



Value for Money Statement

2022/23

VALUE FOR MONEY STATEMENT

As a registered social landlord, Hill Homes is required to publish an annual Value for Money Statement.

We are required to publish a robust, transparent, and accessible statement that:

- enables stakeholders to understand the return on assets measured against the organisation's objectives.
- sets out the absolute and comparative costs of delivering specific services; and,
- provides evidence that value for money gains have been, and will be made, and how these have, and will be, realised over time.

Hill Homes' vision

"To be the preferred housing and care provider in north London, supporting older people to be independent, comfortable and safe in their homes."

We aim to deliver this alongside our Value for Money ambitions.

What do we mean by the term "Value for Money"?

Value for Money (VFM) is the term used to assess whether the organisation has obtained the maximum benefit from the goods and services it both acquires and provides, within the resources available to it. Hill Homes Group (referred to throughout this statement as Hill Homes) applies value for money principles to all its activity, in both Hill Homes Housing Association and Hill Homes Care Ltd.

Delivering VFM is a key component of running an effective social business.

Hill Homes recognises the importance of a value for money culture and demonstrating value for money is a core business value. Through the careful use of resources, we work hard to deliver efficiencies and to improve the quality of our accommodation and services. Our key aim is to deliver competitive, high-quality services for our tenants.

The Chief Executive sets objectives to deliver the strategic plan agreed by the Board. When doing this, the Chief Executive allocates resources to achieve the best possible outcomes. This includes:

- effective asset management.
- developing the skills of staff with appropriate staff training.
- valuing the contribution of staff.
- having efficient business practices, including robust risk management; and,
- identifying potential changes to improve value for money.

VFM is frequently referred to as the 'three Es':

- **Economy** – the careful use of resources to save expense, time or effort.
- **Efficiency** – delivering the same level of service for less cost, time or effort.
- **Effectiveness** – delivering a better service, or getting a better return, for the same cost, time or effort.

Through VFM we aim to achieve:

- resources directed towards the organisation's key priorities and objectives;
- a balance between cost and performance; and,
- tenant satisfaction.

How will we know if we are developing Value for Money?

Board Members are aware that, due to the small size of the Association, the fixed running costs of Hill Homes' properties are high in relation to larger landlords.

Hill Homes is a small, tenant-focussed community organisation. Our two larger properties are both located in Highgate, which is a particularly expensive area of the country. These factors impact on our VFM Metrics making the cost per unit, in particular, expensive.

Despite this, it remains important to Board Members to monitor how we are delivering value for money. Ensuring our performance outcomes are good helps tenants and staff be confident that we are providing value for money services.

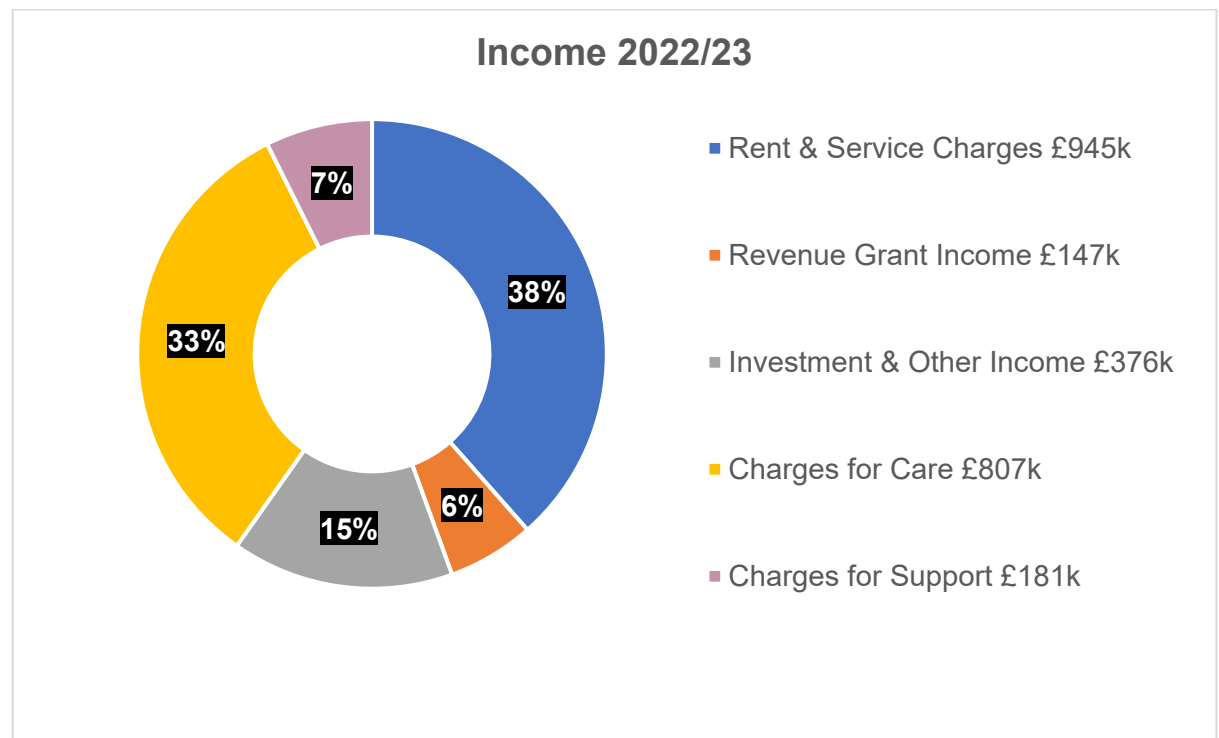
In their consideration of Value for Money, we have agreed that:

- we will work with tenants to understand what their needs are. The wellbeing of the Hill Homes' tenants will always be a priority in the delivery of services.
- value for money will always be a priority in all services, without compromising on quality.
- consideration will be given to the impact of all decisions on tenants, the local community and society.
- we will understand the cost drivers of the organisation so costs can be effectively managed and controlled.
- all staff will understand what value for money means and what their part is in the process, so value for money is embedded in Hill Homes' culture.
- strong financial controls will be in place.
- management information systems will provide accurate and appropriate data that will allow the delivery of the required outcomes in an efficient and effective manner; and,
- there will be an understanding of how the political, economic, social, and technological environment determines who the customers are and how it drives their needs now and into the future.

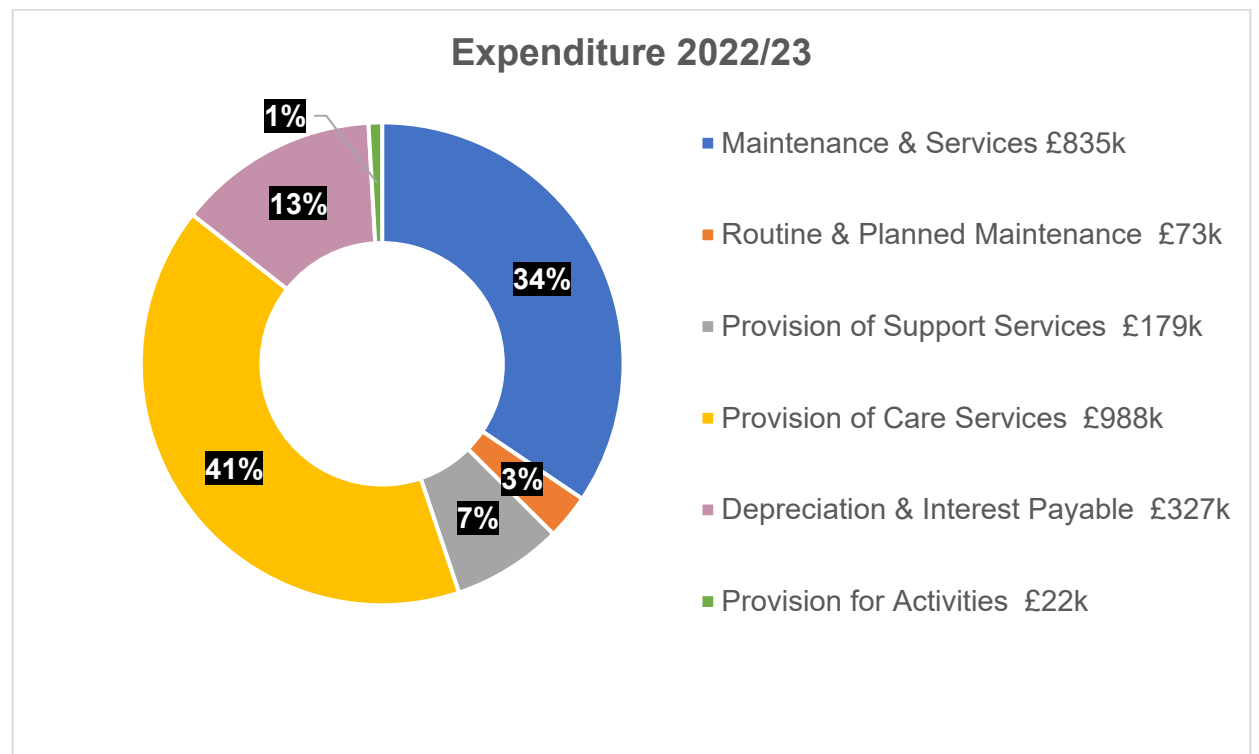
The key organisational measures that will demonstrate whether we are delivering value for money are:

- internal monitoring of organisational key performance indicators;
- financial performance monitoring, including 'return on assets' and 'surplus as a % of turnover';
- effective treasury management;
- transparency in our reporting will demonstrate to tenants and stakeholders how the money has been spent;
- showing the social value of what we do;
- a housing management service that is comprehensive and responsive to the needs of our tenants;
- a maintenance service that ensures repairs are dealt with promptly, effectively, and efficiently;
- an asset management strategy that ensures the most effective use of property assets over their life and maintains our homes to the highest standard;
- regular reviews of our services; and,
- a commitment to developing how we involve tenants in influencing how we deliver services to them.

Where does Hill Homes get its money from?



Where does Hill Homes spend its money?



VFM gains

Reduced overheads

We aim to reduce overheads by regularly reviewing contracts and internal processes for greater efficiencies.

In 2022/23 we changed our phone and communication provider for both the office phones and the emergency phones in the lifts, reducing the annual cost by over £1,000.

Reviewing existing contracts

We undertook a market review of utilities' providers, following the substantial increase in the energy prices, when our existing contracts were due for renewal, ensuring the best possible prices were obtained.

Rechargeable works

We reviewed the charging process to ensure all rechargeable work is paid for by tenants.

VFM measures

Hill Homes' Board has agreed Key Performance Indicators against which it measures the performance of the organisation.

The financial year 2022/23 has been a challenging one. Our void properties remained empty for longer than we would like. Void work was completed, making the property ready for occupation but it has proved difficult to find appropriate tenants for our extra-care scheme. We are liaising with the local authority and reviewing what more we can do to address the situation and reduce the negative impact of voids on our finances.

Our void level at Trees was higher than in the previous year with average occupancy being 90%. Our sheltered housing scheme, at Nuffield Lodge, had an average occupancy of 96% for the financial year.

We have had some new staff starting, as longer-serving staff members have moved on to pastures new. We have continued to service and support tenants in the best way possible during this period of change, whilst continuing to comply with relevant regulations.

Our activities programme has expanded over the year, and we offered a weekly coffee morning, poetry group, bingo session, art group, quiz and we started a

book club. We formed an Activities' Management Group, providing tenants with the opportunity to drive the development of our activities programme and manage the associated budget.

Tenant engagement is important to Hill Homes, and we have continued to engage with tenants on an individual basis. We held tenant engagement sessions at both our sheltered housing and extra-care schemes, providing all tenants with the opportunity to share their views on our services with members of the leadership team.

Work on upgrading the communal kitchen at Trees was further delayed, mainly due to high staff turnover. The work is now planned for 2023/24. Plans include increasing the space and storage available, retaining open plan nature of the kitchen making it more inviting for tenants and their visitors to use.

Our fire and safety assessment work continues based on latest guidance and the fire safety regulations.

The table below sets out the organisation's performance in relation to VFM over the last year.

Measure	2022/23	Target
Hill Homes aims to provide a safe and comfortable living environment in which tenants can live an active lifestyle		
Response time for emergency repairs	2 hours	< 24 hours
Response time for urgent repairs	1 days	3 days or under
Response time for routine repairs	2 days	20 days or under
Percentage of new tenants satisfied when taking up occupancy	100%	100%
Capital project cost variation from budget	0%	< 5%
Number of health & safety issues raised, accidents and near misses	8	< 5
Number of safety checks not completed on time	1	0
Hill Homes aims to ensure the organisation is financially sustainable		
Time taken to relet void properties	66 days	< 28 days
Efficient collection of rents	12 days	< 30 days
Hill Homes aims to ensure the organisation listens to feedback, learns from its mistakes, and makes an effort to improve		
Number of complaints received	3	< 5
Time taken to respond to complaints	8 days	< 14 days
Percentage of suggestions responded to	100%	100%
Hill Homes aims to recruit and retain a high-quality diverse workforce to meet the needs of the organisation		
Staff days lost to absence	5%	< 3%
Staff turnover	3%	< 3%
Percentage of agency staff versus employed staff	50%	< 25%
Hill Homes aims to ensure the organisation is well-led, efficiently run, and compliant with relevant legislation		
Number of meetings attended with London Borough of Haringey	100%	100%
Number of breaches of legislation	2	0

Value for Money Metrics

Under the 2018 VFM Standard, the Regulator of Social Housing requires all housing associations to publish annual VFM metrics. The aim of these is to help capture the performance across the sector in a fair and comparable way. Board Members are aware that, due to the small size of the Association, the fixed running costs of Hill Homes' properties are high in relation to larger landlords.

Value for Money Metrics			
		2023	2022
Reinvestment	Investment in properties as a percentage of the value of total properties held	1.40%	1.84%
Gearing	Degree dependence on debt finance	1.11%	1.06%
Earnings before interest, tax, depreciation, amortisation, major repairs interest cover (EBITDA MRI)	Indicator of liquidity and investment capacity	2,043%	3,915%
Headline social housing cost per unit	As defined by the regulator	£13,491	£12,084
Operating margin: - Social housing lettings only - Overall	Profitability of operating assets before exceptional expenses are taken into account	-12.17% -15.9%	-13.13% -10.0%
Return on capital employed (ROCE)	Compares operating surplus to total assets less current liabilities	-1.99%	-1.15%
New supply delivered		0%	0%

The Way Forward

Hill Homes is well placed to deal with the future challenges it may face. We are focussed on continuing to identify new ways to deliver services economically, efficiently, and effectively and are committed to regularly review all contracts to ensure continued Value for Money.

Maintaining our properties at a high standard is a priority for Hill Homes. We have a full stock condition survey that is reviewed and updated every five years. This helps us plan for significant expenditures and ensures we can uphold high standards of accommodation, that meet current safety standards.

Tenant engagement and input is important to Hill Homes. Moving forward, we will be working with tenants. We held engagement sessions for tenants during which we discussed our future strategy and asked for their views on our services. We will be working with our tenants to build on this and identify ways in which we can increase the opportunities for them to engage with us, enabling them to contribute to our decision-making in the most appropriate ways.

Hill Homes' board held a strategy session in November in 2022, during which members agreed five key strategic themes: customers, people, growth, finances and visibility. Overarching all these is service quality. By developing plans within these themes, we will continue to address, and improve wherever possible, value for money, whilst also ensuring the organisation remains compliant with forthcoming legislative changes.