

Sussex Housing and Care

Value for Money Statement 2017

About this statement

Sussex Housing & Care (SH&C) is committed to adopting a comprehensive approach to managing its resources to provide cost-effective, quality services to customers and to create the capacity to invest in new homes and services. We have a strong financial focus and a proven track record of delivering efficiency.

About us

Our mission is to help people live their later lives to the full. Our aim is to ensure that residents are provided with high quality homes that are warm, safe, well maintained, well equipped and designed to be suitable for the provision of care and support in later life without having to move.

What VfM means for us

VfM is not just about costs. It is about delivering the best possible outcomes for our residents from the resources we have available to us. SH&C intend to put VfM at the heart of everything we do. We spend our money wisely: our staff are cost conscious and constantly strive for the right balance between the costs of our providing our service, how well we deliver the service and how satisfied our residents are. Getting the balance right between costs, performance and quality is particularly important now, with the Government's emphasis on efficiency and with annual rent reductions, which will see our rental income reduce by 1% each year until 2020/21.

Technically, this means having the right relationship between:

- **Economy:** how much we spend.
- **Efficiency:** what we get from that expenditure.
- **Effectiveness:** the impact of our work.

To achieve VfM, we need to:

- Be clear about our objectives in the light of customer and stakeholder expectations;
- Make the best use of all the assets and resources available to us to deliver; the expected standards of service;
- Deliver the required outcomes.

We achieve VfM by:

- delivering the best performance we can so we maximise our income;
- delivering efficient services to residents;
- using our assets to provide new homes;
- making the best use of our resources (people and property);

- investing in our homes to maintain their value;
- understanding our costs.

How our Board leads on VfM

We have a skilled and committed Board of 8 members. Our Board plays a key role in ensuring we deliver VfM by:

- setting a culture of tight cost control and strong budget management
- approving our Business Plan and making sure that we deliver against our purpose and objectives
- approving our VfM statement and policy
- reviewing our costs relative to others each year
- setting our annual budget and performance targets
- monitoring performance against targets at each meeting.

An annual strategy review by the Board provides the direction for the organisation and ensures that our values are embedded within everything we do.

How we compare to others

One of the main ways we can judge whether we are delivering VfM is to compare ourselves with similar organisations. We are a member of Acuity (a benchmarking organisation for smaller Housing Associations) and benchmark our costs and performance each year.

Our performance

Resident satisfaction

In 2016 we carried out satisfaction surveys with tenants, leaseholders and care home residents. The Care Home survey was part of the Your Care Rating survey carried out across a range of care homes by Ipsos Mori. All showed a disappointing reduction in satisfaction compared to previous years. We saw a slight drop in satisfaction in our Care Homes:

Care Home Survey	2015	2016
% overall happy living here	98%	91%
% satisfied with the overall standard of the Care Home	99%	95%

There was also a significant reduction in satisfaction amongst our tenants and leaseholders. We think this is a important area for improvement.

Tenants and Leaseholder Surveys	2013	2016
How satisfied are you with the overall service (tenants)	81%	65%
How satisfied are you with the overall service (leaseholders)	50%	35%

We have developed improvement plans to ensure we can improve satisfaction in 2017/18. For tenants and leaseholders we have committed to being clearer on service

standards, regularly reporting back on issues raised, retendering our contracts for gardening and cleaning and arranging well publicised meetings to discuss service charges.

For our care homes we are looking at re-instating our friends' volunteer schemes in order to provide more social contact for our residents.

Our housing management service

- We offer a resident focused and responsive housing management and care service.
- Our costs of housing management per property per year is £617. This compares to the benchmark of £402 for smaller housing providers, however this benchmark is not specific to sheltered housing providers, where the benchmark is expected to be higher.
- At 1.3% our rent lost through voids was below the 1.69% limit achieved by providers of accommodation for older people
- At 1.35% our gross rent arrears were below the 1.46% benchmark.
- Our tenant arrears increased from 1.2% to 1.35% of our rental income (Second Quartile against the Housemark, housing for older people benchmark).
- We re-let 66 tenant homes in 2016/17 compared to 45 in 2015/16. Following a rapid improvement event focused on voids and lettings and involving staff, we have reduced our average sheltered re-let time to 27 days in 2016/17, an improvement on the previous year's average of 39 days.

Our Care Home service

- Our 4 Care Homes all received Good ratings under the new CQC inspection regime during 2016/17.
- Our care home arrears at the end of 2016/17 were reduced to 4.2% of our care home income compared to 4.6% at the end of 2015/16.
- We reduced our care home void loss from £215,000 in 2015/16 to £207,000 in 2016/17.

Our maintenance service

We have a 5-year repair and maintenance programme and during 2017, this will be further developed to include full stock condition data; we will test this in our long term

financial model. This will assist the Board in their decision making regarding the future investment in our housing and care home stock.

Sussex Housing & Care also has an amenity fund managed by our sheltered housing residents. A proportion of the fund is used to make estate improvements, which we believe, make residents more likely to be proud of and respect where they live.

- Our cost per property of responsive repairs and voids, which covers our rented properties and care homes, was £704 in 2016/17, which is slightly lower than the Housemark average of £715 per property.
- However, we think our spend with contractors on responsive repairs and voids was high at £530 per property. At the end of 2016/17 we took measures to introduce more control over this spend and we have saved £8,000 since the introduction of centralised repairs ordering in February 2017.
- We invested £41,000 in improving our homes by replacing bathrooms with wet rooms in our sheltered homes plus £9,000 on other aids and adaptations allowing tenants to remain independent at home for longer and so saving on health and social care costs.
- We invested £43,000 in upgrading our mechanical heating and hot water systems, installing controls and more fuel-efficient plant.
- We have upgraded windows in our homes, replacing single glazed with double glazed units; providing better noise and thermal efficiency, thus improving resident comfort. This was an investment of £213,000.
- We replaced the flat roofs at two of our properties at a cost of £88,000; this also gave rise to the opportunity to increase the level of insulation and thus, the thermal and fuel efficiency of the building.
- Our major works programme, such as the window replacements and roofing works is administered under a competitive tender process to ensure best value.
- In order to ensure compliance and safety, we have spent c£16,000 in carrying out gas safety inspections and servicing.

Our Value for Money Self Assessment

Description	Achieved 14/15	Achieved 15/16	Achieved 16/17	
Care Home Void Loss (£)	£162,552	£215,000	£207,276	
Care Home Void Loss as a % of income	3.7%	4.6%	4.2%	
Housing Void Loss (£)		£20,325	£36,749	
Housing Void Loss as a % of income		0.81%	1.31%	
% Staff Sickness	3.90%	3.98%	4.08%	
Agency Costs (£)			£425,371	
% Staff Turnover	37%	31%	37%	
% Housing Rent Arrears (gross)	1.40%	1.20%	1.35%	
% Care Home Arrears	1.7%	1.1%	0.6%	
% Care Home Non-technical Arrears		NA	0.36%	

Our annual operating surplus was £263k compared to £684 the previous year because of the impact of sales in the previous year.

Our operating cost per property is £213 per week, below the supported housing HCA benchmark of £284 per week.

Development

We are proactively seeking new opportunities to grow and will use our resources and asset base to do so. This includes assessing all our sites in order to maximise the benefit of under used assets.

Community investment

Investing in our local community is a key part of our purpose. We run a popular programme of events for our residents in our sheltered housing and our Care Homes which aims to combat social isolation and increase community spirit. In 2016/17 we

ran 3,222 events for our residents (a 14% increase on the previous year) with 8 people on average attending each event.

Our VFM highlights in 2016/17

We achieved the following VfM gains in 2016/17:

- Making a surplus of £217,000 which enables us to reinvest in existing and new housing
- Keeping rent arrears within our benchmark of 1.4% and reducing care home arrears to 0.6%
- Reducing our senior management team structure by moving from four to three regions and other changes resulting in a saving of £148,000
- Reducing recruitment costs by £20,000 per annum by bringing recruitment in house
- Saving £20,000 on marketing costs by advertising in blocks getting free coverage, using targeted Facebook advertising, and use of Twitter and Facebook
- Saving £17,000 per annum from IT through re procurement of the telephone and IT contracts,
- Bringing repair ordering in-house reducing expenditure from c£25,000 per month to c£21,000 per month a saving of approximately 15%, derived from closely managing repairs ordering.
- Spent £27,000 on replacing fluorescent lighting with LED units incorporating motion sensors and a non-occupancy dimming facility, which should generate estimated savings of approximately £6,600 per year at today's energy prices.

Our plans for 2017/18

We have identified a number of areas where we feel we can deliver improved VfM. During 2017/18 we will:

- Update our 30-year stock investment plan: updating and automating our 30-year stock investment plan will enable us to better target our annual planned maintenance fund and ensure that we are gaining maximum life from building components

- Make best use of our assets: using our 30 year financial planning model to shape our thinking at the Board Strategy day in terms of future use of our assets.
 - Stress test our long term financial forecast
 - Review our Value for Money Strategy and ensure VfM is at the heart of what we do
 - Review our Business Plan
 - Making better use of technology to improve service and cut costs: we will make better use of our IT systems and e-communications to improve our performance and reduce costs
 - Review how we measure tenant satisfaction: by updating our approach to measuring satisfaction we will have more up-to-date and current information on what tenants and residents think of our service
 - Review our staffing terms and conditions: to ensure that we are competitive and can attract and retain the best staff
 - Retender all our significant contracts including repairs and maintenance, gardening and cleaning.
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