



Annual Performance Report 2017/18

Working together for your 5 star service





Contents

03	Chairman's welcome	16	Care Inspectorate gradings
04	Managing Director's welcome	17	Awards
05	Who we are	18	Case study - City Home Helpers
07	How we report	19	What our customers and staff say
09	Our work	20	Case study - Provider of Last Resort
10	Our performance	22	Case study - Margaret's story
13	Reduction in sickness absence	23	Delivering on our core business
14	Our support pool	24	Financial report
15	Compliments and complaints		

Chairman's Welcome

I am pleased to present our fifth annual performance report, which I believe reinforces the positive difference we continue to make to some of the most vulnerable people in our community here in Aberdeen City.

As you will read, the report shares many of the highlights of the past year, following our holistic review of service delivery and the resulting transformational changes, which have been built around our team of dedicated staff and helped us to achieve substantial savings.

We have once again increased our quality grades, with 98% of our services achieving good or very good grades. We have continued to reduce absence levels due to sickness and Bon Accord Care was delighted to win several Healthy Living Awards and the Exceptional Employee Engagement accolade at the cHeRries awards.

We have remained focused on our strategic aims – to deliver our core business, maximise quality and efficiency and delivering innovative services at an early point of delivery.

I am very pleased with the journey through 2017/18 and I see continued strong commitment from our executive and wider management team to deliver genuine results for the people we support.

On behalf of the board, I encourage you to digest the report and share in Bon Accord Care's continued success.

Graham Parker, Chairman



Managing Director's Welcome

Welcome to our Bon Accord Care 2017/18 annual report. I am delighted to present this update on our continued progress.

We have now been in operation for five years and as well as highlighting the achievements and successes of last year, this report also brings into focus the journey we have been on, continuing to work together to deliver 5-star services.

As well as delivering our range of services, 2017/18 saw the implementation of the first stage of our strategic plan.

BAC's five-year strategic plan commenced in 2017 and had clear objectives across the company's three main strategic aims, which are to deliver on our core business, maximise quality and efficiency and deliver innovative services at an early point of intervention.

The plan was underpinned by a requirement to bring a change in service delivery to ensure continued viability of the company, ensuring delivery on a reducing financial envelope with an increasing demand and complexity of service.

The holistic review was a large-scale change project undertaken between November 2016 and March 2018, with the intention of initiating new ways of working through organisational redesign.

Change was focused on structure, volume, roles, responsibilities and reduction in duplication of tasks. The redesign was across all roles and structures within the company and engaged and involved all staff. The aims of the review were two fold, one to progress, strengthen and maximise efficient, quality service delivery models and secondly to provide value to our service users, commissioners and company.

This was a significant period of change for our workforce, service delivery and our service users. This report highlights some of the key measures and achievements that have been brought about.

I would like to acknowledge and thank our staff team, who have remained committed, motivated and open during this past year. Without them, we could not have achieved the success we have. Bon Accord Care is a team to be proud of and this report is testament to the hard work and engagement they have shown, striving to deliver Service, Quality and Value with Innovation, Integrity and Pride.

I hope you find this report informative and reflective of our past year.

Sandra Ross, Managing Director

Who We Are

Bon Accord Care is a key provider of older people's services within Aberdeen City.

An ALEO (Arm's Length External Organisation) of Aberdeen City Council, we are comprised of two registered limited companies, Bon Accord Care (BAC) and Bon Accord Support Services (BASS). Bon Accord Care contracts directly with BASS, which commissions directly with Aberdeen City Council. For operational use, we use Bon Accord Care as a collective term to reflect both companies.

We deliver adult social care services to the people of Aberdeen, providing support and encouragement to enable them to live as independently as possible, today and in the future. We have an important role to play in enhancing lives and wellbeing - what we do matters.

We work with our key partners, Aberdeen City Council (ACC) and Aberdeen City Health and Social Care Partnership (ACHSCP), to deliver a range of commissioned services across Aberdeen City. This is

where the majority of our income is from, with £26m of our £27m turnover.

We provide respite, rehabilitation, care at home, housing support, residential care and community responder service. These services are predominantly for older people although occupational therapy (OT), Hillylands Independent Living Centre and the Community Equipment Store provide support to all age ranges within the community. This is through provision of adaptations, specialist assessments and equipment provision which through early intervention strategies helps maintain and achieve maximum independence.

To support our internal staff and partnership colleagues, we have a learning and development function, which ensures our staff team is skilled and trained to carry out the roles for which we are commissioned. An SQA approved centre, we provide a range of SVQs in Health and Social Care, Business Administration and Modern Apprenticeships.

Core values

Service, Quality and Value delivered with Integrity, Innovation and Pride

Mission

Working together for your 5 star service

Our key strategic aims

- 1. Deliver on our core business**
- 2. Maximise efficiency and quality of service delivery**
- 3. Commence innovative services at an early intervention stage to reduce demand on more complex services**

Who We Are

Our Resources

Most of our income comes from the delivery of commissioned services across Aberdeen City.

As a company which is based on service delivery, our largest expenditure is staffing, which accounts for 85% of the total cost. We have a very lean management structure and business support function, with overheads carefully monitored and managed.

We recognise that as a company there will be continued pressure on public funding and understand the role we play in reducing expenditure, exploring new ways of working and new streams of income generation.

Our core services reflect the contractual part of our operations, for example care at home, residential services and occupational therapy. We also deliver on more commercial opportunities with the ambition being to bring in additional income to assist with the financial performance and sustainability of the company.

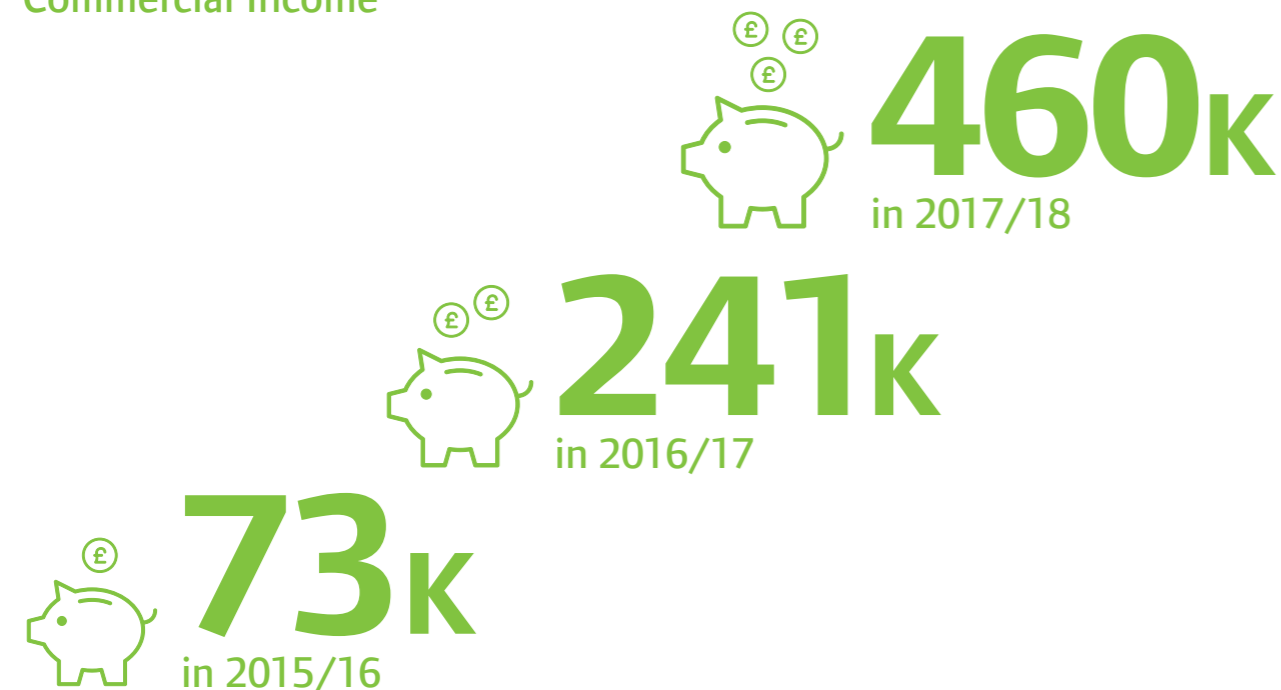
We provide City Home Helpers, a private, non-statutory service which is aligned with the traditional home help service. It provides support across a range of needs and ages to facilitate people remaining independent at home. This is operated on a model which will generate a degree of profit, we have seen growth but anticipate

with the investments we have made in 2017/18 that 2018/19 will show an increase in growth and income generation; both which will assist in the wider strategic aim of supporting people to live independently at home.

Another area where we have a more commercial focus is in equipment sales and rental; we can provide equipment at competitive prices and give professional support to facilitate appropriate choices. We can also assist with rental of larger items such as specialist seating and beds, this supports other providers and individuals with more cost effective measures to ensure the right equipment, at the right place and right time. This generates a small amount of income, but we anticipate and will focus on this as a growth area across 2018/19.

The support pool and learning and development are other areas in which we generate income, again to date these have not generated high levels of income; however, year 3, 4 and 5 of our 5 year plan will see greater emphasis on growth expected in these areas. We have invested in a customer relationship lead to help drive forward the potential within these areas and support our managers within service development, marketing and raising the profile, and we are already seeing positive impacts of this role.

Commercial Income



How We Report

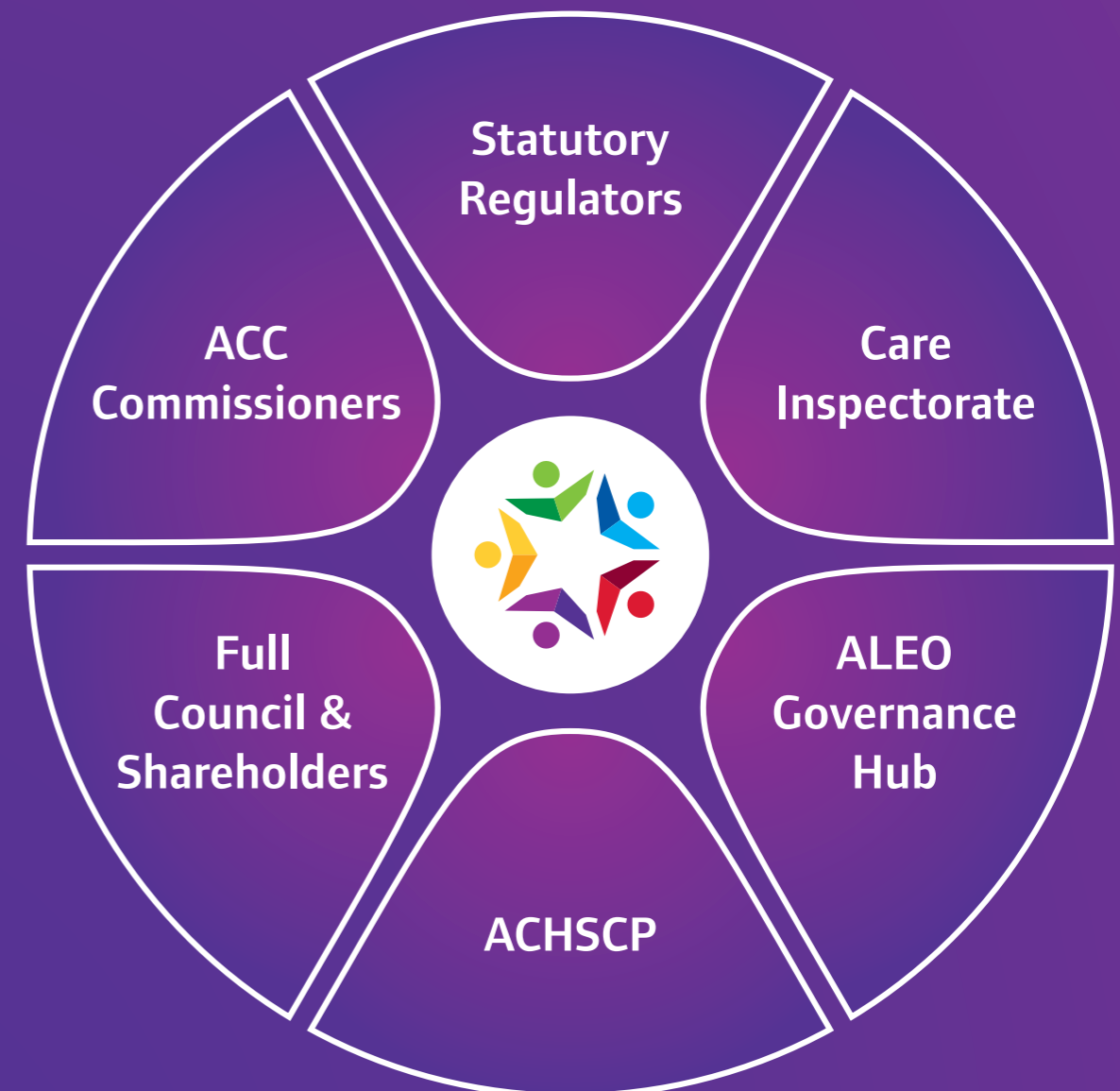
The joint Bon Accord Care Board meets eight times a year for general business. The board is made up of our chairman, managing director, finance director and four non-executive directors. Our members are the same today as when we were established in 2013.

Reports are prepared for the board which reflect financial, operational, personnel, risk and health and safety information.

Reports and information relating to service specifications are also shared with Aberdeen City Council and ACHSCP on a weekly and monthly basis.

An annual performance report is presented to full Council annually by the managing director.

Our care services are heavily regulated and regular inspections are undertaken by the Care Inspectorate, Fire Service and environmental health officers.





Who We Are

Governance

There is a high level of scrutiny and diligence to ensure that Bon Accord Care delivers the services for which we are funded.

The BAC directors are legally accountable to the shareholder (Aberdeen City Council) for the operations of the company and are responsible for setting the strategy and operational decisions that will meet our objectives.

Four times a year, the executive directors report on the financial, operational, risk and health and safety information to the ALEO Governance Hub, providing assurance of strong and effective governance at a company level.

In turn, this provides an assurance to members of both the strategic commissioning committee and the relevant service committees.

Our Work

We have a business focus with a strong social conscience, delivering a significant social impact to people across Aberdeen.

Our strategic aims and delivery of our contractual arrangements continue positively, and we are working closely with our key stakeholders to align ourselves with their priorities achieving positive outcomes for the people of Aberdeen.

We understand that integration and collaboration shows positive benefits and delivers new ways of working across Aberdeen and we recognise and closely align with the Scottish Government's national health and wellbeing outcomes.

Our continued ability to deliver confirms the positive role that Bon Accord Care has and the impact we can make by being flexible, adaptable, resource efficient and aligned with our own and our commissioner's key priorities.

Health and Social Care Standards	National Health and Wellbeing Outcome Link	ACHSCP Strategic Priority Link	ACC Strategic Priority Link	BAC Strategic Plan Link
1. Services provide high quality care and support that is right for the user	Outcome 1: People are able to look after and improve their own health and wellbeing and live in good health for longer.	1. Develop a consistent person centred approach that promotes and protects the human rights of every individual and which enable our citizens to have opportunities to maintain their wellbeing and take a full and active role in their local community.	Smarter Living: Quality of Life	Deliver on our Core Business
	Outcome 2: People, including those with disabilities or long term conditions, or who are frail, are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community	3. Promote and support self-management and independence for individuals for as long as reasonably possible.		
	Outcome 6. People who provide unpaid care are supported to look after their own health and wellbeing, including to reduce any negative impact of their caring role on their own health and well-being	4. Value and support those who are unpaid carers to become equal partners in the planning and delivery of services, to look after their own health and to have a quality of life outside the caring role if so desired.		
2. Services fully involve their users in making decisions about their care and support	Outcome 4. Health and social care services are centred on helping to maintain or improve the quality of life of people who use those services	2. Support and improve the health, wellbeing and quality of life of our local population.	Smarter Living: Quality of Life	Commencing new and innovative services at an early intervention stage to reduce demand on more complex services
	Outcome 5. Health and social care services contribute to reducing health inequalities	5. Contribute to a reduction in health inequalities and the inequalities in the wider social conditions that affect our health and wellbeing.		
3. Service Users have confidence in the people that support and care for them	Outcome 3. People who use health and social care services have positive experiences of those services, and have their dignity respected		Smarter Living: Quality of Life	Maximise Efficiency and Quality of Service Delivery
4. Service Users have confidence in Bon Accord Care providing their care and support	Outcome 8. People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide	6. Strengthen existing community assets and resources that can help local people with their needs as they perceive them and make it easier for people to contribute to helping others in their communities.	Smarter Living: Quality of Life	Maximise Efficiency and Quality of Service Delivery
	Outcome 9. Resources are used effectively and efficiently in the provision of health and social care services	7. Support our staff to deliver high quality services that have a positive impact on personal experiences and outcomes		
5. Service Users experience a high quality environment			Smarter Living: Quality of Life	Maximise Efficiency and Quality of Service Delivery



Our Performance

Maximising Efficiency and Quality of Service Delivery

Bon Accord Care's five-year strategic plan, which commenced in 2017, had clear objectives across the company's three main strategic aims.

The plan was underpinned by a requirement to bring a change in service delivery to ensure continued viability of the company, ensuring delivery on a reducing financial envelope with an increasing demand and complexity of service.

The strategic plan – which you can read in full [here](#) – outlines our ambitions for the next five years. It builds on the solid foundations we have built in the first four years of operation by focusing on our three strategic aims - delivering on our core business; maximising efficiency and quality of service delivery; and commencing innovative services at an early intervention stage to reduce demand on more complex services.

These strategic aims ensure we remain focused on the task in hand, to deliver health and social care services to the people of Aberdeen.

With this in mind, 2017 saw BAC undertake a redesign, referred to as a 'holistic review'. This was a review of all roles, responsibilities and structure within the company to facilitate and generate new ways of working to ensure we were fit to face the challenges of the future.

It was undertaken as the first stage and foundation on which our five-year strategic plan would be achieved. The holistic review was a large-scale change project undertaken between November 2016 and March 2018, with the clear intention of developing new ways of working through organisational redesign.

The redesign was across all roles and structures within the company and engaged and involved all staff. Change would be focused on structure, volume, roles, responsibilities and reduction in duplication of tasks.

The aims of the review were to:

1. Progress, strengthen and maximise efficient, quality service delivery models
2. Provide value to our service users, commissioners and company

This was achieved by flattening the management structure, reducing the duplication of roles, ensuring consistency of roles and increasing capacity to increase volume of service delivery.

It was anticipated there would be a reduction in the overall headcount within the main commissioned services as well as financial benefits, although these were not quantified as the primary objective was to drive new ways of working through organisational redesign.

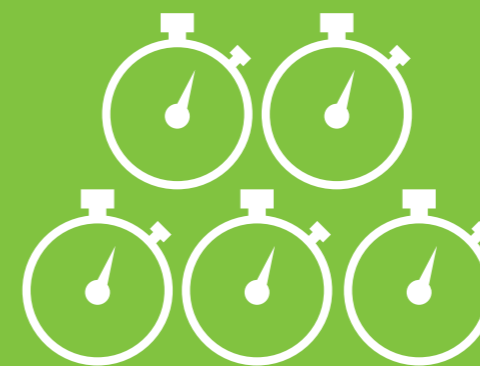
We were dynamic in our approach and agile responding to changes in the macro and micro environment as they emerged. Risk was managed, mitigated and responded to in a proactive manner to maintain 'business as usual' throughout the process.

The project benefited from a collaborative approach with all stakeholders and was completed on time and achieving the aims of the project. In the main, the stated benefits were realised although it is too early to fully scope the impact of some anticipated paybacks.

Additional operational and financial impacts were seen and significantly, there was a positive change in company culture.

Although many benefits can be identified, the main drive, to change the way we work through organisational redesign will start to be evidenced across the next two years as real innovation is organically grown by an empowered staff group with a feeling of real ownership of their company.

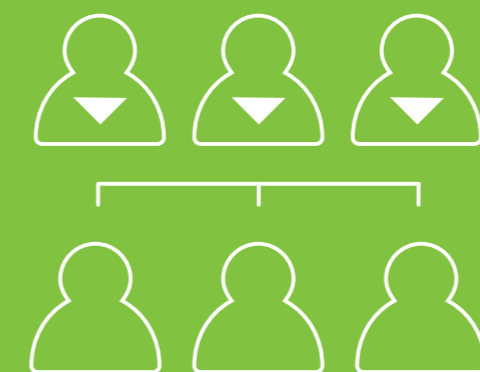
The holistic review achieved:



Five phases completed on time



Reduced management head count by 16.81 FTE



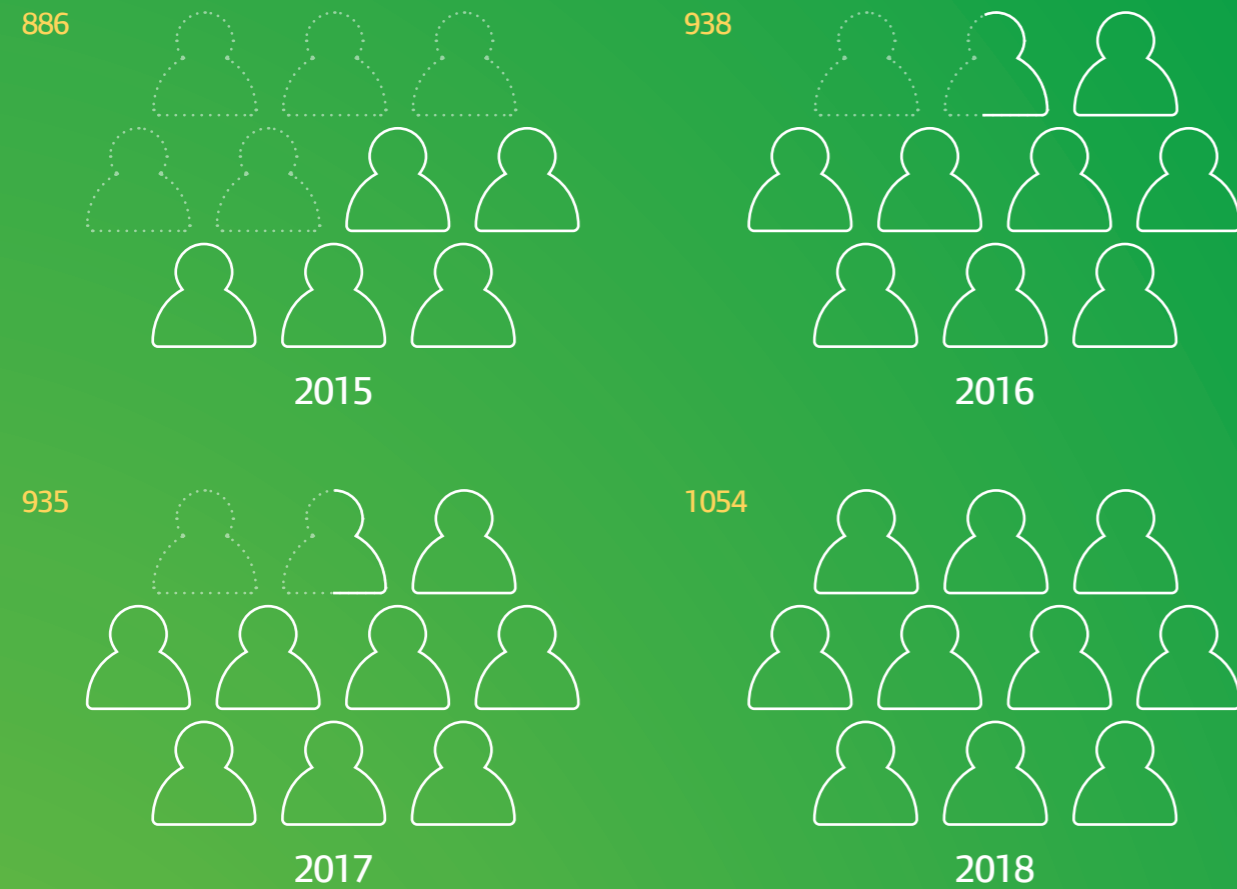
Increased front line staff by 51.96 FTE



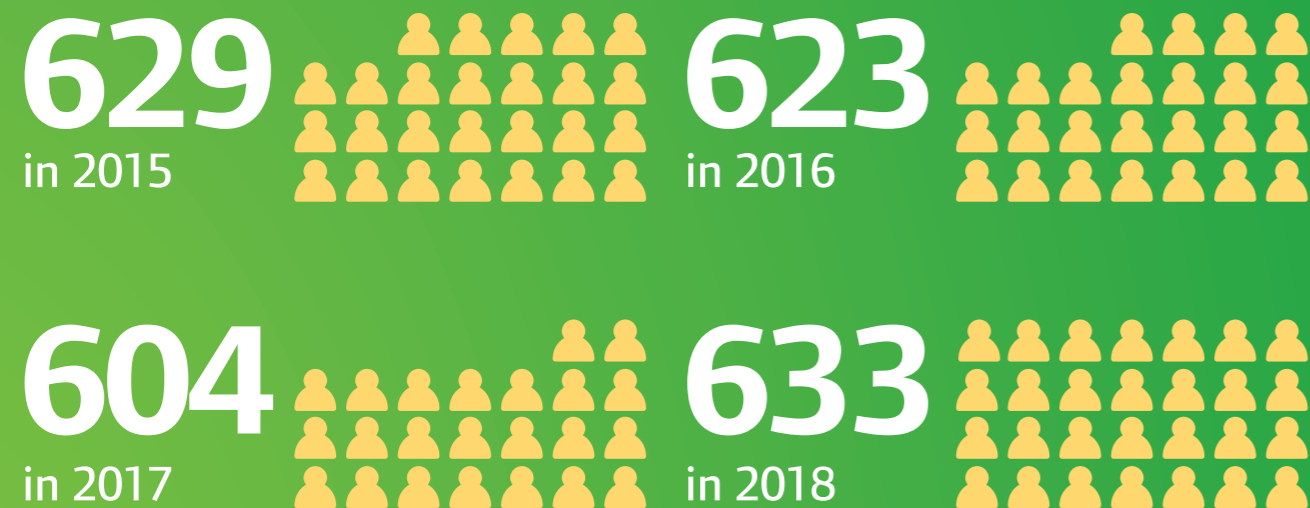
Saved £640K

Our Performance

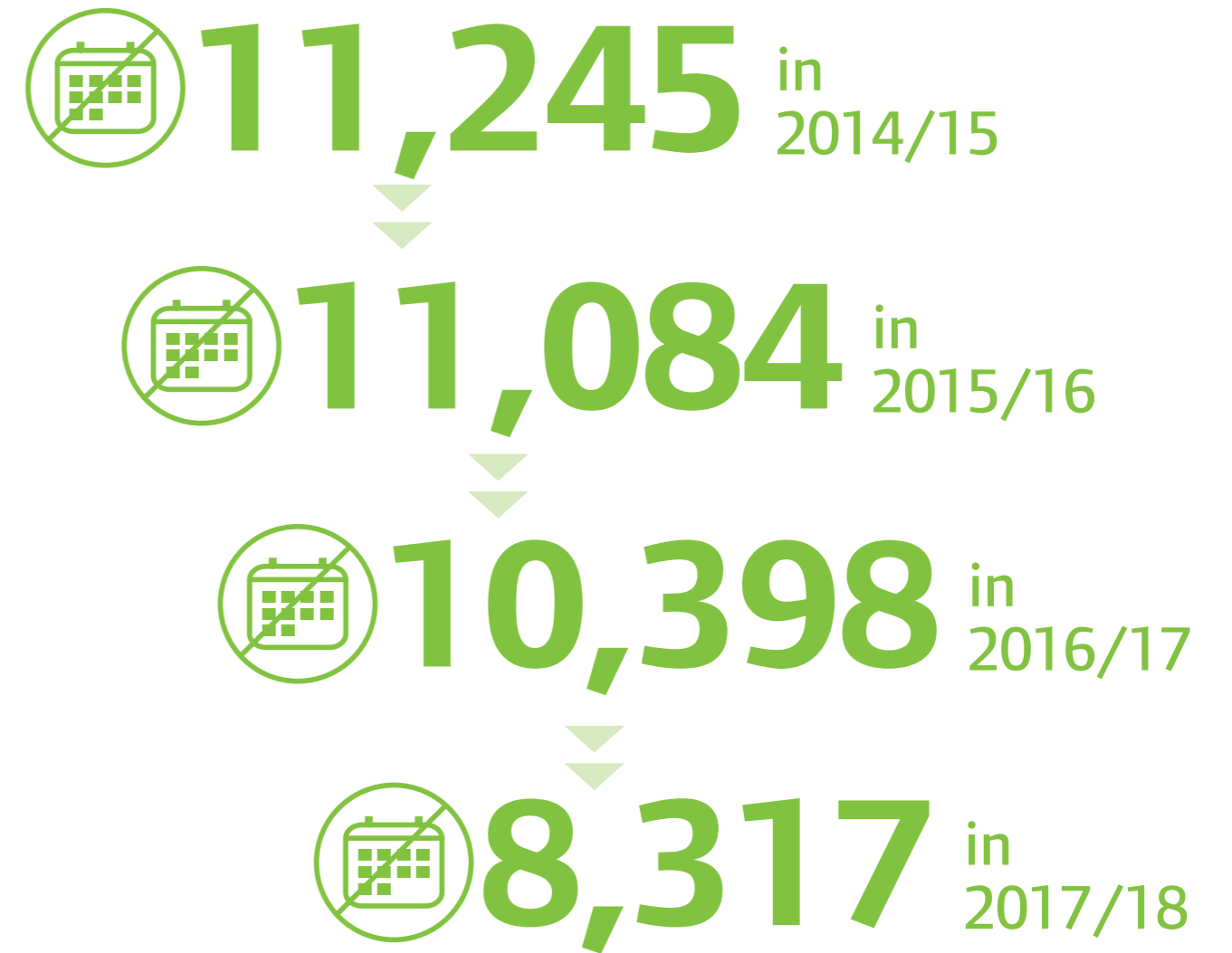
Total Number of Staff



Full Time Equivalent



Total days lost to absence



**26% Reduction
in Absence Levels
since 2014.**



Support Pool

Our support pool began in 2014, in response to high levels of overtime and agency use.

Over 300,000 hours have been delivered on the support pool since 2014. We have also seen significant decreases in agency, overtime and complaints.

Both the number of hours delivered and the number of workers has increased rapidly over the past four years, rising from 24,200 hours delivered in 2014/15 to 155,000 hours delivered in 2017/18 to our internal services.

We now have 726 active support pool workers.

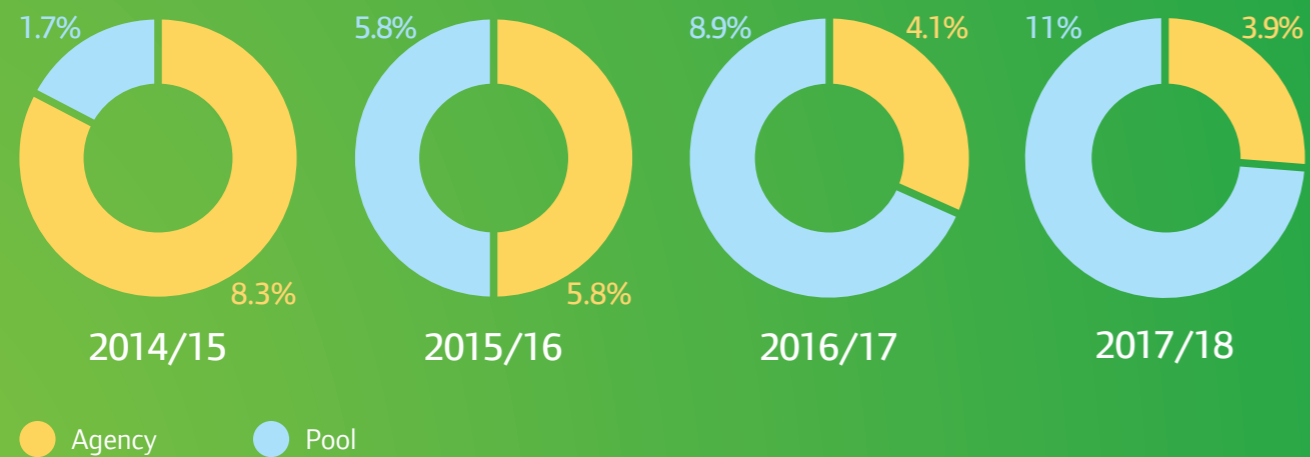
We have also been working in partnership with the Housing Support Service at Aberdeen City Council by providing relief workers to their service, working similarly to our internal services. Since 2015/16, 26,771 hours have been delivered, generating profit of £73,000. This has also had a financial benefit to their service.

Taking into consideration both our internal and external services, between both savings and profit, we have generated a total benefit of £608,300 over the years the pool has been in place.

We support the different services across Bon Accord Care, as well as our external services by providing a total of 10 different job roles.

With Care at Home South, we have a number of support workers through the support pool who work on a regular basis, which enables clients to get to know them. The support pool has also helped with our service in Aberdeenshire, where the small group of support pool workers provide a high level of care and have made the service affordable.

Reduction in Agency usage



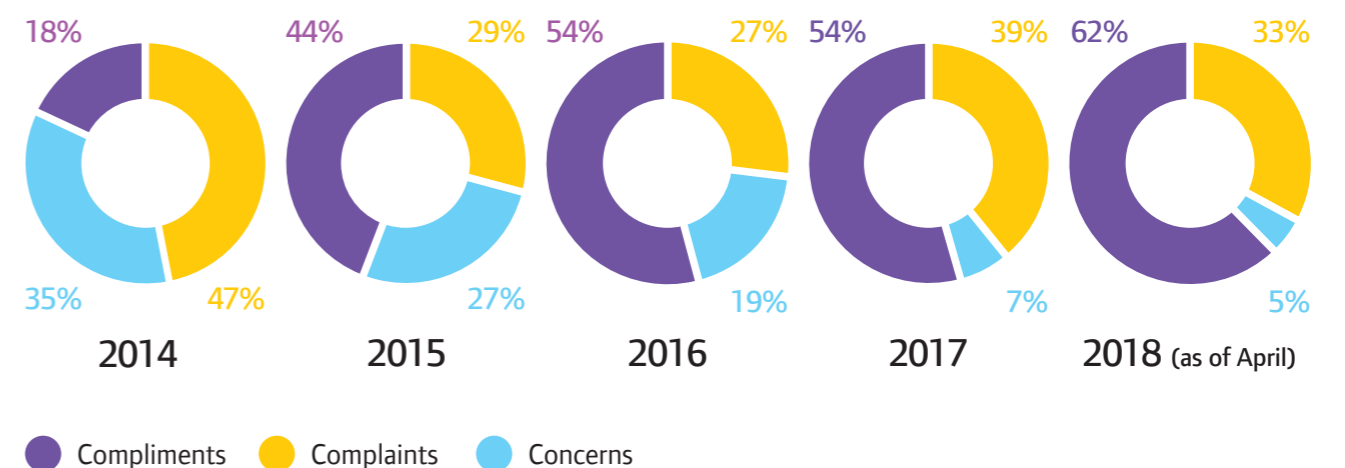
Our Performance

We never lose sight of our quality of service delivery, even though delivery is a key driver, as we provide services to some of the most vulnerable in Aberdeen City. We actively seek feedback, listen to views and learn from the opinions and information we receive from the people we support.

We are confident that the people who use our services feel comfortable, and have direct access to voice their views and opinions, ensuring we drive quality of provision in areas which are perceived as required.

The significant increase in compliments, rising from 18% in 2014 to 62% as at April 2018, means we can continue to embed best practice.

Increased Trend in compliments



Care Inspectorate Average Grade

The Care Inspectorate is a scrutiny body which supports improvement by looking at the quality of care in Scotland to ensure it meets high standards. Where it finds that improvement is needed, it supports services to make positive changes. Care services are given grades when inspected, which look at key areas like care and support, physical environment, quality of staffing, and quality of management and leadership.

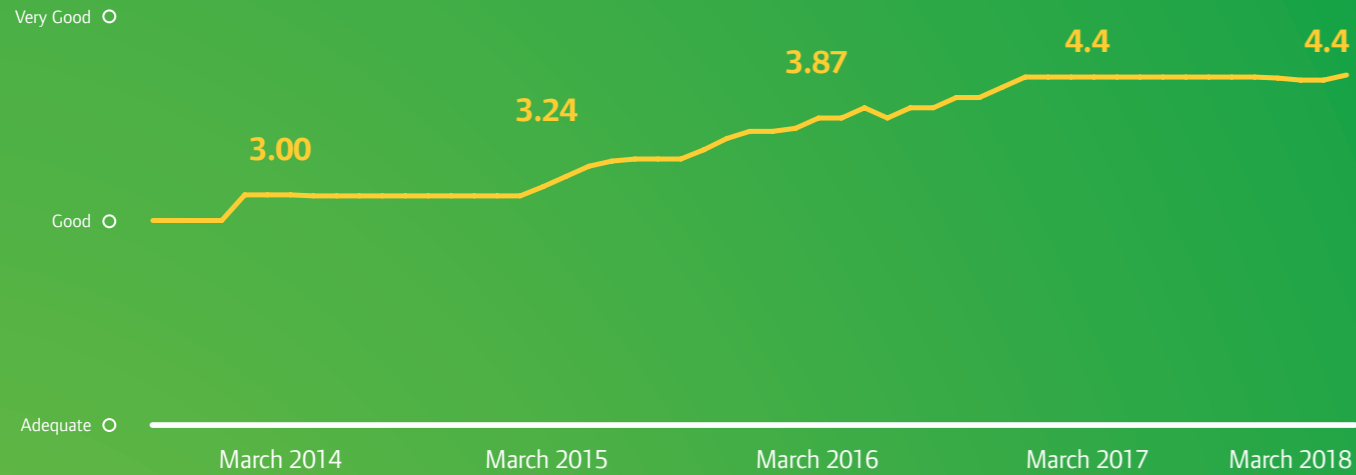
Each area of each care service is assessed on a scale from 1 to 6, where 1 is unsatisfactory and 6 is excellent, and an inspection report is published to show the findings.

Bon Accord Care had eight services when it was established and we now have 15 registered services. We have improved our grade average by 69% and 98%

of our services have either good or very good grades, as shown in the graph below.

The Care Inspectorate plans inspections through a Risk Assessment model and our services have largely been deemed low risk, which also demonstrates the confidence the Care Inspectorate has in our services.

“The care and support that we saw during our inspection was of a very good standard and all of the people we spoke to praised the high standard of care.”
Inspection Report (ICAH North), 19/04/18



Awards

Healthy Living Award



Bon Accord Care has successfully achieved Healthy Living Awards at Balnagask House, Coronation Court, Denmore Court, Craigelea Gardens, Fergus House, Rosewell House and Victoria Grange.

We were the first company here in the north-east and one of just a few across Scotland to gain this accolade in care homes and very sheltered housing.

Operated by NHS Scotland and supported by the Scottish Government, the Healthy Living Awards were given to recognise our commitment to delivering a five-star service and improving the health and wellbeing of every resident by following best catering practices.

cHeRries Awards



We were delighted to win the Exceptional Employee Engagement Award at the cHeRries awards in June.

This was in recognition of our holistic review of service delivery built around, and using, our staff team to deliver transformational change.

The awards recognise excellence in the fields of human resources, training and recruitment in the north-east of Scotland. The judges were looking for the best example of how an employee engagement strategy is having an impact on the organisation and how it is linked to improving key business objectives and outcomes.

Some of the BAC team attended the ceremony at Aberdeen Exhibition and Conference Centre and Sandra Ross collected the award on behalf of all our fantastic staff!





City Home Helpers



City Home Helpers was set up in January 2016 as a trading arm of Bon Accord Care to provide a range of local services for domestic, social and companionship support so older adults and people with disabilities can continue to live in their own home and remain connected to their community for longer.

It now delivers services across Aberdeen City within the customer home in the community, sheltered or very sheltered housing and retirement villages. Services are frequently delivered out with the customer home e.g. accompaniment to an activity, appointment or shopping.

The services offered support an early intervention approach to reduce demand on more complex services.

Since 2016, City Home Helpers has continued to increase the number of hours delivered, with the average monthly hours in 2016 being 292, increasing to 500+ in 2017 and continuing to increase in 2018.

The impact services are having on our customers can be life changing, for example supporting hospital discharge following long stays in hospital. City Home Helpers will ensure the customer's home is made safe and habitable for their return, even on occasion collecting them from hospital, thereafter continuing to provide support through the recovery period.

Our customers say

"The home-help service is very important for mum and myself and very important that it can be the same person regularly, especially for mum's dementia. Pat has come to mum regularly now for nearly two years and she is wonderful. I can depend on her, she is very good with carrying out the housework and anything else that is requested for her to do.

We have a day book that the family writes in about what we have been doing with mum and Pat reads it when she arrives and chats with her, as with the short-term memory, mum can't remember. We have also been happy with the home-helps who have come in as replacements for Pat, I met both Kay and Carol and liked them right away!"

City Home Helpers employs the best people and I would have no hesitation in recommending your services to others."

Mrs K Mennie (May 2018)

"I started the service in 2018 after I had a fall and I needed a hip replacement. It was planned to be short term however, within 2 weeks of starting I called the City Home Helpers team to ask if the service could continue.

For someone like myself that was in dire straits. It gives me peace of mind and helps me to remain in my own home while I recover from my operation. I like that I have the same home helper every week and I look forward to my visit. Even when I was away on holiday, I requested that Kay still come in and do my housework as I have gained a lot of trust in Kay, we have built up a very good and trusting working relationship.

Kay is a very helpful and charming lady, to be honest Kay could not be more helpful. She is such a hard working lady and always very polite and treats me with respect at all times. I am absolutely delighted with Kay and the service I receive. Kay has gone the extra mile for me and I feel lucky to have her as my home helper. I would definitely recommend City Home Helpers to other people as it is a great service."

Mrs S Blackett (June 2018)

Our staff say

"I have been with City Home Helpers now for over two years - very rewarding and the lovely customers you meet makes it all worthwhile. They become like family members, for me at least. I love it - what else can I say!"

Pat (May 2018)

"I think City Home Helpers is doing such a worthwhile job and I am proud to be part of it.

The office staff are always helpful and friendly."

Dorothy (May 2018)

Case Study

Provider of Last Resort

Bon Accord Care (BAC) has a service level agreement (SLA) in place with Aberdeen City Council (ACC) as 'Provider of Last Resort' (POLR). This reflects the requirement for BAC to step in should any care service across Aberdeen City fail.

We are required to support the service to ensure continued delivery, have a clear exit strategy, charge for additional costs and work with our commissioners, ACC, to keep the local authority aware of progress and impact.

To date, we have had POLR in place for a failing care at home service and supporting a smaller service due to the impact of flooding.

We have been on alert for another care at home provider and care home provider, although neither required the SLA to be activated.

We have a clear process to be followed should a POLR request be made.

On Friday, 31st March 2017, we were notified that a POLR request was likely to be made for a failing nursing home and BAC would be the lead agency to provide emergency provision. We have been acting under POLR since 1st April 2017 for this service.

ACC used its powers of 'step in' to a service which gave cause for concern and had Care Inspectorate grades of 1.

BAC and ACC worked together to ensure provision of a staff team with less than 24 hours' notice. This would require two nurses on each shift – neither of which were employed by ACC or BAC – and an additional 12 care staff for day shift, with four on night shift.

Full ancillary services, including meal provision, would also be required.

Overall this was a very large ask and the level of staffing required had not been anticipated.

In response, we undertook a number of key actions at service level and senior management were on site from the first morning to meet relatives and allay fears. Many families were upset and needed the opportunity to talk about their concerns.

Firstly, staff were brought in from ACC and BAC to cover the care shifts, and we provided an initial interim manager to work through the impact phase.



Case Study

Provider of Last Resort

ACC's learning disability service provided staff for one unit for the first four weeks. As many of the staff already knew service users, this proved to be very helpful. The local authority also provided cleaning and laundry staff.

BAC provided occupational therapy support to review manual handling plans and equipment. This support was maintained across the four weeks and a system is now operationalised for ongoing support.

ACHSCP requested support with speech and language, dietician, community psychiatric nurses and pharmacist support. All professions reviewed service users across the initial week and gave appropriate ongoing support and guidance.

Finding nursing staff proved difficult and ACHSCP could provide only minimal support, so cover was secured with the help of agencies.

BAC led the catering provision and worked with the manager and dietician to ensure that meals were reflective of the nutritional needs of the service users.

A full Health and Safety audit was completed by ACC, while an audit of the facilities was carried out by BAC to determine immediate issues and forward planning.

Interim variation to registration was requested and put in place, using Clashieknowe registration as a springboard.

Finally, an action plan was developed to facilitate the numerous agencies working together – each agency was invited to attend the weekly review meetings during the initial period.

We moved from emergency provision to business as usual and a manager with extensive experience within a care home was seconded to the service.

ACC learning disability staff provided support for more than four weeks – a valuable service in the initial period – and the ancillary support provided proved invaluable.

The support pool and BAC staff were in place to provide care delivery, with recruitment taking place in a focused way to ensure continuity moving forward.

BAC has now stabilised the service as POLR, we have built relationships, trust and understanding with relatives, Care Inspectorate, commissioners and fundamentally increased the quality of care for the people we support in the service.





Case Study

Margaret's Story

Margaret (72) had been struggling after the loss of her husband and had suffered health problems as a result.

After a time in hospital with serious illness, Margaret was discharged and found herself alone at home, feeling isolated and with the possibility of her health suffering again.

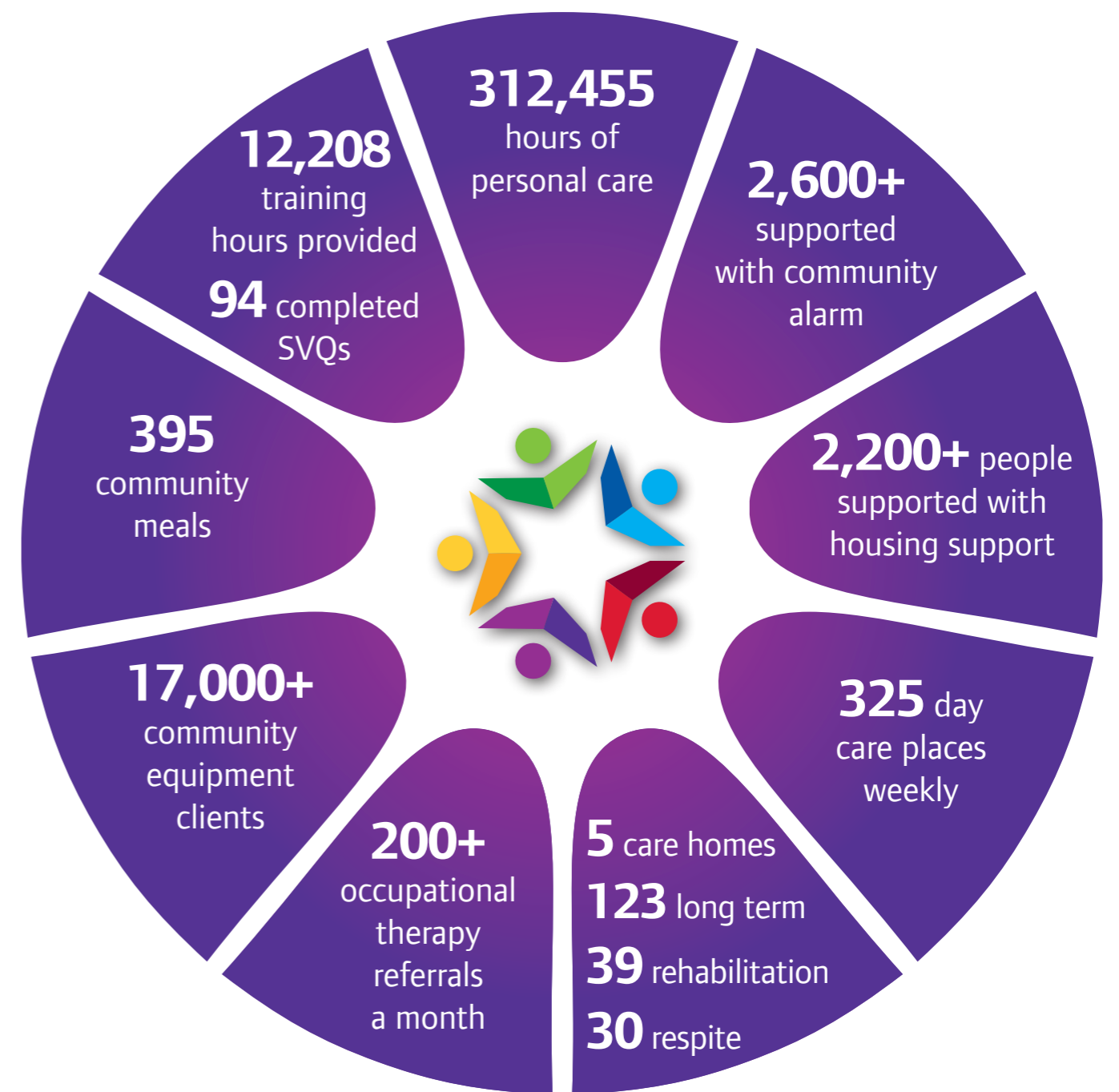
Bon Accord Care was asked to provide home visits to help her regain confidence and maintain her health. We have so far provided five months of care and our team visits up to three times a day.

Margaret said: "It has made a huge difference to my life having the carers visit me at home, I really look forward to them coming in. I have a good relationship with them and feel I can talk to them about anything."

"They encouraged me to join the local 'Young at Heart' group to get me out of the house. Without visits from my carers I would have slipped back to my old ways. It's better than any medicine, they have helped me to take much better care of myself and my home."

Our Performance

Delivering on our Core Business



Financial Report

2017/18 has exceeded my expectations, the company has managed to beat the operational efficiency targets set to an extent that the company was able to deliver a £219,000 trading surplus after investing £250,000 on improvements to the environment and facilities of our residential homes. Care Inspectorate gradings have been maintained and the activity levels asked of us have been met. Overall, a successful year and one that is a great credit to our managers and their staff.

As in previous years the very positive trading result is negated by the necessity to report (under FRS102) an actuarial view of the present value status of our staffs' final salary pension arrangement with the North East Scotland Pension Fund. This assessment sees our reported pension deficit increasing by £365,000 to £10,176,000. This increase is a charge to our reported statutory accounts which along with a small adjustment to accrued holiday pay, turns the reported Trading Surplus of £219,000 in to a Comprehensive Expense of £152,000.

Readers should understand that the provision presented in the accounts for the actuarially assessed pension liability does not mean that the company faces any "must be paid now" liability, rather it is a closely regulated and prudent external assessment of the overall present value of the pension funding position at a snapshot in time. No cash losses or charges arise in any practical sense. Readers may also note we have provided for £67,000 for Corporation Tax on company profits – no taxable loss.



Alistair MacLean, Finance Director

Financial Report

Bon Accord Care Limited & Bon Accord Support Services Limited Consolidated Profit & Loss Accounts for 2017/18

	2017/18 £000s	2016/17 £000s	2015/16 £000s	2014/15 £000s
Incomes				
Core ACC contract	26,289	26,436	26,146	25,977
Other incomes	497	646	677	615
Total Incomes	26,786	27,082	26,823	26,592
Operating Costs				
Staff Costs : Payroll	(19,156)	(20,232)	(20,224)	(20,327)
Support pool	(2,191)	(1,641)	(1,003)	(282)
Agency	(936)	(1,008)	(1,316)	(1,996)
Premises	(1,554)	(1,562)	(1,606)	(1,646)
Supplies & services	(2,292)	(2,071)	(2,002)	(1,916)
Transport	(200)	(271)	(303)	(299)
Other operating costs	(223)	(231)	(226)	(234)
Total Operating Costs	(26,552)	(27,016)	(26,680)	(26,700)
New Business Initiatives Net surplus	90	(9)	(24)	0
Provider of Last Resort Income	2,684	0	0	0
Expenditure	(2,684)	0	0	0
Stock revaluation	0	0	0	172
Surplus before int, dep & tax	324	57	119	64
Interest receivable	13	15	30	13
Depreciation	(51)	(30)	(30)	(30)
Corporation tax	(67)	(3)	(2)	0
Trading Surplus	219	39	117	47
Decrease/(increase) in pension liability	(365)	(749)	1,232	(2,057)
Decrease in holiday pay accrual	(6)	38	45	49
Income / (Expense)	(152)	(672)	1,394	(1,961)

Financial Report

Meeting our financial obligations means that our overall efficiency savings targets have been met and exceeded. The table on the next page compares operational expenditures year on year since 2015 and demonstrates the savings made, in absolute terms, year on year.

2017/18 delivered £1,126,000 of new efficiency savings after investing £250,000 to improve the environment for our service users in our residential facilities. Since 2015 we can now report a total of £2,604,000 of savings delivered after accounting for the unavoidable increases arising from pay award, pension costs and changes to Government legislation.

This year has been one of significant change, we undertook, completed and have implemented the holistic review referred to earlier, which examined all aspects of how we manage, staff and deliver the services we provide.

This brought significant changes to our company and altered the roles of many people within our organisation. The driver behind the process has been service and quality improvement, the result has been both these things but also increased capacity within the company with management streamlined, increased customer facing staff and significant savings being generated both in 2017/18 and beyond.

The process is now complete, and we now enter the next phase of our company development – to improve quality and increase service delivery through new ways of working and exploring innovative digital solutions.

Another development to our business in the year has been the taking on of Kingswells Nursing Home. This was a major undertaking for the company under our responsibilities as the “Provider of Last Resort” to Aberdeen City Council. The company was notified on 31 March 2017 that the Care Inspectorate was removing the existing provider of care at Kingswells and we would be required to take on the running of the facility from 7.30am the following morning. Our management and staff responded magnificently and we were able to take control and staff the facility and deliver the necessary care to its 54 vulnerable adult residents the next morning. This was only possible due to the commitment and sacrifice of our staff and the fact that company has built in significant flexibility in the management of its staff resource through our support staff pool and our general working practices.

Readers will note that our use of support pool staffing expenditures increased again in the year, this has proved an invaluable service to the company delivering direct savings (£204,000) compared to the external agency costs

it replaces but more importantly it allows the company to match its staff resource more closely to the actual daily workload demands. Indeed, the Kingswells Provider of Last Resort business could not have been managed so well if managers had not had a flexible source of staffing to call on to replace the staff that had to be committed to Kingswells at such short notice.

Our external business saw a material increase in the year generating £90,000 of profit on a turnover of approximately £500,000 – a significant improvement on previous years. Our best performer has been the supply of relief staff to the Homeless Services in Aberdeen which generated £45,000 profit alone. Our other businesses, Care at Home, Learning and Development, Occupational Therapy Equipment and City Home Helpers all performed profitably, we are targeting additional growth from these areas in the coming years.

I would also like to bring attention to a small but useful innovation in the year; the provision of “company cars”. We have contract hired three Smartcar For4s for three years. The aim being to allocate them to high mileage business areas, i.e. our Community Carers. We operate the vehicles 24 hours a day, 7 days a week and the costs of the cars are more than compensated by savings in business mileage.

The experiment has been a great success, the cars need to deliver 8,000 business miles a year to break even. I had hoped to see 12,000 miles per annum from each car, the reality has been more like 20,000 miles per vehicle in the first year. The savings generated are approximately £15,000 in the year.

Looking ahead, the company is now in the 2018/19 business cycle and in common with previous years we have been asked to deliver material efficiency savings (£600,000) whilst maintaining activity levels. I can report that we are currently ahead of budget so are on track to meet our financial commitments for 2018/19.

The business environment we operate within demands that we continually improve and develop efficiencies, we are no different to any commercial operation in that respect. The year on year savings mean cumulative changes to how we work and deliver services. As part of our company strategy we continue to seek improvement and to deliver best value for money for the people of Aberdeen.

In summary, the company has again delivered against its service objectives, exceeded its financial objectives and is firmly on track to meet our business targets for 2018/19 and beyond.

Financial Report

	2017/18 £000s	2016/17 £000s	2015/16 £000s
Previous year actual operating cost	27,016	26,680	26,700
Pay inflation	364	218	320
Incremental pay increases	161	188	280
Employer’s pension contribution increase	0	0	316
Employer’s NI increase	0	300	0
Living wage legislation	0	16	0
Modern apprentice levy	68	0	0
Reduction in tech project funding	(150)	0	0
“No change” operating cost	27,459	27,402	27,616
Actual reported operating costs	26,552	27,016	26,680
Operational efficiency savings realised	907	386	936
Trading surplus delivered	219	39	117
Overall efficiency savings delivered	1,126	425	1,053

- **Invested £250K in service improvements**
- **£740K savings target met**
- **Contractual targets met**
- **£219K trading surplus generated**



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