



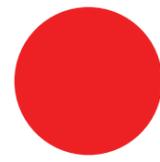
VECTIS HOUSING ASSOCIATION LIMITED



ANNUAL REPORT TO TENANTS

OCTOBER 2017

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CHAIR'S INTRODUCTION

CHAIRMAN'S SUMMARY REPORT



Over the last two or three years the social housing sector has faced some of its greatest ever challenges. It is scarcely an exaggeration to describe them as existential, going as they do to the heart of the movement's underlying philosophy and its financial viability. While low income households are suffering

cuts in welfare provision, social landlords are beginning to encounter the cash flow difficulties long predicted to result from the introduction of Universal Credit and at the same time our essential rental base is being steadily eroded through the four-year rent reduction regime. The disappearance of grant assistance to build new houses directly affects the sector's ability to increase capacity even as the housing shortage is driving property prices beyond the reach of aspiring home owners. We live, as the Chinese proverb ironically observes, in interesting times.

One logical response, favoured by some of the larger associations, has been to merge on the pretext of economies of scale both in terms of administration and the ability to raise capital. On paper that looks good. In practice a price has all too often to be paid in terms of remote and inaccessible management, slow and cumbersome decision making, and poor response at local level to the legitimate concerns of the very people the movement is supposed to be serving - the tenants. That is not the Vectis way. We remain loyal to the core principle that social housing is about forging and sustaining communities. That means providing good quality affordable homes and working positively to promote a healthy and supportive environment in which the residents can thrive and feel valued.

That is easy enough for me to say, but we have in real terms continued to put it into effect. This year we have negotiated a doubling of our development facility with Triodos Bank which will enable us to build around a hundred new homes over the next five years. During the year we delivered eight units in Greenmount at Ryde, and as I write we are within a few weeks of opening thirteen homes on our latest flagship project on the old middle school site in Bembridge. Ongoing negotiations during the year have brought a number of further projects at various sites across the Island into the pipeline,



and it is gratifying to note that we are plainly seen as good partners by both developers and other agencies concerned with housing provision. New building works do of course place an additional burden on our Property Services Team, but the maintenance of our existing stock has been admirably sustained.

People will not thrive unless they feel valued. Being a relatively small association, with short lines of communication from the front desk to the Chief Executive's office, we can say with some confidence that every one of our tenants will know at least one of our staff by name, and if they have a problem then someone will be "on the case" as quickly as possible. They matter to us. To that end the year has seen large strides towards completing the tenancy profiling project which will help us to identify and target areas of need. We have also seen the Communities Team working proactively with our residents with programmes to help them into work, engage with the local environment and realise the potential of their gardens. Thanks to Vectis's investment in them they have been able to initiate new projects and attract an additional grant of £32,000 which would have otherwise been lost to the Island.

The year was also marked by the final retirement of Paul Hann, our long serving former Chief Executive who had taken on the role of interim Finance Manager to keep us on the straight and narrow following the appointment of Martyn Pearl as CE. We owe Paul a huge debt of gratitude for his selfless commitment to the growth and prosperity of Vectis for over a quarter of a century and wish him the very best in his retirement. We have welcomed Sara Pedrick as his able replacement at the head of finance. I also extend to Martyn and all the other members of the staff the Board's appreciation of their sheer hard work and their sterling efforts to support and promote the highest standards in all the varied activities of this busy association. I have been personally struck by the patience and good humour they display even when I have witnessed them in some very trying situations!

The future will continue to hold challenges just as it has during all my years with Vectis, but I have every confidence that the association will progress from strength to strength. I have now completed my allotted time as Chairman and will stand down at the next AGM. I take great pride in what Vectis has achieved during my time in the Chair, and wish my successor an equally happy and satisfying term of office.

*George Hibberd - Chairman
August 2017*

COMPARING VECTIS WITH OTHER HOUSING PROVIDERS



This is known as benchmarking and throughout this report we compare our performance with two sets of other housing associations. You will be able to see where we have performed well and where we still need to improve.

We compare our performance through a club of 14 other South of England housing associations which vary in size. The club is called SHAPE and Vectis is one of the largest in the group.

The second group we benchmark with is called SPBM. This is made up of 106 national housing associations, which like Vectis own and manage fewer than 1,000 homes.

An independent organisation called Acuity, collect the data to compare Vectis's performance with others in the two benchmarking groups.



YOUR VIEWS OF VECTIS

Star (Survey of tenants and residents) is a survey we use to gather the views of our customers. All housing providers use the same questions which are carefully tested to allow all housing organisations to measure customer satisfaction and to compare results fairly with each other.

STAR ENABLES US TO:

- Measure the satisfaction of Vectis residents
- Benchmark our performance with other housing providers
- Assess trends over time to make sure we are always improving

The star survey is usually completed every three years and we reported on the latest results in last year's Annual Report to Tenants. This year we have completed our own neighbourhood (mini-Star) survey and the results are:



% SATISFIED WITH:	2015	2017
The service provided by Vectis Housing Association?	90	99
The way Vectis Housing Association deals with repairs and maintenance?	86	93
That Vectis Housing Association listens to your views and acts upon them?	79	83
The overall quality of your home?	92	98
Your neighbourhood as a place to live?	na	95
The overall appearance of your neighbourhood?	na	93

INVOLVING YOU - THE TENANTS' FORUM

The Tenants' Forum is a group made up of Vectis residents. These volunteers work in partnership with Vectis to make sure that good quality housing services are delivered to tenants that represent good value for money for the rents you pay.

Each Tenant Forum member acts as a representative for an area. Their role is to get to know local residents and feedback any views they may have to Vectis. They can take up issues for individuals or groups of people and attend a monthly meeting with Vectis staff. They also attend neighbourhood walkabouts with staff to identify anything that needs repair or improvement in communal areas. The Tenant Forum member for your area can also give you basic advice about where to go for help with a particular issue.



The Tenant Forum is always looking for new members and welcome interest from all sections of the community. In the next year, the group will be extending their activities in an exciting way and will be getting involved in tenant scrutiny.

Tenant scrutiny is all about Housing Associations giving tenants formal opportunities to investigate and challenge their performance in delivering housing services. Scrutiny is a critical examination of services, underpinned by good quality, up-to-date performance information. Tenant scrutiny is about being able to ask landlords questions such as: why is a service delivered in a particular way; why are particular timescales in place; how much is this costing; can costs be reduced while still providing a good level of service; could we do this better or differently? The answers to these and similar questions lead to recommendations to Vectis staff and the Vectis Board that result in change and improvement.

If you are interested in getting involved with the Tenants' Forum and like the idea of doing some tenant scrutiny please contact Yasmin White, Housing Services Manager (see back cover for contact information). Training will be made available in fun and informal sessions. Tenant Forum members will never be out of pocket in any way through being involved, as expenses for travel, training and other costs are met by the housing association.



MEETING THE HOUSING STANDARDS

As a social housing provider we need to meet certain national standards and to let you know how well we are doing against them. These standards were set by an organisation called the Tenant Services Authority and they based them on what tenants across the country said was important to them.

These standards are now overseen by the Homes and Communities Agency and include:

- *Tenancy*
- *Home*
- *Neighbourhood and Community*
- *Tenant Involvement and Empowerment*



YOUR TENANCY

The percentage of you who are satisfied with our services overall remains high (90%), broadly in line with both SHAPE (93%) and the sector generally (90%). We are consistently looking for ways to improve, and welcome views and suggestions from you.

OUR CORE ACTIVITY

Activity	Performance VHA	Performance SHAPE	Housing Associations	Rating
Re-letting property - average in days	17 (27)	21 (23)	22 (22.5)	✓
Rent Arrears (as % of annual rent debit)	4.51 (3.96)	1.9 (2.83)	2.56 (2.96)	✓
Percentage properties with Gas Safety Certificate	100 (96.2)	(100)	(100)	✓

* Figures in brackets for 2014

In terms of our core performance, we improved our performance in relation to both re-let times and levels of rent arrears. In both areas, we are now achieving the sector average compared to SHAPE and SBPM.

Because we have a relatively low turnover of properties (around 50 per annum) re-let times can be skewed by a few properties that become vacant needing a lot of work. We have seen that this year where very long standing tenants have either died or moved on leaving homes requiring significant upgrading. We are trying to avoid this happening to some extent in the future by introducing our Tenancy Health Checks to pick up on poorly maintained homes.



YOUR HOME

We recognise that the condition of your home is very important to you and that repairs and maintenance is a key service for all of our residents.

We are fortunate to have a relatively new and well-built stock, but nevertheless we need to ensure that all homes are maintained in a decent condition. There are still many issues that arise over the course of a maintenance year. In particular, during the winter months we had an unexpectedly high level of fencing repairs and replacement due to the bad weather. Over the course of the year we invested around £400,000 upgrading homes with new kitchens, bathrooms, windows, doors and electrical upgrades.

However, we look to provide the most responsive and cost-effective programme of day-to-day repairs and planned maintenance. We are always looking to improve our service, but indication from our tenant survey is that 86% of our residents are satisfied with the quality of our repair service. This is on par with our other SHAPE colleagues (88%), and other housing associations generally (87%).

OTHER KEY PERFORMANCE DETAILS:



RESPONSIVE REPAIRS

- We completed 2,170 day-to-day repairs
- Average days to complete a repair - 11.3 6.6
- Repairs completed within priority - 86 90%
- On-going satisfaction with repairs - 94 96%

PLANNED MAINTENANCE

- Properties painted - 39 60
- Site safety and fire equipment inspections - 832
- New kitchens fitted - 32 12
- New bathrooms installed - 20 4
- New boilers installed - 49 42



OUR WORK WITH COMMUNITIES

We have delivered a range of projects and initiatives which complement and support VHA's aspirations to develop partnerships and to work to support the development of active and dynamic communities that will contribute to the well-being of our residents. Alongside this activity a Communities Plan has also been developed which has been approved by the VHA Board.

THE YEAR 2016-17 HAS BEEN PRODUCTIVE ON A NUMBER OF LEVELS:

- A successful bid to Awards for All for £8,700 funding has been made for a project called "Growing Communities, Bringing Nature Home". This project is now being delivered and so far 83 VHA households have benefited.
- A successful bid to the HIWCF for £24,274 has been made and the "Path to Empowerment" project is also now underway. 38 people have attended GOALS courses in the first phase of this project.
- A total of 53 events/activities have been delivered
- The communities programme has engaged 102 VHA tenants and a total of over 1,000 people overall
- The first full year of the Wild about Wight project has been delivered to target
- A number of new partnerships have been developed and explored
- The Communities Team have been able to support the core work of VHA in a range of different ways.
- The team have generated a raft of positive news stories across a range of social media platforms and in the local press.



VALUE FOR MONEY

Value for Money (VfM) is central to delivering our mission, values and Business Strategy. We are constantly focused on improving our overall service to tenants by continuing to engage with them as part of an ongoing structured implementation of value for money principles.

As a small housing association with limited resources we are extremely conscious of the need to manage our activities in the most effective manner. We are ambitious to provide our residents with the best quality services and to achieve this we must ensure that we optimise the productivity from our finances, staff and contractors.

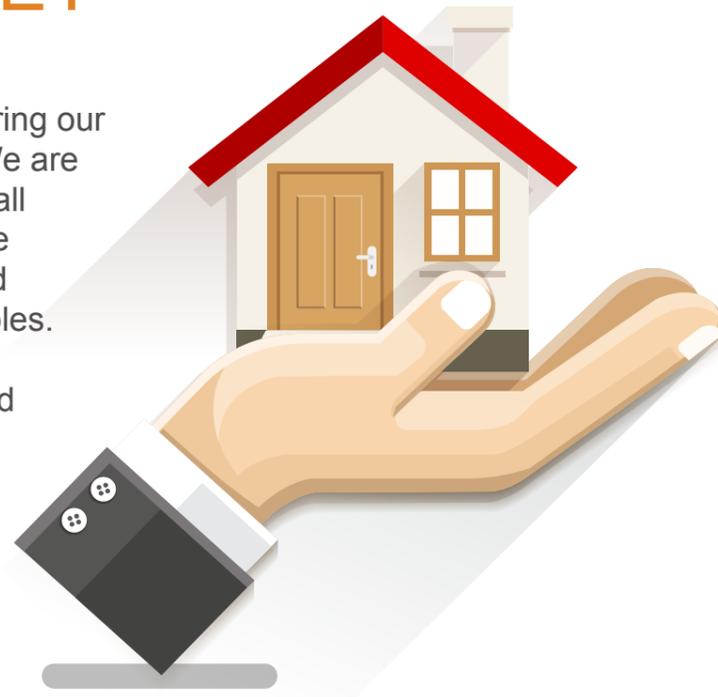
Driving maximum value has become increasingly important with the Government's requirement that housing associations reduce their rent charges by 1% for the four years to 2020. We are committed to reducing costs or generating additional income rather than cutting staff or services where possible.

Achieving value for money is about getting the right balance between the cost of delivering our services (economy) together with how efficient and effective we are as an organisation.

However, it is not just about saving money. We consistently aim to get the most out of the money we have to spend, but are also looking at the qualitative improvements, for example increasing/improving services with no increase in the cost.

We have always had an ethos of delivering value to our tenants and have consistently reduced costs where possible. We have continued to drive savings in our unit costs for maintenance while retaining quality and performance. This has come through improvements to our procurement practices and tightening relationships with contractors.

We have worked over the past couple of years to create a value for money culture within VHA. In addition to a focus on saving costs where appropriate, this has involved being prepared to take decisions to invest in structural and operational improvements to sustain our planned growth moving forward. While we continue to examine everything we do with a view to improving efficiency, we ultimately view our costs in running the



Association within the strategic context of the Business Plan. As a result, some of the benefits flowing from our investment may not be initially obvious, but will bear fruit two or three years into the Plan.

The Regulatory Framework for housing associations includes a specific Value for Money standard that requires registered landlords to; manage resources economically, efficiently and effectively in our provision of housing and services, for Boards to maintain a robust assessment of VfM performance and to articulate how they will deliver VfM. We look fully to comply with this requirement and have produced a detailed VfM Statement that can be viewed and downloaded from our website. A summary of this statement will also be sent to all residents in an edition of our Tenants' Newsletter.

REPAIRS AND MAINTENANCE COSTS

We spent less on our properties per week (£28.33) than our SHAPE peers (£29.21) and other housing associations (£28.91) per week on maintenance. This covers all aspects of repairs and maintenance, including responsive, planned and void works. This includes a significant ongoing increase of investment in our planned programme based on needs indicated from our latest Stock Condition Survey

Our split between responsive 3644% (20165 - 4443%) and planned maintenance 6456% (20165 -5657%) has also improved markedly over the last year. This means that the works we are carrying out are likely to be better value for money and better managed.

During the year we undertook a full review of our Responsive Repairs service to ensure that it remained fit for purpose and met the needs and expectations of our residents. A detailed questionnaire was issued to residents and this showed that generally everyone was satisfied with the service; however, to streamline the service and improve efficiencies we have introduced the following:

- A revised set of repair categories that will ensure that repairs will take no longer than 14 days to complete in an average time of 7 days.
- A sole contractor delivering responsive repairs to improve cost effectiveness and introduce consistency.
- Introduction of a further operative to Vectis's team to carry out plumbing repairs with the aim of driving down costs and increasing satisfaction.



Early indications have shown that costs have been reduced and the speed that repairs are completed has increased to an average of 4.6 days for each repair, with overall satisfaction rising to 98%.



LAST YEAR WE SAID WE WOULD IMPROVE BY:

- Improving our procurement processes - we saved £101,065 last year on supplier costs based on baseline costs of 2014.
- Streamlining property inspections and visits to reduce duplication.
- Tendering larger works packages to drive down costs and increase satisfaction.



- Monitoring contractor performance to improve service delivery - you indicated that 9 out of 10 were happy with your repairs experience.
- Undertaking more works in-house - we now deliver part of our planned works programme using our in-house resource.
- Introducing a primary contractor to undertake responsive and void works - we are still looking to achieve this.

OVER THE COMING YEAR WE INTEND TO IMPROVE BY:

- Reviewing the Grounds Maintenance service we offer to ensure that it meets the requirements of those that receive the service.
- Introducing and bedding in a new contractor to undertake the Gas Servicing that will work to a higher standard than previously undertaken.
- Reviewing our Health and Safety practices that affect residents to ensure that homes are safe and that the contractors that within them comply with the latest legislation.
- Reviewing our responsive repairs service including priorities, costs, appointments, targets and management processes to provide a better, more streamlined and cost effective service. This is in progress.
- Reducing the time it takes to repair an empty property to an average of eight days. It is currently at seven.
- Introducing a repairs schedule of rates to improve cost forecasting and budgeting, helping reduce costs further. This is now completed.
- Updating the repairs section of the Tenants Handbook to reflect current practices. This is in progress.

INVOLVING YOU AND LISTENING TO YOUR VIEWS

Involving tenants and listening and acting on your feedback is important to Vectis as it leads to better services, improved value for money and greater resident satisfaction. Tenant involvement also helps to improve communication which breaks down misunderstandings and helps Vectis set priorities that are important to residents.

In the coming year we want to extend our range of opportunities for you to get involved. Involvement can range from just receiving information about your housing service to involvement in the direct management of your home through a place on the Vectis Board.

A new leaflet about getting involved will be available shortly but some of the new options we will be introducing include becoming a Mystery Shopper or sending in ideas for saving money and achieving improvement through our Residents' Bright Ideas scheme.

If you would like to know more about getting involved with Vectis or if you have any other ideas such as setting up a Residents' Association where you live, please contact Yasmin White, Housing Services Manager (see back cover for contact information).

IN THE LAST YEAR WE HAVE BEEN KEEPING YOU INFORMED IN THE WORK WE DO, AND HAVE:



- Produced three high quality, extended newsletters



- Continued to upgrade and extend our website



- Maintained a Twitter feed to post and receive comments



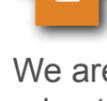
- Conducted a neighbourhood walkabout for each of our areas of property concentration



- Delivered our Tenancy Health Check programme, where we contact all tenants directly to make sure everything is ok and to listen to what you have to say



- Introduced new ideas to strengthen the Tenant Forum to enable the members to act as tenant scrutineers, inspecting and reporting on Vectis services and making recommendations for improvements



- Requested satisfaction feedback following repairs and maintenance activities

We are always keen to improve and extend these engagement opportunities and will be advertising some new opportunities in 2017.

The next section sets out more clearly how we have responded to the feedback you have provided to date.



YOU SAID....WE DID



We are clear that the quality of our services to you have to meet consistently high standards and reach the levels agreed with you. Your feedback to us is very important in achieving this.

We have undertaken 13 separate consultation exercises by SMS message, undertaken 13 neighbourhood walkabouts and provided ongoing satisfaction checks against our maintenance activities.

We have also visited 102 tenants about various issues.

Listening and learning organisations always apply lessons learned from dealing with complaints from customers. In 2017 we received 2 formal complaints which we investigated as part of our complaints handling procedure.

Both of these complaints were related to repairs and maintenance and as a result we have made changes to our approach to this service. One complaint was resolved at Stage 1 of the complaints process and one at Stage 2.

WE ASKED YOU ABOUT...

- **Gas Servicing Satisfaction** - The majority of residents who responded told us the service was great or good and two residents graded it as fair.
- **Grounds Maintenance** - The majority of residents who responded told us they were satisfied with a small number unsatisfied. These were small issues that were resolved.
- **New ways for residents to get involved from the Tenants' Forum.** The group were open to new ideas and told us to go ahead and advertise new opportunities in the Tenants' newsletter.
- **Your neighbourhoods** - We did a communities survey last year asking what people were interested in. The highest proportion was 50% of respondents saying they were interested in gardening and growing their own fruit and vegetables. The next highest was 37% for wildlife encounter. Based on this we developed the Growing Communities Bringing Nature Home project and made a successful funding application to Awards for All. Over 100 households have now benefited from this project.



CONTACT US:

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- Registration under the Co-operative and Community Benefits Act 2014
- registration with Homes and Communities Agency (L1005)
 - membership of National Housing Federation
 - membership of Independent Ombudsman Scheme
 - membership of SHAPE