

CHS Group Annual Report 2018/2019



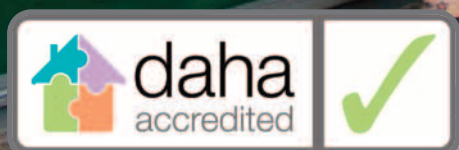
Housing, care and community services in Cambridgeshire

HS GROUP

... care, and community services in Cambridgeshire



Nigel Howlett and Nicola Scrivings with three of our domestic abuse champions and our Domestic Abuse Housing Alliance certificate of accreditation.



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Baby goats visit residents and their families at Langdon House

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 400 people in the CHS team 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.

Our corporate objectives

over the next five years are to:

1. Deliver sustainable growth in social and affordable housing
2. Provide excellent services that respond to our customers
3. Ensure strong financial viability and excellent governance

The Cambridge Housing Society Limited

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 2,800 homes and community services to support over 9,000 people. With a turnover of £32.6m and assets with a net value of £234m 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 four key committees; Operations, Audit & Finance, New Business & Development and Human Resources & Governance. There are two 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.

CHS is required to meet the relevant standards published and regulated by the Regulator of Social Housing. CHS's Board is responsible for meeting the standards and being transparent and accountable for the delivery of our social housing objectives.

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 the Cambridgeshire region 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 Mind, Cambridge Cyrenians and the Edmund Trust to use in supporting their customers. Our subsidiary company, Cambridge and County Developments, provides development services to CHS for building affordable homes 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 on 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 innovations 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.

Our culture is built on our social purpose, our values, excellent risk awareness and management and ensuring we continuously focus on Value for Money



Chair and Chief Executive's report

Change and challenge

Although the Cambridge area is relatively wealthy and has relatively high economic growth, by some measures Cambridge is the most unequal city in the UK. Northern parts of Cambridgeshire do not share the affluence of the south. CHS believes that we can and should make a significant contribution to tackling this inequality. Affordable housing is a key part of this but is not enough on its own.

Our approach is to listen to and work alongside tenants, customers and partners in an innovative, collaborative and business-like way. We restrict our work to within 35 miles of Cambridge so that we have strong local knowledge and partnerships and can use these to focus on developing local solutions to local problems. Our aim is to provide high quality services which are highly valued by these customers and stakeholders.

We retain a strong focus on building new affordable housing given the local pressure on affordability, and plan to increase our affordable housing stock by 5% in the next year.

Many of our support, care and community investment services are aimed at people on the lowest incomes or who are most vulnerable and therefore rely on public funding through local authorities. In the face of continuing cuts in local authority spending we have worked very hard over the last year to sustain the services we already provide rather than setting up new ones. We have revised our approach to appraising new services to reflect this financial uncertainty.

As the financial pressures and uncertainties grow, we are working hard on considering how to get the right balance of social benefit, financial return and risk across our services. We have considerable data about our financial performance but much less about the social benefit of our services and we are continuing to work on improving this.

CHS raises £60m on the bond market

CHS raised £60m in 30-year bond finance during the year, to fund its plans to build 450 affordable homes over the next four years. CHS has a key social purpose providing housing, care and support services for people who are vulnerable or on low incomes and a strong financial position is key to achieving this.

Value for money (VfM)

Our Community Investment and Community Support services alone achieved £3.9m 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 customer feedback and to events in the wider housing world.

As required by the Regulator of Social Housing, for the first time we are reporting our VfM metrics performance on a benchmark basis against a selected peer group. Whilst we performed strongly in regard to social housing lettings, ranking first amongst national peers, CHS undertakes a wider range of activities to support people who are vulnerable and on low incomes than most housing associations. As a result, on some VfM metrics, we perform poorly against others that only provide affordable housing. New VfM targets have been set to drive continuous improvement in all areas and to reflect the balance required between our commitment to delivering social value, whilst ensuring both social and commercial activities are viable and sustainable.

Brexit

Like many organisations, we have concerns about how Brexit will affect our customers, staff, suppliers and the organisation in general. We have drawn up a risk map and have mitigations in place, but we are concerned about the uncertainty of how the final arrangements for leaving the EU will affect us all. We have particular concerns about care and construction work where a significant minority of workers come from the EU. Devaluation and tariffs could affect the cost of imported materials and parts for repairs and servicing equipment as well as for new homes. We also have concerns about food and medical supplies, particularly for vulnerable, older people.

DAHA/Make a Stand

We are very proud to be the first organisation in East Anglia to receive accreditation from the Domestic Abuse Housing Alliance (DAHA) – only 11 other Housing Associations nationwide have received this award. CHS made a commitment in May 2018 to support people experiencing domestic abuse by signing up to the Make a Stand pledge which has been developed by the Chartered Institute of Housing in partnership with Women's Aid and DAHA, and to work towards achieving DAHA accreditation for good practice. We are in a privileged position to be

able to raise awareness of domestic abuse and encourage our customers to seek our help, and to intervene to support them. Achieving accreditation has involved a great deal of work in reviewing our policies and practice, training our teams and strengthening our partnership working. Since CHS introduced these improvements, disclosures of domestic abuse have increased 5-fold which shows us that our approach is making a real difference to how customers see the support we are able to give them. This doesn't mean 'job done' for us and we will continue to develop our approaches, led by our team of committed colleagues.

New Board Members

Four new members joined our Board this year. Chris Knight is CEO of Legal & General's Retirement Retail Division and sits on the Audit & Finance Cttee, as does Karen Mayhew, who is also Director of Homes for Cambridgeshire and Peterborough and was formerly Chief Executive of Havebury Housing Partnership. Phin Hodson is a management consultant with particular interests in strategy, business planning and digital transformation and joins the Operations Cttee. Alex Colyer was Deputy Chief Executive and Chief Financial Officer at South Cambridgeshire District Council, and chairs our Audit & Finance Committee. They bring a wealth of experience to our Board.

Partnership working

One of CHS's key strengths is our local knowledge and partner network and this allows us to assemble partnerships with the range of skills needed to tackle tricky social problems.

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 range of services for the County Council including our older people's and community support services as well as with time banking, time credits and the Cambridgeshire Local Assistance Scheme, 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



CASE STUDY – “Hi Debbie, just to let you know I love it here. Thank you for all you’ve done”

CHS’s Tenancy Support Officer assists our Housing Officers to give additional support when more vulnerable tenants need it.

Ms D has a history of Attention Deficit Hyperactivity Disorder (ADHD) and anxiety. She tends to have paranoid thoughts under the influence of alcohol. When she first moved in to one of our properties, things went well. However, she began drinking and this exacerbated her mental health problems. CHS began to receive reports of anti-social behaviour, sometimes with this tenant as the aggressor, sometimes as the victim. Things came to a head; the police became involved and she received a police caution.

Debbie, our Tenancy Support Officer, met with Ms D to discuss her options. She was keen to move. She said that her anxiety and ADHD lead to her reacting impulsively if she feels under threat and whilst we acknowledged that this is her way of standing up for herself when she feels threatened, she could see that at times it had not served her well and had contributed to tension between her and other

residents. She identified the layout of the scheme she lives in as contributing to her anxiety as she has to walk past neighbours who have threatened her to get to her flat.

She decided she wanted to move to a scheme with a more open layout. She also decided that she would manage her anxieties differently in future as her reactions may have caused the situation to escalate.

Debbie supported the tenant to register on Homelink and Homeswapper, as she lacked confidence to do this online. She wrote a supporting letter to Homelink outlining the anti-social behaviour and how living in the flat was exacerbating the tenant’s mental health issues and made regular visits to support her with bidding on Homelink.

3 months after the support case was opened the tenant was offered a flat in a different village via Homelink. She emailed saying how happy she was with the move: “Hi Debbie, just to let you know I love it here. Thank you for all you’ve done”.

Our Housing and Customer Services

Universal Credit (UC) – was rolled out in our area fully during Autumn 2018, although only for new claims. We now have 155 customers claiming. Plans to migrate existing Housing Benefit claims to UC are long delayed and unlikely to be completed before 2023. The risk of increasing rent arrears remains as more customers claim UC when making a new claim.

CHS and other groups have been campaigning for change on the calculation of the UC housing costs, as there will be 53 Mondays in the next rent year and therefore 53 weeks of rent due; rather than the 52 which UC assumes. Having been previously unwilling, the Department of Work and Pensions is now considering a change.

Rent Arrears – there was a reduction in arrears this year to 2.25%, despite the impact of growing numbers of UC claimants whose arrears tend to be around double the average. This is partly due to raising awareness with customers, referring them for money advice and being flexible about communicating in ways that work best for them.

Significant progress was made using 'Call 2 Collect' technology to message customers, encouraging them to speak to us about their rent account. The project launched in September 2018, for a 3-month phased pilot aimed at low level arrears – up to £450. During the pilot, 424 arrears conversations were made with customer services, and transactions made by direct debit increased by 4.6%, with an estimated collection of arrears of £10,801 initiated by this project. In addition, this enabled Housing Officers to have more dedicated focus on high level rent arrears and the team to support increasing numbers of new tenancies and properties and UC claimants without the need to increase staff numbers.

Call Handling – we introduced a new phone menu from 3 April 2018 which puts customers in direct contact with the contractor carrying out a repair; customers still have the option to speak to a Customer Services advisor. The aim of this project was to save time for customers, CHS staff and contractors in reporting/recording a new repair and reduce the number of touch points experienced by customers in the repair process.

Via a customer survey, 89% are satisfied with the new process, 87% are satisfied with the time taken to resolve the query and 92% found the menu easy to understand. Call handling menu options have reduced call volumes by 30%. This freed up customer advisor time which was utilised to take on arrears calls through Call2Collect.

Do we meet the Regulatory Standard?



Tenant involvement and empowerment – the Customer Committee has worked with us to review and create new policies. Members have also been involved in a Social Housing Network in the East of England, meeting to discuss ways that customers can engage with their landlord to achieve accountability and create positive change.

In our last annual report we said we would:

Work with our Doing Things Better team to:



Increase the use of more efficient rent payment methods

Further increase the proportion of customers subscribing to the myCHS portal – 600 customers are now signed up, leading to savings of £13,000 in production of rent statements, postage and customer newsletter



Increase the volume of online transactions with customers via myCHS



Deliver 'Call2Collect' to engage with customers needing to get up to date with rent



Prepare for the full rollout of Universal Credit, working with both the teams and our customers to raise awareness and offer support



Co-ordinate a corporate approach to Domestic Abuse – CHS has met the four requirements of the Chartered Institute of Housing 'Make A Stand' pledge, and a cross-department team has completed work towards accreditation by the Domestic Abuse Housing Alliance



Our Future plans:

- Continue to adjust to the full rollout of Universal Credit working with our customers to raise awareness and offer support in order to minimise financial distress and reduce the expected increase in rent arrears
- Continue a joint review with the Property Services team to achieve efficiencies in the void works process and develop improved reporting
- Work with customer groups to deliver a new Customer Involvement Strategy aimed to deliver higher levels of customer satisfaction
- Migrate as many customers as possible to more cost-effective payment methods.
- Develop improved presentation of business intelligence data
- Work with partner agencies to improve support for customers with cluttered homes to reduce fire risk and impact on neighbours.



CASE STUDY – ‘We feel part of the wider scheme’

CHS recently decided to run a day centre at Dunstan Court extra care scheme in Cambridge, to enable residents and people from the local community to get together to chat, make new friends and take part in various activities. The scheme also provides lunch which is much welcomed by those who have difficulties in managing to cook for themselves.

The communal area where they meet was open to a main corridor at the scheme, offering no privacy. The Property Services team was tasked with finding a low-cost solution to this problem, that also met the expectations of the wider customer group.

The team came up with a plan for some useful room dividers, which retained the open feel of the space, whilst also providing some privacy, as well as additional storage space and the scheme’s own distinctive decorative touches.

Staff, residents and day centre attendees from the community love the changes: *‘it’s made a real difference to the atmosphere – we’re now able to chat freely, without disturbing anyone, but still feel part of the wider scheme.’*

‘it’s made a real difference to the atmosphere’

Maintain, deliver and improve

Contacting our Contractors – customers told us that they wanted to be able to speak directly to our contractors when reporting repairs, making appointments or asking for an update, rather than via our Customer Services team. We have now fully implemented a system so that customers can speak directly to contractors by using a simple phone menu. Our contractors regularly report to us on numbers of calls and complaints received, and how these have been dealt with. Customers also have the option to speak directly to CHS staff if they are not happy with the responses given by the contractors.

Fire Safety – following the tragic events at Grenfell Tower and the report from Dame Judith Hackitt, we have reviewed the conclusions to make changes to how we approach and manage fire safety. We already carry out annual assessments of all properties where there are internal communal areas; we also regularly service and inspect all fire prevention and detection systems, and firefighting equipment. We will now be including sample checks to front doors to flats as part of the annual assessments. We receive regular updates from our contractors on the training provided to their operatives and we carry out random checks whilst they are working in areas that may affect fire prevention systems. While major changes to regulation have not yet been made, we continue to track and review all developments.

Estate inspectors – physical meetings have been replaced with digitalised surveys, feedback reports and newsletters which have made a small saving as well as providing more timely feedback from a broader representation of customers.

Do we meet the Regulatory Standard?



CHS manages gas safety in accordance with the relevant legislation. In 2018/9, we achieved 99.9% of gas safety checks within the 12-month limit. In one case, the agreed access process had been followed, but CHS was unable to cap the gas supply externally on expiry of the certificate. We improved our process for adding new properties to our servicing programme, after discovering the potential for delay. 100% of fire alarms, emergency lighting and fire risk assessments were checked in accordance with servicing schedule.

Asbestos management surveys – 85% of properties have a completed asbestos survey. We were unable to access the remaining properties; however, we advise customers and contractors that the property is assumed to contain asbestos and provide details of how this should be dealt with.

Overall Summary – We have made the following improvements to customer's homes in 2018/19 (figures in green are what we did in 2017/18):

- o 79 (122) boiler upgrades to more energy efficient models
- o 1 (10) storage heater system upgrades.
- o 69 (101) kitchen replacements
- o 65 (20) bathroom replacements
- o Replacement windows from single to double glazing in 7 (1) properties – we have now replaced all single glazed windows in homes where we have been able to gain access.
- o 42 (8) external door replacements.
- o External repairs and redecorations to 230 (23) homes and redecoration of the internal communal areas of 10 (20) schemes.

We helped 42 (70) 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. These customers have been able to continue to live independently in their existing homes.

We also delivered over 10,576 responsive, heating and communal repairs and carried out voids works on over 212 properties.

Tenant involvement and empowerment – customers have been involved in quarterly meetings with our gas servicing contractor, helping to shape the delivery model. Customers have also been involved in developing ways of delivering services with our new contractors. This included being part of the team who chose the contractors.

In our last annual report we said we would:

Re-procurement of grounds maintenance contract – poor quality work by our contractor was the main source of customer dissatisfaction and an improvement plan is in place. An apology letter was sent to all customers and an overall refund has been agreed which was reflected in service charges from April 19



Improve cost certainty – this is key to addressing the overspend on the Responsive Repairs budget in 2017/8. An independent review of Price Per Property and Void banding in our contracts was undertaken and achieved savings of around £60k



Hackitt review on fire safety – response to the review recommendations



Stronger culture of accountability – supporting staff to improve the way we keep customers up-to-date with progress on their repairs, handling and learning from complaints



Our Future plans:

- Work with Foster Property Maintenance on agreed action plan to enable CHS to make a decision on whether to extend or retender their contract
- Revised Asset Management Strategy and agreed action plan in place
- Embed arrangements with new contractors to ensure contracts deliver required service quality and value



CASE STUDY – ‘More time to care’

As part of our Digital Strategy, and in line with our Corporate Objective to provide excellent services that respond to our customers’ needs, CHS recently introduced Nourish, an electronic care management platform, to our three residential care homes.

This platform enables our care teams to plan, record, report and co-ordinate care whilst on the go. Staff can now record more accurate details in less time and the information is shared across the whole team. For example, where people require monitoring for fluid intake, the system automatically adds quantities when staff enter information on the system and makes alerts if people are not having enough to drink. Daily notes writing is speeded up and handovers and risk assessments are automated. There is also a reduction in paperwork such as separate charts and medication paperwork.

Early results show improved productivity, a reduction in errors and staff and manager’s time is freed up - allowing them to focus on quality care rather than administrative tasks. There is a better work balance for staff, allowing more time with residents and less on administration, increasing job satisfaction, and improved quality of personal care and activities for residents. Nourish has therefore not been used to reduce our costs but to improve service quality for increasingly frail residents. Beryl Gillespie, Head of Older People’s Services said ‘Nourish saves time, but it’s what we are able to do with that time that really matters – more time to actually care for people’.

‘She cherished the relationships she built with you’

Housing with care

Life as a carer – We were delighted to have been able to participate in a BBC Inside Out programme about care, featuring staff and residents at Alex Wood House and Langdon House residential care homes in Cambridge. Recruitment and retention in care remains a national issue and we are so proud of the care our dedicated team give to our vulnerable residents to enable them to have a better quality life. *'We are so grateful for the kindness and care you gave him during his years with you'*

Nutritious meals – we have improved the quality of meals in our care homes with the introduction of the Apetito service – the meals are made with quality ingredients and are tailored to cater for every taste, dietary and cultural requirement. Meal times are also a social occasion and staff have been experimenting with different table settings and decorations to make mealtimes fun, and experiencing different foods and flavours from around the world:

'I really look forward to my meals – there is plenty of choice available and I like that I can pick what I fancy each time'

Cash in the Community – we were also proud that one of our staff arranged for Langdon House to be nominated for the Cambridge Building Society/Cambridge Evening News 'Cash in the Community' awards and succeeded in being awarded over £1,000 towards a new summer house for residents. The summerhouse will be erected on site during 2019 as a total of £4,000 has now been raised through raffles, a stall at Chesterton Fair and sponsored staff events.

Day centres – we have been running a day centre from Moorlands Court in Melbourn since 2008, and during this year have introduced a similar day centre at Dunstan Court in Cambridge. Day centres are key in reducing loneliness amongst older people, providing activities, nutritious meals and respite for carers.

Do we meet the regulatory standards?



CHS Homecare (our Extra Care schemes and Domiciliary Care Agency) and all three of our residential care homes have 'Good' ratings from the Care Quality Commission at unannounced inspections. All our commercial kitchens have 5* ratings for hygiene and good practice. Moorlands Court had a County Council inspection in March 2019 with an 'outstanding' outcome.

Incidents and safeguarding events have been low, occurring at a rate of 0.001% across Older People's Services. There have been no substantiated formal safeguarding incidents raised against CHS or our staff.

Tenant involvement and empowerment – Tenants in our sheltered schemes have had visits from animals, both large and small, a variety of entertainers, trips to Duxford, pub meals, BBQs, and a trip to the Cambridge colleges.

The tenants at Ellis House have been taking part in a 2-year intergenerational project where at any one time, 3 PhD students from Cambridge University have lived at the scheme and shared activities, companionship and given their time. We would like to thank the tenants for all they have contributed in shaping CHS' thinking in this area, which has benefitted both tenants and students. Unfortunately funding for the project is now at an end but we will continue to work with local nurseries in bringing pre-school children into our extra care schemes to meet their elderly residents.

In our last annual report we said we would:

Tenders for existing Extra Care contracts at Dunstan Court and Moorlands will be released in 2018 and we will bid to retain these – all three contracts have been extended to 2023



Our Customer Scrutiny Panel has recommended changes to our marketing of care homes following a thorough review. These recommendations were reviewed/implemented in 2018 -19



Nourish electronic care data management has been embedded and rolled out to all older people's residential care services.



The quality of the meals experience in care homes has been improved by the introduction of an Apetito service with specialist diet and nutrition improvements



Our Future plans:

- The 2020-23 Older People's Services Strategy will be revised and agreed with an action plan
- We will introduce a new e-learning system so that staff spend less time away from their customers because of training and can learn about a wider range of health and care subjects at their own pace
- We will be consulting with our catering teams to make some changes to residential care home meal arrangements. Research has shown that having a cooked meal and better hydration later in the day – rather than having your main meal at lunchtime – can reduce falling in the elderly and promote better sleep. We are looking to make these changes and then monitor the effect this change has on sleep patterns and falls incidents over the year



CASE STUDY – ‘My heart family’

Our two services that provide housing and support for looked after children at ‘120’ in Cambridge and ‘204’ in Wisbech, allow children who used to be in care to be supported near to their communities. Here is a letter received from one of them:

‘I would like to say a big thank you to 204. Before I came to you, I was a violent angry kid – I was kicked out of more than one school and out of 4 foster homes. I once spent a whole night in a police cell and was all round just a horrible kid.

You guys helped me though it and gave me a hand out of the hole I was in. Look at me now – I’m so different - my temper is better and under control and I’m all round a happier kid. I’ve turned my life around with the help of 204, also known as my second family. Thanks for all the time you guys put into me and to help me be a better person to be around. I love you all 204, you’re my family, maybe not blood, but my heart family.’

In 2018-9, our Community Support services delivered £2m in social value

Supporting communities

We try to be as responsive as we can to the needs of our communities – Some disadvantaged groups require support as well as a roof over their head. Over time we have developed a number of different projects to enable disadvantaged people to get on in life. Our role in these projects varies – in some projects we provide both housing and support and in others we provide the housing and a partner organisation provides the support.

We continued to engage with our communities through the 'It Takes a City' initiative in Cambridge. This initiative aims to see what we as a community can do together – local authorities, agencies, charities, the private sector, academia, and people with lived experience – to help people off the streets. We are actively engaged with groups working out how best to collaborate around the needs of young people and women, and with supporting people into work.

In addition, we played our part in thinking through how Cambridgeshire might respond to the squeeze on public funding and its impact on the budget which pays for the support function of our services. We worked closely with the County Council to work up a Cost Benefit Analysis model which we are aiming to complete in 19-20 as our sense is that investment in preventative services offsets the costs of more expensive services in the long run.

We also did some fundraising – most of our young service users don't have a support network to rely on to help them both financially and emotionally through tough times. Sometimes, a little help at the right time is all it takes to make a huge difference in life. We continued to fundraise through our Raise the Roof campaign with a group of staff, young people and staff from the Internet Watch Foundation doing a sponsored sleep out in December. The funds we raised enable us to offer things like emergency toiletries, phone credit, travel fares, specialist counselling, loan of a laptop for college, interview clothes, and activities for our young people to learn about themselves and others.

Good Ofsted result – CHS runs two children's nurseries, in Cambridge and in Cambourne. Our nurseries offer bursary places to the children of low-income families, so their parents can access education or to enable them to work.

After an unannounced inspection, Ofsted awarded our Sunflower@Cambourne nursery a 'good' rating. Our Cambridge nursery also has a 'good' rating.

'My wife and I love Sunflower Nursery. Our son has been going there for over a year and his development and personality has grown so much since he started. He is always encouraged to further his development, and every stage of his growth is closely monitored and assessed. We

feel totally at ease when we drop him off knowing that he will have a wonderful day. Staff are fantastic and can't recommend them highly enough.'

Do we meet the Regulatory Standard?



Our support services are funded by Cambridgeshire County Council, and quality is ensured via annual monitoring visits. Railway House and our Young Parent services are also funded by Cambridge City Council and subject to an annual report to them. Stakeholders, funders and partners report 90.5% satisfaction with the way our organisations work in partnership with good feedback on whether we live up to our values:

'Staff genuinely care for those they work with. Able to see beyond "the rules" to think about how to achieve best outcomes. Strong advocacy skills.'

Tenant involvement and empowerment – we involved our tenants in recruiting staff at one of our Looked After Children's Services.

In our last annual report we said we would:

Retain our place on the Cambridgeshire County Council's Looked After Children's Framework



Continue to represent and lobby on behalf of CHS on Government consultation proposals for Supported Housing



Participate in Cambridgeshire and Peterborough's County Council's review of supported housing, influence the results and plan for 2018 onwards



Our Future plans:

- Implement software at our nurseries to improve integration with our Finance system, reduce administration burden on staff and improve customer experience
- Implement customer relationship management system in directly managed services to reduce administration burden, improve data security and deliver improved management information
- Contribute to the commissioning phase of Housing Related Support services in Cambridgeshire
- Contribute fully to the 'It takes a City' movement in Cambridge
- Standardise leases with external parties to achieve consistency and reduce costs



CASE STUDY – ‘It has been life changing’

Mrs B was referred to CHS’s CLAS champion for help with some furniture for her son’s bedroom. Mrs B had previously worked with our Money Matters team in relation to benefits. Her family background was very complex and one of her children had been taken into care.

Social Services would not allow the child to come home until they were happy with the state of the property, and the child’s bedroom. Mrs B explained that doors at the property had been damaged in the past when her son’s behaviour was bad. We referred her into the BESOM charity who visited and provided a chest of drawers, repaired a cupboard and bed, fitted curtains and some lampshades. BESOM reported that the client was doing a good job with decorating the boy’s room and downstairs, and that they would decorate the hall, stairs and landing. Mrs B was awarded a £100 CLAS Green Voucher for paint and bedside tables to be obtained from Cambridge Re-Use and CHS obtained a £200 grant from

Cambridge Central Aid charity to help towards the cost of new doors and carpets, which BESOM would provide.

Social Services has agreed for the son to come home on supervised visits and it is hoped that he will soon be back home for good. If we can support her child to come home this will be good for the family and will help Social Services avoid needing to pay to keep the child in care. Mrs B said ‘I am overwhelmed with all the help that everyone has given. I wouldn’t have been able to start to get the kids back. It has been life changing’.

In 2018-9, our Community Investment services delivered
£1.9m in Social Value

Investing in communities

Addressing the complex issues around poverty requires the contribution of many different actors, and no one service, organisation or person can address the root causes on their own. Wherever possible, we collaborate, informally and formally, with a range of public, private, voluntary and community-based organisations.

For example, we have found our new housing residents require more support from us. In a recent new development of 16 homes for affordable rent, 10 of the new residents required significant help from us to move in, set up home and manage their precarious finances. We didn't do this just by ourselves but teamed up with local charitable and faith-based organisations to enable people to move in with furniture, whilst we focused on providing advice and support around welfare benefits.

We continued to provide a safety net for people facing unexpected financial difficulties and hardship. We do this by delivering the Cambridgeshire Local Assistance Scheme (CLAS) with local charities and advice agencies. CLAS is funded by Cambs County Council. Our partnership approach is designed to reduce administration costs by delegating decision making to the frontline, stretching public resources by working closely with community and voluntary sectors and delivering recycled goods and resources, and building clients' resilience by connecting with relevant support services. Our evaluation of the last year showed that we had supported almost 1500 people and by intervening as early as possible had saved over £1m to the public purse.

Providing a coaching service to people going through tough times enabled people to get back on track, stabilise their financial and employment situation, and consequently provided them with confidence, self-esteem and psychological stability. This enabled them to overcome their immediate pressing issues (such as debt) and increased their confidence in their own ability to address other problems (such as education and work). We worked closely with the University of Cambridge to evaluate the service, as well as with local partners to deliver it across Cambridgeshire, Peterborough and West Norfolk. This service is part of the Building Better Opportunities Programme funded by the National Lottery Community Fund and the European Social Fund, and we supported 133 people last year.

We also joined forces with Cambs, Peterborough and South Lincs MIND to test out how we might better support people with mental health problems as we found that more of our customers were experiencing these issues. We provided financial capability training to their staff and also supported a small group of their customers to regain financial control of their lives.

We continued to try to better connect people in their communities by developing new Timebanks in Melbourn and Sawston, with support from South Cambridgeshire District Council, and co-ordinating ones in Littleport and

Ely, and Cambourne, with the support of the National Lottery Community Fund and East Cambridgeshire District Council. We worked closely with Cambridgeshire County Council to explore what savings the timebanking model delivers to the public purse and found that each one delivers £50k savings a year. This provided the platform for further investment in Timebanks through the County Council's Innovate and Cultivate Fund. We also worked closely with the Nuffield Road Medical Centre in Cambridge to see how we might better join up housing and health by providing a social prescribing service.

Tenant involvement and empowerment

Impact

| Measures | Performance 2017-18 | Performance 2018-19 |
|------------------------|---------------------|---------------------|
| CHS tenants | | |
| Income protected | £655,418 | £575,573 |
| Employment outcomes | 18 | 26 |
| New people on-line | 40 | 38 |
| Time Credits earned | 1256 | 1,141 |
| Social Value | 4.9 | 5.1 |
| Wider community | | |
| Income protected | £1,673,017 | £2,617,248 |
| Employment outcomes | 133 | 232 |
| New people on-line | 79 | 255 |
| Time Credits earned | 8356 | 14,849 |
| Social Value | 4.9 | 5.1 |

In our last annual report we said we would:

Secure funding for Timebanks and New Horizons II – funding secured till December 2019 and September 2022



Carry out lean reviews of Money Matters Service and Cambridgeshire Local Assistance Scheme – partially completed



Fully prepare for introduction of Universal Credit & processes agreed with Housing Services Team



Our Future plans:

- Maintain CLAS to provide support for people suffering significant financial and personal difficulties
- Secure funding for Timebanks to build stronger local communities
- Complete lean reviews of Money Matters Service and CLAS to ensure that these services are as effective as possible
- Develop and implement ways of working using a strengths-based approach to ensure that community investment services are as effective as possible



Councillors Peter Topping and Tumi Hawkins
at our new development at Whittlesford

CASE STUDY – Working to develop local solutions

For rural areas to thrive, they need affordable homes for families to grow. Parish Councils recognise that affordable homes enable families to remain within the communities they have been brought up in and where they may have an existing family support network. Keeping new and growing families in the local area supports rural services and businesses which may be threatened with closure.

CHS has a proud history of delivering affordable housing for rent and shared ownership in rural settlements and during the year we worked closely with Parish Councils in Wicken and Newton to identify and bring forward land for Rural Exception Site developments for local people. In both cases Housing Need Surveys were carried out to identify the specific affordable housing requirements for local people with a village connection. This was followed by meetings with the Parish Councils and residents to discuss the survey results,

agree scheme size, layout and tenure mix. With both schemes this involved several meetings to consider various scheme designs each amended to reflect concerns raised by interested parties relating to open space, landscaping, tree retention and other environmental issues. In the case of Wicken this resulted in the purchase of a site and the grant of planning consent for 16 homes with work due to start on site in October 2019. We have subsequently agreed terms with a landowner in Newton and are now working towards exchanging contracts and submitting a planning application for eight homes.

In addition, we discussed similar potential schemes with the Parish Councils of Doddington and Wimblington and although both Councils are fully supportive of more affordable housing for local people we have yet to successfully identify suitable sites.

CHS development

New affordable housing completed – during 2018/19 CHS completed 92 new homes for social and affordable rent and shared ownership, at Littleport, Melbourn, Duxford and Caldecote. The 92 completions were achieved against a target of 86 with a target of 175 in place for 2019/20.

Land for new development of affordable homes at Witchford, Fenstanton, Sawston and Bourn has been purchased and construction started on site. Various other sites are being worked up for future development.

We are pleased to have obtained grant from Homes England towards homes at Witchford and from the Cambridgeshire and Peterborough Combined Authority towards homes at Littleport and Melbourn.

Sales for CHS – 334 properties/shares in properties were sold during the year. These included the sale of new purpose-built shared ownership homes, and existing shared owners buying additional equity in their home, or in some cases, their whole property. These activities made surpluses for CHS which we can use to build more new affordable homes.

Commercial Property Management – we also manage six commercial office lettings. This activity makes best use of properties CHS has no current need for but where we need to retain long term control over the whole of a site and it also provides CHS with additional income.

Housing for open market sale – 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 by CandCD are either reinvested into the business or gift-aided to CHS to further our charitable objectives. CandCD focuses on the development of new homes for open market sale. The construction of four such market sale homes was completed at Great Shelford with three being sold during the year and the fourth sale completing in May 2019. Construction of 11 homes was recently completed at Whittlesford. More information can be found at www.candcd.co.uk

Cambridge and County Developments funds these open market developments using profits from previous projects and loan finance from CHS.

New homes at Waterbeach





We're not perfect...

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

Mrs B lived with her husband and three children in a four bedroomed home in Cambridgeshire. Her two older children left home, leading to a reduction in housing benefit due to under-occupation, and she was getting further and further into rent arrears. Her Housing Officer was having to take eviction action because of the arrears, but wanted to get the family some help, so referred her to the local authority for tenancy support.

Unfortunately, Mrs B then suffered life-threatening injuries and spent some time in hospital. Her husband was unable to cope, and left, taking their youngest child, leaving the home in disrepair, with damage to doors, flooring, loose wiring and damaged smoke alarms. The property was now unsuitable to return to and Mrs B would fall further into arrears due to further under-occupation.

Between them, CHS's Housing Officer and the Tenancy Support Officer arranged for alternative accommodation; Mrs B gave up her CHS tenancy and we agreed to take no action over the arrears/damage to the property.

The Tenancy Support Officer at the local district council wrote to us:

'Thank you for letting me know, I feel quite sad about this case. Thank you for not taking things further and being sensitive and making decisions on a case by case basis. I have noticed this more with CHS compared to other housing associations. It's a real credit to the organisation's ethical ethos.'

'It's a real credit to CHS's ethical ethos'

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 problems. We take all complaints very seriously as it is only by listening to our customers that we can improve our service.

Complaints Panel – 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, made up of our residents, which has reviewed our Complaints Policy and made recommendations about monitoring complaints. The Panel can help us to review complaints from a customer's point of view, and customers can ask the Panel for advice about any complaint or to act as advocates when making a complaint to CHS.

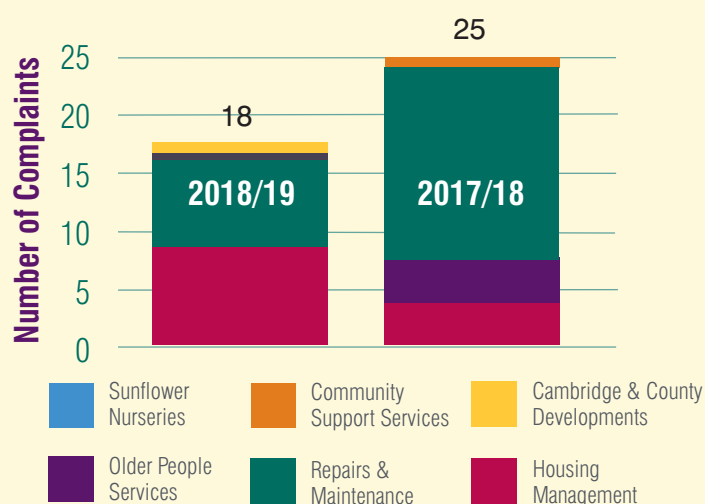
This year, we have worked with customer facing teams in Housing, Customer Services and Property Services to help to improve satisfaction and handle any complaints more effectively. A new training programme was rolled out and further training on anti-social behaviour complaints will take place.

Lessons Learned – a tenant had reported incidents of anti-social behaviour and abuse, and CHS was taking steps jointly with the police. Over a period of time, the anti-social behaviour improved and CHS was monitoring the situation. CHS should have contacted the person who made the original complaint of anti-social behaviour each month, to see how things were going. However we did not do this regularly and this led the tenant to believe CHS did not take the issue seriously when a further incident happened. CHS had not fully explained the action it had taken alongside the police, which might also have reassured the tenant, and had not explained what would be required to take legal action against their neighbour. This will be addressed via further training for staff.

A repair was required in a resident's room in one of our Care Homes and the operative arrived very early in morning. The resident was being assisted with personal care needs at the time so this was very inconvenient. Our responsive repairs contractor will now only attend resident rooms after 9.30am to carry out repairs to minimise disruption to residents as much as possible.

Tenants have complained that on occasion the heating contractor is late for an appointment and they do not receive any communication so they do not know if the repair is going to take place. Our heating contractor has now implemented Text Message alerts if the engineer is running late which reads as follows "We haven't forgotten you, we are still due to arrive today but may run a little late due to emergency work volumes. Please call our office on 01603 404755 if you have any questions or wish to rebook".

FORMAL COMPLAINTS RECEIVED BY YEAR AND SERVICE



Of the 18 formal complaints in the year, 2 were fully upheld, 7 were partly upheld and 6 were not upheld. 3 complaints were ongoing after the year-end. 3 complaints were escalated to Formal Review by a Director.

Compensation

A total of £4,208 was paid in the period to complainants, mainly on repairs issues.



CHS
invests in
people
and
structure



Value for Money (VfM)

The Group operates in a climate of financial, economic and political uncertainty. There are significant constraints on resources with an increasing expectation to do more with less. We are committed to utilising the available resources in the most efficient and effective way. Ensuring residents remain at the heart of what we do, we want to understand and invest in their priorities.

In April 2018, the Regulator of Social Housing issued a revised VfM Standard, a Code of Practice, and a technical note setting out metrics with which to measure economy, efficiency and effectiveness on a comparable basis across the sector. We report against these metrics for the second time this year and combine this with continuing to report under the Sector Scorecard format. For the first time we are reporting our metrics performance on a benchmark basis against a selected peer group.

In accordance with the regulatory requirements, during the year the Group Board undertook a review of our strategic corporate objectives and approved clearly defined and measurable VfM targets to support each of the corporate objectives.

Our approach to achieving VfM in meeting the strategic objectives

The Group Board reviews the strategic corporate objectives and sets the VfM targets annually. The Executive Management Team meet regularly to oversee the implementation of and review progress against the corporate objectives. The progress is reported quarterly to the Group Board.

VfM is integrated into the organisation's operations in a number of ways:

Governance – Board members' duties include reviewing performance and efficiency and ensuring compliance with the regulator's requirements. Managers and staff are encouraged to question how we work and find ways of providing a better and more efficient service.

Financial – VfM is an integral part of our annual budget, business planning and corporate planning processes that set targets that will produce improvements to the service and better use of the resources.

Business stream review – An update and detailed financial review of each key business area continues to be conducted annually. The aim of the review is to improve the profitability of the Group by setting medium term plans for each business stream and unit. More specifically, the review aims to address the following:

- To ensure we are better informed about the income or funding streams and the cost structure of each business unit;
- To help better understand the profitability and return on housing assets for the individual business units;
- Set overall Group standard and business unit targets in terms of profitability, contribution and asset return;
- Identify the social return from the business units;

- Agree improvement targets and plans in order to address the low performing areas.

Planning process – our corporate plan and business plan set out our key aims not only to improve services and increase residents' satisfaction but also to allow us to invest in services and responsible growth and digital technologies to deliver better value for money in term of cost as well quality. For 2019/20 we are concentrating on the continued development and implementation of our Digital Strategy to deliver better value for money in terms of cost, quality and customer satisfaction. We have appointed a Business Change Manager to support a number of planned investments and efficiencies.

Resident focus – improvement in residents' satisfaction with an emphasis on VfM is one of our key corporate objectives. Residents' satisfaction with VfM is measured through several routes including the STAR survey. The survey results for the year showed that overall 78% of residents were satisfied that their rent provided value for money (2018: 80%), and 76% of housing customers would recommend CHS (2018: 77%). We have responded to disappointing results for satisfaction with service charges by undertaking the early retendering of key contracts, with new contractors in place from March 2019.

Our Scrutiny Panel also considers VfM as part of the reviews that they undertake on our services and provided a very helpful report during the year on marketing in our residential care services. In helping to deal with some of the impacts of the public sector spending cuts and welfare reforms, our Community Investment Service provides money and debt advice, benefit advice, career preparation and employment advice. We continue to involve our customers in procurement and the evaluation of the quality aspects of tender submissions including with the gardening contractor; and we continue to work with Eastern Procurement Limited to undertake large procurement exercises.

VfM performance against metrics set out by the Regulator of Social Housing

Group performance measured against the metrics defined in the Value for Money Standard and metrics technical note issued by the Regulator of Social Housing is set out below:

Peer group selection – The Group undertakes a range of activities that are so diverse, for an organisation of our size, that we are not able to identify directly comparable peers at local or national level. To obtain the nearest peer groups possible, we have identified two different groups. One peer group consists of 11 other traditional housing associations all based in the east of England. They range from 1,400 to 16,000 units.

The other peer group consists of 11 traditional housing associations with between 2,500 to 5,000 units based anywhere in England (national). They are associations with a relatively large income from other social housing activities and 1st tranche shared ownership sales, like CHS.

Four of these national associations are also based in the east of England and are also included in the east of England peer group. Data for both peer groups has been extracted from the Regulator of Social Housing's global

accounts for 2018. The ranking in the peer group tables below is our ranking compared to the other 11 associations in the respective peer group.

| PEER GROUP: East of England | | | 2020 | 2019 | | Rank | 2018 | |
|-----------------------------|--|---|--------|--------|--------|------|--------|-------|
| No. | Metric | | Target | Actual | Target | | Actual | Peers |
| 1 | Reinvestment | % | 6.4 | 9.8 | 6.3 | 3 | 8.1 | 71 |
| 2a | New supply delivered - social | % | 5.5 | 3.5 | 3.1 | 7 | 1.0 | 2.1 |
| 2b | New supply delivered - non-social | % | 0.4 | 0.1 | 0.2 | 2 | 0.2 | 0.1 |
| 3 | Gearing | % | 56.1 | 55.1 | 53.8 | 7 | 53.9 | 60.2 |
| 4 | EBITDA major repairs included interest cover | % | 120.6 | 120.9 | 120.0 | 11 | 136.5 | 169.4 |
| 5 | Headline social housing cost per unit | £ | 6,448 | 6,403 | 6,205 | 10 | 6,301 | 4,128 |
| 6a | Operating margin - social housing | % | 33.5 | 36.9 | 35.7 | 4 | 43.6 | 39.2 |
| 6b | Operating margin - overall | % | 19.2 | 21.2 | 22.6 | 10 | 24.4 | 34.1 |
| 7 | Return on capital employed | % | 3.4 | 3.2 | 3.3 | 6 | 3.9 | 41 |

| PEER GROUP: National | | | 2020 | 2019 | | Rank | 2018 | |
|----------------------|--|---|--------|--------|--------|------|--------|-------|
| No. | Metric | | Target | Actual | Target | | Actual | Peers |
| 1 | Reinvestment | % | 6.4 | 9.8 | 6.3 | 5 | 8.1 | 7.9 |
| 2a | New supply delivered - social | % | 5.5 | 3.5 | 3.1 | 9 | 1.0 | 3.4 |
| 2b | New supply delivered - non-social | % | 0.4 | 0.1 | 0.2 | 1 | 0.2 | 0.0 |
| 3 | Gearing | % | 56.1 | 55.1 | 53.8 | 10 | 53.9 | 42.1 |
| 4 | EBITDA major repairs included interest cover | % | 120.6 | 120.9 | 120.0 | 11 | 136.5 | 190.0 |
| 5 | Headline social housing cost per unit | £ | 6,448 | 6,403 | 6,205 | 11 | 6,301 | 4,599 |
| 6a | Operating margin - social housing | % | 33.5 | 36.9 | 35.7 | 1 | 43.6 | 28.8 |
| 6b | Operating margin - overall | % | 19.2 | 21.2 | 22.6 | 6 | 24.4 | 28.8 |
| 7 | Return on capital employed | % | 3.4 | 3.2 | 3.3 | 4 | 3.9 | 3.4 |

Analysis of performance

Outcomes delivered (Re-investment and new supply delivered)

The Group's development programme has increased significantly over the last 18 months. We believe we are reinvesting funds at the optimal level in consideration of viability and risk. The ranking of 5th against our peers demonstrates our commitment to meet housing need. The reinvestment metric is an indicator of the number of new homes in development.

The new supply delivered for social housing exceeded our target for the year due to the timing of scheme completions. Our ranking will increase further in the next year as the number of completions will reflect the level of reinvestment over the last 18 months.

Development capacity (gearing) – The gearing measure shows the proportion of borrowing in relation to the size of the asset base. The Group's gearing is higher than the majority of peers, and increasing slightly, reflecting a relatively large development programme phased over a number of years. However, the gearing is still comfortably

below the maximum prescribed in the Group's loan covenants allowing for further increased development in the future.

Business health (EBITDA, margins) – The Group performed strongly with regard to social housing lettings, ranking 1st amongst national peers. However, 47% of the Group's income is not generated from social housing lettings. The operating environment of residential care homes has proved particularly challenging resulting in a deficit of £110k, and there was an impairment charge on land owned by CandCD of £234k. These were significant factors for the overall margin being below target. The Group, however, does not expect its operating margin to rank highly amongst peers due to its diverse range of activities.

EBITDA has declined due to higher levels of interest payable resulting from increased borrowings. This was expected and remains in line with target. Again, the Group expects EBITDA to rank poorly compared to peers.

Operating efficiencies (Headline social housing cost per unit) – The formula used to calculate the metric includes residential care homes which increases our cost significantly. The Group operates 3 residential care homes, while most of our peers do not have any. Excluding residential care homes, the headline cost per unit would be £4,798 (2018: £4,896) and improve the Group's ranking to 7 nationally and to 9 locally.

Effective asset management (return on capital employed) ROCE – Despite an increase in the capital employed, the return has fallen because of the lower operating margin.

VfM performance against metrics set out by the Regulator of Social Housing

In addition to the regulator's metrics, the Group has developed a suite of internal metrics and targets to measure performance. The key metrics are below:

| | | Target 2020 | Actual 2019 | Target 2019 |
|---|-------|-------------|-------------|-------------|
| Deliver sustainable growth in social and affordable housing: | | | | |
| Development: handovers – affordable general needs | units | 100 | 74 | 81 |
| Development: handovers – affordable shared ownership | units | 65 | 28 | 27 |
| Provide excellent services: | | | | |
| Tenants satisfied with CHS services | % | 81.0 | 75.5 | 80.0 |
| Reduce % of all voluntary leavers who leave within 6 months | % | 31.0 | 35.3 | 32.0 |
| Responsive repairs – stay fixed % | % | 90.0 | n/a | n/a |
| Responsive repairs – right first time % | % | 75.0 | n/a | n/a |
| Ensure financial viability and excellent governance: | | | | |
| Average responsive repair cost per property (exc voids) | £ | 486 | 493 | 486 |
| Average void repair cost per relet | £ | 1,600 | 1,373 | 2,199 |
| Average relet days – general needs | days | 17.0 | 29.0 | 18.0 |
| Average relet days – sheltered | days | 28.0 | 47.7 | 47.0 |
| Average relet days – extra care | days | 28.0 | 29.4 | 24.0 |
| Bad debts written off | % | 0.7 | 0.4 | 0.7 |
| Average sales time for shared ownership units | days | <88 | 114 | <90 |
| Average sales time open market units | days | <88 | 181 | <90 |
| Open market sales – handovers | units | 32 | 4 | 7 |
| Average first let time for new affordable development handovers | days | 14.0 | 19.1 | 14.0 |

Strategy to address areas of under performance

Our 5-year Corporate Plan was reviewed and updated during the year. This included integrating value for money targets within our corporate objectives. New targets were set to drive continuous improvement in all areas and to reflect the balance required between the Group's commitment to delivering social value, whilst ensuring both social and commercial activities are viable and sustainable.

The key aspects of our strategy to improve value for money are:

- in accordance with our Growth Policy to obtain improved economies of scale through the development of new affordable rent general needs and low-cost home ownership properties that will

increase our homes in management by 20% (587 units) by March 2024 and be reflected in the average management cost per property increasing at a rate below inflation;

- setting minimum gross operating margin targets to be achieved for each of our diversified activities whilst continuing to deliver social value;
- undertaking a robust rolling programme of procurement tenders to ensure optimal price, quality and customer satisfaction are delivered;
- actual performance will be managed and monitored to deliver effective and efficient services.

In the short-term, we expect our ranking to remain lower than peers for the EBITDA, gearing, headline social housing cost per unit and operating margin – overall VfM metrics,

but to improve over the next five years. This is due to the combination of:

- our comparatively lower number of general needs homes owned compared to our peers, which reduces the economies of scale achievable;
- as demonstrated earlier in this report, the Group's very diversified range of activities, that we undertake to deliver social value, where operating margins are lower than social housing;
- our relatively large development programme that will increase the number of general need homes in management in future years that will provide improved economies of scale.

Social Value

As a social purpose organisation, we want to be as responsive as possible to the local communities in which we work while considering the risks that may be involved in

delivering a range of services. To help us better understand the social value or impact of our services we:

- use HACT's Social Value Wellbeing Valuation Approach for some of our services. This approach monetises outcomes that are related to increases in people's well being as a result of using our services. The advantage of using this methodology is that it is nationally recognised as a credible way of measuring social impact;
- try to learn what features of our service people most appreciate and what difference it makes to them by collecting case stories;
- try to get feedback from stakeholders, partners and sponsors so we can better understand how we might better contribute to delivering Social Value outcomes.

In the year, applying the HACT approach we delivered the following Social Value in these service areas:

| Service Area | Overall Social Impact | Overall Budget | Budget: Social Impact |
|--|-----------------------|----------------|-----------------------|
| Money and employment advice, community development | £991,469 | £255,191 | £1: £3.88 |
| Housing Related Support Services* | £1,995,159 | £1,663,274 | £1: £1.20 |
| Cambridgeshire Local Assistance Scheme | £890,114 | £295,480 | £1: £3.01 |

* The overall Social Impact understates the Social Value we deliver supporting Looked After Children. We are exploring ways of better understanding how to capture this as our sense is that the HACT model does not fully appreciate the difference the services make.

In addition, we delivered:

- £576k extra in tenants' pockets through provision of money advice e.g. welfare benefits, tax credits or grants;
- 26 vulnerably housed customers achieved an employment related outcome;
- 38 new people moved on-line, enabling them to use the internet;
- Customers earned almost 1000 hours of Time Credits. 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).

In our Older People's Services:

- Around 70% of our residents in our Residential Care homes are private payers and the remaining 30% local authority funded. The cost of delivering good quality services is reflected in the fees for the private payers being higher than those paid by the local authority. In 2018-19 CHS imposed a minimum fee for Social Services residents of £650 per week. This is to improve the financial viability of the business and reduce the cross subsidy from private funders, estimated to be over £600k p.a. However, there is no differential in the quality of service or outcomes for residents;
- Our Residential Care Homes offer respite stays which allow family carers to take breaks, and extend the time families can continue supporting those living with dementia at home;
- The Intergenerational Housing Project, which saw three post graduate students move into one of our Sheltered Housing schemes alongside the elderly residents, has

been well received. The project was set up with 2 key aims: retaining viable affordable housing for local priority groups i.e. the elderly and post-graduates and improving the quality of life / tackling wider loneliness issues for the elderly. Both groups have reported positive outcomes;

- CHS provides an aids and adaptations service for tenants; research has shown that appropriate adaptation/equipment can delay admission to residential care by around 4 years;
- Our Extra Care scheme 5* kitchens provide meals to local volunteer-run lunch clubs, and to residents in our sheltered schemes, these events reduce social isolation amongst the elderly;
- Our schemes act as a community hub for NHS services such as 'flu' jab and 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;
- We are upgrading domestic boilers and storage heaters to more energy efficient models; this will help to reduce customers' energy bills and lessen the impact on the environment;
- CHS has surveyed the needs of all its General Needs tenants over 75 and has provided information both face to face and in our Corporate Newsletter to help them access aids/adaptations, community alarms, and financial help both from CHS and their local services.

Over the year ahead we intend to develop our understanding of our Social Impact further by applying appropriate Social Value methodologies to:

- Our partnerships with third parties where we provide housing and they provide care and support
- Procurement – social value guidance notes/ requirements for contractors
- Asset management – seeking ways to enhance sustainability and quality of life for residents
- Aids & adaptations – added value as a particular aspect of asset management
- Supporting independent living – sheltered housing, extra care
- Homelessness work – including number of homeless people housed in general needs
- Partnership/enabling work with other agencies
- Dealing with anti-social behaviour – improving neighbourhoods and quality of life

HOUSING STOCK AND PERFORMANCE INFORMATION FOR YEAR ENDING 31 MARCH 2019

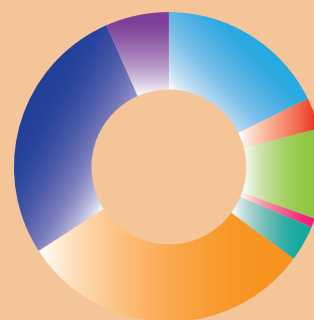
| | 2018 | 2019 |
|--|--------------|--------------|
| Social housing accommodation: | | |
| General needs: | | |
| Social rent | 1,831 | 1,823 |
| Affordable rent | 17 | 91 |
| Intermediate market rent | 2 | 2 |
| | 1,850 | 1,916 |
| Supported housing and housing for older people: | | |
| Supported housing | 173 | 171 |
| Housing for older people | 205 | 205 |
| | 378 | 376 |
| Low-cost home ownership | 351 | 241 |
| Leasehold | 10 | 11 |
| Care homes | 146 | 143 |
| Total social housing managed: | 2,735 | 2,787 |
| Non-social housing accommodation: | | |
| Market rent | 6 | 6 |
| Total units managed: | 2,741 | 2,793 |
| Accommodation owned but managed by others: | | |
| Units managed by others | 27 | 31 |
| Total owned and managed: | 2,796 | 2,824 |
| Collection of rent & service charges | | |
| General needs housing ~rent arrears (2017 3.72%) | 2.93% | 2.25% |
| Supported housing ~rent arrears (2017 4.30%) | 1.77% | 1.21% |
| Supported housing/housing for older people lettings | | |
| Total lettings | 105 | 68 |
| Average time (days) to relet these homes ~ | 10.5 | 15.8 |
| General needs lettings | | |
| Total lettings | 155 | 206 |
| Average time to relet these homes | 15.9 | 16.5 |
| Proportion of homes empty and available to let | 0.03% | 0.03% |
| Proportion of lettings to local authority nominations/Homelink | 70.80% | 77.2% |

FINANCIAL PERFORMANCE SUMMARY

| Statement of comprehensive income | 2019 £'m | 2018 £'m |
|--|-------------|-------------|
| Turnover | 32.6 | 31.0 |
| Cost of sales | (5.2) | (5.1) |
| Operating costs | (20.5) | (20.0) |
| Surplus on disposal of tangible fixed assets | 0.6 | 1.2 |
| Operating surplus | 7.5 | 8.8 |
| Net interest payable | (5.2) | (5.1) |
| Fair value movements | - | - |
| Taxation | - | - |
| Surplus for the year after tax | 3.7 | 4.3 |
| Other comprehensive income | (4.1) | |
| Total comprehensive income for the year | (1.8) | 3.7 |
| Financial position at year-end | 2019 £m | 2018 £m |
| Housing properties less depreciation | 221.4 | 208.7 |
| Other fixed assets and investments | 8.8 | 9.0 |
| Net current assets | 3.7 | 5.5 |
| Loans due after one year | (119.2) | (110.8) |
| Other long-term liabilities and provisions | (87.7) | (82.9) |
| Reserves | 27.0 | 29.5 |

For a full copy of the Group financial statements, please contact the Finance Director at the Group offices.

EXPENDITURE ASSOCIATED WITH £13.6M OF RENT COLLECTED (FINANCIAL YEAR 18-19)



31% Interest on loans

28% Running costs of estates, hostels and other sites

7% Building works/improvements

18% Central services/overheads e.g Finance, HR, ICT

3% Buildings Works - Cyclical

9% Buildings Works - Responsive Repairs

1% Community Investment

4% Housing Management

WEEKLY RENT LEVELS AT MARCH 2019

| 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 social rent | £77.80 | £93.57 | £106.81 | £119.20 | £129.19 | £143.63 | £142.34 |
| average HA rent | £76.63 | £92.50 | £109.06 | £120.54 | £132.21 | £147.51 | £149.60 |
| median private rent | | £207.00 | £276.00 | £318.00 | | | |

EAST CAMBS

| | | | | | | | |
|--------------------------------|--|---------------|---------------|----------------|----------------|--|--|
| Average CHS social rent | | £80.12 | £98.79 | £110.47 | £119.26 | | |
| average HA rent | | £84.88 | £100.01 | £100.00 | £121.21 | | |
| median private rent | | £144.00 | £172.00 | £207.00 | | | |

FENLAND

| | | | | | | | |
|--------------------------------|--|---------------|---------------|---------------|----------------|--|--|
| Average CHS social rent | | £73.58 | £87.75 | £99.41 | £109.72 | | |
| average HA rent | | £79.50 | £92.41 | £97.98 | £114.70 | | |
| median private rent | | £109.00 | £144.00 | £173.00 | | | |

HUNTINGDONSHIRE

| | | | | | | | |
|--------------------------------|--|---------------|---------------|----------------|----------------|----------------|--|
| Average CHS social rent | | £85.09 | £97.79 | £106.61 | £122.03 | £129.06 | |
| average HA rent | | £79.95 | £93.06 | £101.72 | £116.53 | £134.47 | |
| median private rent | | £137.00 | £172.00 | £203.00 | | | |

SOUTH CAMBS

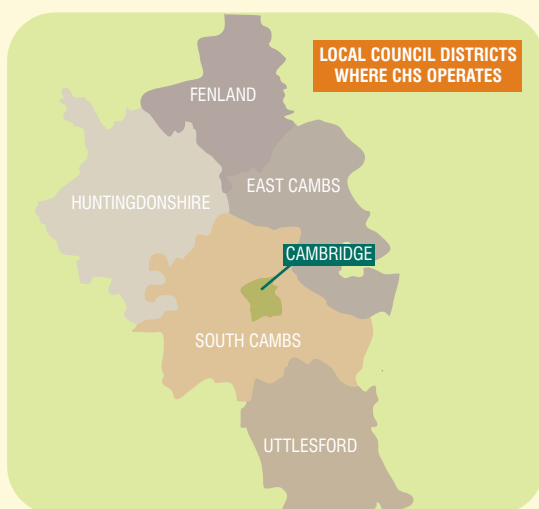
| | | | | | | | |
|--------------------------------|--|---------------|----------------|----------------|----------------|--|--|
| Average CHS social rent | | £87.91 | £106.26 | £117.36 | £126.77 | | |
| average HA rent | | £89.02 | £106.82 | £121.54 | £132.17 | | |
| median private rent | | £172.00 | £207.00 | £253.00 | | | |

UTTLESFORD

| | | | | | | | |
|--------------------------------|--|---------------|----------------|----------------|--|--|--|
| Average CHS social rent | | £94.21 | £108.50 | £120.22 | | | |
| average HA rent | | £90.45 | £106.14 | £119.49 | | | |

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 15 of them.

SOURCES:

Housing association rent: HCA National Register of Social Housing data at March 2018 minus 1%

Private rent: Hometrack - weekly cost of median rent for advertised properties in the local area, April 2018- March 2019

NB: Private rents 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 **£5,554.12** per year
To privately rent an average 2 bed flat/house in Cambridge costs **£14,352** per year

Group Management Team at September 2019



Tony Blewitt FCCA
Finance Director
Appointed 2018



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



Stephen Hills
Operations Director
Appointed 2018



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 February 2019. 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

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:

- Workforce planning – failure to recruit and retain staff
- Governance failure and the impact on the Group
- Failure to comply with loan covenants
- Failure to comply with Health & Safety obligations

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 2018-9 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, Beever & Struthers, were appointed by an external audit tender in 2018.

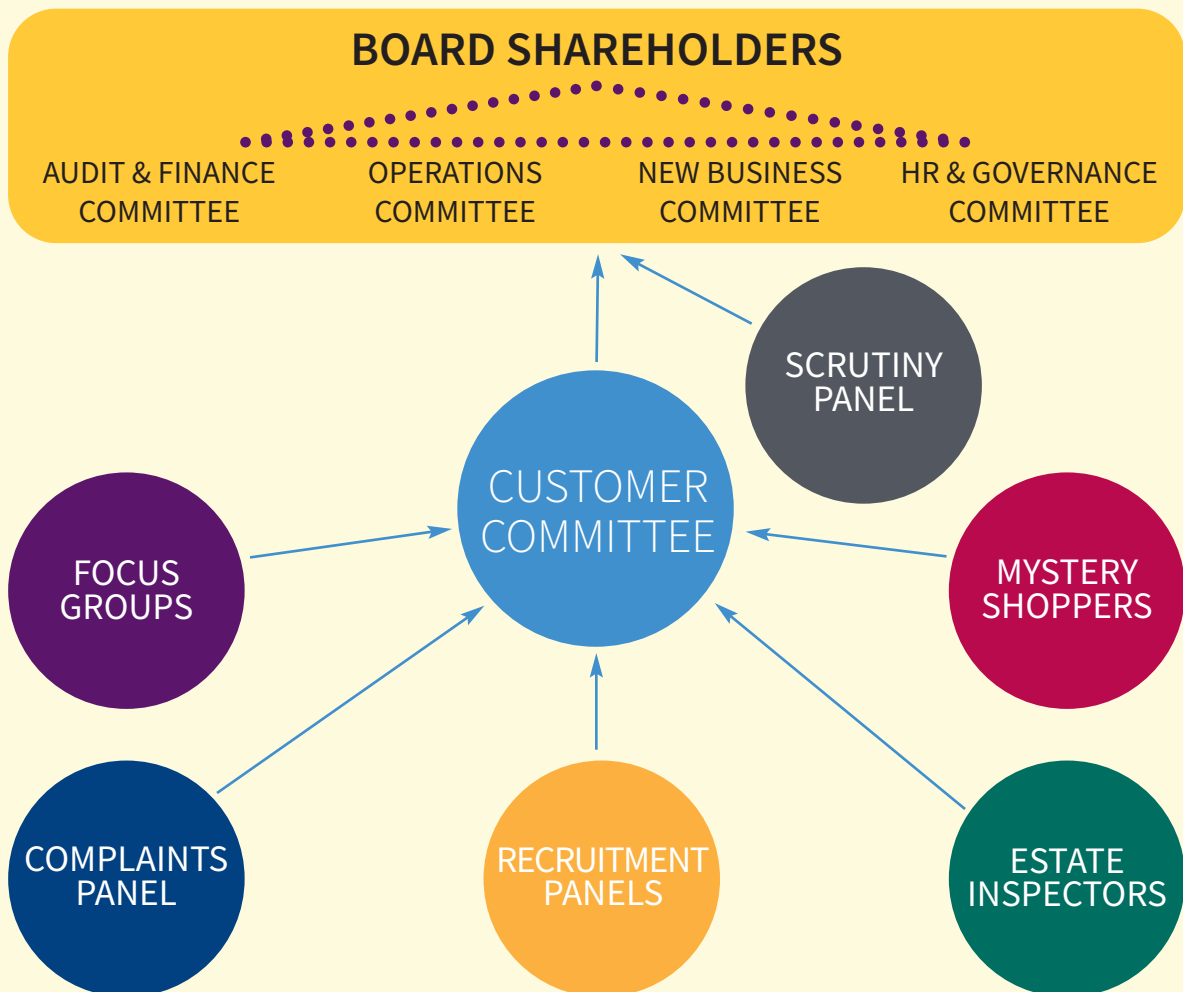
How can you get involved with the running of CHS?

Panels, forums and inspectors

- 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 OBE
Appointed 2013
B, O, HR, G
CEO of Arthur Rank Hospice 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



Alex Colyer FCCA
Audit & Finance Ctte Chair
Appointed 2019
B, A+F
Former Deputy Chief Executive and Chief Financial Officer at South Cambs District Council



Phil David
Appointed 2018
B, A+F, HR & G
Former Senior Vice President and General Counsel at ARM Holdings



Carole Herries
Appointed 2013
B, O, HR & G
Former Head of Environmental Health & Housing at St Edmundsbury Borough Council, currently a Housing Consultant



Phin Hodson
Appointed 2018
B, O
Experienced finance professional, Head of Resources at Lincolnshire Housing Partnership



Tendai Kariwo
Appointed 2013
B, O
An experienced charity specialist working with charities and philanthropists in the UK and internationally. She is currently Philanthropy Manager at the Museum of London



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



Chris Knight FFA
Appointed 2018
B, A+F
CEO of Legal & General's Retirement Retail Division



Karen Mayhew
Appointed 2018
B, A+F
Former CEx of Havebury Housing Partnership, and Director of Homes for Cambridgeshire



Gerhard Oberholzer
Appointed 2017
B, A+F
Director of GB Social Housing. Experienced in treasury, finance and asset management



Nicola Scrivings
CHS Group Chair
Appointed 2013
B, HR, G
Former Director at Royal Mail, also holds a number of other public sector roles, including chairing the Board of Cambs Community Services NHS Trust

Key

- B** Board
- A+F** Audit & Finance Committee
- O** Operations Committee
- HR** Human Resources Committee
- NB** New Business & Development Committee
- G** Governance

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.

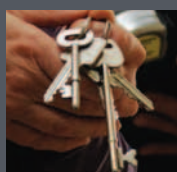
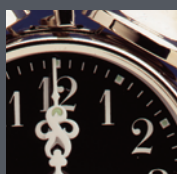
Board members are recruited primarily by open advertisement, but also by invitation and on request. Applicants must apply in writing to the Chief Executive, setting out their reasons for applying and showing how

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 February 2018. The Board manages its renewal through an annual appraisal process. All 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 at www.chs.group.org.uk

We do all this...



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.

| | Email: | Phone: |
|------------------------------|--|--------------|
| Homes | | |
| Low cost rental housing | helen.tonks@chsgroup.org.uk | 01223 713570 |
| Shared ownership housing | martin.dickson@chsgroup.org.uk | 01223 713744 |
| Homes for private sale | martin.dickson@cancd.co.uk | 01223 713744 |
| Development | mike.sugden@chsgroup.org.uk | 01223 713743 |
| Support | andrew.church@chsgroup.org.uk | 01223 713747 |
| Young people & parents | | |
| Homelessness | | |
| Mental health | | |
| Learning disabilities | | |
| Domestic Abuse | | |
| Advice & Learning | andrew.church@chsgroup.org.uk | 01223 713747 |
| Money advice | | |
| Careers advice | | |
| Computer training | | |
| Time banking | | |
| Care | beryl.gillespie@chsgroup.org.uk | 01223 713576 |
| Registered care places | | |
| Dementia care | | |
| Extra care homes | | |
| Personal care in the home | | |
| Housekeeping | | |
| Child Care | andrew.church@chsgroup.org.uk | 01223 713747 |

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**



CHS Group is the trading name of The Cambridge Housing Society Limited, a charitable community benefit society registered in England & Wales no 10457R, HMRC Charity no X81275, registered office Endurance House, Chivers Way, Histon, Cambridge CB24 9ZR. Regulated by the Regulator of Social Housing and some services regulated by the Care Quality Commission and Ofsted.

Cover photo: A CHS housing officer at our Waterbeach development
Thanks to Phil Mynott Photography