



TWO SAINTS

REBUILDING LIVES FOR A **BRIGHTER** FUTURE

VALUE FOR MONEY

SELF ASSESSMENT

2015/16

Value for money self assessment

We are committed to providing value for money for all of our clients, and we seek to continuously improve. This assessment is aimed at clients, staff, stakeholders and board members. It sets out how we have achieved value for money and looks at past performance and our aims for the future.

We look to obtain the maximum benefit from the goods and services that we acquire, with the resources available. We not only measure the costs of goods and services, but also take into account the views of staff, clients and commissioners, and the quality of the services or goods being provided. Our commissioners can make value for money judgements either through strategic reviews or by the tendering process which examines the quality and outcomes for clients as well as the costs.

As a not-for-profit organisation, any surplus we generate goes straight back into providing services for the benefit of our clients, or into reserves for future investment. We constantly monitor, manage and review our expenditure and systems to ensure we are getting value for money.

Value for money strategy

Our value for money strategy is reviewed annually. It was last reviewed and updated in April 2016. It aims to establish a culture whereby board members, staff and contractors will all ask themselves: "If I decide to incur this cost, how will it benefit our clients", because within our organisation, clients are at the heart of everything we do. It acknowledges that opportunities for efficiency come through maximising the use of our assets to deliver social, environmental and financial returns together with effective procurement, rationalisation, simplification and self-regulation.

Why value for money is important to Two Saints

We are committed to achieving value for money for the following reasons:

1. It will help us achieve our vision "To give people who are homeless, vulnerable or in need of support, the opportunity to build a brighter future".
2. It is in line with our value "quality, efficiency and value for money".
3. It also makes good business sense for us to provide the highest quality service to clients with the limited resources that we have available.

Value for money and our business

How we manage and monitor value for money

We consider that success in value for money is inseparable from success in an organisation achieving its overall objectives. We see the setting of the business plan, the allocation of resources and monitoring and managing delivery of our aims and objectives, as all linking to managing value for money. This emphasises the need for value for money to be embedded within our organisation.

Our board provides a clear lead on value for money. It sets the strategic direction and our objectives. It oversees performance against objectives and holds the executive to account. The business plan is central to both the value for money strategy and our procurement strategy.

The key areas of managing and monitoring value for money are as follows:

- An annual cycle of board review of the business plan objectives
- The approval of an annual budget, three year business plan and allocation of resources to achieve our key aims
- Monthly management accounts, with budget holders reporting on all variances greater than 5% of budget
- Monthly key performance indicators
- Quarterly reporting on client outcomes
- All our tenders and grant bids are scrutinised to ensure we offer value, including social value, to local authority procurement teams
- Our partner housing benefit departments examine our rent and service charges at each rent review, with rents reviewed in line with regulatory guidelines
- Scrutiny of our services and performance by our client scrutiny and involvement team. They carry out bi-annual assessments and develop improvement action plans for each of our services and are consulted on policy and procedural changes. Their reports, which include efficiency savings, are considered by our board.
- Use of professional advisors to support procurement and other efficiency improvements
- Clear process for managing and monitoring contractors
- Periodic reviews of areas of services; in the last year we have reviewed the costs and service delivery of the following:
 - Service level staff structures
 - Head office staff reorganisation
 - Mobile phone contract
 - Upgrade of our information and communications technology infrastructure and change of support provider

How we did

Return on assets

Asset management

We updated our asset management strategy with a particular focus on making sure that our asset register is fully up to date. In devising our strategy we recognise the need to not only look at the physical structure of the properties we manage, but also to take account of the social and demographic context in which we operate. The strategy has been drawn up in order to ensure that our property portfolio continues to meet the needs and standards required by our clients in the most efficient and cost effective way, both now and in the future. We ensure that the properties we own and manage are in good condition, in the right location and of a design that is fit for purpose.

We acquired five properties from other registered providers, four of which we already provided housing support to clients in and the fifth was an office used by our staff. This gave us greater control over the buildings and meant we no longer had to pay rent. Payback from these purchases will be achieved within ten years.

Overall, the general physical condition of our accommodation is considered good, with no repair backlog, and the performance of our assets is more than satisfactory as is evidenced by the low void levels.

Stock condition

Savills Property Surveyors carried out a stock condition survey for us, which informs planned maintenance forecasts.

Rents

We maximised the return on our assets increasing rents within our housing stock by increasing rents by the Consumer Price Index plus 1% with effect from April 2016. Our service charges increase in line with increases in the cost of provision of services to our clients.

Procurement

Our procurement activity is underpinned by high standards of probity and is based on the use of modern, best practice procurement thinking, ensuring that our procurement activities achieve value for money. Our procurement policy clearly

sets out future procurement activity based on best practice and embedding value for money principles. We ensure our requirements are well considered, and information about the market place is sought by benchmarking against similar buyers or consortia as appropriate. Quality is assessed alongside cost, and project-specific evaluation criteria that reflect this are established as appropriate. Contracts are awarded on the basis of the most economically advantageous quote or tender, which satisfies our quality requirements.

Value for money achievement

- We tendered for information technology support and a major infrastructure upgrade. The project was successful and a new service provider took over delivery of support from September 2015. The upgraded infrastructure enabled increased performance across all our services with staff benefitting from online training with video and sound, meaning that, for a lot of courses, staff no longer need to take time out from services to attend training
- We are talking to organisations whose buildings we use but don't own with a view to possibly purchasing them in order to have greater control over the building, reduce our overhead costs and allow us to create efficiencies within the services. During 2015/16 we purchased five properties from other registered providers. In all cases, payback from rentals payable was within ten years
- We tendered our mobile phone contract resulting in a change of provider and upgraded equipment at the most advantageous price

Retaining existing services and new business

During the year we submitted seventeen tenders and two grant applications. Of the seventeen tenders submitted six involved existing business. We were successful in eight of these, and of the six that involved existing business we retained four contracts. In all tenders we are being driven down on costs and are seeking to ensure that the commissioners will see value for money being demonstrated in the service specification presented in each tender.

Value for money achievement

- We were successful in our tender for the Hampshire services, consisting of 129 accommodation based support units and 930 community support units
- We are successfully working in partnership with three organisations to deliver two of our Hampshire contracts
- We were successful in our submission for the West Sussex "Landlord First" service, a pilot and new business in this area
- We have submitted tenders as a partner with another organisation

Budgeting

The budget process is key to driving savings in the business. Meetings are held with budget holders where their budgets are challenged on costs. We monitor value for money when setting budgets, when re-tendering for existing services and developing new business. Every new service is required to contribute to central overheads and contribute to our surplus.

Summary of budgetary expenditure vs. actual for past 3 years:

	2015/16 £'000's	2014/15 £'000's	2013/14 £'000's
Budgeted expenses	£9,194	£9,725	£9,260
Actual expenses	£8,731	£9,600	£9,154
Variance	£463	£125	£106

We achieved a significant reduction in expenditure in 2015-16, which allowed us to bring forward an additional £70k of planned maintenance into 2015/16.

Our current budget for 2016/17 addresses the risks associated with the reduction in funding available from commissioners, together with welfare reform changes, and drives economies throughout the organisation. Our aim is to make a small surplus to strengthen our balance sheet and achieve our objectives.

Our performance

Monitoring financial and performance information is essential in ensuring that value for money is achieved and sustained. Management information is reviewed on a regular basis throughout the organisation using a suite of key performance indicators. There is an expectation that in delivering efficiency savings and demonstrating value for money, service levels will either improve or be maintained.

Reviews in key areas of our financial structure, including an organisational review carried out in 2013, have led to considerable staff efficiencies and savings. This can be seen from the increase in our operating margin in 2015/16, despite a reduction in turnover. The reduced margin last year is partly due to the additional planned maintenance brought forward and also influenced by some additional expenditure in connection with our private leasing service which we are reviewing and refining in order to ensure it is contributing to the organisation. This year our increase in operating margin is mainly due to restructuring staffing levels following renegotiation of contracts, and a reduction in the activities of the private leasing service.

	2015/16 £'000's	2014/15 £'000's	2013/14 £'000's
Turnover	£9,094	£9,675	£9,544
Operating surplus	£396	£75	£390
Operating margin	4.35%	0.78%	4.09%

Comparisons of the performance of significant areas of cost indicate that Two Saints' strategy towards achieving value for money is positive. There are areas, however, which the organisation could improve upon and in 2016/17 we will continue using "lean thinking" to achieve increased efficiencies and free up capacity within the organisation.

During the year Two Saints has used 'lean thinking' to improve efficiencies within two areas of operation:

Lean process clients' journey in the assessment service at our Southampton hostel

Purpose – To improve the process and quality of support provided to clients during their stay in the assessment service, eliminating unnecessary waste and reducing necessary waste to enhance the clients' experience and increase the chances of achieving positive move on.

Outcomes – A client's journey through the assessment service has been stripped down and a lean structure has been put in place. Staff stopped doing tasks that were unnecessary, which has freed up their time to focus on quality support for their clients and more effectively manage their time. We developed new processes which smoothed referral pathways for clients and a meeting was held with the referral agency, in which expectations were made clear how their input is important to improve the process and clients' journey in the service. All staff were trained in the new process and staff adopted a new approach which has improved clients' engagement. Clients now have better understanding of the expectations we have of them. We have significantly reduced the amount of printing thus reducing the amount of paper produced which is value for money and good for the environment. The team trust lean thinking and have been actively involved in learning various processes to improve the service further.













Lean process review of attendance recording and payroll management

Purpose – To improve the process and efficiency of the attendance recording and processing of payroll information within the organisation

Outcomes – The process of our staffs' attendance and payroll information gathering was broken down and reviewed to identify where improvements could be most efficiently made both at a service level and within head office. The core information for payroll purposes was identified and changes were made to reduce duplications and make all the stages within the process more efficient. By using the improvements within the enhanced information technology infrastructure we have reduced the need to print any of the attendance information. Other human resources information to payroll is now provided by our human resources information system, Cascade, or by use of one spreadsheet now used by payroll to calculate staff pay. The intention is to further review the attendance and payroll management process this coming year to see if further efficiencies can be made.

Full accountability is required where budget holders fail to contain costs within their budgets. This is achieved by monthly reporting against management accounts' figures. The senior management team review financial performance at their monthly meetings and the board reviews it quarterly.















Comparison of costs over the past 3 years

	2015-16 £000's	2014-15 £000's	2013-14 £000's	Performance	
				14/15 to 15/16	13/14 to 14/15
Planned maintenance	£255	£336	£215		
Reactive maintenance	£158	£127	£149		
Salary costs (including agency cover)	£5,013	£5,173	£5,116		
Light and heat	£188	£214	£220		
Catering costs	£538	£569	£573		
Information and communications technology costs	£288	£192	£178		

A close watch is kept on maintenance costs but bearing in mind the increased vulnerability of some of our clients, we believe it is important to maintain our properties to a good standard.

Salary costs do depend, to a certain extent, on the number of contracts and services we run. This year we have had to restructure staffing provision at some of our services to make efficiencies, so our staff force has decreased along with the cost. Information technology costs have increased as we have had to invest to replace all the existing hardware and network infrastructure to enable all our staff to meet the performance and security requirements being required by our stakeholders. We are getting better value from the equipment and facilities installed and are looking to develop tools that the new infrastructure will allow us to do to enhance staff performance and utilisation. We have an ongoing programme of investment linked to the information systems strategy to achieve efficiencies in its use and ensuring that all our mobile workers have the equipment and systems they need.

Comparison of key performance indicators over the past 3 years

	2015-16 £000's	2014-15 £000's	2013-14 £000's	Performance	
				2014/15 to 15/16	2013/14 to 14/15
Rooms available	99.7%	99.7%	99.6%		
Rooms occupied	97.5%	97.5%	98.3%		
Voids as a % of available units	3.9%	2.5%	1.7%		
Current arrears as a % of annual rent roll	5.2%	4.2%	4.5%		
% repairs completed in target time	100%	99.8%	97%		
Staff turnover – voluntary leavers	27.8%	28.8%	25.8%		
% of working days lost through sickness per employee	2.3%	2.9%	2.6%		

Void performance worsened although occupancy levels are still high. Our aim is to fill voids on the day of a client's departure. This high level of occupancy supports our aim to make optimum use of our assets and to gain the greatest return from them. Void levels deteriorated in Portsmouth due to contracts where we do not support the clients ourselves and another organisation manages referrals. We are changing our service level agreements from October so that responsibility for voids is shared with the service provider. Rent arrears are receiving close attention and managers are given specific objectives to reduce them and these are monitored through their supervision process, but we are now experiencing clients being affected by the welfare changes and finding it increasingly difficult to move on. Repairs performance remains excellent. Staff turnover remained high due to the number of contracts that were up for tender, increasing staff anxiety around their futures. The high number of tenders arising this year has also seen some staff leave voluntarily as they do not like the new working shift patterns that were required to meet contractual expectations. Sickness absence is still low.

Our performance – client satisfaction

As part of our drive to continually improve services we seek feedback from clients through our annual client questionnaire. Clients' responses help to inform us as to where we need to make changes in our services. The outcomes from the client questionnaire carried out in January 2016 show the following:

- 92% of clients feel that their support plan reflects their goals and they receive support to achieve them
- 92% of clients say that their support worker has discussed move on and support options for the future
- 89% of clients feel the support they receive has helped them become a positive and independent person

Coombs Caterers, who provide catering at four of our services, also carry out periodic surveys independently about the quality of the food service they provide. 88% of clients feel that the weekly food offer represents value for money (65% for 2014/15). We work closely with our caterers and are looking at the food offer, but we are constrained by the funding available.

Our performance – staff satisfaction

A comprehensive staff survey is carried out bi-annually. The most recent survey carried out in 2015 indicated that:

- 82% of staff are satisfied with their job (74% in 2013)
- 73% of staff believe that the quality of service to clients is improving (73% in 2014)
- 45% of staff feel their pay is reasonable in comparison with people doing similar jobs in other organisations (56% in 2014).

Pay is reviewed each year but due to continual decreasing in the funding available for our contracts, it becomes increasingly difficult to raise salary levels.

Social value

As a not-for-profit organisation our entire purpose is to provide social value. Our clients are among the most excluded in society and our support is aimed at increasing their levels of community inclusion locally and nationally. The impact of this is augmented because we work with those clients that other providers refuse. Our work transforms lives and means that clients:

- are able to live more independently, because they
 - gain skills for independent living, and
 - are enabled to make choices and take control of their lives
- are supported to reduce offending
- access meaningful activities in the community

We provided support and accommodation to 978 homeless clients during 2015/16

We provided support to 880 clients through floating support services during 2015/16

We provided accommodation and support to 246 clients through supported lodgings and our private leasing service in 2015/16

Through our support workers and specific community inclusion workers we support clients to access:

- sport and fitness facilities

- community organisations
- community IT provision and training
- cultural destinations
- creative opportunities

Wherever possible we take advantage of local, community-based provision, thus helping to secure local organisations and businesses as well as our clients building a community network which will help support their move-on into settled accommodation.

Comparison of client outcomes over past 3 years

% of clients achieving outcome	2015-16 £000's	2014-15 £000's	2013-14 £000's	Performance	
				2014/15 to 15/16	2013/14 to 14/15
Securing settled accommodation	82%	79%	77%	↑	↑
Participating in work like activities	74%	64%	71%	↑	↓
Achieving a qualification	62%	43%	45%	↑	↓
Better managed physical health	95%	95%	92%	↔	↑
Better managed mental health	88%	80%	81%	↑	↓
Avoiding causing harm to others	81%	87%	75%	↓	↑
Complying with statutory orders and processes in relation to offending behaviour	86%	78%	81%	↑	↓

We work to deliver the very best outcomes for each individual client and to ensure we meet the requirements of our contracts, which we find more challenging with ever increasing support needs and very chaotic lives, but over the past year we have been focusing on improving our outcomes and providing value for money to our stakeholders.

Employment

Our commitment to equality and diversity forms part of our recruitment process and we are active in encouraging those with a background of homelessness or related issues (e.g. disabilities, ex-offenders etc) to apply to work with us, thus supporting individuals into work who may otherwise find it hard to secure employment.

We offer a 12 month traineeship for people with experience of homelessness who have progressed, have shown their abilities through volunteering and are ready for paid employment. We currently have ten trainees in place in various roles and services across the organisation.

Volunteering

Volunteers enable us to provide better value for money to both our clients and our service commissioners. At the year end we had seven active volunteers. Three were in Southampton, two in Portsmouth and Fareham and two in Newbury.

Our Fresh Start programme aims, in partnership with our catering provider, to give our clients the chance to undertake internal work placements.

We have been working with local and national based businesses to provide additional resources in our services. Some of the businesses have donated funding or clothing and some have offered their time to paint our smaller hostels and provide support to our day centre. These include Asda, Mitie and Johnstone's Paint.

Value for money achievements

- Utilising volunteers within the organisation during 2015-16, which worked out at over 1,220 hours and saved the organisation £11,156
- Secured over £13k in grants and donations from local businesses

Wider community

Homelessness does not only impact on individual lives but also local communities. Rough sleeping can have a negative impact on community safety due to anti-social behaviour and substance misuse, and thus can become a barrier to businesses and decrease resident satisfaction. It has been quoted in Homeless Link's 'The Value of the Homelessness Sector' that on average each homeless person costs the public purse between £8,605 and £35,000 a year through arrests, emergency health and social care services alone. Therefore the services which we, and other similar providers, offer to prevent homelessness and provide accommodation also benefit local communities. The same research also estimated that there is a £2.13 payback for every £1 of public money invested.

Value for money achievements

Emergency beds - We provide e-beds which homeless people can access in an emergency when there is no other accommodation available. If we couldn't provide these beds then it is more than likely the individuals accessing them would have slept rough. Therefore our emergency bed provision helps benefit both the individuals using them as well as the wider community.

- We provided emergency beds in Fareham, Southampton, Test Valley and West Berkshire
- 5227 emergency bed nights were provided to homeless people in 2015/16

Value for money achievements

Safer communities' service – this is a stage 4 resettlement service providing housing and resettlement support to 11 high risk offenders, leading to a reduction of further offending taking place. Without stable accommodation it is difficult for individuals to maintain employment, maintain or establish new relationships or access services such as banks and doctors. Rough sleeping can have a negative impact on community safety, present a danger to the public, be a barrier to business and increase rates of anti-social behaviour.

This service supports clients to:

- provide safe accommodation; removing hazards of rough sleeping, associated anti-social behaviour and offending
- access primary healthcare rather than expensive acute services
- access alcohol & mental health services reducing hospital admissions
- overcome substantial barriers to joining the employment market, such as lack of self esteem, social anxiety or physical illness
- access training, volunteering or employment
- be contributing members of society

'Safer communities' is funded by Portsmouth City Council and helps with the prevention of associated costs including from the 'Survey of Needs and Provision Report' published by Homeless Link - homeless assessments £387 (average per visit), arrests £1,668 (average per arrest), visits to accident and emergency departments £147 (average per visit) and taken from 'National Offenders Management Service Annual Report 2013/14' prison stays, which can cost the public purse between £30k and £34k. In 2015/16 Safer Communities supported 15 clients who came direct from prison or through interim approved premises.

The service has successfully resettled 4 of these clients within the local community without the need for continued support.

Outreach services

The Fareham, Gosport & Havant homeless outreach service works closely with a range of homeless clients, assessing their needs and ensuring the best results for them by challenging and encouraging them to make the move from the streets and/or street lifestyles. The outreach team focus on innovation and quality, reaching out to clients who are sometimes heavily entrenched in street life. Clients are supported in all areas of their lives to engage with services and stabilise what at times, can be a very chaotic lifestyle.

This service has in the past year:

- supported 14 street homeless clients into private accommodation with financial support and working in partnership with other agencies including the local council and voluntary groups

- supported 9 street homeless clients to return to their area of local connection
- supported 23 street homeless clients into either hostel, supported, local authority or ex forces accommodation – and there are a further 36 clients on the local borough’s council housing lists – and of the 23 clients, 7 have since moved on into independent living within the community
- 9 clients were registered with a doctors practice, and 12 were linked into specialist drug and alcohol services; 6 referrals were made to mental health support agencies all reducing the impact on the public purse as they are now have access to medication and have reduced their hospital visits.

Using the average costs researched and published in the ‘Survey of Needs and Provision Report’ by Homeless Link - Homeless Assessments, it is estimated that this service has saved the public purse in excess of £960k.

Environment

We are always seeking to reduce our impact on the environment. Our new interactive intranet, the ‘font’, now provides more facilities to complete forms on line, submitted by email or using processes within the ‘font’. These forms can then be stored electronically saving the need to print any documents. Staff scan and email documentation rather than using the post. We also encourage paper free meetings, utilising access to the intranet and using projectors to display material during meetings rather than printing documents in support of agenda items.

We are planning to introduce mobile working facilities, allowing staff to minimise the distances travelled and the need to print support plans and other documentation on visits within the community.

This enhances our staffs’ ability to provide better support to clients alongside interactive forums and information sharing.

Two Saints Enterprises

Over the past few years we have redeveloped our old workshops in Southampton and have transformed the building into a fully functional social enterprise centre, located behind our Southampton hostel. Our clients can engage in our internal training programmes, which we have created in partnership with local businesses in the Southampton area. We offer our clients and other disadvantaged groups the chance to take part in a series of training opportunities which include:

- basic carpentry, maintenance, painting & decorating
- furniture making, graphic design and sign writing, picture framing

Part of the new enterprise centre is our fully functional conference, training and meeting room. This has been used for training, meetings, client involvement sessions, stakeholder events and for local community activities.

Value for money achievements

Two Saints Enterprises - generated an income of £40k, which has helped contribute to the day to day running of the enterprise centre and enabled us to employ a learning and enterprise coordinator on a full time contract to help the organisation meet its client involvement strategy.

Two Saints Enterprises have during the past year delivered our SMART move initiative across all our services, meeting and exceeding the target of involving at least 25% of our clients by a further 10%.

National Citizen Service

Over the past two years Two Saints Enterprises have been successfully working in partnership with Mountbatten School’s Personal Best in Education service, now based in Eastleigh, to deliver the Phase 3 National Citizen Service programme to 16 and 17 year old students. This has been a great success and a way of raising the students’ awareness of homelessness and the issues the young people could face at some point in their lives.

Value for money achievements

- We have supported over 3,300 young people since the programme started to develop new skills and to understand the outcomes we deliver in our homelessness services
- We have generated additional income to support and promote small local enterprises and businesses in the Southampton area

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| <ul style="list-style-type: none">• We received over £3,000 of donated items and vouchers in 2015/16 as a result of this project, enabling us to provide move on packs to clients and support clients with items such as interview clothes. |
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Future challenges and aspirations

Reductions in government funding and welfare reform changes will have an effect on our costs and service models.

What will we do?

- Seek funding from other sources to maintain existing services and develop new and allied services including health, offending and substance misuse
- Closer management of the collection of accommodation charges and arrears throughout 2016/17 to maintain arrears at or below the level at 31 March 2016
- Regularly report to our board on contract compliance and review financial and operational performance of new contracts after six months
- Continue to consider purchasing buildings if support income is available and this is financially viable
- Further develop our homelessness day centre in Southampton in order to sustain the ongoing service
- Submit tenders for existing and new services in line with our strategic plan having regard to available funding and the safety of our clients and staff
- We will continue to explore partnership working with other organisations
- We will continue developing a suite of products for clients which link to our brand story. They are split into two areas:
 - My Journey – is our central product, it relates to our Harmonia recording tool and starts the moment we come into contact with an applicant and finishes when a client has ended their support journey with us
 - Our Offer to..... – provides an overview to commissioners about what our offer is for particular client groups. It reflects our history and the types of services that we offer
- Two Saints Enterprises will:
 - deliver existing contracts and expand our National Citizen Service offer during 2016/17
 - deliver our SMART move initiative across all our services to at least 25% of our clients
 - develop further partnerships with local businesses to source further funding and resources for our services

Reporting

In 2015/16 we further developed our suite of reporting tools. Through a product called Qlikview we can now report on both our housing and support system and our human resources system. This has shown us where data is not complete or up to date and allowed us to correct this and produce complete, accurate and timely reports for management.

Following a restructure of our accounting cost codes we have improved financial reporting now enabling us to report on contracts rather than individual buildings or services, although the detailed reports are still available if needed.

Conclusion

Value for money is embedded in our ethos and we are committed to providing value for money for our clients, commissioners, stakeholders and the wider community. This is reflected throughout our structures to ensure strong governance, internal assurance, risk management and transparent monitoring and reporting.

However we are not complacent and will be monitoring progress of all our value for money initiatives this coming year with the aim of developing reporting further efficiencies in our self-assessment next year.

The board believes this self-assessment demonstrates to clients, commissioners, stakeholders and the wider community that we meet the required outcomes and expectations of the Homes & Communities Agency's Value for Money standard