to develop new initiatives and eliminate backlog repairs.

A Medium Term Financial Plan(MTFP) will be developed in conjunction with the Zero based Budget process this year and the revised HRA MTFP being developed by the Council.

2.3 Housemark Efficiency Report

During 2009 HouseMark were commissioned to undertake an efficiency review and to look at the scope for savings over a three-year period to ensure:-

- that Ascham's potential budget deficit in future years is addressed and
- that funding continues to be directed at its priorities;
- to identify a range of options that will deliver efficiencies with indicative savings where possible
- to consider whether there are opportunities for sharing services, increased partnership working and/or outsourcing of services.

The outstanding recommendations delivered in December 2009 are included in the action plan.

The Housemark Efficiency Report identifies that overall costs in Ascham Homes are below the median except in respect of major and cyclical works however on all satisfaction and performance measures Ascham Homes is in the lower quartile compared to other London boroughs. Low costs by themselves do not demonstrate VFM, and the delivery of excellent services will only be achieved by considering the balance between cost and quality in delivering the desired outcomes. We are therefore a low cost low performance organisation and when looking at the trends over the last few years performance is not improving but declining. Improvements are required to demonstrate VFM. We are finalising our figure with HouseMark for 2009/10 and will report the results when received. This will then shape and refine the future VfM programme

3 ACHIEVEMENTS TO DATE

Ascham Homes since its inception has had a continual need to deliver efficiency saving. We have produced annual efficiency statements which have been reported to Board. We have clearly had a focus on identifying savings, most of which have been reinvested in repairs and in 2008/09 we made £405k, 3.1% of savings. These were found mainly through

- Savings in SLAs by bringing services in house e.g. Legal Services
- A reduction in staffing costs in Operations due to the merger of the Rents and Tenancy Services
- A reduction in the cost of caretaking vehicles by purchasing these vehicles at a reduced cost at the end of the lease.

Detailed Service Level Agreements (SLA) are in place for each of the support services which we buy in from Waltham Forest Council, with associated performance measures and monitoring data. These agreements are renegotiated each year delivering efficiencies through cost savings and performance improvements.

A major restructure has taken place since April 2010 which has already resulted in 27 redundancies and a [10%] reduction in the workforce at an annualised saving of between £2m-£3m including overheads and agency/consultancy staff. This has been used to increase the R&M budget. This has resulted in a major change management exercise which will carry on for some time as the new organisation “beds in” under the new arrangements.