



Value for Money Self Assessment 2015/16

Bromford.

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Message from our Chair

Financial Strategy and VfM

Our strategy is to operate our core services as efficiently and effectively as we can, delivering Value for Money (VfM) so that we generate the maximum funds possible for investment in new services, [the Deal](#), our existing homes and new homes. We aim to target that investment to produce the greatest possible social value and to inspire people to be the best they can be. All this remains unchanged, although there are clearly significant uncertainties facing the sector as a whole and these will affect the detail of how, and at what speed, we deliver our strategy. We are well placed to meet the challenges of the future – benefiting from:

- a proven track record of service delivery and innovation combined with VfM;
- committed and well-motivated colleagues who are open to change;
- a sustained strong financial performance.

Bromford has low operating costs as evidenced by the recently published Homes and Communities Agency’s (HCA’s) VfM cost measure report. For 14/15 Bromford subsidiaries’ operating costs were amongst the lowest in the sector. We have also benchmarked our overall group operating costs using the HCA’s measures and these are set out in our benchmarking summary within this report. We have a good understanding of the costs of our services, the returns we achieve on our assets and how our performance compares to our peer group.

Our business plan sets out how we intend to achieve our strategy and allocate our resources. Generally we operate to a five year planning horizon and the business plan is subject to our VfM planning framework. This VFM framework, which is summarised on pages 3-5 below, sets a context in which we continue to improve economy, efficiency and cash generation, which, in turn, enables us to make greater investments to achieve our aim of inspiring all our customers to be their best.

Our aim is to create and maintain social value, and the further development of systems to capture this is a major priority for us. We have for the third year produced a Social Impact Report and measured the Social Value created.

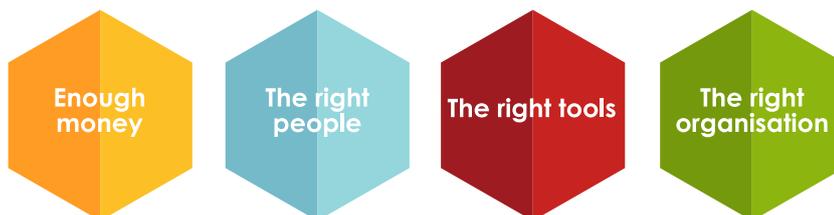
We have recently redrafted our Statement of Strategy; you can find it on our website [here](#). Below, we have set out our VFM performance and VFM plans for each of the objectives and enablers of our Statement of Strategy.

What’s our strategy?

When we asked ourselves what we needed to do to achieve our purpose of inspiring people to be their best, there were three key things that we needed to get right - we call these our strategic objectives. We need to ensure that we offer:



Of course to deliver these we need to also ensure we have the following four strategic enablers:



Together, these seven strategic objectives and enablers form the framework of our strategy. Every priority, colleague target, risk or measure of success should link back to them and ultimately back to our purpose of inspiring people to be their best.



Our VfM framework for delivering our strategy

Efficiency: Are we running our core operation to achieve value for money?

By maximising the cash generated from core operations we maintain our 'investment fund' at the high levels needed to achieve our overall objectives. The key measures of success for efficiency are:

Maintaining a core cash operating margin above 60% and social operating cost per home in the range £2,600 to £3,000 per annum.

	Measure	15/16 Actual	16/17 Budget	17/18 Plan	18/19 Plan	19/20 Plan	20/21 Plan
Efficiency	Cash Core Operating margin	63.0%	63.2%	62.0%	61.2%	60.0%	60.8%
	£ Social housing operating cost / home*	2,605	2,622	2,709	2,792	2,860	2,926
	% increase		0.7%	3%**	3%	2.5%	2.3%
Economy	Cash Generated by Core Activity £m	£89.5m	£91.5m	£90.3m	£89.4m	£87.4m	£91.6m

*Excludes Added Value Social Investment activities, such as research and piloting new services, coaching customers e.t.c. The targets for social investment are set out on page 5.

** Includes additional pension costs.

Net profit margin after financing costs

The target of a 15% minimum for our net profit margin is a demanding one which is consistent with our VfM approach. This ensures we maximise the efficiency of our treasury activities, using the financial strength of Bromford to borrow at low rates and on efficient terms.

Economy: Can we meet our current cashflow obligations?

Self Funding principle

Liquidity is fundamental to any enterprise and it is essential that over time we can meet our operating costs from our operational cashflow and are not reliant on disposal income. The objective we have set is that:

- Net funds generated less funds from disposals and staircasing
Must exceed Investment in existing homes by **at least** 20%

This ensures we have enough cash to meet our current obligations including investment in homes we already own and existing loan interest and repayments.

Business Plan summary - Fund Generation and Investment Approach

Fund Generation: £'m	15/16 Actual	16/17 Budget	17/18 Plan	18/19 Plan	19/20 Plan	20/21 Plan
From core activities	89.5	91.5	90.3	89.4	87.4	91.6
From other disposals and staircasing (B)	15.9	17.2	20.8	23.0	18.9	23.9
Less interest payments & tax	(26.6)	(26.7)	(27.6)	(30.2)	(36.1)	(38.2)
Less loan repayments	(27.9)	(12.7)	(11.3)	(21.6)	(16.8)	(63.9)*
Net Funds Generated (A)	50.9	69.3	72.2	60.6	53.4	13.4
Fund Investment: £'m						
Existing homes (C)	(21.9)	(25.4)	(27.6)	(28.7)	(28.8)	(27.6)
New homes**	(49.2)	(91.8)	(104.6)	(30.4)	(59.5)	(65.5)
Business Assets (incl projects)	(1.3)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)
Social investment (The Deal)	(1.0)	(2.0)	(3.5)	(3.6)	(3.7)	(3.8)
Total Funds Invested	(73.4)	(121.2)	(137.7)	(64.7)	(94.0)	(98.9)
Funding Requirement	(22.5)	(51.9)	(65.5)	(4.1)	(40.6)	(85.5)
Self funding Principle (>1.20) (A-B) / C > 1.20	1.59	2.06	1.86	1.31	1.20	-0.38*

*Due to a bullet repayment on an existing loan, we would technically fail to meet our self funding principle in 20/21, however, we are negotiating the terms of this loan, and it is likely the loan term will be extended.

**The net investment in new Homes is high in the first 2 years of the plan as we build up our land stock and build our first retirement living schemes. In the third year we start to see sales proceeds from homes offsetting the costs of land and build, and then we reach a steady state of annual investment of c£65m per annum. See starts and completion targets on page 24.

The funding requirement, which is the cashflow top up for investment in new homes and services, will be met from our existing undrawn loan facilities and cash balances, and by negotiating new loans.

Effectiveness: Would our customers recommend us?

We measure overall advocacy as well as the advocacy for different services. Performance and targets for overall advocacy are set out below:

Overall advocacy	14/15 Actual	15/16 Actual	16/17 Plan	17/18 Plan	18/19 Plan	19/20 Plan	20/21 Plan
	78%	87%	87%	85%-90%	85%-90%	85%-90%	85%-90%

[Click here](#) to read our end of year customer performance infographic.



This year we've spoken to a record-breaking

6,600 customers

an increase of

45%

compared to
2014/15

In this context, the increase in our customer advocacy score from **78% to 87%** is especially pleasing. We are confident that the improvements we are delivering through our operational services are having a positive impact for our customers.

VfM Savings Targets

In response to the challenges raised by rent reductions we have set ourselves the following VfM savings for the next five years:

£'m	16/17 Budget	17/18 Plan	18/19 Plan	19/20 Plan	20/21 Plan
Management cost and central services	-	0.5	0.8	1.5	2.0
Responsive maintenance	-	-	0.5	1.0	2.0
Planned and capitalised repairs (procurement saving)	-	0.3	0.4	0.5	0.5
Other cost savings	0.7	-	-	-	-
VfM savings built into approved business plan	0.7	0.8	1.7	3.0	4.5

VfM governance and scrutiny

Our Board

The Board ensures Value for Money is considered in all of our decision making and in particular when setting the annual business plan. They set the overall VfM cashable savings targets in our plans and ensure we comply with the regulatory standards. They challenge on the delivery of VfM, ensuring performance is on track with targets and that we are delivering our strategy.

Customer & Communities Network ('CCN')

Operating independently but with strong links to the Board, the Customer and Communities Network (CCN) play an important role in scrutinising performance and shaping service delivery. They represent “the voice of our customers” and, amongst other things, their input over the course of the year has helped influence in particular the objectives and approach of our new Localities Plan, see pages 18 to 21 below, which redesigns our local service offers and our response to Welfare Reform changes. Other things that CCN has led the way on include the redesign of our Complaints Policy ensuring any unhappy customer is heard. Their insight was also used to change behaviour and improve the experience and our Affordable Warmth programme, which aims to make sure our homes are energy efficient and cheap to heat. The CCN is instrumental in stress-testing our innovation proposals and make sure that our continuous improvement is in the best interests of our customers.

The right home for every customer

We need to ensure that each of our customers has the right home: one that meets their needs, which they can afford and that can be a springboard from which to achieve their aspirations. To do this:

- we will ensure that we match the right homes to the right customers;
- we will ensure that our homes are of a good standard when the customer moves in and that we provide the right information to help customers to manage their home;
- we will invest proactively in our existing homes and neighbourhoods to ensure they are safe, in good condition and continue to meet our customers' needs;
- when our homes no longer meet the needs of our customers in a VfM way – and could even become a barrier – we will look to re-develop them or replace them with new ones that do.

VfM Looking back - the right home for every customer

We measure how well our customers think we are performing across a range of services. Peer group comparison is not available for these metrics as they are Bromford's own measures.

The trends in results for the right home for every customer are shown below:

	13/14	14/15	15/16
Overall advocacy	91%	78%	Actual 87% (Target 82%)
Moving-in advocacy	93%	92%	95%
Home improvements advocacy	Not measured	84%	92%
Repairs advocacy	90%	74%	81%

A key focus for us in the year has been to improve the customer experience of our **gas service**. The number of customers recommending our gas service is now 86% - up from 72% in 2014/15. At the same time we have seen a 74% reduction in the number of customer contacts arising as a result of customers being unhappy with the gas service.

The three most important changes behind this are:

- Improved partnerships with contractors, managing each contract individually to achieve the best solutions for our customers;
- Colleagues in the repairs team and elsewhere are owning and resolving customer issues; ensuring the loop is always closed and nothing is left outstanding; and finding solutions faster than in the past.
- A more holistic service; not just carrying out single repairs but where customers have had repeat breakdowns replacing the boiler or carrying out more extensive repairs / refurbishments.

Other key initiatives that we have taken over the last year include:

- **Home standards** - we are now installing showers and extractor fans in all our empty homes. This further supports the work we have been doing around damp and condensation.
- **Starting Well Engineer pilot** – this is designed to coach and support customers to do more themselves, and has also supported the handover of empty homes with no follow-on repairs by, ensuring there are robust post inspection and handover processes to the customer. Early indications from the pilot tell us that customers value this service.
- **Boiler Supplier** - we've changed our boiler supplier whilst keeping the same boiler manufacturer; which will allow us to do more with our money with no compromise on quality for customers and install more new boilers this year for customers.

How did we ensure our homes are safe?

All of our gas, oil and solid fuel heating systems were inspected for safety last year, and all had a valid safety certificate at year end. This means that we checked over 20,000 systems during the year.

The servicing of equipment, including lifts, lighting protection, fire alarms, along with a Legionella desktop review of all assets, was

100%
compliant at the year-end

To ensure the quality of servicing and repair works for gas and electricity, we carried out **2,895** gas and **1,026** electrical compliance quality check audits.



How did we invest in and repair our homes?

We completed over 90,000 repairs, including circa 21,000 gas related jobs. 7,300 gas jobs were completed within the same day. The overall cost of responsive maintenance per property decreased considerably to £338 (2014/15: £441). This reduction is driven by cash savings against budget as well as other efficiencies. The cash savings against budget are shown below:

	2015/16 Actual £000	2015/16 Budget £000	Saving £000
In House Team Repairs Administration	(2,125)	(2,253)	128
In House Repairs	(4,929)	(6,013)	1,084
Empty Homes Team	(2,545)	(2,879)	335
Electrical Testing and Inspection	(608)	(628)	19
Other Repairs	(65)	(120)	55
Service Delivery Centres	(215)	(238)	24
TOTAL RESPONSIVE MAINTENANCE	(10,486)	(12,131)	1,645

The savings split by type of expenditure was:

- £449k – colleague costs in operational teams
- £608k – materials and contractor costs
- £156k - repairs admin team colleague costs
- £288k – additional internal recharges / income
- £ 86k – vehicle leasing and running costs

The main areas of savings were in reactive and empty homes repairs completed by our in-house teams. More detail is given in the benchmarking report, where we analyse the performance by team and cost trends.

Existing Homes Investment

During 2015/16 we have proactively invested more than £21m on improving the quality of our homes and the communities that our customers live in. This has included:

- £14.2m for capital component replacement; including heating, kitchens, bathrooms, windows, doors and roofs.
- £2.2m for major improvement works; including drainage, hard landscaping, rewiring and insulation.
- £1.2m for estate improvements and service asset replacement; including lift replacement, creating play areas and car parking.
- £1.2m for risk management; including asbestos, legionella and fire risk.
- £1.8m for cyclical painting;
- £0.7m for aids and adaptations; we completed 980 Aids and Adaptation works, securing £1.57m in grant funding to improve peoples' lives through having homes that better fit their needs.

The customer advocacy for home improvement improved significantly to a score of 92% for the year (previous year: 84%) and out of 13,319 completed jobs only 17 customer complaints were received. Considerable focus has been placed on the customer in carrying out these varied investments. Essentially, it is about much more than spending money on homes; it is about investing wisely, involving the customer in the journey, providing them with options and choices about some of the finer details of our investment, such as the choice of tiles, flooring, cupboard designs, handles and worktops.

We have used benchmarking comparisons to assess whether the prices paid to our partner contractors represents VfM. We are satisfied that the mix of product quality, service and price does exactly that. All major contracts have been through a rigorous and transparent procurement exercise and effective contract management ensures that Bromford and its customers receive a great service from our partner contractors.

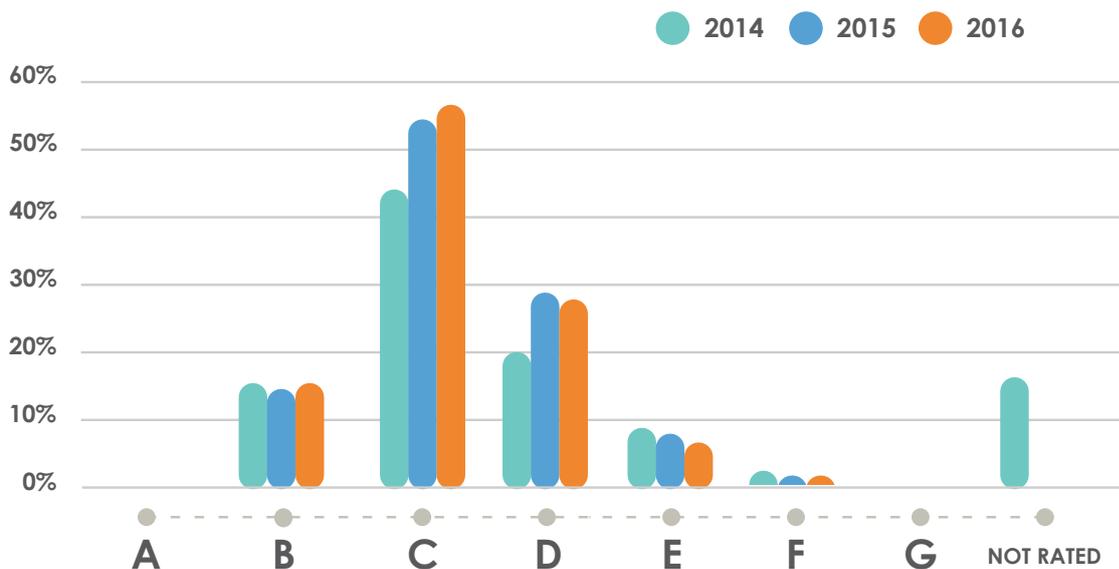
Recognising that some of our customers are vulnerable, we have focussed on how we improve the communication between ourselves, our partner contractors and our customers. Essentially, this recognises that not all customers have the same preferences in how we communicate with them. This has led to more innovative ways of communication that improve the likelihood of jobs being completed without unnecessary hitches and inconvenience to customers. For example, the use of Facebook is more prevalent for quick communication, customers are able to send us photos of issues and this has speeded up the resolution of reactive and planned works.

We have installed ground source heat pump technology in non-gas areas, utilising substantial grant funding that actually makes the installations cost neutral over time.

Our MOT-type approach to asset condition data gathering, together with additional data collected at surveyor visits means we have a good handle on the standard of our assets and the work required in order improve them to meet our standards. We don't simply rely on standard component useful life data. This has driven our 5 year business plan for the Empty Homes Investment team activity, helping to ensure that our investment is focussed on where it is really needed and where customers benefit from real improvements to their homes.

Affordable warmth

The chart below shows the progress we have made in improving the percentage of homes with a SAP rating of D or above., this is our key measure for affordable warmth.



Case Study - What are we doing with our E, F and Gs?

If you've moved house recently you'll remember the brightly coloured energy performance certificate (EPC). It gives you a SAP rating of energy efficiency from A (most efficient) to G (least efficient).

Did you know?

- EPCs are a legal requirement for all new builds and when we let a home and they're valid for ten years. We store the EPCs for our homes on our management systems.
- Interestingly the average SAP rating in the UK is D and across Bromford it's C.
- SAP ratings take into account things like size of property, wall construction, roof types, insulation, fuel supply, heating systems etc. Even flats in the same block will vary depending on the floor they're on and if they're in the middle or on the end.
- The actual energy cost difference between A and G could be as much as £2000 a year.
- F and G ratings are nationally recognised as being poor and by April 2018 landlords won't be allowed to let a home rated F or G.

So we caught up with our investment planning team to find out how we're responding to these legal and affordable warmth challenges.

Marc Goldby explains, "We've never had a full and live picture of the energy efficiency of all our homes. Back in 2014 we only had EPCs for around 9000 homes, although a large number of these were no longer current because they're only valid for ten years and SAP calculations are updated every couple of years to reflect new technologies and energy prices."

"To obtain a new EPC for every one of our homes would have cost us around £1.3 million, so we explored alternative options. We settled on a plan to create our own energy performance rating utilising accredited energy software that could be kept up to date so that we would have an ongoing accurate picture of our homes without incurring significant costs now or in the future."

Keith Whitehouse and our investment planning team had a massive task ahead of them. Keith goes on to explain, "Using our asset data on ActiveH as a starting point, we captured and obtained 2.5 million pieces of data which we needed to import into the new software. Some considerable time later this was completed and we now have energy performance ratings for every home and can identify the poorest performing."

From April 2018 we won't be able to let a home with an energy performance rating of F or G, but this is Bromford so we're setting the bar even higher and making sure we don't have any homes with an E rating either.

Now we've identified our poorest performing homes, the other benefit of the new software means we are able to carry out individual assessments and see what the impact is of different works to identify the most cost efficient, viable options. On some occasions this flags homes that are no longer fit for purpose so we will look to dispose of them or, where we have several together, regenerate and build new homes in their place. All disposal proceeds are invested in providing New Homes.

Improvement works have been ongoing and as of today we have around 900 homes rated E, F or G. These are either being assessed or have works identified or planned to get them up to a D rating before April 2018. Alongside this you will have noticed we're talking to customers about affordable warmth – all of this work means we will have more and more customers saving hundreds of pounds a year on their energy bills, Bromford saving more money on responsive repairs and our customers' health and wellbeing improving as a result.

How did we invest in and repair our homes?

Over the course of 2015-16 we

invested **£21m** in planned improvement works, with a focus on heating, including £5.1m heating system upgrades and £180k insulation upgrades. By reviewing our home improvement contracts we have saved £300K which will be directly reinvested to support our work on energy efficient homes and affordable warmth. It could see 160 customers having new high efficiency condensing boilers or 150 customers having A-rated double-glazed windows.

- **£14.2m** for capital component replacement; including heating, kitchens, bathrooms, windows, doors and roofs.
- **£2.2m** for major improvement works; including drainage, hard landscaping, rewiring and insulation.



How did we perform letting our homes?

Our **lettings and support services** have consistently delivered a great service for our customers this year. In Quarter 4 2015/16 our lettings service achieved our highest ever customer recommendation score of 97% (2015 92%, 2014 94%).

We finished the year with an average re-let time of 14.9 days against our 11-day target (14/15 13.8 days). Our focus has been in finding the right home for every customer, including ensuring our homes are affordable for them now and in the future. We have also been piloting a new empty homes standard, which in some cases has extended the time to let our homes. Our localities plan is based on ensuring our tenancies are sustainable long term, so by taking slightly longer to match the customer to the home, we feel this will pay dividends in reduced future rent loss. Empty homes costs remain low at just 0.75% (14/15 0.82%). See benchmarking report for comparison of empty homes and bad debt rent loss.

Return on Assets

We have evaluated our assets against a number of criteria to ensure we are providing homes that meet our customers' needs and maximising the value for money of our assets. These criteria include:

- location; (are they in our main areas or not?)
- density; (are they isolated properties or in a community?)
- construction; (are they traditional or non-traditional?)
- maintenance costs; (have they reached an age where a lot of expensive maintenance is required?)
- cost vs income; (do the costs of keeping the home exceed the income?).

Using all of this information we have developed a list of homes that are likely to be sold on the open market if and when they become vacant. Our previous plan aimed to sell around 790 homes over the next five years to 2020. We have now extended the timeframe to 2022, and our new targets are set out on page 16.

During the past year we have continued to implement our asset management strategy, including our planned disposal strategy.

Type of Disposal	Disposals 15/16 Number of Units	Disposals 14/15 Number of Units	NPV ranking
Sale of homes that cost more than they make	9	4	Poor
Sales of high maintenance homes	12	11	Poor
Sale of non traditional homes	5	2	Poor
Sale of regency homes in Cheltenham (flats)	-	24	Poor
Sale of homes in non core areas	17	6	Average
Total	43	47	

	Sales Proceeds			Profit on Disposal		
	Actual	Budget	Better/(Worse)	Actual	Live Budget	Better/(Worse)
	£000	£000	£000	£000	£000	£000
2014/15 Empty Home Disposals	3,203	2,785	418	2,323	1,832	490
2015/16 Empty Home Disposals	6,555	6,500	55	4,735	4,469	266

The sales proceeds form part of our cash investment fund, and are utilised mainly on funding new homes as explained in our VFM framework summary on page 4.

Looking forward – The right home for every customer

Our **Existing homes plan** is designed to:

- take a strategic approach in which the funding for a rolling five year plan supports **‘the right home’** strategic aim, prioritising and where necessary, accelerating our investment, based on the condition of our homes and our desire to maximise the positive impact / social value for our customers;
- improve Bromford’s provision of good quality, fuel efficient, warm homes and safe neighbourhoods that meet customer’s needs;
- ensure that we invest in our homes efficiently; demonstrating the delivery of Value for Money and Social Value, supporting the **‘Enough money’** strategy enabler;
- support wider business goals; customer’s homes being a foundation and springboard to better things, supporting **‘The right relationship’** strategic aim.

This means in certain areas we will prioritise and accelerate investment, this has been reflected in our VFM framework and business plan.

In addition to the acceleration of our investment, changing our approach to prioritisation, improving our response to issues of damp, mould and condensation and the team supporting the development of the deal relationship, we will, of course, continue to do the following:

- comply with legislation and regulation;
- improve the quality of our data;
- manage the installation of aids and adaptations for customers; doing what we can to prevent their home being a barrier to them achieving their aspirations by not meeting their specific needs. We will also explore relocation options as part of the solutions mix. We will seek to maximise funding through Disabled Facilities Grant.
- carry out cyclical painting in-line with our programme; materially, this means that external and communal internal areas will fit into a 6 yearly pattern, unless management agreements dictate other frequencies. Some supported schemes, however, will require a higher frequency and this tends to be 3 yearly.
- work closely with the Portfolio Team to ensure that Bromford disposes of the right assets; where it is not economic and/or in our strategic interest to carry out improvements.
- deliver scheme improvements as required in order to improve the quality of community life; we will use business case criteria to prioritise improvements based on metrics including social value.
- develop innovative and ‘eco’ solutions to challenging situations; for example, installing ground source heat pump technology in ‘off gas’ areas where there is the ability to maximise grant funding which effectively covers the full cost of installation.

- develop great partnerships with our contractors; working with them to improve service and deliver Value for Money. We have already negotiated £0.3m of savings for 2016-17 (circa £1.0m across the five year life of this plan). By way of example, these savings would fund the installation of 300 full gas central heating systems.
- continually develop our colleagues; giving them the tools that enable them to deliver an effective and efficient service.

We will continue with our proactive disposal programme, and have set the following targets for homes to be sold on the open market as they become vacant:

7 year Asset Disposal Plan							
Revised Disposal Plan	15/16	16/17	17/18	18/19	19/20	20/21	21/22
Sale of empty homes	43	69	63	57	52	48	43
Transfer of outlying stock to another HA	-	98	-	-	-	-	-
Other Strategic disposals	-	20	21	59	14	-	-
Sale of Regency Homes (Units within the 9 blocks)	-	-	22	30	21	21	16
Total	43	187	106	146	87	59	59

Targets	16/17 Budget+	17/18 Plan	18/19 Plan	19/20 Plan	20/21 Plan
Homes with EPC rating above D target at start of year	1,146	575	nil	nil	nil

The right relationship with each customer

We establish a relationship with each customer so we can make the most of our resources and customers can get the best from our homes and services. To do this:

- We will get to know our customers, their neighbourhoods and community assets.
- We will work with customers to overcome barriers, develop resilience and gain or maintain control of their lives.
- We will provide landlord services that encourage and support customers to do more for themselves and each other.
- We will make it easy for customers to do as much as they can online.
- We will work to get our services right first time for customers so we can spend more time having the right conversations.

We have previously referred to this relationship with our Customers as “The Deal”, during 2015/16 the deal has evolved as we have completed our service offer pilots. [Our evolving coaching approach](#) has led to the localities plan and a change to our services.

You can read more about [The Deal](#) Relationship with our customers on our website.



Looking back – the right relationship with each customer

Customer experience

The trend in results is shown below:

	13/14	14/15	15/16
Overall advocacy	91%	78%	87%
Anti-social behaviour advocacy	83%	85%	69%
Support services advocacy	Not available	90%	92%
Recommend the neighbourhood	Not available	82%	87%

Key initiatives that we have taken over the last year include:

- **complaints;** we have a new complaints process which has shortened the time to resolve complaints by an average of 7 days. Of the 323 complaints we received in the year, 91% were successfully resolved at the informal stage of our process.
- **customer contact;** we have found new ways to meet changes in call demand, concentrating on the root cause of avoidable contacts to eliminate them, adapting resourcing levels to meet demand patterns and have plans to extend our opening hours. Over the last few months we've seen significant improvement in answering times and customers are finding it easier to contact us. Alongside this we have developed a 'mock house' which sets out the most common repair issues and enable colleagues to have more informed conversations with customers to diagnose repairs, and support customers in doing more for themselves. Also, we have changed the way in which we manage Housing Manager call backs, improving our resolution of issues at first call, and, based on customer feedback; this seems to have resolved issues that customers were having with this aspect of our service.
- **Starting Well Engineer pilot;** this is designed to coach and support customers to do more themselves, and has also supported the handover of empty homes with no follow-on repairs by ensuring there are robust post inspection and handover processes to the customer. Early indications from the pilot tell us that customers value this service.
- **Anti-Social Behaviour (ASB) advocacy;** our ASB score can fluctuate, partly due to small sample sizes; but when cases take longer to resolve, customers told us they didn't feel well informed, so this is an area we are addressing. Our customer advocacy and community safety team are reviewing all cases to investigate what more we could do to improve the customer experience and where customers are unhappy, cases are being reopened. Positively, during 2015/16 we've opened fewer cases, issued more to court to resolve things, and carried out more prevention work.

Looking forward - Why we are implementing the Localities Programme

Bromford's purpose – restated in our 2016-20 Strategy – is to inspire people to be their best. Localities will help us to do this. By getting to know our customers and their communities and establishing a different kind of relationship we will be better placed to help them overcome barriers, develop resilience and gain or maintain control over their lives. Embedding a coaching approach will help encourage customers to do more for themselves and each other. Neighbourhood coaches will really get to know each customer and what it is like to live in each Bromford home and each community. This will help us match the right customer to the right home and ensure that we do our best to make every home a springboard from which customers can unlock their potential. We are investing in more colleagues with smaller patch sizes, to ensure we get to know all of our customers. The localities programme is key to developing the right relationship with every customer.

The evidence of the Service Offer Pilots tells us that this new approach will help **reduce demand** on reactive services – not by making it harder for customers to access the service but by building the skills and resilience of our customers and communities. Where others are rationing the supply of services as a response to the 1% rent cut we are shifting our investment from inefficient reactive, to value creating proactive, services.

Knowing our customers and their communities better will help us and our customers weather what promises to be an even **more challenging future** – with a further squeeze on welfare; more cuts in public services; a possible down turn in the economy and a resultant rise in unemployment all on the cards.

Localities and VfM

Our projections for the impact of the Localities Programme cover the next 5 years – to the end of 2020-21. **They show that our investment in Localities will help customers take more control of their lives and do more for themselves and their communities. This will lead to cashable savings and increased cash flows by the end of Q4 2018-19.** The Localities Programme firms up some of the VfM assumptions included in our business plan – it is a key part of the ‘how’ of the VfM Plan.

Our savings and increased cash flow assumptions are informed by the evaluation of the Service Offer Pilots whilst recognising that, during the early period of this major scale mobilisation, impact will be incrementally evident. As well as cashable savings we have also evaluated the social value created.

Our performance against the key projected cost reductions and cash flow increases will be monitored through the Bromford Dashboard and reported to Board on a regular basis. The projected reductions in colleague numbers in HIT, Contact, Repairs, etc, have been built into the VfM Plan and will inform annual Budgets.

How does the Localities Business Case relate to the Business Plan and VfM Plan?

The business case for Localities is simply a section of the Business Plan and VfM Plan. Delivering the targets set out in the Localities Business Case will help us meet the targets set out in the other plans whilst contributing to our purpose of inspiring people to be their best.

The Localities Business Case brings what we do and why we do it together into one place.

The details of how Localities and VfM savings fit together can be seen in **the tables below:**

Management costs £'000	16/17 Budget	17/18 Plan	18/19 Plan	19/20 Plan	20/21 Plan	5 yr total	
Reduction in contact centre calls re arrears and repairs	0	12	25	32	35	104	
Reduction in Home Income team costs	0	40	231	250	257	778	
Opportunities team changes	153	368	379	391	402	1,693	
Total management cost savings from localities	153	420	635	673	694	2,575	54% of VfM plan target
Total management/central cost VfM targets in business plan	0	500	800	1,500	2,000	4,800	

Responsive maintenance costs £'000	16/17	17/18 Plan	18/19 Plan	19/20 Plan	20/21 Plan	5 yr total	
Reduction in repairs – localities*	11	245	655	965	1,053	2,929	84% of VfM plan target
Total repairs cost VfM targets in business plan	0	0	500	1,000	2,000	3,500	

*Assumptions for reducing volumes of repairs:

EXISTING CUSTOMERS - no reduction for first 6 months after Locality launch - then 2% reduction per quarter until we reach 20%

NEW CUSTOMERS - no reduction for first 6 months after launch - 13% reduction between 6 and 12 months - 26% reduction after 12 months

Represents c11,000 fewer jobs per year by the end of 2018-19. A full year equivalent saving of £1.05m

There is also a targeted reduction in arrears from localities – this gives an upside on business plan assumptions for rent collection of £2.9m over 5 years.

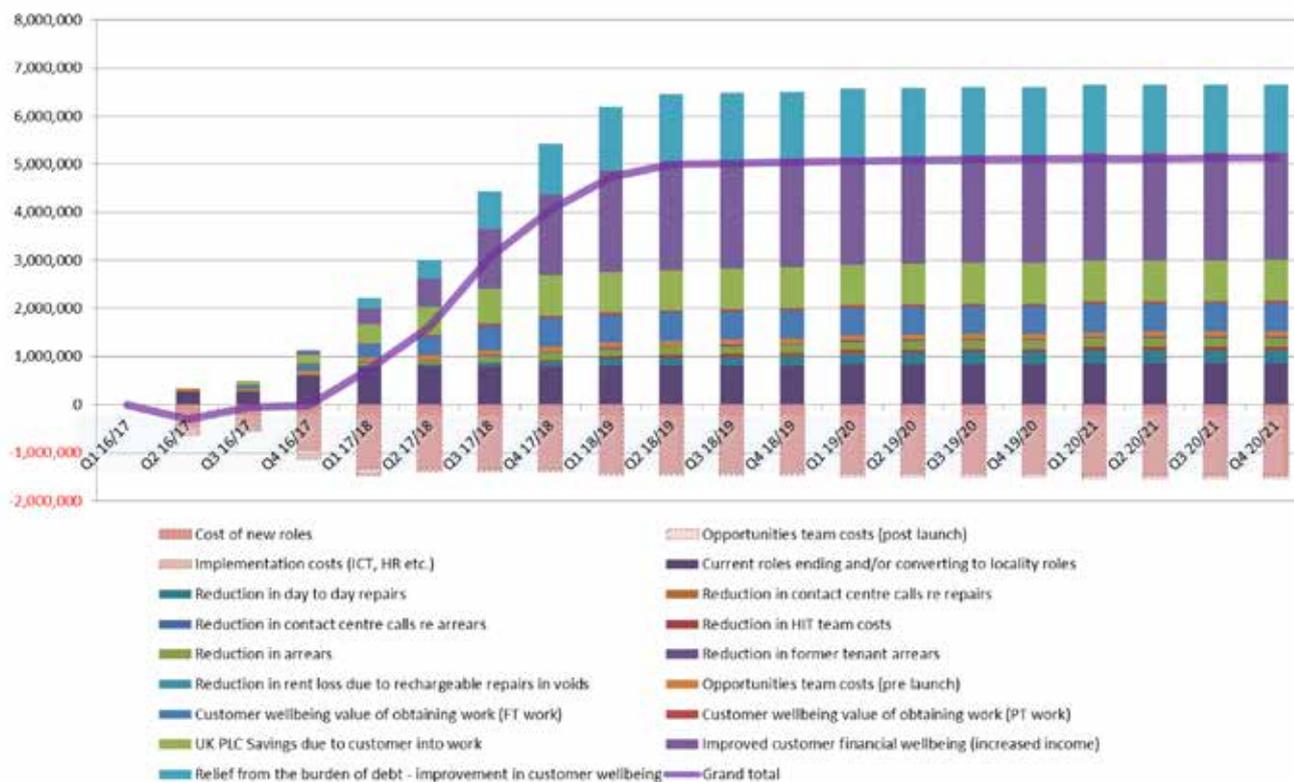
£'000	15/16 Actual	16/17 Budget	17/18 Plan	18/19 Plan	19/20 Plan	20/21 Plan	
Total rental income per business plan £'000	139,194	140,886	141,928	143,172	143,629	148,267	
Arrears % per business plan	3.6%	4.5%	5.4%	6.2%	7.1%	7.1%	
Localities reduction in arrears	0	24	503	716	834	864	2,941
Arrears target % localities plan	3.6%	4.5%	5.0%	5.7%	6.5%	6.5%	

NEW CUSTOMERS - 1.1% lower than Business Plan

EXISTING CUSTOMERS - 0.5% lower than Business Plan after 9 months

Overall business case chart

All costs and savings including social value



The risks of this major change and how we are managing them

The success of the Localities Programme is predicated on us moving away from a more reactive, and to a more proactive relationship with our customers; one where we seek to focus on building on strengths – of individuals and their communities – rather than responding to deficits. We are moving to a service offer that utilises a coaching approach. This is a major change and will not happen quickly.

The Localities Project Team has developed job ready pathways for each new role and individual development plans for each colleague working with The Connectives (a specialist coaching provider) to help build our coaching capability. We are reviewing key processes to ensure they support and don't disrupt the new kind of relationship we want with our customers. We have reviewed the way we capture, report and follow up service failures so that we really understand what went wrong and make the changes needed to reduce any recurrence.

We acknowledge that the Localities Programme is a major change for Bromford, our colleagues and customers. Our learning over the last 2-3 years tells us that we can achieve significant results if we get this right but that change is slow. The key measures of success set out in our Localities Business Case above will inform targets in the Bromford Dashboard which will be reported through the Executive Team and Board going forward. But we do not expect to see the impact of Localities feeding into improved results until the end of 2017/18.

An increasing supply of homes

We work to increase the supply of new homes. They will be homes of the right size, in the right locations to meet need and support the aspirations of new customers.

- We will have a development programme that we are in control of, has less reliance on the external market (grant and S106) and supports our Strategy.
- We will prioritise our investment in new homes that would otherwise not be built.
- We will build some homes for market sale to cross-subsidise more affordable homes.



Looking back - an increasing supply of homes

Customer experience

The trend in advocacy results for an increasing supply of homes is shown below:

	14/15	15/16
New Homes overall advocacy	89%	89%
New Homes Quality advocacy	75%	72%
Safe and secure New Homes advocacy	88%	88%

We continue to see a significant number of customers experiencing quality issues with their new homes, this reflects the scale of our S106 activity, where we cannot always influence the build quality in the same way as we can for the homes we build ourselves.

Our starts and completions over the last five years are set out below:

New homes	15/16	14/15	13/14	12/13	11/12
Rents (Social and affordable)	254	357	384	409	326
Supported	54	10	54	16	34
Shared ownership	157	143	200	167	117
Outright sale	-	-	37	13	12
Total New Homes Completed	465	510	675	605	489
Total New Homes Started	727	428	608	765	629

92 of the 465 homes completed in 2015/16 were built by our in-house construction team, Bromford Developments Limited. Overall, 465 completions for 2015/16 is fewer new homes than we aspire to, but the programme was affected by slippage on several major schemes, caused by delays in finding appropriate land, securing planning and the reassessment of some schemes following the rent cut announcements. As an indication of future activity, starts in the year were 727, ahead of our 643 target, and the overall investment in new homes was £50m in the year, up from £44m in 14/15, so we believe we are now on an upward trend in our New Homes output.

In terms of our new products, where we are investing in new homes which create the most social value:

- We have now completed our first two MyPlace schemes and a further scheme is now on site;
- We secured two sites for Retirement Living schemes; one scheme is under construction and we are finalising planning approval for the other.
- We are committed to continuing to develop new homes in volume into the future; we expect to develop with little or no capital grant and will continue to benefit from the experience and commercial expertise of our in-house development and construction teams to help us achieve this.

We have for the second year measured the social value generated from our lettings of New Homes, and this is summarised on page 33.

Looking Forward - an increasing supply of homes

Longer term, we are aiming to average c. 600 homes per year into management and we are on track to achieve this as a sustainable investment programme. Our Business Plan includes the following target completion numbers from our New Homes Plan:

Year	16/17	17/18	18/19	19/20	20/21	Total
Total Programme – including market sale	538	928	524	640	750	3,380
s106 Pipeline	451	612	262	163	148	1,636
Land Led Pipeline	87	316	262	477	602	1,744
Additional Into Management	538	895	489	560	650	3,132

Our new homes business plan will help us to deliver our strategic objectives by:

- **Increasing the supply of homes** - the plan provides for the delivery of 3,132 new homes into management over the next five years; we are focused on making a real difference by building homes that otherwise may not be built by moving away from a S106 programme to an increasingly land led development approach. Due to the time it takes to secure and start the build on land, we do not see Land led being the predominant route until 2019/20.

Broadly, there are four land led business streams:

- MyPlace;
- Retirement Living;
- Rented and Shared Ownership homes;
- Homes for Outright Sale – which will cross subsidise some other tenures.

Alongside this:

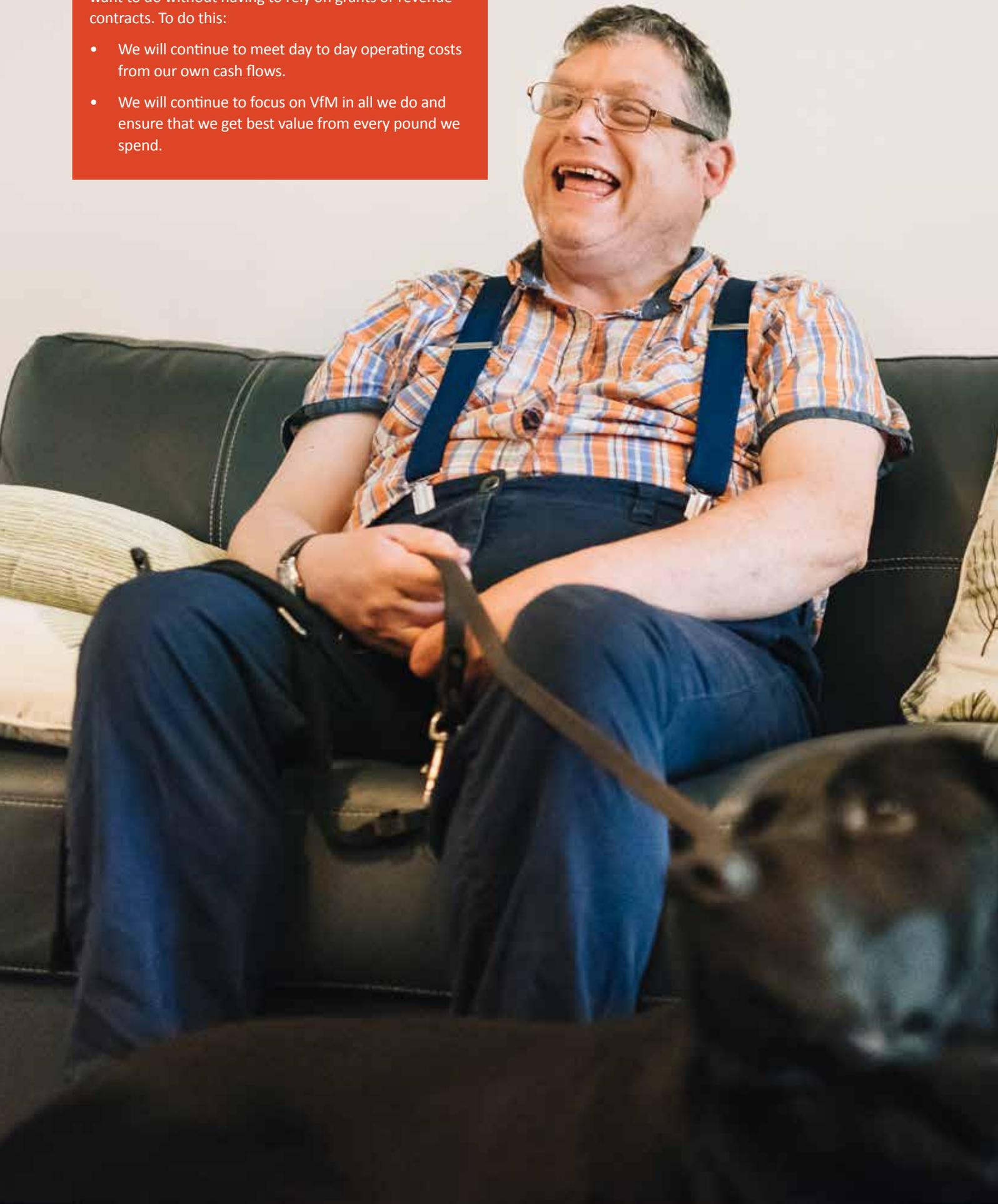
- we are assuming an on-going but reduced S106 programme of Rented and Shared Ownership homes;
- a regeneration programme based on renewal of specific schemes identified within our Asset Management strategy as no longer fit for purpose.

We also expect to have a programme to replace homes lost by way of Voluntary Right to Buy (VRtB). These replacements are in addition to the number of New Homes targeted above.

Enough money

We want to have enough money to do the things we want to do without having to rely on grants or revenue contracts. To do this:

- We will continue to meet day to day operating costs from our own cash flows.
- We will continue to focus on VfM in all we do and ensure that we get best value from every pound we spend.



Resource generation

Our financial planning is cashflow based. Our VfM Framework sets targets for net operating income generation from core activities and from disposals arising from our asset management plan. After meeting our loan obligations for interest and loan repayments, this leaves our free cashflow which is available for investment choices. Our aim is to maximise the monies available for investment and to be clear about the returns – social and economic – we expect to achieve from our investment.

Resource allocation for investment

Under our VfM Framework, our free cashflow materially funds our investment in three areas: Existing Homes, developing our services to support the Deal relationship with our customers and New Homes. Typically, the amount we invest will exceed our free cashflow and we meet the shortfall from our own cash resources or from new loan finance.

Looking back – enough money

Benchmarking

Our benchmarking report can be accessed [here](#). It includes a summary of the Bromford results from the HCA's recently published analysis of costs across the sector – “Delivering better Value for Money: Understanding differences in unit costs”. This shows, by subsidiary, and for Bromford overall, how our costs compare to sector averages, and verifies that total operating costs for 14/15 were amongst the lowest in the sector. When broken down into the component elements, our service charges were higher in some cases, due to supported housing activities, and our ‘other costs’ were also high due to the inclusion of significant supporting people contract costs, which have a separate income source from rental income. In the benchmarking workshop for the board we also reconciled the HCA cost measures to our own “Social Housing Operating cost” measure that we have benchmarked against for several years. We have not identified any areas where our costs are outliers and performance requires material improvement. We have made further improvements in the costs of reactive repairs by bringing more services in-house during 2015/16.

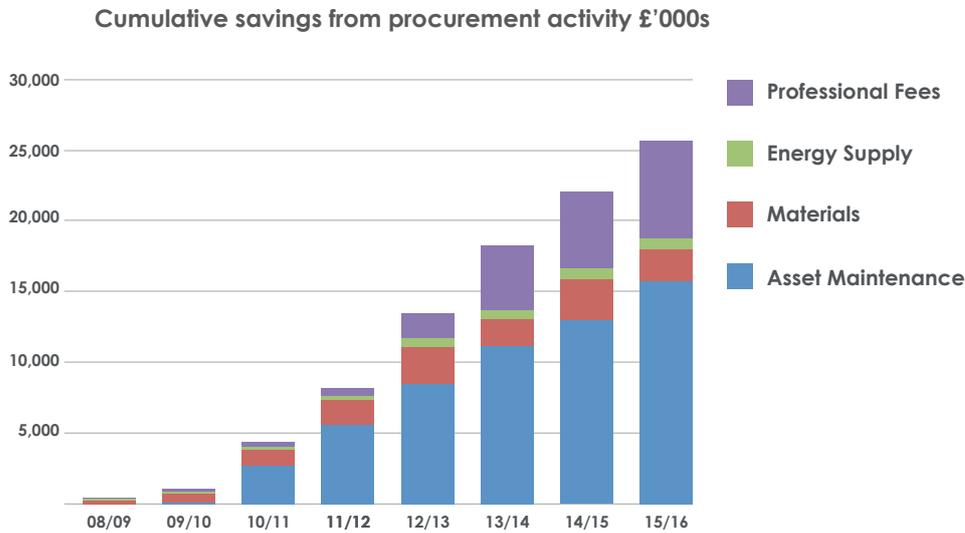
More detailed financial comparisons with similar peer organisations is also included in the benchmarking report. Our peer group has remained the same and we have benchmarked up to 2015 accounts only. 2016 accounts onwards will be affected by FRS102 accounting changes and we will review our measures over the next year to ensure we continue to measure performance on a like for like basis

Last year we stated “Our aim has been to improve our operating margin year on year. By setting ourselves the objective of retaining at least 60p of every £1 of new income that we receive...”

We have achieved this and have now set ourselves the target of maintaining a core cash operating margin of 60% overall. The rent cuts that apply to the majority of our homes has led to the need for a more robust target.

Procurement

We have continued to achieve great procurement results (set out graphically below). We expected to have achieved cumulative savings of £24m by March 16, and have in fact achieved savings in excess of £25m.



Savings relating to 2015/16 include:

- £1.3m - kitchen and bathroom replacement;
- £0.8m - professional services;
- £0.5m - component replacement;
- £0.2m - asbestos works;
- £0.2m - gas installation and servicing;
- £0.1m - cleaning contracts.

Our Procurement Team has also been involved in projects that secured further savings against a wide ranging set of projects which have generated significant social value:

We have:

- accelerated the installation of smart meters in order to help our customers become better informed about their energy usage;
- secured terms with framework providers and consultants that will lead to the creation of apprenticeships and work placements, based on the level of business channelled through them;
- secured significant savings – which are passed onto the affected customers - on items contributing to service charges;
- helped the local economy by procuring goods and services from local small and medium sized enterprises;
- procured innovative new payment processes that are used by our customers; making it quicker and easier to do business with Bromford.

Looking forward – enough money

The 2016/17 procurement programme includes the following projects:

- utilities;
- asbestos removal services;
- water hygiene;
- ICT hardware;
- ICT software;
- telephony;
- external audit;
- architect services;
- fencing;
- a number of contracts with price reviews;
- a number of contracts with extension options.

We consider a mix of several key drivers when making procurement decisions including, price, quality and social value factors. Whilst price is clearly a very important factor, it is one of several. Quality is critical too; ensuring that we get the best service for Bromford and for our customers. Our VfM framework includes targets of cashable savings of £1.7m from procurement over the next five years.



The right people

We want to have exceptional colleagues with the right skills and attitude to make this plan a reality on the ground. To do this:

- We will develop our existing colleagues to work as an elite team, agile and able to be great coaches.
- We will ensure we attract and recruit new colleagues with the right skills and personality.
- We will ensure that Bromford's partners are bought into our strategy, DNA and customer service standards.

Looking back - The Right People

Our colleagues are at the heart of everything we do and one of our key objectives is to deliver a great place to work – to be an employer of choice - because well trained and motivated colleagues deliver the best service. We regularly survey colleagues using the 'Best Companies' framework, and use that feedback in our planning. In the last year we complemented this with a short in-house 'Pulse' survey to measure colleague engagement.

Five years ago, we introduced 'Yammer', our internal chatroom for colleagues to post whatever they felt worthy of sharing across the business. Since then, colleagues have shared almost 180,000 posts across a wide range of subjects including advice, learning, customer outcomes, performance statistics and colleague news. It has proven to be an excellent tool for highlighting, through the use of hash-tags, how colleagues have 'lived' our DNA strands of BeGood, BeBrave, BeDifferent and BeCommercial.

We continue to grow the content and capability of Be.Bromford to be the platform for all our learning, development and performance activity. We use customer feedback to make improvements. Most recently we have:

- been working on defining job ready pathways for the key roles in the new localities structure. These are held within Be.Bromford. The pathways form the framework to blended learning programmes which ensure our colleagues are job ready. There is a specific change of skills required for these roles including coaching so this has been an essential part of the journey to develop the new service.
- We have increased the number of 'role standards' that are held in Be.Bromford responding to a need from team leaders. These are role specific, easy to use check in lists of key tasks and responsibilities for monthly one to ones. These have a high level of usage.

126 colleagues have now been on our essential leadership academy. We have delivered a pilot programme of our new high performance leadership programme. This complements the existing essential leadership academy providing a programme for senior leaders. 15 heads of service have been on the programme to date. 37 colleagues have been through our Grow Your Own (GYO) academy. We have given focus to PDPs for the functional and exec directors to support succession planning.

We are trialling a range of new recruitment techniques to attract and identify the best 'fit' people to our new localities roles including a personality testing tool.

Looking Forward – The Right People

We are developing our colleagues to be great coaches to both external and internal customers. We want all colleagues to work together as an elite and agile team. We will ensure this means we can attract and recruit new colleagues with the right skills and personality. We also will ensure our partners buy into our strategy, DNA and customer service standards.

Key initiatives for the next year include:

- The next high performance leadership academy for 'middle' managers will take place in November 2016
- Phase 4 of the Essential Leadership Academy for a further 15 colleagues
- Grow Your Own 2016 for 8 colleagues
- Continuing to develop the learning and development offers to create job ready colleagues at a number of levels to deliver our new localities way of working. The first leadership and operational level programmes are currently in delivery and will be reviewed for development and improvement.
- The design of a specific leadership development programme for colleagues managing engineers and landscapers.
- Supporting an 'academy' approach to customer experience development specifically for our contact centre colleagues. This will be launched before the end of the calendar year
- Working up a refreshed approach to apprenticeships

Our pay and reward review will play a key role in our approach to improving both retention and attraction in an increasingly competitive market place. This will be launched in April 17



The right tools

We want to have equipped our people and our business with the right tools. To do this:

- We will provide a range of great working environments.
- We will ensure every colleague has the right ICT tools to do their job.
- We will have the right systems to record, track and report information accurately and efficiently.
- We will have the right data that enables us to make evidence-based decisions.

We will have effective marketing that supports key business drivers and brand positioning internally and externally.

Looking back - the right tools

Last year we delivered these projects and improvements:

- Rollout of SMS notifications to customers requiring a repair. The SMS notifications are triggered at different stages of the repair process.
- Rollout of new mobile phones to all colleagues and as required, mobile SIM provision for colleagues. This proceeded from a full tender exercise which resulted in 'like for like' £60k per annum reduction in costs.
- Completed a major technical upgrade to our Housing Management system. This enables us to take advantage of new functionality to deliver efficiencies and effectiveness improvements in the coming years.

We have started a HR and Payroll systems replacement programme and this will go live during this financial year. The project supports single view of the colleague which will result in more efficient HR and payroll services, better reporting information and better mobile access for colleagues and leaders.

During last year we stopped a number of previous initiatives to allow a more holistic and organisation-wide review to take place. Stopping these has been cost effective in preventing long term investment in solutions that do not allow significant improvements to current ways of working.

Looking forward - the right tools

Technology will be a key part of supporting and enabling great working environments. A new programme of work starting in 2016 and continuing into subsequent years will transform our existing workspaces; allow the disposal of sub-optimal workspaces and the move into new spaces. Investment in technology and space will be targeted towards driving up colleague efficiency and engagement which it is expected will drive an improvement in customer delivery and service optimisation.

Ensuring colleagues have the right ICT tools to do their job will be driven from the better understanding Bromford has of its workspace requirements alongside a new initiative linking job roles to requirements for equipment and software. This direct link will allow the organisation to tailor equipment and software provision directly to role outcomes and needs. Surveys will be undertaken to test that equipment and software meet the role requirements allowing rapid response to any issues arising.

We have a programme of business change projects, the majority focussed on the use of technology to improve both the customer and colleague experience and produce efficiency gains from smarter working. These projects are managed and coordinated through our Project Portfolio Board. Cashable savings in operating costs are set out in our VfM framework, having the right systems for delivery of services will be a driver for delivering these savings.

The right organisation

We want to grow sufficiently to stay attractive to lenders, developers and talented people. To do this:

- We will seek merger partners that enable us to establish the Deal relationship with more people and (in the long term) build an organisation with enhanced financial strength to benefit all our customers.
- We will consider opportunities to invest in projects or initiatives other than housing, which could help our customers to unlock their potential.

Looking Back - the right organisation

The Board has considered the NHF voluntary code of practice on mergers and partnerships and supports the intentions behind the 10 principles of the Code. They have approved a position statement on how we will apply these principles. The Board has also considered how mergers and partnerships might benefit the business in the future and help us achieve our purpose and deliver our strategy. This is in the context that Bromford is already a very high performing and efficient organisation.

Looking forward - the right organisation

The Board has considered the NHF voluntary code of practice on mergers and partnerships and supports the intentions behind the 10 principles of the Code. They have approved a position statement on how we will apply these principles. The Board has also considered how mergers and partnerships might benefit the business in the future and help us achieve our purpose and deliver our strategy. This is in the context that Bromford is already a very high performing and efficient organisation.

Social Value Summary 2015/16

Our social impact report is published on our website ([link](#)) and includes more detail on the areas of service where we have measured social value during 2015/16. We do not measure every service, but use the measurement of social value to measure areas where we wish to develop or pilot new services to underpin our learning and inform decision making.

Social value is about maximising the impact of investments to achieve the best possible social, environmental and economic outcomes. It is the additional benefit to the customer, their community and even the UK over and above purely the provision of goods and services.

Measuring the social value created by what we do ensures that we squeeze the maximum value from every pound we invest, enabling us to make informed and evidenced investment decisions by measuring the outcomes that are important to our customers and external stakeholders. For example, the outcomes from our service offer pilots have directly influenced our Localities plan and the assumptions that underpin the business case.

How we measure social value

We use two methodologies based on cost benefit analysis (CBA) and social return on investment (SROI). Both models are concerned with two key questions:

- has our intervention caused a change in outcome?; and
- what is the value of that change?

Our approach based on SROI follows the NEF methodology and principles of measuring social value in a clear and transparent way. This allows us to:

- understand how to value, but not over value change;
- look at where issues may be displaced or moved to another area (displacement);
- look at how much the change can be attributed to our service (attribution);
- assess what changes may have occurred even without the service (deadweight);
- estimate how long the impact may last for.

Our Social Value Accounts for 2015/16			
Service where social value measured	£'000 Investment	£'000 Social Value	SROI per £ invested
<p>Service offer pilots</p> <p>During 2015, we piloted a range of new service offers that supported customers to work towards short term and medium term outcomes that we believe are the key milestones along the customer's journey to be the best that they can be.</p> <p>The pilots included services aimed at helping customers to start their tenancy well, receive great money advice, get help into training and employment, develop positive social networks and build resilience. During the pilot, 283 customers received the new services in Lichfield. The outcomes were very positive and we have used the learning from the pilots to develop services that we can roll out widely across Bromford.</p>	£443k	£1,150k	£2.59 excluding the value to Bromford from reduced arrears and fewer repairs visits
<p>Employment and skills programme</p> <p>Our employment and skills service is available to a wider group of customers than those referred through the Service Offer Pilots. The programme consists of a range of services that support customers to gain the skills and confidence to access appropriate and sustainable employment outcomes. 2015/16 delivered 231 positive outcomes for customers, including 144 into work and 87 into training.</p>	£287k	£3,312k	£11.54
<p>Short term support services</p> <p>Housing-related Support's main purpose is to develop and maintain a person's ability to live independently, either in their own home or in supported accommodation. Over the past 12 months, we have been working on a detailed study of a specific Young Families Service to fully understand the outcomes achieved and the social value created through the service. The services comprise of Supported Housing and a Floating Support service provided to 21 customers at any one time. 13 customers agreed to take part in the detailed study. We explored a range of outcomes, including employment and work related skills, financial wellbeing, confidence, mental health and physical health.</p>	£30k	£409k	£13.62

Our Social Value Accounts for 2015/16

Service where social value measured	£'000 Investment	£'000 Social Value	SROI per £ invested
<p>New homes</p> <p>All Bromford homes meet the Decent Homes Standard, which require homes to be in a reasonable state of repair, to have reasonably modern facilities and provide a reasonable degree of thermal comfort. Our aim with new and existing homes is to exceed this standard. To understand the social value created for our new build homes, we have again carried out analysis of our lettings data to ascertain what impact moving to a Bromford Home might have had on our customers.</p> <p>We used CORE data (Continuous Recording of Lettings and Sales in Social Housing in England) to understand the previous accommodation of our new customers and their reasons for leaving their previous homes. We used a mixture of sources and methodologies to evaluate savings to the NHS from improved health associated with good quality housing and values for potential alternative accommodation that the customer may have accessed if a Bromford home was not available to them. Across 239 lettings, we estimate a social value of £930,000 in year one alone. This consists of £295,000 in wellbeing value and £635,000 in societal values.</p>	£239k	£930k	£3.89
<p>Boiler replacement programme</p> <p>Bromford understands the impact of fuel poverty on households, especially on vulnerable customers who live in our homes. Our target is to bring all of our homes up to a SAP D rating or better by April 2018 and by doing so, exceed government fuel efficiency targets. We have a programme to replace older, less efficient boilers with new A-rated energy efficient models. During 2015/16 we installed 1,873 new boilers, at an average cost of £1,895 (a total investment of more than £3.5m).</p> <p>It is impossible to quantify the health and wellbeing impact on individual customers without a more detailed study. However, the Warm Homes Oldham project (which undertook a variety of approaches to reduce fuel poverty and cold homes) found that 60% of respondents with a physical health problem felt that the initiative had a positive impact on their health and that over 80% reported a positive impact on their general health and wellbeing. If just 10% of customers were to experience improved physical health as a result of our investment, the health and wellbeing social values delivered would exceed the cost of new boilers in just one year.</p>			Not yet measured, see comment

Our Social Value Accounts for 2015/16

Service where social value measured	£'000 Investment	£'000 Social Value	SROI per £ invested
<p>Aids and adaptations</p> <p>Bromford carries out a significant programme of Aids and Adaptations to enable customers to stay in their homes and maintain their tenancies. Various studies show a significant reduction in the risk of falls and an increase in both quality of life and the ability to stay in own homes rather than move into a care setting as a result of the installation of Aids and Adaptations to existing homes.</p>	£998k	£3,620k	£3.63
<p>Health partnerships</p> <p>Over the course of 2015/16, Bromford worked with a number of external health partners to deliver a range of pilot services aimed at increasing the physical health and wellbeing of both Bromford customers and users of other health related services. These services included:</p> <ul style="list-style-type: none"> <p>Return Home pilot</p> <p>The overall vision of the 'Return Home' pilot was to enable patients to be discharged promptly from hospital, when ready, leading to reduced hospital readmissions and placements into residential care.</p> <p>The two key outcomes that we believed would enable the 'Return Home' pilot to contribute to achieving this overall vision were improving patients' overall health and wellbeing and enabling patients to have greater choice and control over their own lives, care and support. This is a joint pilot between Staffordshire and Stoke on Trent Partnership NHS Trust (SSOTP) and Bromford.</p> <p>Social value has been generated through improving the individual's financial position, reducing the fear of crime and improving the feeling of being in control.</p> <p>Renal Failure</p> <p>The pilot was designed to improve the quality of life of customers experiencing renal failure. Support included advice and guidance to apply for benefits and grants, help with aids and adaptations in the home and general health and mental health support. The single most common type of support requested related to maximising income, usually in the form of benefit or grant applications.</p> 	£56k	£59k	£1.06
	£50k	£427k	£8.57
Social value totals	£2,103k	£9,907k	£4.71

Social Value - Looking Forward

Over the course of 2015-16, we continued to develop our knowledge around the key areas that can have an impact on customers, informed by both detailed research and evaluation of existing and piloted services.

Even where we are unable to robustly place a monetary or proxy monetary value on an outcome, our research and testing approach provide us with a deeper understanding of how our services can impact on customers, society as a whole and the business.

This gives us confidence that where services are having a positive impact, we can continue to deliver or roll out to a wider group of customers or stop services where there is no evidence to suggest these are meeting objectives. Where services may not provide value for money, we can look at how we might deliver these in a different way.



Conclusion

VfM remains at the heart of everything we do to help us deliver our strategy. We remain focused on cost control and innovative ways of delivering services, enabling us to maximise the outcomes for our customers from our investment in services, existing homes and new homes.

We are already one of the most efficient Housing Associations but with challenging times set to continue, we know we can and must do more. A detailed understanding of how we can make a difference enables us to make informed and evidence based investment decisions that maximise impact for customers, society and the business. Making the best use of our profits will ensure that we continue to invest in new homes and provide more services that add value for customers and inspire them to be their best.



Glossary – Bromford terms

Funds generated from core activities The cash income generated from our main letting and support activities less the costs of providing services.

Cash Core Operating Margin – funds generated from core activities, expressed as a percentage of cash income from core activities. The higher the margin, the more profit we are generating for reinvestment.

Net Profit Margin after Financing costs – The profit/ surplus after interest and other financing charges we show in our accounts expressed as a percentage of turnover / income. These are Income and Expenditure terms, not cashflow. The higher the margin, the more profit we are generating for reinvestment.

Affordable Warmth – a term we use to describe home heating cost reduction to ensure our customers can afford to live comfortably in our homes.

Advocacy – would our customers recommend our services or homes – a rating measure of satisfaction