



# VECTIS HOUSING ASSOCIATION LIMITED



## ANNUAL REPORT

*YEAR ENDED 31 MARCH 2019*

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# CHAIRMAN'S REPORT



Against a background of further austerity, continuing uncertainty and a further reduction in rents, the Association has achieved a worthwhile surplus that will contribute to our burgeoning development programme.

We are working hard on a range of opportunities to provide more affordable homes across the island in order to make our contribution to the substantial shortage. Our approach, given our limited resources, is to work in partnership with others in order to achieve more. It is also to build an organisation that can grow effectively and efficiently. In that respect, we have continued to implement information technology based systems that will help us constrain our costs while enhancing our ability to plan for the future.

As I mentioned in last year's report, we are now investment partners with Homes England, and their support has enabled to progress several opportunities. We look forward to this partnership continuing to make a significant additional contribution to what we can achieve. We also continue to work with local developers to meet the requirements of s106 planning agreements which also delivers a significant number of affordable homes for the Island.

Our Vectis residents are central to all that we do and we are very aware of the financial pressures caused by the continuing roll out of Universal Credit. We work with our residents to ensure that they receive all the benefits to which they are entitled, although the freeze on benefits is making it more and more difficult for those who depend on them.

Using externally sourced grant funding we have been able to deliver a wide ranging community programme including skills development and training as well as community social activities. Obtaining grant funding to support our community activities is becoming increasingly difficult as competition for the funds available intensifies.

Investing in the maintenance, repair and improvement of our homes continues to be our largest single item of expenditure. This underpins the future of the Association and is reflected in the high levels of satisfaction we achieve in our resident surveys.

None of our achievements would be possible without the hard work and support of the Vectis team delivered every day and I would like to thank them for their efforts and for the contribution made by my fellow volunteers on the Vectis board.

Malcolm Groves  
Chairman of the Board



# CHIEF EXECUTIVE'S REPORT - YEAR ENDED 31 MARCH 2019



So, we are coming to the end of a year that has represented a perfect storm - the final year of rent reduction; significant investment in new homes and transition to Universal Credit. Any one of these individual elements would have been challenging, but all three together has pushed us hard. We took a decision in 2015 that we would grow our way out of the impact of rent reduction and would maintain the quality of services to residents. We have achieved this year-on-year, increasing resident satisfaction in the process and investing more in existing and new homes.

Over the course of the last year we have restructured our housing management function, invested in new financial software, improved rent collection performance and

started on-site with building 31 new homes. We have continued to strengthen our Board of Management and increased our professional training for staff. We have also continued our focus on creating robust and enduring relationships with individual tenants, while promoting the foundations for resilient communities.

We have completed a four-year programme of investment in VHA to prepare us for growth and future challenges. This has resulted in new IT and communications infrastructure, revised staff structure and improved contractor relationships. We are now fully prepared for the future.

Inevitably, the loss of income combined with the increased investment has resulted in a reduced operating surplus. But overall, we remain financially strong and well within the covenants required by our lenders and funding partners. The prognosis for future years looks very promising, with rent increases restored and increased income starting to flow from our new homes.

Clearly, the strength of VHA as an organisation is vitally important, but social housing is inevitably always about the people. It has been incredibly rewarding to have provided homes and futures to two young people through the HOLD scheme, to meet the older residents who have benefitted from the friendship groups we have promoted, and to speak to those lucky enough to move into the new homes we have just completed. These are the true performance indicators.

*Martyn Pearl*  
Chief Executive VHA



# INVESTING IN OUR STAFF



VHA has experienced and capable staff working for the organisation. However, their ongoing employee training and development is important to extend knowledge and help individuals to gain new skills. This is useful in terms of their day-to-day work and in creating a highly competent Vectis team to deliver excellent housing services.

Within the Housing Team, our Neighbourhood Housing Officer Robyn Sanders and Admin/Receptionist Sarah Crosbie, are currently completing the Chartered Institute of Housing Level 3 Certificate in Housing. Also our Senior Neighbourhood Housing Officer Jo Sandells, is completing the Chartered Management Institute Level 5 qualification in Leadership and Management.

Tom Ince our Finance Assistant successfully completed his AAT level 2 apprenticeship in the summer of 2018 and is now halfway through the AAT level 3 apprenticeship in conjunction with the Isle of Wight College.

All front-line Neighbourhood Housing Staff have also undertaken a qualification this year to make them fully accredited Money Mentors, which means that they can help with any rent, basic debt or welfare benefit issues for our residents.



# MEETING THE HOUSING STANDARDS



As a provider of social housing, we need to meet certain national standards and let you know how well we are doing against them. These standards, set by the housing regulator, are based on what council and housing association tenants across the country said was important to them.

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 also 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, also, 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. This is known as benchmarking. You will find benchmarking information in different parts of this report.

We compare our performance through SHAPE, a club of 13 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 called SPBM. This is made up of 140 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.

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

Activity	VHA Performance	Performance SHAPE	Other Housing Associations
Re-letting property - average in days	17	17	18



# INVOLVING YOU - (THE 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 enable them to get involved in working with us to make sure our services continuously improve. We are always open to suggestions and will help residents set up something new if they think that would work better in the place where they live.

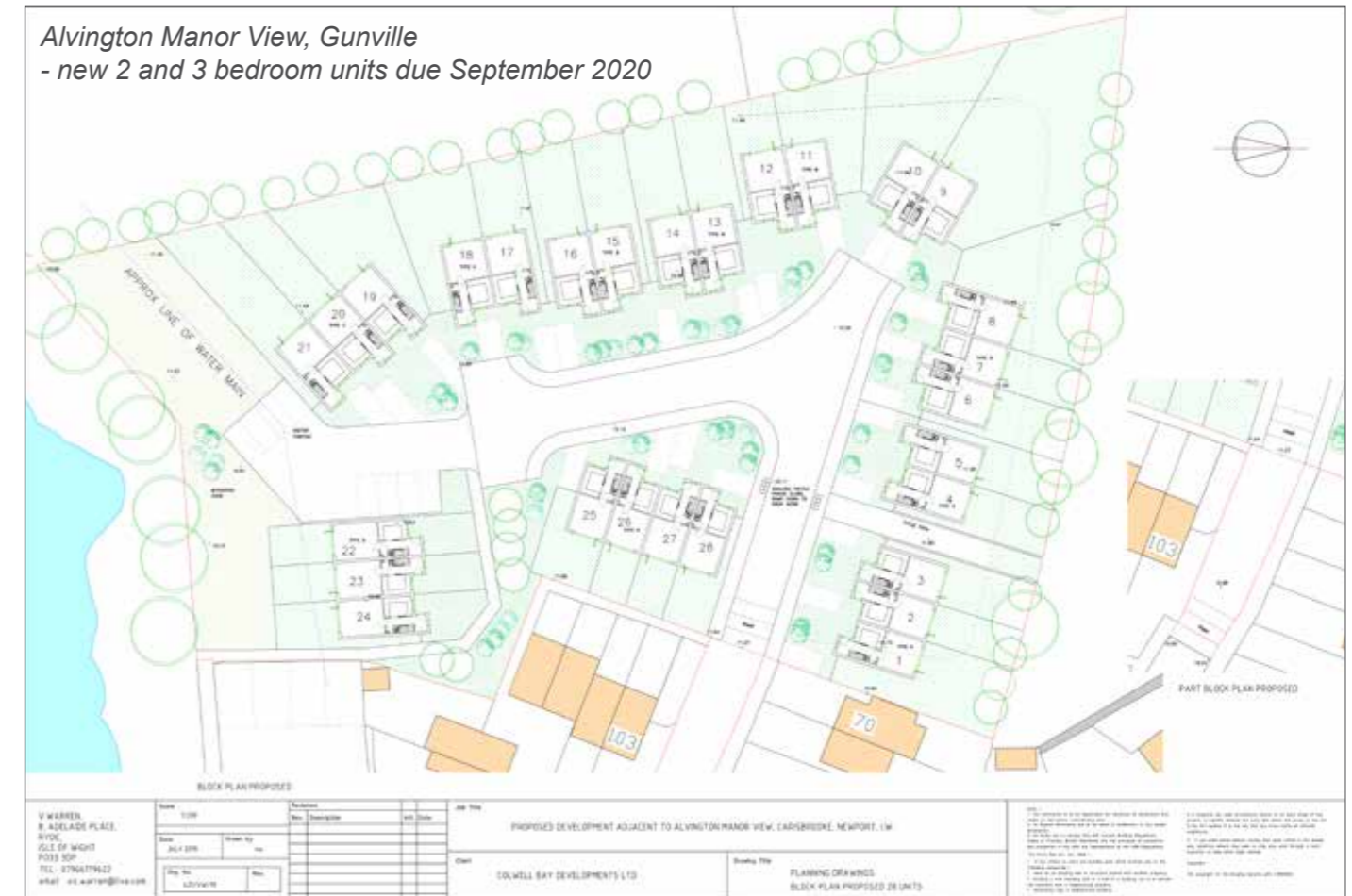
Residents have an important role in influencing how Vectis runs and we have recently moved from the Vectis Tenants' Forum to a Residents' Panel. This involves having open meetings out in neighbourhoods rather than at our offices. These meetings are held at different times of the day to make sure that 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 to 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 make sure problems are dealt with quickly, politely and fairly.

In 2018 six formal complaints were made. One of the complaints related to a missed maintenance appointment. Three complaints concerned alleged anti-social behaviour incidents, and two were connected to tenancy issues. Four complaints were upheld.

# HOME STANDARD



Over the course of 2018, we have invested approximately £750,000 maintaining homes in a safe and decent condition. We completed in excess of 2250 repairs, including 42 new kitchens and bathrooms, 38 electrical upgrades, and external upgrades to 47 properties.

Our new contract with Brighstone Landscaping has improved satisfaction with grounds maintenance to almost 80% and during the winter months we carried out much needed improvements to planters and flower beds. We are working with them to increase the level of satisfaction to 90% through an increased number of grass cuts per year and more investment in planters and tree planting.

We have recently signed a five year contract with Mountjoy to deliver our responsive, cyclical and gas servicing contract. As a result, Mountjoy now undertake the majority of maintenance work for Vectis Housing and are aiming to improve the quality of the service in all areas. In general, we completed over 1,200 responsive repairs in an average of 6.6 calendar days. Satisfaction with the service was measured at 90%.





Keats Walk, Bembridge

During 2019/20 we will be undertaking a full review of the energy efficiency of our homes to ensure that they will meet Government's requirements over the coming years. We will aim to ensure that all properties have a minimum energy efficiency rating of C before 2025. This will require considerable investment in certain homes through increased insulation, more efficient boilers, triple glazed windows and in some cases, solar PV panels.

#### KEY PERFORMANCE FIGURES FOR 2018/19

- \* Average time to complete a repair - 6.6 calendar days
- \* Satisfaction with repairs - 90%
- \* Repairs completed in priority - 89%
- \* Percentage of properties with a valid gas certificate - 100%
- \* Average cost per repair - £116



Bouldnor Phase 2 – due for completion Feb 2020

## VALUE FOR MONEY



### VALUE FOR MONEY

Driving value remains of major importance to delivering our Business Strategy. We are in the last year of rent reduction that has seen over £820,000 taken out of our projected income. We have absorbed this loss with no reduction in service quality, investment in existing properties or investment in new homes.

A mid-term STAR update in 2017 indicated that satisfaction was increasing as a result of our activities and we have continued to invest in Vectis Housing Association to provide a sound foundation for quality and growth.

Repairs and maintenance remains 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 driven improved value through a single contractor relationship for responsive repairs and gas maintenance. There are clear indications of increased costs in labour and materials but we have worked to continue to deliver value for money. Figure 2 below indicates that we are in line with repairs expenditure with organisations of a similar size and significantly better than the wider sector.

Vectis	91%
SHAPE	94%
SPBM	89.65%
Housemark	85.25%

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



This is despite the fact that the Vectis Housing Association stock includes a significant element of leased properties, a number of which are used as temporary accommodation, thus generating higher than average costs for maintenance.

	Maintenance Cost per unit
Vectis	£765.82
SHAPE Median	£768.62
SPBM Median	£764.61
Housemark Median	£944

Figure 2. Maintenance expenditure per unit

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 a forthcoming edition of our Tenants' Newsletter.

PERFORMANCE 2018/2019

High quality services remain our priority. We want tenants to be proud of their Vectis Housing Association homes and neighbourhoods. In all areas of satisfaction we remain in-line or ahead of the median for the sector. However, we always look to continually improve.

The tables and diagrams below are taken from the 2018/9 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	97%
SPBM	92%
Housemark	86%

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

In virtually all key satisfaction indicators Vectis performs in line with, or better than our peers. Our interim 2017 satisfaction survey shows 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 (97%). We are in the process of undertaking a full STAR update during the latter part of 2019.

Vectis	82%
SHAPE	85%
SPBM	78%
Housemark	71%

Figure 4. Satisfaction that landlord listens to views and acts upon them

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

	Home	Neighbourhood
Vectis	98%	96%
SHAPE	94%	94%
SPBM	90%	90%
Housemark	84%	84%

Figure 5. Tenant satisfaction with home & neighbourhood

Vectis	94%
SHAPE	89%
SPBM	86%
Housemark	78%

Figure 6. Tenant satisfied with repairs

In terms of performance, Vectis stands scrutiny with our peers. Recognising our stock of temporary accommodation units skew void and arrears figures compared to permanent properties, where our performance has been improving.

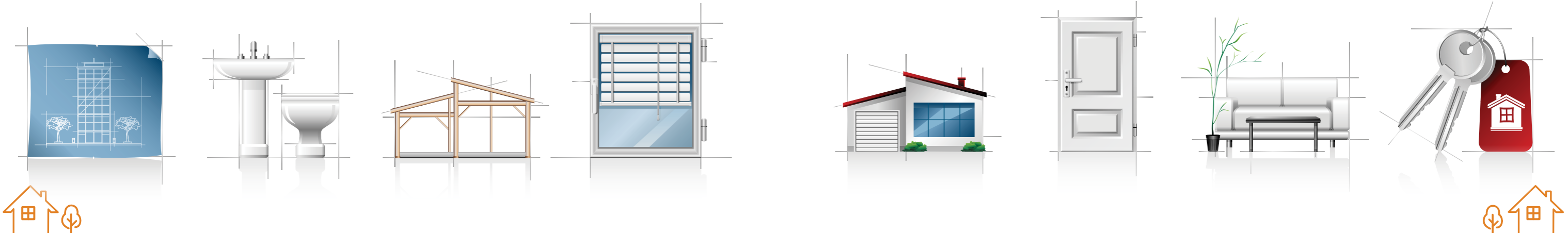
Vectis	17%
SHAPE	20%
SPBM	17%
Housemark	24%

Figure 7. Average re-let time in calendar days

Vectis	4.73%
SHAPE	2.92%
SPBM	2.59%
Housemark	3.23%

Figure 8. Arrears

Rent arrears is the area that has demonstrated most improvement. The reported figure of 4.73% is almost a percentage point lower than the previous year, but even this is not fully accurate. The figure quoted reflects the end of March 2019 and does not reflect further progress made which has brought the underlying figure down to around 4.2%. This is against a backdrop of significant numbers of tenants being moved onto Universal Credit and the challenges that poses. A great deal of work has been invested in continuing to bring arrears down, and we will continue to strive to improve this further.



# NEIGHBOURHOOD AND COMMUNITY STANDARD - OUR WORK IN COMMUNITIES



The Communities Team have delivered a range of events and opportunities, predominantly through the Wild About Wight (WAW) project. The programme supports VHA's aspirations to develop partnerships and to work to create 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 2018-19 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.



- The communities programme has engaged 70 VHA tenants and over 2100 people overall.

- The third year of the Wild about Wight project has been delivered to target with increasing numbers of participants taking part. All planned outcomes for this project are now fully delivered.

- The WAW project developed art work across a year-long programme, working with local artists, culminating in a 6-week exhibition in the Michael West Gallery at Quay Arts.

- The team distributed 33 fruit trees in our Christmas Fruit Tree Give Away in December 2018.

- A number of new partnerships have been developed and explored and the Communities Panel continues to meet regularly.

- Working in partnership with Artecology and Sovereign Housing, the Arc Woodland area in Oakfield Ryde has been restored and enhanced.

- The Communities Team have been able to support the core work of VHA in a range of different ways, including delivering the first Vectis Big Day Out in the Spring of 2019.

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



# DEVELOPMENT - DELIVERING NEW HOMES

Having committed to extending our development potential we have invested time and resources into identifying and delivering new homes.

We have delivered on two HOLD properties (Home Ownership for people with Long-term Disabilities) during 2019, which have provided secure futures for two young people for whom this might not otherwise have been the case.

We have utilised our borrowing facility from Triodos Bank and grant funding from Homes England to make significant progress on our Bouldnor Mead development (13 units) and Ash Lane in Newport. We are very close to agreeing formal arrangements for additional homes on sites in Gunville and Calbourne (see below).



Location	Number of Units	Type of Home	Completion Date
Bouldnor, Yarmouth	13	1/2/3 bedroom units	late 2019/20
Ash Lane, Gunville	18	Homes	2020
Alvington Manor View, newport	10	2/3 bed houses	2020
Elm Lane, Calbourne	11	2/3 bed houses	2021

We remain ambitious to deliver a steady stream of new homes that Island households can genuinely afford. We are therefore looking at a pipeline of schemes that might deliver around 40-50 new homes each year. In addition to affordability, we are also committed to quality and partnership. Our focus is to create homes, neighbourhoods and communities.



# FINANCIAL SUMMARY

Income and Expenditure Account	Year ended 31 March 2019	
	2019	2018
<b>Income</b>	£	£
Rents and service charges	2,272,879	2,239,513
Amortised grant	89,341	89,414
Other income	125,223	102,443
Low cost home ownership sales	507,500	800,000
	<b>2,994,943</b>	<b>3,231,370</b>
<b>Expenditure</b>		
Management costs	304,784	243,776
Maintenance costs	515,665	475,621
Service costs	94,266	83,739
Housing voids and bad debts	144,590	102,055
Depreciation of properties	425,565	381,486
Leasing costs	360,244	350,569
Other costs	441,869	391,564
Low cost home ownership	395,969	779,516
	<b>2,682,952</b>	<b>2,808,327</b>
<b>Operating surplus</b>	<b>311,991</b>	<b>423,043</b>
Interest receivable	1,896	207
Interest payable	(200,201)	(178,673)
Surplus on disposal of tangible fixed assets	222,954	-
<b>Net surplus</b>	<b>336,640</b>	<b>244,578</b>
<b>Balance Sheet</b>		
Housing Stock at depreciated cost	19,189,771	18,927,846
Other fixed assets	359,674	360,280
	<b>19,549,445</b>	<b>19,288,127</b>
Work in progress	-	-
Debtors	172,709	105,278
Bank and cash balances	914,142	880,863
Less Creditors	(158,400)	(220,409)
	<b>928,451</b>	<b>765,732</b>
Less: Mortgages	4,403,552	4,649,620
Finance Lease Liability	5,058	6,615
Social Housing Grant	7,470,644	7,137,545
	<b>11,879,254</b>	<b>11,793,780</b>
<b>Net assets</b>	<b>8,598,642</b>	<b>8,260,079</b>
Financed by:		
Share capital	9	37
Revenue reserves	8,598,633	8,260,042
	<b>8,598,642</b>	<b>8,260,079</b>

# BOARD AND STAFF PROFILE



## BOARD OF MANAGEMENT

### Malcolm Groves

- Chairman - Retired

### Michael Ward

- Vice Chairman and Chair of Finance Committee - Independent Financial Advisor

### Robert Biggs

- Local practising architect

### John Maton

- VHA Tenant

### Elizabeth Ralley

- volunteer at Citizens' Advice Bureau

### Norman Arnold

- Company Director

### Mary Read

- Past Company Director

### Graham Cooper

- Retired, from a banking and finance background

## CO-OPTES TO THE BOARD OF MANAGEMENT

### Damien Ward

- Business Improvement Consultant

### Chris Goddard

- from a construction background

### Tracy Ringer

- from a management accountancy background

## EXECUTIVE TEAM

### Martyn Pearl

- Chief Executive

### Sara Pedrick

- Finance Director (P/T)

### Grahame Law

- Property Services Manager (P/T)

### 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

## HOUSING MANAGEMENT

### Jo Sandells

- Senior Neighbourhood Housing Officer

### Carol Coleman

- Neighbourhood Housing Officer

### Robyn Sanders

- 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 Freeborn

- Finance Officer

### Tom Ince

- Finance Assistant

## 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 the Regulator of Social Housing
- Membership of the National Housing Federation
- Membership of the Housing Ombudsman Scheme
  - Membership of SHAPE