

ROCKDALE HOUSING  
ASSOCIATION LTD

# VALUE FOR MONEY STATEMENT 2019

  
SENIOR LIVING  
**ROCKDALE**  
at the heart of Sevenoaks

## 2019 Value for Money Statement

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All housing associations are regulated by The Regulator of Social Housing and are required to conduct a value for money self-assessment annually to illustrate how they are performing. From April 2018 the Regulator introduced a new revised standard asking housing providers to report on a set of new metrics which include margin, development & gearing, reinvestment, return on capital employed and social housing cost per unit. The Board Report within the annual audited accounts must now also include a Value for Money statement.

Providing value for money (VFM) is important to Rockdale and our residents, as this governs our ability to re-invest in our properties for the benefit of the community, and to enable the Association to charitably support those financially unable to access our services. Delivering value for money ensures that our focus remains on providing good quality, efficient and effective services, which doesn't necessarily mean choosing the cheapest option, to do this we strive to embed VFM within the culture of the Association.



## CHIEF EXECUTIVE

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The Senior Management Team deliver on the actions agreed in our Business Plan and on everyday services to residents and staff. We strive to obtain best value by working efficiently and regularly bench marking what we do against similar small housing providers. We continually aim to improve services and to provide good quality homes and care. Driving this is the current CEO, Anita Cleugh, who:



- Determines the priorities of senior staff ensuring delivery of the mission statement, obtaining best value by setting and monitoring objectives
- Is actively involved in non-routine buying decisions, liaising with the Board if appropriate
- Responds to residents' issues as they arise
- Is responsible for continuous improvement across all areas
- Is responsible for all HR matters
- Leads on improving performance management against bench-marking groups
- Ensures regulatory compliance
- Responsible for delivery of resources such as Business Plan, VFM , risk management etc.

## BOARD OF TRUSTEES

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The Board discusses our strategic direction, taking into account the requirements of all of our regulators, and assessing any potential risks. Being a small organisation the Board also has some input into operational activities, for example the purchasing of larger items of equipment or tenders for larger planned maintenance activities.

The Board:

- Develops Rockdale's strategy, direction & planning
- Establishes and monitors policy
- Ensures compliance and accountability
- Reviews quarterly financial performance
- Holds the Director to account and reviews performance
- Considers risk in conjunction with any decisions
- Advises on larger purchases/contracts/tenders



## SHELTERED ACCOMMODATION

The average time properties were empty was 33 days. Our programme of refurbishing flats to a high standard remains ongoing and much of this is done whilst flats are empty. We continue to carry out major works around the site in accordance with our 25 year planned maintenance programme and always search for competitive prices for major works.

20 VOID  
LETTINGS

3.4% OF TOTAL  
INCOME LOST  
FROM VOID  
FLATS

THAT'S LOWER  
THAN OUR  
BUDGETED  
LEVEL

FORECAST  
OF 704K IN  
2018

£475K SPENT  
ON PLANNED  
PROJECTS IN  
2017

THAT'S  
14.58% OF  
OUR TOTAL  
INCOME

## 2017/2018 TARGETS

### RESIDENTIAL CARE

In Rockdale House Care Home void levels were higher than the forecast rate of 4% and unfortunately also increased by 2.3% since 2017.

However, the good management of costs associated with the care home during 2018 will offset the loss arising from increasing voids. The focus for 2018/19 will be in maintaining a consistent occupancy level and increasing this to 97% by year end.

OUR  
BUDGETED  
RATE WAS  
4%

7.8% VOID  
ROOM  
RATE

OUR NEW,  
ACHIEVABLE  
TARGET FOR  
2019 IS 6%



## PERFORMANCE & BENCH-MARKING

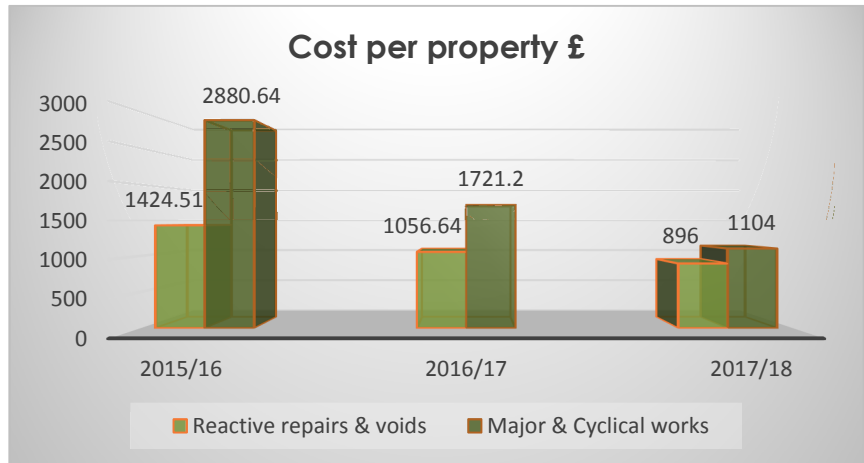
Rockdale is a member of Acuity, a bench-marking group for smaller housing associations who provide housing to older people. The Group measures the performance of the members, which is then used to identify and improve services as well as focusing on value for money by analysing spend costs for key goods and services and reviewing these against other providers.

Description	2015-16	2016-17	2017/18	SPBM Quartile position *	Trend
Current tenant arrears as % of annual rent debit	0.03	0.03	0.024	1	↑
Average relet time (in days)	59	59	33	4	↑
% of Rent loss through empty properties	5.62	3.72	2.6	4	↑
% of repairs completed within timescales	99.98	95.64	100	1	↑
Average days lost to sickness absence	9.3	7.23	6.6	3	↑
Average days lost due to short term sickness absence	3.45	3.18	3.27	2	↓
Average days lost due to long term sickness absence	5.85	4.05	3.47	2	↑
Weekly operating costs per unit	125.31	42.36	N/A	N/A	N/A
Headline Social housing cost per unit (new 2018)	N/A	N/A	8027	3	↔
Operating Margin as % overall (new 2018)	N/A	N/A	15	3	↔
Gearing (new 2018)	N/A	N/A	-54		↔
Return on Capital Employed ( ROCE) %	N/A	N/A	4	2	↔

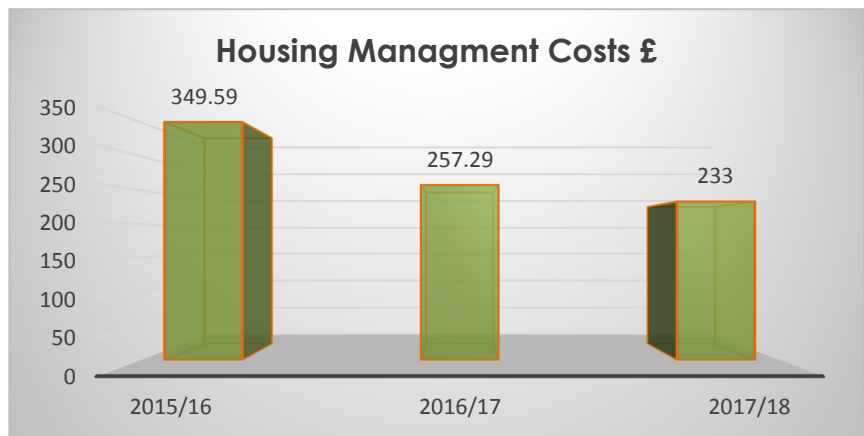
The chart shows a marked improvement in performance during 2018 in relation to void costs and a reduction in the overall number of days lost through staff sickness. Whilst the Association cannot afford to lose focus in these areas, the priority for 2019 will be on ensuring repairs are completed within timescales, further reducing re-let times to 25 days or below and reducing short term sickness levels to under 3%.

# ASSETS

Our cost per unit spend for repairs, reactive and planned, decreased over the course of the year. During 2018, a review of all responsive maintenance tasks was carried out over the previous 2 year period which identified future planned maintenance programmes. As a result works have been scheduled more efficiently creating cost savings.



Housing Management costs for the year decreased slightly, but, it is worth noting that these are likely to increase next year when the Tunbridge Wells apartments are sold and the Housing Management costs are reallocated to the main Rockdale site.





## INVESTMENT

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Following our 10-year development programme of our care home and 29-leasehold apartments the Association is now reviewing future investment opportunities. We have designated £4million of our reserves for development in the coming years and continually review our investments to ensure that they offer the best return. In the meantime, we will continue to invest cash deposits and reserves in trusted bank accounts in order to minimise risk of financial loss.

### **2017/18 saw a considerable number of planned maintenance projects completed as part of our ongoing improvement works and Decent Homes programme:**

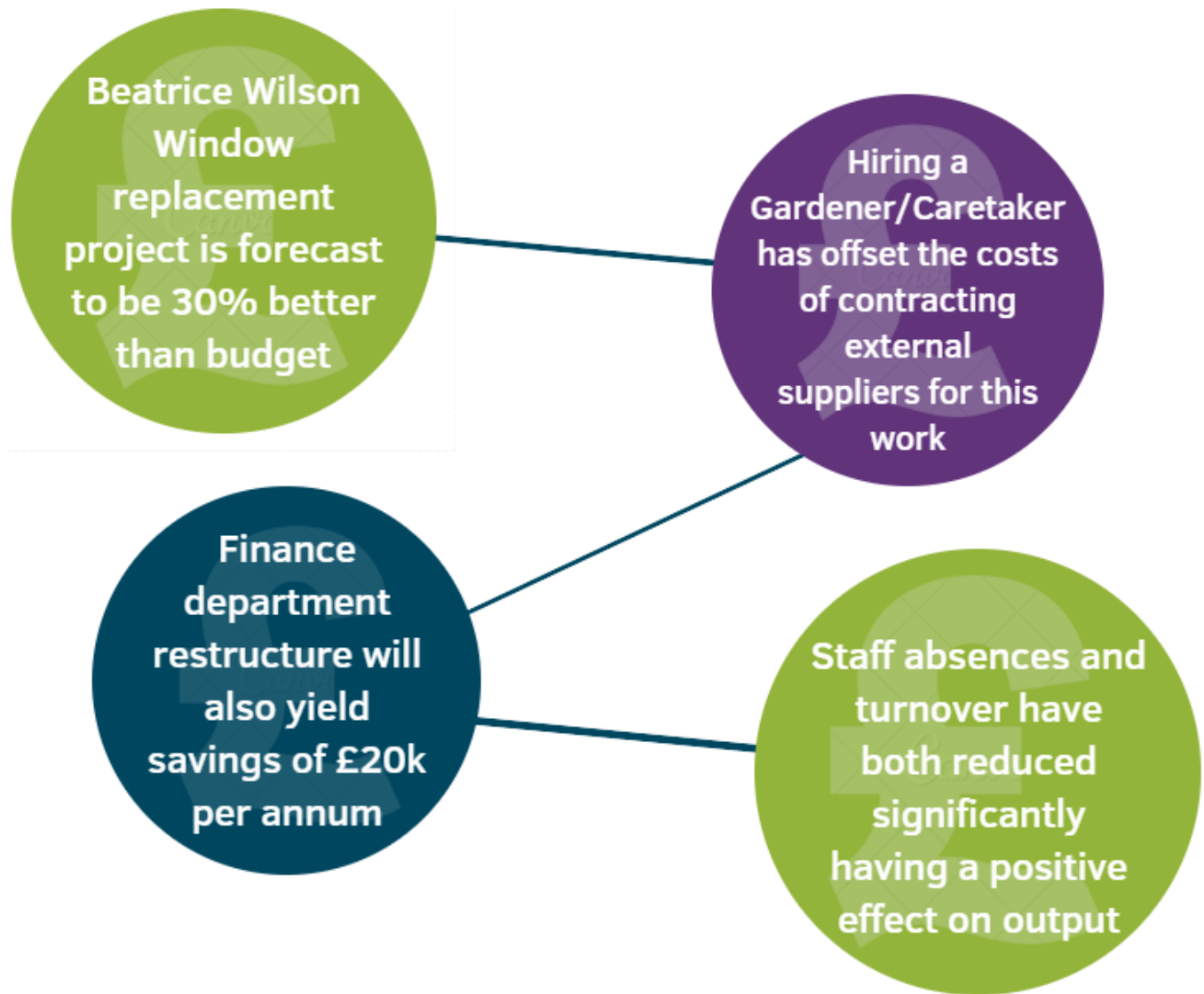
- A major project this year was the window, fascia and soffit renewal programme at Beatrice Wilson.
- Installation of Velux windows in the common room on the suggestion from a resident to improve lighting.
- Refurbishment of the Rockdale Gardens laundry to provide additional, user friendly facilities.
- Amalgamation of a studio and a guest flat to create an additional one bedroomed flat.
- Installation of automatic doors at Constant Meadow in the common room to improve access.
- A new road surface in Akehurst Lane following health and safety concerns.





# EFFICIENCY AND COST SAVING 2017/2018

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## FUTURE IMPROVEMENTS

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- Review the costs per unit to identify efficiencies and savings across the Association
- Investigate void loss and re-let times to maximise rental income
- Continue to ensure our accommodation is maintained to a decent home standard
- Continue our strategy to ensure we meet the needs of the local community
- Provide mobility scooter storage facilities to comply with fire regulations risk assessments
- Replace fire doors as identified during the fire risk assessment project
- Update Beatrice Wilson communal kitchen to create a customer orientated serving area
- Redesign the courtyard at Webb's Meadow

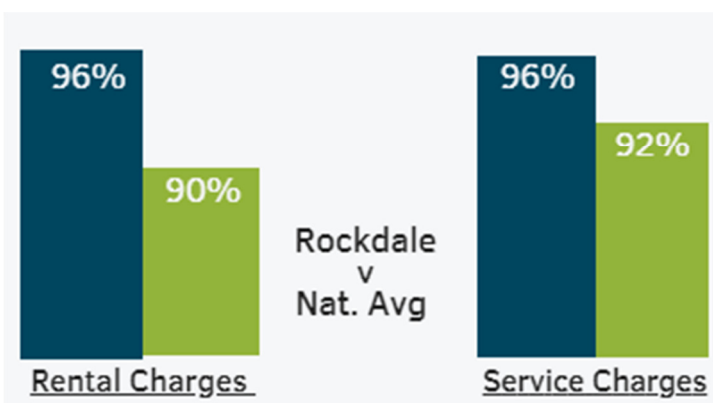




## SATISFACTION

### Value for Money – Sheltered Accommodation

We survey our residents satisfaction at regular intervals based on the Acuity STAR survey which is widely used to benchmark satisfaction amongst Housing Associations. Our surveys continue to show that our residents score Rockdale more highly than the national average:



Description	2017/18	Acuity Benchmark Median
Current arrears as % of fees due	1.3	N/A
Occupancy rate	92	92.6
Cost per unit on management	£3,175	£4,031
Average daily food cost per user	£5	£5
Number of safeguarding incidents (as % of residents)	0	8.05
Number of falls per resident	3.01	1.66
Number of DoLs* applications authorised	12	12
Number of notifications to CQC	11	11
Agency use as %	0.57	0.29
Ratio of self-funders to local authority funded residents	93.48	80

### Value for Money – Residential Care

Every two years we also survey our residents in Rockdale House. We are pleased to see that residents here have given Rockdale a satisfaction score of 100% in 2015 and 2017.

We aim to continue to maintain these standards for our next survey in 2019

\*Deprivation of Liberty - Article 5 of the Human Rights Act states that 'everyone has the right to liberty and security of person. No one shall be deprived of his or her liberty [unless] in accordance with a procedure prescribed in law'. The Deprivation of Liberty Safeguards is the procedure prescribed in law when it is necessary to deprive of their liberty a resident or patient who lacks capacity to consent to their care and treatment in order to keep them safe from harm.

## CHARITABLE SUPPORT

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The Association was originally created to assist local people in need of affordable housing and/or care. This ethos remains part of Rockdale's culture today and we continue to charitably support some residents who need our housing, support and care but who may not have the financial means to access it. This is done in a variety of ways including keeping our fees as low as possible and accepting local authority residents at reduced rates, supplemented by our own funds. Other ways we provide charitable support includes:



## PROCUREMENT

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We continue to seek the best price and best value for money in all areas of procurement, including purchasing of goods, services and contractors. We continue to use local labour wherever possible as this provides continuing service and reduced costs in most cases.

Service Agreements for various areas of the Association are regularly monitored and competitive quotes obtained on a regular basis, changing the provider if necessary. The Association's insurance brokers produce an annual report comparing quotes for the same insurance requirements thus ensuring this also provides continuing value for money.

## TREASURY

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Our Balance Sheet continues to show a robust position as displayed in the chart below. The Association has completed its 4 year financial forecast and despite external challenges such as rent reduction requirements, the National Minimum Wage, Auto Enrolment and increasing costs of the SHPS Pension Scheme, our robust financial management means that the Association is forecasting to make a small surplus over the period.

	2015	2016	2017	2018 Forecast
<b>NBV of Assets</b>	£9.325m	£8.445m	£8.355m	£8.147m
<b>Reserves</b>	£8.492m	£9.569m	£9.959m	£9.917m

## RETURN ON ASSETS

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Our aim is to be an efficient and effective organisation with an operating surplus which can be used to further our charitable objectives. Our purpose is to provide housing and care for those in need, we have demonstrated this in the past by building a 50 bed care home in 2013 and completing 29 new leasehold apartments in the summer of 2016.

This is a transitional year for the Association whilst key decisions regarding the future are made. During 2017/18, the Board commissioned a stock appraisal to help develop the Associations 10 year asset management strategy to ensure it makes the best use of its assets, looking at both service delivery and development opportunities to provide a sustainable future for the Association and its residents. A number of opportunities have been identified which will be investigated further during the course of 2019.



In July 2018, the Board made the difficult decision to close both its schemes in Tunbridge Wells and sell the properties and land. This will allow us to redeploy assets which can be utilised for development opportunities on the Rockdale Road site and allow us to focus on quality of provision.

In addition over last 12 months we have collated information on property refusals and we are using the information to address any issues raised and also to ensure our void standards reflect increasing expectation and aspiration



## IMPROVING THE VFM 2019



Although Rockdale delivered good performance during 2017/18, there are always areas in which we can improve.

We will aim to do this by:

- **Continuing to support those residents who need financial support.**  
Either through the acceptance of local authority funding or via our Access to Care fund raising scheme or by assisting with information regarding access to any benefits residents may be entitled to. We have committed to review annual surplus figures and allocate a proportion of these to further this aim.
- **Continuing to monitor expenditure.**  
Especially in the areas of contracts which are important for leasehold apartments to provide transparency of service charges
- **Ensuring staffing levels are kept at a cost effective level.**  
Without putting residents at any risk or disadvantage, whilst keeping within the parameters of government strategies such as the Living and Minimum wages
- **Monitoring the voids within the sheltered apartments and care home.**  
Ensuring that the turnover is kept to the minimum amount of time, both in the areas of carrying out any minor or major works, and in the time spent offering apartments to prospective residents. We also continue to monitor the reasons for vacating apartments to help ensure we can meet the needs and expectations of future residents
- **Continuing to investigate identified development opportunities on site.**  
Which improve our housing stock and meet current and future demand for quality accommodation.
- **Reviewing financial controls and delegated responsibilities.**  
Within our finance department to strengthen and safeguard the management of the Associations' financial controls
- **Creating a marketing strategy**  
In order to develop proposals and forecast budgets for future expenditure on marketing our properties as well as the Association as a whole.

## BOARD ASSURANCE OF VFM

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Following its self-assessment of VFM the Board is confident that we have:

- Delivered on our mission, evidenced by our performance & satisfaction results.
- Improved our properties, evidenced by the planned maintenance programme and the decent homes works, as well as delivery of our development programme.
- Invested in our staff, evidenced by reviewing staffing levels across key services and purchasing training packages for most staff to access.
- Invested in IT technologies to improve efficiency and comply with new data protection legislation.
- Maintained strong financial controls.



**Moving forward we remain committed to rising to any challenges that come before us. We will do this by responding to:**

- Results of Resident satisfaction surveys (based on STAR) due at the end of 2018.
- Our residents' views that are raised within the quarterly/bi-monthly meetings.
- Implementing improvements identified through complaints.
- Best practice in care and support planning.
- Government strategy for social housing and care.
- Regulatory reform