
Value for money self assessment

(year ended 31 March 2015)

Introduction

The Value for Money (VFM) Strategy and Action Plan contributes to the delivery of the Group's vision by providing a framework to generate efficiencies and savings, with the aim of maximising surpluses to subsidise new and existing homes and services.

VFM is not just about reducing costs but achieving more from business activities and investments. We aim to maximise the use of the Group's assets to deliver social, environmental and economic returns and our approach is shaped by five strategic objectives:

- Maximising income and the use of the Group's assets.
- Maximising VFM through a range of procurement and joint venture approaches.
- Ensuring efficiency and simplicity across all business activity.
- Working with customers to prioritise investment in services and communities.
- Ensuring managers understand and are accountable for delivering return on investment and that the Group has a well-developed culture for achieving and demonstrating VFM.

The Group's annual VFM self assessment evaluates our financial, social and environmental performance. The results help influence our investment decisions and provide our regulators, partners and customers with information about our progress. It also helps ensure that we comply with the regulatory VFM Standard. In an internal audit in 2014/15, KPMG rated our approach to VFM as having High Assurance, the highest possible rating.

The Group is presenting its VFM self assessment within its Operating and Financial Review, as recommended by the Homes and Communities Agency.

Further information can be found on A2Dominion's website including on its dedicated VFM section (www.a2dominion.co.uk/vfm) and in its Customer Annual Report (www.a2dominion.co.uk/customerpublications).

Ensuring VFM delivery

VFM is overseen by A2Dominion's Executive Management Team and Group Board which determine strategy and investment priorities and monitor progress against published plans and targets. Their governance of VFM is supported by the Audit & Risk Committee which oversees the internal audit programme and the Group Risk Map.

The annual business planning process ensures that proposals are matched by the appropriate level of resources and that all significant A2Dominion proposals undergo a business case or options appraisal. VFM is a standard consideration for every Board and committee decision.

A2Dominion engages its customers on VFM through survey and quality accreditation programmes, as well as through the Customer Services Committee and customer-led Service Improvement Groups, which help determine priorities for expenditure, procurement specifications and contractor selection.

More than 25,000 customers gave us feedback on services they received during 2014/15, with over 8,000 being contacted by telephone as part of our after-care service. An increasing number of customers use our new text messaging feedback service.

We evaluate return on investment from major projects and all teams within A2Dominion review their performance results weekly.

Overall results

Our judgement, based on a range of performance and cost information, is that we comply with the regulatory requirements as set out in the VFM Standard. Surplus was above target, enabling greater reinvestment in homes and services and we are delivering a wide range of other social returns.

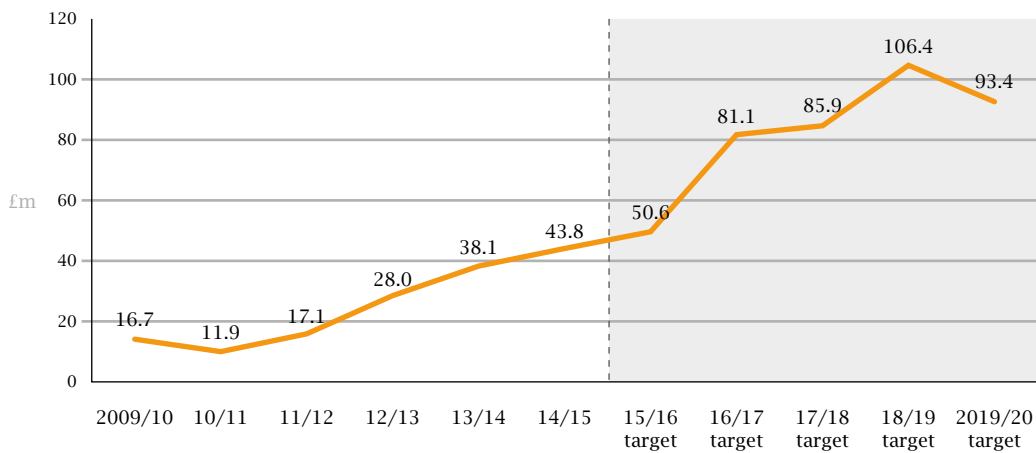
Of the 18 VFM Action Plan targets set for 2014/15, 16 were met and two underperformed. A further nine targets set for the forthcoming period are progressing to timescale.

Generally performance has been strong and improving, but with some areas average and stable.

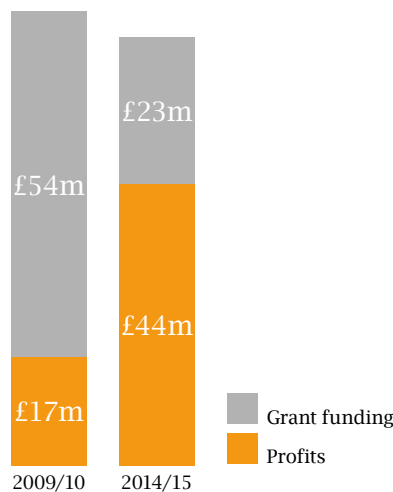
Financial results and return on investment

The 2014/15 surplus of £43.8m was £18.2m above target, which brings the total accumulated surplus to £138.9m since 2011. This has been achieved by diversifying our commercial activities, reducing our geographical area of operation and becoming more efficient.

Surplus



Our focus on increasing the Group's surplus is essential as this generates the cash needed to fund the future development of affordable housing. The impact of the change in the government's funding regime, shown here, has meant the Group has had to find alternative ways to generate this profit to replace the lost grant funding.



The Group seeks to maximise its surpluses so that it can increase the amount available to be used as a subsidy for providing new homes. In total, 80% of our cash surpluses are invested in new rented homes and 20% into existing homes, care and support provision and help for priority local communities.

Page 41 shows how we are using our surpluses.

Financial return on investment is also improving, at 4-6% across our business portfolios.

	Book value £m	Annual rental turnover £m	Annual operating surplus £m	2014/15 operating return	2013/14 operating return
Portfolio					
Social housing rented	1,238	165	52	4%	4%
Shared ownership	180	23	7	4%	4%
Non-social rented	83	14	5	6%	3%

We have made savings of £15.8m in total since the Group's formation in 2008, through rationalisation, technology, our Lean business transformation programme and testing the market in all major areas of expenditure. In 2014/15 this included £1m savings on repairs as a result of our joint venture arrangements and £0.2m through a number of small changes to improve overheads.

These savings have enabled us to invest in resources to help support our service provision improvements, maintain our Decent Homes Standard and assist residents impacted by welfare reform. Our aim is to save a further £5.4m over the next three years.

A significant review with the aim of increasing future efficiency savings will take place during 2015/16.

As well as generating this level of efficiency savings, income collection improvements of £2.7m over the last three years have been achieved, increasing the cash available for reinvestment.

The pages that follow assess A2Dominion's VFM progress against its four key business objectives and summarise future VFM plans.

	2009/10 actual savings £m	2010/11 actual savings £m	2011/12 actual savings £m	2012/13 actual savings £m	2013/14 actual savings £m	2014/15 actual savings £m	Total savings £m	2015/16 forecast savings £m	2016/17 forecast savings £m	2017/18 forecast savings £m	Three- year target savings £m
Lean business improvement reviews	-	-	0.1	0.5	0.2	-	0.8	-	-	-	-
Procurement & contract savings	-	1.6	0.1	0.2	1.4	1.0	4.3	1.0	1.0	1.0	3.0
Overhead savings	3.1	0.9	1.2	1.7	0.2	0.2	7.3	0.5	0.5	0.5	1.5
Income collection improvements	-	-	0.7	1.0	0.6	1.1	3.4	0.3	0.3	0.3	0.9
Total	3.1	2.5	2.1	3.4	2.4	2.3	15.8	1.8	1.8	1.8	5.4
Target	3.0	1.1	1.3	1.2	2.0	2.3	10.9				
Cash collection improvements											
- arrears reduction	-	-	-	0.5	0.7	1.0	2.2				

Key business objective one

Provide new high quality homes and places

Our key aims for this objective are to maximise grants and to generate surpluses through sales to support the delivery of affordable housing, and to increase our private rent portfolio in order to extend housing options and provide capital growth.

2014/15 targets

- Procure land to support the development of 1,200 homes. ✓
- Bid to the Homes and Communities Agency for new Affordable Homes Programme funding 2015-18 and complete 239 homes in the 2011-15 programme. ✓
- Maximise cash receipts by selling 100% of homes for sale at 100% of approved value. ✓
- Increase off-plan sales to minimise risk and reduce sales times. ✓
- Pursue partnerships and joint ventures to be on track to deliver up to 750 private rent homes by March 2017. ✓
- Build 393 homes to Code for Sustainable Homes Level 5 at North West Bicester eco town, with the first homes available for 2015/16. ✓

Self assessment – return on investment

Our judgement based on a range of performance and comparative data:



Performance highlights

- Acquired sites with potential for 1,764 homes against a target of 1,200 for the year.
- Completed 102 private rent homes and on track to meet our 2017 target of 750 properties.
- Secured additional grant of £5.3m above our allotted programme during the year to deliver 290 homes (2015-18).
- Entered into joint ventures with Mount Anvil for Keybridge House in Vauxhall and Queen’s Wharf in Hammersmith, to help deliver 606 new homes.
- Launched our new FABRICA by A2Dominion brand and website for marketing our growing range of private sale, shared ownership and private rent homes.
- Achieved twice our forecast sales income target and improved sales margins (excluding land sales) by 5.2% to 28.8%.
- Achieved outline planning for 2,600 homes for the next phase at the North West Bicester eco town.
- Updated our design brief and technical specification to further improve how we design for communities and increase environmental sustainability, including smart meter technology in homes and bio-diversity objectives for landscaping.
- Achieved high quality standards for sustainable homes and communities, recognised through various awards.

- Delivered 579 new homes against a target of 550. Of these, 334 homes were affordable, supported through grants and cross-subsidy from private sales.

	Affordable Rent	Shared Ownership	Private Rent	Private Sale
2014/15 actual	202	69	102	206
2015/16 forecast	180	180	180	360
2016/17 forecast	180	180	180	360
2017/18 forecast	180	180	180	360
2018/19 forecast	180	180	180	360
2019/20 forecast	180	180	180	360

Future plans

In 2015/16, we hope to achieve the following:

- Procure land to support the development of a minimum of 900 homes, sustaining a minimum two-year land supply for 1,800 units.
- Deliver a minimum of 900 new homes (40% shared ownership and affordable rent, 20% private rent and 40% private sale).
- Handover the first phase of homes at the North West Bicester eco town by March 2016.
- Complete a tender review and adopt an updated development contractor framework by April 2016.
- Implement a new IT system for Commercial Services in 2015/16 to save £80,000 per year and improve development reporting.

Key business objective two

Deliver customer-led services

Our key aims for this objective are to update our customer service model to increase digital self-services, whilst sustaining and improving service standards.

2014/15 targets

- Improve our handling of repairs calls and emails within existing resources to achieve 65% completions on first visit. ✓
- Increase online transactions by 30% per year. ✗*
- Complete a pilot using Who's Home, a web-based service for identifying occupants of properties, and determine future strategy for tackling tenancy fraud. ✓
- Implement phase two of our Welfare Reform Project to reduce under-occupation in our homes. ✓
- Review major rent loss from void properties to identify scope for improvement. ✓

* on hold pending new investment

Self assessment – return on investment

Our judgement based on a range of performance and comparative data:



Performance highlights

- Helped customers to secure an extra £3.7m in housing benefit, discretionary housing payments and other sources of financial support, compared with £1.5m in 2013/14.
- Facilitated 139 moves with customers who were under-occupying their homes, releasing 179 bedrooms and saving households an average of £1,560 rent per year (for two or more bedrooms) or £770 per year (for one bedroom). In total, 107 households avoided under-occupancy deductions from their benefits.
- Rolled out our new Microsoft Dynamics customer relationship management system to A2Dominion's repairs teams, supported by Lean process reviews. The percentage of repairs made safe within 24 hours and the median days to complete repairs outperformed targets. We are investing more in telephone and email handling to ensure we achieve our customer service commitments in 2015/16, whilst embedding recent structure, systems and process changes. Targets were not consistently met in 2014/15.

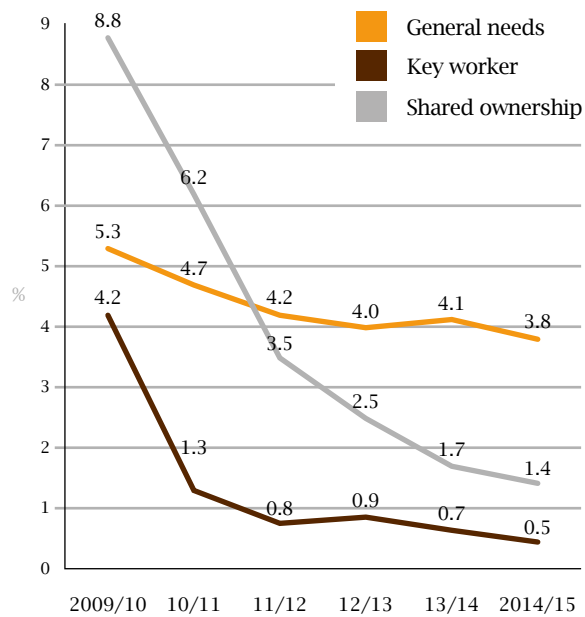
- Either met or outperformed customer satisfaction targets in a number of services, including within complaints handling where satisfaction increased by 10%. Repairs satisfaction returned to its monthly target by the end of the year, after below target performance. We also improved processing times for handling MP and Councillor enquiries.
- Agreed a Customer Services Strategy for 2015-20 with a vision to significantly expand online self-services and implement a new delivery model to improve services and free up capacity, including for outbound calls to customers.
- Pyramid Plus, our repairs joint venture companies, continued to invest in service improvements for customers. This delivery model continues to be cost effective allowing us to save £1m against our previous model.
- Improved re-let reporting and management in all tenures, to reduce rent loss from voids by 0.7% from its base year of measurement (2010/11) which has generated £1.1m more income for the Group this year.

A2Dominion customer satisfaction

Customer services	2013/14 result	95%	
	2014/15 result	95.9%	↑ (Up 0.9%)
Antisocial behaviour	2013/14 result	72.3%	
	2014/15 result	79.9%	↑ (Up 7.6%)
Repairs	2013/14 result	83.4%	
	2014/15 result	82.1%	↓ (Down 1.3%)
Planned maintenance	2013/14 result	99%	
	2014/15 result	99.7%	↑ (Up 0.7%)
Complaints	2013/14 result	69.7%	
	2014/15 result	79.9%	↑ (Up 10.2%)
Keyworker	2013/14 result	74.6%	
	2014/15 result	70.3%	↓ (Down 4.3%)
Estate Services	2013/14 result	83%	
	2014/15 result	85.9%	↑ (Up 2.9%)
Defects	2013/14 result	84.5%	
	2014/15 result	89.9%	↑ (Up 5.4%)
Gas servicing	2013/14 result	91%	
	2014/15 result	93.9%	↑ (Up 2.9%)
Lettings	2013/14 result	96%	
	2014/15 result	No surveys	N/A

- Reduced rent and service charge arrears to lowest ever levels, outperforming targets in eight out of 10 tenures. This was above average performance against similar London providers and followed investment in RentSense technology to improve our income management. Service charge debt was halved.
- Supported by high levels of customer involvement in scrutinising and developing our services.

Arrears (rent and service charge)



Future plans

In 2015/16, we hope to achieve the following:

- Start implementation of our new Customer Services Strategy to deliver online self-services, increased satisfaction in underperforming areas and other benefits over the next five years (targets to be confirmed).
- Embed changes in our repairs services to improve repairs response times, reduce chaser calls and consistently meet published service standards.
- Commission and undertake analysis by December 2015 to inform and improve customer contact and service design.
- Upgrade our online portal for customers, My Account, and prepare for a comprehensive upgrade of the A2Dominion website.
- Roll out our Microsoft Dynamics customer relationship management system to support the management of our expanding private rent portfolio of homes in 2015/16, and further extend adoption of the system in Property Services.

Key business objective three

Invest in our homes and local communities

Our key aims for this objective are to achieve best use of our property assets to meet local authority and other priorities, ensure cost-effective maintenance of homes, use our surpluses to support social enterprise and priority neighbourhood areas, and further consolidate our operational areas.

2014/15 targets

Implement 11 local authority asset management plans to target and address homes requiring the most work. ✓ partial

Undertake a £30m planned and cyclical repairs programme by April 2015. ✓

Stay on track to complete priority fire safety works by March 2016. ✓

Further expand our targeted employment and enterprise initiatives to offer a total of 127 opportunities and support programmes. ✓

Self assessment – return on investment

Our judgement based on a range of performance and comparative data:

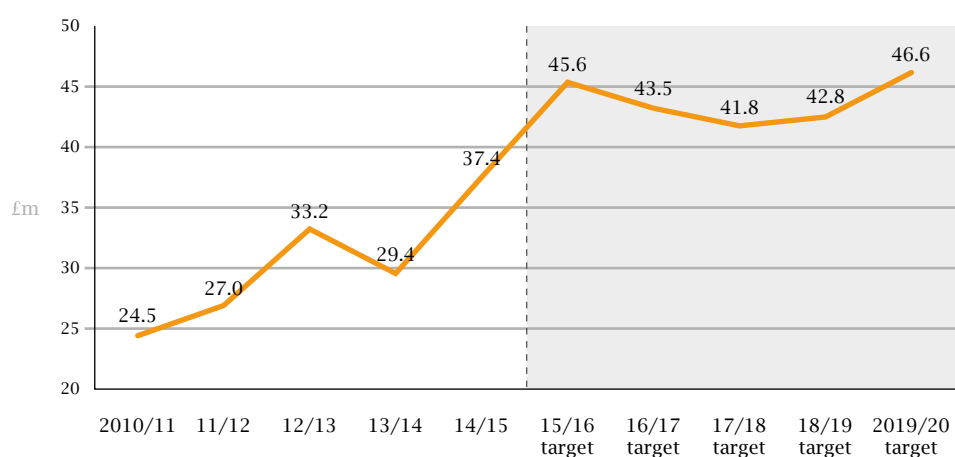


Performance highlights

- Completed robust appraisals of individual homes including through the Asset Management Panel to ensure best use of isolated, under-used, and other properties beyond economic repair.
- Better stock profile information is also helping us target high-spend properties for refurbishment or disposal: 22 units were disposed of in 2014/15.
- Changed tenure of 87 units, 47 of which were from general needs to affordable rents and 29 to temporary accommodation.
- Worked with partners to regenerate parts of Stanwell in Surrey and West Ealing in London to deliver 50 new homes. One property was demolished and eight customers were moved from properties in poor condition.
- Officially opened Chestnut Court in Stanwell, an 'extra care' housing scheme for older people, as part of the Stanwell New Start regeneration scheme providing over 300 new homes.
- Submitted planning applications for a further 138 residential homes, a school, three community halls and over 3,000sqm of public open space.
- Reduced fire risk rating of properties to 'moderate' by undertaking priority safety works.

- Undertook a significant number of improvements in our existing homes as part of our planned and cyclical maintenance programme.

Planned and major repairs investment 2011-2020



2014/15 programme	Cost	Number of orders
Planned kitchens and bathrooms	£6.4m	698
Planned windows and doors	£2.4m	297
Planned refurbishments	£3.3m	211
Cyclical works	£8.9m	2,868
Priority safety works:		
Fire	£1.0m	182
Electrical	£1.6m	169
Asbestos	£1.5m	149
Heating system work	£5.1m	1,784
Passenger lifts	£1.2m	10
Asset management refurbishments	£3.5m	50
Other planned works	£2.5m	-
Total planned and major repairs	£37.4m	6,418
Mechanical and electrical works	£9.0m	1,784
Total including mechanical and electrical works	£46.4m	8,202

- Successfully bid to provide and manage a new mixed-tenure care and support scheme in Reading.
 - Further improved management of new and mixed-tenure developments with targeted and specialist resources.
 - Worked with selected local authority partners to reduce fly-tipping on estates and the associated cost of bulky waste removal for residents.
 - Worked with partners to deliver life skills, employment opportunities and additional support to engage over 4,000 residents in our Be Inspired youth enterprise programme, Priority Neighbourhoods project and other initiatives:
 - 80 customers completed our enterprise support programme including business development and support, project management skills and personal growth workshops.
 - Five young A2Dominion entrepreneurs were awarded a total of £15,000 for developing their own businesses via our 'Dragons' Den'-style initiative.
 - 11 residents secured permanent employment through our Pathways initiative, and four were appointed as two-year business administration apprentices.
 - Around 300 customers were given support to get online by taking part in our digital inclusion programmes (70% increase on 2013/14).
 - 30 customers trained as Digital Champions to help A2Dominion customers to get online.
 - Volunteers gave 2,354 hours of their time, with a community investment value of £33,000.
 - Attracted £396,000 in external funding for community initiatives.
- Future plans**
- In 2015/16 and beyond, we hope to achieve the following:
- Planning permission for 92 homes, a new primary school and three new community facilities at Green Man Lane, Ealing.
 - Engage with Green Man Lane residents and stakeholders to help inform the design and layout of the third phase of regeneration.
 - Planning permission for 46 homes and 3,000sqm public open space in Stanwell, Surrey.
 - A £3m social return on investment in 2015/16 (£2 for every £1 invested this year).
 - Provision of employment and training opportunities to deliver 108 apprenticeships and 1,100 volunteering and work opportunities, and invest around £200,000 in 57 social enterprise ventures.
 - Aim to support 95% of customers who are at risk of the impact of welfare reform to transact online.
 - Transfer of up to 111 homes to other housing providers in seven local authority areas, as part of our stock rationalisation programme.
 - A £45.6m planned, major and cyclical works programme, including the final year of priority safety works.
 - A retrofit pilot of 650 properties to test the viability of increasing the minimum Standard Assessment Procedure (SAP) rating to 70 (SAP is an indicator of environmental performance).

Key business objective four

Strengthen our business

Our key aims for this objective are to reduce overheads, to simplify and integrate business processes and sustain environmental improvements in our offices.

2014/15 targets

Achieve £70.8m annual operating surplus for the year ended March 2015. ✓

Achieve £2.3m efficiencies in the same period. ✓

Complete office moves to save £0.8m per year and reduce carbon footprint from 2015/16. ✓

Support customer service improvement and new ways of working through a three-year roll-out of electronic document management, customer relationship management and mobile working technologies from 2015/16. ✓

Agree procurement of new back office systems. ✓ partial

Minimise the risk of financial volatility and prepare for the new regulatory Financial Reporting Standard 102 by completing a restructure of interest rate derivatives by March 2015. ✓

Sustain current rent and service charge collection rates and achieve 99.6% rent collection target for general needs housing. ✓

Retain the Group's Silver Sustainable Housing Index For Tomorrow accreditation. ✓

Self assessment – return on investment

Our judgement based on a range of performance and comparative data:



Performance highlights

• We have used technology and Lean systems thinking to simplify back office processes, reduce storage, improve efficiency and statutory compliance, and support customer service objectives. 2014/15 examples include:

- Increased satisfaction with complaints handling from 70% to 80%.
- Stabilised repairs performance after significant change.
- Halved the administration process for staff leavers.
- Increased reporting for Compliance and Legal Notices by 88%.
- Reduced outstanding repairs (3+ months) for temporary accommodation landlords by 75%.
- Reclaimed £32,000 in Right to Acquire costs.
- Reduced electronic file storage by 74%.
- Reduced sales times for new homes by 61%.
- Reduced customer queries relating to service charges by around 60%.
- Increased rent and service charge direct debits by 27%.
- Managed a 14% increase in referrals to our Tenancy Sustainment Team at no extra cost.
- Reduced the year-end finance reporting time by two months.

- Reduced average recruitment times from 42 to 33 days.
- Cut the number of failed recruitment campaigns by two thirds.
- Reduced mechanical and electrical contractors' invoice processing times by 42%.
- Helped our local authority partner in Hounslow to improve re-letting of empty properties, saving an estimated £300,000 per year.
- Raised £150m via our second retail bond which sold out within 24 hours, providing greater capacity and flexibility to finance land acquisition and development.
- Relocated our Paddington head office. We also vacated two offices in Ealing to co-locate our customer services centre and regional staff in a new purpose-built office in Ealing. Along with the introduction of flexible office working, office rationalisation has enabled us to minimise our carbon footprint and save £0.8m per year.
- Maintained significant buffer funds and restricted any new finance that has Group-wide, rather than local, financial covenants as part of our risk management strategy.
- Improved the insurance claims position, with loss ratios reduced to lowest levels.
- Relocated server rooms to third party hosting sites to improve resilience and environmental impact.
- Reduced absence from work from an average 7.2 days to less than 6 days per staff member.
- Entered into two large joint ventures, with A2Dominion acting as both funder and partner to reduce risks, costs and time. We are lending on commercial rates whilst using relatively low-cost funding secured on the basis of our high credit rating and negating the need for third party banks.
- Introduced an environmental management system to improve the Group's environmental performance.

Future plans

In 2015/16, we hope to achieve the following:

- Assess the feasibility of relocating area offices in Oxford and Winchester.
- Deliver £1.8m savings from ongoing contracts and further improvements in income collection.
- Implement a new Purchase to Pay system to quicken purchase to payment cycles by March 2016.
- Introduce a category management framework to enhance spend visibility and inform future procurement opportunities.
- Update the Pyramid Plus Business Plan in 2015, with improvement targets to deliver longer-term efficiencies.
- Finalise the Group's IT Strategy to support a five-year programme of customer service improvements and business system upgrades.

	Number of staff at main offices	Office costs £m	Floor area sq ft
Before office moves	580	2.76	67,000
2015/16	675	1.96	55,500

How we are using our surpluses

We are reinvesting all of our cash surpluses to support our key VFM aims, with 80% for providing new homes and 20% towards the Group's investment in existing properties, care and support provision and help for priority local communities.

- A total of £140.7m, 80% of the cash surpluses generated in 2011-15, is funding approximately 1,200 extra homes for rent (affordable and private), helping to bridge the gap from reduced government grant levels. Growth in commercial activity is targeted to deliver another £121.7m surplus by 2017, to increase the number of new homes.
- Under our asset management programme, and in agreement with our local authority partners, we ring-fence monies raised from disposing of properties which are no longer economic to repair, for improving housing in the relevant borough.
- In 2014/15 A2Dominion surpluses helped subsidise an improvement programme comprising £37.4m of major works and cyclical maintenance, and a £9m mechanical and electrical modernisation programme.
- In 2013/14 we invested £0.4m per year to expand our Tenancy Sustainment and Under-Occupation teams, to help manage the impact of welfare reform. In 2014/15 the value of extra benefits and grants for customers and A2Dominion represented a 740% return on investment, twice the amount recorded in 2013/14.
- We also invested in RentSense technology to support better income management, and rent arrears have reduced to lowest ever levels.

- We invested £1.2m in community development and our youth social enterprise initiative, Be Inspired, in 2014/15, targeted at customers and communities most in need. In total, 8,104 A2Dominion customers benefited from employment, training and a range of community initiatives including 49 through work placements and apprenticeships.
- We are investing approximately £1.8m in a new customer relationship management system, mobile working technology and electronic document management which will improve customer service and deliver environmental improvements over the next three years and efficiencies in the medium term (targets to be set).

How we compare with our g15 peers

Using the most recent (2013/14) data available from the g15's benchmarking club, A2Dominion's costs are both above and below average across different cost indicators compared with the 14 other largest London-based housing providers (see overleaf).

Overheads increased in 2013/14 and were above average against our peers.

Office premises costs, which are part of overheads, have been high relative to other housing associations but are reducing by £800,000 per year from 2015/16 following rationalisation under our office premises strategy. Finance costs also contributed to the increase due to additional staffing and external costs related to our retail bond issue.

Major work and cyclical maintenance costs reduced in 2013/14 but remained above average. This reflects our decision to invest more in existing homes.

Responsive repair costs reduced with the launch of our joint venture Pyramid Plus companies, and are better than average. In 2014/15 we increased staffing to handle telephone and email enquiry handling but we expect to make further efficiencies in time.

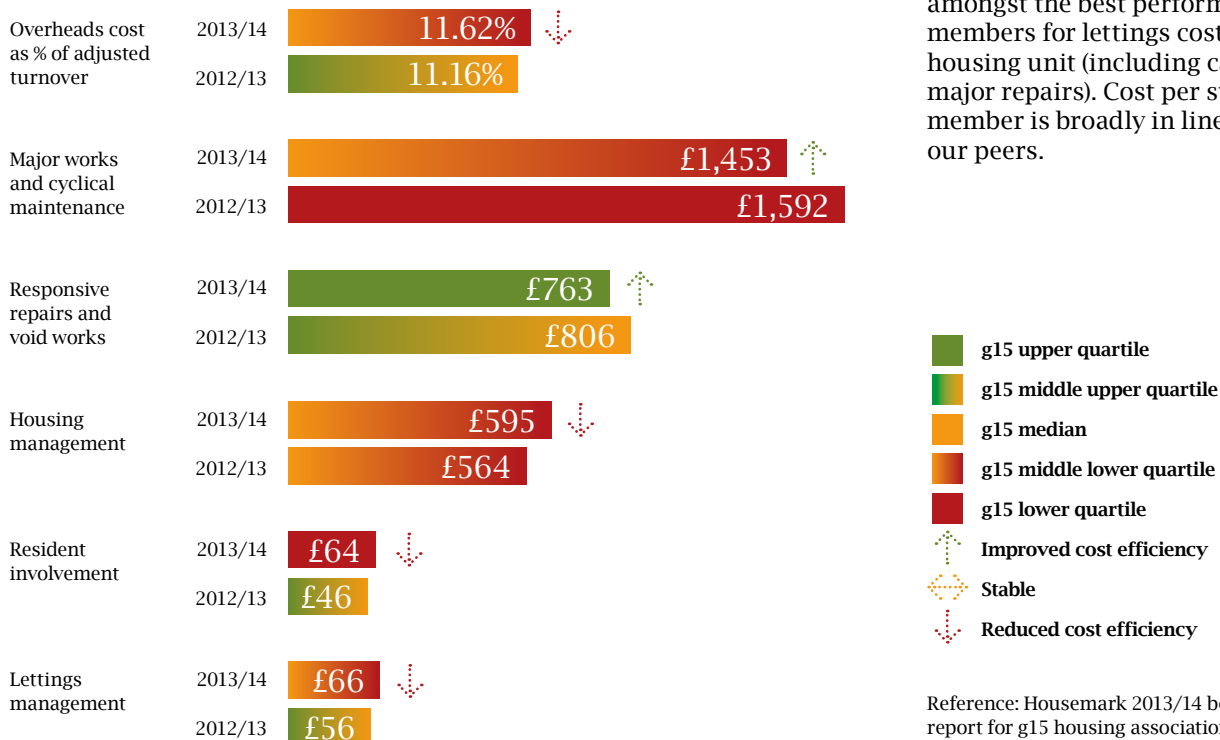
Housing management costs increased in 2013/14 due to investing more in staffing, in particular our Tenancy Sustainment Team. This was to support our residents impacted by welfare reform and to introduce incentives and financial assistance to help them avoid under-occupancy costs.

Customer engagement costs have increased and we are seeing a positive impact for our customers and their wider communities. This has been measured in the form of social return on investment. We piloted a means of calculating this in 2014/15 which we will use going forward.

Lettings costs increased in 2013/14 and were above average against our peers. However re-let times and associated rent loss are performing above average.

We also compare our financial strength to g15 peers. In 2013/14 (the latest available data) our surplus is in line with six other g15 members, at around £40m. Interest cover was also similar to most of the g15 members, which fall between 150% and 200%. Our operating margin (after deducting capitalised major repairs) has historically been low but is improving. Our operating margin for social housing lettings is now amongst the best performing g15 members, who achieve margins of between 25%-30%.

Actual and comparative cost per property for services and overheads



Our financial performance is amongst the best performing g15 members for lettings cost per social housing unit (including capital major repairs). Cost per staff member is broadly in line with our peers.

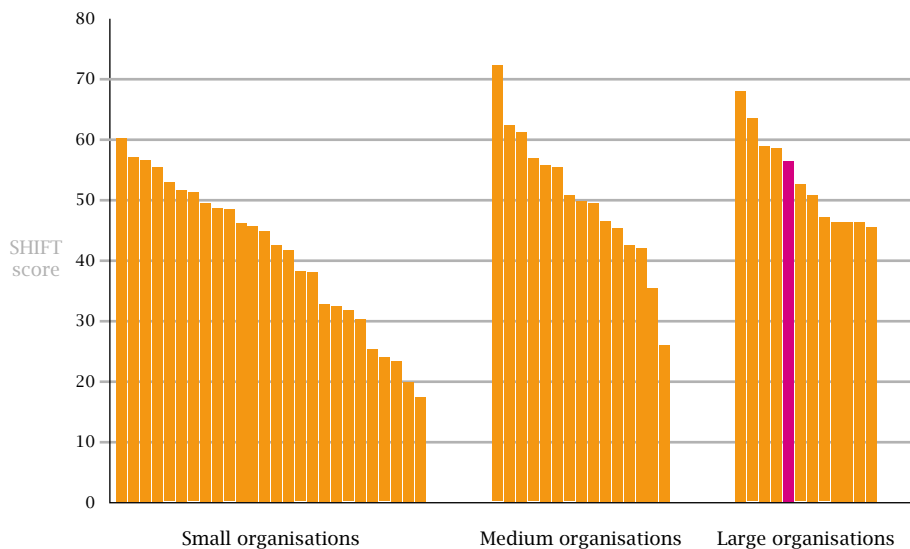
Reference: Housemark 2013/14 benchmark report for g15 housing associations.

We also participate in g15 development cost benchmarking, although the number of other members submitting figures in 2014/15 (for 2013/14 completions) reduced to six. Within this limited number we performed well:

Development cost comparison	2012/13 A2Dominion result and (g15 average)	2013/14 A2Dominion result and (g15 average)
Total scheme cost per unit	£168,719 (£178,417)	£220,516 (£248,424)
Cost efficiency (total overheads as % of acquisition and works costs per metre)	9.3% (14.8%)	12.4% (18.1%)
Direct staff cost per unit	£1,648 (£2,224)	£1,611 (£2,544)
Cost efficiency (acquisition and works costs per metre)	109.7% (100%)	109.9% (100%)

Reference: SDS Catalyst Development Benchmarking Report 2013/14 and 2014/15.

SHIFT performance against other organisations



Finally, the graph adjacent shows how A2Dominion (in pink) scores for its environmental performance compared to its peers in the SHIFT benchmarking group.

Future priorities

Our strategy is to provide a range of housing options to fit customers' incomes and lifestyles, continuing to improve our existing homes and services and supporting sustainable communities. Our principal source of subsidy will be profit from residential sales and we will closely manage the greater financial risks this inevitably involves. We will also use receipts from disposing of our least efficient assets to help fund refurbishment of other stock.

We have diversified the markets we work in and have witnessed a radical shift in consumer demand for online services. In March 2014 we adopted a new five-year Customer Services Strategy which requires significant investment in improving our use of customer intelligence, our organisational capacity and our IT systems, to help us interact better with customers.

Costs will be significant and we need to exploit the opportunities of technology to increase the proportion of online transactions for customers, to reduce overheads and extend customer access in the medium term.

We remain committed to improving the lives of our customers and supporting the communities in which we work. We will continue to help with the provision of care services and the opening of new sheltered housing schemes. We will offer a number of initiatives to support people into work, training and education. We will also maintain our Tenancy Sustainment Team to leverage extra funding for customers and help them reduce living costs.

Reductions in local authority funding mean care services remain under pressure. We continue to work hard to achieve efficiencies and improve the sustainability of our care and support provision. We will continue to keep our operations under review. More widely our investment in new business systems will also enable us to streamline a number of processes, improving efficiency and organisational capacity.

Other information

We publish a breakdown of expenditure plus rent and service comparisons for residents' top choice of services in our Customer Annual Report, available online at www.a2dominion.co.uk/customerpublications. Our VFM Strategy is also available online at www.a2dominion.co.uk/vfm.