

1. Introduction

Value for money focusses attention on keeping costs and wastage low but is not just about the bottom line. It's about the impact on people as well as the actual money we spend, and our effectiveness and responsiveness are crucial. Our value for money strategy is based on four key pillars:

- Economy (spending less) - reducing the cost of procurement
- Efficiency (spending well) - measuring productivity and performance
- Effectiveness (spending wisely) - maximising the impact that can be achieved
- Equity (spending fairly) – recognising diversity and ensuring that those in greatest need are considered.

We are also mindful of the wider debate of how value for money should be defined within organisations with social objectives, we would therefore highlight that for Stori value for money means:

- ensuring that Stori delivers maximum value to the people using our services, while minimising costs. This means understanding their definition of value and focusing on the right things.
- providing effective and high-quality services which meet the needs and expectations of the people accessing our homes and services, as efficiently and cost effectively as possible.
- making the best use of available resources, to work as effectively and efficiently as possible, while maintaining and improving services to our tenants and clients.
- ensuring a clear correlation between transparent and well understood costs, and the quality and level of service provided.

2. Our Approach to Value for Money

Value for money is driven by the Board of Management, overseen by the Finance and Audit Committee, and embedded in the way Stori works, plans and delivers services across Wales, and we see it as key to financial sustainability. We continually assess opportunities to enhance our services, and actively involve our employees and tenants and clients to achieve value for money. Our approach to cost management is extremely important.

However, we need to ensure decisions focus on keeping costs and wastage low, do not impact on the quality of services to our clients and support delivery to ensure we are meeting client needs. This in turn contributes towards the financial viability of Stori enabling us to continue to achieve our long-term strategic aims. In a climate of reduced funding and economic challenges facing the sector, preserving services at the current level, and seeking to improve upon them, can be difficult. Therefore, value for money is integral to our approach to business planning.

3. How we deliver value for money

To achieve value for money, the Association is focused on having the right people providing the right level of service at the right cost. Our people need to be properly trained and have access to the right resources to enable them to carry out their roles effectively and provide the highest quality services. Our framework to achieve this is based on:

- a) Governance and Financial Leadership – to continue to develop a Board led Value for Money culture, with all employees encouraged to accept ownership and accountability for achieving it;
- b) Tenant and Client Perspective – to ensure that the services we provide are shaped around the needs of our clients;
- c) Key Indicators - how we are delivering against our plans, other similar organisations* or nationally* (*wherever data comparisons are available). We focus on:
 - Asset Management - optimising the use of our assets i.e. our employees, resources and housing stock.

- Costs and performance of services – monitoring the cost and effectiveness of service delivery.
 - Procurement – focusing on value for money, cost savings and collaboration with others in securing contracts.
- d) Community / Social Value – quantifying the benefits of our services to individuals and local communities.

4. How We Are Doing

a) Governance and Financial Leadership

We have a 5-year business plan and a 30-year financial plan which takes account of our supported and grant funded activities, as well as planned housing maintenance and repair programming.

Every year we allocate resources to our activities to enable us to meet the strategic aims of the 5-plan and then monitor our performance against these aims. We use a Performance Dashboard to report on key performance areas and compliance to enable the Board to clearly see the progress being achieved. This allows us to monitor and evaluate our performance against our strategic aims ensuring that all activities reflect our commitment to achieving economy, efficiency and effectiveness. Board assurance is provided by the Finance and Audit Committee who monitor performance, review strategic risks, strategic projects, finance policies and planned programmes at their quarterly meeting. They are responsible for agreeing budgets, understanding our cost base and sources of income and providing assurance to Board in relation to Stori’s budget, appointing internal/external auditors and driving the internal audit plan. This enables Board to review our long term strategy and business plan annually with decisions informing plans and budgets for the following year. When considering new initiatives and projects, we achieve value for money through consideration of:

- achieving a surplus from each project.
- feasibility of each project / contract, that they are not financially dependent on other contracts.
- maintaining sufficient bank balance to meet all our liabilities.
- ensuring we have high, achievable and measurable outcomes and outputs for all our contracts.

b) Tenant and Client Perspective

Our clients and tenants are at the heart of our business and their input and feedback is integral to informing us about how we are doing, what we are doing well and where we need to improve. We undertake satisfaction surveys every year – one year with tenants-only, and the next with tenants and clients of support services. Welsh Government requires Housing Associations to ask 12 specific questions to enable tenant satisfaction comparison across the sector. The table below shows our latest tenant satisfaction ratings.

Welsh Government Standard Satisfaction Questions	How we compare to other Social Landlords in Wales		
	Top	Mid	Bottom
How satisfied or dissatisfied are you with the service provided by Stori	85%		
How satisfied or dissatisfied are you with the overall quality of your home?	89%		
Generally, how satisfied or dissatisfied are you with the way Stori deals with repairs and maintenance?	69%		
How satisfied or dissatisfied are you with your neighbourhood as a place to live?	77%		
How satisfied or dissatisfied are you that your rent provides value for money?	85%		
How satisfied or dissatisfied are you that your service charges provide value for money?	77%		

Welsh Government Standard Satisfaction Questions	How we compare to other Social Landlords in Wales		
	Top	Mid	Bottom
How satisfied or dissatisfied are you that Stori listens to your views and acts upon them?	85%		
Thinking about your home specifically, how satisfied or dissatisfied are you that Stori provides a home that is safe and secure?	92%		
How satisfied or dissatisfied are you with the way Stori deals with anti-social behaviour?	85%		
How satisfied or dissatisfied are you with opportunities given to you to participate in Stori's decision making processes?	81%		
How satisfied or dissatisfied are you that Stori gives you a say in how services are managed?	85%		
To what extent do you agree with the following statement - "I trust Stori"	81%		

In the main, satisfaction levels remain reasonably high and generally about or above average compared to other Housing Associations in Wales. We know from this feedback that repairs and maintenance and tenant involvement are the most important driving factors for satisfaction, and we will continue to work to improve satisfaction in these areas.

c) Key Indicators

The Board scrutinises key performance indicators quarterly through its Committee structure and the Performance Dashboard, which allows Board to monitor performance month by month.

i. Procurement

The Association has a Procurement Strategy and all procurement decisions whether with our development processes, bidding for tenders and contracts, or purchasing services and items take account of:

- Fitness for Purpose - has the business appraised or renegotiated services and contracts to get the best mix of quality and effectiveness for the best cost?
- Options - have different options been considered before making purchases, including an assessment of the costs and benefits of the alternatives over the longer term? Has tendering been used appropriately and effectively to get the best deal? This does not mean always choosing the cheapest option but achieving best value.
- Economies of Scale - have we taken opportunities to work collaboratively with others to reduce and share administration and procurement costs?

When deciding which initiatives to prioritise we consider:

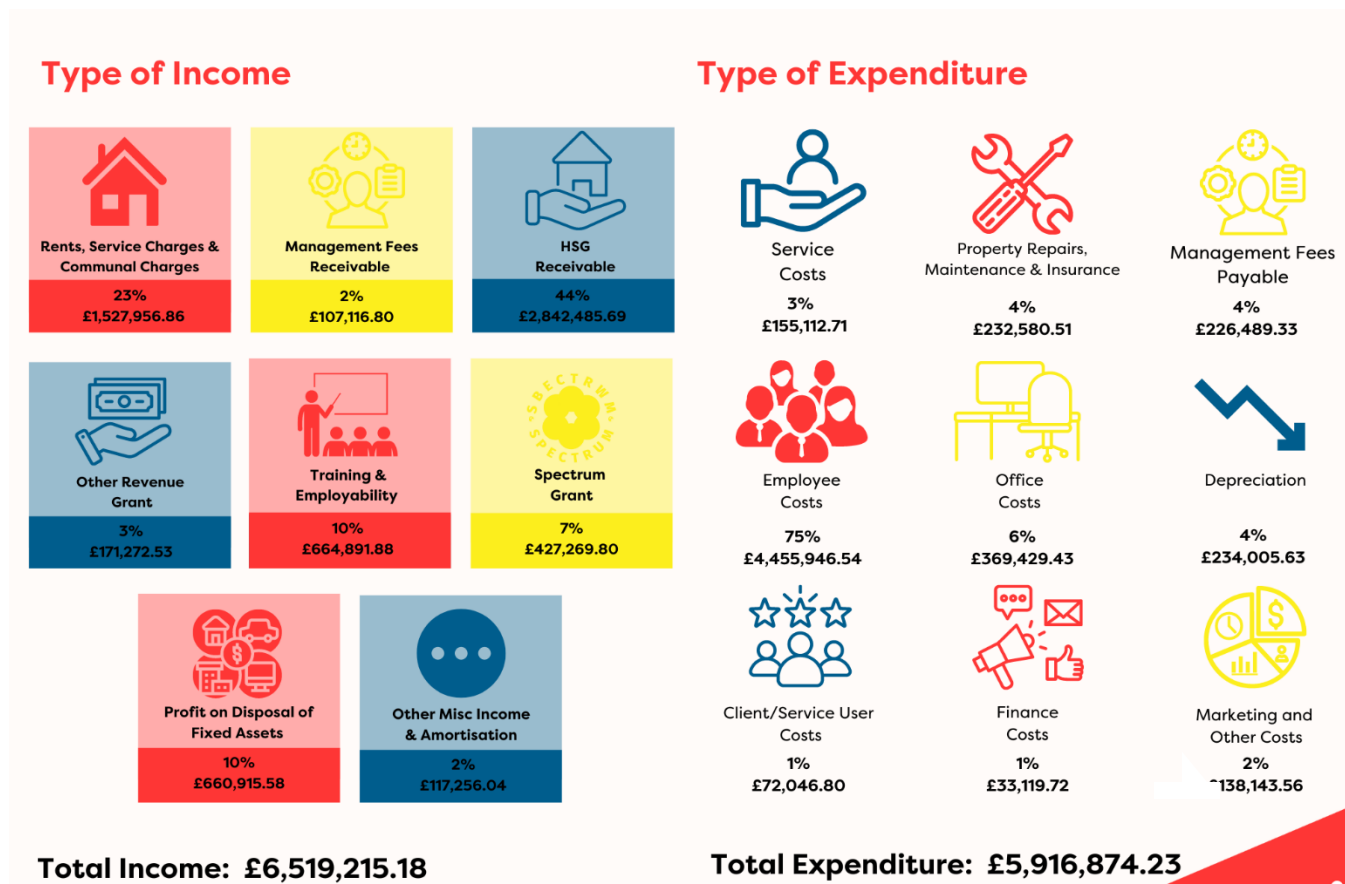
- the short, medium and longer-term benefits, both economic and non-economic for clients / tenants and the organisation.
- the total financial and non-financial implementation costs.
- the risk and impact to the business.
- potential barriers.
- any other implications.

We recognise that how we spend money can have major impacts across Wales as and we are committed to increasing the positive impact we have on the Welsh economy, and in 2023-24, we continued to demonstrate impact through our procurement activities and during the year the majority of our contract spend has gone to Welsh businesses and has been put directly back into the Welsh economy.

Through partnering with Bro Myrddin Housing Association we achieved economies of scale in ICT procurement such as laptops, phones, SIM cards and licences, thereby reducing costs still further. Additionally, we saved on travel costs due to improved ICT enabling staff to be flexible in their work base, and this therefore is also a significant improvement for the health and safety of employees.

ii. Costs and Performance of Services

These charts outline our income and expenditure areas for 2023-24



Repairs

	2022/23		2023/24	
	Total (£)	Average per repair (£)	Total (£)	Average per repair (£)
Reactive and Cyclical Repairs	85,932	517	107,266	192
Void Repairs	94,781	1,491	63,770	305
Major Works	26,272	710	35,782	568
Total repairs in I&E	206,985		206,818	

There has been a 24.8% increase in total reactive and cyclical repairs but there has been a significant reduction in average repair costs suggesting that volumes of small works have increased. Void repairs has reduced by 32.7% and there is also a reduction in average void repair. Major Works have increased by 36.1% but again the average cost of each repair has reduced.

Capitalised Component replacements

Component	Number Completed 22/23	Number Completed 23/24
Extension	0	1
External Doors	11	9
Windows		12
Bathrooms	0	5
Heating Systems	3	7
Electrics	0	5
	14	39

In 2023/24 Stori has increased its property component replacement volume. Going forward and particularly to adhere to WHQS23 and the decarbonisation of our properties, this will be an area of focus for spending and achieving VFM in its procurement going forward.

Arrears & voids

	2022/23		2023/24	
Rent arrears at year end. Both value and %	£102,123	7.10%	£124,640	8.10%
Voids at year end. Both value and %	£139,185	9.01%	£97,022	5.94%

The average time for re-letting void properties was 4.8 weeks for supported housing, and 24.7 weeks for 'general needs' homes. The supported housing figure corresponds with the ongoing housing demand vs housing need issue within Wales as move on programmes across Wales have been suspended and as a result move on has been very slow. The general needs property timescale was due to there being a complete property refurbishment programme being implemented due to damp within the property.

i. Asset Management – Our homes and our people

Our Homes

We commissioned a complete and comprehensive stock condition survey (SCS) for all our homes in 2023, and we now have comprehensive data to continue to develop and drive our asset management plans. By having greater intelligence and understanding of the needs of our tenants, their homes, our people, our costs, and the rate of returns we can ensure that we can provide greater assurance, target investment, and identify where we can develop. To further aid our understanding we invested in a new data analysis system (Lifespan) to explore the information from the SCS in order to help us plan and be prudent in our repairs and maintenance services.

The latest version of the Welsh Housing Quality Standards (WHQS23) came into force in 2023-24 and the data from our SCS gives us the detailed information we need to comply to the Standards and to the Housing Health and Safety Rating System - the Welsh Government's new approach to the evaluation of the potential risks to health and safety from any deficiencies identified in dwellings.

The Association's housing stock has previously used a reactive approach to maintenance i.e. we replace and repair units/components when reported, however with the implementation of the Lifespan system we will now have a robust planned maintenance programme which will sit alongside reactive repairs, and we will be able to plan much more effectively and efficiently for 5, 10 and 15+ years' for component replacement. This will have longer term benefits for tenants (like reduced energy costs, warmer, safer homes) and overall in our provision of affordable, good quality homes.

The current SCS results show our houses as being satisfactory and well suited to modern day living standards. Gardens are often large, well laid out areas which are safe and meet our tenants' expectations.

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Taken together, this creates a position where our homes are suitable, fit for purpose, are well managed, and will continue to be so for the foreseeable future.

In addition to meeting WHQS23 standards, we comply with all regulatory requirements and precautionary legislation through annual servicing of appliances and smoke detectors. This ensures our homes present safe environments for our tenants to live in. As at 31st March 2024:

Asbestos	100% of our properties have been surveyed and are now on a cycle of reassessment. We have an up to date Asbestos register
Electrical Testing	100% of our properties hold a valid FET Certificate. The business follows good practice on electrical testing and all properties are reassessed within a 2 year period.
Gas Safety	98% of our properties hold a valid Gas Safety Record. Gas servicing could not be completed at two properties - 1 is under development (renovation works), and 1 no access given, this has been reported to supplier
Legionella	100% of our properties hold a valid Risk Assessment. All properties are tested annually and when they are re-let after a void period.
Fire	100% of our properties hold a valid Fire Risk Assessment. Where relevant, 100% of our properties are up to date with Fire Alarm testing
PAT testing	100% of relevant appliances have valid PAT certificates
EPC	100% of our properties hold a valid EPC certificate

By continuing to invest in our homes and striving to improve on existing standards we will continue to deliver excellent services to our tenants.

Our People

Our employees are both our greatest asset and cost, and it's through our people that we put our commitment to achieving and maximising value for money into action through:

- empowering our employees to make decisions that help us deliver more
- monitoring performance through regular reports on activity, and
- seeking out our people' views and input on how we can become more effective and efficient
- engaging employees in strategy development
- providing a range of training
- reducing employee sickness
- implementing process to reduce staff turnover

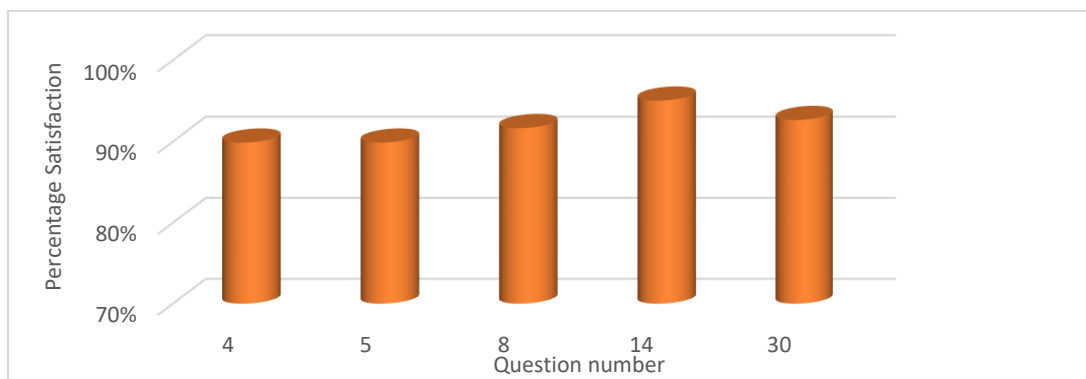
Sickness - Absence is a key indicator for any business and the average length of short term sickness (>20 days) during 2023-24 was 8.8 days per employee. We measure ourselves against the CIPD benchmark of 7.8 days per employee. We believe we can improve by more effectively supporting our people back into work, and by offering a range of wellbeing and support services.

Turnover - During 2023-24 turnover was 21.8% for the year, with a monthly average of 4.9%. If TUPE and redundancy exercises where contracts were not renewed by commissioners are taken into account, turnover was 25.7%.

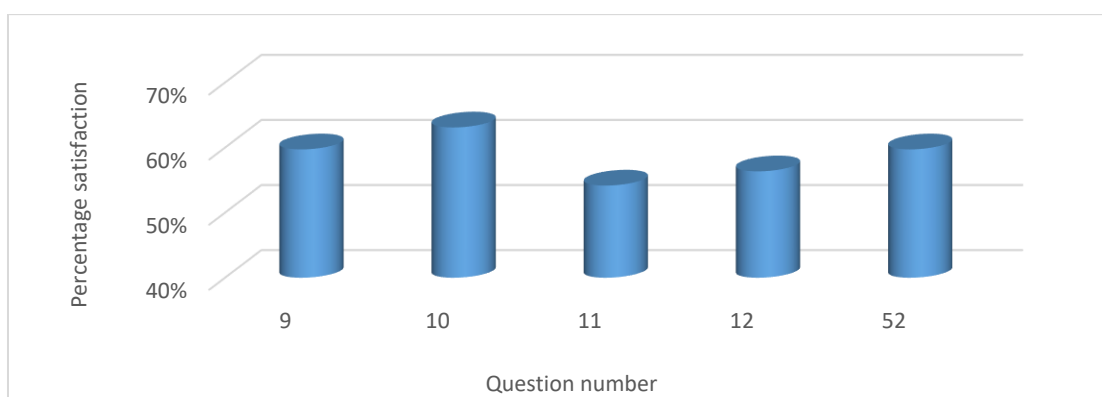
Engagement – The 2023 -24 employee engagement survey (People Survey) demonstrated that improvements that have been made within the business have been well received.

Areas of Highest Satisfaction in the 2023 -24 People Survey

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The results show consistent levels of satisfaction of employees with being part of their team, (Qs 4, 5 and 8), that people are interested in the work they do (Q14), and that people feel they're making a valuable contribution (Q29).



Areas of Lowest Satisfaction

Questions 9,10,11, and 12 are concerned with pay and the results demonstrate a consistent theme of dissatisfaction with pay across most teams in the business. Question 52 results reflect general dissatisfaction with what Stori does to protect the environment.

The 2023-24 survey results indicate that people's levels of satisfaction with their team and manager, and organisational leadership remained high. The biggest areas of dissatisfaction across the business are with regard to pay and what we give back to the community, but this year's results are very similar to the previous year's rates.

d) Community and Social Value

Overall in 2023-24 we supported over 2000 people across Wales to have safer, improved lives. By supporting our clients and tenants in the way we do we are adding value for individuals and communities every day. Here's some of the ways we do this by:-

- supporting people to learn new skills, gain qualifications or volunteer
- running digital or financial inclusion programmes
- helping people to budget to tackle food and fuel poverty
- using local suppliers and renewable resources wherever possible
- supporting people to improve their health and wellbeing

Wellbeing and Mental Health

We know through working with people in different ways throughout Wales that mental health has a huge impact on wellbeing and we wanted to begin to try to measure and analyse the positive impact that our services have.

We wanted to draw on people's lived experience of mental health, both good and bad, captured through their responses to the Warwick-Edinburgh Mental Wellbeing Scale – short version - (SWEMWBS), and show how this impacts on their overall wellbeing.

We used the HACT Wellbeing Valuation tool, (which uses SWEMWBS), and this approach analyses people's self-reported wellbeing, e.g. how satisfied they are with their life on a scale of 0-10, and how this changes due to different life circumstances. A key advantage of the Wellbeing Valuation approach is by using our tenants and clients self-reported wellbeing and life circumstances data, we have information on people's actual experiences and so the values are based on how people live their lives.

This allowed us to measure the success of our support services by how much it increased people's wellbeing. Our data analysis then revealed the equivalent amount of money needed to increase someone's wellbeing by the same amount, or, to put it another way, the saving to the public purse of our services.

We analysed around 20 projects which deliver Housing Support Grant funded tenancy support services (through a range of our young people's and supported housing projects), and community outreach support services. Overall we calculated that the net benefit of our services was worth around £323,000.

Our aim in 2024-25 is to continue to analyse our social value and further explore how our services are benefitting people and communities across Wales, and how we are contributing to the Well-Being of Future Generations Act.

Tackling Poverty

Throughout the year, our business development and operational teams make links with a range of grant-giving agencies, and by engaging with our clients and tenants to determine their needs, make applications on their behalf for relevant funding.

There are several grants available to support vulnerable individuals and families facing financial hardship. They generally offer one-off sums to assist with essentials and items such as furniture, decorating and clothing. These grants aim to enhance people's quality of life by addressing immediate concerns, therefore enabling familial relationships to be maintained.

Financial assistance can be provided to help cover bills and household expenses, and for purchasing white goods to support individuals or families starting over again. Grants can be also used to cover security items such as CCTV systems or video doorbells, making homes safe and providing peace of mind.

In total in 2023-24 we accessed over £25,000 worth of grant funding for our tenants and clients across our projects throughout the areas we work in.

Supported Housing Development

We have developed and are currently building a fully accessible bungalow in the grounds of our refuge in Newtown, and expect it be completed in late 2024.

Additionally we have listened to stakeholders and communities and plans are under way to purchase properties to offer more supported homes in those communities where a high need has been identified for them.

We are confident that in the coming financial year we can achieve further efficiencies and improvements for our tenants and clients and continue to generate social value for them and for our communities across Wales.

5. Conclusion and Recommendations

STORI VALUE FOR MONEY REPORT 2023-24

During the year 2023/24 Stori has displayed a strong commitment to providing value for money to its tenants, clients and stakeholders. Through effective financial management, strategic planning, and a focus on quality, the Association is well-positioned for sustained growth and success in the future.

We will concentrate on ensuring we continue to achieve best value for money through:

- reviewing our procurement contracts and processes - particularly activities and contracts which can give added value and benefit to communities across Wales.
- reviewing and improving our asset management strategy to ensure that our homes meet future needs and standards, with particular regard to environmental sustainability, and to ensure we have the right mix of affordable homes.
- reviewing our asset performance - to make sure that our homes are up to Welsh Government standards, and that we maximise the use of our assets to support our business and service aims.
- reviewing our costs and how our services are performing – how can our services provide Value for money if they are not effective? If there is poor Value for Money, are our services being as effective as they could be?
- further improve our operational processes - to reduce costs and enhance efficiency without compromising quality.
- continued investment - in technology and employee development to sustain and enhance our offer.
- listening to our tenants and clients – about the quality of our services and what matters to them.
- measuring the wider impact we have on the wellbeing of our tenants and clients - we will measure the wider social value we help to create for communities across Wales.
- innovation and growth - in service development to address evolving client and stakeholder needs, and consider expansion into new development areas.