

Ashley House plc



# The Ashley House plc Impact Report

June 2013

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## 1. CEO Overview

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Ashley House plc's social purpose is to improve access to better services and environments in the health and social care sectors. We help to improve outcomes by providing expertise to support clients (predominantly the public sector, charities and social enterprises) in achieving the most cost effective, health and community care property solutions for their health and social care services.

Through our ability to engage actively, we form enduring partnerships and exchange innovative ideas, best practice and experience. We work with clients and stakeholders in entrepreneurial and collaborative partnerships to address problems such as access to good housing, particularly for those in need including vulnerable groups and in areas of deprivation. Working in this way, we are able to deliver buildings that are ideally suited to their users and promote good health — “Good housing leads to good health” (Building Research Establishment and Chartered Institute of Environmental Health, 2010).

We have the ability to stimulate better health, bring economic and employment opportunities and overall quality of life to whole communities.

### 1.1. Organisational Summary

Ashley House plc is an AIM-listed company based in High Wycombe, Buckinghamshire with offices in London, Nuneaton and Colchester and staff based across the UK. Our people organise or self deliver services including design, construction management, asset and estate management throughout the UK to the health and social care sectors.

We provide new and refurbished buildings and facilities that transform communities and an individual's experience of health and social care services. We are able to tailor our activities to suit the needs and outcomes for each client and the individuals they serve in a cost effective manner. Our customers come from a wide spectrum and include the NHS and its service providers such as GPs, Local Authorities, social housing providers, charities, social enterprises, and private delivery organisations

We employ around 50 people, and create further jobs within our supply chains, carefully selecting subcontractors and sourcing materials and skills locally.

### 1.2. Commitment to Social Value

Social value at Ashley House Plc is communicated to stakeholders in different ways. We involve communities and integrate social benefit in every aspect of our development process. Consultation is an integral part of the planning process. As an employer we maintain Investor in People status. We always seek to meet environmental targets and measure this through BREEAM and equivalent accreditation of our buildings and our overriding ISO 14001 accreditation. We are now committing to produce this Impact Report annually and will seek to measure and monitor our Social Impact. Our whole business mitigates against social deprivation by being entrepreneurial and working in collaborative partnerships. Producing this first Social Impact Report has re-affirmed to all of us involved with Ashley House just how much social value we create. We are committed to finding ways of still better delivering and recording this change we strive for.

We encourage investors and all stakeholders to review this Impact Report and to contact us for further discussion.

Jonathan Holmes, Chief Executive, Ashley House plc

## 2. Social Purpose and Context

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Ashley House's social purpose is to bring about a positive change to the lives of people living within their communities by working with professional service providers, community enablers and individuals in the health and community sectors. We create accessible and inspirational facilities, often in areas of deprivation, for those most in need, focussing on those with physical and mental health needs and from other socially excluded groups.

Ashley House's vision is: to be the leading property development partner to providers and commissioners of health and community care.

Ashley House's mission is: to deliver the most cost effective health and community care property solutions through enduring partnerships and proven expertise.

Ashley House actively encourages new ways of solving infrastructure problems through accessing funding including alternative and social finance, commissioning entrepreneurial designers and by engaging service model engineers to continuously improve the impact and outcomes of our projects.

Ashley House has established a Social Impact Team (SIT), comprising the Chief Executive, a second Board Director and representatives from across the business. This group will co-ordinate, promote and measure our social impact, reporting to the Main Board on a quarterly basis, and provide input to the Board via the Chief Executive to ensure Ashley House's social impact and objectives remain core to delivering its ongoing mission. As all our client proposals include social and environmental performance enhancements, one of this Group's key roles is to encourage our staff to find ways of working with stakeholders to measure and improve this. We do this not just for altruistic reasons but also because we believe that the better we can improve and demonstrate social value, the more our client groups will recommend and work with us thus accelerating our growth plans.

The Board has been involved throughout the preparation of this report to maintain stakeholder transparency. This process of involvement has included structured feedback and reviews from stakeholders which has led to changes in the way in which we bid for and commission developments. More fundamentally it has led to the development of a more formal approach to supporting our customers, which includes regular feedback, consultation and monitoring.

This mission is supported by the following organisational values:

- can-do attitude
- empowering relationships
- trustworthiness
- efficient and effective

### 3. Stakeholders

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Stakeholders are those individuals, groups of individuals or organisations that affect and/or could be affected by an organisation's activities, products or services and associated performance. Key business activities that support our social purpose include designing, building, financing and operating the most cost-effective health and community care property solutions to enable better outcomes by working closely with the various stakeholders on each of the projects we undertake.

We actively seek projects and partners where we can make a difference locally. This will include the overall benefits that a new development can bring to a community, involving all individuals and seeking to improve environmental sustainability through thoughtful design and introducing new technology.

We are able to positively influence the local economy through commissioning construction from local contractors that seek to train and employ from the local community itself. We design with local materials in mind and ensure that the whole-life of the building is considered whereby maintenance can be undertaken by local non specialised labour. Ashley House has identified that the following groups of people are key stakeholders:

- **End beneficiaries**– this group is at the core of Ashley House's work, in that they are the ultimate recipients of the products and services provided by the company. Ensuring that this group is consulted is integral to our stakeholder engagement strategy. They are consulted formally throughout the development process in each new project. The Social Impact Team will review their feedback as part of its business planning process.
- **Health and Social Care Commissioners, Providers and Voluntary Workers** – this group is important to Ashley House as it is responsible for the procurement of new facilities, assessing new demand and acting as an enabler for change. This group is included in Ashley House's stakeholder engagement strategy through constant dialogue from beginning to end of a project, and through formal client reviews at the end of each project.
- **Staff and Supply Chain** – Ashley House staff are at the front line of delivering the quality of service that is integral to the success of our business. Therefore, we take very seriously staff induction, training and development, in particular in the form of outcomes based training and IIP. Additionally, staff are consulted regularly through staff meetings and encouraged to contribute ideas on service improvements and more formally through performance reviews including personal KPIs .
- **Government and Third Sector Bodies** –Ashley House conducts independent in-depth surveys annually to ensure key outcomes are being met. Our annual Local Improvement Finance Trust (LIFT) review is qualitative and includes commissioners at Board level from Local Government, NHS England and third sector bodies that are named or operate within the scope of the contracts. This review aligns Ashley House's business with that of key client bodies.
- **Project Investors** – Ashley House has a number of investors who provide finance for our operations at both corporate and project level. Ashley House provides financial and impact reporting for these investors on a regular basis according to Stock Exchange and individual requirements.

## 4. Who Benefits

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The broader context for Ashley House's purpose and mission is the persistent and significant deficit in health and social care infrastructure in the UK. This deficit is expected to worsen due to medium-term public funding pressures and longer-term demographic changes.

Please refer to Appendices for an outline of the specific pressures likely facing the UK in the next 20 years due to demographic changes, NHS funding deficits, and (social) housing shortages. These create parallel challenges to address the health and social care infrastructure deficit, namely for solutions that: (i) minimise cost to the public purse, and (ii) are carefully designed to ensure that health and social care providers can meet the changing needs of the UK population.

### 4.1. Regulatory context

Our projects are derived in a number of ways: (1) formal tendering processes by NHS agencies, central government departments and local authorities, (2) direct engagement with commissioners, (3) through our existing long-term framework partnerships, such as Local Improvement Finance Trust (LIFT) and, increasingly, (4) directly from provider organisations such as social enterprises and service delivery organisations.

The local infrastructure challenges faced by organisations under each of these approaches are complex, as are the regulatory and policy issues involved. Ashley House considers carefully the financial and social impact we can deliver for relevant stakeholders on a case-by-case basis.

### 4.2. Beneficiaries of Services

We have conducted extensive engagement both in the past and on an ongoing basis with a range of current and potential beneficiaries of our services. The results of this engagement are outlined in the tables below.

Beneficiary Type	Beneficiary	Need	How we engage beneficiary & identify needs
End-beneficiaries	Patients/ Service users	Improved accessible, safe, local health facilities (complying to the Disability Discrimination Act), with built-in infection control, modern clinical technology.	Meetings with individuals and carers to understand needs and allow access to personal choice and tailored services.
	Housing residents	Affordable housing that is welcoming, safe and sustainable, both economically and environmentally, and which promotes independence and meets specialist needs.	Workshops with identified resident groups and engagement with individuals in local community venues including displays to help visualise proposals and any impact or change.
	Communities	Greater involvement in the design and specification, creating local spaces able to be utilised more for wider community use.	Working with children through schools; attending assemblies and getting them involved through art projects.
	Local economy	Inclusion of a greater number of local design professionals, skilled and unskilled labour force, artists, manufacturers and suppliers to encourage employment.	Ensuring each project team hosts “Meet the Developer” events to encourage participation in our supply chain. Working with local organisations such as community art groups to source local artists.
	Local environment	Higher sustainable design standards, construction and maintenance to promote energy efficiency and carbon reduction through technology and use of locally-sourced sustainable materials.	Stipulating higher standards within our contracts and continuously monitoring best practice within the sector.

**Table 1. List of needs for Ashley House beneficiaries (end-beneficiaries).**

Beneficiary Type	Beneficiary	Need	How we engage beneficiary & identify needs
Providers of Services	GPs	Efficient use of space to allow for collaboration and flexibility to promote awareness and encourage healthy living, whilst retaining patient privacy, confidentiality and dignity.	Engaging directly with GPs and Practice Managers by visiting premises, listening to visions, requirements and challenges.
	Healthcare professionals and carers	Increasing the availability of informal space to promote collaborative working across the breadth of the social and healthcare services.	Interpreting clinical vision through engagement workshops and face-to-face meetings.
	Registered Providers (RPs)	Increasing the provision of modern, specifically designed accommodation to meet the needs of individuals to be re-housed both safely and comfortably.	Identifying and engaging with specialist providers and offering design, construction and financing solutions that complement their service offering.
	Social Enterprises and Charities	Providing new or refurbished environments to deliver specialist services or initiatives allowing organisations with insufficient capital or resource to acquire or lease their own property, or share with others.	Visioning workshops to facilitate a shared vision and funding solution to build new facilities or share space with other funded service providers.
	Private Providers	Environments that integrate private services to complement existing service provision.	Forming strategic partnerships with service providers to roll out programmes of change.
	Community Interest Groups	Access to low risk and low cost community facilities, as and when needed, to promote and deliver wellbeing initiatives in the heart of the community.	Desk top research to identify the need or existing social enterprises that could undertake activity such as Facilities Management services or utilise spaces when not being used.

**Table 2. List of needs for Ashley House beneficiaries and their needs (providers of services).**



Beneficiary Type	Beneficiary	Need	How we engage beneficiary & identify needs
Commissioners of Services	Clinical Commissioning Groups (CCGs)	Estate and facility management to allow each CCG to focus on core function such as the assessment of community needs, service commissioning and provider performance.	Engaging with these new organisations through conferences, open events and direct meetings.
	NHS and Charitable Bodies	Providing flexible facilities through good design and procurement thereby future proofing against ever-changing models of health and social care.	Visiting and reviewing key contacts through structured meetings and refreshing our understanding of ever-changing needs and challenges.
	Local Authorities	Creating new facilities that improve quality of life through access to services to meet increasing expectations and accountability in public health and strategic commissioning.	Engaging through the LIFT programme including our annual review process; direct meetings and via introduction from providers.

**Table 3. List of Ashley House beneficiaries and their needs (commissioners of services).**

### 4.3. Ashley House's unique approach

Based on the above extensive engagement, and more general market testing, Ashley House has developed a model to deliver health and social care infrastructure that:

- Is highly effective for public agency commissioning;
- Directly enables organisations to build new facilities that empower disadvantaged groups, giving individuals new homes appropriate to their needs and access to improved health and care facilities.
- Can often be delivered by providing finance unobtainable through government or the banking sector.

Ashley House is not the only private provider of health and social care infrastructure solutions. However, we are unique in several important respects:

1. We are the only UK-listed company that exclusively delivers both health and social care infrastructure developments. The increasingly interlinked nature of health and social care challenges, together with budgetary constraints in the UK means that Ashley House is often the best-placed provider to design and build health and social care infrastructure to meet the changing needs of local populations, particularly for vulnerable and disadvantaged groups such as those with mental and physical disabilities, over 55s and low income households at risk of poverty.
2. We have an abiding ethos of solving problems from the bottom up and combining skills and experience that make us unique in being able to tackle the infrastructure problems within the health and social care sectors.
3. We do not follow funding streams like our competitors but start from challenges that are often presented by commissioners that have been unable to be solved elsewhere.
4. We act independently from our suppliers to ensure that we always select the most appropriate designers, contractors and funders ensuring that we are best placed to advise our clients without commercial gain or influence. We create new partnerships that allow the optimum solution for individuals and communities, and result in improved outcomes.
5. Overall, our independence, experience and skills are the ingredients that, when combined, are the 'glue' that enables the design and delivery of improved services in the care and health sectors. By working with all our stakeholders in-depth and through an entrepreneurial partnership approach, we listen and interpret our stakeholders' needs to provide the facilities needed to stimulate better wellbeing and quality of life.

## 5. Activities and Operations

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Ashley House provides a range of services to meet the needs of key beneficiaries: end-beneficiaries, providers of services and commissioners of services.

Our activities fall within four key areas: Design, Construction Management, Funding Solutions, and Consulting. To deliver these activities we directly employ experienced professionals, each highly dedicated to delivering a quality service. Our people include architects, lawyers, engineers, project managers, designers, quantity surveyors, development surveyors, as well as clinical service professionals to assist in health planning when required. We employ expert design managers in-house who interpret clients' and stakeholders' needs and visions to deliver cost effective and efficient environments. We also work with leading external architects staying ahead of best practice in care and housing environments.

Our experience of managing these premises in the long-term feeds back into the process to inform new developments. As a result, our designs are highly effective and efficient in meeting beneficiaries' needs. Examples include how adjacencies within buildings should function; and understanding the impact of building materials on long term revenue streams as seen in energy bills and maintenance costs.

Please see Appendices for a visual 'theory of change' outlining in systematic fashion the hypothesised links between Ashley House's activities and primary outcomes for different beneficiaries.

### 5.1. Links between Activities, Beneficiary Outcomes and Revenue

The tables below outline the links between activities and outcomes for beneficiaries, and the co-dependency of outcomes and revenues. For indicators used to measure the extent of each outcome achieved, see Section 6 (Evidencing Social Value) below.

Beneficiary Type	Beneficiary Outcomes	Links to Ashley House activity and revenue
End-beneficiaries	1. Patients/Service Users/Families: Improved access to better clinical care, improved diagnosis and treatment leading to improvements in an individual's health and well being.	More patients in new facilities has a direct correlation to growth in our revenues, whilst improvements in qualitative outcomes allows us to present stronger business cases to NHS for new facilities.
	2. Patients/Service Users/Families: Access to new homes.	A higher number of new homes delivered has a direct correlation to growth in our revenues, whilst improvements in qualitative outcomes allow us to present stronger business cases to Local Authorities
	3. Communities: Community stakeholder 'ownership' of facilities, through active involvement in the development process.	Improved Community engagement and involvement will improve usage of new facilities which in turn will improve our chances of winning or promoting new projects
	4. Local economy: direct benefit to local community through employment opportunities throughout the development process as well as capital expenditure in the local area.	<p>Our ability to demonstrate local economic gains can improve the local argument for planning permission to be granted and can free up brownfield and other sites in Local Authority control or influence. In turn this helps us generate new projects.</p> <p>Ashley House is also keen to ensure that any temporary employment provided is not automatically terminated at completion of the facility and will endeavour to use local connections as well as supply chain to maintain continuity of employment.</p>

**Table 4. List of Ashley House beneficiary outcomes and links to Ashley House activities & revenue (end-beneficiaries).**

Beneficiary Type	Beneficiary Outcomes	Links to Ashley House activity and revenue
Providers of Services	5. GPs/Healthcare Professionals/Private Providers: use of facility by multiple providers, collaborating and integrating services and care pathways to improve patient care. Core health service provision enhanced by complementary, specialist and supporting care services geared to community need	More providers operating from our buildings generally require more space, building our revenues. Improved pathways and integration of care reduce service costs improving appetite for our facilities.
	6. Registered Providers (RPs): Being able to offer affordable, safe, suitable accommodation to those needing to be rehoused with varying categories of need, vulnerable individuals, older people and people with physical and sensory disabilities.	The number of units rented by RPs improves the attraction our projects to investors..
	7. Social Enterprises/Charities/Community Interest Groups: Increasing proactive provision of initiatives focussed on improving community well-being, launched and run from the facility. Increasingly these initiatives are being integrated to add value to core health service provision, reducing unemployment locally.	Third Sector groups are widely recognised as strong additions to health and social care provision. Giving them access to Ashley House facilities increases the attraction of Ashley House to clients.

**Table 5. List of Ashley House beneficiary outcomes and links to Ashley House activities & revenue (providers of services).**

Beneficiary Type	Beneficiary Outcomes	Links to Ashley House activity and revenue
Commissioners of Services	<p>8. CCGs and other Commissioners: Improved commissioning flexibility and innovation as commissioners can utilise modern, compliant and flexible fit-for-purpose facilities. Enhanced healthcare delivery, service and provider integration from appropriate locations within the community.</p>	<p>Reducing costs of service delivery further improves the affordability of new facilities, increasing project approvals.</p>
	<p>9. NHS and Charitable Bodies: Reduced estate management costs. Facilities can be more efficiently managed, acquired through different procurement and funding models, allowing flexibility in capital and revenue commitments to meet reduced central budgets and sharing of property risk and reducing running costs.</p>	<p>Increased use of estate management by NHS and charitable bodies results in commensurate increases in Asset Management revenues.</p>
	<p>10. Local Authorities: as commissioners of both care services and estate, Ashley House's facilities provide a new route to meet increasing expectations and accountability in public health and health and social care.</p>	<p>A track record of delivering on outcomes to commissioners' satisfaction results in greater future revenue.</p>
Environment	<p>11. Local environment: Through Ashley House's design and construction tendering processes our objective is to neutralise or at least minimise short term impact on the local environment whilst improving long term environmental performance</p>	<p>Improved Environmental performance helps win projects as providers pay less in long term running costs.  This is achieved through the use of sustainable materials, considerate build methods in construction, BREEAM, operational energy strategies, and recycling and waste management policies. The Ashley House environmental ethos is embedded in our contractual relationships across our whole supply chain, with Ashley House policies and responsibilities transferred and merged with our supply chain partners.</p>

Beneficiary Type	Beneficiary Outcomes	Links to Ashley House activity and revenue
		All Ashley House construction sites are registered with the Considerate Constructors Scheme. This Scheme is fully integrated with BREEAM and Code for Sustainable Homes assessments (see Appendices).

**Table 6. List of Ashley House beneficiary outcomes and links to Ashley House activities & revenue (commissioners and environment).**

Ashley House continually reviews its standard appointment documents for the whole supply chain to see whether existing obligations could be strengthened to maximise these outcomes without becoming unreasonable or negatively impacting on deliverability.

## 5.2. How beneficiaries experience and value outcomes

The methods used to consult with beneficiaries and identify their needs, as outlined in Section 4.2 (Beneficiaries of Services) on page 6 above, are also used to identify outcomes, and how beneficiaries experience and value those outcomes. Table 7 below summarises this.

Beneficiary Type	Methods to determine outcomes, and value/experience of outcomes to beneficiaries
End-beneficiaries of Services	<ul style="list-style-type: none"> <li>- Meetings with individuals and carers</li> <li>- Workshops with Residents' Associations</li> <li>- Activities with school children (at assemblies and in art projects)</li> <li>- Holding 'meet the developer' events for prospective contractors</li> </ul>
Providers of Services	<ul style="list-style-type: none"> <li>- Proactive site visits, engagement workshops and consultation meetings with providers at existing Ashley House sites and potential new providers</li> <li>- Desk-based research on existing needs and outcomes</li> </ul>
Commissioners of Services	<ul style="list-style-type: none"> <li>- Meetings with prospective commissioners</li> <li>- Regular, structured meetings with current commissioners, including formal reviews at multiple points, including: mid-construction, completion/mobilisation, and post-mobilisation/operational</li> <li>- Reporting requirements from commissioners on outcomes</li> </ul>

**Table 7. Current methods of engagement to identify beneficiary outcomes and experience/valuation.**

Specific indicators used to measure outcomes are provided in Section 6.1 below.



## 6. Evidencing Social Value

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Ashley House is committed to both ongoing operational monitoring and strategic oversight of our social impact. The basis of this monitoring is annual monitoring and reporting of activity outcomes, as outlined in Section 6.1 below. Section 2 (Social Purpose and Context) above summarised how social impact reporting data will be reviewed by the Social Impact Team for input into Ashley House’s strategic and operational review cycles as appropriate.

As outlined in previous sections, to understand and evidence its social value, Ashley House identifies relevant stakeholders and beneficiaries, and engages with them to identify outcomes. Ashley House is committed to measuring social impact against key indicators.

### 6.1. Evidence

The tables below provide a summary of Ashley House’s social impact by reporting on outcomes against relevant indicators, and outlining commitments for future reporting periods.

Beneficiary	Outcome	Indicators [and data source]	Achieved in 2012/13	Target for 2013/14
End-beneficiaries of services	1. Improved access to better clinical care	1.1. Number of new Health and Care facilities (a) Under Construction (b) opened to the public [Source: AH data]	a: 3 b: 3	a: 2 b: 3
		1.2. Number of patients accessing new facilities	29,000	24,000
	2. Access to affordable residential units	2.1. Number of new social housing projects (a) Under Construction, (b) opened to the public [Source: AH data]	a: 1 b: 1	a: 4 b: N/A <sup>1</sup>
		2.2. Number of new homes (a) Under Construction , and (b) built and ready for occupancy [Source: AH data]	a: 60 b: 27	a: 206 b: N/A <sup>2</sup>
	3. Community valued 'ownership' of facilities	3.1. Total number of community consultation events held during proposal, planning and construction phases	See impact commitments below (Section 6.3)	
		3.2. Average number of community consultation events held per development [Source: AH Data]	See impact commitments below (Section 6.3)	
		3.3. Total number of community groups using facilities on a regular basis	See Section 6.3 below	
	4. Employment/training opportunities in the local area	4.1. Number of new developments under construction [Source: AH Data]	4	6
		4.2. Number of workers on sites living within a 30 mile radius.	See Section 6.3 below	
		4.3. Number of qualifications achieved by people whilst working on AH schemes	See Section 6.3 below	
		4.4. Number of long-term unemployed and youth (18-24 year-olds) employed	See Section 6.3 below	

<sup>1</sup> Projects currently in pipeline will not result in measurable outcomes within 2013-14.

<sup>2</sup> Projects currently in pipeline will not result in measurable outcomes within 2013-14.

Beneficiary	Outcome	Indicators [and data source]	Achieved in 2012/13	Target for 2013/14
	5. Capital expenditure in the local area (e.g. on materials)	5.1. Number of developments (a) Under Construction and (b) opened to the public	a: 4 b: 4	a: 6 b: 3
		5.2. £ total capital expenditure on newly completed schemes [Source: AH data]	£9.0m	£5.4m
		5.3. Capital spent by AH or principal sub-contractor with suppliers and labour inside 30 mile radius of development	See Section 6.3 below	
	6. Minimised impact on the local environment	6.1. Number and proportion of newly completed developments meeting BREEAM or equivalent targets <sup>3</sup> [Source: AH data]	2(50%)	2 (67%)
Providers of Services	7. GPs/Healthcare Professionals/Private Providers: Use of facilities with increased collaborating and integration of care pathways to improve patient care.	7.1. Number of new provider organisations delivering services from facility	See Section 6.3 below	
		7.2. Number of integrated services/care pathways	See Section 6.3 below	
		7.3. Number of new complementary specialised activities supporting existing services	See Section 6.3 below	
	8. Registered Providers: Able to offer affordable, safe and suitable accommodation to vulnerable populations	8.1. Number of new nominated units built [Source: [Source: AH Data]	27	N/A <sup>4</sup>
		8.2. Number of units built to house priority residents within the local community (physical and mental health needs, over 55s, people with physical and sensory disabilities) [Source: AH Data]	27	N/A
		8.3. Demand/appropriate design: Percentage of vacant units/voids in homes developed and completed in the year by AH and operated by RPs.	7%	N/A

<sup>3</sup> See appendices for descriptions of BREEAM.

<sup>4</sup> Projects currently in pipeline will not result in measurable outcomes within 2013-14.

Beneficiary	Outcome	Indicators [and data source]	Achieved in 2012/13	Target for 2013/14
	9. Social Enterprises/Charities/Community Interest Groups: Greater ability to proactively provide services/initiatives relevant to local needs	9.1. Number of Third Sector organisations utilising new facilities, both on regular and ad hoc basis		See Section 6.3 below
	10. CCGs and other Commissioners: Delivered commissioned facilities that are relevant/fit-for-purpose, flexible/adaptable to changing local needs.	10.1. Number of providers of services using new facilities [Source post completion client review]		See Section 6.3 below
Commissioners of Services	11. NHS and Charitable Bodies: Reduced estate management costs	11.1. Numbers of facilities and buildings under Ashley House management [Source: AH Ops team Reports]	33	34
	12. Local Authorities: Delivered health and social care facilities that meet a range of increasing expectations and accountability in public health and health and social care	12.1. Number of new homes where LA or equivalent retains right to nominated tenant (a) Under Construction , and (b) built and ready for occupancy [Source: AH data]	a: 60 b: 27	a: 180 b: N/A <sup>5</sup>

**Table 8. Outcomes and Outcome Indicators.**

<sup>5</sup> Projects currently in pipeline will not result in measurable outcomes within 2013-14.

## 6.2. Current management

Current indicators have been developed by Ashley House based on its experience. Targets are based on a combination of recent research and industry best practice together with feedback from our stakeholders. In preparing this first Social Impact report it has become apparent that we have not collected data on some of the social value we create. We are able to commit to doing so in the future and these commitments are set out in Section 6.3 below.

Ashley House will report on progress against these disclosures on an annual basis. We will do so using our management system to continuously collect data against impact targets. Since our understanding of outcomes is based on discussions with stakeholders, we will continue to enhance and update our interpretation through on-going discussions. This may result in amendments and extensions to existing data collection.

## 6.3. Future plans

Ashley House is committed to continually improving its consultation with beneficiaries, outcome measurement, and improving service delivery to maximise outcomes and their value for beneficiaries. To strengthen social impact measurement, Ashley House commits to the following:

- We will identify and attempt to measure the value that different beneficiaries place on key selected outcomes. We recognise that this may mean that new measures will emerge.
- End-beneficiaries:
  - We are discussing ways of discreetly collating data to demonstrate trends in end-beneficiaries' experience and valuation of outcomes (such as general health and wellbeing) with due regard to data protection and confidentiality.
  - Ashley House is also assessing how general improvement in community health and wellbeing can be measured over the medium to longer term, potentially through using data such as reductions in local hospital referrals, admissions, and incidences of common health problems such as diabetes and obesity.
  - We will include local residents in future stakeholder involvement.
- Providers of services:
  - We are working with our service provider clients to quantify and measure activity and increased use of facilities.
- Commissioners of services:
  - We are exploring how the entirety of social value created for local authority commissioners by designing/building facilities can be incorporated on a measurable basis into public sector value for money assessments.
- We will start measuring outcomes against specific, additional indicators in future, as outlined in Table 8 above.

## 7. Other Issues

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**Environmental Impact:** As construction is a significant aspect of much of our work, Ashley House could potentially have a negative impact in terms of social disturbances to local surrounds and potential short-term negative environmental impact during construction phases. While this construction is necessary to create health and social care infrastructure of immense benefit to local communities, Ashley House is mindful to mitigate any negative impact in the design, development and construction phases to the greatest extent possible. Details of environmental impact measurement are outlined in the main body of this report.

## 8. Acknowledgements

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This report was prepared in collaboration with the social impact consulting team at CAN Invest, part of the social enterprise CAN.

## 9. Appendices

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See attached.

## Appendices

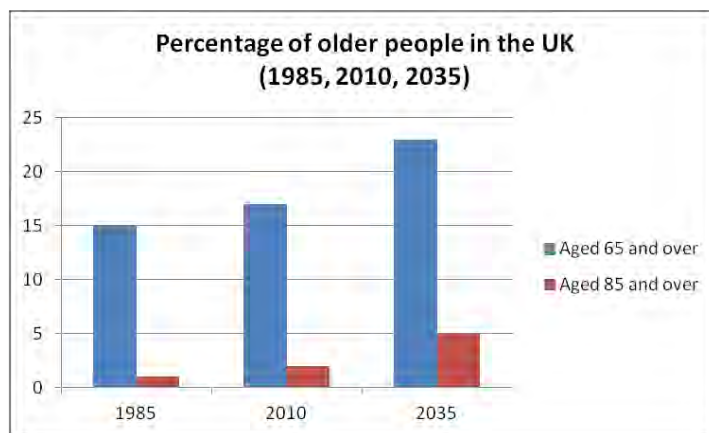
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## 1. Demographic, NHS and housing pressures in the UK to 2032

*Demographic pressures:* Over the coming 20 years, there will be a range of demographic pressures in England that emerge, based on population growth, an ageing population, increased life expectancy, and persistent health inequalities (The Kings Fund, 2013b). Figure 1 below outlines the significant expected growth in the percentage of elderly people.



**Figure 1. Percentage of elderly people in the UK. Source: (Office for National Statistics, 2012).**

More generally, the population is predicted to grow 13% to over 61m people, people will increasingly live alone (40% of all households will be lone-member households by 2032). Combining these two trends, the Kings Fund noted that 1.4mn people above the age of 85 will live alone by 2032, up from only 573,000 in 2012. Ethnic populations will comprise 15% of the total and 37% of the population in London, the average life expectancy will increase (from 79 years/83 years for boys/girls born in 2012 to 83 years/86 years for boys /girls respectively born in 2032) (The Kings Fund, 2013b).

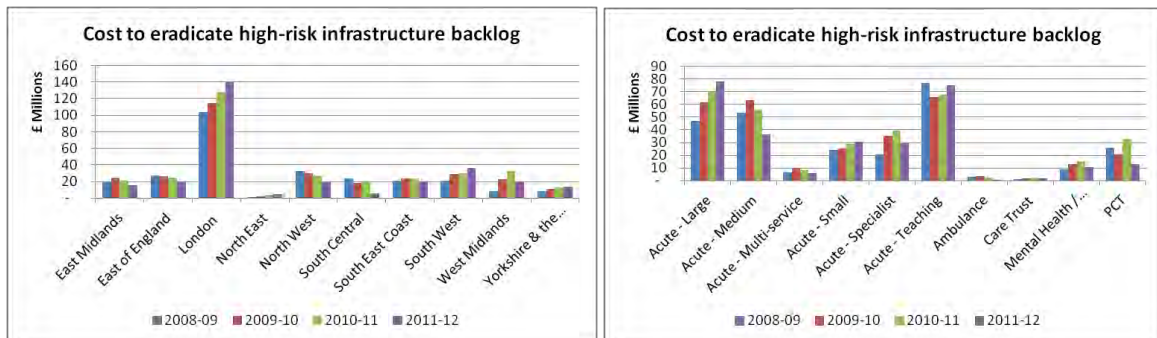
These changes are placing increased pressure on the finances of the UK health system and on social housing.

*NHS funding pressures:* The Chief Executive of the NHS, Sir David Nicholson outlined in 2009 a 'challenge' for the NHS to collectively make efficiency savings of 4% p.a. or £20bn by 2015, in order to forestall adverse budgetary pressures or poorer health outcomes for the UK population (Reform, 2012). More generally, the King's Fund claims: "The deficit in accessible and affordable health and social care infrastructure remains significant in the UK [and] current funding prospects for health and social care suggest a continuing period of financial austerity" (The Kings Fund, 2013a). This lack of funding will further undermine the ability of NHS to provide services from facilities 'fit for purpose.'

One measure of the urgency to upgrade facilities is provided by the cost to eradicate the back-log of infrastructure works that are defined as 'high risk': "repairs/replacement [that] must be addressed with urgent priority in order to prevent catastrophic failure, major disruption to clinical services or deficiencies in safety liable to cause serious injury and/or prosecution." (NHS

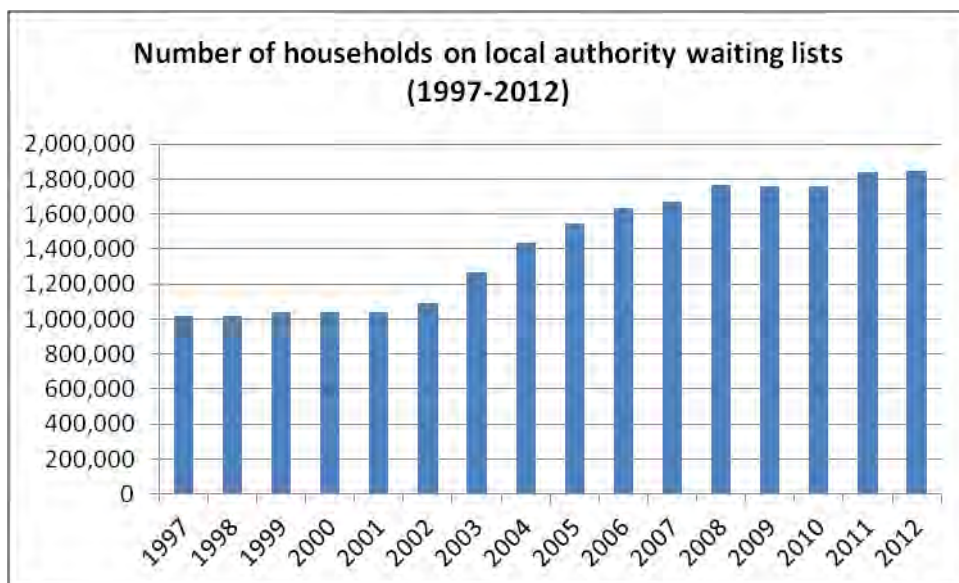


Information Centre for Health and Social Care, 2012). The size of the NHS infrastructure deficit during 2008-2012 is outlined in Figure 2 below.



**Figure 2. Cost of eliminating risk-adjusted healthcare infrastructure deficits. Source: analysis of data from (NHS Information Centre for Health and Social Care, 2008-2012).**

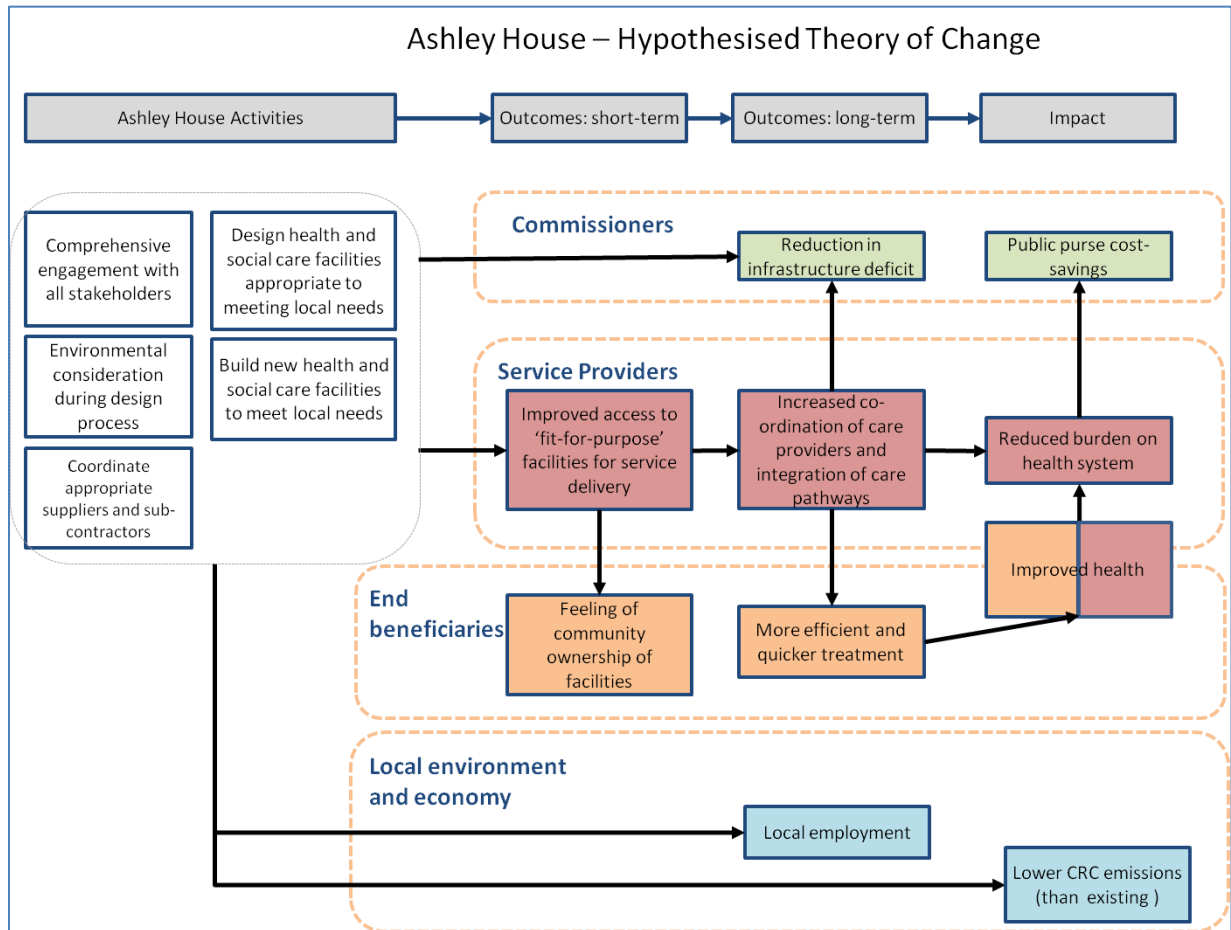
*Housing shortages:* The Institute for Economic Affairs have identified ‘runaway housing costs’ as “one of the most pressing issues for low-income households in the UK [given that] house prices have doubled in real terms since the mid-1990s alone, from an already very high level” (Niemietz, 2012, p. 4). The shortage of social housing, and low-costing housing more generally (Niemietz, 2012, p. 11), has placed significant pressure on local authorities and other commissioners of housing, as outlined in Figure 3 below.



**Figure 3. UK Local Authority social housing waiting lists. Source: (DCLG, 2012).**

## 2. Hypothesised Theory of Change of Ashley House social impact

Figure 4 below provides a schematic view of the links between Ashley House activities and primary outcomes for different beneficiaries in a visual ‘theory of change.’ Please refer to the main body of the Ashley House social impact report for a full list of outcomes.



**Figure 4. Forecast Theory of Change of the hypothesised social impact of Ashley House operations.**

There is substantial evidence of correlations between health/social care outcomes for local populations and high-quality built environments, including health and social care infrastructure. However, there is little academic research that demonstrates a robust *causal* link between design of health and social care infrastructure and health/social care outcomes. As outlined by the Health and Care Infrastructure Research and Innovation Centre: “Due to the number of variables associated with the built environment and health outcomes... cause and effect relationships are not clear... there is a need to build an evidence-base about how changes in the operation of healthcare facilities can improve healthcare delivery” (HaCIRIC, 2010, p. 21). For this reason, the theory of change connected to Ashley House operations is presented as an hypothesis only.

### 3. BREEAM Environmental Standards

BREEAM ([www.breeam.org](http://www.breeam.org)) is the Building Research Establishment Environmental Assessment Method for buildings. It is a standard for best practice in sustainable design. BREEAM is a sustainable building certification scheme which provides a benchmark for performance. A certificated BREEAM assessment is delivered by a licensed organisation, using assessors trained under a UKAS accredited competent person scheme, at various stages in a buildings life cycle. Ashley House projects achieve BREEAM accreditation where relevant.

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