# Value for Money Self-Assessment

31 March 2014

"Money": /ˈmʌni/ *noun*. A blessing that is of no advantage to us excepting when we part with it.*

* Brunelcare recognises that delivering real value involves using all of our resources, including money, in a well-informed and balanced way. Cutting costs, rather than challenging them, often jeopardises the value of services and misses the point of VfM.

# Introduction

The subtitle of our Value for Money (VfM) strategy and self-assessment is a definition taken from Ambrose Bierce's "Devil's Dictionary" and is used very deliberately to remind us that saving money by reducing costs represents no value at all until the money saved is reinvested in something of value.

This report is addressed to our many stakeholders: to those groups of individuals who have an interest (whether social, regulatory, or financial) in how well Brunelcare is run. The Board interprets this group broadly, believing that at a minimum it includes:

- **Tenants, residents, service-users and their families;**
- **Our employees;**
- **The communities where we work;**
- **Our suppliers; and**
- **The commissioners of our services in local and central government.**

The report is about what we consider "value" to mean in Brunelcare, and about how we seek to deliver and embed it throughout our business. It also reports on our successes and failures over the most recent financial year, and on our priorities for the future.

As importantly, it seeks to document **how value for money influences the critical decisions we make**, and to measure our performance by considering trends over time and comparisons with similar organisations.

It is critical for us that our stakeholders understand and recognise the value-story that we present annually. We are therefore keen for any reader of this self-assessment with a query or a recommendation on the subject to get in touch, and be part of improving the way we do business. Please direct communications to our Finance Director at robert.staplin@brunelcare.org.uk, by phone on 0117 914 4200, or in writing to Saffron Gardens, Prospect Place, Whitehall, Bristol, BS5 9FF.

# Background

Delivering “value for money” and producing a self-assessment of our successes and failures each year is a requirement of the regulatory framework published in 2012 by one of our principal regulators: the Homes and Communities Agency (“HCA”).

The year-ended 31 March 2013 was therefore the first year in which social landlords like Brunelcare were expected to publish a VfM self-assessment. We struggled that year to deliver exactly what was expected of us, and as a result we did not give sufficient assurance that we were compliant with the value for money standard.

We were far from alone in this position, but we have since dedicated a great deal of time and effort to gaining a better understanding of our responsibilities, and believe that we have made enormous progress since last year: not just in delivering value for money, but in the tools we use to communicate it.

# “Value” for Brunelcare

Like most charities, at Brunelcare we are very comfortable talking about our *values* – but talking about *what we mean by “value”*, and how that fits with our business objectives is quite a different, and potentially more challenging proposition.

As a first step to address this, the Executive Team, Board of Trustees and senior managers were last year actively engaged in an ongoing project to describe what value we aim to generate from every pound we spend delivering services.

So far we have found a significant level of consistency across the team, and in the light of the challenging financial conditions over recent months it is perhaps not surprising that more commercial priorities ranked alongside the social and health-related outcomes that we would more instinctively think of as our primary objectives.

# “Value” for Brunelcare (*continued*)

In the chart below, we try to link the “values” we seek (for example, better quality of life for customers) with the published corporate objectives that underpin our business strategies. The link is critically important to ensuring that we are always driving improvements in at least one subset of values, *whichever* corporate objective we are pursuing.  It also helps to focus our minds on which values are complementary, and which need to be balanced against each other when we make strategic decisions.


A clear example of this relationship in action would be our decision to invest this year in Woodland Court; a retirement complex in the north of Bristol. Diversifying slightly and improving the reliability of the association, increasing capacity and brand perception and having opportunities to innovate needed to be balanced against the prospect of adverse cash flow in the short-term and a temporary impairment to efficiency. In the case of Woodland Court the decision has been amply vindicated by the scheme’s robust financial and social performance in the period since acquisition.

# How VfM is embedded in Brunelcare

## Management Information and Budgeting

Brunelcare's annual expenditure of c.£25m is split between 4 centres of operation, and 21 separate budget-holders.

Due to our charitable status and to the low-margins available on our work, revenue and capital budgets are set extremely tightly to enable the organisation to remain financially viable.

Performance is closely monitored every month through the distribution of comprehensive management information and variance analysis, dividing Brunelcare's complex business into 61 separate cost- and profit-centres which gives a much clearer understanding of our costs and their drivers.

Twice a year the financial performance is reforecast to ensure that the Board and Executive have good foresight of trends and are able to make reliable, timely financial decisions. In the year to 31st March 2014 our financial performance fell materially below expectations: budgets had been prepared without due adjustment being made for uncertainties around the newer parts of our business, management information wasn't being produced and scrutinised as promptly or thoroughly as it could have been, and we incurred a financial loss from the collapse of a key supplier as described later in this report.

As well as ramping up the frequency and depth of analysis of management information, and setting controls in place to ensure that budgets are more robustly stress-tested, part of our response was to increase the frequency of the full reforecast to once per month. The process incurs the cost of using the time of senior resources, but adds significant value to the responsiveness and effectiveness of the management team. The measures had a clear effect on the level and consistency of our financial performance in the second half of the year, converting an accumulated net loss into a surplus by year-end.

Next Priorities: measures of value *other than surplus* are still to be incorporated into the budget-setting, management information and performance management process. The Value First Group is actively working on the details of this process and have undertaken to deliver a series of tools to be trialed in 2014/15.

## Board of Trustees

In response to the VfM standard, two of Brunelcare's trustees have been appointed as VfM Champions of the Board. Their role is to support the executive in interpreting and delivering against the regulatory standard, to challenge our methodology and reporting conventions, and formally to represent and champion the VfM criteria within Board Meetings.

Between them, Richard Gaunt and Julian Paine represent a vast amount of experience and expertise in their respective areas of finance and housing, and they are perfectly placed to articulate VfM on behalf of the Board, and to advise and challenge the Executive at our regular Board meetings.

# How VfM is embedded in Brunelcare

### Executive

As for most Housing Associations, delivery of VfM as a central pillar of our business effectiveness is *formally* delegated to the Finance Director, Rob Staplin, who reports to the Chief Executive Officer – Helen Joy. However for Brunelcare this means only that the Finance Director takes the lead in co-ordinating an organisational response to VfM – it is critically important that delivery is understood to be everyone's responsibility. The Executive team meets monthly, and achieving Value for Money has become a standing agenda item for these meetings.

Four times a year the Executive runs innovative Management Development Days for our senior managers at which VfM has become a recurring theme, including updates from the regulator, updates on financial performance and activities designed to stimulate more consistent and imaginative thinking about how we achieve value.

It is also the responsibility of the Executive team to challenge the VfM credentials of our budgeted expenditure over the coming year, and to ensure that the objectives which create the most value to our stakeholders are prioritised.

Next priorities: Our VfM strategy needs to be revised, updated and communicated more widely to ensure its currency and relevance across the business.

### Management

A sub-team called the **Value First Group** has been put together from amongst our senior managers, chaired by the Finance Director and with representatives of Housing, Community Services, Care Homes, Business Development and IT.

The remit of the team, meeting once per month, is to review competitor information, consider and develop tools for applying VfM principles to our business decisions, and to make our social and environmental measures more comprehensive and compelling. As important is the responsibility to maintain excellent communication both up to the Board and down to the teams of employees who are charged with delivering real value every day.

### Tenants and Service Users

We continue to encourage and develop our "Tenant's Voice" group as representatives of our Housing customers to challenge the efficiency, effectiveness and economy of our business. This year we have presented to the group on issues including the roll-out of a communal wide-area network, the method of selection for utility contracts and the mechanisms behind service charge calculation.

We have also initiated a tenant scrutiny panel, with a more specific remit to examine in detail how effectively and fairly Brunelcare runs as a business.

Next priorities: Better and more continuous communication with tenants on VfM is scheduled for the year ahead, starting with a regular contribution to the Grapevine quarterly newsletter.

# How VfM is embedded in Brunelcare

**Procurement**

Brunelcare recognises that robust and flexible procurement practices form a central pillar of our ability to deliver value for money. Although we acknowledge that procurement has become a specialism in its own right, Brunelcare is primarily a people-based organisation, with the vast majority of our expenditure driven by payroll costs rather than purchases. As a result, we do not believe it represents good value to outsource our procurement practices. However we have developed clear and prudent procurement policies and guidelines to ensure that our purchasing is controlled in a consistent and cost-effective way.

- Where there are demonstrable cost savings we have procured jointly with partners in the region, and are investigating other avenues for similar consortium-based procurement.

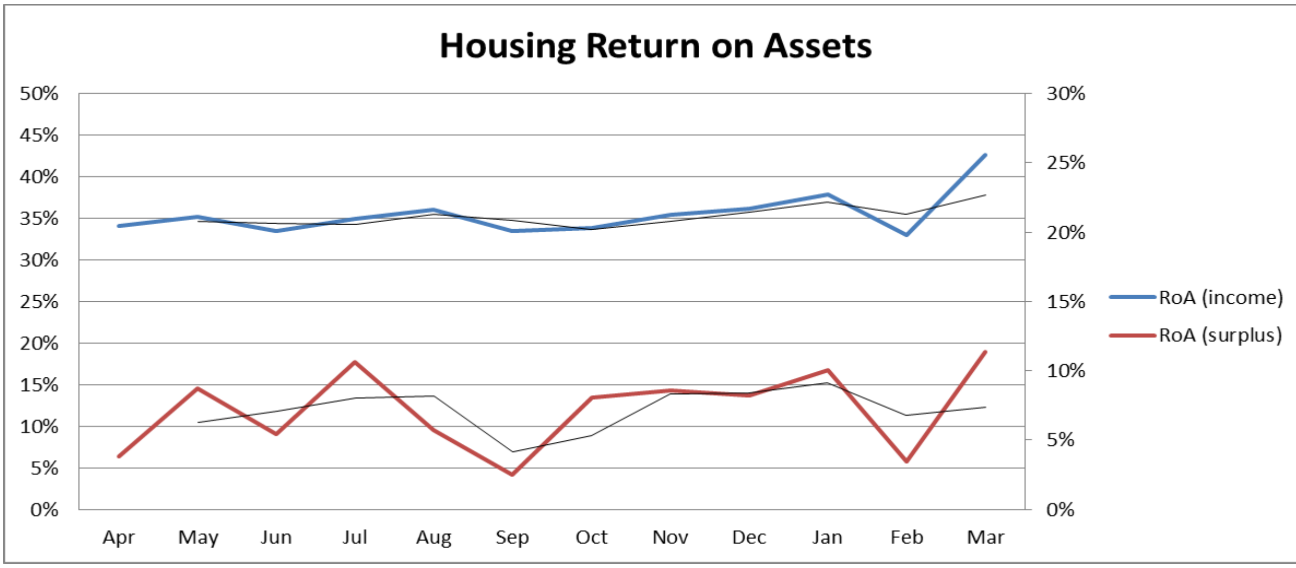
- We have procedures in place to ensure that new and existing suppliers are respectful of the need to demonstrate value for money, and that those values are consistent with our own.

- As part of our Value for Money Strategy we are putting in place a detailed contracts register and a procurement plan to ensure that there is visibility of inconsistencies in supply, price variances and of opportunities to renegotiate in a timely way.

We do strive towards consistency and longevity of supply where we can, as this often results in lower cost and greater certainty (of cost as well as quality and reliability). However the management team is well aware that our organisation is diverse, and that for some of our services the local identity of the service and needs of the customer need to be respected alongside the corporate identity and efficiency of Brunelcare.

An example of this from the year was the decision to move away from a single, central contract for catering supplies across all of our sites. Locally sourced food, quality and flexibility were easier to achieve through locally-appointed suppliers, allowing our managers to respond more independently and creatively to the changing needs of our customers, at the negligible costs of processing transactions for more suppliers, and potentially lost economies of scale.

# Financial Return on Property Assets [1]




Brunelcare operates three very different business models to deliver its charitable objectives: nursing care homes, domiciliary care in the community and sheltered housing. The income (blue line) and net surplus (red line) generated per pound of investment in property in our sheltered housing division is shown in the graph above. This data relates to the year ended 31 March 2014 and is drawn from our monthly management information pack.

Our objective is to design a mechanism for capturing the return per scheme, and by individual property, in a way that is still meaningful and easy to interpret. Information at that level is currently produced as a standalone exercise for individual purposes, such as informing the  asset management strategy.

This information is reviewed and discussed at each Board meeting. Short-term fluctuations are driven by changes in the length of the reporting period and by material, irregular maintenance costs.

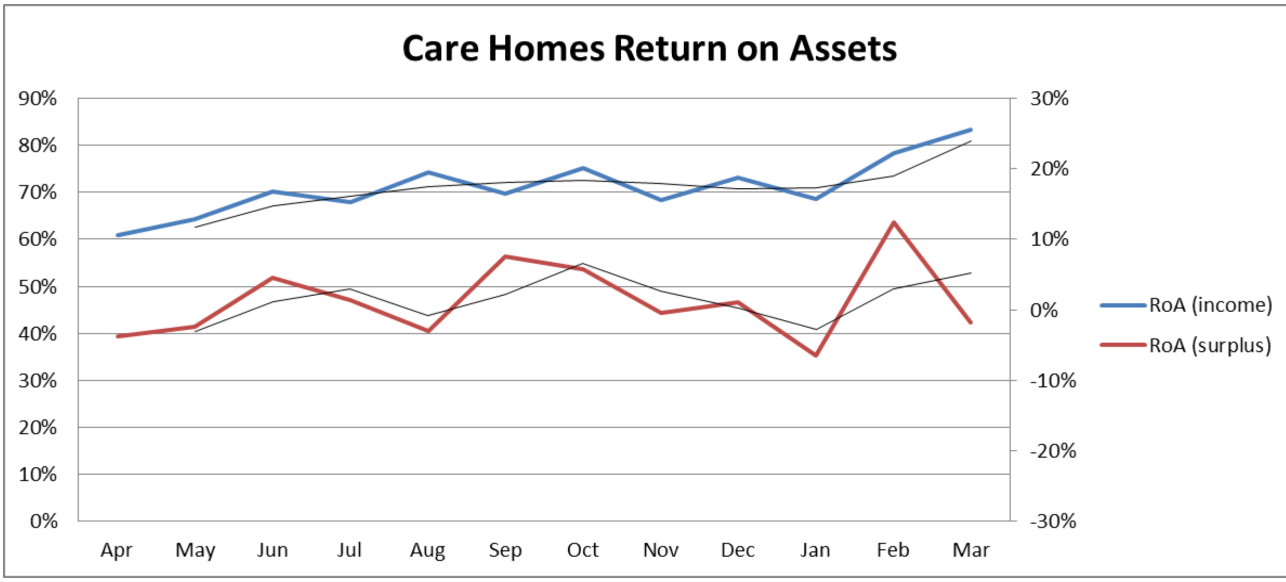
Overall the return on our housing assets has improved from 6% to 19% during the year, driven by reducing the capitalisation limit from £5,000 to £1,000, and from careful control of discretionary expenditure.

Capitalisation is the process of delaying the recognition of a cost when an item is purchased which will generate income into the future – ensuring that the cost of the purchase is recognised evenly over it's future life to match. Most organisations have a de minimis limit on the size of expenditure that will be capitalised to prevent excessive administration. For Brunelcare that limit was set very high at £5,000, meaning that anything purchased below that value would show up as an immediate cost. The effect of lowering the limit to something more reasonable was to defer costs and improve the current return on asset value.

Examples of the discretionary expenditure brought under tighter control are catering costs for internal meetings, and  uniform costs for non-customer-facing roles. **Overall the cost-base stayed consistent between the first six months of the year and the last, despite income increasing by 5% (£673,337) over the same period.**

1) Return on Assets ("RoA") is a measure of how efficiently our assets generate a financial return and is given by the formula income/asset vale or net surplus over asset value for the blue and red lines respectively. The black lines are moving averages.

# Financial Return on Property Assets [1]




The graph above shows our financial return on Care Homes Assets during the year on the same basis for comparison.

Again, the data is presented and reviewed by individual property for internal reporting and investment decision purposes, but the high level data indicates that during the year our net financial return on care home assets has improved very slightly during the year.

Performance here is adversely affected by expenditure to ensure that our most recent care home at Saffron Gardens can become the flagship home for quality that it was intended to be. Restrictions in the availability of nursing staff has also had a material effect on our ability to deliver significant improvements in the return on our care home assets. This is because the safety and quality of our care homes depends on good quality, highly skilled staff. Where these are not available our homes become dependent to a degree on equivalent agency staff.

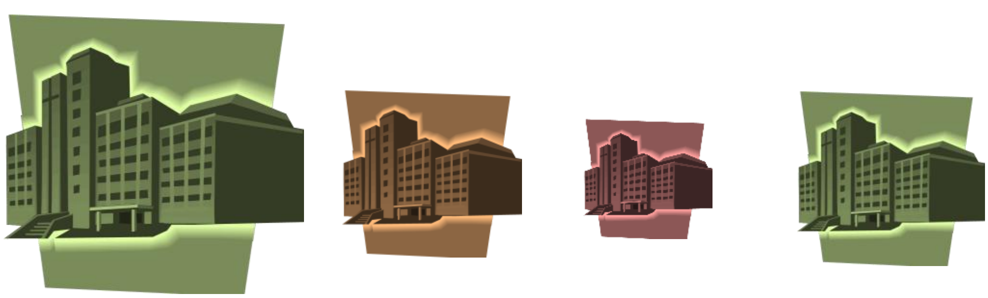
Although we are careful to ensure that we use a very limited number of agencies to ensure continuity of staff and of care standards, clearly there is a premium to be paid that cannot be recovered directly through care fees.

One of our investments last year aimed at reducing exposure to this short term expense was to obtain a licence to employ qualified foreign national nurses who are already resident in the UK. In the short term the solution was not particularly efficient or cheap, but in the longer term we have dramatically increased the pool of available candidates for recruitment into the homes and anticipate a sustained reduction in our agency costs over the current year.

1) Return on Assets ("RoA") is a measure of how efficiently our assets generate a financial return and is given by the formula income/asset vale or net surplus over asset value for the blue and red lines respectively. The black lines are moving averages.

# Financial Return on Property Assets

Historically Brunelcare has considered itself primarily as a provider of care and accommodation to a specific group, rather than an asset-based business. As such, the return on our assets might not have been as central to our strategic thinking as it is to more traditional registered providers. However we fully recognise the inherent value in these measures and have been actively incorporating them into our core reporting and decision-making process this year:



| | 2011/12 | 2012/13 | 2013/14 | 2014/15 (target) |
|---|---|---|---|---|
| **Housing** | 5.4% | 7.9% | 6.8% | 6.8% |
| **Care Homes** | 11.2% | 3.4% | 0.5% | 3.2% |

Brunelcare experienced stiff financial challenges in the year to 31 March 2014, with the removal of grant income streams, higher demand for nursing staff than could be met from local supply, and the collapse of a significant supplier during the year.

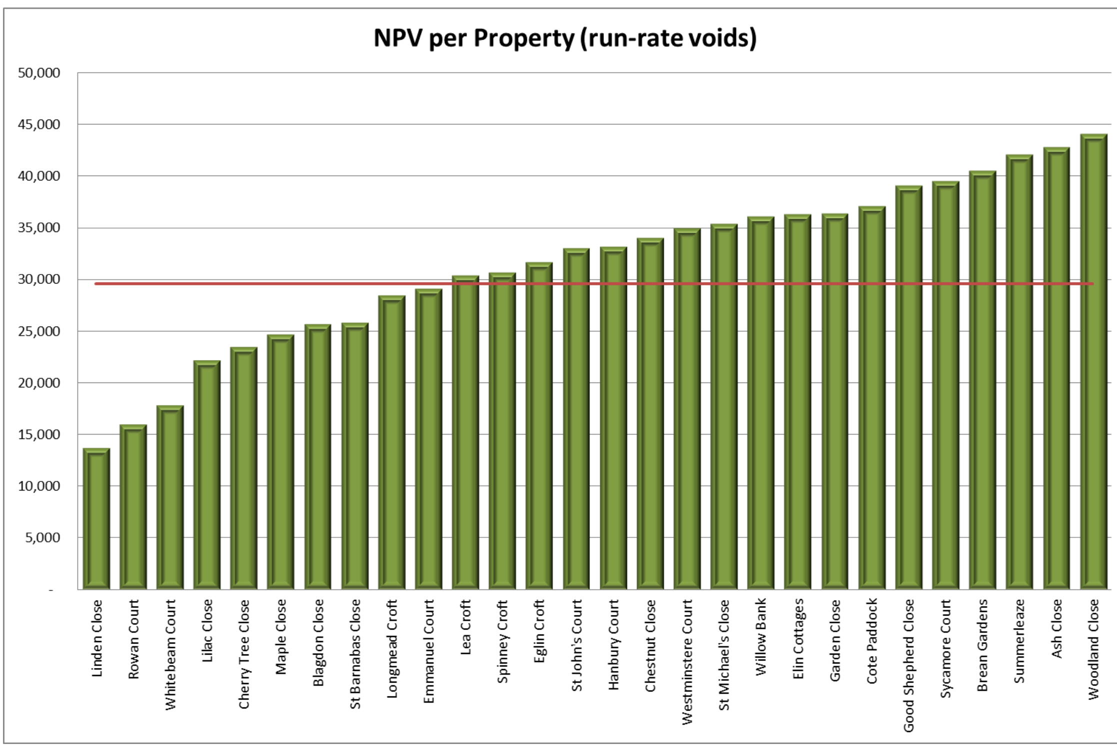
Housing is naturally more resilient against short-term financial challenges, and although our return on housing assets reduced from 2012/13 levels it did so only by one percentage point, and was still more than one percentage point higher than two years ago. Given the relative stability of the number and use of our housing stock over this period this level of consistency is budgeted to continue in 2014/15, with the financial return on assets set at 6.8%.

Care homes is a considerably more volatile part of the business, reflecting care costs and income as well as those attaching to the properties. A significant contributor to the reduction in RoA in 2013/14 were the start up costs of our new home at Saffron Gardens, and the challenges of setting an efficient staffing structure. These are anticipated to ease in the budget year, with the return for 2014/15 budgeted to return to 3.2%.

# Financial Return on Property Assets

Brunelcare invests consistently in its stock of social housing assets to ensure that they perform well. One aspect of that performance that we measure and monitor is the present value (or “NPV”) of the properties’ cash inflows (from rents receivable) and outflows (from the cost of management and maintenance) over a period of 30 years. This data is given close consideration as part of our Asset Management Strategy to understand where additional investment may be needed, or where disposal or conversion should be investigated to enhance the assets’ financial return.

The assessment of value conducted as at 31 March 2014 is presented in the graph below, showing that although all of our properties are strong contributors to Brunelcare’s financial return, there is clearly a significant range of performance between the highest and the lowest, and therefore scope for our current AMS to develop strategies for enhancing the return on our lowest-value schemes. The red line represents the average NPV per property per scheme.




This data is balanced with an analysis of each scheme’s accessibility and quality of design to ensure that our resources can be directed towards those schemes where there is the most additional value to be gained. In 2014/15 we are re-writing our Asset Management strategy, and have taken the decision to invest in advice and assistance from a firm of housing consultants to ensure that we maintain the right level of strategic focus. This process is rigorously assessing our property assets in a wide range of non-financial metrics as well as net present value and existing use value. Data generated in this way informed the two strategic asset-management decisions referred to later in this report at Emmanuel Court and Woodland Court.

The mechanisms we use for comparing financial, social and environmental returns are at a very early stage and are narrative, discursive (and ultimately subjective) at present. The Value First Group have a specific remit to consider and develop ways of appraising different measures of value against each other in a more robust and consistent way, which is one of our key VfM objectives for 2014/15.

# Cost of Property-based Services

It is a requirement of the regulatory standard that we disclose and consider the performance of the “absolute and relative costs” of providing our services in the year. Although this information could lean towards commercial sensitivity we recognise the importance of disclosing the trends below to our stakeholders, and feel that they give a sufficient insight into the economy of our operations over time, relative to our peers.

**Absolute and Relative Costs of Delivering our Services**

| | | | | | |
|---|---|---|---|---|---|
| **Housing** | ***2014*** | ***2013*** | ***Sector Average*** | ***Target*** | ***Performance*** |
| Management Costs per Unit | **£802** | £936 | £952 | £859 | ▲ |
| Maintenance Costs per Unit | **£1,057** | £1,157 | £992 | £1,110 | ▲ |
| **Care Homes** | ***2014*** | ***2013*** | ***Sector*** | ***Target*** | ***Performance*** |
| Income per bed per week | **£692** | £640 | £781 | £667 | ▲ |
| Direct costs per bed per week | **£634** | £580 | £576 | £588 | ▼ |
| Indirect costs per bed per week | **£47** | £24 | £145 | £38 | ▼ |
| (Deficit)Surplus per bed per week | **£12** | £36 | £60 | £42 | ▼ |
| **Central Management** [1] | ***2014*** | ***2013*** | ***Sector*** | ***Target*** | ***Performance*** |
| Cost per £ Income | **7.2p** | 8.6p | ***tbc*** | 7.9p | ▲ |
| % total cost | **7.2%** | 8.9% | ***tbc*** | 8.2% | ▲ |

Our management and maintenance costs per unit compare favourably with the target set for ourselves for 2013/14, which is a clear endorsement of the new way of working adopted by our internal maintenance team during the previous year. Overall cost per unit is comparable with sector averages (which for housing are taken from the HCA’s most recently published Global Accounts).

The care homes trend continues the narrative from the return on assets data on the preceding page. Our objective of extending excellent quality care as widely as possible has in the past lead to an under-valuing of our nursing home beds against the sector equivalents. We are realigning ourselves with the sector based on our market position, but this cannot be a quick transition and we expect to see average prices per bed increasing over the next two years in response. Costs in care have risen mainly in response to restricted availability of good quality staff and changing customer needs. Sector data for care homes is taken from the latest update from Laing and Buisson’s annual survey of care costs.

Central management costs have been husbanded much more closely in in 2013/14 , in response to budgetary pressures elsewhere in the business. We currently lack a meaningful external comparator for this performance, but our costs relative to the value generated by Brunelcare have remained low and reduced against prior year and budget. Given the demands placed on central management by the complexity of Brunelcare and its highly regulated environment we believe this overhead rate to be a strong indicator of efficiency and one that we will seek a meaningful benchmark for in the current year.

1) Central Management costs relate to the cost of our dedicated IT, HR, Finance, Business Development and Executive functions.

# Avoiding Larger Costs

Brunelcare recognises that accepting a cost in the short term can sometimes bring no value other than the ability to avoid a larger cost in the medium term. This acknowledgement is also aimed at helping the Association to avoid future false economies based on short-term savings.

## Lessons Learnt:

In 2012 Brunelcare signed a five-year contract for the management of our water contract across all sites. The reasons for this level of commitment included greater efficiency of account management and predictability of costs for budgeting purposes, but one very compelling additional reason was the significant cost-saving that it represented for our tenants and for the Association in the short term.

Late in 2013, the consultancy unexpectedly became insolvent, having failed to settle over six-months worth of water bills on Brunelcare's behalf. These had already been paid once, to the consultancy, had to be paid again direct to the water company – a cost that easily outweighed any anticipated savings over the course of the contract.

The executive team of Brunelcare has learnt a valuable lesson from this failed contract. We are more careful than ever to perform good quality due diligence on our business partners, and to ensure that similar contractual arrangements can be easily monitored and even ended promptly on the rare occasions where this becomes necessary.

## Preventive Costs:

One such extended contract for Brunelcare is for comprehensive insurance services. Our portfolio of activities represent a high risk for insurance claims, but we have procedures in place to ensure that this risk is minimised or reducing year on year through effective training, clear policies and targeted performance management. The table below shows the loss ratio (costs of claims versus premium) over the last five years for Brunelcare:

| 09/10 | 10/11 | 11/12 | 12/13 | 13/14 |
|---|---|---|---|---|
| 39% | 82% | 32% | 207% | 14% |

The increase in 2012/13 is driven by a single claim that is yet to be resolved, and although we do not as yet use this metric at a strategic level, we can see from our insurance loss ratios how investment in preventative measures, as well as in professional, competent insurance services, is driving longer term financial savings, as well as qualitative improvements to the safety and wellbeing of our assets and stakeholders. So far in 2014/15 the ratio stands at 0%.

# VfM Successes and Plans

Although we recognise that listing VfM achievements is not the purpose of the self-assessment, it is also clear that we have a responsibility to demonstrate with real examples how VfM manifests itself throughout the strategic decisions and activities of Brunelcare. The following pages describe three of our proudest achievements in the year and link them back to the principles of VfM.

## Investment in Woodland Court

Early in the year the Board took the decision to invest £850,000 in acquiring Woodland Court – a retirement village of leasehold apartments based in the North of Bristol. Rather than purchasing the business, Brunelcare acquired the assets and liabilities of Woodland Court, including six empty leasehold properties, communal facilities and land. Slightly outside of Brunelcare's traditional business model, the decision depended on a clear understanding of how the acquisition could contribute value to our broader corporate objectives.

Short term cash flow and reputational risks needed to be carefully balanced against the opportunity to diversify, to generate income and to improve our longer-term financial strength. Alongside this we saw a scheme that had been struggling for many years with a detrimental effect on its staff, residents and their families, and saw an opportunity to satisfy one of our core charitable objectives.

Woodland Court is now a thriving and sustainable community and is rapidly becoming one of Brunelcare's proudest achievements in recent years. Demand for vacant properties has increased, and the residents' own service charge account - run into a significant deficit prior to our acquisition - is being steadily and sustainably brought back to break-even. We have learnt lessons along the way (like the wisdom of spending more on detailed surveys up front to mitigate future material repair costs, for example) but the decision made, informed by NPV, payback period and social and charitable considerations, has so far been firmly vindicated.

# VfM Successes and Plans (continued)

## Refurbishment of Emmanuel Court

Emmanuel Court is a 30 year old sheltered housing scheme that was deemed to need significant investment from Brunelcare this year. The scheme is in a part of the city where there is no other provision for sheltered social housing, making its continued existence, sustainability and accessibility of particular importance.

Emmanuel Court was known to be one of the least energy efficient schemes that we operate, and potentially one of the easiest to improve. Although we are still to embed environmental performance as a day-to-day measure of the value of our properties, the improvement in performance, and resulting cost-saving for our tenants, was a critical factor in deciding to invest in large-scale refurbishment

Mid-life refurbishments of this nature were not business as usual for Brunelcare, as they can often cause significant upheaval and distress for our frailer residents.

However, this proposal was engaged-in after full consultation and agreement with the scheme's tenants and the net result, after careful consideration by the Board was an agreement to invest £1.2m in bringing the scheme up to an excellent standard.

The work, which is scheduled to complete later this year, has involved a complete replacement of all single-glazed windows with modern double-glazed units, repairs to the roof, internal insulation added to the external walls and replacement of kitchens and bathrooms within the flats. In addition, funds have been invested into converting the old warden's flat into a rentable condition, and improving the communal space and guest room for the tenants

From a purely financial point of view, the right short-term decision may have been to carry out only limited, necessary works. However, the Board's decision focussed on the social and environmental return and the security of future rental income, taking due account of the degree of disruption on site, the wishes of the tenants, our responsibility to deliver sustainable, economical homes, and our aspiration to help people to make the most of their lives.

# VfM Successes and Plans

## Investment in IT infrastructure and network

Early in 2013 the Board signed off a £1m investment in our information systems and infrastructure. Brunelcare has grown steadily over the last ten years and it is characteristic of such growth that the systems on which we depend can quietly fall behind our needs in terms of speed, reliability and sophistication. Our Head of IT presented a cogent and ambitious 3-year plan aimed at addressing this challenge – starting with the network and upgrades to voice and data at our sites and moving to data security, back-up and recovery arrangements.

The proposed project goes much further than this, overhauling our many computer-based applications to ensure maximum value is being achieved, and finally focussing on our outward-facing IT presence, and electronic interaction with our stakeholders.


These “before and after” pictures of the network installations at one of our biggest care homes illustrate both the need for investment, and the degree of improvement achievable.

The project has so far been delivered within budget and has met with considerable user-satisfaction along the way.

Some of the simple outcomes of this investment are difficult to quantify financially, but are clear and compelling in the effect that they have had. Residents in our care homes are now able to communicate freely with relatives using Skype from their rooms. Staff are able to work more efficiently and remotely, resulting in more time spent with our customers. Access to servers means that we can rely much more heavily on electronic documentation, improving data-security and cutting stationery costs.

The end-game is achieving an environment where the best, clearest, quickest and most reliable means of communication are achieved for all of our stakeholders, and a year into the project we are well on the way to delivering that goal.

# Conclusions and Self-Assessment

## Compliant…but not complacent

The Board of Brunelcare believes that it has come a long way since its self-assessment in 2013.

We are the same organisation, with the same objectives, but more critical, more communicative, and more respectful of the need to really listen to the needs of our stakeholders – including our regulators.

Progress needs to be made as a priority on fine-tuning our benchmarking, engaging with tenants and service users on VfM and on getting a good grip on the environmental and social returns of our assets.

We are also aware that with increasing financial pressures there will be an ongoing need to pursue efficiencies and maximise returns. Building VfM into the budget-setting and performance management process will be an effective step towards achieving this in the year ahead.

The Board of Brunelcare certifies that it is compliant with the requirements of the HCA standard in connection with Value for Money. However we would welcome the opportunity to engage with any of our stakeholders to understand their views, respond to their concerns or queries, and help to realise any recommendations they may have for the future.

**Brunelcare**
**Saffron Gardens**
**August 2014**