

VFM Strategy 2017/18

1 Introduction

- 1.1 Hastoe's commitment to value for money (VFM) is driven by an awareness of the responsibility to use its assets and resources wisely, to protect its long term future and to deliver on its commitments to provide high quality homes and services, work for rural communities and promote environmental sustainability.
- 1.2 The Group has a strategic approach to VFM that is driven by the corporate plan. The corporate plan has a clear focus on VFM which underpins the vision and five key strategic ambitions.
- 1.3 The vision is 'sustainable homes in sustainable communities' and the key strategic ambitions are:
 - 1.4 To work for and with rural communities
 - 1.5 To promote and to demonstrate our commitment to environmental sustainability
 - 1.6 To hold a distinctive position in the sector, setting Hastoe apart in the quality of homes and services that we provide
 - 1.7 To innovate and push boundaries
 - 1.8 To influence national policy on housing, rural and environmental sustainability issues
- 1.9 The Group publishes a Value for Money Assessment, within its annual financial statements, which sets out progress in delivering VFM and benchmarks the performance against others in the Sector. This strategy focuses on the plans for the coming year to deliver further improvement in VFM.

2 Value for Money Strategy

- 2.1 In delivering the Group's vision and ambitions, VFM will be achieved by:
 - Maximising financial capacity, within prudent limits
 - Deciding how best to allocate assets and resources
 - Improving the quality and efficiency of services
 - Efficient and effective procurement
 - A robust framework of internal controls & risk management
 - Effective governance
 - Transparent performance reporting and effective scrutiny
 - Embedding VFM into the culture
- 2.2 The actions in the strategy have been colour coded to indicate whether they are primarily designed to provide **cost savings (or increases income)**, **improvements in efficiency** or **enhancements in the quality of our services or homes**.

3 Maximising financial capacity, within prudent limits

- 3.1 Hastoe aims to maximise its financial capacity to deliver its corporate plan ambitions. This is achieved by maximising income, controlling operating costs and good treasury management.
- 3.2 In 2016/17, the Board undertook a review of its corporate structure, with an aim of maximising financial capacity. As a result, Hastoe Housing Association is in the process of converting to charitable status and a new subsidiary is being established for commercial activities, such as open market sales. Later in the year, the Boards of Hastoe Housing Association and Hastoe Wyvern Housing Association will consider whether there is a case to merge their activities.
- 3.3 To promote financial efficiency, the Board has a target for the Group's operating margin to be in the top quartile for the Sector. In response to the rent cuts, to maintain its financial strength, Hastoe froze salaries in 2016/17, withdrew the Performance Related Pay scheme, rationalised the housing management structure, removed two senior posts, reduced discretionary charitable expenditure and undertook a detailed review of maintenance expenditure to deliver savings.
- 3.4 To maintain top quartile arrears performance and helping residents prepare for the impact of welfare reform, Hastoe invests in highly trained staff supported by robust IT arrears collection systems, has a flexible direct debit offering, offers a wide range of welfare benefit and money management signposting and continues to work closely with Citizens Advice Bureaux and similar organisations.
- 3.5 Hastoe's approach to income management has proved to be highly successful in recent years. Social rent arrears had fallen to 2.1% at the end of March 2016 (2.4% at March 2016), well within the HouseMark top quartile.
- 3.6 The measures put in place to address performance in leasehold arrears have had a positive impact in 2016/17, with leasehold arrears cut from 20.5% at March 2016 to 8.6% at March 2017. In addition, major works arrears fallen from £159k to £63k in the year.
- 3.7 On an annual basis, the Board approves the treasury policy and strategy. Treasury management activities involve risk and potential return. Hastoe's policy in depositing cash is first to minimise risk, and subject to that to maximise return. In borrowing, the objective is to ensure the stability of Hastoe's financial position by effective debt management, and subject to that to minimise cost. External treasury advice is sought, as required. Hastoe maintains a credit rating so as keep open its future funding options.
- 3.8 While acknowledging that the Group's financial capacity will be further limited by reducing rents over the next two years, the Board is determined to do what it can to support the provision of more rural affordable homes. The Board has a number of financial risk management measures that quantify its risk appetite. These are monitored in the management accounts and 30 year financial plan.

Objective	VFM Success Measure	How it will be monitored
Achieve an operating margin that is top quartile compared to the Sector.	The budget sets a target of 41% for the year ending 31 March 2017. The latest published figures from the Homes & Communities Agency (HCA) show that 34% was top quartile for the Sector in the year ended 31 March 2016.	Quarterly Finance Reports and Performance Reports to the Board
Completed corporate restructure.	Hastoe HA conversion to charitable status and new commercial subsidiary in operation.	Ongoing reports to the Board during project.
Consider whether there is a case to merge the activities of Hastoe HA and Hastoe Wyvern HA	A decision by the two Boards on the most appropriate structure.	Report to the Boards by March 2018.
Enable continued access to capital markets funding.	Achieve a credit rating in line with the Board's risk appetite – currently to maintain rating relative to the sector.	Alert measures inform the Board of actions most likely to trigger change in rating.
Maintain top quartile rent arrears performance.	Achieve rent arrears target of 2.6% or better by 31 March 2018.	Quarterly Finance Reports and Performance Reports to the Board
Achieve step change in leasehold arrears performance	Reduce leasehold service charge arrears to 6% and leasehold major repair arrears to £40k by 31 March 2018.	Quarterly Finance Reports and Performance Reports to the Board

4 Deciding how to best to allocate assets and resources

- 4.1 The Group is continually making decisions about the level and type of investment in new and existing properties, and whether existing properties should be retained or sold.
- 4.2 The Board is committed to building quality homes in low as well as high value areas, although there is a focus on new market sale homes in high value areas. The development programme will still be ultimately aimed at the provision of affordable rural homes and, to achieve this, Hastoe will undertake more market sale homes and other low cost home ownership products for cross subsidy purposes and in the future consider new joint ventures with partners such as private estates and landowners.
- 4.3 The Board agree the quality, level and mix of new homes which will be delivered. Projects are prioritised using a net present value discounted cash flow appraisal model. The criteria, assumptions and discount rates used to assess developments are approved by the Board.
- 4.4 The Asset Management Strategy sets out the strategic choices for use of the Group's homes and the investment priorities to maintain the high quality and life of the homes. The strategy sets out how services are delivered that are good and meet customer needs through improved technology, improved contractor & staff performance and continue to provide the right culture through the Institute of Customer Services. In 2017/18, there will be a small programme of Trickle Sales on selected urban estates. The sales of these relatively high value properties on the open market will be used to support the development of new rural homes. Each sale achieved in 2016/17 is expected to provide sufficient subsidy to build 2.6 new homes.

- 4.5 A further review of the Group's garage sites will be undertaken 2017/18 with a view to identifying development potential.
- 4.6 Hastoe will continue to improve the energy efficiency of its homes through improved heating systems and other measures and take advantage of grant funding to support green investment. Residents derive significant benefit from a home that is better heated and cheaper to run.
- 4.7 The Board decides the scale and allocation of resources throughout the business, such as staff and Information Technology. There are several strategies, plans and policies that drive these decisions, the most significant of which are approved and monitored by the Board. A review of IT systems was undertaken in 2016/17, along with a procurement exercise for a new housing management system and purchase to pay system. The Board has approved a £1.1m budget to implement these new systems, along with a new HR and payroll system. These system improvements are expected to deliver increased efficiencies and help encourage a channel shift for customers towards digital solutions.
- 4.8 The Group recognises that it is only as good as its staff. The strategy for pay and benefits is focussed on enabling the recruitment and retention of high performing staff. The training and development of staff is prioritised, as evidenced by the Investors in People Gold award. The Executive Team receive an annual report assessing the value for money of the previous year's training expenditure. This informs the training plan for future years.

Objective	VFM Success Measure	How it will be monitored
Sell vacant urban social rent properties on the open market to fund new rural homes.	Achieve surplus of £2.9m. Meet sales period target of 170 days	Quarterly Finance Reports and Performance Reports to the Board
Increase and improve ability to deliver a larger programme of market sales - financial thresholds, staff skills and risk management.	Complete 4 open market sales, for budgeted surplus (or better) and within target of 70 day sales period for new build properties	Board report and internal audit on preparedness for increase in market sales activity. Quarterly Finance Reports and Performance Reports to the Board
Improve the environmental standards of Hastoe's existing homes.	A further 70 homes to meet the Hastoe Green Homes Standard.	Quarterly Performance Reports to the Board
Implement new housing management, purchase to pay and HR & payroll systems by March 2018.	Systems delivered within planned timescales and to budget.	Reports to the Board
Review the Group's garage sites for development potential.	If viable, have at least one site identified for development by Hastoe for sale to a third party.	Quarterly Development performance reports to the Board

5 Improving the quality and efficiency of services

- 5.1 The Customer Services strategy aims to deliver high quality customer service in the current challenging landscape. It recognises that compromising on service delivery could reduce customer satisfaction so introduces cost effective improvements that strengthen trust. This requires greater compliance to agreed working practices from staff, rigorously adhering to service standards, getting it right first time and achieving budget efficiencies through smarter working and better targeting of services.
- 5.2 The performance targets for 2017/18 are set out in paragraph 5.8. Improving satisfaction with the repairs service and reducing sales void times are key challenges this year.
- 5.3 The retendering of the repairs contracts in the South and East regions have resulted in measurable service improvements and a reduction in repair costs. Satisfaction with completed repairs has lagged behind the other performance measures but some improvement was made during 2016/17. Now the new contractors are bedded in, further improvements are expected in 2017/18.
- 5.4 There is a strong focus on customer service. Every member of staff has attended a high profile and comprehensive customer service course, with ongoing reinforcement. Hastoe has adopted the Institute of Customer Service's (ICS) approach, which compares performance against other service suppliers in addition to other associations, which is more meaningful from a tenant's perspective.
- 5.5 Personas, based on Experian data customer segmentation, are used as a cost effective way of gaining a better understanding of the preferences and circumstances of tenants. During 2016/17, Hastoe became a member of the Rental Exchange which allows tenants will be able to improve their credit scores and therefore be able to access cheaper credit. A related Experian product, called Tenancy Sustainability, enables access to more detailed information to understand the financial circumstances of tenants which allows welfare advice and similar services to be targeted on a timely basis to those most in need.
- 5.6 Having invested in additional staffing and new systems for the Hastoe Hub over recent years, the targets for 2017/18 are to maintain a high level of customer satisfaction with the service, while reducing avoidable contact.
- 5.7 Lastly and of continued primacy, Hastoe will provide safe homes through the effective management of risk areas and continue to implement the best industry practices.

5.8 The key operational targets for 2017/18 are:

Key Performance Indicator	Measure	Target 17/18	Result 16/17	Average	Top Quartile	Target 16/17
Customer satisfaction	ICS customer satisfaction survey	70	69.7	74%	N/A	70
	Hastoe Hub: callers satisfied with the way their call was handled	93%	95.4%	N/A	N/A	93%
	Satisfaction with last responsive repair	84%	78.4%	93%	96%	89%
	Trust - volume of avoidable contacts	<7%	11%	N/A	N/A	<7%
Health and safety	Gas servicing % of valid CP12's	100%	100%	100%	100%	100%
	% residential blocks with valid Asbestos Risk Assessments	100%	100%	N/A	N/A	100%
	% residential buildings with valid Fire Risk Assessments	100%	100%	N/A	N/A	100%
Voids	Average void period	17 days	14.6	24.3	19.4	18

Objective	VFM Success Measure	How it will be monitored
Use the ICS accreditation process to target areas of service where efficiency and customer satisfaction can be improved	Achieve a UKCSI survey score of 70 UKCSI Accreditation received	Customer Services Strategy to Board Quarterly Finance Reports and Performance Reports to the Board
Better intelligence on tenants Embed use of Experian Rental Exchange and Tenancy Sustainability products	100% of tenants participating in Rental Exchange matched with Experian's data, helping to improve their access to financial products and services Meet arrears target of 2.6%	Customer Services Strategy to Board
Ensure new housing management system designed to support significant channel shift to digital services.	System enabled so that a distinct on-line offering can be made in 2018/19.	Customer Services Strategy to Board
Continue to closely monitor the costs of responsive and void repairs, and implement changes that help reduce demand/cost.	Maintain reduction in the responsive repairs cost per order achieved in 2016/17 (cost of £138 per order) and increase satisfaction with the last responsive repair to 84%.	Quarterly Finance Reports and Performance Reports the Board

6 Efficient and effective procurement

- 6.1 Standing orders set out the requirements for a transparent and competitive procurement process. For example, contracts over £25,000, such as development and repairs and maintenance services, are normally subject to tender.
- 6.2 Procurement is carried out within the business rather than via a central procurement team. Although the stationery contract, for example, is negotiated centrally and then orders placed directly by the business.
- 6.3 In 2017/18, Hastoe will work with its subsidiary, Sustainable Homes Limited, to develop a build standard that is high quality, environmentally sustainable and affordable, to counter the effects of build cost inflation and ensure that Hastoe has a viable new build programme.
- 6.4 Maintenance costs on renewable heating systems have increased markedly in the year. Further work will be undertaken in 2017/18 to understand the drivers and look to reduce costs.

Objective	VFM Success Measure	How it will be monitored
Work with contractors to deliver improved customer satisfaction.	84% satisfaction with last responsive repair.	Quarterly Finance Reports and Performance Reports to the Board
Develop a more affordable new build standard that meets Hastoe's strategic aims	Reduce build costs, excluding abnormals, per square metre by 5% (in real terms) as compared to current design standard.	Quarterly Development Reports to the Board
Agree design standard	Board decision on build standards that recognises both brand and cost drivers.	Board report

7 A robust framework of internal controls & risk management

- 7.1 The Board review and approve the risk management policy and strategy on an annual basis. The business significant risk map is reviewed at least quarterly by the Board. The target scores within the risk map reflect the Board's appetite for risk. The Board and senior staff also undertake an annual risk maturity survey.
- 7.2 The Board review the delegated authorities set out within Standing orders and Financial Regulations at least annually. A Group-wide framework of policies and procedures is maintained and regularly updated.
- 7.3 Actual and forecast loan covenant compliance is monitored regularly by the Executive Team and quarterly by the Board.
- 7.4 A programme of internal audits, conducted by an external independent firm, provide the Audit Committee and Board with further assurance of controls.
- 7.5 Hastoe's has a control framework of 'golden rules' designed to protect the Group's long term financial viability.

Objective	VFM Success Measure	How it will be monitored
Continue to ensure that the business risks are well managed and/or mitigated.	A dynamic risk map that is updated at least quarterly by the Board. Executive Team, Senior Management Team and all staff engaged and able to demonstrate an understanding of risk management within their roles.	Business Significant Risk Map regularly reported to Audit Committee and Board
Annual review of the financial plan to include the impact of a number of multiple risk scenarios or 'perfect storms'	The Board is fully engaged with the process of stress testing the financial plan. Sufficient assurance for Board to assess compliance with the Regulatory Standard.	Board report June 2017
Build on stress testing to develop a recovery plan	Have a set of set triggers and responses agreed by the Board to be utilised in case of adverse impacts on the financial plan.	Board report in June 2017
Board annual review and approval of standing orders and financial regulations.	A clear set of delegated authorities from the Board.	Board report in July 2017
Maintain accurate and up to date register of assets and liabilities.	Sufficient assurance for Board to assess compliance with the Regulatory Standard.	A report on compliance with the Regulatory Standards will be presented to the Board in July 2017. Compliance testing internal auditors provides further assurance.

8 Effective governance

- 8.1 Effective governance is essential to every aspect of the Group's activities. Hastoe's governance arrangements are strong, as verified by internal audits, independent reviews and the HCA's G1 rating. It is vital to keep these arrangements under continual review so that they remain fit for purpose as Hastoe, and the environment in which it operate, changes. Hastoe's approach was further validated during the HCA's Indepth Assessment that took place during 2016.
- 8.2 During 2016/17, the skills requirement and succession plan were reviewed in light of the new corporate plan and in particular the increase in open market sales and consideration of joint ventures.

Objective	VFM Success Measure	How it will be monitored
Demonstrate and deliver effective governance	Maintain G1 governance rating.	Report to Board
Update skills requirements and succession plan	Ensuring the skills strategy and succession plan is aligned to the objectives within the corporate plan.	Approval by Board in July 2017

9 Transparent performance reporting and effective scrutiny

- 9.1 An annual VFM Self Assessment is published in the financial statements each year. The Assessment is designed to be transparent and accessible to stakeholders. The content should:
- Demonstrate how Hastoe is achieving value for money in delivering its purpose and objectives.
 - Explain the return on assets measured against the organisation's objectives.
 - Set out the absolute and comparative costs of delivering specific services.
 - Evidence the value for money gains that have been and will be made and how these have and will be realised over time.
- 9.2 The Financial Statements contain a linked to this Strategy. Both documents are made available on Hastoe's website.
- 9.3 The Group also produces an Annual Report to Tenants, which is published on the Hastoe website and posted to tenants by 31 October each year. The Report focuses on Value for Money and provides trend information about Hastoe's performance over recent years as well as benchmarking information about how Hastoe compares with other associations.
- 9.4 Hastoe's Resident Involvement Strategy sets out the various ways in which residents are involved in influencing and scrutinising the services which Hastoe's offers.
- 9.5 Management accounts and performance information are produced monthly and reviewed by the Executive Team. The information is reviewed and scrutinised by the Board on a quarterly basis.
- 9.6 The six monthly Chief Executive's phone day provides an opportunity for residents to speak direct to the Chief Executive about service improvement ideas.
- 9.7 Hastoe takes a robust approach to benchmarking; periodically checking our relative operating performance against high level sector and external comparisons; and carrying out more specific benchmarking where this is required. In 2015/16, the Group made a conscious switch to the Customer Services Institute which provides outside sector comparisons that are more relevant to our customer base. In 2016/17, Hastoe decided to participate in the pilot of the 'Sector Scorecard'.
- 9.8 Overall benchmarking data confirms that that Hastoe is relatively efficient with a high operating margin and relatively highly geared. Management costs compare favourably management costs. Where variances arise, the reasons are explored and action taken, where necessary.
- 9.9 Analysis of the latest HCA global accounts data, published by Social Housing magazine in April 2017, showed that Hastoe was amongst the 15 traditional housing associations with the lowest unit costs.

Level	Source	Reporting Frequency
Group level	HCA 'Global Accounts'	Report to Board
	HouseMark Core Benchmarking	Bi-Annual analysis of cost and performance against all 90 English Traditional Housing Associations. Last reported to Executive Team Feb 2016. Next report in 2017-18
Customer Services	HouseMark Core Benchmarking UKCSI framework	Annual reporting in the Customer Services Strategy. UKCSI Data provides a benchmark with and outside the sector.
Operations	HCA 'Global Accounts' HouseMark Core Benchmarking	Maintenance spend data used to inform the Asset Management Strategy.
Development & Sales	SDS Catalyst Development Club Property market data e.g. Home.co.uk.	Development costs data used internally to inform costs estimates and contract tenders. Sales data used to inform KPI targets.
Corporate Resources	HouseMark Core	Overheads comparison including Finance, IT and HR costs.

Objective	VFM Success Measure	How it will be monitored
Work on pilot of "Sector Scorecard".	Outcome of benchmarking provides stakeholders with clear illustration of Hastoe's efficiency and effectiveness.	Performance Report to Board
Publish VFM Assessment by 30 September each year, at the latest.	A report that is well received, understood and useful for stakeholders	Approved by Board within financial statements, subject to review and recommendation by the Audit Committee.
Publish Annual report to Tenants by 31 October each year and provide an opportunity for tenants to give their views of the VFM of Hastoe's services.	A report that is well received, understood and useful for tenants.	Approval by Board in September 2017.

10 Embedding VFM into the culture

- 10.1 The corporate plan has a clear focus on VFM which underpins the vision and five key strategic ambitions. The corporate plan actions feed into personal objectives so that every member of staff is aware of their role in achieving Hastoe's vision and the importance of VFM.
- 10.2 The messages within the Corporate Plan and VFM strategy will be shared with staff at the regular 'Roadshows', meetings with the Chief Executive and a presentation at each regional office by the Executive Team. Embedding VFM amongst staff helps them appreciate that achieving VFM is not just about cost cutting but also about delivering better outcomes.
- 10.3 Hastoe will continue to engage staff to submit ideas that relate VFM to their day to day activities. Previous suggestions have resulted the adoption of various forms of video conferencing, which have been used reduce travel time and expenses.

Objective	VFM Success Measure	How it will be monitored
Keep the VFM suggestions coming into the Hastoe Ideas Box	Engage a wide range of staff and produce at least one idea that leads to a significant service improvement or cost reduction.	Quarterly reports to Executive Team.

11 Performance against 2016/17 Strategy Objectives

11.1 The following section provides an overview of performance against the objectives set in the 2016/17 strategy. Out of 35 success measures identified for the year, 25 were achieved, 3 partially achieved, and 7 not achieved.

Acheived	Partially Achieved	Not Achieved
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2016/17 Objective	Success Measure	Achieved?	Progress reported
Maximising financial capacity, within prudent limits			
Achieve an operating margin that is top quartile compared to the Sector.	The budget sets a target of 41% for the year ending 31 March 2017. The latest published figures from the HCA show that 34% was top quartile for the Sector in the year ended 31 March 2016.	2017/18 operating margin 43% (excludes surplus on fixed asset sales)	Quarterly Finance Reports and Performance Reports to F&P Committee and Board
Review the Group's corporate structure.	Identify the most appropriate corporate structure for the Group, including consideration of tax efficiency.	New structure being implemented in 2017/18	Board working party due to report to Board in November 2016.
Enable continued access to capital markets funding.	Achieve a credit rating in line with the Board's risk appetite – currently to maintain rating relative to the sector.	A2 rating maintained throughout year	Alert measures inform Board of actions most likely to trigger change in rating.
Maintain top quartile rent arrears performance.	Achieve rent arrears target of 2.78% or better by 31 March 2017	2.1%	Quarterly Finance Reports and Performance Reports to F&P Committee and Board
Achieve step change in leasehold arrears performance	Reduce leasehold service charge arrears to 10% and leasehold major repair arrears to £78k by 31 March 2017.	8.6% and £63k	Quarterly Finance Reports and Performance Reports to F&P Committee and Board

2016/17 Objective	Success Measure	Achieved?	Progress reported
Deciding how to best to allocate assets and resources			
Sell 20 social rent properties on the open market to fund new rural homes.	Achieve £3.5m surplus on sales in 2016/17 budget. Use subsidy to build at least 1.5 new homes for each home sold. Meet sales period target of 170 days	£3.4m surplus achieved. Sales period within target at 136 days. Lower number of sales but a higher surplus per sale. On average each sale in 2016/17 will provide enough subsidy to build 2.6 new homes.	Quarterly Finance Reports and Performance Reports to F&P Committee and Board
Increase and improve ability to deliver a larger programme of market sales - financial thresholds, staff skills and risk management.	Complete 10 open market sales, for budgeted surplus (or better) and within target of 70 day sales period for new build properties	7 open market sales achieved, Sales period 138 days.	Board report and internal audit on preparedness for increase in market sales activity. Quarterly Finance Reports and Performance Reports to F&P Committee and Board
Formulate detailed requirements for improved Information Technology systems and select preferred supplier.	Information Technology systems requirements comprehensively reviewed and detailed specification ready to tender for new suppliers.	Board approval obtained and system procured. Implementation in 2017/18.	Report to Board in November 2016
To agree build standards for open market sale properties	Board decision about new build standards for open market sales	AECB Silver standard	Board Report May 2016
Improving the quality and efficiency of services			
ICS customer satisfaction survey	70%	69.7%	Board Performance Report
Hastoe Hub: callers satisfied with the way their call was handled	93%	95%	

2016/17 Objective	Success Measure	Achieved?	Progress reported
Satisfaction with last responsive repair	89%	78%	
Trust - volume of avoidable contacts	<7%	11%	
Gas Servicing % of Valid CP12's	100%	100%	
% residential blocks with valid Asbestos Risk Assessments	100%	100%	
% residential buildings with valid Fire Risk Assessments	100%	100%	
Average void period	18 days	14.6%	
Better intelligence on tenants Subscribe to Experian Rental Exchange and Tenancy Sustainability products	Fully live with the Rental Exchange Access to credit and financial health data	Data being used improve credit rating of tenants and obtain early warning of those in financial distress.	Customer Services Strategy to Board
Continue with website improvements, so that it is more user-friendly.	The introduction of the new portal to increase usage of the website by 40% and reduce payment calls to Hastoe Hub by 15% by March 2017	Payments on the portal grew by 13% over the year, with a corresponding fall in calls.	Quarterly Finance Reports and Performance Reports to F&P Committee and Board
Continue to closely monitor the costs of responsive and void repairs, and implement changes that help reduce demand/cost.	Maintain reduction in the responsive repairs cost per order achieved in 2015/16 (cost of £144 per order) and increase satisfaction with the last responsive repair to 89%.	Cost per order reduced to £138. Satisfaction with last repair 78%	Quarterly Finance Reports and Performance Reports to F&P Committee and Board
Efficient and effective procurement			
Analyse reasons for continued low satisfaction and work with contractors to deliver improved customer satisfaction.	89% satisfaction with last responsive repair.	78%	Quarterly Finance Reports and Performance Reports to F&P Committee and Board
Enter fixed price servicing and maintenance contract for renewable heating and energy systems	Achieve 10% cost saving as compared to 2015/16		Quarterly Finance Reports to F&P Committee and Board
Renegotiate utility contracts	Achieve 10% cost saving as compared to 2015/16	17% saving achieved	Quarterly Finance Reports to F&P Committee and Board
Procurement internal audit undertaken	Satisfactory internal audit report	Yes	Internal auditors report to Audit &

2016/17 Objective	Success Measure	Achieved?	Progress reported
during 2016/17			Risk Committee
A robust framework of internal controls & risk management			
Continue to ensure that the business risks are well managed and/or mitigated.	A dynamic risk map that is updated at least quarterly by the Board, Audit and Risk Committee, Executive Team, Senior Management Team and all staff engaged and able to demonstrate an understanding of risk management within their roles.	Yes	Business Significant Risk Map regularly reported to Audit Committee and Board
Annual review of the financial plan to include the impact of a number of multiple risk scenarios or 'perfect storms'	The Board are fully engaged with the process of stress testing the financial plan. Sufficient assurance for Board to assess compliance with the Regulatory Standard.	Yes	Board report May 2016
Build on stress testing to develop a recovery plan	Have a set of set triggers and responses agreed by the Board to be utilised in case of adverse impacts on the financial plan.	After discussions with ET, F&P Committee and Board, this was deferred until 2017/18	Board report in July 2016
Board annual review and approval of standing orders and financial regulations.	A clear set of delegated authorities from the Board.	Yes	Board report in July 2016
Maintain accurate and up to date register of assets and liabilities.	Sufficient assurance for Board to assess compliance with the Regulatory Standard.	Yes	Board report in July 2016
Effective Governance			
Demonstrate the Group's effective governance to the HCA during the IDA	Maintain G1 governance rating.	Yes	Report to Board
Update skills requirements and succession plan	Ensuring the skills strategy and succession plan is aligned to the objectives within the corporate plan.	Yes	Approved by Board in July 2016
Transparent performance reporting and effective scrutiny			
Continue to support the Tenant Panel in its work to provide an effective scrutiny role.	Demonstrable improvements to the service scrutinised and engagement with service design.	Yes	Annual meeting of Tenant Panel Chair with Hastoe Group Chair. Reports to the Board from

2016/17 Objective	Success Measure	Achieved?	Progress reported
			Tenant Panel.
Publish VFM Assessment by 30 September each year, at the latest.	A report that is well received, understood and useful for stakeholders	Yes	Approved by Board within financial statements, subject to review and recommendation by the Audit & Risk Committee.
Publish Annual report to Tenants by 31 October each year and provide an opportunity for tenants to give their views of the VFM of Hastoe's services.	A report that is well received, understood and useful for tenants.	Yes	Approved by Board in September 2016.
Embedding VFM into the culture			
Keep the VFM suggestions coming into the Hastoe Ideas Box	Engage a wide range of staff and produce at least one idea that leads to a significant service improvement or cost reduction.	Yes	Quarterly reports to Executive Team.