



Heart of England

HOUSING AND CARE LTD

Business Plan 2007 - 2012

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Financial projections (available upon application to the Group Deputy Chief Executive)



Foreword

The business plan, an important part of the strategic planning process, takes a long-term look at the future of Heart of England Housing and Care Ltd.

Our primary focus is on the provision of a high standard of care to our current residents and their families and for those who will choose our homes in the years to come.

We will continue to review the viability of each of our homes in order to ensure we maintain a portfolio that is operationally and financially viable for the period of the plan and in the longer term. In addition, we will continue to pursue the Heart of England Housing Group objective for growth by considering opportunities for expansion and extension of services, new development and redevelopment, and acquisitions and partnerships.

Our high quality of service will be secured through a professional, well-trained and valued team of staff and management.

We will provide a safe, homely environment, where residents can live as full and active lives as possible, and where their needs are responded to.

We will operate within a framework that demonstrates sound business and financial management

We at Heart of England Housing and Care are proud of the company's achievements to date and of its reputation. We recognise that there will be challenges ahead and our aim is to build on our past successes and develop further.



Steve Phillips
Chair
Heart of England Housing and Care Ltd



Vision, Mission and Values

Our vision

People are at the heart of what we do. We aim to be recognised and respected as a caring and responsive organisation that puts service and quality at the heart of its business.

Our mission

To meet the needs of our clients by providing high standards of personal care with good quality accommodation and services.

The Heart of England Housing Group values statement:

The group purpose:

To make a positive difference in people's lives by providing affordable homes and effective support services, all designed to meet our customers' needs and to help build sustainable communities.

Our values:

We care about our customers. We work together with a shared passion and desire to make a difference. We are at the heart of housing and at the heart of care; everything we do comes from the **HEART**:

- Honesty:** We conduct our businesses openly and conform to legal and ethical standards. We are trusted to act consistently and with integrity. We treat others the way we would wish to be treated ourselves.
- Equality:** We believe in fair and equal treatment and opportunity for our staff, our customers and our suppliers. Our group companies and our services reflect the local communities we serve and we welcome the strength that comes from diversity.
- Achievement:** We keep our promises. We take pride in getting things right first time and providing value for money. We are good employers; supporting staff development and recognising achievement.
- Respect:** We understand that our colleagues and customers are individuals and we respect their views and opinions. We are careful with the resources we use and ensure that our activities do not compromise the health, safety or welfare of our staff or our customers. We are good neighbours and work to support the development of sustainable communities.
- Teamwork:** We work as a team to do the right thing and to do the thing right. Continuous improvement is part of everyone's job; customer satisfaction is everyone's responsibility.

Who we are

In 1999, Heart of England Housing and Care Ltd (HOE Care) was created following the transfer of eight care homes from Worcestershire County Council (WCC). It is a subsidiary of Heart of England Housing Group Ltd (HOE Group Ltd). The care homes are registered with the Commission for Social Care Inspection (CSCI) in Worcestershire.

During the first five years, we have:

- ◆ Carried out a £17m remodelling and refurbishment programme resulting in five new care homes, each providing 60 single rooms with en-suite facilities
- ◆ Acquired the Ravenhurst home in Stourport on Severn
- ◆ Increased the number of rooms available for older people by 46%
- ◆ Increased the number of staff employed to provide care and support services.

We currently operate nine homes in Worcestershire:

- ◆ **Beechwood**, Upton-upon-Severn
- ◆ **Brambles**, Redditch
- ◆ **Breme**, Bromsgrove
- ◆ **Cranham**, Worcester
- ◆ **Hastings**, Malvern
- ◆ **Heathlands**, Pershore
- ◆ **Ravenhurst**, Stourport on Severn
- ◆ **Regent**, St Johns, Worcester
- ◆ **Westmead**, Droitwich Spa.



Why we are here

We are passionate about people and their potential.

We care for and provide support services to our residents, their families and friends. This service is provided 24 hours per day, 365 days per year.

For each home, integration with its local community is vitally important. Residents are encouraged to participate in local activities and events in the home are open to visitors from the surrounding area.

Staff are often perceived as an extension of the residents' families. We have received comments from residents about how important that relationship is and staff are motivated by the interactions with residents.

All these factors contribute to an excellent service and experience for everyone involved.

Although the organisation is non-profit-making, the aim is to generate surplus that will be reinvested for the benefit of our residents.

What we do

We provide our residents with:

- ◆ A valued staff group, who are appropriately trained and committed to life-long learning, to provide 24 hour personal care 365 days per year.
- ◆ Specialist dementia care based on a person-centred approach. Staff have received specific training in this area of care.
- ◆ Hotel, catering and laundry services. Good quality food features highly in each care home. Residents are actively encouraged to, and do, participate in menu designing and planning. Choice, variety and balance is key and resident participation in this process ensures those requirements are met.
- ◆ Good quality accommodation provided in modern facilities, many of which are purpose-built with en suite rooms and attractive grounds.

Day care and respite care are also available. These benefit the older person and the carer, providing meaningful activity and companionship for the client. In addition, this offers the carer a break from their caring role, enabling them to pursue their own interests or catch up on day-to-day activities. We care for an individual until the end of life stage, utilising and working with the community services to enable the older person to stay in familiar surroundings.

All this is achieved in a homely environment and the six principles of care - dignity, choice, independence, fulfilment, rights and privacy - are an integral part of all that we do.

The emphasis is upon care, comfort and consideration. Each resident is valued as an individual and the aim is to enable them to live as full a life as they choose. Emphasis is placed on pursuing activities, hobbies and interests. We are committed to putting residents at the centre of all operations and enabling those who use our services to have a real voice, so that they can make a constructive contribution to the home and all that goes on there.



How we work

We employ approximately 500 staff across our nine homes.

Each home is supported by the Executive Director and the team who have the appropriate knowledge and skills to guide and direct the business. In addition, we are supported by services from HOE Group Ltd in areas such as finance, asset management, human resources, marketing and health and safety.

We are committed to staff development to ensure that employees not only feel valued, but also are equipped with the right knowledge and skills to care for our residents. Each home has regular staff meetings, ensuring that staff have a voice and are consulted about what happens within the home.

Equality and diversity are central to all that we do. We enable and expect staff to operate in a fair, open and inclusive way. Each member of staff is valued for his or her unique contribution. They are motivated by their relationships with residents and job satisfaction is enhanced by working within well-equipped environments.

Risk management is an essential component of operating a care home. Home managers and their staff are constantly assessing and evaluating not only the environment and service provision, but also the choices and rights of residents to live as normal and active a life as they wish. Risk is managed sensitively so as not to detract from an individual's independence. Clear and open dialogue is key to this process.

Residents' well-being is central to all that we do. By involving our residents, services can be reviewed to ensure that we maintain and build on those things that we do well and continually make improvements. We operate and promote a healthy and safe environment for residents. Most of the feedback we receive focuses upon the friendships developed with members of staff, which daily enhances residents' well-being and sense of fulfilment.

Each home operates a comprehensive compliment and complaints system. These are not only logged and monitored by CSCI, but also reported to the Board. We welcome constructive comments, as this assists us to review and improve our services to residents and their families.

We are managed by a Board of eight, which has the responsibility of setting and reviewing plans to ensure that the business is viable, that the service provided meets the appropriate standards, and that legal responsibilities are fulfilled.

The homes are registered and regulated by the CSCI, which is an independent body that is required to ensure that the residents are cared for appropriately. CSCI has the power to close a service if it fails to meet the legal standards and responsibilities.



The inspection regime is in a period of significant change. A quality rating system is being considered. Care homes will self assess and submit to CSCI an annual quality assurance assessment.

We are members of:

- ◆ National Care Forum (NCF), a membership body comprised of not-for-profit organisations that facilitates the sharing and dissemination of good practice. Our membership allows us to participate and contribute to the national policy agenda. Senior staff participate in the Training Committee and Social Policy Committee.
- ◆ The Social Care Association, which promotes good practice in the sector. It provides expert advice and training for staff in relation to services we provide.
- ◆ National Association for Palliative Care, which provides regular information pertaining to end of life care. They work with providers to ensure that best practice is implemented. As an organisation they influence national policy and disseminate the information to members.
- ◆ Residents and Relations Association (R&RA), is a charity founded in 1993, which exists to promote the well-being and represent the interests of older people in Residential Care. The R&RA provides support and information, helps build positive relationships and influences public and professional opinion.



Who we work with

We work with a wide range of stakeholders to ensure our services are delivered in a caring yet cost effective way.

Residents

We are committed to a resident-centred approach to services. Each home has a residents' forum or committee where residents have a voice, in order that they can make a constructive contribution to what happens in each home. This enables us to continuously evaluate and improve the services we provide.

The various resident groups will each express their voice differently, depending on their ability to contribute. Each resident presents with different circumstances, some of which may require more innovative approaches to elicit their views. For example, respite residents are only in the home for a short period and it is not their primary place of residence, and their views are sought and valued by both ourselves and social services, who often arrange the placements.

Our residents also participate in a countywide initiative called 'Having Your Say', for which the homes have been assessed and received a kite mark. Our residents are encouraged to visit each others' homes to assess and comment on the services. This promotes a positive exchange of ideas and also builds and establishes lasting relationships between residents.

Worcestershire Social Services

We are contracted to provide a number of beds for social services to purchase until 2009.

The Respite Care contract has been renewed until March 2008.

The Day Care contract has been renewed until March 2009.

Commission for Social Care Inspection

We will work in partnership with CSCI to achieve, maintain and exceed the national minimum standards and the Care Home Regulations 2001. The focus of their inspections is shifting towards capturing the residents' experience of the services provided.

Local GPs and community health teams

We work with health care professionals to achieve the best services for our residents.

We are working with the PCT District Nursing Team who oversee the 'end of life' services.

We also have established good links with St Richard's Hospice, Worcester.

Other care home operators

Our engagement with other operators is primarily to promote, share and disseminate good practice.

Our staff and Board

The commitment of the Board and our staff enables us to expand and develop the organisation and deliver high quality services.

Priorities for 2007 - 2012

Quality

Service quality

Our aim is to provide a resident-centred service that is efficient, effective and enhances the individual's experience and quality of life. The HEART values are integral to this process. Our desire is to partner with our residents and their families to make a real difference to their lives.

Involvement

An independent satisfaction survey is conducted on a regular basis to ascertain our clients' views.

Opportunities to explore new interests/hobbies and acquire skills through local community initiatives are also offered to residents.

Efficiency

Service quality must be delivered in an effective way. Efficiency is at the heart of what we do so that our fee rates reflect value for money for our residents.

Performance management

We will utilise both our internal service quality review tool and the CSCI inspection reports to monitor service quality performance. Each home has a published complaints and compliments procedure, which the Board monitors.

In addition, Key Performance Indicators are defined and managed by the Board. The Board, receives reports quarterly, or more regularly as circumstances require.

Develop our people

Our most valuable asset is our staff - what they do and how they behave makes a big difference to lives of the people in our care and their families.

We are proud of our learning culture. It is supported by appropriate training and development programmes that ensure our staff are able to meet our care and service standards in a consistent manner. This approach also enables us to meet our statutory requirements regarding staff development.



Priorities for 2007 - 2012 *(continued)*

Growth

Government agenda

The government's current emphasis is on enabling older people to stay in their own homes, supported by appropriate care packages, for as long as possible.

Finance is being directed towards Extra Care Schemes. Local authorities are not 'ring fencing' finance for older people's services and, although care homes are seen as part of the range of services available to people in later life, care home fees received from Social Services are still not commensurate with actual operating costs. However, we shall maintain our relationship with WCC and expect a proportion of our residents to be state-funded.

Worcestershire County Council agenda

WCC has a clear commissioning strategy that aims to reduce placements in care homes providing personal care.

Our response

In 2005, an option appraisal of each of the care homes was carried out. We now have a view of how we compare with other providers, where we fit into the local market place, and an insight into demographic projections and the demand for future services. In addition, we have passed our comments to WCC on their strategy for older people's services.

HOE Care, in conjunction with SWHA, has developed an older persons strategy for HOE Group Ltd.

We are committed to growth and will continue to seek and assess opportunities that fall within the strategy.

In order to contribute to the growth of HOE Group Ltd, as identified in the Corporate Plan, the following will be actioned as appropriate:

- ◆ Having further considered the findings of the option appraisal and the market position, investment in the current homes will be explored to ensure that present assets continue to service our existing and future clients.
- ◆ Areas of growth could include:
 - Expansion on existing sites and new sites - a development to extend Ravenhurst by 10 beds is under consideration
 - Extra Care services in conjunction with SWHA
 - Extension of day care services. Day care is becoming more specialised, with a focus on people who have dementia. We are responding to these changes in collaboration with WCC.
 - Providing for more complex case needs
 - In 2007, we will consider acquisition of existing businesses or those that require a management solution.
- ◆ We will seek to expand the numbers of fully-funded clients. A viable trading position has to be maintained in order to cover our operating costs and to re-invest in services for the future.



Community development

Involvement in the community

We work hard to ensure that residents are integrated into the local area, with members of the surrounding community being welcomed into the homes.

The homes work hard to fund raise for local charitable projects. These initiatives add to the residents' sense of fulfilment and belonging and help to dispel stereotypical views of care homes.

Sustainability

Sustainability is about the process that "ensures quality of life for all now and for future generations". There are benefits to both residents and the business, and we will therefore aim to integrate sustainability principles into all our operations to ensure high standards of environmental performance.

Diversity

Culture

We ensure that all who deal with us are treated with respect and that our staff understand the importance of embracing diversity. We welcome the strength that comes from diversity.

Equality of opportunity

Our activities are delivered in a fair and equitable way. Equality of opportunity is promoted within all our activities.

Accessibility

Our services are tailored to meet individual needs and are accessible to all.

Risk management

We place great emphasis on the management of risk, and ensure this is embedded throughout the organisation. A risk management strategy is in place, which sets out how risks are identified and managed.



External influences

National and local government

Care homes will continue to be one of a range of options available to older people when more assistance is required to achieve a quality of life in spite of impaired or depleted abilities.

The government is working towards greater integration of Health and Social Care Services. The focus is upon the experience of the recipient of the service. Policies are being developed by the government to support this shift in approach. A greater emphasis is being placed on care being delivered in a person's own home for as long as possible.

Funding continues to be a topical and challenging issue. Although finance is released from central government, it is appropriated differently by each local authority dependent upon the priorities they set for health and social care.

The fees paid by WCC continue to fall short of the actual cost of operating the service. Whilst the present contract with WCC will continue until 2009, maximising income from WCC will be important. However, the greatest emphasis will be placed on securing more fully funded clients. The respite contract will operate until 2008, and the day care until 2009. Both are with WCC and subject to regular reviews.

CSCI

A major review is underway. This will result in a different inspecting process, which will ultimately focus on the service user's experience more than the 'tick box' approach presently adopted.

The cost of regulation and inspection is borne by providers - it is not negotiable and is set by CSCI.

Criminal Record Bureau/Protection of Vulnerable Adults (CRB/POVA)

Before commencing employment all staff are subject to CRB enhanced disclosure and POVA checks. This safeguards both the residents in our care and us as employers.

The cost of these checks are borne by us. The costs increase annually, but are set by CRB and are non-negotiable.

National minimum wage

We value our staff and wish to pay them an appropriate wage. The payment of salaries is obviously closely aligned to the revenue obtained. European legislation is impacting significantly in this area of the sector. We will continue to monitor and report on its impact.

Our resources

- ◆ Nine care homes

Home	Location	No of Beds
Beechwood	Upton-upon-Severn	38
Brambles	Redditch	60
Breme	Bromsgrove	60
Cranham	Worcester	40
Hastings	Malvern	60
Heathlands	Pershore	60
Ravenhurst	Stourport on Severn	38
Regent	Worcester	60
Westmead	Droitwich	33
TOTAL		449

The financial projections contained in this plan are based on the accommodation currently available to the company, plus the 10-room extension proposed for Ravenhurst. However, during the next few years it will be necessary to review the future for Cranham and this will impact on the plan.

- ◆ In 2005 we created a stock condition survey and identified a planned preventative maintenance programme. The home managers, in conjunction with the property team, identify the rolling programme and the priorities on a home by home basis. This has enabled us to make projections for the next 30 years. The planned preventative maintenance programme will be on a rolling five-year cycle.
- ◆ We will achieve efficiency and profitability by reducing the ratio of staff costs to service income. The key factor in reducing the ratio will be increasing the income generated by the company. The ratio will be under 57% in 2007/08 and is projected to reduce to 55% over the following two years.
- ◆ The workforce plan indicates that we will employ about 500 staff in 2007/08. The average annual cost per employee in the homes is estimated at £10,880. This equates to £12,070 per bed.

Income

- ◆ In 2007/08 the number of clients wholly supported by Social Services is projected to be 168. This level is assumed throughout the period of the plan.

Our resources *(continued)*

Financial projections, loan finance and budgets

- ◆ Long-term financial projections are set out in the appendix (available upon application to the Group Deputy Chief Executive). These indicate surpluses throughout the period of the plan.
- ◆ An annual budget is approved prior to the start of each financial year, which runs from April to March.

Assumptions used in the projections

The financial projections are based on the following main assumptions:

- ◆ Prices for 2007/08 are outturn estimates.
- ◆ Expenses (excluding HOE Group Ltd central services fees) are expected to rise in line with RPI inflation - this is estimated at 2.5% per annum.
- ◆ Fees on average are expected to rise by 4.6% in 2007/08, then 3.5% per annum to 2010/11 and 3% p.a. thereafter.
- ◆ Full fee rates are estimated to average £444 per week in 2007/08, The average for all clients is estimated at £408. WCC rates are estimated to be £353.
- ◆ Average occupancy is assumed at 96% for the foreseeable future.
- ◆ The day care contract with WCC has been renewed until March 2009, the assumption being that it will continue thereafter.

- ◆ Staff costs:

Staff costs are estimated to rise at 3% per annum.

Salaries and wages are based on an assessment of the workforce requirements for each home including for holidays, sickness, training and other absences.

Employers' National Insurance and superannuation contributions are included.

Allowance is included for overtime, responsibility and weekend enhancements.

- ◆ The estimates for expenditure on other staff costs, provisions, utilities, office and other overheads are based on actual costs at the homes.
- ◆ Property maintenance costs for 2007/08 are based on a detailed review of requirements and estimated outturn prices. A full assessment of maintenance and replacement costs - including equipment - was completed in 2005/06. A planned preventative maintenance plan for each home has been scheduled. Projections for 2008/09 are based on this.
- ◆ The fee for HOE Group Ltd central services is based on meeting the cost of those services; services are provided on a non-profit basis.
- ◆ Interest payable to Lloyds TSB is set out within the loan agreement and is estimated at 5.5% in 2007/08, 5.4% in 2008/09 and 5.3% thereafter.



Our targets for 2007/08

	Target
Quality	
<ul style="list-style-type: none">• CSCI Report - based on new system.	to achieve an excellent rating at each home
<i>Training & development</i>	
<ul style="list-style-type: none">◆ Over 50% of care staff in each home to have NVQ level 2 minimum.◆ Achieve Investors in People.◆ Continue to operate agreed planned preventative maintenance rolling programme.	at all times retain the award Five year programme agreed by Board
Staffing	
<ul style="list-style-type: none">◆ To reduce staff turnover figures and thereby improve our retention of staff.◆ To reduce staff sickness figures and thereby improve our performance so that the service is not adversely affected and staff are appropriately supported.	reduce by 1% on 2006/07 actual reduce by 1% on 2006/07 actual
Growth	
<ul style="list-style-type: none">◆ Increase the number of full funders.◆ Occupancy - average across 9 homes.◆ Increase the average fee for future years.◆ Ravenhurst.◆ Growth - explore available opportunities.	263 96% £408 in 2007/08 Add 10 extra beds
Community development	
<ul style="list-style-type: none">◆ Maintain the 'Having Your Say' initiative Kitemark in all nine homes.◆ Approve and implement a sustainability strategy.	Maintain Kitemark at each home. To be agreed by Board.
Diversity	
<ul style="list-style-type: none">◆ Maintain commitment to diversity through our admission and recruitment policies. Residents should be admitted on assessed need and staff appointed on their ability.	Targets set and monitored by the Board through the Diversity Action Group

Our Key Performance Indicators

These indicators will enable us to ensure that the performance of the business is continuously monitored.

Performance Indicator	NCF Statistics (2006)*	Sector Average	2005/06 Actual	2006/07 Target	2007/08 Target	2008/09 Target	2009/10 Target	1010/11 Target	2011/12 Target
Occupancy	N/A	92%	94%	95%	96%	96%	96%	96%	96%
Staff costs as percentage revenue	N/A	60-65%	59%	60%	57%	56%	55%	55%	55%
Staff turnover	25.7%		31%	30% (1% below previous year actual)	reduce actual 2006/07 by 1%	reduce actual 2007/08 by 1%	reduce actual 2009/10 by 1%	reduce actual 2010/11 by 1%	reduce actual 2011/12 by 1%
To achieve and maintain 50% of Care Staff with Level II NVQ	59.5%	50% Minimum Requirement	54.11%	50% at each home	50% at each home	50% at each home	50% at each home	50% at each home	50% at each home
To reduce sickness absence	4.7%		6.9%	5.9% (1% below previous year actual)	reduce actual 2006/07 by 1%	maintain at 2007/08 actual	maintain at 2007/08 actual	maintain at 2007/08 actual	maintain at 2007/08 actual
Average fee rate of at least (£/Wk)	N/A	N/A	£371	£386	£408	£422	£436	£450	£464
Average number of non-WCC clients	N/A	N/A	239	248	263	273	273	273	273
Arrears as percentage of revenue at year end	N/A	N/A	0.95%	1.4%	1.35%	1.3%	1.25%	1.2%	1.15%
Service expenditure (excluding staff costs) as a % of budget.	N/A	N/A	101%	100% or less	100% or less	100% or less	100% or less	100% or less	100% or less

*The National Care Forum (NCF) carries out an annual personnel survey of all its members. The statistics are an indication of how the not for profit sector is performing. The NCF has 45 member organisations, which in turn provide services to more than 30,000 people in 750 registered care homes.



Heart of England

HOUSING AND CARE LTD

Registered Name: Heart of England Housing and Care Limited

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 **business for older people**