



PROGRESS
HOUSING GROUP LTD.



Our approach to **value for money**

Self assessment 2013

Contents

		Page number
Section 1	Value for money What it means and why it is important	5
Section 2	Our five value for money strands What we have done, what we have found, and further action we have identified	6
	 Income strategy and asset usage	7
	 Cost strategy and expenditure areas	10
	 Procurement	13
	 Profitability strategy, benchmarking and customer satisfaction	15
	 Financial controls, fraud loss and contracting	18
Section 3	Social return on investment	20
Section 4	Transparency	20
Section 5	Overall assessment	21
Section 6	Linkages	22
	Procurement activities	23
	Customer involvement impact assessment	28

Value for money

What it means and why it is important to us

Progress Housing Group has always identified value for money in its business planning activity and has highlighted six objectives to drive our value for money approach.

These objectives are to ensure that:

1. We generate and maintain resources to support delivery of the objectives within the Group strategic plan
2. We demonstrate accountability to our customers and stakeholders
3. We integrate value for money principles within financial planning activities
4. We provide a framework for all staff to contribute to our value for money principles
5. We provide assurance to our members that our strategy is effective and delivers our organisational objectives
6. We understand the costs of our service provision to direct resources appropriately

These objectives were approved by our board in August 2012.

Since approving these objectives the board has received regular reports on our value for money activities in addition to reviewing our quarterly performance and benchmarking information that is reported on the Group's website (www.progressgroup.org.uk). The board therefore retains a strong focus on delivering value for money and ensuring that we achieve a social return on our investment.

Value for money is important because we want to ensure we are able to achieve our priorities

year on year; in particular, to maintain our existing properties and communities for our tenants, to manage our liabilities, to improve our operating cash flows, and to ensure resilience to the impact of welfare reform, protect services to customers and continue our development programme. Value for money is about achieving excellent quality provision of services to the satisfaction of our tenants and customers.

We recognise that in achieving our social objectives we need to make commercial decisions and balance the wide range of demands that are made on us as a social housing and service provider. Our intention is to use the knowledge and information we gain from our value for money approach to inform the decisions of the organisation.

To help us achieve our value for money objectives we have identified five strands of activity. Each strand adds to our level of understanding and assists in delivering improvements throughout the organisation. We have a value for money action plan which will be presented to members, customers and key stakeholders each year and monitored and updated quarterly or periodically by board.

This document tells the story so far and demonstrates our learning from the last year of value for money activity under each strand. We are keen to hear the views of our customers and stakeholders, therefore we ask you to comment on the content to help us identify where we can further improve. We are also interested to hear your thoughts on the action plans we have identified for the coming year.

Our five strand approach

To help us achieve our value for money objectives we have identified five strands of activity. Each strand adds to our level of understanding and assists in delivering improvements throughout the organisation. These areas of review are intended to cover all Progress Housing Group companies and all activities that impact on the Group's cash flows.

Our five strands are:

1. Income strategy and asset usage



2. Cost strategy and expenditure areas



3. Procurement



4. Profitability strategy, benchmarking and customer satisfaction



5. Financial controls, fraud loss and contracting



Income strategy and asset usage



Our aim in this strand is to ensure that our income is maximised, and property and other assets are fully used.

What have we done?

We have reviewed our existing property portfolio, considering factors that affect levels of income, such as how sought after our properties are, and factors affecting costs, such as maintenance spend. These areas enable us to identify where properties are no longer fit for purpose and whether we should retain them and invest further or dispose of them to free up resources for other social investment. We have also reviewed our income from other business activities and reviewed how we invest in new developments.

Any housing properties where financial performance is weak are subject to an option appraisal to determine the best way forward. This has led to a tailored strategy of remodelling, reinvestment, disposal or re-provision, depending on specific circumstances.

We have assessed our methodology for the financial appraisal of new developments, and reviewed the contracting arrangements for developments, in partnership with support providers.

What did we find?

We know that demand for all of the Group's housing remains strong. The Group has concluded that sheltered bedsit accommodation in Fylde is the hardest to let and our strategy is to remodel all bedsits. Before any remodelling spend, detailed cost benefit analysis is performed to consider the financial consequences, but also the wider benefits of making sure our schemes continue to be places where people want to live.

A small number of properties have been identified as not cost effective to bring up to standard and have been disposed of, including some listed and pre-cast concrete properties.

Our 2012/13 void loss per property (per tenancy for Progress Care Housing Association shared accommodation) is shown in the table below. This represents an average of 3.06% for the whole Group. It is only possible to compare general needs accommodation in the housing sector. New Progress Housing Association's void loss per property falls just outside the top quartile position at 0.83%. New Fylde Housing, whilst in the lower quartile, has improved its position to 2% as a result of our actions to improve the voids process.

2012/13 void loss per property/tenancy

Progress Care Housing Association	New Progress Housing Association	New Fylde Housing
£321.99	£39.37	£81.63

In some cases, Progress Care Housing Association has higher rents, and higher levels of empty properties, as lettings depend on compatibility of customers in shared accommodation, the nature of disability, degree of specialist adaptation, and reliance on social services commissioner nominations. To reduce void losses impacting on the Group, where possible, these voids are covered by support providers and local authorities who wish to ensure accommodation is available for nominated customer groups. We are well protected by these arrangements for most of our supported housing and for other specialist accommodation. The void figures in the table on page 7 reflect the cash lost to the Group after this income.

We have external pressures to respond to cuts in Supporting People funding and to improve service charge affordability. As part of our review of sheltered accommodation, the resident warden service was revised. Whilst maintaining a high level of service to our tenants, we were able to introduce a mobile warden service resulting in a saving in staffing costs. Additional properties were also made available to new customers leading to increased provision and income from those schemes.

There is an effective process for monitoring supported housing property viability. We commission an option appraisal for schemes which are no longer viable, and this usually results in disposal. To date, these disposals have been low in number and average 4 per annum. The Group sells these surplus supported living properties on the open market and has not made any losses.

We found that New Progress Housing Association's control centre (which provides social alarm services to approximately 10,000 customers) continues to deliver a surplus, which has been sustained in a very tough competitive environment.

We reviewed our property services business. Progress Plus (provision of domestic heating cover to external, private customers) was not delivering the value targets identified and options for its future were considered. Following consultation within the business, the Progress Plus service was closed down in September 2013, saving £50,000 per annum.

We have also reviewed our service charge costs across many parts of the business to ensure we keep service charges to our customers at appropriate levels, which are affordable, and that we recover costs.

During the past two years, Progress Care Housing Association has been engaged in consulting tenants to bring the delivery of housing-related tenant services in-house, which were previously subcontracted. We believe that we can provide greater value for money to our tenants because of our increased purchasing power compared to smaller support providers. Service contracts within 250 properties have been completed in the year. As part of this review, some services were removed after consultation with customers indicated the service was of little or no value to them. Provision of solar panels from April 2013 at 20 schemes will reduce communal energy costs for 745 homes.

We have engaged with customers on our rent and service charge setting approach and ensured that our tenants' views are heard and their priorities taken into account. This has resulted in variations to the services provided and tenants' preferences on rent setting have also influenced our approach.

What actions have we identified for continuous improvement?

Action	Responsibility	Target date
We are strengthening and automating our reporting systems to better analyse maintenance costs to ensure property viability can be more easily assessed in future.	Operations Director (Property Services)	June 2015
We will continue to identify ways to minimise the cost of service charges to customers.	Operations Director (Housing, Community and Support)	September 2014
We will continue our rolling programme of sheltered scheme reviews and implement action plans accordingly.	Operations Director (Development)	March 2014
We believe that our affordable homes programme for new developments was likely to produce too many larger homes and we have changed our future development strategy accordingly.	Operations Director (Development)	March 2014
We have minimised the extent to which shared ownership accommodation is provided in new developments where demand is limited. We shall keep this under close review.	Operations Director (Development)	March 2014
We will implement our growth strategy for our social alarm services.	Operations Director (Housing, Community and Support)	September 2014
We will continue to bring Progress Care Housing Association contracts for tenant services in-house, with a further 75 planned, by the end of this financial year.	Operations Director (Progress Care Housing Association)	March 2014
We shall continue to explore energy efficiency opportunities to reduce energy costs and alleviate fuel poverty.	Operations Director (Housing, Community and Support), Operations Director (Development), Operations Director (Property Services)	March 2015

Cost strategy and expenditure areas



Cost control is part of our strategy and review areas include asset management, salary and pension provision, governance and senior management structures, taxation and treasury.

What have we done?

We have reviewed the management of Progress Care Housing Association's subcontractors for maintenance services.

We commissioned an independent annual salary review, which was externally benchmarked.

We have reviewed our senior management and governance arrangements.

We have reviewed the working arrangements for New Progress Housing Association and New Fylde Housing to improve service delivery and deliver efficiency savings.

We have continued our review of sickness absence across the Group.

We have continued to manage our pension liabilities.

We reported to board on all taxes paid throughout the year.

To tightly manage the costs of funds and treasury management, we have reviewed our loan portfolio. The Group has loans of approximately £260m at March 2013, which attracted an annual interest cost of almost £12m. In January 2013, the Group procured treasury advice to carry out an overview of current facilities.

We have reviewed the value for money of our marketing and communications activity and delivered efficiency savings through streamlining our brands and utilising digital communications.

We have externally assessed our Tenancy Enforcement team.

Our Scrutiny Panel reviewed our anti-social behaviour service.

What did we find?

We identified that there is a need to improve subcontractor performance for contractors involved in Progress Care Housing Association's repairs service.

We found that our salaries remain competitive, attractive for recruitment, and remain in line with our target at or just above the median for our peer market place.

We believe that our services would benefit from a functional-based approach serving both New Progress Housing Association and New Fylde Housing customers consistently. We have therefore developed opportunities to rationalise both, and have generated direct savings from reorganising our service delivery arrangements. For core operations, we have made changes to derive the benefits of specialisation. These changes have had a positive impact on our void turnaround times, introduced new services such as MyHomeChoice and procurement activities, including a reduction in service charge cleaning costs.

We found that levels of long-term sickness amongst our staff are above average and, as a result, we have recently strengthened our health and wellbeing policy by introducing an Employee Assistance Programme.

The Group has implemented arrangements to ensure that the additional pension cost obligations associated with auto enrolment remain affordable for both employees and the employer, including introducing a lower cost pension offer. Further details appear in the Group's audited financial statements, which are available at:

www.progressgroup.org.uk/about_us/working/finance/Financial-statements-2012-2013

Our review of treasury management found that our average cost of funds for 2012/13 is lower than our peer group. Finance cost is largely determined by a competitive process at the time of arranging facilities and also reflects market pricing. Our review concluded that it could not improve value for money by refinancing at the present time.

We found we have full tax compliance and our tax planning during the year has resulted in direct savings. Our overall tax liability has increased mainly due to national insurance on increasing staff numbers.

Within our marketing team we have improved value for money through improved communication channels and improved staff resource allocation. We also determined that the media coverage generated in-house by our marketing team provides excellent value for money, measured using Advertising Value Equivalence (AVE) and perception analysis.

We delivered improved cost effectiveness of the tenancy enforcement service during the year, by increased self representation across the whole Group. This delivered significant savings on legal fees, for the same staff resource.

We found that without making further changes to our IT systems and processes, we achieved efficiencies from moving to joint working.

Our Scrutiny Panel indicated we could reduce our external costs for CCTV monitoring, which we use as a tool to gather evidence in some anti-social behaviour cases. We have procured our own camera monitoring equipment instead of paying external contractors to undertake surveillance of anti-social behaviour cases, following a recommendation by the Scrutiny Panel. This has significantly reduced the costs of this activity.

What actions have we identified for continuous improvement?

Action	Responsibility	Target date
We are reviewing the number of, and our relationships with, Progress Care Housing Association subcontractors, in terms of both quality and cost of services.	Operations Director (Property Services)	March 2015
We will continue to review salaries annually across all job types.	HR Manager	March 2014
Savings and efficiencies will continue to be created through joint working for New Progress Housing Association and New Fylde Housing	Operations Director (Housing, Community and Support)	September 2014
We are currently reviewing our sickness absence policies to further improve attendance, and strengthen training for managers.	HR Manager	March 2014
We will continue to manage our pension liabilities proactively though voluntary lump sum contributions and we will undertake a full pension's review in 2014.	Operations Director (Finance)	September 2014
We will continue to explore tax planning opportunities.	Operations Director (Finance)	September 2014
We have set ambitious targets for efficiency gains to be achieved from our investment in our IT hardware, systems and processes. These will require us to streamline processes and generate efficiencies, particularly for administration, data handling, and transaction processing. A specific area of investment is planned for mobile working technology which will have a clear outcome of reducing paperwork and will include a review of how our resources are allocated to improve our service to our customers.	Project leads & Head of IT	June 2015

Procurement



Buying our goods and services through effective procurement practices helps to deliver efficiencies. Procurement affects three areas, either by combination or separately. These are cash savings obtained, process improvements and improved management information. The first saving can be classified as direct value for money savings, with the other two as indirect.

What have we done?

The Group has strengthened its expertise and effectiveness, and a significant amount of activity has been undertaken.

We have reviewed 19 contracts at c£4.2m annual contract value across the Group which represents c10% of the Group's operating costs (excluding salaries this equates to c21% of our annual expenditure). The contract reviews represent cash savings to customers either in reductions in service charges, process improvements or management information improvements. This also incorporated renegotiating existing contracts with suppliers, seeking opportunities to increase or enhance the value for money delivered through the contract. Two main areas of review were our materials stores and purchasing service (c£1.8m contract value) and our heating spares (c£200k contract value).

We saved on a protracted procurement process, avoided unnecessary consultancy costs and achieved a fixed base price for the 100 most commonly purchased items. We also fixed discounts for all heating spares and avoided inflationary increases for the duration of the contract.

We have raised the profile of procurement and purchasing in the Group. This has influenced the buying culture, and enabled us to adopt best

practice with the aim of improving the skills and knowledge of all our budget holders.

We have implemented an e-tendering system to reduce administration and improve services. This is used to market test projects, such as external works and roof replacements, to provide wider access to potential suppliers with competitive pricing.

What did we find?

We have found that we have an effective procurement service. During the year our procurement activities have generated over £0.25m in direct savings.

We have found that through our reviews of white goods purchases, grounds maintenance and utility contracts we have obtained savings (white goods), confirmed we already have best market price (utilities) or negotiated a new contract at existing prices with improved service (grounds maintenance). Our customers were involved throughout the grounds maintenance and white goods procurement exercises, from setting the specifications through to selecting the recommended contractors.

We recognise that we may benefit from further rationalising our range of suppliers and associated contracts.

What actions have we identified for continuous improvement?

Action	Responsibility	Target date
There are 14 planned procurement reviews at c£1.7m annual contract value. We will aim for at least 5% (£85,000) cost savings, alongside improved service levels and streamlined administration. These reviews include the procurement of Progress Care Housing Association's grounds maintenance contract, Progress Care Housing Association's furniture and white goods, corporate insurances, asbestos management, assisted living technologies, white goods repairs and legal services.	All Operations Directors	September 2014
We will continue to rationalise the number of suppliers in the Group.	Operations Director (Finance)	March 2014
We will continue to bring our services in house; for Progress Care Housing Association, this will have the aim of reducing our service charge costs to our customers.	Operations Director (PCHA)	March 2014
We believe generating social return on investment has a part to play in our procurement strategy and it should be maximised, subject to cost neutrality. We will expand our existing procurement contracts on social return on investment by promoting supplier assistance as part of our contract negotiations.	All Operations Directors	March 2014

Profitability strategy, benchmarking and customer satisfaction



We monitor and seek to improve on our operating margin each year for each subsidiary through our budget setting process, which reflects the impact of our strategy. We aim to use benchmarking data to test our positioning in the market. We aim to ensure our customer satisfaction levels remain in the top quartile for our market place.

What have we done?

We have benchmarked our performance in a number of areas, including Housemark, the Homes and Communities Agency's (HCA) Global Accounts of Housing Providers and our own internal reviews (as reported to our board). The key statistics relating to our value for money assessment can be found in the table below.

We have implemented a new process to gauge customer views on value for money for various customer involvement activities. Overall at the end of September 2013, 99.1% of customers thought that the events they attended represented 'good' or 'OK' value for money.

We have also reviewed each of the different business areas in our subsidiaries to identify areas of activity that are making losses.

Our Scrutiny Panel has approached service reviews for anti-social behaviour and our responsive repairs service from a customer experience perspective with a focus on improving customer satisfaction.

What did we find?

Key Performance Indicator (KPI)	2012	2013
Gross operating margin	34%	33%
Net operating margin	16%	15%
Operating surplus per unit	£2,159	£2,165
Effective interest rate	4.80%	4.80%
Operating cost per property	£4,178	£4,477
Management cost per unit	£961	£1,001
Maintenance (resp/cyclical) cost per unit	£1,025	£1,094
Maintenance (major repairs) cost per unit	£734	£757
Void loss per home	£241	£297

We benchmarked our March 2013 position against a peer group of the top forty mixed-business Registered Providers. We had the smallest number of units in the peer group (9,630 units) but the 6th highest operating margin.

In 2012/13, our gross operating margin was 33%. The average gross operating margin for mixed-business Registered Providers, as we are, is 26% and the Group has been significantly above this level since 2007. Our operating margin has fractionally declined by around 1% after a steady period of growth over the previous five years. The natural peaks and troughs of maintenance expenditure, especially major repairs, causes variations on operating margin year on year. Our value for money objective is to achieve improvement over the medium term. In 2012/13, the slight fall in our operating margin was attributable to an increase in major repairs expenditure.

Our management cost per unit improved from 2011, but remains higher than our peer group average. This is indicated by both the comparison with Global Accounts, published by the HCA, and by information from Housemark.

Overall tenant satisfaction with services remained high, and we are in the Housemark top quartile at 92% for New Progress Housing Association (92.5%) and New Fylde Housing (92.2%).

Our review of operating performance across different areas of the Group showed that whilst we are generating surpluses in most areas, there are a small number of loss-making activities. Some of these activities are still in line with their long-term business plan and will generate positive returns over their project lifetimes, but one loss-making activity has now ceased (Progress Plus).

What actions have we identified for continuous improvement?

Action	Responsibility	Target date
The Group considers its operating margin as an important indicator. We will continue to monitor this.	Operations Director (Finance)	June 2014
We recognise that management and maintenance cost per unit are important indicators. We are investing significantly in delivering business process improvements and IT implementation, which is a key means to deliver greater efficiencies.	All Operations Directors and Head of IT	June 2015
Our Scrutiny Panel has presented to board on the anti-social behaviour and responsive repairs service with a clear action plan and detailed recommendations. We are implementing these actions.	Operations Director (Housing, Community and Support), Operations Director (Property Services)	March 2015

Financial controls, fraud, loss prevention and contracting



Both cash coming into the organisation and leaving it can be affected by the strength of internal controls to prevent fraud and loss and, therefore, support the maximisation of resources within the Group. We therefore feel this is an important consideration within our value for money framework.

What have we done?

We have audited our financial controls during the year.

The Group has tightened up on contracting arrangements during the last year to reduce 'at risk' work and to better protect the Group in the event of contract disputes.

During the year, we have undertaken steps to mitigate risks in order to reduce insurable losses.

Each budget holder undertakes a zero-based budget. Proposed budgets must be justified and supported and are scrutinised by a budget panel, which includes customers, prior to submission to board.

What did we find?

Financial controls have been strengthened during the year. Over 30 recommendations made by our internal audit team were accepted and implemented.

There have been no identified or reported cases of fraud during the year and no material losses were suffered by the Group during the year.

We have achieved reduced insurance premiums and increased the risk mitigation in place for insured losses.

We have found the budget panel to be a good mechanism to ensure budget scrutiny, ensuring consistency and a degree of challenge.

What actions have we identified for continuous improvement?

Action	Responsibility	Target date
We are reviewing the role of the budget panel to improve the strategic focus of budget setting and to improve engagement with a wider range of customers.	Operations Director (Finance)	March 2014
We shall continue our programme of internal audits to identify areas where further efficiencies can be made.	Head of Audit	March 2014
We shall continue to identify opportunities for tax planning to reduce tax liabilities.	Operations Director (Finance)	September 2014

Social return on investment

To maximise the impact of our procurement activity we utilise the LM3 model to measure the local economic impact of our purchasing decisions and ensure the maximum benefit for the tenants and communities we serve.

In addition, we will evaluate the impact of our Community Investment and Progress Futures initiatives to maximise the social return on this investment and ensure they deliver the desired outcomes for our customers.

Transparency

We believe we are a transparent organisation. We demonstrate this in a number of ways, including compliance with our statutory, regulatory and legislative obligations, as well as communication to our board and tenants.

We have agreed with our board to introduce a transparency policy, which sets out our obligations. This value for money approach has been developed and led by non-executive members and customers to ensure it delivers continuous improvement throughout the organisation in a challenging housing environment.

Overall assessment

Whilst we have identified some value for money improvements from service reviews we have undertaken during the year (particularly on Progress Care Housing Association's service charges, the tenancy enforcement service, and the review of Progress Plus), we recognise that we can further improve overall value for money across the organisation, particularly on the management cost per unit.

We have embarked on a major investment in technology with a focus on self-service for customers, colleagues and suppliers to improve our efficiency. We also are improving our management information quality to further improve the management of our property portfolio and keep track of our value for money achievements going forward.



Linkages

This document provides further detail on the value for money information which was included in our latest tenant's annual report.

Further information on our procurement activities and an impact assessment on our customer involvement activities can be found in the following appendices:

Appendix 1 - Procurement activities

Appendix 2 - Customer involvement impact assessment

All five of our value for money strands have been reported to and agreed by our board.

Strand	Objective	Review date
Income strategy and asset usage	To maximise our cash and property resources	June 2012
Cost strategy and expenditure areas	To allocate spend on our resources appropriately	August & November 2012
Procurement	Acquire goods and services at best possible price and quality	February 2013
Profitability strategy, benchmarking and customer satisfaction	Generate surpluses and assess how we perform against others	November 2012
Financial controls, fraud, loss prevention and contracting	Prevent cash from leaving the business through appropriate controls	June 2013

We report on other areas that cross refer to one or more of the above strands. These include:

Area	Objective	Review date
Social return on investment	To outline how we will measure our impact on local customers and suppliers	June 2013
Global Accounts	To assess our overall financial position against our peers in the sector	August 2013
Annual taxation review	To assess our tax compliance and planning position	August 2013
Transparency	To detail our compliance and strategy for being an open and transparent organisation	September 2013
Housemark benchmarking	To assess our key operational indicators for New Progress Housing Association and New Fylde Housing against similar organisations	February 2014

APPENDIX 1

Procurement activities

Table 1 - Procurement activities completed 2012/13

Table 2 - Procurement activities planned 2013/14

Key

NPHA – New Progress Housing Association

NFH – New Fylde Housing

PCHA – Progress Care Housing Association

OJEU - Official Journal of the European Union (the official gazette of record for the European Union, which contains invitations to tender)

SMEs - Small and medium enterprises

PFH – Procurement for Housing

ESPO - ESPO is one of the UK's largest public sector professional buying organisations

GPS – Government Procurement Service

Housemark - a benchmarking club that helps housing associations to improve value for money and performance.

Table 1: Procurement activities completed 2012/13

Activity	Brief	Annual contract value	Financial impact	Process improvement	Management information improvement	Social value impact
Grounds Maintenance	OJEU tenant involvement including tender scoring. Output led specification.	£225K	No increase in service charges to customers.	Output specification, derived with applied standards.	Tenant involvement in contract monitoring, to then feedback to management.	Contract divided into smaller lots with positive impact on SMEs.
Mobile phones	Non OJEU, bids received from all major network providers, lead by IT function. User involvement in end product.	£35K	Bundled minutes contract selected as represents better value.	Electronic billing utilised to streamline billing process, agreed monthly charge for personal usage.	Comprehensive reporting tool available.	None
White Goods Supply	OJEU, identified compliant procurement framework from PFH in consultation with PCHA staff. Majority of service providers involved.	£180K approx	Reduced administration due to use of single supplier.	Supplier has better understanding of our service requirements and is delivering a better service. Commercial Warranty is also now achieved.	Compliance and regular contract management.	Supplier has strong social value links.
Cyclical painting contract	OJEU, Group framework arrangements developed	£400K	A cost saving of circa 10% was achieved.	Streamlined arrangements for billing.	Regular reporting of work undertaken contract management.	Social value was a major consideration in the evaluation of the bids.
Property Services Materials Supply	OJEU, Identified compliant procurement framework from PFH in consultation with Property Services.	£1.8 million approx	Market test of basket of goods. No cost increase identified. 4 year agreement.	Compliance	Contract Management, regular reporting of activity.	Local employer and key business in local area, supports many local projects and partnership activities.
Specialist Heating spares	OJEU, Identified compliant procurement framework from ESPO in consultation with Property Services.	Circa £200K	Market test of basket of goods. No cost increase identified.	Compliance, streamlined billing arrangements are being investigated.	Contract Management, regular reporting of activity.	Local employer as business is in local area, supports many local projects.
Utility Contracts	OJEU, compliant framework via Group's energy consultant.	Circa £660K	Best value market price achieved. No cost service via Apollo energy.	Streamlined billing arrangements, utilising electronic billing.	Management data is available for all staff to access easily.	Office proportion of electric contract is Green energy at no additional cost.

Activity	Brief	Annual contract value	Financial impact	Process improvement	Management information improvement	Social value impact
Cleaning material Supply	Non OJEU, consolidated to one supplier and a core list of items purchased.	£10K	Circa 20% cost saving achieved, increased service levels.	Streamlined billing arrangements.	Regular contract management, activity reporting.	Substitute environment friendly products at no extra cost in some cases.
Stationary	Non OJEU, a core list of items purchased developed.	£35K	Circa 10% saving on items purchased by substitution.	Streamlined billing arrangements.	Regular contract monitoring.	Substitute environment friendly products at no extra cost in some cases.
Vehicle Servicing Arrangement	Arrangement is part of contract lease. Service problems so developed arrangements with preferred dealership for service and maintenance	Nil	Costs are included in vehicle lease payments. Operative availability improved as vehicle is collected and delivered.	Increased service levels, reduced administration in Group, some service management tasks now undertaken by dealership at no cost to Group.	Regular management meetings.	None
Waste Skips	Non OJEU, consolidation to two suppliers, prices market tested	£96K	Best market price, despite increasing costs in sector. Expensive arrangements ended and transferred to new arrangement.	Increased service levels, reduced administration.	Regular contract management	Local Employer
Copiers / Printers	OJEU, compliant GPS framework , comprehensive review of requirements and proposals made	£75K	Known costs for 5 years, with flexibility for changes in Group	Increased service levels, reduced administration, streamlined billing arrangements.	Regular contract management and IT key partner	Opportunity for follow me printers and care readers to minimise wasted print.
Fuel Cards	OJEU, compliant PFH framework utilised	£200K	Discount on the price per litre and interest free credit.	Arrangements amended to enable to be used in a wider range of fuel garages.	Regular contract management.	Card loyalty points are used towards a carbon offset programme.
Decoration Vouchers	Non OJEU, arranged for spend from NPHA & NFH to be consolidated through PFH arrangement to enable a % rebate to be achieved.	£10K	Rebate % achieved by change of procurement method.	Streamlined administration, more secure process as utilise cards rather than vouchers.	Regular contract management. Comprehensive management information available.	None
Corporate Print	Non OJEU, consolidated to two suppliers due to volatility in this market. Each could cover for the other but are specialist in certain types of work.	£30K	Best market price achieved.	Increase in quality and service levels. Online ordering facility developed for standard stationary.	Regular contract management, one printer is holding some items of stock at no cost to us.	Both companies are local and employ local labour.

Activity	Brief	Annual contract value	Financial impact	Process improvement	Management information improvement	Social value impact
Washroom & Hygiene Services	Consolidated to one supplier after market testing.	£2K	Saving of circa 10% achieved. Implemented an element of self service for some areas such as soap to reduce costs.	Increased service levels, more frequent collections, streamlined administration and billing.	Regular contract management.	None
Contract Leased Vehicles	OJEU, utilise PFH framework for supply arrangements	£275K	Best market price for our requirements.	Working closely with supplier to improve service levels for this key area.	Regular contract management, work closely with service users to develop services they require.	None
Confidential Waste Services	Non OJEU, market tested prices	£4K	Agreed to hold costs, despite wanting a price increase.	Additional services negotiated to be included at no additional costs.	Periodic contract management.	Local company.
Office Furniture	Non OJEU, consolidated supply were possible, utilise bulk online suppliers if possible.	£10K	Cost reductions made when purchasing online	Utilise stationary supplier to achieve better pricing if possible.	Periodic contract management.	None

Table 2: Procurement activities planned 2013/14

Activity	Brief	Review date	Annual value	Expected value for money outcome
Stationery	Annual review	February 2013	£35K	Reduced cost and on line systems to improve processes.
Cleaning materials	Annual review	May 2013	£10K	Reduced cost.
Legal Services Framework	OJEU, Group framework proposed	December 2013	£ > 173K	Reduced cost and reduced administration.
Workwear and PPE	Incorporate into established supply arrangements for Property Services Materials.	June 2013	£5K (non Property Services)	Reduced costs, streamlined billing arrangements, easier brand management.
White Goods Repair	OJEU, Group framework proposed	January 2014	£ > 173K	Reduced costs, better visibility of suppliers, streamlined billing arrangements.
Travel and Hotel	Develop arrangements for hotel and rail booking, probably self serve but subject to further discussions	February 2014	£80K	Possible reduced costs, increased service levels and greater visibility. Streamlined administration and potential rebate opportunities.
Landlines	Review at end of contract	February 2013	£115K	Reduced costs and improved service levels, streamlined billing and better management information.
Corporate Insurance	OJEU, utilise framework from Fusion 21, incumbent also invited to bid.	October 2013	£615K	Possible reduced costs, increased service levels, streamlined administration and better management information.
Enhanced income collection services	Utilise PFH framework, looking to increase range of services utilised.	April / May 2013	£ costs not known, new services.	Increased service levels, cost effective new services.
Hired in vehicles	Market test prices for this service, non OJEU.	March 2013	£60K	Reduced costs, increased service levels.
Estate Officer Materials	Develop Property Services Materials supply arrangements to include non North West purchases.	April 2013	£30K	Reduced costs, increased service levels, streamlined administration and better management information.
Asbestos management	OJEU, identified compliant framework from Consortium which meets our needs. Mini competition to be undertaken.	Awaiting detailed specification from Property Services.	£350K	Reduced costs and increased service levels, streamlined administration.
Assisted Living Technologies	OJEU, compliant framework from Consortium which meets our needs. Mini competition being undertaken.	June 2013	£200K	Reduced costs of approx 10%, better contract management and streamlined administration.
Furniture and Furnishings	E tender requirements, Non OJEU	December 2013	£200K	Reduced costs, streamlined administration, and commercial warranty.

APPENDIX 2

Customer involvement impact assessment

Our 2012/13 community involvement impact assessment reported on the impact that our community involvement activities have had on our tenants and the communities in which they live. After each activity we ask attendees to complete an evaluation form through which they assess the value for money and impact of each session.

Activities are assessed on the amount of time and money spent on the activity against what customers gained from attending. We use this information to help us shape future activities, shaping the training calendar to reflect tenants' needs and deliver value for money.

The table below shows the feedback received from tenants on the value for money of some of our core community involvement activities during 2012/13.

Meeting		Good value for money	Fair value for money	Poor value for money	Total
Tenant inspection review meeting	No. of responses	6	2	0	8
	Percentage	75%	25%	0%	
Tenant Feedback Group	No. of responses	6	1	0	7
	Percentage	85.7%	14.3%	0%	
Communications Panel	No. of responses	6	2	0	8
	Percentage	75%	25%	0%	
Leaseholders Forum	No. of responses	2	3	0	5
	Percentage	40%	60%	0%	
Introduction to community involvement	No. of responses	4	0	0	4
	Percentage	100%	0%	0%	
Keeping you and your neighbours safe	No. of responses	20	3	1	24
	Percentage	83.3%	12.5%	4.2%	
Estates Appearance Review	No. of responses	8	4	0	12
	Percentage	67%	33%	0%	
The Forum	No. of responses	10	7	0	17
	Percentage	58.8%	41.2%	0%	
'Working as a team' training	No. of responses	8	1	0	9
	Percentage	88.9%	11.1%	0%	
'Influencing and negotiating' training	No. of responses	9	0	0	9
	Percentage	100%	0%	0%	
Asbestos Panel	No. of responses	5	2	0	7
	Percentage	71.4%	28.6%	0%	
Total	No. of responses	84	25	1	110
	Percentage	76.3%	22.8%	0.9%	



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