



CHS GROUP
ANNUAL REPORT
2016-17



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Leonard Fordham, our tenant for 68 years is a direct link to our origins. His wife, Edna, lived with her parents in one of our properties at Green End Road, the first homes CHS built in 1927. On Leonard and Edna's marriage, they moved in together with her parents and two brothers, until her parents were allocated a council property. They brought up their children there and Leonard continued to live there after Edna's death in 1995.

Leonard was a locksmith, and worked on the clock at the original Langdon House before it was rebuilt in 2001. In 2016, Leonard moved to the new Langdon House. He has three children, six grandchildren and seven great-grandchildren with two more on the way.

Leonard featured on CHS's 2016 Christmas card.





CHS is all about people

CHS is all about people. We're about the 7,000 people living in our affordable homes and the 2,000 people who choose to rely on our care, support and community investment services. And we're about the CHS team of 400 people who spend time listening to customers to make sure we deliver the high quality services they want.

We work across Cambridgeshire; providing services that give people opportunities to achieve what they want and a better quality of life. Founded in 1927 our experience means we take both the long-term view and a fresh look at issues which cut across traditional boundaries. We take pride in our capacity to innovate, to work with partners, to provide value and create new opportunities and choices.

CHS – celebrating 90 years in 2017

Andrew Church, our Head of Community Investment, meeting Mrs Scott Pillow at Vera James House on the CHS 90 mile cycle ride to visit residents who are also celebrating 90 years in 2017.

CHS Group

We are a social enterprise and charitable housing association, helping people and communities to overcome challenges, take opportunities, and develop their ability to achieve their aspirations. We do this through running services, investing in buildings and other assets, developing partnerships, and supporting social capital.

We provide over 2,700 homes and community services to support over 9,000 people. With a turnover of £31m and assets with a net value of £211m we have a strong governing Board to set our direction and monitor our progress towards our goals.

Our Board is drawn from the local community and is supported by 4 key committees; Operations, Audit & Finance, New Business & Development and Human Resources. There are 2 further groups that strengthen our commitment to draw upon our tenants' skills and experience – the Customer Committee, which sets its own agenda and makes recommendations on service policies and standards, and a tenant led Scrutiny Panel which has the remit to review any part of our operation and make improvement recommendations to the main Board. Committee Terms of Reference and their work over the year can be found on our website www.chsgroup.org.uk

CHS is required to meet the relevant standards published and regulated by the Homes and Communities Agency (HCA). CHS's Board is responsible for meeting the standards and being transparent and accountable for the delivery of our social housing objectives. These regulatory standards can be found on our website or ask us for a copy.

We are independent and believe we have value as a locally based and geographically focussed service provider. This value lies in:

- Being more accessible to our customers
- Delivering a wide range of appropriate and relevant services to meet local needs and aspirations

- Investing in people and communities
- Providing services which are distinct from other housing and support providers
- Having strong, local and up to date understanding of local needs and markets
- Having the capacity and knowledge to engage with stakeholders
- Being prepared to develop new services to tackle particular local problems

We have established a test to ensure that any successful partnership proposals improve our ability to meet our objectives.

We believe that all people and communities have the capacity to thrive, and that Cambridgeshire has special advantages to offer. We can make a significant contribution by listening to and working alongside customers and partners in an innovative, collaborative, and business-like way, achieving much more value, quality, and effectiveness than by working in isolation.

What we do

We offer low-cost rented and shared ownership homes; residential and domiciliary care for older people; support for young people, parents, people experiencing homelessness, or mental ill-health, or with learning disabilities; nurseries for babies and young children; money, debt, and employment advice; computer training and we run time banking groups in our local communities.

We also provide and manage property for other agencies, such as Mencap and Mind, to use in supporting their customers. Our subsidiary company, Cambridge and County Developments, develops affordable homes for CHS for shared ownership or for rent by social housing tenants, or for itself to sell on the open market. These market sales create profits for CHS to invest in meeting its charitable aims.

Our values

Respect – We see people as people and treat everyone with fairness, respect and dignity

Approach – We put as much emphasis on the way we do things, as on what we do

Partnership – We work hard to develop open communication and equal relationships with our customers, staff and partners which value their contributions and enable us to work together effectively

Openness – We are open, positive and flexible towards both new ideas and problems, and we encourage innovation and creativity that improves the outcomes from our services

Deliver – We do what we say we will do and hold ourselves accountable for our actions



Chair and Chief Executive's report

"We are very proud to be celebrating CHS's 90th anniversary in 2017"

CHS achieves 90 years

We are very proud to be celebrating CHS's 90th anniversary in 2017. Our rallying cry then: 'Homes fit to live, within the reach of the lowest wage earner', still applies today and we continue to strive to live up to our values. We have held a number of events to connect back to our origins, culminating in a celebration party for customers, staff and stakeholders in the summer. You can see more about these activities, together with a short video of the work we do, featuring our services, our customers and our staff, on our website www.chsgroup.org.uk.

Change and challenge

Yet again, the year has been one of change and challenge for the housing, care and support sectors, much as it has for the whole country, and our Board and Executive continue to be active in making sure that CHS is as effective as possible so that we can do as much and help as many people as we can through our services. As ever, CHS is playing a central role in tackling the housing crisis and supporting strong, vibrant communities across Cambridgeshire.

Housing has an essential role to play in everyone's lives and CHS continues to invest in building as many new homes as we possibly can. Everybody should have access to good quality housing which they can afford, and which meets their particular needs. But housing is not just about bricks and mortar. Quality of environment, community and availability of advice and support where needed are also key. We believe that CHS has a role to play across a whole range of activities, to help people to access appropriate housing and support and give them opportunities to achieve what they want and a better quality of life.

Cuts in welfare for those in work as well as those unable to work or unemployed are creating real difficulties for our residents. Of particular concern are:

- the four year freeze on working age benefits
- limiting Local Housing Allowance for single people under 35 to the shared accommodation rate
- the rolling out of Universal Credit as a single benefit payment made direct to tenants
- funding difficulties in both care and support services

These changes are affecting the most vulnerable in our society and we are working hard to support them to manage these difficulties wherever we can.

The impact of some aspects of the Housing and Planning Act 2016, including Voluntary Right to Buy, remains unclear and the absence of a long term Government solution to the funding for Supported Housing remains a significant threat to these services.

Despite these challenges, some major new opportunities are emerging - the new devolution deal for Cambridgeshire and Peterborough promises to give a significant boost in terms of affordable housing delivery.

Value for money

Even though we received no public funding to build new affordable homes, CHS contributed nearly £2m in tax and National Insurance to the public purse. Our Community Investment and Community Support services alone achieved almost £2.5m in social impact. Further details of how we have achieved value for money can be found on page 22. We continually re-assess and evaluate the effectiveness of our systems, procedures and controls, in order to maximise our efficiency and in response to our mistakes and to events in the wider housing world.

Best Companies

CHS enters this national staff survey every two years and was placed 14th in The Sunday Times '100 Best Not-for-Profit Organisations to Work For' list 2016. Our position has improved year on year, from being placed 75th in 2010 when we first started our Best Companies journey. The list is one of the largest workplace engagement surveys in the UK, and accreditation is seen as recognition for great work practices and employee care. CHS also achieved a '2 star status' in the Michelin-style rating system. 2 star accredited organisations are seen as 'outstanding'.



CHS is about creating better opportunities in life for our customers. We try to do this by providing high quality, good value services that we'd be happy for our families

and friends to use. None of this would be possible without our dedicated and motivated team of employees, 25% of whom have worked for us for more than ten years. Everyone here believes that the way a service is carried out is as important as the actual service itself and this is why the attitude and skills of the people we employ are so important. We are really pleased that our staff feel we are one of the top organisations to work for.

UKCSI

This year, CHS joined the UK Customer Services Institute. We took part in the UK's largest cross-sector customer benchmarking study with over 10,000 customers and 42,500 responses. We are pleased to report that our Net Promoter Score, the percentage of respondents scoring 9/10 on likelihood to recommend minus the percentage of respondents scoring 0-6 on likelihood to recommend, was 42% against an all sector average of just 14%. We are preparing an action plan to improve some other aspects of our performance in future.

Governance and viability

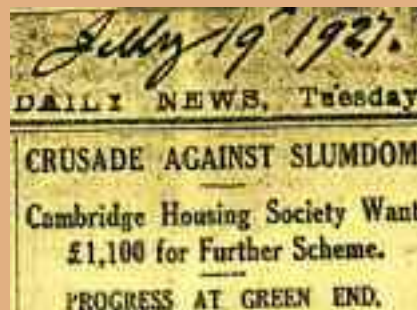
CHS retains the highest ratings for viability and governance (V1 and G1) from our regulator the Homes and Communities Agency.

Partnership working

We work hard to maintain good relationships with our stakeholders and with local organisations across Cambridgeshire. Our local MPs are very supportive; we deliver a growing range of services for the County Council including our older people's and community support services as well as time banking and time credits, and we continue to work closely with District and Parish Councils. We also greatly appreciate our relationships with our contractors and our Community Investment partners as well as with our funders.

Nicola Scrivings, Chair

Nigel Howlett, Chief Executive



1927 First homes completed at Green End Road



1957 First residential care home, Langdon House



1984 First supported housing scheme at Russell Street



1986 First rural housing scheme at Shepreth



1996 First Community Investment project, New Horizons



2012 2,500th home at Cambourne



CASE STUDY – Our new tenancy support role is key in bringing our teams together to prevent homelessness.

A neighbour complained about distressing talking and shouting coming from Mr C, and loud music, including late at night. Environmental Health monitored the noise and brought a noise nuisance case and Mr C was found guilty and fined, and his sound system confiscated by the court. However the noise nuisance continued and so Mr C was at risk of eviction. The CHS housing officer was concerned that he had a serious mental health problem.

Our new Tenancy Support Officer (TSO) visited and asked CHS surveyors to investigate sound proofing the neighbouring flat to avoid eviction. She also ascertained that Mr C believed his GP was fully aware of his ill health and was prescribing tablets. After contacting the surgery it transpired that his GP had been retired for several years, no appointments had been made and no medication was being prescribed. The TSO gained Mr C's agreement to contact a GP who referred him to the mental health team. He was prescribed anti-psychotic medication and assigned a mental health social worker.

The neighbour reports of noise nuisance have stopped and there was no need to progress sound-proofing.

The TSO also asked the CHS Money Matters team to visit and they arranged for Mr C to receive a £140 fuel grant and a grant from Emmaus for furniture. Mr C also applied for Personal Independence Payments which were awarded at the higher care level.

Mr C continues to have delusional thoughts and avoids going out unless essential. However his tenancy is no longer at risk, he has been able to make his flat more comfortable, and has a higher income.

91% of customers are satisfied with myCHS

Our Housing and Customer Services

We were proud to mark the site of a 12th and 13th century synagogue and ritual bath at our Muttongate building on St Clement's Passage, Huntingdon. Local MP Jonathan Djanogly unveiled the green plaque and the Mayor, Cllr Darryl Brown and Rabbi Reuven Leigh attended the ceremony along with members of the Huntingdon & District Civic Society.

We were pleased to be able to offer a recently vacated home in Cambridge for refugee resettlement, in partnership with Cambridge City Council. We've identified a second home for another refugee family to occupy from late summer 2017.

After discussions with Girton Town Charity and assisting them with interviewing housing applicants, it has been confirmed that CHS will provide a management/maintenance service for properties it owns from September 2017.

Our Housing Officers work with individuals and communities to make our homes great places to live.

'I would like to praise Andrea, our Housing Officer. Her hard work and dedication has made this a lovely place to live. Andrea listening to us makes a big difference - even though we each have our issues she does not dismiss or talk down to us, she treats us all the same. If we are suffering she goes out of her way to make sure we are receiving the right help. Andrea goes the extra mile for which we here are blessed.'

Tenant Involvement and Empowerment

In response to customer demand, myCHS online portal went live in October, with a take-up of 20% of eligible customers by the end of March. myCHS allows customers to access information such as rent balances and to report repairs when it is convenient for them, saving them time and avoiding phone calls to CHS. We will be posting fewer rents statements to those who have already subscribed, saving more time and resources. So far, customers are reporting a 91% satisfaction rate with the service.

'I absolutely love the "myCHS" portal, allowing me to view my rent statement any time of day. This is a brilliant thing you have developed. It's easy for me to lose track of my rent but now I can see what my balance is. Thank you so much.'



Do we meet the Regulatory Standard?



In our last annual report we said we would:

Welfare Reform – provide advice and support to those affected by the reduced benefit cap, test our readiness for Universal Credit and review rent arrears procedures. All these objectives have been completed, and continue to develop; we are working closely with our Community Investment team to identify and assist customers who may be struggling financially, and preparing for the full roll-out of Universal Credit in May 2018



Customer Portal – went live in October 2016



Tenancy support – we have successfully recruited a new Tenancy Support Officer with a busy caseload of customers with support needs, freeing up Housing Officer time



Anti-social behaviour – we have increased customer satisfaction with the handling of ASB to 93% and updated our approach to being clear about where an issue is not handled as ASB but where we can still offer support such as mediation



Right to Buy, Pay to Stay – we are still waiting for the Government to set out the detail.



Our Future plans:

- **Universal Credit** – to scale up the data collection and support for customers affected. We will make use of foodbank vouchers, our Money Matters service, the Cambridgeshire Local Assistance Scheme and be pro-active in requesting Alternative Payment Arrangements
- **Housing under 35s** – to continue to advise new tenants under 35 and in single person households in April 2019 about the impact of the benefit cap if they need to claim housing benefit, and look at options to support this group
- **Develop – the Customer Involvement Officer role** to use customer feedback to increase customer satisfaction
- **Develop – a revised approach to 'Doorknocking'** to focus contact with those customers not much in contact with CHS
- **Monitor – the success of our pilot of Webchat** for customer contact



CASE STUDY – ‘A much needed facelift’

One of CHS' estates is fortunate enough to be next to some very valuable land that is owned by a Cambridge College. The College agreed to use this land to build some private houses; road access to these houses was needed across the CHS estate. As part of the agreement, the company building the houses carried out some improvement works to the estate and also made a substantial contribution to CHS.

CHS decided that further improvement works were needed to this estate, and a list of possible works was produced by the Housing Officer and Property Services. This list was developed based on known requirements and improvements that customers had requested. Customers were then consulted on their priorities for improvement through a number of drop-in sessions, where pictures of the possible improvements were displayed.

Following this process, the highest priority works were carried out, paid for from the

contribution given by the house building company. These improvements have helped to give a much-needed facelift to the estate as well as making customers feel safer in their homes.

We completed
100% of required fire
risk assessments

Maintain, deliver and improve

This year, we introduced automated telephone software Call2Survey and within hours of the service having been delivered, we are identifying customer satisfaction with repairs and are extending this out to areas such as lettings, anti-social behaviour and complaints.

The introduction of Price Per Property and Void Banding with Foster Property Maintenance has streamlined administration costs. The agreed rates currently deliver upper quartile (Housemark benchmarking) performance for Cost Per Property and Average Cost of void repairs.

The agreement with Foster includes a reduction in their overheads, a contribution to the overall cost of Call2 Survey and equal share of the costs for an independent review of the agreed rates. The agreement also commits Foster to reducing overall costs as part of the review process.

We have further developed an IT interface with Foster to reduce the amount of manual handling and are streamlining payment processes with all contractors.

We made a successful application to Essex County Council for a grant to carry out flood protection measures to CHS homes in Thaxted following serious flooding in 2014.

Do we meet the Regulatory Standard?



CHS has to manage gas safety in accordance with the relevant legislation. In 2016/7, we achieved 100% of gas safety checks within the 12 month limit. Following a change in how we manage gas servicing the number of properties that had expired certification dropped from 12 in 15/16 to 1 in 16/17 (due to the customer being abroad). This has also resulted in a reduction of legal costs to CHS.

Fire alarms, emergency lighting and fire risk assessments - 100% of systems checked in accordance with servicing schedule. A full monitoring system is in place to ensure continued compliance.

Asbestos management surveys - 100% compliant with regulations.

We completed 15 water risk assessments and a programme of shower head replacement has been undertaken – this programme further reduces the risk of Legionnaire's disease and improves customer satisfaction.

Tenant involvement and empowerment

We had full participation from contractors in customer engagement activities, including attendance at Complaints Panel meetings, Customer Committee, support at a 'skip day', and redecoration of a community room.

A consultation exercise with customers at one estate resulted in extensive work to large and overgrown trees.

Overall Summary

We have made the following improvements to customer's homes in 2016/17 (figures in blue are the improvements made in 2015/16):

- 123 (53) boiler upgrades to more energy efficient models
- 27 (52) storage heater system upgrades.
- 89 (75) kitchen replacements
- 3 (32) bathroom replacements
- Replacement windows from single to double glazing in 7 properties
- 24 (5) external door replacements.
- External repairs and redecorations to 28 (279) homes and 1 (4) block and redecoration of the internal communal areas of 17 (1) schemes.

We helped 53 (73) customers to live more safely in their homes by putting in additional support such as grab rails, level access showers or electrics to charge mobility scooters and soundproofing at a home in Cambridge to help a disabled young customer who was experiencing problems with sleeping. These customers have been able to continue to live independently in their existing homes.

In our last annual report we said we would:

Widen the use of the Interface with Foster to further reduce manual data entry, including the Void Contract. Also, investigate the use of the Interface with our other contractors, especially Gasway



Improve Repairs & Maintenance Services & value from Foster Contracts



Improve Repairs & Maintenance Services & value from Imtech Contracts



Establish Comprehensive Assurance System for Regulated Services



Our Future plans:

- Involvement in key asset management projects – redevelopment proposals and intergenerational living proposals
- Preparation and research for updating Asset Management Strategy, including procurement plans
- Prepare options for potential major procurement of key service contracts by March 18
- Review delivery of handy person service, and link with Scrutiny Panel project on Service Charges



CASE STUDY – A home and care to suit individual needs

One of the benefits of the diversity of housing and care provided by CHS is that tenants can be helped to move from one type of accommodation to another as their care needs change.

For example, we have moved a tenant from General Needs into one of our Sheltered Housing schemes for additional support, and moved another from sheltered housing as his mobility decreased and he required a larger flat with a wet room, as recommended by his Occupational Therapist. We have also had cases where one spouse has had support in their sheltered home from our domiciliary care service and then smoothly moved into CHS residential care as their needs increased, and staying at home became more difficult for their partner. We continue to support both of these tenants in different areas of Older People's Services always keeping

their needs as a couple at the heart of the services they receive.

We have had more men and couples moving into our services than previous years, a good sign that post war generations are living longer.

All of CHS residential care homes and extra care services were rated 'Good' by CQC

Housing with care

We celebrated CHS's 90th anniversary along with residents who are also 90 this year and held a special tea party with some of them at Langdon House in Cambridge. A lively discussion took place over tea, cake and champagne, with residents comparing the experiences of their youth. A team of cyclists from Endurance House also completed a 90 mile cycle ride, visiting all eleven of our nonagenarians living in our care and extra care schemes.

'The staff at Langdon House never allowed their strict adherence to the rules and regulations from preventing the loving extension of warmth to all around them.'

Extra care is going from strength to strength, with a new service being offered from Barnabas Court in Milton for the residents there, as well as domiciliary care for the residents of Milton and Arbury. Our scheme at Dunstan Court in Cambridge now has a brand new commercial kitchen, providing residents and the local community with hot lunches. It recently joined our other commercial kitchens in being rated 5* by Cambridge Environmental Health.

Richard Newcombe Court held a garden party for residents and their families, with managers from across Extra Care working together to make this a success. We were pleased to welcome Alice Newcombe, Richard's daughter, to the event.

Do we meet the Regulatory Standards?



All mock and unannounced CQC inspections carried out at the three care homes and CHS Homecare were rated Good.

All our commercial kitchens have retained their 5* rating for hygiene and good practice.

Staff have been working in partnership with the Fire Officer to help a tenant who hoards. This tenant is assessed as the highest fire risk in the County and being supported on a daily basis by City support team and our Housing Officer. This is a good example of multi-agency working on behalf of a tenant to improve his safety and wellbeing. Separately, we have been commended for our general fire safety practices.

Tenant Involvement and Empowerment

Residents at Langdon House and Richard Newcombe Court have taken part in designing fabrics and colours for the redecoration of each home, which has provided hours of positive and fun discussion.

Several tenants across older people's services are engaging in the Time Credits initiative and the schemes are benefitting from additional gardening and events. The feedback from this is very positive as a way CHS can 'reward' people for their extra efforts, and help them be involved in their communities.

Safeguarding

A number of our older tenants have been targeted by crooks trying to gain access to their financial information. Our extra care team have intercepted 3 such scams this year, and have informed the police leading to an arrest. All of our care staff are checked by the Disclosure and Barring Service prior to working. Our carers and managers are trained in Safeguarding, identifying those who might be at risk, and what actions to take. Abuse of Adults at Risk can take many forms; financial or physical abuse, psychological, self-neglect, domestic or sexual abuse, or modern slavery. If you know someone who may be at risk you can get advice from the County Council team on 0345 045 5202.

In our last annual report we said we would:

Build a community service from each of our care homes – services launched from Vera James House and Barnabas Court



Extend our value for money purchasing – we have retained our food contract at a better cost price for CHS. All our care homes are members of Scrapstore, the local authority run community asset which provides recycled and reused materials for crafts and activities. Our Customer Committee has started an initiative to fundraise for the homes, and through kind donations from contractors and local businesses, has provided art equipment, seeds and garden tools for residents



Our Future plans:

- Intergenerational Housing Project at Ellis House to house Cambridge post-graduate students alongside sheltered tenants. Students will be required to give voluntary services to CHS in exchange for lower than market rents
- Develop a new business stream for Alex Wood House to replace Day Centre income – new training/meeting centre and Domiciliary Care business planned
- Develop Lead Practitioners' clinical role in care homes as frailty and dependency of residents increases
- Roll out new End of Life training in conjunction with Arthur Rank House to increase carer competence and confidence dealing with this sensitive subject



CASE STUDY – “They built my confidence”

‘My Dad and I always had a chequered history and when I was 16 I got kicked out and they arranged for me to go to The Staithe. It was quite a shock, going into a new place and you hear a lot about hostels and violence and drugs and that was what I was expecting. I went in very cautious and kept myself to myself. Me and another resident started walking to the bus stop together and slowly I built friendships. Staff helped bring people together which was brilliant because it built up my confidence and I wasn’t just staying in on my own all the time. If you had any issues you could go to them and they would be an ear and give advice. They always listened to your issues no matter how small or big they were.’

‘My mum had already taught me budgeting skills and how to cook but at the Staithe they get residents together to cook meals like a Sunday Roast or run different activities which were always fun to do.’

‘I’m just finishing my Level 3, 2 year construction course and next year I’m

going to start my HND and then go off to University to study Architecture.’

‘I would tell any young person who finds themselves in the same situation as me, that there is support out there and every single person in that place has gone through something similar. It’s like a family, you have your arguments, but at the end of the day they are there for you.’

Our Community Support Services had a social impact of £1.7m in 2016/17

Supporting communities

Young People

Many of the young people in our supported schemes have achieved great things this year - 7 were awarded a Young People’s Achievement Award by Cambridgeshire County Council for Community Involvement, Education and Independence Skills, and 5 of them have achieved academic qualifications, with some starting at university.

This, together with the success of 120, our latest project for looked after children (children who have previously been in the care of a local authority), contributed to the County Council asking us to set up a new scheme in Wisbech, opening in summer 2017.

Daniel Zeichner, MP for Cambridge, visited Railway House, our Cambridge young people’s service and the Right Reverend Stephen Conway, Bishop of Ely, visited our Ely Young People’s service - all our young people were really impressed that they are interested in them and how they are working towards living independent lives.

Women at risk

Corona House is a supported housing service for at-risk women, many of whom have struggled with mental health issues, or been forced to flee abusive relationships and would otherwise end up on the streets. This year it celebrated its 30th anniversary. As well as support sessions and activities for its residents, it runs regular drop in sessions and activities for the wider ‘Corona Community’, so more women can make use of its facilities.

‘I say to people now, never give Corona up, always keep it as a lifeline. I’m so thankful.’

People with learning disabilities

We now offer a new service from our Russell Street scheme for people with learning disabilities, which provides flexible support to individuals in their homes and communities. This enables former residents to continue accessing the expertise of the staff team. We have supported former residents to meet a celebrity in London, sort out a complicated phone issue and to access benefits.

Children

Our 25th birthday party at Sunflower Nursery, Cambridge was celebrated this year. We have also been working towards implementing the offer of free 30 hours childcare starting September 2017.

‘It is a simply lovely environment for the children, and the staff are ultra-professional but also kind, friendly and patient.’

Floating support

For every £1 invested in our East Cambridgeshire Floating Support Service, we achieved £3.60 in social value, mainly through prevention of crisis escalation.

Do we meet the Regulatory Standard?



Our support services are funded by Cambridgeshire County Council and quality is ensured via annual contract monitoring visits. Railway House and Young Parent services are funded by Cambridge City Council and subject to an annual report to them.

Tenant Involvement and Empowerment

Many residents are earning time credits by gardening and helping out with tasks at their scheme. They have proved a brilliant way to motivate residents to use their skills to get involved with their community.

In our last annual report we said we would:

Increase operating surplus and find new income - secured new service for Looked After Children at Wisbech



Investigate the potential of crowd funding based income - raised a small amount towards activities at Corona House, and using Facebook to cultivate awareness of our services



Embed our new system for measuring outcomes and social value - in progress



Maintain quality at Good or above in Nursery Ofsted ratings and mock inspections - achieved



Look to help fulfil the County Council’s Transforming Lives Strategy and Resilient Communities Strategy - influenced the local Commissioning Group in recognising the importance of supported housing for sustaining more who are at risk



Participate in the County Council’s review of supported housing - we requested the review, helped to select a review officer, participated in workshops and are involved in reviews of floating support and homelessness services



Our Future plans:

- Negotiate future support service delivery model for former rough sleepers move-on housing
- Development of crowd funding to support future viability
- We will continue to be involved in the National Housing Federation Working Group on the Future Funding of Supported Housing, which is lobbying the Government for a workable, sustainable funding model which encourages investment and ensures the continuity of this valuable provision



'I used to live at The Foyer and Polly, my CHS advisor, helped me with my application for The Croft Child & Family Unit as a Health Care Assistant. She also suggested the Open University nursing programme to me. Well, I'm still working at The Croft three years on and I'm in my second year of a mental health nursing degree with the OU. My year is the last cohort sponsored by Cambridgeshire and Peterborough NHS Foundation Trust, so I feel really lucky to have been able to get onto the course and it's all mostly thanks to you - I was adamant I'd never study for a degree!'

Anyway, thank you for all your efforts, for inspiring me and for making me believe I could study a degree. It's really hard work but I know it'll be worth it in the end.'

CASE STUDY – “It’s all mostly thanks to you”

In 2016-7, CHS Money Advice costumers were £1,700pa better off

Investing in communities

We used our expertise, insight and connections to develop two major new projects to support the most vulnerable people in our communities. Both projects built on our experience of being a key player in Making Money Count (2013-18), a partnership project funded by the Big Lottery to increase the financial confidence of social housing tenants living in Fenland.

We started to deliver New Horizons (2016-19) in October 2016 to support anyone at risk from social exclusion, thanks to funding from the Big Lottery Fund and the European Social Fund. New Horizons tackles the root causes of poverty and by supporting people needing the most help to gain employment. We deliver the project in partnership with eight other organisations across the Cambridgeshire and Peterborough Local Enterprise Partnership area, so that we reach even the most remote parts of the region. We also benefit from having the University of Cambridge as our action research partner, enabling us to adapt the project in the light of feedback from customers, stakeholders and partners.

We led a successful tender to the County Council to start delivering the Cambridgeshire Local Assistance Scheme (CLAS) from April 2017. We developed a locally based partnership of like-minded organisations which will add value to CLAS by using our combined expertise in financial capability, intimate knowledge of local communities, and relationships with a wide range of local support services and community organisations. Our core delivery partners are: Cambridge CAB, Citizens Advice Rural Cambridgeshire, Cambridge Re-use, Hope Enterprises, and CCORRN.

Underpinning our investment in communities is a belief that we achieve better outcomes by working alongside customers, stakeholders and partners and valuing their contributions. We have continued to support the development of Time Currencies across Cambridgeshire, collaborating closely with the County Council and Spice, the founders of Time Credits. This has led to an increase in the number of Timebanks in the county, expansion of the Littleport Timebank into Ely, and further investment from the County Council to test how far the innovation can save the public purse.

We have continued to support our customers through the impacts of Welfare Reforms. This has been especially important at a time when inflation has risen, meaning customers in receipt of benefits have had a net reduction in income. On average, our money advice customers were £1,700 pa better off as a result of using our services. We are also continuing to support our most digitally excluded customers to get online in preparation for the introduction of Universal Credit.





Tenant involvement and empowerment

Over 1,000 Time Credits were earned by our customers, supporting them in giving their time to strengthen communities and to design and deliver better services. The Time Credits can be spent on a wide range of activities, from swimming to learning a language.

Impact

CHS Tenants	Target 2016-2017	Actual 2016-2017
Income protected	£512,500	£500,820
Employment outcomes	78	28
Digital inclusion outcomes	29	31
Time Credits earned	420	1,311
Social Value created	£1:£5	£1:£3.90
Wider community		
Income protected	£270,113	£279,486
Employment outcomes	178	48
Digital inclusion outcomes	47	35
Time Credits earned	3,308	21,181
Social Value created	£596,453	£1:£3.90

In our last annual report we said we would:

- Engage customers around Welfare Reform 
- Implement a £1.2m Big Lottery project to improve employment prospects – this project is ongoing 
- Deliver work experience placements – more work is being done to increase this 
- Make the most of Time Credits as a tool for co-production 

Our Future Plans:

- Deliver CLAS Project
- Expand Time Currencies in CHS through inter-generational activity
- Increase use of employment advice service amongst CHS' tenants
- Migrate Community Investment activity onto new management information system

Do we meet the Regulatory Standard?





CASE STUDY – “We were especially impressed with the finish”

Dan and Lorna have two daughters and had been researching how they could afford to buy a house for some time. They chose shared ownership as the perfect way to get on the property ladder.

They were delighted to see CHS’s new development of homes for rent and shared ownership in Caxton as Lorna’s parents live in the village which enabled them to meet the local connection requirement.

‘Lorna and I found the chance to buy our first new house a brilliant opportunity. With the added fact that to take ownership of these properties you had to have a connection to the local area and as we had family living round the corner, this was perfect. We were especially impressed with the high standard of finishing with the house, and all the support from the CHS Group in finalising the purchase of our new home.’

CandCD is on track to deliver 450 new affordable homes for CHS in the next five years.

Cambridge and County Developments

Building for the future

Cambridge and County Developments (CandCD) is a subsidiary of CHS and its role is to add value to CHS’s social objectives through commercial opportunities. Profits generated are reinvested into the business and ultimately gift-aided to CHS to further our charitable objectives. CandCD focuses on the development of new homes for open market sale, as well as developing our new affordable housing for CHS.

New Developments completed for CHS

During 2016/7 Cambridge and County Developments delivered 24 new homes for social rent and shared ownership, at Caxton, Melbourn, Willingham and St Neots.

Land for new development of affordable homes at Waterbeach has been purchased and construction started on site. A Development Agreement has been entered into with Enterprise Property Group Ltd to deliver four shared ownership dwellings in Great Shelford. Various other sites are being worked up for future development.

Sales for CHS

20 properties/shares in properties were sold during the year. These included the sale of shared ownership homes by existing leaseholders moving home, and existing shared owners buying additional equity in their home and in some cases their whole property. It also included the sale of a couple of older, hard to maintain rented properties into the open market. These activities made surpluses for CHS and make it possible for us to build more new affordable homes.

Commercial Property Management

Cambridge and County Developments manages six commercial/office lettings on behalf of CHS. This activity makes best use of properties CHS has no current need for and provides CHS with additional income.

Open market housing for sale

8 homes for market sale were completed at Melbourn and Auckland Road, Cambridge during the year with sales for all but 2 of them now finalised. Construction is also ongoing at sites at Holton and Great Shelford.

Cambridge and County Developments funds new open market developments using profits from previous projects, loan finance from CHS and project finance from Lloyds Bank.

Picture left: Lucy Frazer, MP for South East Cambridgeshire and Nigel Howlett at Willingham.
Below: New homes at Caxton.





We're not perfect...

...but we work hard on providing excellent services that we would be happy for our own families to receive.

A customer recently wrote to us:

*'Hello,
I wish to express my sincere thanks and am very grateful for the excellent professional service that CHS provides.
Whenever I require assistance or have a query, your staff instantly investigate and resolve. My fellow tenants regard and talk very highly about your staff and their cheerful and very professional manner.
I am very grateful'*

“Only by listening to our customers can we improve our services”

Complaints and compliments

We're not perfect...

Sometimes we don't achieve the standards we set for ourselves so we have a Complaints Policy (for further details, see www.chsgroup.org.uk, or ask any member of staff) which tells you how we will try to resolve the problem. We take all complaints very seriously as it is only by listening to our customers that we can improve our service.

A review by the Scrutiny Panel in May 2015 highlighted that CHS's customer feedback lacked sufficient oversight, regular reporting and accountability. The Panel's recommendations included setting up a dedicated team to oversee all feedback; and improving software to help monitor, report and escalate feedback. We now have a dedicated Business Intelligence team consisting of existing staff roles with a focus on reporting and feedback; and a new focus on developing our data analysis using new and existing software. Our new reporting will provide an overall view of CHS's position on feedback from a number of sources as well as to the comments customers make to us in person.

Individual customers are called where issues are outstanding or further details are needed. It may not be possible to call every customer individually, especially where comments are generic, but we are confident that our new reporting will lead to better accountability to customers, staff and stakeholders.

Complaints Panel

The Localism Act 2011 puts the emphasis on Housing Associations to focus effort on local dispute resolution and improving complaints procedures. Anyone with a complaint has the choice to involve a Designated Person (MP, Councillor or Tenant Panel). If the complaint is unresolved the matter can be escalated to the Housing Ombudsman, who will only investigate where internal complaints procedures or the Designated Persons cannot achieve a satisfactory outcome and there is a 'significant adverse effect' on the complainant. Unresolved complaints about our nurseries can be

referred to OFSTED. Anyone in receipt of our care services which are regulated by the Care Quality Commission can complain to them or to the County Council at any time.

CHS has a Complaints Panel which has reviewed our Complaints Policy and made recommendations about monitoring complaints. Officers supported the Panel in drafting a revised Complaints Policy reflecting the Regulatory Standard whilst emphasising a straight-forward approach, based on problem solving and quick resolution. The new Policy came into force in April 2015, and was updated in April 2016.

Compensation

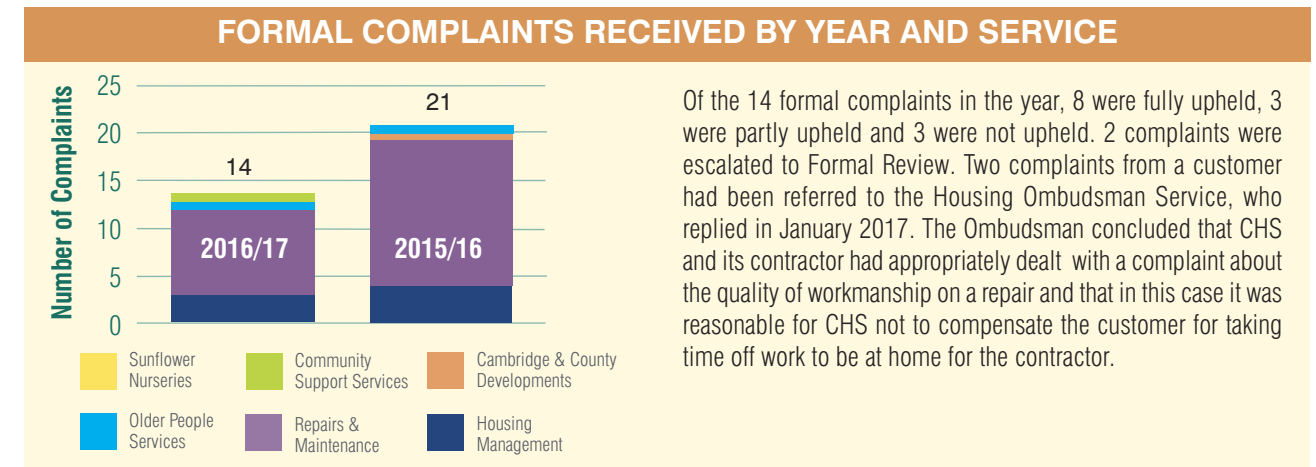
A total of £5923.00 was paid in the period to 30 complainants, mainly on repairs issues.

Lessons Learned

CHS replaced a large communal boiler on an estate in Cambridge. Due to new regulations, changes had to be made to the flue – this meant that although the boiler itself was quieter and more energy efficient, the noise from the fan within the flue was greater. This caused complaints from two of CHS' neighbours, and the problem was worse at night.

CHS considered changing the timings of the boiler so that it was off overnight. However, this was not possible, as due to shift working patterns, some customers needed heating and hot water during the night. The only other option was to redesign the flue to reduce the amount of noise. This work was carried out with minimal disruption to CHS' customers. The neighbours were also kept informed of progress and timescales for completing the works.

The main lesson from this was the need to consider the wider impact CHS can have on other people, and to take account of this early on in the process. Earlier involvement of acoustic engineers would have saved CHS staff time in dealing with the complaints.



Value for Money (VfM)

Achieving VfM in terms of the quality and cost of services to our residents remains one of CHS's key corporate objectives. At a time of significant constraints on resources and increasing expectations to do more with less, CHS is committed to providing services that represent VfM. We recognise VfM is critical to providing quality services and the continuous improvement of these services. We aim to deliver services in ways which are innovative and cost effective whilst ensuring customers are at the heart of what we do.

The VfM Strategy forms an essential link between the business plan and corporate, financial, departmental and individual objectives. The Management Team oversees the implementation of the Strategy and quarterly progress is reported to the Group Audit and Finance Committee. The full annual VfM self-assessment statement is available on the www.chsgroup.org.uk. This is a summary version of the self-assessment.

The Strategy, which was reviewed during the year, has five key themes that are imperative in delivering its aims:

- Service and Business Planning – 'Doing the right things'
- Business Processes and Systems including investment in new technology – 'Doing things right'
- Embedding a VfM culture within CHS
- Financial Management and optimisation of Return on Assets
- Procurement and Partnerships

Each of these themes is supported by an action plan that is updated and reported to the Group Audit and Finance Committee.

We resource our work to reflect customer and wider stakeholder priorities; we use information from resident surveys, forums and other feedback, including reviews undertaken by our Scrutiny Panel, to identify customers' priorities so that these are reflected in our plans.

We responded to a Scrutiny Panel report and the recommendations made on improving Customer Feedback and its role in corporate planning and performance management by establishing a revised approach to corporate performance management and KPI's.

Our approach to making decisions on efficiencies and the use of resources continues to be robust and driven by the Board:

- Our **Corporate Plan** for 2017-2022 confirms the need to continue improving efficiencies and financial performance. The Plan identifies how we will deliver these and feeds into objectives across CHS. These efficiencies will help us to deliver greater surpluses to allow us to meet our objectives, particularly increasing the supply of new homes

- Our **VfM Strategy** continues to be driven by our values and corporate objectives. The VfM Strategy provides important context for formulating and evolving strategies such as the Asset Management and Procurement Strategies
- Our **performance management** arrangements ensure that the VfM Strategy and action plan are monitored by the Management Team and the Board
- We measure **customer satisfaction** with VfM using the HouseMark STAR Survey methodology and the most recent data shows that 85% of customers were satisfied that their rent provided VfM, which represents top quartile performance. At 62%, the equivalent measure for Service Charges falls within the second quartile and as a result the Scrutiny Panel have undertaken a detailed review; we will consider the outcome of their report and look to improve our score
- **The Resident Scrutiny Panel** continues to provide independent scrutiny of services to improve quality and VfM; reviews have included voids, customer feedback and service charges. Work planned for the year ahead is likely to be based around customer satisfaction as identified through the STAR survey
- We continue to use **procurement opportunities** to drive efficiencies. In 2015-16 we procured grounds maintenance and voids contracts through the Eastern Procurement Consortium. The new grounds maintenance contract, which commenced in April 2016, saved £60k for the year to March 2017. In January 2017 we implemented a price per property model for responsive repairs and introduced price banding for void repairs, making costs easier to control
- Our **30-year Business Plan** sets out our overall financial plans including income and expenditure details, balance sheets and cash-flows. It incorporates requirements for efficiency savings and is agreed annually by the Board
- **Annual budgets** are agreed by the Board in order to achieve the position set out in the Business Plan. Budget holders are required to stay within budget including identification of efficiency savings
- **Individual performance objectives** include contributions toward a number of shared organisational objectives, one of which relates to identification of potential VfM activities; another shared objective relates to collaborative working, which helps to identify and reduce duplication across the organisation.

How we perform

The table below shows year-to-year improvement in the operating profit margin, from 26% in 2014 to 30% in 2017. This was sustained at 30% from 2016 despite the 1% reduction in rent.

Key Financial Performance Indicators	2017	2016	2015	2014
Total operating surplus margin %	30%	30%	28%	26%
Operating surplus margin on social housing letting %	31%	33%	32%	30%
Operating surplus on lettings excluding residential and extra care %	43%	48%	45%	45%
Operating surplus on lettings excluding residential & extra care and Supported & Sheltered	51%	56%	53%	53%
Operating surplus per general needs unit/ % margin	£2,909 49%	£3,455 55%	£3,353 52%	£2,795 52%
Total maintenance cost per unit charged to P&L account	£1,029	£868	£883	£808
Maintenance cost charged to P&L account plus repairs capitalised per unit	£1,435	£1,225	£1,243	£1,256
Management cost per unit	£1,484	£1,479	£1,262	£1,252
Rent arrears %	3.13%	4.8%	4.3%	3.6%
Average rent arrears %*	2.96%	3.4%	3.3%	2.8%
Bad debt %	0.3%	0.4%	0.2%	0.5%
Void loss on all letting	2.2%	2.0%	2.4%	2.7%
Void loss excluding registered and extra care letting %	0.7%	0.8%	0.9%	1.3%

* Increase in cost 2015-16 indicates increased activity in Care and Support services and is matched by income.

**Rent arrears can vary from one week to another depending on the timing of the housing benefit receipts. The Average rent arrears line provides better indication of the trends.

The overall operating margin from our social housing letting dropped by 2% compared to the previous year, although this varies significantly for different business streams:

Operating margin from social housing lettings	2017	2016	2015
General needs & Shared Ownership	51%	56%	53%
Supported & Sheltered	6%	8%	2%
Registered & Extra Care	6%	0%	(3%) loss
Overall	31%	33%	32%



The following table shows a trend of steady improvements in the results for Supported Housing and Care, which are two areas which have traditionally shown a deficit or low profit margins:

SUPPORTED & SHELTERED			REGISTERED & EXTRA CARE		
Year	Operating surplus/ (deficit) £'000	Operating surplus/ (deficit)% of turnover	Year	Operating (deficit) £'000	Operating (deficit) % of turnover
2012	(787)	(43%)	2012	(680)	(13%)
2013	(701)	(36%)	2013	(372)	(6%)
2014	124	6%	2014	(5)	-
2015	34	2%	2015	(206)	(3%)
2016	206	8%	2016	(26)	
2017	153	6%	2017	453	6%

How we compare – Housemark benchmarking

The table below shows how we compare to other traditional housing associations in terms of our overall costs of housing management, repairs and voids management and overheads as a percentage of direct revenue costs.

COST INDICATOR	2015-16			2014-15	
	CHS	Housemark ranking	Peer Group Median	CHS	Housemark ranking
Total CPP of housing management	£450	1	£585	£443	1
Total CPP of responsive repairs	£686	3	£679	£797	4
Total CPP of voids work	£242	3	£205	£207	3
Total CPP of cyclical maintenance	£392	3	£294	£203	1
Total CPP of Major works	£541	1	£893	£457	1
Overhead costs as a percentage of adjusted turnover	9.1%	1	12.1%	10.4%	2
Direct CPP of rent arrears collection	£127	1	£166	£130	3
Direct CPP of resident involvement	£62	2	£70	£56	2
Direct CPP of lettings	£97	3	£81	£94	4
Direct CPP of tenancy management	£69	1	£153	£62	1

Quartile Key 1 Upper Quartile 2 Middle Upper M Median 3 Middle Lower 4 Lower Quartile

The under-performance in relation to the cost of responsive repairs is being addressed through the implementation of a Price Per Property model, which commenced in January 2017. Similarly, the introduction of banding for voids should improve control over costs and see a reduction the overall cost of void works.

Quality of housing services – HouseMark comparison

The table below shows our performance in relation to key business effectiveness indicators.

For 2015-16, of the 12 measures below, 8 were above the median. For 2016-17 this has increased to 9 of the 12 indicators being above the median, with 6 being in the top quartile and 3 in the second quartile. Where performance is below the median actions are identified to address this.

BUSINESS EFFECTIVENESS PERFORMANCE	2016-17		2015-16	
	CHS	quartile ranking	CHS	quartile ranking
Percentage of resident satisfaction with the overall service provided by	89%	1	89%	1
Percentage of residents satisfied very or fairly satisfied with repairs & maintenance (GN and HfOP*)	83%	3	78%	2
Percentage of tenants satisfied with their neighbourhood	83%	2	82%	3
Average time taken to re-let empty properties days (GN and HfOP*)	19	1	21.2	2
Total rent arrears as a percentage of rent due	4.17%	2	4.24%	3
Rent loss due to empty properties (voids) as a percentage of rent due	0.54%	1	0.47%	1
Arrears written off as % of annual rent debt	0.27%	2	0.14%	1
Rent collected as % of rent due	99.9%	3	99.7%	3
% of properties that failed to meet Decent Homes standard	0%	1	0.08%	3
% of residents satisfied that their rent provides value for money	83%	1	85%	1
% of properties with valid gas certificate	99.94%	4	100%	1

Quartile Key 1 Upper Quartile 2 Middle Upper M Median 3 Middle Lower 4 Lower Quartile
GN General needs housing HfOP Housing for older people

We also compare our performance against the sector Global Accounts. The results can be found in CHS's Value for Money Assessment 2017.

Return on assets

SURPLUS GENERATED FOR THE YEAR AS A PERCENTAGE OF HISTORIC COST OF ASSETS	2017	2016	2015	2014	2013	2012
Surplus before interest and property sales	£8,045k	£7,991k	£6,893k	£6,057k	£5,515k	£4,965k
Historic cost of assets	£220m	£217m	£214m	£211m	£207m	£205m
% Return on assets	3.7%	3.7%	3.2%	2.9%	2.7%	2.4%

As part of the Business Stream Review we annually assess the return on assets using the latest property valuation available for each business stream and for each key unit/scheme within a particular business area.

The results varied for different business areas:

General needs	5.0%
Shared ownership	4.2%
Community Support Services	4.8%
Older People services	4.0%

We reinvest the entire return into new homes and services. One of the factors affecting the return on assets is the level of borrowing. At CHS we are committed to using our asset base to fund new homes and as a consequence have a relatively high level of borrowing, the debt per property is £37k (2016: £38k), (HouseMark 2016 median for peer group: £35k). The adjusted net leverage (net debt as percentage of total assets) at 51%, remained at the same level as last year, against HouseMark benchmark median of 41%. The higher debt per unit also highlights the fact that CHS has been building new social rent housing units (as opposed to the more expensive Affordable Rent units) without capital grant.

As at 31 March 2017:

- 67% of our homes were general needs housing at social rent
- 13% of our homes were low-cost home ownership
- 11% of our homes were supported and sheltered housing
- 9% of our homes were registered care and extra care homes for the elderly

In 2015-16 we reviewed our Asset Management Strategy which covers repairs and improvements, disposals and rationalisation across the property portfolio. The strategy is based on our understanding of stock condition and its investment needs, level of demand, and the business case for new and continued investment to provide homes that meet current standards. For assets that are low performing, or where future demand looks uncertain, we carry out option appraisals under the Adapt programme. We assess the condition of 20% of our properties every year and the information is used to establish maintenance and replacement programmes, a cyclical maintenance plan and also to identify disposal programmes.

Social return

CHS' diverse range of activities enables us to make a considerable contribution in terms of social return. CHS has a strong record of investment in the local community through our Community Investment work and in 2016-17 we continued using the HACT Social Value calculator, assessing the social value generated by some of the activities of the team. For the areas of Community Investment that were assessed the results for the reporting year show that for every £1 spent there was an average social impact of £3.95. The results are summarised in the following chart:

	Social return £'000	Budget: Impact ratio
Customer involvement	148	2.2
Outreach employment	289	8.2
Timebanks	371	9.4
Skills & Employment	130	2.7
Money Matters	202	2.8
Total	1,140	

Below are some further examples of social return:

Community Investment

- £501k extra in CHS tenants' pockets through provision of money advice eg welfare benefits, tax credits or grants
- 28 vulnerably housed customers achieved an employment related outcome
- 31 new people were connected to the internet
- 1,311 hours of Time Credits earned. These credits may be redeemed at various local leisure services and there is demonstrable evidence that Time Credits are linked to improvements in quality of life (University of Cambridge 2017)

Older People's Services

- Some 70% of residents in our Residential Care homes are private payers, with the remaining 30% local authority funded. The cost of delivering good quality services is reflected in the fees for private paying residents being more than double the local authority benchmark. For 2017-18 CHS has imposed a minimum fee for Social Services funded residents to improve the profitability of the business and reduce the cross subsidy, estimated to be over

£600k pa. Regardless of the fee paid, there is no differential in the quality of service or outcomes for residents

- CHS took the decision to cancel the contract for 20 Day Centre places at Alex Wood House as this facility was no longer viable and did not represent VfM for either CHS, service users or the Commissioners. The Day Centre at Moorlands remains popular and represents good VfM. This service enables older people to remain in their own home for longer. Our Residential Care Homes offer respite stays which allow family carers to take breaks, and extend the time families can continue support at home
- CHS provides an aids and adaptations service for tenants; appropriate adaptation can delay admission to residential care by around 4 years
- Our Extra Care scheme kitchens provide meals to local lunch clubs and to residents in our sheltered schemes; these events reduce social isolation
- Our schemes are a community hub for services such as 'flu' jabs, memory clinics, chiropody and wellness therapies
- Our Residential Care Homes, Extra Care and Sheltered schemes are Wi-Fi enabled to facilitate digital inclusion and include the use of assistive technology where appropriate
- Across our schemes we have upgraded commercial laundry and catering equipment with more efficient machines, which use less water or power
- The PV cells at Richard Newcombe Court continue to reduce running costs and have a positive impact on communal electricity charges

Community Support Services

- CHS has a record of delivering high quality services at Supporting People Quality Assessment Level A at competitive prices. Our services are viewed as providing good VfM by the local commissioning manager and we are successful at securing new contracts as well as retaining contracts as they become due for re-tender
- Our support services for vulnerable people prevent crises and create and maintain independence, which saves public spending on intensive care services. They help people to develop the skills to undertake education or to enter employment, and help reduce anti-social behaviour, the adverse impact of isolation and loneliness on mental health, and the risk of service users committing crime, all of which benefit the wider community
- Our Sunflower Nurseries Bursary Fund subsidises Nursery places, allowing parents on low incomes to seek training or employment opportunities. The nurseries also accept the Government's Early Years Funding for 2 and 3 year olds, without requiring parents to pay for wrap around hours, especially beneficial to low income parents who could otherwise not afford Nursery day care. Around 25% of the child places include Early Years Funded hours

- We have embedded a new system for measuring outcomes and social value across the range of Community Support Services that we provide. We have a Social benefit and outcomes survey in operation and so far we have calculated delivery of £1.5m benefit for £740k invested, equating to £2 in Social Value for every £1 invested; with more value still to be calculated. Specific examples include:
 - ▶ East Cambridgeshire Floating Support £1 invested : £3.6 social value
 - ▶ Young Parent Project £1 invested : £2.7 social value
 - ▶ Fenland Young People's Support £1 invested: £2 social value.

VFM gains during 2016-17

The value of VFM gains in 2016-17 was £579k and included:

	Cashable efficiencies £'000	Quality/non-cashable efficiencies
Reduction in Cyclical Maintenance costs (compared to 2015-16)	58	
Pay constraints	160	
Change to staff sick pay terms	10	
Expansion of Domiciliary Care and other miscellaneous income from Extra Care	127	Social return
Treasury Refinancing	30	
Introduction of an online customer portal	10	Quality
ICT projects	27	
Group Governance review	40	
Participation in UKCSI annual survey	-	Quality
Procurement of Ground Maintenance contract through a procurement consortium	60	
Adoption of pumping station	17	



FINANCIAL INFORMATION - BALANCE SHEET

12 months to	31 March 2017 (£'m)	31 March 2016 (£'m)
Intangible assets	0.3	0.0
Housing properties at cost less depreciation	198.7	197.3
Other fixed assets	8.1	8.1
Investment property	0.8	0.6
Net current assets	3.3	4.0
Total fixed assets	£211.2	£210.0
Creditors:		
Creditors due after more than one year	106.0	108.6
Social housing grants	79.4	80.1
Revenue reserve	25.8	21.3
Total	£211.2	£210.0

SUMMARY OF FINANCIAL INFORMATION

12 months to:	31 March 2017 £'m	31 March 2016 £m
Turnover	31.2	28.6
Operating costs	(22.7)	(22.1)
Operating surplus	8.5	6.5
Operating surplus margin	27%	23%
Surplus on sale of properties	0.7	0.5
Net Interest payable	(5.1)	(5.3)
Others	0.2	0.0
Net surplus for the period	4.3	1.7
Net surplus margin	13.8%	5.9%
Operating Surplus excluding the impact of the actuarial losses for 2017 and 2016	8.6	7.8
Operating margin	27.6%	27.4%

Operating costs include £0.1m (2016 £1.3m) increased pension deficit payment measured at present value (actuarial loss). Without these costs the margin for 2017 is 27.6% which, given the impact of the 1% rent reduction, shows continued sustained improvement. For a full copy of the Group financial statements, please contact the Finance Director at the Group offices.

PERFORMANCE INFORMATION FOR YEAR ENDING 31 MARCH 2017

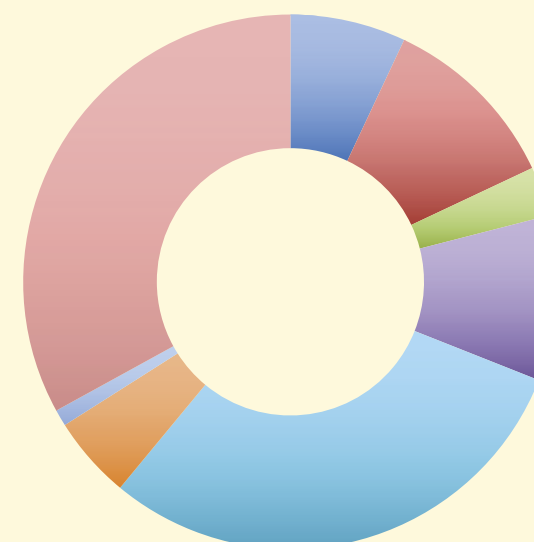
Homes owned	
Bedsits	41
1 bed	386
2 beds	767
3 beds	555
4 beds+	84
Intermediate rent	2
Shared ownership	356
Housing for older people	343
Supported housing	172
Total	2706

Collection of rent & service charges	
General needs housing ~rent arrears (2016 3.92%)	3.72%
Supported housing ~rent arrears (2016 4.90%)	4.30%

Supported housing/housing for older people lettings	
Total lettings in year to March 2016 ~ (2015 - 100)	92
Average time (days) to relet these homes ~ (2015 13.5 days)	15

General needs lettings	
Total lettings in year to March 2017 ~ (2016 - 136)	118
Average time to relet these homes (2016-12.8 days)	12.6
Proportion of homes empty and available to let ~ (2016 - 0.1%)	0.02%
Proportion of lettings to local authority nominations/Homelink ~ (2016 - 68%)	66.3%
Proportion of lettings to black and minority ethnic groups ~ (2016 - 19.4%)	16.50%

EXPENDITURE ASSOCIATED WITH £13.8M OF RENT COLLECTED (FINANCIAL YEAR 16-17)



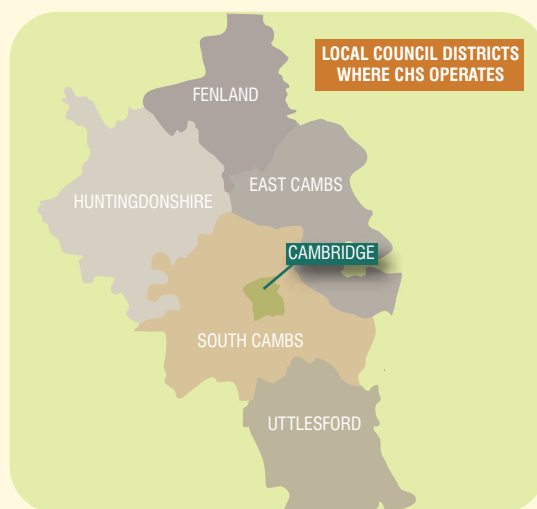
- 7% Building works/improvements
- 11% Buildings Works - Responsive Repairs
- 3% Buildings Works - Cyclical
- 10% Central services/overheads e.g Finance, HR, ICT
- 30% Running costs of estates, hostels and other sites
- 5% Housing Management
- 1% Community Investment
- 33% Interest on loans

WEEKLY RENT LEVELS AT MARCH 2016

Rent levels (excluding service charges)	Bed-sit	1 bed flat/house/bungalow	2 bed flat/house/bungalow	3 bed house	4 bed house	5 bed house	6 bed house
CAMBRIDGE							
Average CHS rent	79.66	95.66	108.52	121.45	131.81	146.55	145.23
average HA rent	£77.56	94.87	£121.41	£125.91	£142.62	£149.23	£150.97
Intermediate rent (80% of median private rent)		£165.60	£212.00	£20.00			
median private rent		£207.00	£265.00	£300.00			
EAST CAMBS							
Average CHS rent		£81.89	£101.02	£112.85	£121.68		
average HA rent		£88.59	£104.60	£117.88	£125.32		
Intermediate rent (80% of median private rent)		£138.40	£138.40	£165.60			
median private rent		£173.00	£173.00	£207.00			
FENLAND							
Average CHS rent		£75.07	£89.71	£101.68	£111.95		
average HA rent		£77.86	£92.15	£104.50	£115.87		
Intermediate rent (80% of median private rent)		£131.00	£137.00	£161.00			
median private rent		£104.00	£110.00	£129.00			
HUNTINGDONSHIRE							
Average CHS rent		£87.17	£99.87	£108.59	£124.21	£131.68	
average HA rent		£83.98	£99.07	£110.86	£115.46	£143.10	
Intermediate rent (80% of median private rent)		£110.00	£134.00	£157.00			
median private rent		£137.00	£167.00	£196.00			
SOUTH CAMBS							
Average CHS rent		£89.56	£110.00	£119.77	£129.34		
average HA rent		£90.28	£108.18	£125.97	£135.64		
Intermediate rent (80% of median private rent)		£141.00	£166.00	£202.00			
median private rent		£176.00	£207.00	£253.00			
UTTLESFORD							
Average CHS rent		£96.12	£110.71	£122.55			
average HA rent		£90.96	£109.51	£123.39			
Intermediate rent (80% of median private rent)		£138.00	£157.00	£220.00			
median private rent		£173.00	£196.00	£276.00			

To aid comparison, for each bedroom size, the tenure with the lowest weekly cost is marked in green.

From April 2016 rents are reduced by 1% for 4 years



Out of these 27 types of property in different areas, CHS rents are lower than HA average in 19 of them.

SOURCES:

Housing association rent: HCA National Register of Social Housing data at March 2016 minus 1%

Intermediate rent: 80% of median rent April 2016 - March 2017

Private rent: Hometrack - weekly cost of median rent for advertised properties in the local area, April 2016 - March 2017

NB: Private rents & sales for larger house sizes are based on very small numbers, making averages unreliable

To rent an average 2 bed flat/house from CHS in Cambridge at social rent costs **£5,643.04** per year

To rent an average 2 bed flat/house from an HA in Cambridge at affordable rent costs **£11,024** per year

To privately rent an average 2 bed flat/house in Cambridge costs **£13,780** per year

Group Management Team



Marie Canning FCIPD
BA Hons & Dip in Counselling
Human Resources Director
Appointed 2009



Peter Hall
Interim Operations Director
appointed 2016



Surjit Dhande BSc (Hons) FCCA
Finance Director
Appointed 2011



Nigel Howlett BA(Hons) MCIH
Chief Executive
Appointed 2000

Internal Controls

Effectiveness of internal control systems

The Board has overall responsibility for establishing and maintaining the Group's system of internal controls and for ensuring that this system is operating effectively. The Board however recognises that such a system is designed to manage rather than eliminate risk and can only provide reasonable assurance that the main business objectives of the Group will be achieved.

In meeting its responsibilities the Board has adopted a risk based approach to internal controls which has been embedded within the normal governance and management process.

Our Risk Management Policy and Framework was reviewed by the Board in October 2016. As part of this important document we reviewed CHS's 'Risk Appetite' (i.e. the overall level of exposure to risk that is acceptable for the organisation to take) and the Risk Assurance Framework helps to allocate the right level of resources to areas of high risk. The risk register and the Risk Assurance framework are used to inform our internal audit plans.

Key elements of the control framework include:

- **Identification and evaluation of key risks**
A detailed database of all the risks to which the Group is exposed has been prepared. A methodology has been developed to quantify the potential impact of these risks, and actions and controls to eliminate, mitigate or reduce risks have been developed. The risk database is reviewed by independent risk advisors and quarterly by the Audit & Finance Committee and by the Board
- **Monitoring and corrective action**
The Directors and the Chief Executive report directly to the Board on the effective operation of the internal controls system in each of the areas for which they have responsibility

- **Control environment and control procedures**
The Board sets overall strategic objectives and targets for the Group, and delegates certain specific matters to specialist committees. A fraud policy is in place
- **Information and financial reporting**
CHS has developed a 30-year business model to inform the strategic planning and decision making process of the Board. Financial reporting procedures include quarterly analysis of spending, significant variances and forecasts to the Audit & Finance Committee. Performance on key objectives is reviewed quarterly by the Board
- **Internal Audit**
The internal control framework and the risk management process are subject to ongoing and regular review by Internal Audit. The Internal Auditors reported that the Group had adequate and effective risk management, control and governance processes in place to manage the achievement of the organisation's objectives. Some examples of the key risks in CHS corporate risk register are:
 - Risk of not delivering CandCD Business Plan
 - Lower than expected financial contribution from the provision of residential care
 - Lower than expected financial contribution from the provision of supported housing
The complete corporate risk register with risk management controls is available on request.
- **Investment Policy**
CHS has a prudent approach to investing its surplus funds. There are strict criteria set out in the Treasury Management Policy which are adhered to when making investment decisions. For example, CHS may only invest surplus funds in institutions that are regulated and meet the minimum credit rating criteria set out in our policy.

The Board has received a report from the senior managers on the operation and effectiveness of the system of internal controls in place. The Board has reviewed this system in the light of the risks facing the organisation and the strategic objectives of the Group. The Board confirms that there is an ongoing process for identifying, evaluating and managing significant risks faced by the Group, that this has been in place for the 2016-17 year and is still in place and that it is reviewed regularly.

Details of the Management Team's remuneration packages are set out in the annual accounts and are available on request.

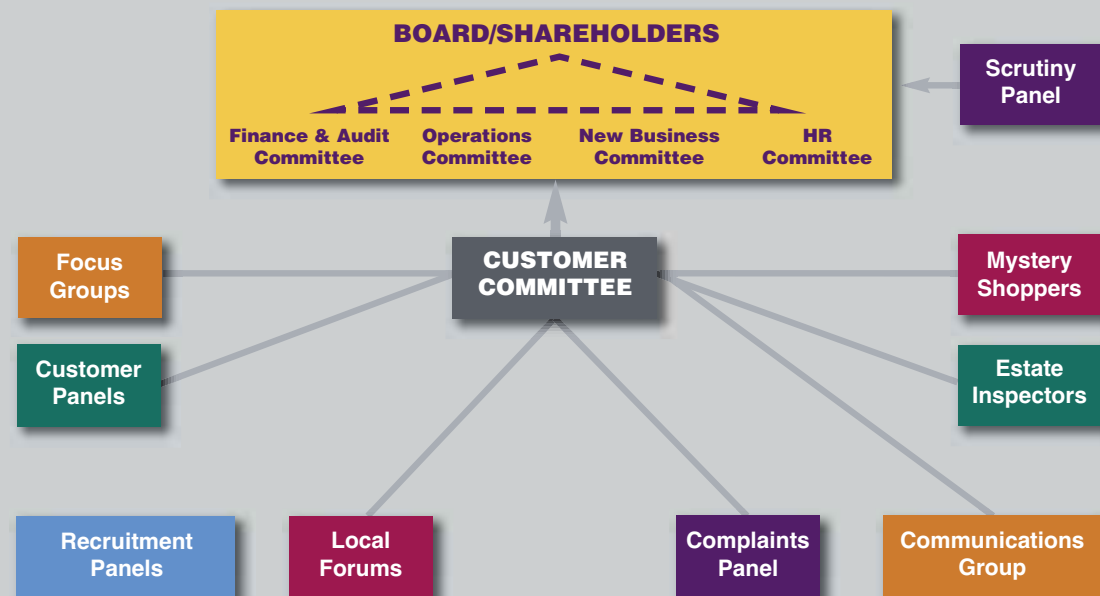
Our external auditors, KPMG, were appointed by an external audit tender in 2013.

How can you get involved with the running of CHS?

- Would you like to help improve our services?
- Would you like to know more about what we do and how we do it?
- Would you like to give something back and contribute to improving people's lives?
- Would you like to learn new skills and meet new people?
- What do you think of this report?
- Do you have any suggestion for next year's report?

We would love to hear from you. You could join the Customer or Scrutiny Panels or one of the Forums or panels, become an estate inspector, Board Member or join a time bank – contact: Laura Papanikolaou, Customer Involvement Officer on **01223 713542**, or email her at Laura.papanikolaou@chsgroup.org.uk or visit www.chsgroup.org.uk

Reporting Structure



CHS Board Members



Sharon Allen MBE
Appointed 2013
B, O, HR
CEO of Skills for Care and an experienced supported housing and social care professional



Nick Brown
Appointed 2016
B, NB
Director of a local property investment and development company with a background in sales, accountancy and land economy



Anna Constantas
2009 – 2016
B, O
Academic in social policy



Bob Evans
2009 – 2016
B, A+F, NB
Chartered management accountant and experienced finance director



Fred Goymour
2009 – 2016
B, A+F, CandCD
Associate consultant with experience in commercial banking, specialising in lending to the social housing sector



Carole Herries
Appointed 2013
B, A+F, O, CandCD
Former Head of Environmental Health & Housing at St Edmundsbury Borough Council and currently a Housing Consultant and sits on the Havebury HA Board



Tendai Kariwo
Appointed 2013
B, A+F
Client Relations Manager at the Charities Aid Foundation and extensive experience in the banking sector



Bruce Kerr
Appointed 2016
B, NB
Experienced in development, property management and facilities management in the Housing Association sector



Siew Yee Pang
2009 – 2016
B, O, HR, NB
Freelance educational consultant with background in management, planning, fundraising and marketing



Jenny Raine
Appointed 2016
B, A+F
Bursar at Newnham College, Cambridge, a Chartered Accountant with a background in health and social services



Nicola Scrivings
Chair Appointed 2013
B, HR
Former Director at Royal Mail, also serving on the Boards of Cambs Community Services NHS Trust and Cambridge Cyrenians



Gill Thomas
Appointed 2013
B, O, NB, CandCD
Former Solicitor and partner at national law firm, also serving on the Cambridgeshire Community Services NHS Trust Board



Cecilia Tredget
Appointed 2009
B, NB
Director, Improvement East, senior management in Local Authorities and Housing

Key
B Board
A+F Audit & Finance Committee
O Operations Committee
HR Human Resources Committee
NB New Business & Development Committee
CandCD Cambridge & County Developments

Further information around Board skills and Committee attendance is available on www.chsgroup.org.uk

Shareholding and Board membership

New shareholding membership is restricted to members of the Board. The shareholders elect members to the Board at the Annual General Meeting but do not have a major role in terms of governance or accountability. Not more than one third of the shareholders may be residents.

The Board works to ensure that its members include people with sufficient skills, experience and commitment to enable it to fulfil its responsibilities. It is also important that Board membership reflects the range of work that the organisation carries out and the communities in which it operates. The Board carries out a regular appraisal to check this.

Board members are recruited primarily by open advertisement, but also by invitation and on request. Applicants must apply in writing to the Chief Executive, setting out their reasons for applying and showing how

they can provide the skills, qualities and experience required. Further details of the recruitment process are set out in a detailed policy, available on request.

The Board also includes up to 3 members who are CHS tenants. They do not have to be shareholders but they do have to satisfy the same requirements of bringing skills and commitment to help the Board fulfil its responsibilities.

CHS endorses and complies with the National Housing Federation's 2015 Code of Governance and our compliance with this version was assessed and approved by the Board in December 2015. The Board manages its renewal through an annual appraisal process. Board Members are remunerated in order to ensure greater accountability. Details of their remuneration packages are set out in the annual accounts and are available on request.

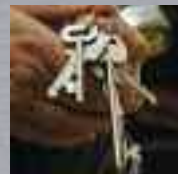


CHS runs a broad range of high quality services across Cambridgeshire, offering people more opportunities to achieve what they want and a better quality of life.



Homes

	Email:	Phone:
Low cost rental housing	helen.tonks@chsgroup.org.uk	01223 713570
Shared ownership housing	martin.dickson@cancd.co.uk	01223 713744
Homes for private sale	martin.dickson@cancd.co.uk	01223 713744



Support

	Email:	Phone:
Young people & parents Homelessness Mental health Learning disabilities Domestic Abuse	deborah.latham@chsgroup.org.uk	01223 713572

Advice & Learning

	Email:	Phone:
Money advice Careers advice Computer training Time banking	andrew.church@chsgroup.org.uk	01223 713747

Care

	Email:	Phone:
Registered care places Dementia care Extra care homes Personal care in the home Housekeeping	beryl.gillespie@chsgroup.org.uk	01223 713576

Child Care

	Email:	Phone:
	deborah.latham@chsgroup.org.uk	01223 713572

If you would like to find out more about what you could do for CHS or about what CHS could do for you, we'd love to hear from you.

To find out more about opportunities:

Call us on: **0300 111 3555** (standard rate)

Visit us at: **www.chsgroup.org.uk**

E-mail us at: **info@chsgroup.org.uk**

Write to us at: **Endurance House, Chivers Way,
Histon, Cambridge CB24 9ZR**

