2017/18 VALUE FOR MONEY (VFM) SELF ASSESSMENT

Introduction

Value for Money (VFM) underpins our mission of 'Great Homes', 'Positive People' and 'Strong Communities'. In an environment of financial, economic and political uncertainty, we have faced challenges to proactively drive value for money through our strategic decision making and across all areas of the business.

Since the introduction of the updated VFM standard issued in April 2018 we have commenced a review of our corporate VFM strategy that will continue to ensure the delivery of homes that meet a range of needs while also maximising financial return from our assets in the context of our primary social purpose.

We are committed to embedding VFM strategically throughout the business, particularly in focusing our resources on delivery of key business priorities, shaping our approach to service delivery and back office support and in forward planning and project management. We participate in benchmarking groups and collaborate with peer organisations to share and shape best practice.

Our approach to VFM to enable robust decision making and planning

- The Board holds overall responsibility for delivering VFM, including setting the five-year business plan and the financial model which supports it. It undertakes an annual Board strategic review, which includes consideration of VFM.
- The Investment Committee is responsible for decisions regarding financing arrangements and investment of those resources in more homes.
- The Audit and Risk Committee's work includes reviewing internal audit reports on organisational performance.
- The Operations Committee is responsible for monitoring performance of services to customers, overseeing major service transformation and responding to stakeholder feedback.
- An overall VFM strategy is being reviewed in the context of the new regulatory standards and in order to set clear, deliverable efficiency targets which will release capacity to do more in the longer term
- The Executive team reviews business performance and delivery, including a quarterly procurement value for money tracker. The Executive Investment Panel assesses investment options, takes decisions and makes recommendations to the Investment Committee
- Our Business plan defines our key priorities and is refreshed annually. We are currently working to refine our approach to change programme and project management to support delivery and so that we can properly capture the benefits of investment as well as the costs in our future plans
- Senior management has overall responsibility for the day-to-day work driving value for money, including the management of procurement and the control and effective use of our property assets.
- We actively support resident engagement and offer a range of mechanisms for residents to feedback, influence and shape services.
- We use Housemark (London & South East benchmark peer group) and other benchmarking as appropriate to compare our costs, quality and performance to identify where we can improve VFM. We are also members of sector and peer groups created to identify and implement best practice and improvements.

Background Information

The principal activities of Origin and the Group are to provide quality affordable homes and effective landlord services. We also deliver services to meet the needs of all residents and to build sustainable communities. One key goal within Origin's Business Plan is to build 1,184 new homes across a variety of tenures by 2022.

Origin is a dynamic and diverse organisation that owns and manages 6,648 properties mainly in 15 Local Authorities in North London and Hertfordshire, across a range of tenures. The tenure portfolio is detailed below:

Tenure	Units
Social rented general needs	3,872
Intermediate and market rent	1,026
Supported social rent	299
Retirement social rent	382
Leasehold	530
Shared ownership	429
Commercial	110
	6,648

2017/18 VALUE FOR MONEY (VFM) SELF ASSESSMENT (CONTINUED)

We provided support services to 4,038 customers in 2017/18 in the following areas of activity:

Tenure	Customers
Retirement housing tenants	524
Supported housing tenants	664
Support to residents through our social investment strategies	961
*Support services to non- residents under contract	1,889
	4,038

*Delivered mainly through our home improvement agency and handyperson service

We are pleased to note the number of residents to whom we provided support services during 2017-18 increased by 13% from 2016/17. This underlines our commitment to our original charitable objectives and improving the communities in which our residents live and work. We do this by:

- Building and managing quality homes for those on low incomes and young professionals needing access to affordable accommodation.
- Assisting residents to create strong communities.
- Supporting those who are vulnerable and have specialist support needs to live fulfilling independent lives.

Overview of Business Transformation Programme

In April 2015, Origin embarked on a business transformation programme (BTP) that required investment in services that would provide:

- Digital service options for customers.
- Improved consistency of service delivery.
- Better data, improved information and reporting available to staff.
- Increased business efficiency through improved systems and processes.

The BTP covers the period to March 2020 and supports delivery of efficiency savings required to fund the gap created by the July 2015 government announcement of a 1% reduction in social rent each year to March 2020. By investing in our services and people, we expect over time to improve both customer satisfaction as well as strengthening our financial performance. The BTP is underpinned by our commitment to both excellent customer service and value for money.

We have implemented a Customer Relationship Management Software (CRM) system which enables us to record enquiries and improve the speed and quality of our response so that more customers experience resolution the first time they contact us.

<u>The BTP delivered the following in 2017/18:</u>

- Provided customer service training to all our staff and those of our main repairs partner, Gilmartin's. This training will support a new culture of accountability and ownership across Origin and enable us to deliver services consistently well.
- Implemented the first phase of the CRM package and developed future phases ready to launch in 18/19.
- Launched the First Point of Contact Resolution approach to dealing with customer queries, specifically recording and reporting of progress.
- Continued implementation of the Electronic Document Management system (EDM) in the business, which enables our people to access information wherever they are working. This also helps to centralise our document management system and has achieved considerable savings.
- Invested significantly in Health and Safety to strengthen our approach around Gas, Fire, Lists, Asbestos, Water and PAT testing.
- Service reviews including compliance data and reporting, repairs and maintenance service, contact centre service delivery and a property information review to underpin our stock investment programme.
- Completed the centralisation of our two main offices to one location, which will support new working practices and generate income from our office in Randolph Street, Camden as well as achieve considerable savings.
- Launched a new website which is more intuitive to use and more informative for customers.

Furthermore, we continue to implement process mapping for all our reviews to identify opportunities for improvement in efficiency.

2017/18 VALUE FOR MONEY (VFM) SELF ASSESSMENT (CONTINUED)

In 2018/19 we will:

- Implement further modules for CRM to improve customer contact capability.
- Enhance our database to support the customer services centre in handling a wider range of enquiries.
- Complete the implementation of the EDM system.
- Provide more services on-line, particularly around residents' ability to access their own information and place repairs requests.
- Leverage our IT to act as a source for improving operational efficiency and reducing costs whilst adding flexibility for the future.
- Review of our Property Maintenance arrangements to deliver our business objectives in improving our customer experience, VFM and compliance.
- We continue to engage with our residents and consulted with them on a number of initiatives, including service delivery and how they want us to communicate with them.

There has been a review of our Business Plan with Business Priorities agreed by Board for the next two years. A Director of Business Transformation has been recruited to support delivery of these new priorities and future work that integrates our systems more and provides opportunities for digitised and automated working will present opportunities for further efficiencies and savings.

Business Health

We compare certain indices against other registered providers of social housing in London and the South East of England using data held by Housemark (one of the UK sector's largest membership organisations for housing data) based on the results for the fiscal year 2016/17. This provides a general benchmark as they cover all traditional housing associations many of which have different characteristics from Origin and do not all have the diversity of services we provide and/or do not have a development programme.

Below we present a range of indices setting out Origin's performance against a number of sector ratings adopted by the Social Housing Regulator. These indices are calculated on the basis set out by the Social Housing Regulator and thus the Operating Surplus used in the calculation of these indices excludes profits and losses on the sale of fixed assets and movements in the fair value of investment properties.

Year	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Operating Margin on Social Housing Lettings	**24.0%**	**37.0%**	**30.7%**	**27.4%**	**25.2%**	**29.4%**	**33.5%**
Per Housemark							
Upper Quartile	43.2%	43.2%	43.2%	43.2%	43.2%	43.2%	43.2%
Median	34.8%	34.8%	34.8%	34.8%	34.8%	34.8%	34.8%
Lower Quartile	27.5%	27.5%	27.5%	27.5%	27.5%	27.5%	27.5%

The reduction in the Operating Margin on Social Housing Lettings in 2017/18 reflects a number of factors. Regulated rents are reducing by 1% per annum until March 2020. Origin has increased expenditure on health and safety related maintenance. This is scheduled to continue into 2018/19 before reducing but remaining at a higher level than in 2016/17 in subsequent years. We have recognised the need to improve customer satisfaction levels and consequently have commenced an investment programme to transform our business processes and systems which will be delivered over the period to March 2020. We are also anticipating a £279k increase in depreciation charges from 2018/19.

Year	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Operating Margin	**20.4%**	**31.8%**	**29.3%**	**26.2%**	**27.0%**	**26.2%**	**26.8%**
Per Housemark							
Upper Quartile	39.2%	39.2%	39.2%	39.2%	39.2%	39.2%	39.2%
Median	32.3%	32.3%	32.3%	32.3%	32.3%	32.3%	32.3%
Lower Quartile	25.7%	25.7%	25.7%	25.7%	25.7%	25.7%	25.7%

In addition to the factors detailed above there is projected to be an increase in shared ownership first tranche sales and private sales in future years which although profitable reduce the overall operating margin.

2017/18 VALUE FOR MONEY (VFM) SELF ASSESSMENT (CONTINUED)

The low EBITDA (MRI) in the current year – see table below – is largely due to increased capitalised maintenance costs arising from estate regeneration and the accelerated maintenance programme of works most of which completed in March 2018. This investment ensures we maintain the value of these assets. In addition and as noted above there was increased investment in 2017/18 to ensure we meet Health & Safety requirements which continues into 2018/19. Thereafter EBITDA (MRI) improves as a consequence of reduced expenditure on capitalised maintenance.

Year	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
EBITDA MRI Percentage	**63.2%**	**57.2%**	**31.3%**	**51.3%**	**155.0%**	**133.7%**	**143.4%**
Per Housemark							
Upper Quartile	265.3%	265.3%	265.3%	265.3%	265.3%	265.3%	265.3%
Median	216.4%	216.4%	216.4%	216.4%	216.4%	216.4%	216.4%
Lower Quartile	175.0%	175.0%	175.0%	175.0%	175.0%	175.0%	175.0%

We maintain a golden rule for our gearing (and interest cover) ratio to ensure Origin is comfortably able to meet its financing covenants imposed by external lenders. At 31 March 2018, Origin had a healthy gearing ratio for an organisation committed to delivering new social housing and this is demonstrated in the table below. For gearing, the golden rules states that Origin maintains a £10m buffer to in excess of all debt obligations for the next 12 months and £20m thereafter, and, for interest cover it states that Origin has headroom of 10% over its tightest covenant requirement. For all years both golden years are met.

Year	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Gearing %	**40.7%%**	**41.6%**	**43.7%**	**46.9%**	**48.5%**	**49.3%**	**46.7%**
Per Housemark							
Upper Quartile	37.55%	37.55%	37.55%	37.55%	37.55%	37.55%	37.55%
Median	42.88%	42.88%	42.88%	42.88%	42.88%	42.88%	42.88%
Lower Quartile	56.16%	56.16%	56.16%	56.16%	56.16%	56.16%	56.16%

The gearing percentages for prior years have been restated to exclude the adjustments for the fair value of loans previously classified as other which under the amendments to FRS 102 are now classified as basic and are consequently now valued at amortised cost.

Development – Capacity & Supply

We completed the build of 58 homes during 2017/18, (82 completed in 2016/17), with a total cost of £28.2m. In the same year we generated a £1.525m surplus and secured just over £2m additional sales receipts from staircasing, which will be reinvested in our future development programme. We expect the level and structure of funding for new development in coming years to continue with a high reliance on borrowing due to low grant rates. We are delivering private sales across our programme to both cross subsidise our affordable programme and provide additional revenue. However, in recognition of the uncertainty surrounding the property market in London we have scaled back the proportion of private sales in our programme.

2017/18 VALUE FOR MONEY (VFM) SELF ASSESSMENT (CONTINUED)

Year	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Total social housing units developed or newly built acquired in-year	60	82	58	120	236	242	172
New Social Housing supply delivered %	**1.02%**	**1.39%**	**0.98%**	**1.98%**	**3.76%**	**3.71%**	**2.57%**
Upper Quartile	2.41%	2.41%	2.41%	2.41%	2.41%	2.41%	2.41%
Median	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%
Lower Quartile	0.72%	0.72%	0.72%	0.72%	0.72%	0.72%	0.72%

Year	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Total non-social housing units developed or newly built acquired in-year	0	25	0	0	108	89	54
New Non Social Housing Supply Delivered %	**0.00%**	**0.38%**	**0.00%**	**0.00%**	**1.55%**	**1.24%**	**0.73%**
Upper Quartile	4.07%	4.07%	4.07%	4.07%	4.07%	4.07%	4.07%
Median	0%	0%	0%	0%	0%	0%	0%
Lower Quartile	0%	0%	0%	0%	0%	0%	0%

Our current business plan allows capacity to deliver 1,021 units between April 2018 - March 2022 and the table below sets out how this will be achieved (excluding private sale units).

	Three years to 31 March 2018	% Funding	Three years to 31 March 2021	% Funding
New Homes Completed	**182**		**722**	
Investment	£m		£m	
New Homes	**49.5**		**197.7**	
Source of Funding				
Grant	2.4	5%	12.3	6%
Loans	28.2	57%	103.4	52%
	--------		--------	
	30.6		**115.7**	
	=====		=====	
Own Resource (funding)	**18.9**	38%	**81.9**	42%

Developing social housing continues to be challenging, but we are delivering truly affordable housing. In 2017/18, over 70% of units developed were for social rented housing. We continue to develop homes for private sale to cross-subsidise our social housing programme and in the last financial year we entered into two Joint Ventures to deliver a total of 188 units for private sale (Origin delivering 50% as part of Joint Venture), with a further 50 private sale units being delivered across our programme. We have focused the majority of our sales schemes in outer London zones, which should be less affected if the market slows down.

Going forward we will continue to develop rented housing, alongside a mix of intermediate rent, shared ownership, market rent and to a lesser extent private sale. Our current business plan up 2018-2022 will deliver 77% affordable housing (rent, intermediate rent and shared ownership), along with 23% market rent and sale. In light of the uncertainty surrounding the London property market we have reduced our focus on private sale units to mitigate against any severe fluctuations in the market.

We will continue to seek alternative funding arrangements so that we can maximise the provision of affordable homes, and in 2017/18 we secured two loans for our Joint Venture schemes at competitive rates from the GLA, as part of their Housing Zone funding.

2017/18 VALUE FOR MONEY (VFM) SELF ASSESSMENT (CONTINUED)

Our successful bid to the GLA under their Homes for Londoners 2016-21 programme secured a grant allocation of £7.25m to deliver 180 homes, 69 London affordable rented and 111 shared ownership. This year we also secured an additional £400k from the GLA for remodelling of an existing sheltered scheme to provide 24 flats for rent and £288k from the RSH to demolish an existing building to replace with an affordable scheme including eight new homes.

Due to shared ownership staircasing receipts we have an additional £2.83m of Recycled Capital Grant Funding to use in London and £327k to use in the RSH Eastern region to support our affordable housing programme.

We continue to achieve savings of around £250k per annum via the Connected Partnership, the framework arrangements for procuring consultant services at competitive fees, sharing key programme management staff and jointly procuring training and other services.

In 2018/19, we plan to:

- Acquire further S106 sites and land led opportunities to deliver the business plan.
- Identify disposal and development opportunities within our own stock – we are currently working on four opportunities that could deliver 86 new units, and potential profits of over £8m from disposals for reinvestment.
- Continue to manage and deliver our joint venture schemes in conjunction with our joint venture partner, Hill Residential Limited
- Explore opportunities to develop for market rent where appropriate.
- Explore opportunities for acting as developing and or managing agent for other landlords/Local Authorities.
- Optimise funding opportunities with the GLA and RSH as well as providers of private finance.

Asset Management

Year	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Return on Capital Employed	**2.98%**	**3.14%**	**2.43%**	**2.12%**	**3.24%**	**2.93%**	**3.18%**
Upper Quartile	4.86%	4.86%	4.86%	4.86%	4.86%	4.86%	4.86%
Median	4.22%	4.22%	4.22%	4.22%	4.22%	4.22%	4.22%
Lower Quartile	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%

We have seen a fall in Return on Capital Employed in 2017-18 largely due to a rise in planned and routine maintenance expenditure coupled with a fall in gains on disposal of fixed assets. Over the coming three years we do not expect to reach the lower quartile benchmark due to high maintenance costs relating to health and safety expenditure. Furthermore, the location of our stock in high value areas depresses the return achieved compared to the book value of the properties.

A key component of deriving value from our property asset base is the provision of security for debt finance to enable us to invest in building new homes and improving our existing housing stock. During 2017/18, Origin invested significantly within its planned maintenance programmes in order to ensure our homes continue to meet regulatory standards, address matters arising from the stock condition surveys and improve the satisfaction of our residents. This investment is partially derived from asset disposals and the recycling of funds demonstrates Origin's commitment to the provision of high quality housing and maximising value.

Assessing our assets

We continue to invest in and improve our systems and the underlying data that informs our decision making around property investment and disposals so that we are able to focus our resources on the areas that provide the best return on investment.

The past year has seen a comprehensive review and upgrade of the Asset Matrix and the initiation of an upgrade to our Keystone asset management system. Origin uses data from these systems to assess the performance of the stock.

In 2017/18, we disposed of properties generating a profit of £3.6m. This receipt was in part used to help fund our development and regeneration programme to upgrade older estates

Reinvestment in existing stock

Year	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Reinvestment	**4.57%**	**3.95%**	**5.24%**	**5.58%**	**8.52%**	**6.33%**	**4.02%**
Upper Quartile	6.71%	6.71%	6.71%	6.71%	6.71%	6.71%	6.71%
Median	5.63%	5.63%	5.63%	5.63%	5.63%	5.63%	5.63%
Lower Quartile	4.22%	4.22%	4.22%	4.22%	4.22%	4.22%	4.22%

2017/18 VALUE FOR MONEY (VFM) SELF ASSESSMENT (CONTINUED)

Origin's successful 'regenerating our estates' initiative continued to progress well, along with our component replacement programmes for windows and doors, kitchens and bathrooms and cyclical redecoration works.

While reinvestment in 2017-18 was below the sector average, upcoming scheme completions, particularly in relation to our Joint Ventures, will see a significant rise in reinvestment over the next three years.

The three year regeneration of the Sidney Estate has now almost completed and residents benefit from a number of enhancements including new roofs, windows, doors, kitchens and bathrooms as well as landscaping within the central courtyard.

2017/18 saw four additional estates at York Rise, Holsworthy Square, Russell Mansions and Kent House benefit from regeneration works including new roofs, windows, doors, kitchens and bathrooms.

Procurement costs

In 2017/18, the Origin successfully negotiated and implemented 12 competitive tenders with a total value of £5m that comprised seven non-OJEU tenders and five OJEU tenders. Furthermore, in 2017/18 Value for Money savings achieved across Origin amounted to £1.4m in addition to further savings of £520k achieved through implementing competitive and mini tenders from various Framework Agreements.

In 2018/19, the Procurement team expects to implement 11 tenders with a total value in excess of £6m and achieve further savings.

Outcomes Delivered

As noted above, surpluses generated are retained by the group to support ongoing investment in our social purpose. In 2017/18, Origin invested the equivalent of 1.29 times the cash generated from operations on the acquisition and construction of new housing, which was facilitated through greater efficiency and maximising income from sales. This is up from 0.78 in 2015/16.

Sales income increased this year, and this trend should continue in future years as we build more sales units to cross subsidise our programme increasing capacity.
We continue to explore opportunities to deliver resident employment and training from our development programme. We currently have two residents employed as full time apprentices, three more employed via our links to K10 and Kings Cross Construction (on non-Origin development sites) and a further eight placements available to the local community on other sites.

Customer Service & Satisfaction

We monitor resident satisfaction through a number of survey and engagement methods. From our customer feedback perception surveys we have prioritised three main areas of focus to improve our customer experience; customer communication, timely resolution of queries and improving our property maintenance services. These areas have been picked up in the customer service action plan and feed into the Business Priorities.

Overall customer satisfaction improved this year to 70% up from 65% two years ago. New initiatives include activities that support the resolution of resident enquiries at their first point of contact through improved access to customer and property data, and more comprehensive service information available to staff through a new CRM system.

Our Transformation programme is expected to improve this further in future years, and we have already seen improvements in satisfaction with keeping residents informed and resolving enquiries at the first point of contact. Our recent routine repair satisfaction survey for Gilmartin's our principal repairs contractor show satisfaction levels around 90%, falling numbers of complaints and improved satisfaction with resolution. We expect this to feed into improvements in overall satisfaction over the course of 2018/19

We have carried out engagement and consultation activities with our residents around how they access services, what improvements they would like to see and how they want us to communicate with them. The resulting customer insight will be used in the future to make best use of technology and buildings, enhancing our performance management and changing behaviours so we do the right thing first time.

In 2017/18 we have:

- Implemented a CRM for all resident contacts.
- Embedded and improved our First Contact Resolution rate from 62% to a high of 76%.
- Engaged with our residents to gain insight into how we can deliver improved Customer Service that meet their needs.
- Worked with our contractors to improve the quality of service our residents' experience.

2017/18 VALUE FOR MONEY (VFM) SELF ASSESSMENT (CONTINUED)

Investment in the community - Social Return on investment
Origin has a Social Investment Strategy which provides a stable annual investment into supporting the communities within which we operate, with measurable social benefits.

During 2017/18 we have:

- Increased the value of social value commitments received during the year from contractors
- Generated £167,699 in-kind through community development activities largely through volunteer hours contributed. This represents a wide range of activities delivered to our residents by other organisations as well as free use of buildings to deliver services.
- Leveraged a total of 2,962 volunteer hours to support delivery of our services. Our Digital Drop-In, run entirely by volunteers, delivered 229 training sessions to customers.
- Through our Financial Support team, we have secured £18.5k for residents in back-dated Housing Benefit and £7.3k in Discretionary Housing Payment awards; and secured £22.5k in advance rent payments.
- Supported 45 customers into work with an average sustainment rate of 92%.
- Developed our 2016 We Are Ageing Better project benefitting from various community based partnerships. The project has grown significantly and involved 389 older people in Camden and harnessed 300 volunteer hours between January - March 2018.
- Maximised the income from our Community Halls by streamlining the process and increasing bookings, generating £11,893 of income to fund the halls.

In 2018/19 we plan to:

- Review the key areas where customer engagement would add value and improve outcomes for customers.
- Develop a Neighbourhood Explorers Programme on our estates based on social investment priorities.
- Establish the criteria to apply for the new small grants pot and promote through the Community Development programme on our estates.
- Sign up to a Community Engagement Agreement with stakeholders detailing how outcomes will be demonstrated, and feedback captured from the teams.
- Develop a community engagement plan for Enfield Single Housing to deliver health and social activity programme to reduce ASB and reduce social cohesion.
- Target the Assessment and Support service to minimise anti-social behaviour and reduce arrears.

Operating efficiencies

The Total Social Housing cost per unit increased to £7.4k in 2017/18 largely due to increased capital maintenance, health and safety compliance and management costs. Our cost per unit is likely to remain high over the coming three to five years due to high planned maintenance costs and our ongoing investment in IT and systems development to enable the delivery of future savings and improved customer service. In addition the location of our stock in London according to analyses performed by the Social Housing Regulator results in Origin having to bear wage costs that are 20% above the national average, while our Care and Support activities further increase our costs. However, we consider expenditure in these areas key to our future success, so while our cost per unit is comparatively high we are confident it will directly benefit our residents.

Year	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Social Housing Cost Per Unit	**£6,469.01**	**£6,613.87**	**£7,426.79**	**£6,987.33**	**£6,164.66**	**£5,894.06**	**£5,779.79**
Upper Quartile	£3,035.91	£3,035.91	£3,035.91	£3,035.91	£3,035.91	£3,035.91	£3,035.91
Median	£4,052.47	£4,052.47	£4,052.47	£4,052.47	£4,052.47	£4,052.47	£4,052.47
Lower Quartile	£5,213.50	£5,213.50	£5,213.50	£5,213.50	£5,213.50	£5,213.50	£5,213.50

2017/18 VALUE FOR MONEY (VFM) SELF ASSESSMENT (CONTINUED)

Conclusion

Our mission of 'Great Homes', 'Positive People' and 'Strong Communities' supported by strong corporate values engenders a focus on value for money in our day-to-day work and long term planning. We have a skilled Board which exercises strong oversight and scrutiny of our performance, which brings assurance around delivery of our Business Plan and our service vision of doing the right thing first time, every time. Our strong business health combined with our stringently stress tested business plan, and Fitch "A Stable" credit rating demonstrates that we are financially viable with resilience in our financial model.

This self-assessment identifies that improvements are needed in some areas. Our continued focus on value for money will drive us to achieve these improvements. In particular, improvement of our customer satisfaction ratings will be a key priority for the coming year and we are confident these will be achieved through our business transformation programme.

Chris Trebilcock
Company Secretary