



# **Our approach to value for money**

## **Self-assessment statement 2017**

## Introduction

Transform Housing & Support is a registered housing provider, and is regulated by the Homes and Communities Agency (HCA). We also provide home-based care and part of these services are regulated by the Care Quality Commission (CQC). We are expected to manage our properties and other resources effectively and to deliver positive outcomes for the people we accommodate and support.

The HCA requires us to demonstrate value for money through an annual self-assessment statement available to all stakeholders. This is our fourth year of reporting, covering 2016/17.

## Executive summary

We take a strategic approach to value for money (VfM) as shown in our value for money strategy. During the year we have met the strategic objectives set by our Board and completed the merger with Cherchefelle Housing Association on 31 October 2016 realising £4 million gift of assets. The merger has resulted in an enlarged organisation with a £9 million turnover and an asset value of £42 million helping over 2,000 clients per annum.

During the year we have developed a business scorecard for Transform which is used as the structure for this year's VfM self-assessment.

## Challenges

Meeting more challenging client needs with the lower funding demonstrates **increased value for money**.

## Business outcomes

### Merger savings

**£1 million savings** on operating costs to be delivered over five years. The savings due in year one of £50,000 was delivered and the remainder is on schedule to be achieved.

### Development

We provided **new accommodation for 19 people** – a 3% annual increase.

## Client outcomes

**Every £1** we spend supporting clients generates **£6 of social value**.

- **96%** of clients were **satisfied with the service we provide** (2016: 97.4%)
- **87%** of clients feeling **better able to manage their mental and emotional wellbeing** (2016: 91%).

### Move-on

Of the clients who moved on, **74% were in a planned way**.

**Value for money gains:** In year gain of £230,000 (3.4% of annual operating cost).

**Return on assets:** 4.2% on the housing assets.

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## About Transform Housing & Support

Transform is both a registered charity and a housing association. We provide specialist accommodation and support for those at risk of homelessness. Since the merger with another leading supported housing provider, Cherchefelle Housing Association in October 2016, our services have expanded to include homecare, provided through [Transform Homecare](#).

Transform provides homes for some of the most socially excluded groups in our local communities. Well over 50% of the people in our supported housing experience problems with their mental health; many have a history of offending or issues with drug and alcohol abuse, while others are homeless or at risk of homelessness. A large number of the young people supported by Transform (some just 16 years old) come to us after very difficult and traumatic childhoods.

By offering these people a roof and personal support, we help them turn their lives around. Once they can build on a stable base, they are in a better position to gain access to training, education and employment, and to lead a healthier, happier life.

Our homecare services, meanwhile, help people to live as independently as they possibly can, so that they can remain in the comfort of their own homes rather than going into residential care.

We currently provide these services in Surrey and the surrounding areas – from Wokingham in Berkshire, Crawley in West Sussex and the London Boroughs of Richmond and Sutton. We are looking to expand our care operations over the coming years, helping more and more people.

## Our strategy is underpinned by value for money

**Our purpose** is to help people to live independent and fulfilling lives.

**Our headline strategic objective** is to be the leading provider of supported housing and homecare in Surrey and surrounding areas, helping more and more people to lead independent and fulfilling lives.

### Our 2016/17 business plan is linked to our VfM priorities:

Strategic objectives	Value for money priorities
<b>Impact:</b> continually strive for better outcomes for clients	<ul style="list-style-type: none"> <li>Achieving tangible outcomes for our clients and improve satisfaction levels</li> <li>Deliver on promises to our clients</li> <li>Maintain our properties in line with the Decent Homes Standard</li> <li>Improve service delivery leveraging on information technology capabilities</li> </ul>
<b>Sustainable growth:</b> help more people year on year	<ul style="list-style-type: none"> <li>Reinvest surpluses in new properties</li> <li>Acquire and develop new housing stock</li> <li>Widen our service delivery through merger</li> <li>Help more and more people each year</li> <li>Work closely with commissioners to maintain and attract further funding to support our service offerings</li> </ul>
<b>Financial viability:</b> broaden our funding base across the public sector, other institutions and individuals	<ul style="list-style-type: none"> <li>Generate adequate surplus and cash to meet all the financial commitments in the short and medium term</li> <li>Expand new funding streams to offset any cuts in the local authority funding for the support we provide</li> <li>Continually striving to contain our operating costs within the ever shrinking funding envelopes</li> <li>Adopt a risk based management approach while tendering for new work – avoiding undue risk and protecting our asset base</li> </ul>
<b>Value for money:</b> drive efficiency and improve service quality	<ul style="list-style-type: none"> <li>Achieve the target business KPIs</li> <li>Meet clients' needs resulting in optimum client satisfaction</li> <li>Achieve continuous improvement in service delivery and the cost of the service</li> <li>Demonstrate the value of services through outcome monitoring and social impact assessment</li> </ul>
<b>Innovation:</b> introduce new, cost-effective services that complement existing activities	<ul style="list-style-type: none"> <li>Explore service innovation</li> <li>Improve collaborative working with multiple agencies, for example with health or education initiatives</li> <li>Collaborate with housing departments on homelessness initiatives</li> </ul>

Since the merger the enlarged Board, Executive and Senior Management teams have reviewed our organisational strategy and purpose for the enlarged organisation, and we consulted on this with all our staff in our staff conference in April 2017.

Our performance against these objectives and priorities are regularly reviewed by our Executive Team, Senior Management team and the Board.

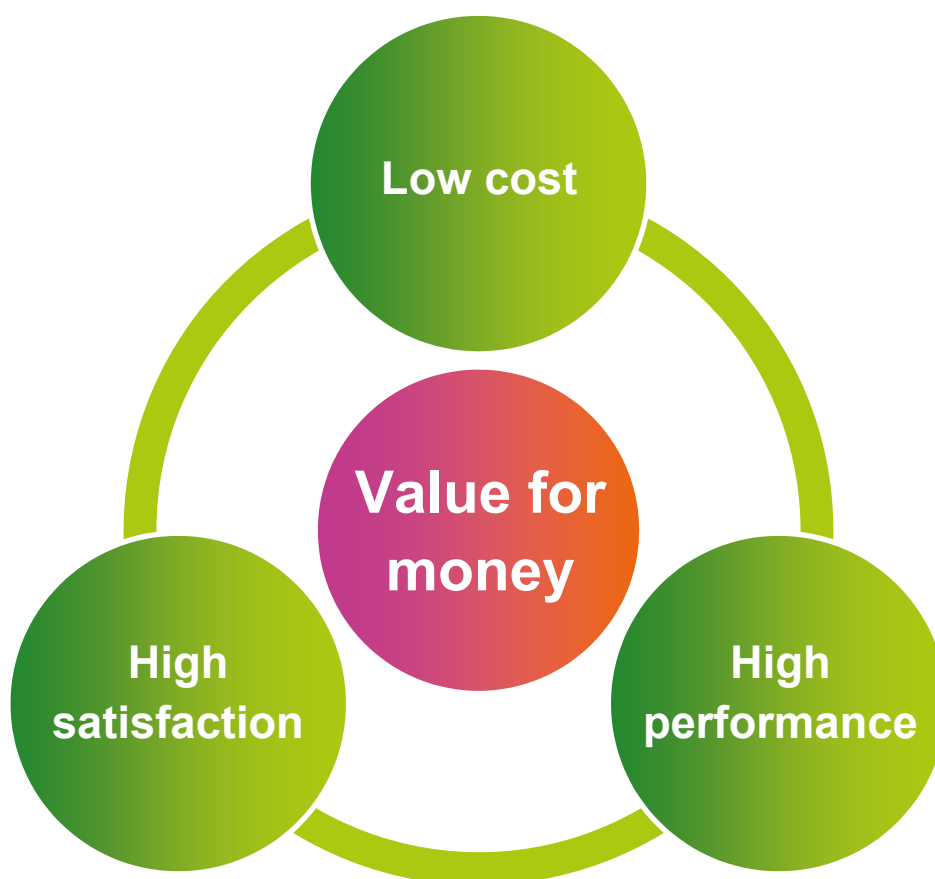
Our strategic approach ensures that value for money is fully embedded across the organisation and strategic objectives cascade from the Board and the Executive team to the frontline staff through service plans, team plans and staff appraisal objectives. We are keen to ensure that each member of staff fully understands their role in delivering value for money and how their contribution supports the overall business performance. Transform's value for money strategy provides a good link between other strategies, e.g. asset management, financial management, human resources, fundraising and growth plans, and runs as a common thread across the organisation.

### Our value for money strategy

Value for money is a long standing concept and is referred to as the relationship between economy, efficiency and effectiveness (known as the three 'E's').

Our approach to value for money is as follows:

- improving performance and outcomes
- increasing client satisfaction
- managing down the cost of our services



Value for money is sometimes wrongly interpreted to be the cheapest option. This will only achieve economy and may not meet the efficiency or effectiveness requirements. It is important to take a balanced approach to value for money to give the very best to the people we support.

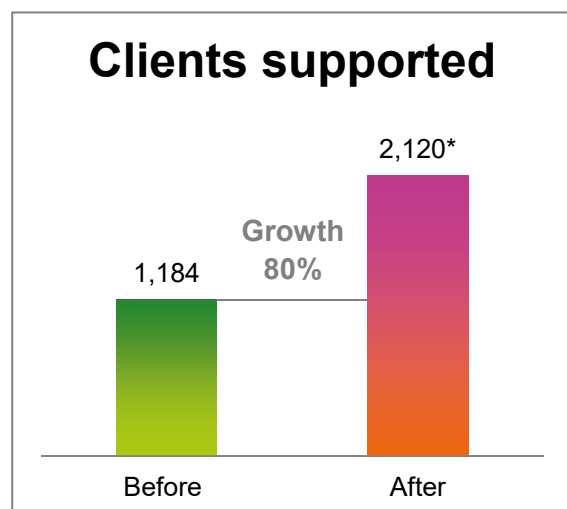
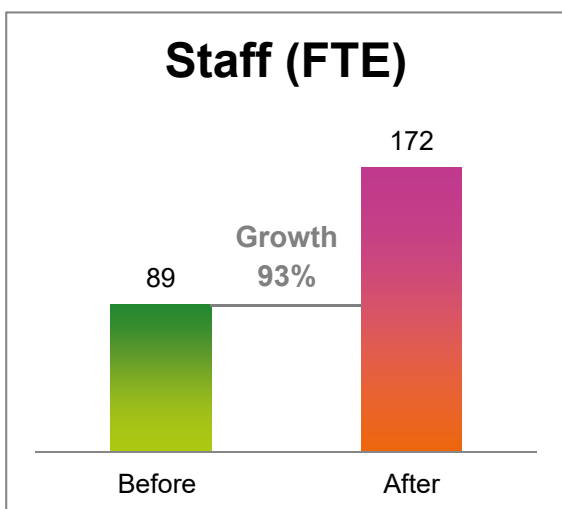
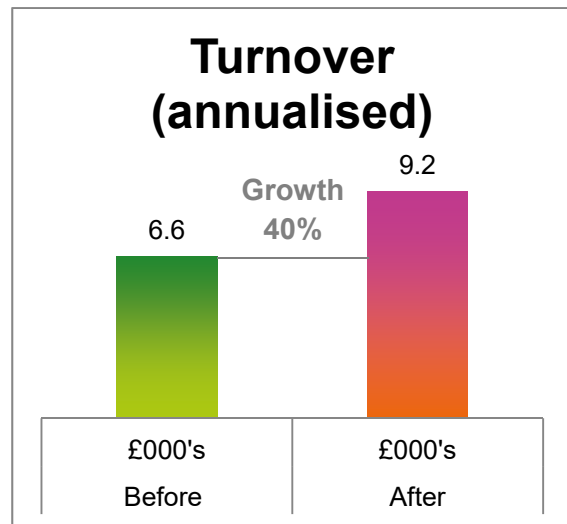
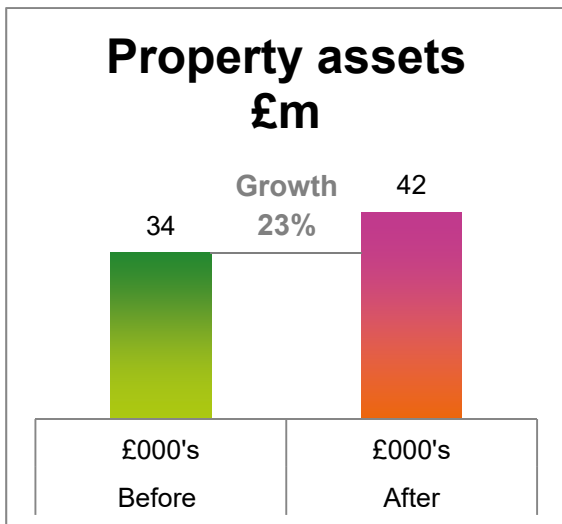
# Merger strategy

The Boards of Transform and Cherchefelle realised the synergy between both organisations and agreed a formal amalgamation of businesses, making this merger the key priority for the year 2016/17. The merger was approved by the two organisations' Boards in May 2016 and the full merger was completed at the end of October 2016.

In the pre-merger due diligence review and in our business case to the HCA, we promised the following:

- savings in operating costs
- improved surplus strengthening the enlarged organisational financial viability
- increased development capacity delivering more housing units

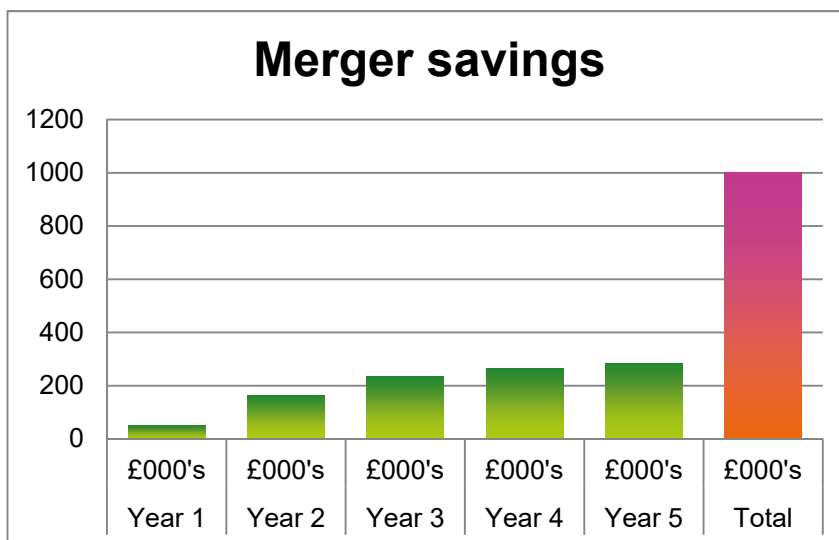
The following graphs demonstrate the impact of the merger and added value generated through this process, together with other significant growth in the past year.



\*Estimated number on an annual basis.

As an enlarged organisation our promise is to deliver £1million cumulative savings in operating costs over the five year period as shown on the right.

We have delivered the year one savings in the first six months of operation and have budgeted to deliver the second year's savings.



## Post-merger integration

The Board took a conscious decision on absorbing Cherchefelle's staff and systems, on the basis of 'transition first and transform later'. This fitted with the values and culture of both organisations and ensured that we have been able to maintain a consistent and high quality service delivery to all our clients. Some systems (e.g. finance, maintenance and HR) have been running in parallel and will continue for a certain period of time to ensure a smooth transition for our staff and clients. Though this has meant a delayed realisation of cost savings, it has proven to be very effective in getting things right first time whilst maintaining staff productivity and morale.

## External environment

A cocktail of financial challenges have emerged over the past couple of years which means that the need to offer value for money is vital to future sustainability. These challenges include the government's requirement to reduce social rents for supported housing by 1% for three years from April 2017 and also the proposed cap on rent up to local housing allowances. The suggestions of the government's plans on top-up funding for supported housing, the continuing austerity plan and the local authority cuts for housing related support funding will also have an impact. Our income stream will be continually eroded and we anticipate significant cuts from Surrey in 2017/18 including some recommissioning of services.

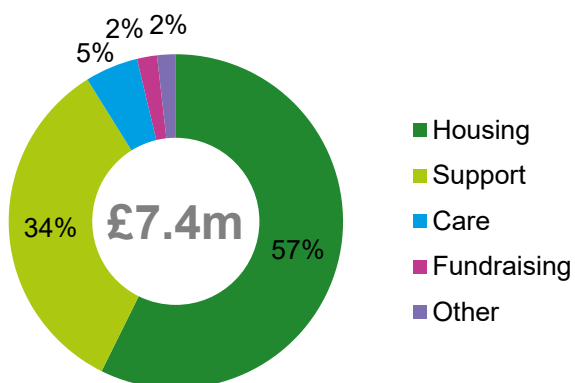
It is important for Transform not only to operate as effectively and efficiently as possible, but to demonstrate that our services offer value for money to our clients, to commissioners and to the tax payer. We need to demonstrate that our services support people from welfare into training, education and work or assist people in retaining their independence. We need to demonstrate that, by offering housing and support to people at risk of homelessness, those experiencing mental health issues and a raft of other problems, we are actually saving significant sums of money. These savings will be to the welfare benefit bill, the health service and the prison service. For those older people who receive our homecare service, there is a reduction in the chances of expensive hospital admissions and we simultaneously assist them to maintain their independence and dignity.



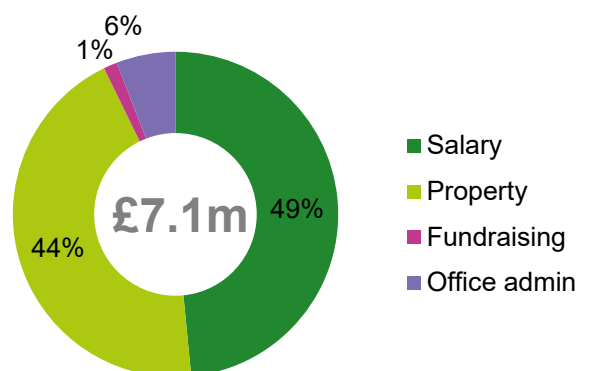
## Financial performance

Transform's financial summary for the year to 31 March 2017 is shown below. This includes Transform's pre-merger results to 31 October 2016 and the post-merger (five months) results for the enlarged organisation. The statement of comprehensive income shows the surplus of £321k before recognising the one-off gift worth around £4 million arising from the merger, where Cherchefelle transferred its assets and liabilities at the merger date. This has strengthened Transform's financial viability and the reserves position.

### Income 2016/17



### Expenditure 2016/17



As shown above we spend 49% of our income on staff costs, predominantly in frontline staff to ensure that our clients are served well. We also spend a further 44% of our income in maintaining our properties so that we provide high quality and safe accommodation for our clients.

# Business scorecard

The latest thinking within the sector is to create a sector business scorecard focussing on five areas; business health, operating efficiencies, outcomes, asset management, and development capacity. This is being encouraged by the HCA. We have developed a business scorecard for Transform focussing on the key measures that ensures the delivery of our business objectives.

Business score card	RAG	Mar-17	Mar-16	Benchmarking					Trend	
				Target/ budget	A	B	C	D		
<b>Business health<sup>1</sup></b>										
1 Operating margin (overall)	●	9%	13%	9%		2%	7%	8%		
2 Operating margin (by activity)										
Housing	●	25%	25%	24%	27%					
Support	●	(15%)	(12%)	(14%)						
Care	●	(39%)		(15%)						
Fundraising	●	33%	65%	20%						
3 Interest cover ratio (EBITDA MRI)	●	3.0	3.3	3	4.9					
4 Units managed	●	827	616			2,200	2,284	1,710		
5 Debt per unit (£000's)	●	12.2	12.8		2.3					
6 Reserve per unit (£000's)	●	23.7	24.8		15.4					
<b>Operating efficiencies<sup>2</sup></b>										
7 Headline social housing weekly cost per unit	●	£181	£181	£184	£269	£212	£484	£383		
8 Housing management cost per unit per week	●	£12	£14	£12	£21	£24	£30	£29		
9 Maintenance cost per unit per week	●	£15	£12	£15	£19	£31	£9	£33		
<b>Outcomes delivered</b>										
10 Number of clients helped <sup>3</sup>	●	2,157	1,177							
11 Increase in client numbers	●	83%	13%	10%						
12 Planned move-ons <sup>3</sup>	●	74%	74%	75%						
13 Client satisfaction <sup>4</sup> : Quality of housing	●	93%	96%	90%						
Quality of support	●	98%	99%	90%						
Quality of care	●	95%	95%	90%						
<b>Efficient asset management<sup>5</sup></b>										
14 Investment in properties % of turnover	●	16%	49%							
15 Investment in properties % of surplus	●	368%	584%							
16 Return on capital employed (ROCE)	●	4.2%	5.2%	5%						
17 Occupancy	●	91%	91%	93%						
18 Planned maintenance %	●	63%	59%							
<b>Development capacity<sup>6</sup></b>										
19 Units developed	●	22	25							
20 Units developed as % units managed	●	3%	4%							
21 Gearing %	●	32%	29%		50%					



## Benchmark – cost efficiencies

### Internal benchmarking

As shown in the business scorecard, our overall social housing cost per unit per week of £181 is similar to that of the previous year and the costs are being managed effectively.

### External Benchmarking

Due to commercial sensitivity, the benchmark details for supported housing are difficult to obtain. Although we have joined the benchmarking group for housing related support providers organised by the National Housing Federation, there is further work required before any tangible benefits can be obtained. In addition, the larger benchmarking groups like Housemark do not provide any comparative analysis for supported housing providers.

We have therefore used publicly available information from the HCA's data on their cost regression analysis, to calculate comparable unit costs of selected supported housing providers as our benchmarking group. Most of the supported housing providers in this group were much larger than Transform and therefore we had difficulty in selecting a suitable provider. However, we use the following to compare our operating costs:

- A. The HCA's global accounts 2016 for supported housing
- B. Advance Housing & Support
- C. St Mungo's Community Housing Association
- D. Salvation Army Housing Association

Social housing  
cost per unit

£181 per week

Our cost benchmarking review shows that our overall cost per unit of £181 per week is lower than the sector average for supported housing (£269 per week) and the three specific targeted comparable supported housing providers. Therefore we can conclude that our costs are very competitive and provide good value for money.

The section on the business health shows that, following the merger, our unit numbers increased to 827 and the operating margin reduced to 9% but was similar to our budget expectation and is competitive when compared with our target benchmarking group. The breakdown of operating margins by activities shows that the care activity with funding shortfalls dilutes the overall operating margins. However this doesn't have any significant impact on the business viability. The six measures collectively represent improved financial viability.

The outcomes sections show the outcomes delivered exceed our service delivery targets and the value for money of our delivery.

## Return on assets

The asset management measures, as shown in the business scorecard, show the effectiveness of our asset management policies during the year. Our Value for Money strategy considers our properties as key assets of the business and ensures that we generate effective return on our property investments.

A typical property investor will only invest in properties with an expectation of a reasonable return and an appreciation in property values over time. Transform's rate of return from properties is calculated using the operating surplus from the housing activities before interest costs. This is equivalent to £1.043million on an average net property investment of £24.7million representing an average return of 4.2% (2015/16: 5.2%).

In accordance with our accounting requirement the former Cherchefelle properties were transferred to Transform based on a Savills valuation (EUV-SH basis) resulting in a much higher cost basis than has historically been the case. This has subsequently had the effect of diluting the return on our assets.

We also analyse the return on properties in detail to identify the specific properties with lower returns for further investigation and potentially an options appraisal. In the options appraisal we also include other non-financial factors such as meeting the clients' needs and the social value the property generates.



Return on  
assets  
4.2%

## Development capacity

The development capacity measures show our development capacity and the number of units developed during the year. Our business plan assumes that we will be able to deliver a further 121 units (15% increase) in the next five years and includes the additional 43 units enabled by the merger. Our latest development plans show that we are ahead of these expectations.

# Social value

The care, support and housing services provided by Transform have an impact on two levels; the **benefits to the individual** we are supporting and **benefits to society** as a whole. These combined benefits are referred to as the social value of our work. This social value is created through:

## Our properties

We provide safe and secure homes for our clients, where they can gain stability in their lives.

## Support and advice

The support and advice provided by our staff enhances the independence and quality of life for the people we support.

## Community activities

Participation in training, education and volunteering improves the well-being and life chances of our clients.

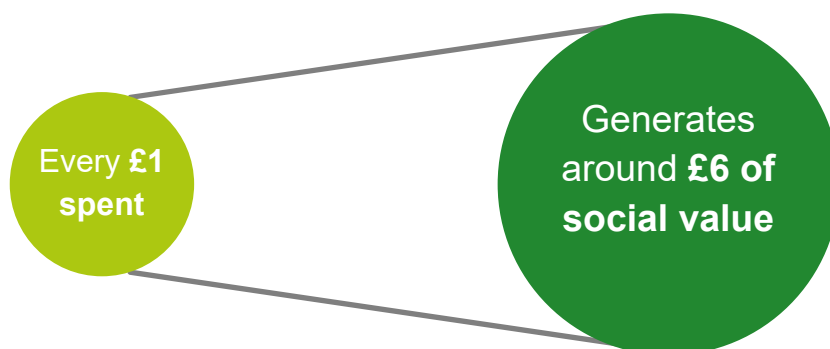
We use the social value process to maximise the impact of our support activities to achieve the best possible social, environmental and economic outcomes. Social value is measured by what we do, and ensures that we squeeze the maximum value from every pound that we invest in our services. This enables us to make informed and evidence-based investment decisions. By measuring the outcomes that are important to our clients and external stakeholders, we ensure that the desired outcomes are delivered.

The social value measurement includes two key questions – has our ‘intervention’ caused a change in outcomes and what is the value of the change?

We use two different models to determine the value of the change (social value):

1. HACT wellbeing valuation model – to determine the **impact for the client**
2. Capgemini benefits realisation tool – to determine the **impact for the society** (e.g. savings to the public purse).

Our studies show that on most of our services:



## Well-being gains

Our client satisfaction survey showed that, on average, **91% of clients had noted an improvement in their well-being** (i.e. how they manage their physical / emotional / mental health) as a result of the support provided by Transform. These results demonstrate the social value that we generate for our clients helping them to improve their lives.



## Andy's story

Andy's path to addiction started with alcohol at the age of 13 before moving to cannabis, escalating to include ecstasy and then finally heroin and crack cocaine. His addiction impacted on all aspects of his life; he lost his job, his relationship with his partner broke down and his physical and mental health suffered badly. Without work, Andy started to offend to pay for drugs, leading to probation and finally prison. The impact of his addiction on his mental health was severe, resulting in admissions to psychiatric hospital. Andy repeatedly tried to tackle his dependency by attending drug and alcohol treatment programmes, but always found himself relapsing.

Eventually, to try and break the cycle of his addiction once and for all, in 2003 at the age of 37 Andy moved from Surrey to Sheffield and completed an intensive 14 month residential treatment programme at Phoenix House. A few months after completing the programme, however, he started drinking alcohol again and, shortly after this, was back to using drugs. "The more I drank, the more it fell apart. When I was drinking and taking drugs I felt like my depression and anxiety was going away but actually it was getting worse." Andy lived in Sheffield for 12 chaotic years, until in 2015 he reached rock bottom; "I looked in the mirror and saw something – somebody who looked very ill. I saw a broken face in the mirror". Realising something had to change; Andy moved back to Surrey and stayed with his mum briefly before moving to one of Transform's dry and drug free houses in March 2016.

Andy has now been living with Transform for over 16 months and has been entirely abstinent from alcohol and drugs for this entire time. It has been a challenging time, but Andy has worked tremendously hard to make a success of his recovery. He has used the group meetings at Transform as well as the one-to-one meetings to help him build a new life free from addiction. With the support of his Transform keyworker, Andy has developed key skills such as budgeting, organising and planning his time and improving his communication skills. Crucial to his progress has been learning to feel comfortable both around others and also with himself. Andy attends AA meetings four times a week and has worked through the 12 steps with his sponsor to better understand his past addiction.

Having focussed so much effort on getting well, Andy is starting to feel ready to look to the future: "My outlook has changed about myself. I realise that my life is starting again". Andy has applied to be a volunteer to meet and support people as they come out of prison. He has successfully completed the relevant training and is hoping to start volunteering soon. He also regularly volunteers with the Salvation Army and at one of The Children's Trust charity shops. For Andy, though, a strong recovery requires a stable foundation and Transform has helped to provide him with this: "Transform has given me a building platform to work on – an opportunity to get my life back. It has opened my eyes to all the possibilities that life has to offer living drug free".

## Social value case study

To provide an example of the benefits realised by our work, we have assessed the social value of our services for one client, Andy, who has been living in Transform's dry and drug-free accommodation for over 16 months. We considered Andy's story and the journey he has been on since moving to Transform. We then used social value tools to measure the impact of the support provided by Transform and to place a financial value on the outcomes achieved. We used two established social value tools:

### HACT wellbeing valuation

This was used to calculate the wellbeing benefits to Andy of the housing and support provided by Transform. We have used the standard values provided by HACT to place a financial value on the improvements. These values represent the amount of extra income a person would need in order to increase their well-being by the same amount as the support provided.

### Capgemini benefits realisation tool

We used this to ascertain the financial savings to the public purse as a direct result of the support provided by Transform.

By combining the two, we are able to determine the overall social value of the support provided by Transform. We are then in a position to compare the social value to the cost to Transform of providing housing and support to Andy to calculate the cost / benefit ratio.

For more information on our methodology, please see the appendix on page 23.

## Improvements in Andy's well-being

With the support of Transform, Andy has achieved the following improvements in his life:

### Mental health

Andy suffered from depression and anxiety whilst in addiction leading to stays in a psychiatric hospital. These mental health problems have improved considerably since being in recovery and, although they have not gone entirely, through the support he has received Andy is much better equipped to cope with them when they do arise.

### Physical health

Andy has worked hard to improve his physical health. He exercises regularly and particularly enjoys cycling. Not only does this help his physical health but also provides him with a chance to relax and unwind from the day-to-day challenges of life.

### Relationships

Since being in recovery Andy feels strongly that his relationship with his mother has improved dramatically: "Things are really, really good. We've got something that we never had before". More generally, Andy now has a real sense of belonging both in his home with Transform and in Reigate.

### Finances

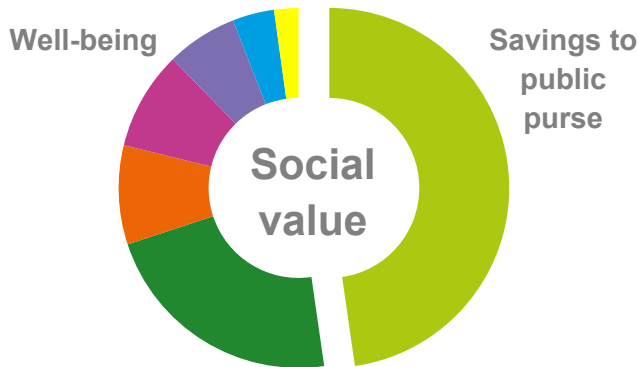
In addiction, Andy was offending to buy drugs. Now in recovery, Andy takes responsibility for managing his finances. He saves regularly and now feels like he is in control of his money.

## Employment

Having volunteered at local charity shops for much of his recovery, Andy is now looking to take on the new challenge of supporting people as they leave prison. He is cautious to avoid projecting too far into the future, however, focussing rather on his present recovery and on his commitment to “give something back”.

By supporting Andy to make long term, positive changes to his life, we have generated social value that will benefit Andy, and society as a whole, for years to come.

## Quantifying social value

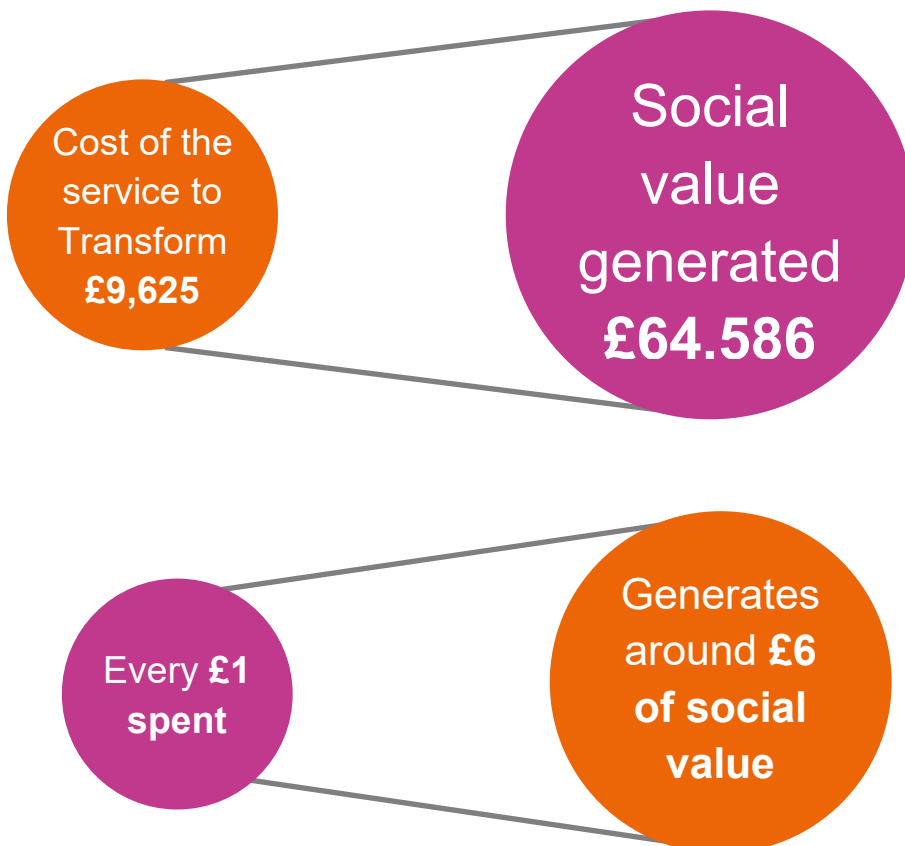


### Social value calculator

■ Social value to society*	£30,819	<b>Well-being value to Andy</b>
■ Relief from depression and anxiety	£14,345	
■ Feeling in control of life	£5,743	
■ Relief from drug / alcohol problems	£5,721	
■ Managing finances and able to save	£4,120	
■ Feel belonging to neighbourhood	£2,432	
■ Regular volunteering	£1,407	
<b>Total well-being value to Andy</b>	<b>£33,767</b>	

\*Social value to society is the savings for public services in:

- Alcohol and drug care and treatment
- Emergency hospital treatment
- Local authority housing support
- Policing
- Psychiatric care and treatment



# Our activities

## Housing activities

We manage 827 housing units and are able to deliver a high-quality housing management service, recognising that safe, secure housing is of paramount importance to our clients. We maintain our properties to a high standard and receive very positive feedback from our clients. Our survey shows that 93%<sup>7</sup> of our clients are either satisfied or very satisfied with the accommodation that we provide.

Transform ensures the rent we charge our clients is carefully set so that it is affordable, allowable within the housing benefits limits, does not create financial hardship for our clients and is not a disincentive to work. A majority (around 90%) of our rented accommodation is at or below 'target rent' as defined under the previous rent restructuring regime, and is around 55% of the market rent. The rents charged by most of our competitors are higher than our comparable rental and we are able to provide good value for money for the rent that we charge.

## Support activities

The support we offer to our clients is at the heart of what we do, helping people to turn their lives around and achieve independence. The support activity represents 34% of our turnover but has been reducing as a proportion of our total turnover for a number of years, due to housing-related support budget cuts from the local authority partners.

Budgets are under strain due to constraints on local authority funding and we continue to demonstrate the value of what we do through inspiring case studies (such as Andy's). We also demonstrate how what we do delivers savings across government departments by preventing the need for more acute intervention.

## Homecare activities

This is a new activity that we inherited through the merger and we now provide homecare services to around 130 service users, which includes supported living to around 30 clients with a disability. These services help to give quality care at home to ensure that our clients can remain in their own homes and retain their independence and dignity. Where required, Transform staff also provide assistance with activities to give a varied programme for our clients. The care activity represents 12% of our combined turnover since the point of merger.

The underfunding of the care activities has been the subject of very high profile publicity, such as the BBC programme Panorama which highlighted the care system in crisis, due to underfunding, with difficulties in recruiting and retaining care staff and great pressure arising from the living wage. Even the House of Commons select committee has been critical of the monopsony power of local government in artificially depressing the market pricing and thus distorting the proper working of the market. The government has now recognised these pressures and has, for 2017/18, increased the funding for local authorities and allowed them to increase Council Tax by up to 4.99%, both measures to assist with social care demand pressures. The financing and sustainability of our homecare service in the future is dependent on local government being fair in the funding of such services.

## Outcomes delivered

During the year 2016-17 we have helped 2,020 clients improve their quality of life and achieve their desired outcomes. Of these clients 74% of them moved on from our services positively after receiving our support; this is one of the key measures of our success<sup>8</sup>.

We also ascertained the following:

- The extent to which our support helped clients in coping with issues such as mental health problems, drug or alcohol issues, managing their money etc.
- How satisfied the client was with the care, support and accommodation provided.
- Ways in which we could improve in the future.

These are assessed in five ways:

1. Client Satisfaction Survey
2. Long Term Outcome Monitoring
3. Exit Questionnaire
4. Care Outcome Monitoring
5. Maintenance and repairs feedback

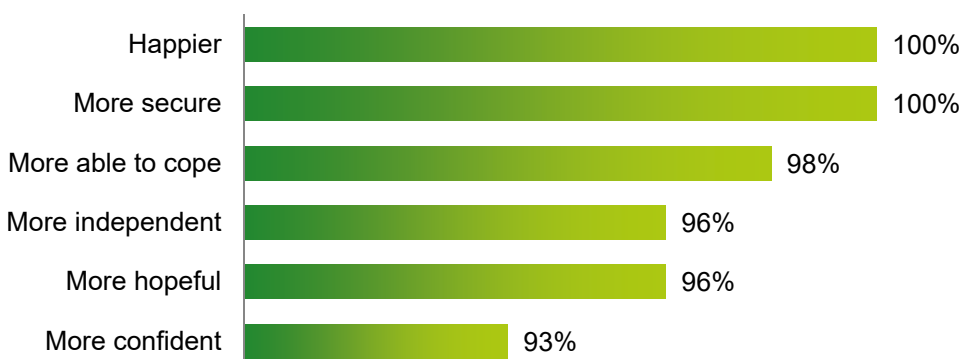
### Client Satisfaction Survey

Every year clients are invited to complete a Client Satisfaction Survey. The survey provides clients with the opportunity to let us know how satisfied they are with the accommodation and support we provide. They are also asked to assess how the support they have received from Transform has benefitted their general well-being. Results from the survey completed in June 2017 show that<sup>9</sup>:

- 98% of clients were either satisfied or very satisfied with the support they received.
- 93% of clients were either satisfied or very satisfied with their accommodation.
- 97% of clients felt happier since receiving support from Transform.
- 91% of clients felt their ability to manage their money had improved.
- 94% of clients felt their ability to use daily living skills had improved.

### Exit Questionnaire

This is carried out when clients leave our service. By comparing their position at that point with their original position before receiving support from Transform we can assess the progress the client has made whilst with Transform. The graph below shows the beneficial impact of Transform's support services on the lives of our clients<sup>10</sup> and the progress they have made since receiving our support.



## Long Term Outcome Monitoring

The Long Term Outcome Monitoring Survey is carried out annually and aims to assess the long term impact of the accommodation and support provided by Transform by asking ex-clients a series of questions after they have left Transform for approximately one year<sup>11</sup>.

The results of the Long Term Outcome Monitoring Survey completed in November 2016 showed:

- 92% of the skills and abilities developed by ex-clients through the support provided by Transform had been successfully maintained once they had moved on.
- Since leaving Transform 69% of clients had undertaken employment, education, voluntary work or undertaken community activities.
- 50% were in paid employment.
- 100% felt that Transform had helped them structure their time more effectively.

## Care Outcome Monitoring

This annual survey was last carried out in June 2016 for the care clients. It showed that the majority of the clients have an up-to-date care plan that they have been involved in developing. In addition 95% of the clients felt their care plan will deliver their expectations. The overall care ratings show that 37% of the clients rated our care service as outstanding and a further 61% rated as good and require no further modifications<sup>12</sup>.

We are very proud that we continue to demonstrate such positive outcomes and client satisfaction against the backdrop of reduced funding.

## Maintenance and repairs feedback

Transform takes pride in providing a quick, efficient repairs service to our clients.

Our responsiveness is increased by employing our own in-house maintenance operatives who are able to complete urgent repairs as they occur.

We seek regular feedback from both our clients and staff on the effectiveness of our maintenance service.

Results for 2016/17 show<sup>13</sup>:

- 98% said repairs had been completed satisfactorily
- 100% said the contractor was polite
- 13% were satisfied or very satisfied with the repairs and maintenance service

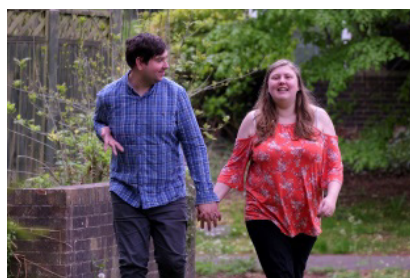
## Developing new homes

We aim to increase our housing stock year by year, enabling an increase in our accommodation capacity. During the year we have completed four schemes: Wallington (12 people), Walton (two people) Leatherhead (four people) and Egham (five people). We had two schemes that were completed in May 2017. One to support four people who are under 35 (in Englefield Green) and temporary accommodation (nine people) in Epsom. We have an ongoing development aspiration to build or acquire new properties to support more and more homeless and vulnerable people. The following show some typical developments during the year.



### Under 35s

We are working in partnership with Mole Valley District Council & Runnymede Borough Council to provide housing for single people under 35 experiencing benefit restrictions.



### Temporary accommodation

We are working with Epsom & Ewell Borough Council to provide accommodation on a long lease for us to support a further nine homeless families.



### Pear Tree Manor

Our new 'homes for life' development was completed in June 2016. This provides accommodation for 12 people with learning disabilities in Wallington.

# Value for money

## Gains

We have carried out a number of value for money initiatives over recent years. Some of these deliver tangible financial savings, while others generate increased social value (increased well-being and client satisfaction) which can be difficult to quantify.

We have achieved value for money gains during the year to March 2017 of £230k; representing 3.4% of the annual operating cost of £6.8 million (excluding the value of the gift of assets of £4 million from Cherchefelle). These gains are not one-off; they will continue into future years and are in addition to the recurring savings from previous years. It should be noted that these values do not take into account the increases in social value through higher client well-being and client satisfaction levels.



## Achievements

We are able to demonstrate the following value for money achievements over the course of the year, including achieving some of the expectations from last year.

**Merger achieved:** Our merger with Cherchefelle Housing Association was concluded on 31 October 2016. Cherchefelle gifted their assets with a net value of £4 million to Transform and this has been shown as an exceptional gain in our accounts.

**New loan facility:** During the merger process we refinanced the loan facility Cherchefelle had with Barclays, and simultaneously arranged a further £4 million short-term facility maturing in December 2019. This provides us with further funding capacity to meet the development aspirations to expand our housing portfolio.

**Information technology:** We have now moved our corporate data into a data centre with a cloud provider. This improves our data security and enables our frontline staff to work remotely and thereby increase their operational efficiency.

**Service quality:** We aim to continually improve service delivery. We have continued to work alongside clients through our Client Forum to help improve our policies and procedures. We have also continued to focus attention on our training modules, which are in-depth tools to help clients develop their skills in areas such as budgeting, writing a CV or problem solving. In the past year we have produced a new alcohol training module and, through a grant from the Surrey Police and Crime Commissioner, we have been able to have this new module professionally printed, and making this available to all clients.

**Support funding cuts:** We have realised the cost saving required by Surrey County Council over the past year. This was delivered by decreasing staff time / costs and through the closure of just one service and through efficiencies

**Diversification:** We have diversified into new activities through the merger into sheltered housing, homecare and supported living services, which complement our core purpose. We have also

expanded into support of homeless people in temporary accommodation and for those people who are under 35. These new activities are seeing a growth in funding whilst many other areas are experiencing a decline in funding.

**Delivery of new housing:** We have delivered four new housing properties which came into operation during the year, increasing the housing capacity by 19 units.

**Partnership:** During the year we have been invited to assist Spelthorne Borough Council with the operation of a property used for temporary accommodation that they acquired with families in situ. This service was picked up very quickly, demonstrating our flexibility and quick response, whilst also meeting our purpose to help more and more people.

## Future value for money initiatives

**Increasing our fundraising activity:** We have now restructured the fundraising team and have developed a new fundraising strategy that was approved by the Board in March 2017. This will support growth and innovation and is tightly aligned with need. We anticipate seeing significant growth in fundraising over the next three to four years.

**Post-merger reviews:** we are committed to the merger savings of £1million over five years. We anticipate finding further savings as we review the systems and processes through our integration process and the further efficiencies that this brings about.

**Homecare review:** since the merger we have invested in the branding for Transform's homecare service, including a new website and uniforms. We expect to capitalise on this with growth in activities in the coming year giving improved value for money and sustainability. We are also focussed on securing funding that enables us to pay fair wages that will attract people to work for Transform Homecare.

**Asset management review:** As a result of the merger with Cherchefelle, we are reviewing the property assets to seek out the options for housing investment and to build a programme of housing development across the next four years.

## Value for money target

We expect our operating costs for 2017/18 to be £8.9million and working on a target VfM gain of £300k, representing 3.3% of the annual operating costs.



VfM target  
£300k

# Social value methodology and references

## Social value case study: Methodology

**Well-being value:** Figures used for well-being value are those provided in the HACT document: Measuring the Social Impact of Community Investment, March 2014. This document can be accessed at: [www.hact.org.uk/measuring-social-impact-community-investment-guide-using-wellbeing-valuation-approach](http://www.hact.org.uk/measuring-social-impact-community-investment-guide-using-wellbeing-valuation-approach)

**Deadweight:** We have used a 'deadweight' figure to reduce the well-being value by a set amount to allow for what would have happened for Andy anyway, even without Transform intervention. The deadweight values used are those provided by HACT in their value calculator and vary from 19% to 27%. The HACT Value Calculator can be accessed at: <http://www.hact.org.uk/value-calculator>

**Value attributable to Transform:** The well-being benefits realised by Andy have been achieved through Transform working in partnership with other agencies such as health services and local drug and alcohol support agencies. To allow for this, the well-being values have been reduced to account for the benefits which are not attributable to Transform. For more details on attribution please see the Cabinet Office document: A guide to social return on investment, April 2009. This can be accessed at: [www.bond.org.uk/data/files/Cabinet\\_office\\_A\\_guide\\_to\\_Social\\_Return\\_on\\_Investment.pdf](http://www.bond.org.uk/data/files/Cabinet_office_A_guide_to_Social_Return_on_Investment.pdf)

**Social value:** Figures used for social value to society have been obtained by using the Capgemini benefits realisation tool. For details please see the document: CLG Supporting People financial benefits model documentation and user guide, July 2009. This can be accessed at: [www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/8273/1275115.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/8273/1275115.pdf)

**Cost:** Crucial to the progress achieved by Andy was a combination of safe, secure housing and regular support. To ensure we include all costs, we have therefore included both the support and the accommodation costs provided by Transform to Andy when calculating the cost / benefit ratio.

## References

To be finalised

- 1 Transform Management Accounts 2014-2017
- 2 Transform Global Accounts 2014-2017
- 3 Transform KPI's 2014-2017
- 4 Client Satisfaction Survey data 2014-2017 / Quality of Care Survey data 2014-2017
- 5 Transform Management Accounts 2014-2017
- 6 Transform Management Accounts 2014-2017
- 7 Client Satisfaction Survey data June 2017 (based on a survey of 334 clients)
- 8 Transform KPI's, 2016-17
- 9 Client Satisfaction Survey data, June 2017
- 10 Exit Questionnaire, 2016-17 (based on a survey of 56 clients)
- 11 Long Term Outcome Monitoring Survey, November 2016 (based on a survey of 26 former clients who had left Transform on average for 9.5 months prior to the survey taking place)
- 12 Care Outcome Monitoring Survey, June 2016
- 13 Maintenance and Repairs Feedback 2016-17 / Client Satisfaction Survey data, June 2017

**This value for money self-assessment statement, covering the year to 31 March 2017, was approved by the Board of Trustees of Transform Housing & Support on 1 August 2017.**

**Registered office**  
Bradmere House, Brook Way,  
Leatherhead, Surrey, KT22 7NA

[www.transformhousing.org.uk](http://www.transformhousing.org.uk)

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