Annual Report for Tenants 2017-18

Introduction

Delivering value for money remains a key priority for Town & Country Housing Group (TCHG) and excellent progress continues to be made in achieving the objectives of the Corporate Strategy 2016-20 and Value for Money Strategy 2016-2020. The Annual Report for Tenants 2017/18 provides a summary of performance and an overview of service delivery.

The 2016/17 Global Accounts published by the Regulator of Social Housing (the latest available) showed that our overall social housing cost per unit was well below the median average and in the lowest 25% for registered providers in England. To retain this low cost base, we continue to utilise staff and other resources in the most efficient ways possible. In 2016/17, we delivered efficiency savings totalling £980,167 (exceeding our target of £679,080). These efficiency savings and those achieved in previous years have enabled us to achieve our corporate objective of at least maintaining the total number of social rented homes.

In addition, the ongoing service redesign programme will continue to deliver a range of efficiency savings during subsequent years. These will result from the digitalisation of services and the increased focus on self service options, via the TCHG website and customer portal ‘My Home Online’. Staff and other resources will also continue to be more efficiently deployed as a result of the programme.

We performed strongly in key service areas such as rent and service charge collection and customer satisfaction with overall services. All of our homes continue to meet the government’s decent homes standard and our cost per home for major works and external decorating was below the average when compared to our peers in 2016/17. These improvements were delivered despite a number of challenges including the welfare reform agenda and the annual 1% reduction in rents.

During 2017/18, we started using the ‘sector scorecard’ which consists of various standard performance indicators, designed to help registered providers improve performance and value for money through comparison with our peers.

Our approach to delivering value for money

Our overall approach to value for money is set out in our Corporate Strategy 2016-20 and Value for Money Strategy 2016-20. Both documents are owned by TCHG Board and show the objectives we are aiming to achieve by 2020. The agreed definition of value for money is:

> '*To produce as much social, financial and environmental value as possible from the resources we use in order to deliver quality homes and services, in neighbourhoods people choose, with the ultimate goal of improving lives'*.

Our performance management arrangements ensure the Value for Money Strategy 2016-20 and associated action plan are closely monitored by the Executive Management Team and the Value for Money Group and via progress reports to the Investment and Finance Committee and TCHG Board.

The resident scrutiny panel has continued to provide independent scrutiny to improve the quality of services. In 2017/18, they reviewed the money support service which provides budgeting advice and assistance with welfare benefits for tenants who are experiencing financial challenges. The panel made nine recommendations for service improvement, with a specific focus on improving information and accessibility.

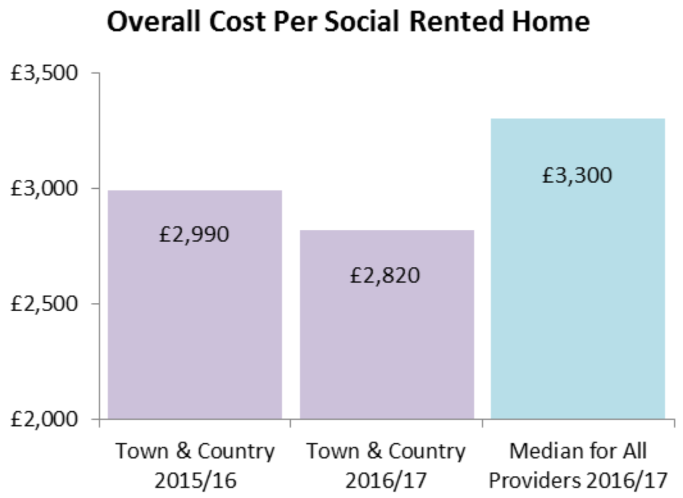
Our approach to making efficiency decisions and the use of resources continues to be robust and is driven by TCHG Board. The key elements are as follows:

- **The Corporate Strategy** sets out our mission, vision and overall objectives;
- **The Value for Money Strategy** contains the value for money objectives, targets and specific actions that will be taken to improve value for money;
- **The 30 year Business Plan** shows our overall financial plans for the organisation in order to achieve the objectives, including income and expenditure balance sheets and cash flows;
- **Annual budgets** are agreed by TCHG Board to achieve the position set out in the Business Plan;
- **The Annual Delivery Plan** sets out the specific actions that will be taken during the year to help deliver our objectives and to deliver efficiencies;
- **Team plans and individual objectives** translate the high level actions contained in the Annual Delivery Plan into operational actions.

Value for Money in 2017/18

Our financial performance

Each year, the Regulator of Social Housing publishes a set of global accounts setting out the headline cost per social rented home for registered providers. We use this information to compare our costs with other registered providers. The figures for 2016/17 show that our overall costs were much lower than the average for other providers in England. It should be noted that figures for 2016/17 are referenced throughout this document as equivalent figures for 2017/18 are not available until late 2018/early 2019, from Housemark Ltd, the sector scorecard and global accounts of registered providers.



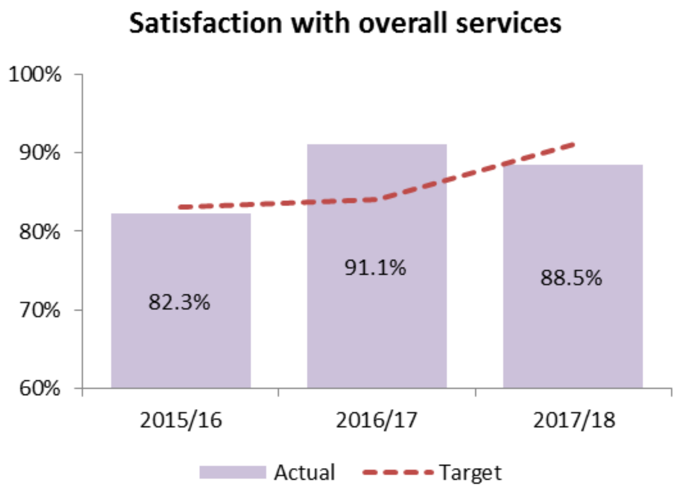
The table below shows we are a financially strong organisation and make full use of our asset base in order to deliver our strategic objectives, particularly the development of new homes. Our operating margin (the percentage of income left after paying costs such as salaries) is higher than the average for our peers, which reflects our low costs for delivering services.

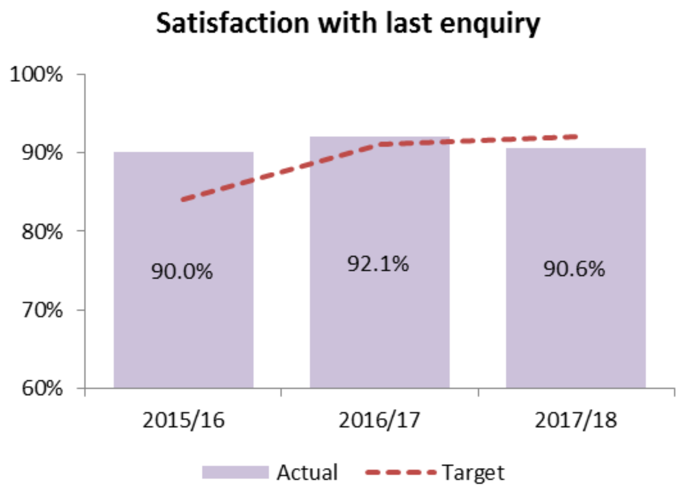
Financial Indicators	2015/16	2016/17	2017/18	Target for 2017/18	Peer Average 2016/17
Operating margin	35.9%	46.2%	40.6%	39.7%	38.2%
Net surplus margin	21.9%	21.6%	25.7%	27.7%	25.9%
Debt per unit*	£42,711	£38,284	£38,327	£40,340	£27,426
Interest cover	220%	215%	247%	213%	281%
Gearing	57.2%	50.1%	48.1%**	50.5%	42.8%
Average cost of funds	3.82%	3.52%	3.64%	3.87%	4.56%

* Net of cash and investments
** Estimate

Resident satisfaction

In 2017/18, our performance for resident satisfaction with overall services remained good. We achieved 88.5% against a target of 91%, while resident satisfaction with the way we dealt with the last enquiry was 90.6% against a target of 92%. The charts below show our progress since 2015/16:





Our financial return on assets for the three years ending 31 March 2018 was:

Indicators	2015/16	2016/17	2017/18	Peer Average 2016/17
Amount generated (surplus before interest/property sales)	£30.2m	£30.5m	£26.8m	N/A
Historic cost of assets	£468.7m	£436.5m	£440.5m	N/A
% Return on assets	6.4%	7.0%	6.1%	N/A
% Return on assets (excluding property built for sale)	6.0%	6.1%	5.7%	N/A

During 2017/18, we achieved a healthy surplus of £26.8m (before interest and property sales) which was lower than the £30.5m generated in 2016/17 due to higher planned maintenance expenditure. Our strong financial position has enabled us to increase the number of new homes we are planning to build in 2018/19 (269) and to let some of these homes at social rents (as well as affordable rented properties) in order to cater for households on low incomes. The surplus helped us achieve a good overall return on assets of 6.1%.

We continue to use cash flows to show the financial return for each property over a long period of time, taking into account rental income and maintenance costs. During 2017/18 we updated the cash flow analysis of our stock to reflect one less year of rent reductions. The position remains that all our properties apart from nine have a positive cash flow over a 30 year period. The nine properties are all in one block and we are still working with the managing agent to consider options.

We continue to use Open Market Valuations and cash flow results to identify opportunity costs (the financial return we are forgoing by not selling a property) associated with individual properties. We also continue to focus on the properties with the lowest cash flows and highest opportunity costs to identify poorly performing and high value assets for sale to help us build more homes.

In 2017/18 we continued to improve the energy efficiency of poorer performing homes, focussing on those with the worst performance. We delivered 251 insulation improvements and changed the heating systems in one home to a more efficient equivalent. We disposed of a further two properties where we could not improve the energy efficiency enough to make them affordable to heat.

Regulator of Social Housing - value for money metrics

In April 2018, the Regulator of Social Housing published seven metrics to measure economy, efficiency and effectiveness on a comparable basis across the sector. These measures are complex but we are required to report our performance against the seven metrics as detailed in the table below. As this is the first year of publication, there are some metrics without peer comparisons.

VFM metrics	2016/17	2017/18	Target for 2017/18	Target for 2018/19	Peer Average 2016/17
1 - Reinvestment % (Investment in properties as a % of total properties held)	1.4%	2.0%	3.2%	5.4%	N/A
2 - New supply delivered (social housing units) (Social housing units developed as a % of social housing units owned)	0.6%	0.5%	0.8%	0.8%	1.5%
3 - New supply delivered (non social housing units) (Non social housing units developed as a % of total housing units owned)	0.0%	0.0%	0.0%	0.6%	N/A
4 - Earnings Before Interest, Tax, Depreciation and Amortisation, Major Repairs Included (EBITDA MRI) interest cover % (Surplus adjusted for depreciation as a percentage of interest paid)	343.6%[1]	175.3%	184.1%	225.7%	221.8%
5 - Headline social housing cost per unit (Social housing costs excluding depreciation and bad debts divided by social housing nits owned)	£2,769	£3,031[2]	£2,889	£2,943	£3,105
6A - Operating margin (social housing lettings) (Operating surplus (social housing lettings) as a % of turnover from social housing lettings	48.0%	45.6%[2]	40.4%	43.5%	39.9%
6B - Operating margin overall (Operating surplus as a % of turnover from social housing lettings)	46.2%	45,0%[2]	39.0%	39.1%	40.1%
7 - Return on capital employed (ROCE) % (Operating surplus as a percentage of total assets less current liabilities)	4.5%	4.2%	3.6%	4.1%	4.2%

1 – The 2016/17 EBITDA MRI interest cover % is distorted by an FRS102 interest adjustment
2 – In 2017/18, additional planned and major works maintenance expenditure increased the social housing costs per unit and reduced the operating margin

We undertake building new homes for sale with an anticipated operating margin in 2018/19 of 24.6%. Additionally we also undertake market rent where the 2018/19 anticipated return on capital employed is 3.8%.

Social value

Social value is the difference we make to individuals, communities and society through our programmes and activities. Delivering social value is central to meeting our strategic objectives. Some of the main ways we deliver social value are by building new homes, the regeneration of neighbourhoods and through a range of community development initiatives.

In 2017/18 we built 48 new homes (33 homes for rent and 15 for shared ownership). The amount of public grant to help build these homes was £690,931. During 2016/17, every 27 pence we invested in new homes generated £1 in social value, compared to our peers who on average invested 82 pence to generate £1 in social value.

We continued to use the regeneration of Sherwood to provide additional social value. In addition to the 235 new homes provided at Lakewood, we have started the final phase of the project, which consists of 39 private sale and shared ownership units. The project is due to complete in October 2018 and continues to regenerate the area, as well as provide additional social value by:

- Employing seven apprentices across the scheme during 2017/18:

- Working towards meeting our target of employing 20% of the workforce who live locally to the sites (within a 15 mile radius). This currently averages 17%;

- Redeveloping former garage sites that were under used and a focus of anti-social behaviour. Phase 1 is scheduled to complete by June 2018 and phase 2 will commence in September 2018;

- Providing new innovative housing designed to increase the ability of local people to purchase their own home. The final phase of Lakewood is awaiting market valuation with sales due to launch in May 2018;

- Creating three new formal access paths to the lake & woods from Greggs Wood Road, including upgrading footpaths within the woodland. One path has already opened with the remaining ones due in September 2018.

The Foundation

During 2017/18, the Foundation focused on the delivery of learning, skills & employment initiatives for residents and the wider community, with an emphasis on collaboration and partnership working to address employment barriers such as skill gaps, care responsibilities, ill health & disabilities.

In 2017/18, we spent £61,000 to help residents secure employment, more sustainable employment and to promote tenancy sustainment. During 2016/17, every one penny we invested in community based activities generated £1 in social value for communities. Outcomes achieved included the following:

	Actual 2017/18	Target 2017/18
Residents securing employment	24	25
Residents trained in a variety of new skills	233	150
Residents gaining qualification to assist with employment	62	50
Residents with improved digital skills	202	200

Other Foundation achievements included:

- The delivery of ‘Tunbridge Wells Working for Everyone’, in partnership with Tunbridge Wells Borough Council. The programme is scheduled to run until March 2019 and continues to deliver learning, skills & employment interventions to communities in Showfields & Ramslye, High Brooms, Sherwood and Paddock Wood.

- Participation in the ‘Increase’ project to deliver micro enterprise services for persons across the France-Channel-England region. TCHG will contribute £30,000 over the next three years to the £6m EU funded programme. Delivery commenced in 2018 and will engage 120 residents, with outcomes to be evaluated by the University of East Anglia.

- Delivery of an apprenticeship programme for four apprentices, funded by the Colyer Fergusson Charitable Trust. The apprentices were placed with numerous TCHG contractors and partner organisations including Countrywise Repairs Ltd. One apprentice has since moved onto full time employment as a business support officer in the children’s and young people’s team at Kent County Council.

- Acting as the regional lead for ‘Citizen’s Online’, a registered provider consortium consisting of Orbit, Golding Homes and Mat Foundation. The £4m Big Lottery funded programme continues to undertake digital inclusion mapping across Kent & Medway, as part of a wider national exercise. Delivery commenced in early 2018 and will culminate in a detailed report and action plan which will enable TCHG to plan digital inclusion initiatives more effectively.

At the end of 2017/18, the Foundation ceased to exist in its current form but TCHG will continue to deliver all ongoing actions and activities.

Efficiencies achieved in 2017/18

In 2017/18, we significantly exceeded our efficiency target of £679,000 by delivering efficiencies of over £980,000. Although some of the efficiencies expected did not materialise or were lower than expected, we were able to find other efficiencies to exceed the overall target as follows:

Efficiency savings	Target savings (£ thousands)	Actual savings (£ thousands)
Change in management of sewage pumping stations leading to reduced repair costs	£79k	£50k
Improvements in the management of empty homes leading to reductions in council tax	£30k	£4k
Replacement of paper based systems with digital forms and surveys	£12k	£42k
Introduction of a new approach for managing trees	£9k	-
Reorganisation of repairs contracts leading to efficiencies from Countrywise Repairs Ltd	£278k	£381k
Change of frequency of paper rent statements and the promotion of online statements	£10k	£10k
Increased external energy efficiency grants for cavity and loft insulation	£20k	-
Increased fees from local authorities for administering Disabled Facilities Grants	£70k	-
Re-packaging and re-procurement of roof renewals based on a rolling programme	£120k	£330k
Handling more sales and marketing functions in-house	£30k	£15k
Improved arrangements for managing major works in empty properties	£21k	£17k
Re-organisation of fire risk assessments	New	£108k
Re-procurement of document archive services and facilities	New	£4k
Re-organisation of staff parking facilities	New	£7k
Section 20 Leaseholders - administrative charge	New	£12k

Total	£679k	£980k

The above efficiencies of £980,000 are ongoing and will apply to future years. Since 2012/13 we have generated efficiencies totalling £5.62m (£2.55m of these have been ‘one-off’ savings and £3.07m are ongoing savings which will apply each year).

Efficiencies planned in 2018/19

Efficiency savings	Target savings (£ thousands)
Transfer of hosting for TCHG and ‘Love Living Homes’ websites from an external provider to an ‘in house’ arrangement	£8k
Paper information leaflets for residents replaced with website videos and email communications	£13k
Rebuilding a repair reporting tool on the TCHG website and termination of an external license arrangement	£5k
Switch to online rent statements and termination of associated printing and mailing costs of producing paper copies	£11k
TCHG Foundation placed in dormant state meaning current and ongoing Foundation activities and tasks will be delivered directly by TCHG with existing staff, ensuring no disruption to beneficiaries and outcomes	£8k
Termination of specific website maps usage, Countrywise Repairs Ltd printer improvements and transfer of some ICT support from external providers to ‘in house’ arrangements	£20k
‘In house’ processing of more shared ownership and outright home sales (13 units sold without the need for an agent with more expected)	£64k
TCHG acting on behalf of other organisations to sell homes	£14k
Website for Lakewood home sales designed ‘in house’	£1k
Negotiation of a reduced increase in West Kent contractor cleaning costs	£7k
Negotiation of a better rate for fire alarm and emergency lighting servicing costs	£3k
Total	£154k

The ongoing service redesign programme will deliver a range of efficiency savings during subsequent years. These will result from the digitalisation of services and the increased focus on self service options, via the TCHG website and customer portal ‘My Home Online’. Numerous savings have already been delivered by enabling staff and other resources to be more efficiently deployed. This will continue to be the case as a result of the service redesign programme.

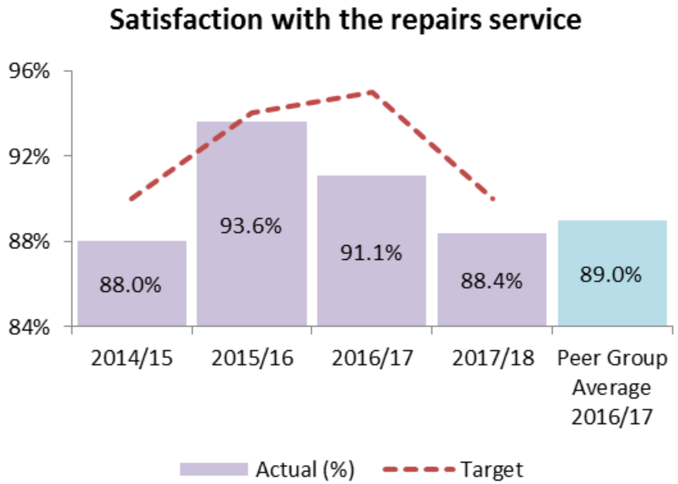
In addition, approximately £10,000 will be saved due to the Foundation changes stated on page nine, as resources will not be required to support the Foundation Board and account for the organisation as a separate entity.

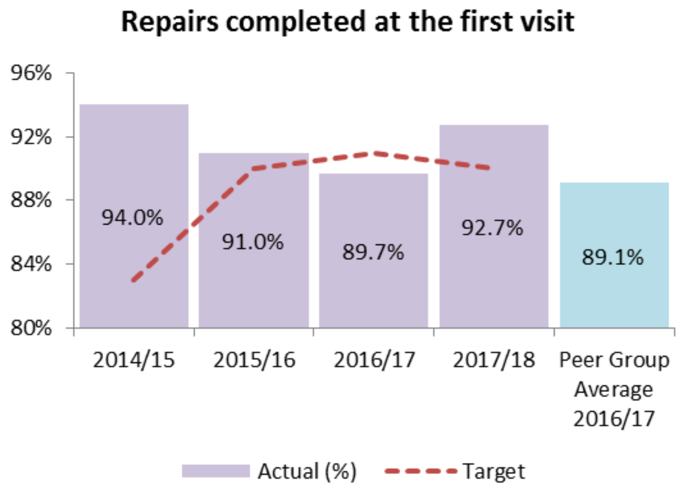
Repairs

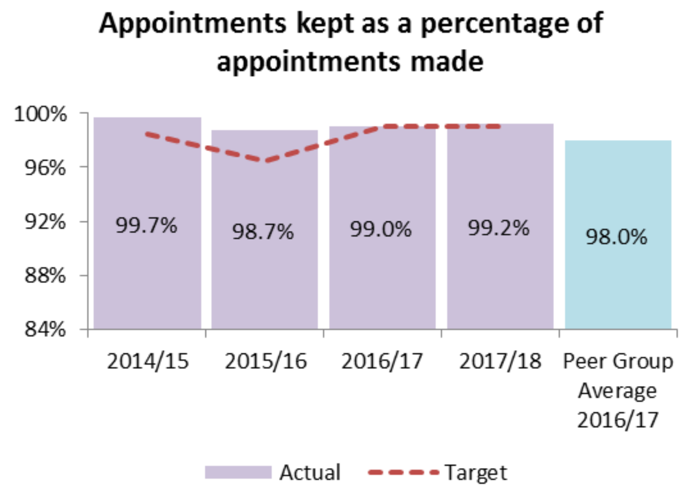
During 2017/18, Countrywise Repairs Ltd and Swale Heating Ltd carried out 16,211 repairs. We spent a total of £4.5m on responsive repairs and work to empty properties.

The table and charts below show our cost per home, performance for responsive repairs and work to empty properties. Our cost per home for repairs reduced in 2016/17, when compared to 2015/16. In 2017/18 we combined our East and West Kent repairs contracts so that all non heating repairs are carried out by Countrywise Repairs Ltd. In 2017/18 we missed our target for resident satisfaction but achieved improved performance in completing 'first time fix' repairs and keeping repair appointments. During 2017/18, Countrywise Repairs Ltd introduced a new computer system to improve the management of repairs. Swale Heating Ltd currently delivers gas repairs but their contract ends in June 2019 and will be re-procured in late 2018.

Annual direct cost per home	2014/15	2015/16	2016/17	Peer Average (2016/17)
Responsive repairs and work to empty properties	£565.00	£694.30	£663.46	£665.17







Improving our homes

During 2017/18, we invested £5.8m in improving homes including new kitchens, bathrooms, heating systems and estates. We also met our target to spend at least 60% of our maintenance budgets on planned maintenance compared to responsive repairs. In total 68.9% of maintenance budgets (£10.6m) were spent on planned maintenance.

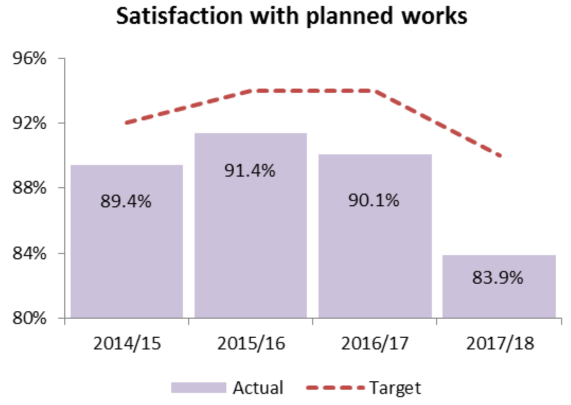
All of our homes continue to meet the government's decent homes standard and our cost per home for major works and external decorating was below the average when compared to our peers in 2016/17.

Annual direct cost per home	2014/15	2015/16	2016/17	Peer Average (2016/17)
Cost per home of major works and external decorating	£972.58	£1,026.88	£1,058.41	£1,233.59
Percentage of homes that meet the decent homes standard	100%	100%	100%	100%

Planned maintenance

In 2017/18, we increased the number of kitchen and bathroom installations compared to 2015/16 and 2016/17. We exceeded our targets for installing new heating systems and achieved our external painting target. We did not meet our target for fitting new kitchens or bathrooms as fewer homes required new installations than expected. We achieved 83.9% customer satisfaction with planned work compared to our target of 90%. Various improvements have now been made by our external decorating contractor. These include employing a dedicated resident liaison officer to provide appropriate information to residents before work starts and to check for outstanding issues after work is completed.

	2016/17	2017/18	2017/18 target
New kitchens	224	345	408
New bathrooms	222	245	288
New heating systems	433	415	320
External painting and associated repairs	1,282	1,340	1,340



Keeping homes safe

2017/18 was the fourth consecutive year we achieved 100% compliance for gas safety checks. This reflects the priority we give to keeping our gas appliances and pipework in a safe condition.

	2015/16	2016/17	2017/18	Target	Peer Average 2016/17
Percentage of homes with a valid gas safety certificate	100%	100%	100%	100%	100%

Adapting homes

During 2017/18, we undertook a range of adaptations to homes to allow elderly or disabled residents to remain in their home. These included minor adaptations (such as fitting stair rails and lever taps) to 334 homes at a cost of £116,233. We also carried out major adaptations (such as installing level access showers or ramps) to 61 homes, with £429,486 of major adaptations costs funded through Disabled Facilities Grants from local authorities.

Improving energy efficiency

We measure the energy efficiency of homes using the Standard Assessment Procedure (SAP) and in 2017/18 our rating was 72.6. This increased when compared to 2016/17 due to planned maintenance works, including replacing 415 less energy efficient heating systems and completion of new build homes.

	2016/17	2017/18	Peer Average 2016/17
Average SAP rating per property	67.8	72.6	71.4

During 2017/18 we carried out other work to improve energy efficiency including:

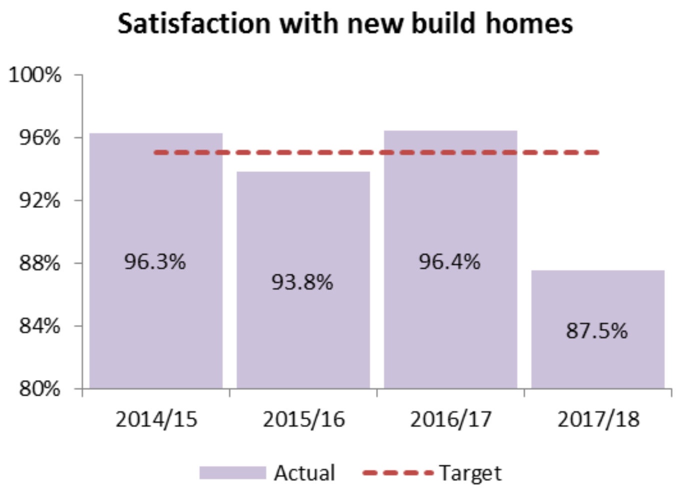
- 128 loft insulation improvements (with partial grant funding);
- 162 cavity wall insulation installations (all grant funded);
- Four heating improvements (one air source heat pump and three upgrades from room heaters to gas central heating);
- Overall we spent £53,066 on loft and cavity wall insulation and generated grant income of £163,395.

Building new homes

During 2017/18, we built 48 new homes against our target of 63. A total of 31 were affordable rent, two were intermediate rent and 15 were shared ownership homes. The target was not achieved because of a delay at the ShornCliffe Garrison and garage regeneration schemes.. The total number of new homes built in 2017/18 was lower than in previous years. However, as of 31 March 2018, a further 184 homes were on site and in the process of being built. Our target is to deliver 300 new homes per annum in future years.

	2016/17	2017/18	2017/18 Target
New homes built	49	48	63

The total amount invested in building new homes in 2017/18 was £11,718,910. This consisted of £618,682 in government grant and £11,100,228 from TCHG. A total of 87.5% of tenants who moved into our new homes were satisfied with their home, against a target of 95%.



	2016/17	2017/18	Peer Average (2016/17)
New homes built as a percentage of all homes owned	0.56%	0.52%	0.60%

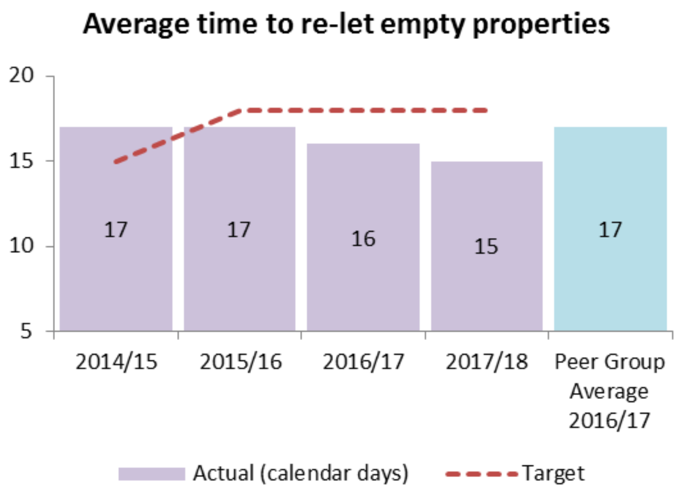
Your Tenancy

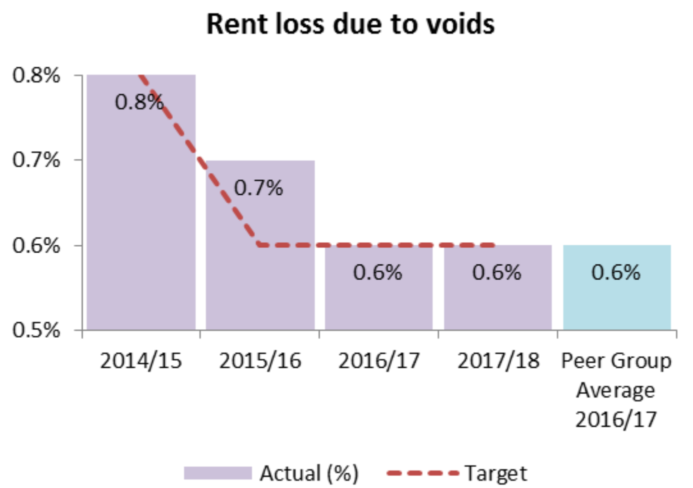
Lettings

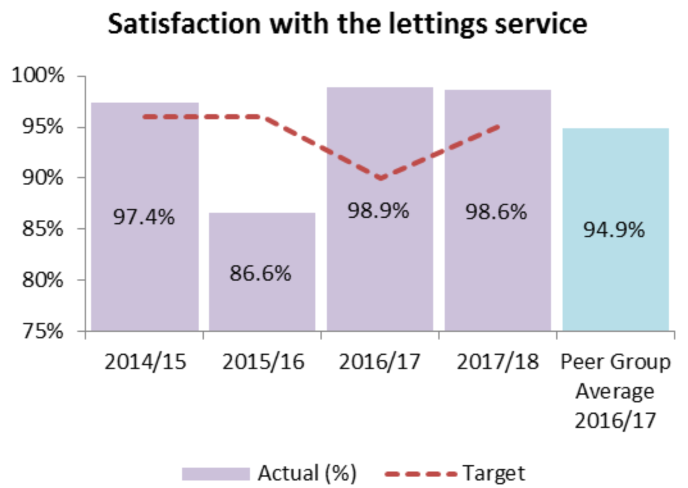
During 2017/18, we re-let 394 empty homes and the average re-let time for properties needing routine maintenance was 15 days. This was an improvement on the previous year's performance of 16 days and was below the 2016/17 average for our peers (17 days). The rent loss due to voids (empty homes) was also on target at 0.6% and 98.6% of new tenants who responded to our survey were satisfied with the lettings process, against our 95% target. Reducing the time that homes are empty is important to us as it means families wait less to be rehoused. This also means we are also collecting more rent to invest in new homes and services.

Our direct cost per home for allocations and lettings reduced in 2016/17 and was below the average for our peers:

Annual direct cost per home	2014/15	2015/16	2016/17	Peer Average (2016/17)
Allocations and lettings process	£39.35	£38.33	£31.57	£35.55







Tenancy management

Our annual cost per home for tenancy management continues to reduce year on year as a result of a more efficient regional staffing structure and was well below the average cost of our peers.

Annual direct cost per home	2014/15	2015/16	2016/17	Peer Average (2016/17)
Tenancy management	£55.94	£51.44	£44.63	£67.38

During 2017/18, our neighbourhood housing managers carried out:

- 1,328 tenancy audits to check for illegal subletting or to identify support needs;
- 34 audits required a further visit or support referral (one tenancy was surrendered as a result of investigations);
- 217 new tenancy visits were undertaken shortly after the start of tenancy.

	2016/17	2017/18	Peer Average (2016/17)
Percentage of homes let	99.5%	99.8%	99.6%

Anti social behaviour

Our direct cost per home for dealing with anti social behaviour increased in 2016/17 compared to 2015/16, after reducing year on year since 2013/14. The number of anti social behaviour cases reported in 2017/18 reduced to 490, compared to 516 in 2016/17. This was largely due to a decrease in reported cases of noise nuisance. We carried out analysis to identify patterns and continue to work closely with other agencies such as the police and local authorities to tackle anti social behaviour. We are also investigating whether additional sound insulation may be needed in some homes.

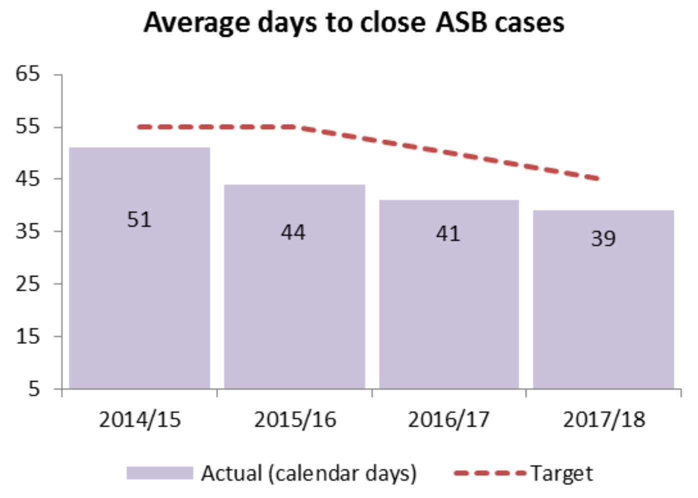
The average number of days we took to investigate and deal with reports of anti social behaviour reduced from 41 days in 2016/17 to 39 days in 2017/18.

Annual direct cost per home	2014/15	2015/16	2016/17	Peer Average (2016/17)
Anti social behaviour	£31.96	£27.05	£31.59	£27.09

	2016/17	2017/18
Number of new cases reported	516	490

The top four types of anti social behaviour reported during the year were:

- Noise (162)
- Verbal abuse (89)
- Domestic abuse (78)
- Substance related (43)



Estate cleaning and gardening

We continue to use a photobook which contains photographs to show the standards our cleaning and gardening contractors have to achieve. The standards are graded excellent, good, needs improvement or poor and we inspect to check them against the photobook standard. In 2017/18, we carried out 2,274 estate inspections. A total of 87% of estates were graded excellent or good for cleaning services, while a total of 89% of estates were graded excellent or good for grounds maintenance services.

Annual direct cost per home	2014/15	2015/16	2016/17	Peer Average (2016/17)
Estate cleaning and gardening	£147.44	£145.41	£190.39	£180.38

	2017/18
Cleaning - percentage of estates graded excellent or good	87%
Ground maintenance - percentage of estates graded excellent or good	89%

Engaging with Customers

Customer service

Complaints

The number of formal complaints increased from 121 in 2016/17 to 138 in 2017/18. The majority were about repairs and maintenance. The average time taken to close complaints reduced from 16 working days in 2016/17 to 6 working days in 2017/18. This is as a result of reviewing and improving the way we manage complaints. We recognise that it is important for customers to receive a timely response to their complaint although in some cases it is more important to take additional time to fully resolve the matter.

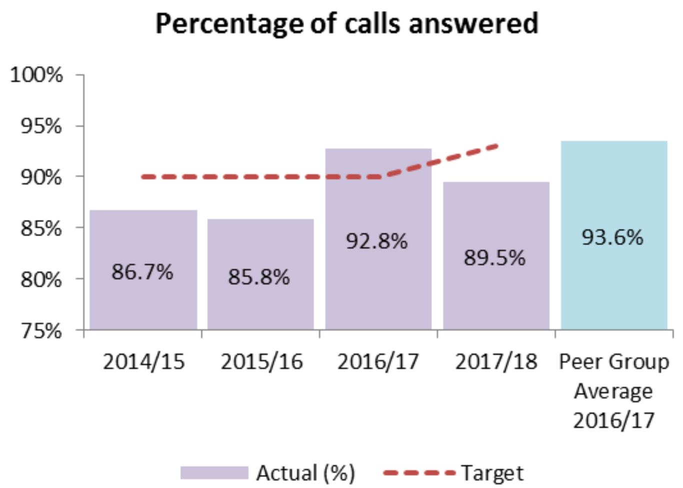
	2014/15	2015/16	2016/17	2017/18
Number of complaints received	116	75	121	138
Average time to close complaints	31	25	16	6

Telephone answering

The number of calls received by our customer services centre reduced by over 3,000 when compared to 2016/17 and by 15,000 calls when compared to 2015/16. This is a result of automating our rent payment line and promoting the customer portal 'My Home Online'. We answered 89.5% of calls first time which was below our target of 93 but average when compared to our peers. We will continue improving our customer online self service offer and promote a range of convenient ways in which customers can contact us, including via social media. We also continue to promote web chat as a 'real time' way of communicating. As a result, it is rapidly increasing in popularity, with over 2,000 communications from June 2017 to March 2018.

	2016/17	2017/18
Number of telephone calls received by the customer services centre	62,644	59,550

	2016/17	2017/18	2017/18 Target
Percentage of call enquiries resolved first time	65.8%	76.4%	66.0%



Resident involvement

We strive to enable residents to have real influence on services. In 2017/18 we developed a new resident engagement strategy in line with the Regulator of Social Housing's tenant involvement and empowerment standard. The strategy also reflected the evolving landscape in the wider social housing sector and the increased focus on the delivery of digital, self service through 'My Home Online' and the TCHG website:

The sheltered housing panel also continued to meet quarterly about relevant strategic issues including mobility scooter provision, digital inclusion and the redesign of the sheltered housing scheme guides. Likewise, the 'Forward' group (for disabled residents and their carers) continued to meet on an occasional basis about digital inclusion.

In 2017/18, we consulted residents about the redesign of the TCHG website through the use of surveys and by inviting comments to further develop content. Residents were also invited to test the user experience and enhanced self service function of 'My Home Online', prior to its relaunch in 2018.

In 2018/19, residents will be involved in the ongoing service redesign programme.to further develop provisional solutions.

Our cost per home for resident involvement has continued to reduce as we have moved towards more targeted engagement using digital methods where possible:

Annual direct cost per home	2014/15	2015/16	2016/17	Peer Average (2016/17)
Resident involvement	£44.35	£43.64	£41.32	£28.74

Resident scrutiny

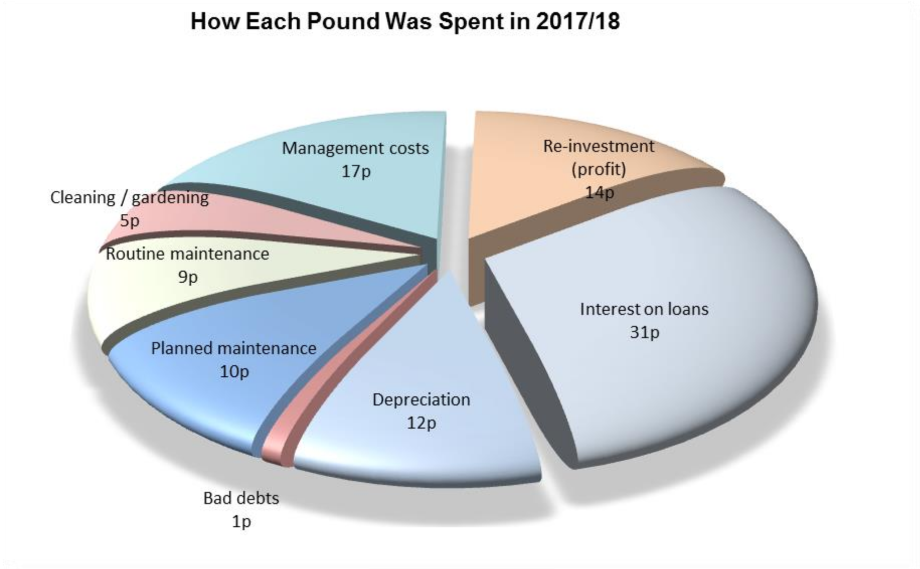
The resident scrutiny panel enables residents to directly influence services. The panel undertakes in depth service reviews and makes recommendations to TCHG Board for service improvement.

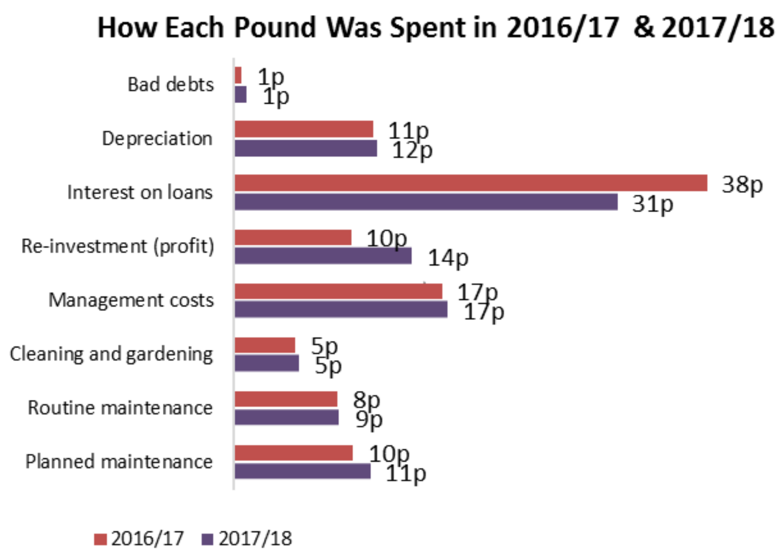
Since 2014, the panel has completed five service reviews including customer services, responsive repairs & maintenance, the empty property standard, grounds maintenance and the money support service As a result of the reviews, a total of 108 service improvement recommendations have been made. From these, 103 proceeded and all have now been actioned and implemented. In 2017/18, the panel began a review of Swale Heating Ltd (responsive gas services). This review concluded in March 2018 and nine service improvement recommendations were made to TCHG Board in May 2018. The panel will next review the planned repairs & maintenance service and expect to make their service improvement recommendations to TCHG Board by the end of 2018.

If you would like to suggest a service area for review or are interested in joining the Resident Scrutiny Panel, please contact Sarah Holden, Resident Scrutiny Manager by email: sarah.holden@tchg.org.uk or telephone 01892 501640.

Rent and Service Charges

In 2017/18, the amount of rent and service charges due was £52.6m (compared to £55.2m in 2016/17). A breakdown of how each pound was spent is as follows:





During 2017/18, we repaid part of our loans and renegotiated the interest rate on some of our remaining loans. Both of these actions lowered our interest costs compared to 2016/17.

Rent and service charge collection

We continued to support residents to reduce the impact of welfare reform and achieved rent collection of 99.9%, exceeding our target of 99.8%. Our current rent arrears as a percentage of rent due stood at 1.2%, which was better than our 1.7% target. During 2017/18, the money support team provided money and debt advice to 794 residents who had not previously received the service. This resulted in reducing their debts by £319,429.

Our direct cost per home for rent and service charge collection reduced in 2016/17, when compared to the previous two years. Although our costs remain above the average for our peers, we are mindful of the need to maintain a strong income management team (including regional money support officers), to meet the many challenges arising from welfare reform.

Annual direct cost per home	2014/15	2015/16	2016/17	Peer Average (2016/17)
Rent and service charge collection	£100.66	£96.90	£89.76	£74.20