



# VECTIS HOUSING ASSOCIATION LIMITED



## ANNUAL REPORT

*YEAR ENDED 31 MARCH 2018*

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# CHAIRMAN'S REPORT



I am delighted that the Association is able to report another year of solid progress against a background of continuing austerity and a further year of the planned reductions in our rents. Achieving that surplus, to invest in our future growth, is vital if we are to make a worthwhile contribution to meeting the Island's need for locally affordable housing.

Ensuring we do everything we can to receive our rents including, for example, helping our residents obtain the benefits they are due against a background of radical change with the introduction of Universal Credit is one side of that equation. The other side is ensuring that we are as efficient and effective as possible in managing our homes whilst achieving a quality service delivery and high levels of tenant satisfaction. I believe that this report and accounts demonstrate that the Vectis team are achieving the right balance.

One area of performance where we fall below similar associations is in the level of rent arrears. This is in part driven by our work in partnership with The Isle of Wight Council to provide much needed temporary accommodation. Improving our performance will continue to be a focus for the board over the coming year.

Working in partnership with others is a key part of our approach. Our successful community programme, primarily grant funded, has delivered all of the funders' wide ranging objectives and enabled a number of our residents to start work and training placements.

We have also become investment partners with Homes England and this, combined with agreements with local developers to meet the requirements of s106 planning agreements and generating our own resources is enabling the Association to increase the number of affordable homes we can provide.

We have also been taking the opportunity to refresh the membership of the Vectis Board and following a successful small advertising campaign in the County Press have been able to welcome some new members with a wide diversity of skills and backgrounds. The board is also mindful of the need for continuity and on that basis some longstanding members have kindly agreed to stay on for a further period.

I would like to record my thanks for the welcome I have received both from the team and from the board and I am looking forward to the coming years as a period of significant achievement by the Association for our Island community.





# CHIEF EXECUTIVE'S REPORT - YEAR ENDED 31 MARCH 2018



While the social housing sector continues to evolve into a pattern of very large and much smaller associations, we have continued along our chosen path of remaining small but getting bigger. Having spent the last three years preparing VHA to be an organisation with growth capacity, we have added a number of key building blocks in our expansion journey.

The first has been the recruitment of a new Chair and new Board members who bring additional skills and expertise to support our social purpose. This has added a robustness to our governance and strategic direction. Secondly, we have completed our funding facility with Triodos Bank, which provides the ability to procure the new homes we are committed to providing. Thirdly, we have become Investment Partners with Homes England and so will be able to extend our capacity

through additional grant funding. In addition, we have also been developing a series of strategic partnerships that provide exciting opportunities for the provision of new homes.

We have taken the first steps out of our traditional comfort zone with the provision of HOLD properties, (shared ownership homes for people with long-term disabilities). From being a very committed general needs association, we have recognised that effective partnership with the local authority and other groups can deliver housing solutions for people who might otherwise have little or no choice over their housing opportunities.

Our updated STAR survey indicated that overall tenants' satisfaction with services increased from 92% to 99%, which is a great achievement. This reflects fully on the committed staff team at VHA who continue to go the extra mile to deliver strong and effective services.

Growth in housing production terms can be likened to the speed and effort required to steer an oil tanker. At present, many potential opportunities come our way, some more viable than others. Progress to delivering bricks and mortar often feels slow. However, we are ready for growth when it occurs and have built strong foundations and a highly capable team. We look to the future with anticipation and optimism.

## INVESTING IN OUR STAFF



Being ready for the future means we need to continue to develop the skills of our staff teams.

Congratulations this year must go to 4 Vectis Housing staff members who have completed training courses.

- Lynne Walker, Finance Officer, has completed AAT Level 3 Diploma in Accounting.
- Tom Ince has completed his Level 2 AAT Apprenticeship, and is due to start Level 3 in September
- Jo Sandells, Housing Officer, has completed the Chartered Institute of Housing (CIH) Level 4 in Housing
- Robyn Sanders completed a Business Administration Level 3 course and has been promoted to Maintenance Administrator



# MEETING THE HOUSING STANDARDS



As a provider of social housing, we need to meet certain national standards and let others know how well we are doing against them. These standards, set by the Tenant Services Authority, are based on what Council and Housing Association tenants across the country said was important to them.

These standards are overseen by The Regulator of Social Housing (RSH) which is now the English social housing regulator.

The Housing Standards include:

- Tenancy Standard
- Tenant Involvement and Empowerment Standard
- Home Standard
- Value for Money Standard
- Neighbourhood and Community Standard

# TENANCY STANDARD

The Tenancy Standard sets a requirement for us to allow mutual exchanges and provides guidance on how we should let our homes and issue tenancies.

For example, we pay the fees for our residents to participate in the national HomeSwapper exchange scheme and provide homes to meet housing need by working in line with the rules set by the Council. We also offer new tenants a 12-month starter tenancy which addresses any problems they may have in the first year.

It's important that we let our homes quickly to make sure we do not lose too much rent as rents pay for our services, and, because there are many people waiting for an affordable home.

We measure how we are doing on meeting this standard by comparing ourselves with housing organisations that are similar to us (Benchmarking).

We compare our performance through SHAPE, a club of 14 other South of England housing associations which vary in size. Vectis is one of the largest in the group. The second group we benchmark with is SPBM. This is made up of 106 national housing associations, which like Vectis, own and manage fewer than 1,000 homes. An independent organisation, Acuity, collect the data to compare Vectis's performance with others in the two benchmarking groups.

In terms of letting our homes, this is how we did:

Activity	VHA Performance	Performance SHAPE	Other Housing Associations (SBRM)	Housemark
Re-letting property - average in days	19	21	22	21.37





# TENANT INVOLVEMENT AND EMPOWERMENT STANDARD

Involving residents through a range of options and in a meaningful way, is an important part of this standard. We have a range of different options open to our residents to get involved in working with us to make sure our services continuously improve. We are always open to suggestions and will help residents to set up something new if they think that would work better in the place where they live.



Residents have an important role in influencing how Vectis runs and we have recently moved from the Vectis Tenants' Forum to a Residents' Panel. This involves having open meetings out in neighbourhoods rather than at our offices. These meetings are held at different times of the day to make sure that everyone has an opportunity to attend. The Residents' Panel gives Vectis an opportunity to tell residents about how we are performing in delivering housing services, where we are building new homes and pass

on other important information. Panel meetings also include an open floor session which gives residents a chance to ask questions and raise issues that are important to them.

Another important part of this standard is for us to provide a clear and simple complaints policy to ensure problems are dealt with quickly, politely and fairly.

In 2017 we had no formal complaints but in the previous year there were two. One of the complaints was due to a tenant being dissatisfied with the response from the out of hours repairs service. The second complaint concerned a Clean and Tidy payment which is made to a tenant when they leave a property in good condition. We ensure that all complaints are investigated thoroughly and endeavour to improve our services based on our findings and tenant's feedback and recommendations.

# HOME STANDARD

During 2017, we invested approximately £640,000 ensuring that homes were maintained in a safe and good condition. From minor repairs through to complete overhauls of kitchens and bathrooms, we have aimed to achieve full resident satisfaction while maintaining value for money.

Our long-term partnership with Mountjoy Ltd has increased satisfaction with the service and overall, value for money has improved. During 2017/18 our average time to complete a repair was just 5.7 days.

Following an extensive consultation with residents, we updated the grounds maintenance specification and have contracted Brighstone Landscaping Ltd to carry out the works. The new specification allows for more grass cuts and an increased level of maintenance to areas that were previously neglected.

During the year we also introduced a new gas safety contractor, Spectrum Property Care Ltd, to undertake the vital gas servicing and safety checks to all homes that have gas. This contract has saved us approximately £12,500 per annum and increased satisfaction with the service from 87% to 97%.



New front doors to Jubilee Close, Ryde



New fascia's and soffits to 30 properties at The Chase and The Paddock, Apse Heath



New cladding to Arctic Road, Cowes







New homes being constructed at Bembridge

During the year we completed over 1000 responsive repairs, installed 20 new kitchens, 20 new bathrooms and painted 55 properties externally.

In the coming year we aim to invest even more into our homes and have a total budget of £720,000 to deliver.

#### KEY PERFORMANCE FIGURES FOR 2017/18

- \* Average time to complete a repair - 5.7 days
- \* Satisfaction with repairs - 97%
- \* Non-emergency repairs completed within priority - 91%
- \* Percentage of properties with valid Gas Safety Certificates - 99.74%
- \* Average cost per repair - £101.68p



New balconies installed at The Paddock, Apse Heath

## VALUE FOR MONEY



### VALUE FOR MONEY

Value for Money (VfM) remains central to delivering our Business Strategy. This has become increasingly critical in recent years as we have been required to deliver services with reduced income levels due to the Government's rent reduction programme.

We took the decision that despite lower rents on many of our properties we would not look to reduce our offer to tenants. As a result, successive rent reductions with no decrease in service quality represents a significant enhancement in the level of value delivered. Benchmarking indicates that a substantial percentage of VHA tenants believe they are getting good value for the rents they pay. This is further borne out by a notable increase in resident satisfaction across all services delivered.

At the same time, we have invested in VHA as an organisation to provide a sound foundation for growth. This includes technology, staffing and training. This has enabled us to deal effectively with new requirements, such as GDPR and invest significant additional resources into the activities needed to procure new homes.

Vectis	91
SHAPE	91.55
SPBM	87.67
Housemark	85.1

Figure 1. Tenants' satisfaction with Value for Money (VHA figure based on 2015 STAR Survey)



Repairs and Maintenance is key to driving value as our area of highest spend. We have continued to invest in our stock at similar levels to previous years, against the sector trends of reduced repairs spend. We have increased service specifications for communal cleaning and grounds maintenance and we have driven improved value through a single contractor relationship. However, we are conscious of the potential for significant increases in labour and material costs in the future.

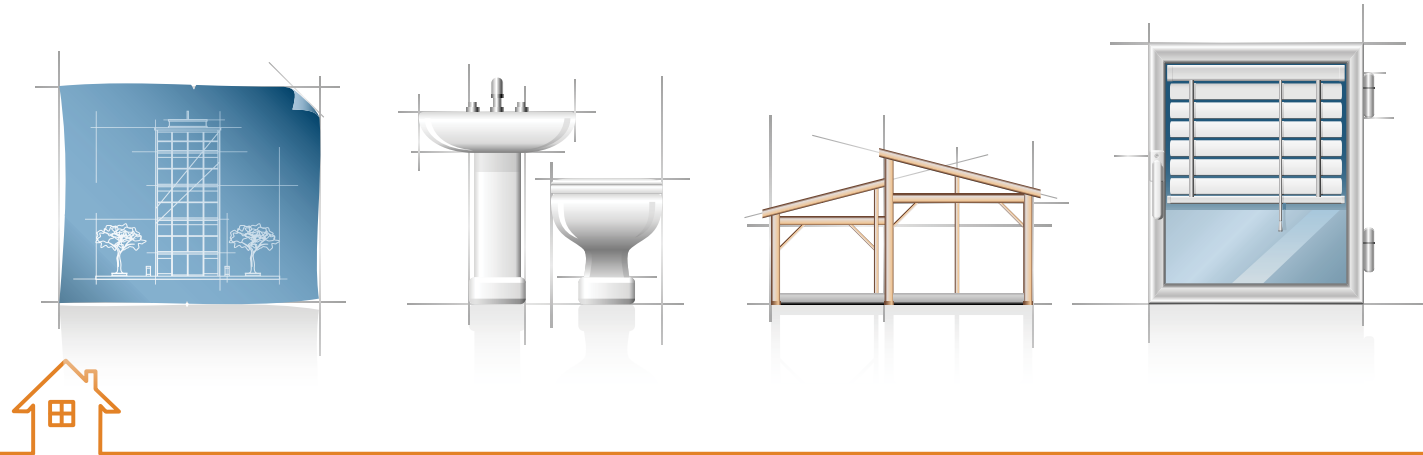
	Responsive	Planned
Vectis	48	52
Median	49	49

Figure 2. Figure Responsive / Planned maintenance expenditure as % of maintenance budget

A full version of our Value for Money Strategy and Statement can be accessed on our website at <http://vectishousing.co.uk/about/value-for-money>. A summary of this statement will be sent to all residents in an edition of our Tenants' Newsletter.

PERFORMANCE 2017

High quality, value for money services remain our priority. We want tenants to be proud of their VHA homes and neighbourhoods. In all areas of performance and satisfaction, except, we remain in line or ahead of the median for the sector. However, our aim is to continue to improve.



The tables and diagrams below are taken from the 2017/2018 benchmarking data for housing associations comparable to Vectis. This information enables a comparison of satisfaction and performance across a range of activities.

Vectis	99
SHAPE	96
SPBM	92
Housemark	86

Figure 3. Tenants' satisfaction with landlord's services overall

In virtually all key satisfaction indicators Vectis performs better than our peers. We followed up our 2015 STAR Survey with a smaller one in 2017. Results show improvements across all areas of our activity. Of particular note is the very high level of satisfaction expressed by our tenants in relation to overall services (99%) and the quality of home (98%).

	Home	Neighbourhood
Vectis	98	96
SHAPE	94	94
SPBM	91	90
Housemark	85	85

Figure 4. Tenant satisfaction with home & neighbourhood

We have a small, but positive improvement in the perception of tenants in relation to listening to tenant views and responding to them. 'We aim to be better and we are putting measures in place to achieve this.

Vectis	82
SHAPE	83
SPBM	80
Housemark	73

Figure 5. Satisfaction that landlord listens to views and acts upon them

Vectis	94
SHAPE	88
SPBM	86
Housemark	79

Figure 6. Tenant satisfied with repairs

In terms of performance, we are generally in line with performance by comparable peers. Any detailed analysis needs to recognise that we manage a significant number of temporary accommodation units offered in partnership with the Local Authority" (HAL). Unsurprisingly, these skew void and arrears figures compared to permanent properties. In terms of arrears,

almost one third of our arrears over £500 relates to HAL properties, which represent less than a quarter of the stock.

Vectis	19
SHAPE	19
SPBM	20
Housemark	21

Figure 7. Average relet time in calendar days

Vectis	5.66
SHAPE	3.21
SPBM	2.88
Housemark	3.39

Figure 8. Arrears

Rent arrears remains the area requiring improvement. The reported figure of 5.66% is higher than the previous year but this is not accurate and does not reflect the true position of tenant rent arrears. Our arrears level has increased since last year but is now holding at around 4.4%. A great deal of work has been invested in bringing arrears down and we are confident that this will be achieved moving forward.





# NEIGHBOURHOOD AND COMMUNITY STANDARD – OUR WORK IN COMMUNITIES

The Communities Team have delivered a range of projects and initiatives. These projects 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 we continue to deliver against the objectives within our Communities Plan.

The year 2017-18 has been productive on a number of levels with two externally funded projects being delivered successfully and our Wild About Wight project gaining momentum and reach.

- Our Awards for All funded project, Growing Communities; Bringing Nature Home worked with 150 VHA households distributing growing kits, insect friendly plants, fruit trees and seeds. The project was delivered within the planned budget of £8700 funded through the National Lottery.

- Our HIWCF/ ESF funded project, Path to Empowerment has also now been completed successfully. 49 people took part in this project of which: 18 participants were engaged in training on leaving the programme and 13 participants moved into employment/ including self-employment upon leaving. The project budget, funded by ESF, was £24,274



- In 2017 the communities programme has engaged 150 tenants and over 500 people overall.

- The second year of the Wild about Wight project has been delivered to target with increasing numbers of participants taking part.

- A number of new partnerships have been developed and explored and the first Communities Panel meeting took place on Monday 23rd April. A range of partner organisations, residents and the Communities Team attended the meeting.

- The Communities Team have been able to support the core work of VHA in a range of different ways particularly around the introduction of Universal Credit.

- The team have generated a raft of positive news stories across a range of social media platforms and in the local press.

- Positive News and PR for VHA: In 2017 the Communities Team generated 106 Tweets via VHA Twitter Account, contributed 65 Posts to the VHA Facebook Page and 20+ positive news stories for the VHA Website.





# DEVELOPMENT – DELIVERING NEW HOMES

We remain one of the main providers of new social-rented homes on the Isle of Wight. Our commitment is driven by the significant need for sub-market housing set against the Island failing to meet social housing delivery targets for a number of years.

Our new relationships with Triodos and Homes England will enable us to increase our provision of new homes, reflected in the following provisional development pipeline:



Location	Number of Units	Type of Home	Completion Date
Sycamore Drive, Bembridge	13	2 and 3 bedroom houses	June 2017
Keats Walk Bembridge	4	Bungalows for rent and shared ownership	August 2018
Bouldnor, Yarmouth	13	1/2/3 bedroom units	Mid 2019
Ash Lane, Gunville	18	Homes	2019/20

We are also in discussions over a number of other projects, which have the potential to deliver a significant number of additional homes over the coming 3-5 years.

We have worked closely with the Isle of Wight Council and other partners to offer people with long-term disabilities the opportunity to own their own home through the HOLD scheme, which offers shared ownership. We have an overall programme of 3/4 units over the coming 2 years.

# FINANCIAL SUMMARY

Income and Expenditure Account		Year ended 31 March 2018	
		2018	2017
		£	£
<b>Income</b>			
Rents and service charges		2,239,513	2,203,070
Amortised grant		89,414	83,497
Other income		102,443	70,360
Low cost home ownership sales		800,000	0
		<b>3,231,370</b>	<b>2,356,928</b>
<b>Expenditure</b>			
Management costs		243,776	476,154
Maintenance costs		475,621	346,596
Service costs		83,739	92,836
Housing voids and bad debts		102,055	90,357
Depreciation of properties		381,486	381,429
Leasing costs		350,569	373,747
Other costs		391,564	191,621
Low cost home ownership		779,516	191,621
		<b>2,808,327</b>	<b>1,952,739</b>
<b>Operating surplus</b>		<b>423,043</b>	<b>404,189</b>
Interest receivable		207	8,964
Interest payable		(178,673)	(184,939)
<b>Net surplus</b>		<b>244,578</b>	<b>228,214</b>
<b>Balance Sheet</b>			
Housing Stock at depreciated cost		18,927,846	18,221,599
Other fixed assets		360,280	351,196
		<b>19,288,127</b>	<b>18,572,795</b>
Work in progress		-	539,256
Debtors		105,278	156,636
Bank and cash balances		880,863	594,610
Less Creditors		(220,409)	(667,302)
		<b>765,732</b>	<b>623,200</b>
Less: Mortgages		4,649,620	4,161,103
Finance Lease Liability		6,615	-
Social Housing Grant		7,137,545	7,138,296
		<b>11,793,780</b>	<b>11,299,399</b>
<b>Net assets</b>		<b>8,260,079</b>	<b>7,896,596</b>
Financed by:			
Share capital		37	36
Revenue reserves		8,260,042	7,896,560
		<b>8,260,079</b>	<b>7,896,596</b>





# BOARD AND STAFF PROFILE



## BOARD OF MANAGEMENT

### Malcolm Groves

- Chairman - Retired

### Michael Ward

- Chair of Audit and Risk Committee

### Robert Biggs

- Local practising architect

### David Newton

- Management Consultant

### Christopher Squibb, MBE

- Retired Engineering Manager

### John Maton

- VHA Tenant

### George Hibberd, MBE

- Chairman -until 14th September 2017

### Michael Starke

- until 14th September 2017

### Keith Hopkins

- until 7th December 2017

### Elizabeth Ralley

- from 20th February 2018

### Norman Arnold

- from 20th February 2018

### Mary Read

- from 20th February 2018

### Graham Cooper

- from 20th February 2018

## EXECUTIVE TEAM

### Martyn Pearl

- Chief Executive

### Sara Pedrick

- Finance Director (P/T)

### Grahame Law

- Property Services Manager

### Yasmin White

- Housing Services Manager (P/T)

### Maria Wilkinson

- Community Services Manager (P/T)



## PROPERTY SERVICES

### Stephen Barnes

- Property Services Officer

### Sam Tillett

- Property Services Administrator

### Peter Thompson

- Maintenance Operative

### David Graham

- Maintenance Operative

### Robyn Sanders

- Maintenance Administrator

## HOUSING MANAGEMENT

### Jo Sandells

- Housing Officer

### Isabelle Cates

- Income Management Officer

### Carol Coleman

- Neighbourhood Housing Officer

## COMMUNITY SERVICES

### Claire Hector

- Community Investment Officer (P/T)

### Suzie Mundell

- Community Investment Officer (P/T)

## FINANCIAL SERVICES

### Sarah Coates-Evans

- Senior Finance Officer (P/T)

### Lynne Walker

- Finance Officer (P/T)

### Tom Ince

- Apprentice

## ADMINISTRATION

### Sarah Crosbie

- Reception/Office Manager (P/T)

### Jennifer Holford

- Reception/Office Manager (P/T)

(P/T – staff working less than a full week)





# CONTACT US:

*Vectis Housing Association Limited*



**01983 525985**



**01983 529956**



***enquiries@vectishousing.co.uk***



***www.vectishousing.co.uk***

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