

Value for Money Statement

The Association is committed to providing excellent services to residents in a safe, happy and neighbourly community. It seeks to provide value for money and report on this to residents.

Our aim is to deliver our strategic objectives efficiently and effectively, freeing up resources which can be re-invested to provide added value. This might be in the form of new homes, new services, expansion of current services or improvements to our existing homes, communal facilities and surroundings. All our staff and residents are encouraged and supported to identify and put forward opportunities to improve value for money. These are considered and implemented where they offer monetary savings or social value.

Value for money means obtaining the maximum benefit from goods and services acquired and provided, within available resources. More importantly, "value" in any service or process should be defined from the perspective of our residents.

We continuously embed this concept into our culture. We ensure that our systems and processes are effective, open and transparent and aim to meet the expectations of our stakeholders. That is why we regularly review policies and procedures to ensure they are fit for purpose and are able to deliver value, reduce risk and are compliant with changing regulation.

Our key stakeholders' expectations of us and how this translates into strategic planning and operational activities:

Stakeholder	Our Understanding of Stakeholders' Expectation
Sheltered housing residents	Safe, secure homes in pleasant surroundings, 24 hour warden service, supportive and neighbourly community, responsive and resident focused services, choices and a home for life with access to care in their home to support independence for as long as possible. Affordable rents and service charges. To remain a not for profit organisation. To be meaningfully consulted on a variety of matters, particularly major projects, listened to and have representation at Board of Management level.
Glebe Court Nursing Home Residents	High quality care and support in a comfortable, family environment to meet their individual needs and personal choices. Resident focused activities and entertainment to enhance their quality of life. To feel their concerns are listened to and acted upon. Competitive fees and support should circumstances change.
Families and friends of all our residents	A welcoming atmosphere and feeling that their relations and friends are happy, supported and cared for, safe and secure and their wellbeing assured. Active and effective communication enabling them to feel part of a wider, inclusive service delivery.
Staff and volunteers	A feeling of being valued, sense of job security and that their input makes a difference to lives of our residents and the services they use. A considerate employer who supports staff and volunteers especially where their own health and wellbeing may be challenging and one that acknowledges performance, commitment and long service.
Contractors and suppliers	That their services will provide quality at competitive rates and be retained. That invoices will be paid within 28 days. A commitment to local suppliers and contractors.
Lloyds Bank	A financially stable organisation generating positive cash flow and able to meet borrowing obligations. An organisation with a viable Business Plan and financial forecasting to plan for major improvements.
Bromley Council	That we deliver housing, support and care services in line with local strategies and meet required standards.
Health Trusts	Care and support services that meet required standards and where possible prevent hospital admissions and enable early return home after hospital stay where coordinated care packages are designed and delivered to reduce risk of readmissions.
Care Quality Commission	Compliance with Care Standards and where these are identified as requiring improvement to implement a plan of action and deliver the required outcomes.
Homes and Communities Agency	Stable and financially viable, compliant with HCA Standards.

We believe we have delivered value for money through:

- Testing our procedures through internal audit, areas examined this year being Auto Enrolment pension processes, Right to Work procedures and compliance and the operation of salaries and wages systems and controls. These audits producing a "substantial assurance" rating from our independent internal auditor. Recommended changes have been agreed and actioned. As usual the Internal Auditor revisited previous audits areas to review implementation and outcomes, again satisfactory assurance was maintained.
- Making sure what we do is relevant and leads to benefits for our residents. Discussion with residents and families through Focus Groups ensures resident involvement and provides a forum to make suggestions or raise questions. Resident input into the planning stage of the major project to renew hot and cold water supplies, heating systems and electrical wiring throughout Sarjeant and Willis Courts has been invaluable to both us and our consultants in developing the design and implementation programme. As a result the innovative approach of a Resident Liaison Officer has been included in documentation.

- Keeping abreast of Government initiatives, changing legislation and the requirements of our regulators by planning ahead to understand forthcoming changes and ensure their impact and effects are managed and controlled as far as practicable. This year we have had to adapt and respond to an imminent reduction in rental income and announcement of the National Living Wage.
- Good governance and management, strong financial controls, appropriate financial and non-financial performance indicators and embracing changing regulatory compliance while still keeping the needs of our residents at the heart of decision making. This last year has seen significant changes in the way we have to prepare and present our annual accounts.
- Strategic thinking to using our assets wisely and balancing financial returns against social and environmental gains. Cavity wall insulation was installed in Sarjeant Court and Willis Court, our asset registers verified and service charge and rent setting examined by independent specialists.
- Improved budgeting, planning, prioritising and taking opportunities to improve our housing, the estate, communal facilities, equipment, support and care services.
- Further investment in staff and volunteers particularly in training and personal development. Changing our management structure to reflect changing business environment and improve focus on core activities. We value and support our staff reflected by our low levels of staff turnover, 0% in HQ and 12% at Glebe Court compared to UK average of circa 15% to 21.5% in residential care for older people. This adds value by savings in recruitment costs. The number of days lost due to short term sickness remained low at average of 4.8 days per employee per annum compared to UK care services average of 12.5 days. This delivers consistency for our residents and minimises the use of higher cost agency staff.
- Working with our stakeholders including our associated charities the Friends of GHA and the Glebe Court Residents Support Group who have each provided additional facilities, services and equipment further enhancing and supporting the residents and engaged with our community.

The Board and committees have also evolved to meet changing circumstances and concentrate on the core areas of the Association's activities. We have focused on strategic and long term planning, budgeting, compliance with regulatory changes, risk management, understanding, recording and using our assets to better effect. Larger expenditures, typically in excess of £30,000, are considered in depth and approved by the Board. The major project on Sarjeant and Willis Courts has had a particular focus.

The Chief Executive reports to the Board who then review his performance through a collective reporting process and hold him to account.

Reports and Key Performance Indicators support monitoring and scrutiny of income and expenditure, investments, operational activities, care and support, major projects, pensions and remuneration. Our exposure to the risks of pension costs has been a focus; the closure of our Defined Benefit scheme to new accrual providing more certainty and value was managed ensuring members of staff transferring to the Defined Contribution scheme were consulted and supported.

The Board and senior managers worked together to resolve unforeseen challenges ensuring continuity of service delivery ensuring contractors deliver value for money through competitive pricing, good quality workmanship, keep disturbance to a minimum, complete on time, maintain quality and deliver on cost.

We also bear in mind that there is much "value" in our work in the wider sense, often referred to as Social Value where the services we provide add value to or save costs in the local community or support the local economy and community life. A few examples of how we believe we have delivered social value:

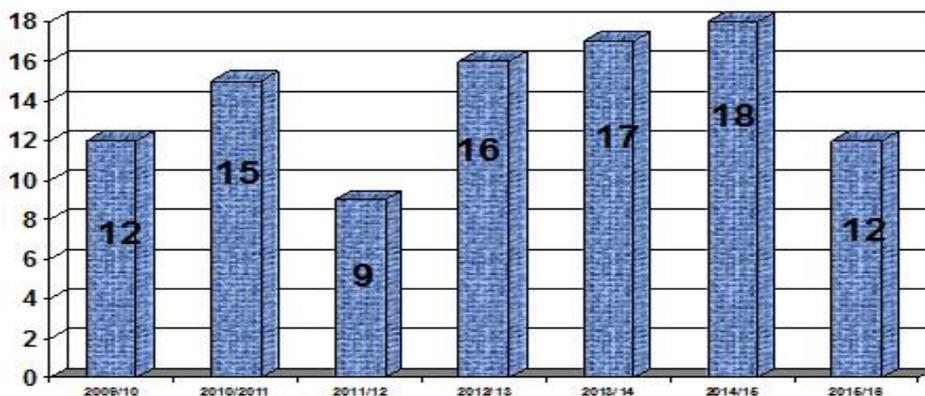
- Using local contractors and suppliers we support the local community, shops and employment in our area.
- The 24 hour warden service and Support Plus domiciliary care service help and enhance the general wellbeing of residents. Early interventions and home care have prevented hospitalisation, and care and support after discharge prevent readmission. Services enable residents to recuperate in their own home, regaining independence and confidence. We assist residents with making doctor or hospital appointments, accompanying them and supporting them so they do not feel isolated or alone thereby lessening risks associated with delayed medical intervention. These measures help the NHS with hospital discharging and set up of district nursing services and care packages. We also provide support for residents' partners, often their principal carer, so they also feel valued and have someone to talk to in difficult moments. We are sure that this approach enhance recovery and wellbeing and helps the NHS services to work efficiently. At the same time our staff are committed to ensuring residents return with appropriate care packages and post discharge visits, aftercare and support in place.

- Our in house maintenance team provides assistance to residents which in turn helps them stay independent. This reduces anxieties around finding help with things which, whilst small, are of key importance to the individual resident. This can also reduce the risks associated with residents attempting to resolve matters themselves, for example; changing light bulbs, resetting trip switches, moving heavy furniture or changing smoke alarm batteries.
- Adams Hall continues to provide a weekday hot and nutritious lunch to some of our most vulnerable residents with the added value of social interaction and daily contact. Delivery of a meal is an option if residents cannot get to Adams Hall for any reason. Visitors from other local sheltered schemes bring additional revenue and enhances their social activity. We believe this improves the wellbeing and lives of all who use Adams Hall, building a sense of community and neighbourliness, and encourages families and friends to take an active interest in and support our work.
- Activities for residents and guests include exercise classes geared to the needs and fitness levels of older people, walking groups, opportunities for gardening or looking after allotments and an expanding, wide variety of events and interest groups. These provide opportunities, choice and enhance the wellbeing and holistic health of residents in mind, body and spirit.
- Our volunteers play an essential part in us achieving our goals for our residents including a feeling of being valued and part of a supportive community, maintaining services which enhance living on Bencurtis Park. Volunteers support our minibus, library, shop, befriending, activities, entertainment, outings, fetes and parties, gardening, flower displays and more.
- In the year our new tenancies added social value by two residents moving closer to family tackling effects of loneliness, one moving to improve social life, one marriage breakdown, four moves from unsuitable accommodation to supported housing where health needs better supported, one move to wheelchair adapted apartment, one resident escaping from harassment and two downsizing from larger accommodation.
- Supporting local charities, youth groups, schools, and other organisations in our locality, often with mutual benefit, helping our residents feel part of the wider community and widening their own experience and knowledge.
- Working with the local authority and charities promoting and encouraging recycling, reducing waste and supporting local charity shops and residents who work voluntarily for them.

Over the course of 2015/2016 we have:

- Continued investing our capital with highly rated institutions whilst spreading risks in a market of falling interest rates.
- Assigned 12 new tenancies (9% of rented apartments) compared to 18 in the previous year. Void rent loss increased, from 1% (2014/15) to 1.7% (2015/16). This will be a specific focus for improvement in 2016/17.
- None of our sheltered housing residents were in arrears at year end for the second year in succession.

Sheltered Housing Lettings

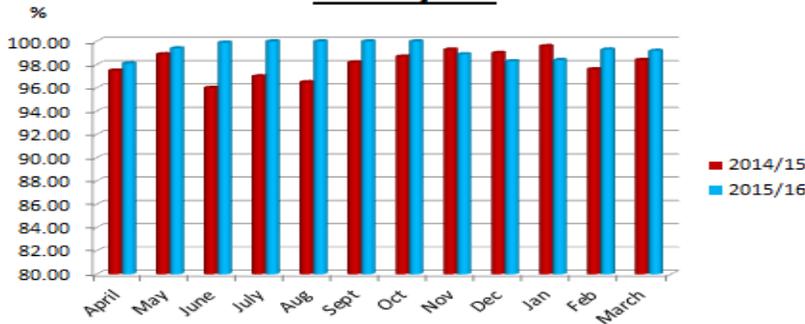


- Keeping the costs of maintaining our assets below budget, seeking best value through day to day repairs and maintenance, planned and cyclical work, improvements and capital expenditure without affecting delivery of services or stock condition.
- Maintained healthy waiting lists and assigning new tenancies efficiently and effectively at an average of 13 days after completion of refurbishment works.
- Refurbishing apartments when they became void replacing or updating 10 kitchens and 9 shower rooms, raising height of electrical sockets in 7 and decorating all of them ready for the new resident.
- We upgraded 5 shower rooms in occupied apartments making them more suitable to our residents' needs and decorated a further 8 apartments.
- Residents continued to use the Broadband facility in the Support Plus office enabling them to download books, search for information, set up e-mail addresses, contact relatives and friends, make applications to local and government agencies. This being of particular use for residents who do not have a computer or Broadband connection and are often cautious about or are inexperienced using a computer. Our team sit with them, help build up confidence and assist them so that they are able to access services and entitlements which they may otherwise miss because they fear using a computer.
- We have continued our progress in improving our repairs and maintenance performance, a specific target arising out of the 2013 Residents Survey. Resident feedback and satisfaction levels have been sustained at a high level which was a specific target as we were determined not to be complacent or lose focus and have improved even further.
- 1,408 job tickets were raised compared to 1,561 the previous financial year, ranging from changing a smoke alarm battery to refurbishing a shower room. We even rescued an injured pigeon from a bungalow garden. The diversity of requests, prompt response and attention to detail are very important to our residents and we are very grateful for all their feedback forms returned as part of our monitoring and reporting procedures and to gauge our performance against targets. Every emergency job was completed within target time, 99.75% of urgent jobs and 97.6% of routine works were completed within target.
- Feedback included comments such as "I am very grateful that you are so willing to come and do these jobs", "Usual 1st class service", "I feel much more secure with grab rails. Thank you" and "wonderful, very kind and helpful".

We continue to play an active role in benchmarking across a range of statistical data comparing our performance against similar organisations. We are an active member in the Small Providers Benchmarking Group (SPBM), National Care Forum and the National Housing Federation's g320 group. We were privileged to hold a meeting of the SPBG at Bencurtis Park last year. Senior staff attended benchmarking meetings, engaged in electronic networking and visited other providers to share information and exchange ideas for solutions to common challenges on a wide range of operational, policy and procedural matters.

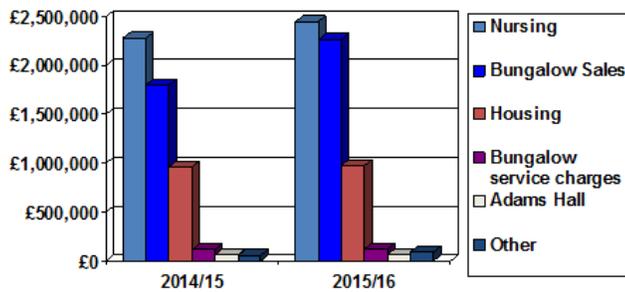
The team at Glebe Court Nursing Home again achieved high levels of occupation at an average of 99.3% month on month paving the way to further investment and maintaining competitive fees. We installed a computerised care planning system which is far more efficient and reliable compared to our previous paper version. The system produces reports and flags up any matters that need further investigation or where revising the care plan will benefit the resident and better care delivered.

Glebe Court Occupancy 2015/16

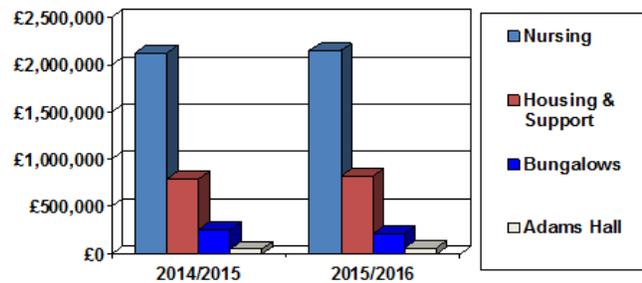


Turnover rose by 12% to just under £6 million, total operating costs increased by 12.5% leading to an operational margin of just under £602,000 (10.1%), an increase of 1.9% on previous year. Being a not for profit organisation all operating surpluses will be invested back into our stock, services and potentially new homes

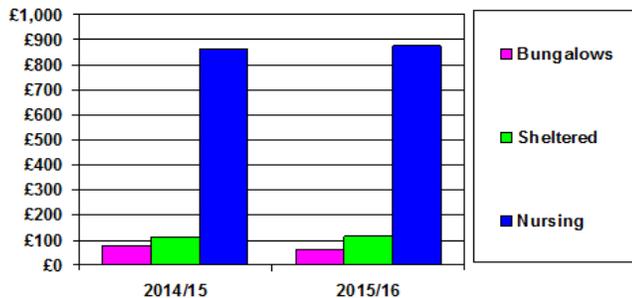
Income Streams



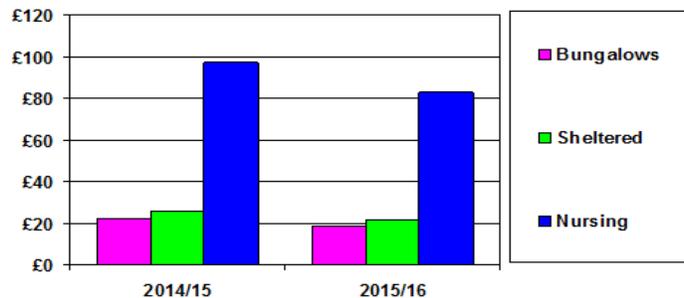
Operating Costs



Operating Costs Per Unit Per Week



Management Costs Per Unit Per Week



The Association welcomes feedback and suggestions from our residents and other stakeholders in regard to this report and other matters to help us improve our services in general and value for money in particular.

In self-assessing our delivery of Value for Money, we note our achievements by:

- Keeping our costs under control
- the continuous improvement in repairs and maintenance performance
- further investment into improving accommodation and communal facilities
- retaining and recruiting volunteers who offer their time and skills for the benefit of residents
- strong balance sheet
- staff commitment, retention and development
- retaining demand for the homes and services provided on Bencurtis Park evidenced by healthy waiting lists
- responding to resident initiatives e.g. auto opening doors at each end of Adams Hall corridor, additional disabled parking bays, new laundry equipment to increase capacity

BENCHMARKING

Sheltered Housing

Bench Mark	GHA	Peer Group	SPBM	HouseMark
Satisfaction Surveys				
VfM survey	97%	93%	92%	88%
VfM service charges	93%	90%	90%	81%
Lettings				
Average re-let time (days)	13	27	24	32.8
Capacity				
Average number of staff days lost due to short term sickness	4.8	3	2.85	No comparable data
Income Management				
Void losses	1.7%	0.83%	0.93%	1.69%
Asset Management				
% of repairs completed within target time	96.5%	96%	97%	No comparable data
Estate Management				
Weekly operating cost per unit	£98.03	£91.08	£88.25	No comparable data
Operating cost as % of turnover	59.9%	80.77%	73.08%	No comparable data
Average weekly management cost per dwelling	£20.90	£20.90	£20.51	No comparable data

Source:

Acuity – Housing for Older People Benchmarking Report 2016.

Peer Group – 27 similar size associations in the South East of England providing housing, support and care for older people.

Smaller Providers Bench Marking (SPBM) figures are taken from all SPBM members.

HouseMark figures are taken from HouseMark benchmarking and include all HouseMark members nationally.

Evaluation:

The green shaded areas denote satisfactory performance. The amber shading denotes areas to target performance improvement taking other factors into account, namely:

Using the human and financial resources available to better effect whilst understanding the differences between peers, smaller housing associations stock and staffing profiles and housing association performance nationally.

Our operating costs as a percentage of turnover is encouraging whilst the weekly operating cost per unit is above our peer group and SPBM. However our weekly operating costs per unit of £98.03 for 2015/16 is below that of the previous year (£99.85) and we believe the services we provide to residents exceed those of our peer group who may not have 24hr presence or domiciliary care on site and those in the SPBM who provide general needs housing. Our wardens are on site 24 hours a day, 365 days a year and our teams offer greater support to vulnerable residents in a wide variety of ways as described above. We believe this is what makes us different and resident satisfaction on value for money and healthy waiting lists support this view. We have absorbed other operating costs associated with increasing financial reporting requirements and supporting good governance, compliance and responding to changing legislation which are also factors going forward.

The Board set a number of Value for Money targets for the Association from 2015-16. They were:

1. In 2015-2016, keep any increase in the costs on which we base sheltered housing service charges at or below the rate of increase in the Consumer Prices Index for that year whilst maintaining the same levels of existing services.

How did we do?

Service charges costs were 0.9% down on the previous year while the increase in CPI was 0.5%, mainly due to staff costs associated with absence cover being controlled, cost of garden equipment and supplies lower than anticipated and more efficient servicing of heating systems.

2. Over the two years 2015-16 and 2016-2017 taken together, reduce energy costs across the Association by 5% after excluding the estimated effect of energy price changes whilst maintaining the same levels of existing services.

How did we do at the halfway stage?

Our biggest consumption of energy is for heating and hot water serving Sarjeant Court and Willis Court (125 apartments).

We achieved a 2% reduction in electricity used (kWh) and a 3.3% reduction in costs compared with the same period the previous year.

We compared prices when the contract came up for renewal and achieved a better deal than the current provider's renewal offer by changing to a new supplier.

Our gas consumption reduced by 5.65% and we achieved a 7.7% reduction in costs.

Total savings in electricity and gas costs amounted to circa £4,300 (£31 per apartment).

We installed cavity wall insulation through a Government grant significantly improving the energy efficiency of the apartments. Our contribution towards the cost was £4,866 which, we are advised, will be recovered fully within two years due to savings in energy use. We will also reduce our carbon footprint by 6%.

3. Over the three years 2015-2016 to 2017-18 taken together, keep any increase in our Head Office costs at or below the corresponding rate of increase in the Average Weekly Earnings Index.

What was outcome one year into the period?

HQ/Central Costs reduced by 1.35% 2016 £423,385 (2015 £429,151). The Average Weekly Earnings regular pay increased by 2.3% in the same period.

4. Achieve a response to our next residents' satisfaction survey at or above satisfaction levels expressed in 2013, in particular "that rent provides value for money" (97%) and "that service charges provide value for money" (93%).

During the year the Board of Management monitored performance and agreed that an appropriate opportunity to carry out an extensive satisfaction survey would present itself in 2018 after completion of the major works project on Sarjeant and Willis Courts.

5. Ensure that the cost of the accommodation and services which the Association supplies remains competitive with the costs of similar organisations for comparable items.

How do they compare?

Savills, Chartered Surveyors carried out a review of our rents and reported that our rents for Sarjeant Court and Willis Court are below Government prescribed formula rents for social housing. Ashby Close apartment rents were set on a different basis in 2010 when they were completed and compare favourably with market rents for accommodation in this area.

Our precise targets will respond to any changes in the number of units of accommodation and bed spaces which we provide.