



VECTIS HOUSING ASSOCIATION LIMITED



ANNUAL REPORT

YEAR ENDED 31 MARCH 2021

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CHAIRMAN'S REPORT



It has been a challenging year for our residents, their families and the Vectis team and one that I had not anticipated when I wrote my report last year.

It has seen the association rise to the challenges of maintaining and improving our residents' homes whilst providing new homes at an ever faster rate with 28 more homes now under management than a year ago.

This has been in no small part due to the team finding new ways of working that improve the flexibility in our approach and will, I expect over time, increase the hours at which we are available to our residents. I am proud

of the way they have reacted so positively to the challenges of the pandemic and the resilience of the IT and other systems built over recent years.

We have again been able to provide some financial support to those of our residents in difficulties with the help of The Daisy Rich Trust and arranged for Christmas presents with the help of the IW Radio Toy Appeal. Our community activities will increase as the rules and regulations allow and in the meantime, we have been undertaking hundreds of welfare calls to our residents.

This year saw Vectis invest £3/4 million in maintaining and improving our existing homes as well as obtaining support from our lenders and grants from Homes England to ensure we can build more. We have arrangements in place to build in a number of locations across the island with a major development already underway at Branstone Farm. All of these will ensure a steady supply of new affordable homes for islanders over the next few years.

Whilst extending our borrowing significantly, our overall financial position remains strong and our surplus this year will be invested, as every year, in fulfilling the challenging plans of the association as it strives to play its role in our island community.

Looking forward, the government will be setting out the details of its plans to encourage associations to engage more closely with their residents and ensure that they are placed centrally in their thinking. I'm confident that this will stimulate our thinking on how we can improve.

The association relies on a voluntary board who take overall responsibility for the management of its affairs. I am grateful for their support and the role they play in our success.

Malcolm Groves
Chairman of the Board



CHIEF EXECUTIVE'S REPORT - YEAR ENDED 31 MARCH 2021



Any thoughts that the pandemic would prove a short, sharp test of organisational robustness has been well and truly dispelled. The vast majority of 2020 and all of 2021 to date has been dominated by the impact of two lockdowns and the fall out from a global economy trying to redress the damage to national economic interests. Apart from the impact on healthcare systems, one of the most noticeable challenges for housing providers has been the significant rise in costs and the lack of availability of materials and resources. As an RP committed both to investing in our stock and extending through new build, this has not been without its challenges.

As many associations have found, across our sector, housing staff are remarkably flexible, resilient and committed to their roles. At VHA, the professionalism and dedication to our residents has ensured that we have continued to provide a responsive and supportive service throughout the pandemic. This is despite the tragedy of a small number of deaths in our stock, significant numbers of furloughs and a major level of increased benefit take-up. I can't thank the staff team enough for their willingness to adapt, innovate and go that extra mile.

Despite the constraints imposed by the pandemic, we have been remarkably productive over the past year. We have completed two sites of 28 units and started on site with a flagship development at Branstone Farm of 42 units. We have also moved a little outside of our comfort zone in entering a partnership with Specialised Supported Housing and Leonard Cheshire for a block of nine flats for residents with learning difficulties.

Throughout the current challenging environment we have not lost sight of our core values and ethos. We are a local, community-focused association providing good quality, affordable homes for local communities. As part of the adoption of the new NHF Code of Governance we have been required to codify our culture to enable the Board to ensure that we meet our behavioural standards. In essence, we want to be good landlords, good employers, good partners and an asset to the Isle of Wight. The evidence to date is that we are achieving those objectives.

Martyn Pearl
Chief Executive VHA



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	53	36	36

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 2020, we received five formal complaints. One was in relation to repair dissatisfaction, dealt with Assets, tenant happy with response, no further action. One was regarding hate crime, police confirmed that they had never heard of the lady and had no contact so no further action. Another regarding the state of a tenant's garden in which Housing continues to support the relevant tenant to manage their garden. Two were relating to anti-social behaviour, regarding cannabis smoking and noise nuisance and rats; letters were sent to relevant tenants and one tenant moved.



HOME STANDARD

Covid 19 has had quite an effect on our expenditure and completions of repairs, but a key driver for Vectis remains to ensure that all properties are maintained in a safe and decent condition in accordance with The Decent Homes Standard.



During 2020, we invested approximately £756,000 completing almost 1100 responsive repairs, 2 new kitchens, 6 new bathrooms and external painting and repairs to 53 properties.

As a part of providing a quality and speedy repairs service we monitor satisfaction and the average time it takes to complete a repair. The average repair took 9.1 calendar days to complete and satisfaction with the service ran at 96%.

Satisfaction with our grounds maintenance was 87% this year and we still aim to reach a satisfaction level of 95% during 2021. Satisfaction with our cleaning service was 77% and this year we will aim to improve this significantly.



VALUE FOR MONEY



We remain committed to achieving the maximum value from our resources, which are largely income from rents. From a four-year period where we saw an actual reduction in rents as a result of Government requirement for an annual reduction, we are now able to levy a small annual increase. However, in so doing, we are very aware that the majority of our tenants are on very low incomes and we recognise our responsibility to ensure that we delivery exceptional value for their rents.

However, events of the past year have made our usual approaches to determining value somewhat limited. The continued drive to maintain homes, support tenants and safeguard staff through what has proved an extremely challenging set of

events has required additional flexibility and responsiveness in relation to resource management.

We unfortunately lost a very small number of tenants to Covid, so we have been absolutely clear that health and safety for tenants, staff and contractors is paramount. During the first lockdown, we negotiated a revised set of requirements with our repairs contractor that enabled us to maintain an emergency service whilst ensuring maximum safety. The cost of this was an additional £40,000, however, we considered it good value under the circumstances.

We have also invested unplanned resources in ensuring our offices are Covid-compliant and providing staff with



technology and furniture to enable them to work from home. However, this has enabled us to continue to offer the best service possible in line with Government guidelines. As a result, we have continued to allocate properties to those in need, to repair our homes and to offer support to tenants who are experiencing difficulties. In this context, we consider any investment made has been appropriate and represents good value. The fact that we have made a net saving over the year as a result of reduced costs of travelling, training and office utilities has been a positive spin-off.

In terms of investment driving satisfaction, our most recent STAR survey, which is a three-year comprehensive review of tenants' views, was last conducted in 2019. Perspectives over the past year will have been significantly affected by individual experiences during the pandemic. We have been unable to conduct our normal Tenancy Health Checks or estate walkabouts, nor any of our normal community events. However, we have been in contact with all tenants proactively and particularly those who are vulnerable and the feedback we have received was very positive.

Repairs and Maintenance remains our area of highest spend. We have continued to invest in our stock although the pandemic has affected our ability to undertake

planned and cyclical works. 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 our costs are in line with organisations of a similar size.

Our stock continues to include a significant element of leased properties, a number of which are used as temporary accommodation, thus generating higher than average costs for maintenance and voids. We have taken the decision to return the properties at the end of the lease where they are uneconomic or unviable to maintain to the quality we require. This is also true of a small number of properties in our permanent stock where we have chosen to dispose rather than continue to maintain at uneconomic levels. In both cases, our decision is based on our progressive development programme, where we are bringing good quality homes into management at a much better value level than those disposed of.

	Maintenance Cost per unit
Vectis	£941.08
SHAPE	£1122.50
SPBM	£904

Figure 1. 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 2020/2021

High quality services remain our priority even in a pandemic. We want tenants to be proud of their VHA homes and neighbourhoods but more importantly to feel safe and secure. In general we remain in line with the sector in all areas of satisfaction.

In terms of performance, our performance stands scrutiny with our peers. Recognising our stock of temporary accommodation units skew void and arrears figures compared to permanent properties our performance has been improving. In terms of relet times, our performance is reflected in the nature of the temporary stock, but also has been impacted by the higher than average number of voids and the challenges of letting properties in a safe way during the pandemic and particularly during lockdowns. This figure is skewed by a short period at the end of 2020 and beginning of 2021 that saw a very high level of voids. Performance has now returned to our norm of 17-20 days.

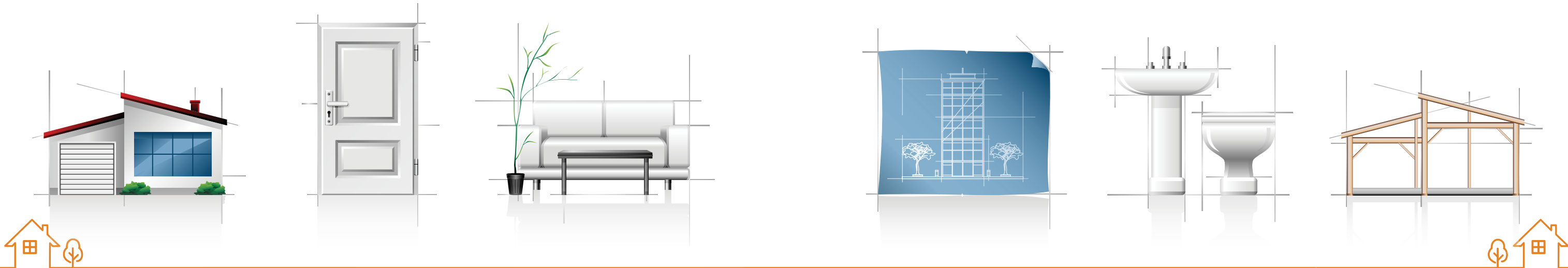
Vectis	53.04
SHAPE	23.50
SPBM	29.57

Figure 2. Average re-let time in calendar days

Vectis	4.57
SHAPE	3.49
SPBM	2.66

Figure 3. Arrears

Rent arrears continues to demonstrate improvement. The figure of 4.57% is almost a full percentage point below that of two years ago but is still not representative of the current position, which is in the mid-3%. Staff have worked hard throughout the pandemic to ensure that tenants get prompt advice and support to help them manoeuvre the benefits system and this continues to deliver positive results.



NEIGHBOURHOOD AND COMMUNITY STANDARD - OUR WORK IN COMMUNITIES

At Vectis, we work in neighbourhoods and with people who are amongst those classified as the most deprived in southern England. We all live in Neighbourhoods and we all want to be proud of where we live. That is the ambition we have for our homes and the people who live in them. Though 2020 has been a challenge for us all we have continued to work within government guidelines throughout the pandemic and successfully held several community projects safely.

FOR CHILDREN AND FAMILIES

We were able to run a trip to the Isle of Wight Zoo for 13 families. Costs were roughly £12.30 per head, and we were able to pay for 39 people in total. We made referrals to the Isle of Wight Radio Christmas Toy Appeal where we were able to deliver Christmas gifts to 27 children from Vectis households. Prior to Easter, we delivered Easter egg hunt packs to 24 households across the island in time for Easter. Costs were £5 per head, and we were able to benefit 50 children in total.

“We had a lovely day at the zoo so thank you so much” – Ms B

That is why investing in communities and neighbourhoods makes good business sense and is a core part of what we do.



We recognise that we cannot address all problems faced by our residents and need to target our resources effectively to achieve the greatest impact. Working with residents and listening to their views and ideas is a priority for us and both the Residents' Panel and Communities Panel provide a regular forum for tenants to provide us with their feedback. Our mission is to always work 'with you said - we did' outcomes in mind.



DEVELOPMENT - DELIVERING NEW HOMES



In October 2019, we projected completion of approximately 160 new homes over the next 3-5 years. Since that publication, we have completed 13 new homes at Bouldnor Mead, Yarmouth, 18 units at Ash Lane and 10 units at Alvington Manor View, Newport.

We are now on site at our flagship development at Branstone Farm that will provide 42 new affordable units. The first phase will complete in March 2022 and the second phase September 2022. In addition, we are shortly to start 14 new homes in Brighstone that are due to complete during October 2022. We have further plans for more homes in Ryde and Calbourne and these should be completed in 2023. For further details please contact us on **01983 525985**.



FINANCIAL SUMMARY

Income and Expenditure Account	Year ended 31 March 2021	
	2021	2020
Income	£	£
Rents and service charges	2,384,103	2,306,919
Amortised grant	90,710	88,211
Other income	8,014	14,747
Low cost home ownership sales	704,425	-
	3,187,252	2,409,877
Expenditure		
Management costs	245,995	257,827
Maintenance costs	604,843	527,019
Service costs	101,355	97,290
Housing voids and bad debts	104,825	100,607
Depreciation of properties	422,199	413,740
Leasing costs	305,814	316,304
Other costs	488,765	393,824
Low cost home ownership	510,685	-
	2,784,481	2,106,611
Operating surplus	402,771	303,266
Interest receivable	247	2,206
Interest payable	(251,701)	(204,818)
Surplus on disposal of tangible fixed assets	61,574	141,136
Net surplus	212,891	241,790
Balance Sheet		
Housing Stock at depreciated cost	23,427,711	21,600,183
Other fixed assets	341,349	348,405
	23,769,060	21,948,588
Work in progress	-	220,372
Debtors	28,815	75,251
Bank and cash balances	890,892	822,264
Less Creditors	(437,133)	(438,721)
	482,574	679,166
Less: Mortgages	7,365,522	6,414,261
Finance Lease Liability	2,335	1,946
Social Housing Grant	7,840,005	7,380,665
	15,207,862	13,796,872
Net assets	9,043,773	8,830,882
Financed by:	7	7
Share capital	9,043,766	8,830,875
Revenue reserves	9,043,773	8,830,882

BOARD AND STAFF PROFILE

BOARD OF MANAGEMENT

Malcolm Groves

- Chairman - Retired

John Maton

- Vice Chair - VHA Tenant

Elizabeth Ralley

- Volunteer at Citizens' Advice Bureau

Graham Cooper

- Retired, from a banking & finance background

Norman Arnold

- Company Director

Damien Ward

- Business Improvement Consultant

Chris Goddard

- From a construction background

CO-OPTEES

Lorraine Buckman

- Retired, from a HR background

Eileen Green

- Retired, from a social housing background

EXECUTIVE TEAM

Martyn Pearl

- Chief Executive

Sara Merrigan

- Finance Director (P/T)

Grahame Law

- Head of Assets

Sharon Harvey

- Head of Neighbourhoods & Communities

PROPERTY SERVICES

Stephen Barnes

- Property Services Officer

Sam Tillett

- Compliance Officer

Peter Thompson

- Maintenance Operative

Amanda Collopy

- Property Services Manager

HOUSING & COMMUNITIES

Jo Sandells

- Senior Neighbourhoods & Communities Housing Officer

Carol Coleman

- Neighbourhood Housing Officer

Sue Baker

- Neighbourhood & Community Housing Officer

Sarah Crosbie

- Community Housing Officer

FINANCIAL SERVICES

Carina Squibb

- Management Accountant

Lynne Freeborn

- Finance Officer

ADMINISTRATION

Jennifer Holford

- Customer Services Assistant

(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