



VECTIS HOUSING ASSOCIATION LIMITED



ANNUAL REPORT

YEAR ENDED 31 MARCH 2020

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CHAIRMAN'S REPORT



As I wrote of our burgeoning development programme in my report last year, whilst I thought it might be slowed down by the weather or gaining official approval of our plans, I had no idea that it would be impacted by a global pandemic that would affect the lives of the whole community.

There have been some pluses and minuses as a result with the big plus being that the Vectis team have been able to continue to support our residents throughout. On the minus side, our development programme has slowed but is now picking up speed again as arrangements have been put in place for safe on site working.

In Particular, I would like to thank the Daisie Rich Trust and Wight Aid, both island based and focused charities who have provided financial support to our programme and given us the ability to help those in need by way of making hardship payments to help need the basic costs of living. We were also lucky enough to be awarded some funding through Tesco Bags of Help, and this was used to provide small food shops for some tenants most in need during lockdown.

Financially, it has been another sound year for the association and those of our residents on. Universal Credit are seeing some improvement in their benefits after a five year freeze. We continue to provide support to those of our residents on benefits to ensure that they receive all of those to which they are entitled.

Our investment in the maintenance, repair and improvement of our homes has stalled during the last few months but overall, we expect to implement our programme in full as time and circumstances permit.

There have been a number of changes to the board with our long-standing vice chairman, Michael Ward stepping down at the last AGM along with Robert Biggs. I am delighted that John Maton, a resident of the association has taken on the role of vice chairman. I'd like to thank them all and my fellow board members for their support. The events of recent months have provided a new set of challenges for the Vectis team and their response has been magnificent. My congratulations to them all.

Malcolm Groves
Chairman of the Board



CHIEF EXECUTIVE'S REPORT - YEAR ENDED 31 MARCH 2020



Clearly, no-one could have predicted the way that 2019-20 would end in such dramatic fashion. The sudden emergence of Covid 19 has been a real test of Business Continuity Plans across the sector. Thankfully, ours has proved resilient and effective. But coming as it did at the very end of the year, I would not want Covid to overshadow the achievements of the rest of 2019/20.

We have had a very productive twelve months, which has included completely remodeling our Business Plan to include an ambitious programme of developing new homes that will see us grow by 30% over the next 3-5 years. We have also introduced a new finance system that now fully integrates our finance, repairs and housing

management activities. We have made some staff changes and have maintained good performance in our repairs and maintenance.

We have reshaped our approach to supporting communities, with the loss of our excellent Communities Team being replaced by an equally excellent set of staff focusing more on smaller scale tenant-centred activities. This has proven particularly effective in the pandemic in enabling us to support tenants directly through hardship grants and other tangible products.

During the year we have taken into management 13 new homes and have a further 26 on site. We have also bolstered our relationships with our two key lenders Nationwide and Triodos. Inevitably, our proactive approach has brought us closer in our relationship with the Isle of Wight Council and Homes England and we are grateful for their support and that of all our partners. We have also benefitted from the excellent support and contributions from our Board.

We end the year well placed to deliver on our strategic objectives, but with a fair degree of uncertainty about the world in which we operate.

Martyn Pearl
Chief Executive VHA

VHA BUSINESS PLAN

During the course of 2019 we conducted a very detailed analysis of VHA's activities, objectives and focus, which resulted in the publication of our new 5-year Business Plan. This document sets out what we will look to achieve between now and 2025 and how we will go about it.

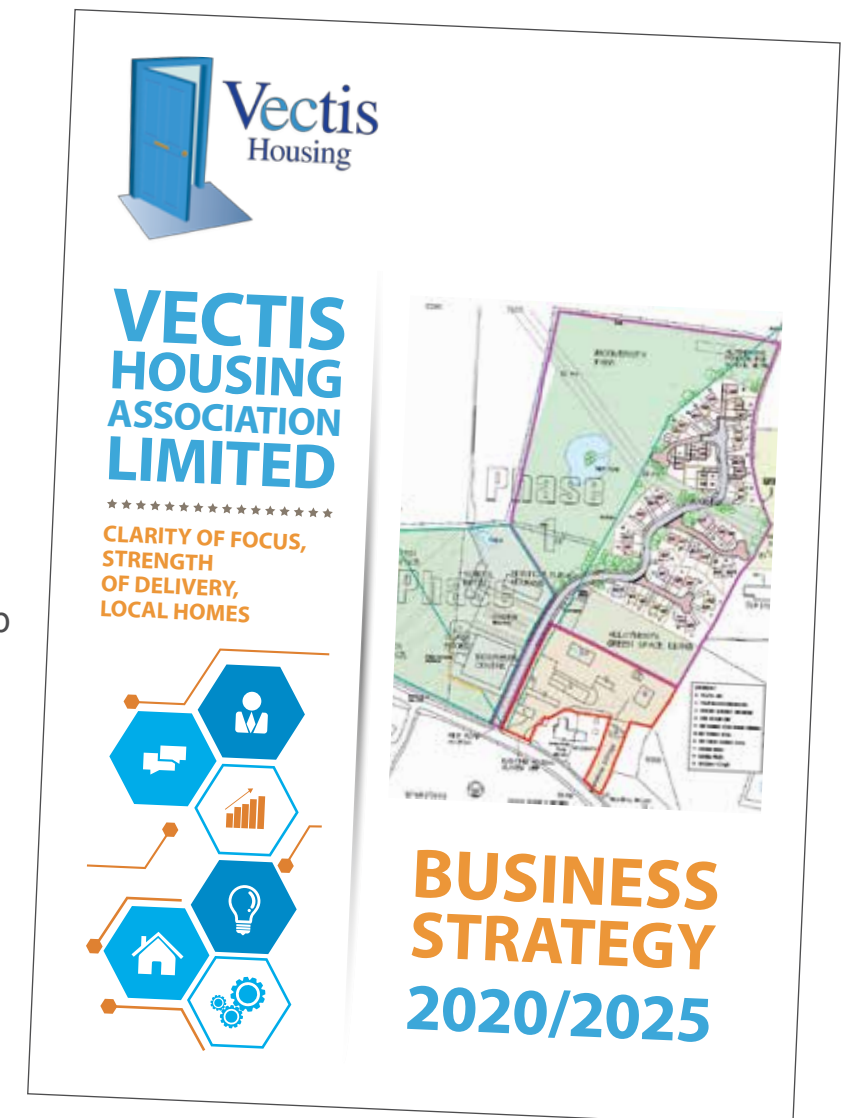
We remain committed to investing heavily in our existing housing stock and communities. We have also adopted an ambitious programme of building new homes for those Island households who are desperate for suitable affordable housing.

We hope to deliver almost 160 new rented and shared ownership homes over the life of the plan at rents that are affordable for local people.

We will also work in close partnership with the local authority and other agencies to address homelessness and support people with special needs.

We will maintain our commitment to support the development of communities through a targeted range of resident-focused activities.

The full document can be downloaded from our website at <https://vectishousing.co.uk/images/Business-Plan-Nov-2019-v7.pdf> or a hard copy can be obtained on request.



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 10 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	25.2	20.7	17.6



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 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 2019, we received 4 formal complaints. One was in relation to a lack of grounds maintenance activity and defects in a new sold property. The other 3 were made by the same tenant, 2 were concerning alleged anti-social behaviour of neighbouring tenants while the third was a complaint against VHA staff. All the complaints were vigorously investigated but were not upheld.



HOME STANDARD

A key driver for Vectis is to ensure that all properties are maintained in a safe and decent condition in accordance with The Decent Homes Standard. During 2019, we invested approximately £710,000 completing over 1900 repairs including 20 new kitchens, 21 new bathrooms and external painting and repairs to 39 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. During 2019, the average repair took 7.3 calendar days to complete and satisfaction with the service ran at 92%.

Satisfaction with our grounds maintenance has risen from 80% last year to 85% this year and we are aiming to reach a satisfaction level of 90% during 2020.

Construction of 10 new sheds for residents - Oakwood Court, Newport





Bouldnor



Bouldnor Phase 2 – due for completion Feb 2020

As a part of providing decent homes to residents, it is important that your property is as thermally efficient as possible to ensure that your heating bills are kept to a minimum. Over the past few months, our consultant Reporting Limited have undertaken 180 energy performance surveys that detail the thermal efficiency of each property we let. We will use this information to help us carry out improvements to any homes that do not meet our revised energy efficiency rating target of C.

KEY PERFORMANCE FIGURES FOR 2019

- Ave time to complete a repair – 7.3 days
- Satisfaction with repairs – 92%
- Repairs completed within priority – 83%
- Percentage of properties with a valid gas certificate – 100%
- Average cost of responsive repair - £133

VALUE FOR MONEY



VALUE FOR MONEY

We remain totally committed to achieving the maximum value from our resources, which are largely the income from rents. This is particularly the case at this point as from a position where we have reduced rents for the last four years, from this year we have levied an increase.

But this has to be seen in the context of maintaining services and investment in our homes whilst experiencing a reduction of £820,000 in our income. We have absorbed this loss with no reduction in service quality or investment in new and existing homes.

We conducted a STAR survey in 2019, which indicated continued high levels of satisfaction in the services provided and in the value received for their rent paid.

Vectis	88%
SHAPE	93%
SPBM	88.5%

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

Repairs and Maintenance remains our area of highest spend. We have continued to invest in our stock at similar levels to previous years. 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 our costs significantly lower than organisations of a similar size. This is not as a result of a lower repairs standards, but rather the benefit of a number of years of increased planned maintenance and value through our contractor.



This is despite the fact that the VHA 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	£764.97
SHAPE Median	£1270
SPBM Median	£946.90

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 VHA homes and neighbourhoods. We remain in line with the sector all areas of satisfaction. However, we always look to continually improve.

The tables and diagrams below are taken from the 2019/20 benchmarking data for housing associations comparable to Vectis. This information enables a comparison of satisfaction and performance across a range of activities.



Vectis	89%
SHAPE	93%
SPBM	89%

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

In most aspects of satisfaction, we remain in line with sector averages for associations of our size. However, disappointingly, our 2019 STAR Survey indicated lower satisfaction levels than previously. This, to a large extent is explained by the different methodology in collecting the data, but nevertheless is not to be welcomed. That said, 9 out of 10 of tenants are satisfied or very satisfied with our overall services.

Vectis	79%
SHAPE	81%
SPBM	79%

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. We have put measures in place to achieve this improvement but will continue to make further progress in the future.

	Home	Neighbourhood
Vectis	90%	82%
SHAPE	93%	93%
SPBM	88%	87%

Figure 5. Tenant satisfaction with home & neighbourhood

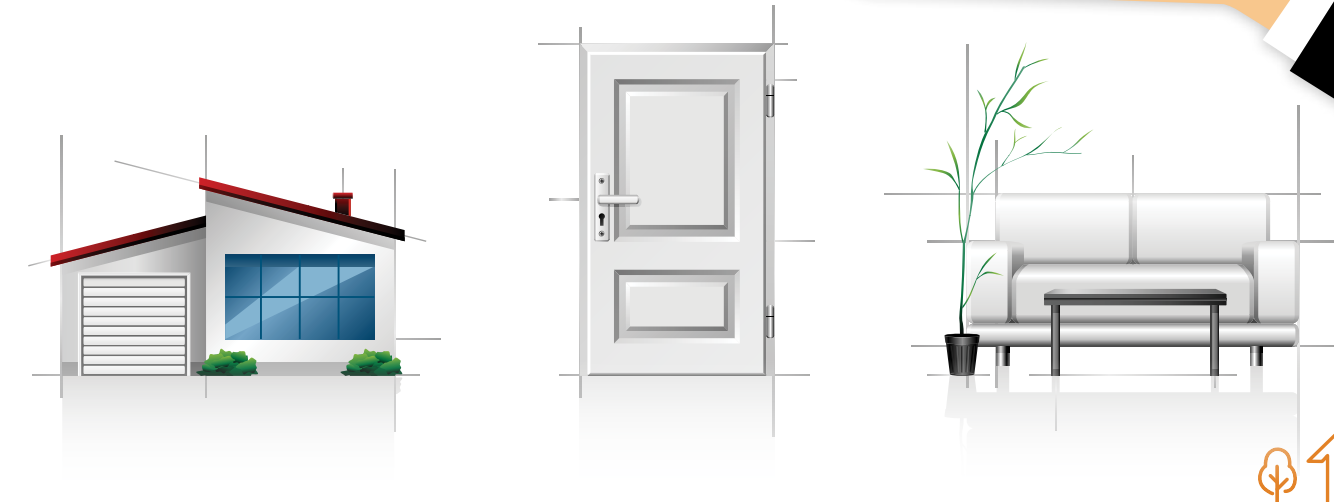
Vectis	86%
SHAPE	89%
SPBM	88%

Figure 6. Tenant satisfied with repairs

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. This is particularly evident in the average relet time, where a small number of leased properties required a significant amount of void work.

Vectis	25
SHAPE	21
SPBM	18

Figure 7. Average re-let time in calendar days



Vectis	5.01%
SHAPE	2.68%
SPBM	2.54%

Figure 8. Arrears

Rent arrears is the area that has demonstrated most improvement. The figure of 5.01% is not representative of the true position. Having implemented a new integrated approach to arrears at the beginning of 2019, performance has improved significantly against a backdrop of increasing numbers of tenants being moved onto Universal Credit. In practice, arrears levels are a full percentage point below the reported number, with much of that figure comprising historic arrears.



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. Therefore in 2020, the work we do to create vibrant and sustainable neighbourhoods where people enjoy their lives and feel safe and secure was integrated in the wider Housing Team.

We responded to tenants' feedback and were able to deliver a range of activities which included:

FOR CHILDREN AND FAMILIES

Free brunch & kids crafting clubs arranged with the WOW Women's Centre in Newport with free transport provided for VHA tenants. These sessions took place during the



summer holidays 2019 and October half term 2019. Costs were roughly £1.80 per head and we were able to provide lunch for 146 adults and 65 children during this time.

FOR OLDER PEOPLE AND THOSE EXPERIENCING ISOLATION

A Celebrating Age Afternoon Tea, with the WOW Women's Centre in Newport in October 2019 attended by 5 residents and a Christmas Wreath Making workshop attended by 7 residents.

"This was so much fun, please can we do it again?" - Mrs C

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. For this reason, going forward, our Communities Plan will take account of our stake in a community, the wishes of our residents and will influence how and when we work with our partners. Where we can, we will deliver projects and initiatives ourselves. However, we will also work with other organisations that have common goals to make sure that resources are used in the most effective way and benefit as many residents as possible.

Working with residents and listening to their views and ideas is a priority for us and the Residents' Panel and the 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



Having published our new Business Plan in October 2019, we have 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 and are on site with 26 other units at Ash Lane and Alvington Manor View.

We are currently involved in negotiating a very exciting opportunity for an integrated community development at Branstone Farm, a part brownfield/part greenfield site, that would deliver 42 new homes for local people.

This level of ambition is challenging for a small association, but we have very strong relationships with local expert partners and our funders, Nationwide, Triodos and Homes England.



FINANCIAL SUMMARY

Income and Expenditure Account		Year ended 31 March 2020	
	2020	2019	
Income	£	£	
Rents and service charges	2,306,919	2,272,879	
Amortised grant	88,211	89,341	
Other income	14,747	125,223	
Low cost home ownership sales	-	507,500	
	2,409,877	2,994,943	
Expenditure			
Management costs	257,827	304,784	
Maintenance costs	527,019	515,665	
Service costs	97,290	94,266	
Housing voids and bad debts	100,607	144,590	
Depreciation of properties	413,740	425,565	
Leasing costs	316,304	360,244	
Other costs	393,824	441,869	
Low cost home ownership	-	395,969	
	2,106,611	2,682,952	
Operating surplus	303,266	311,991	
Interest receivable	2,206	1,896	
Interest payable	(204,818)	(200,201)	
Surplus on disposal of tangible fixed assets	141,136	222,954	
Net surplus	241,790	336,640	
Balance Sheet			
Housing Stock at depreciated cost	21,600,183	19,189,771	
Other fixed assets	348,405	359,674	
	21,948,588	19,549,445	
Work in progress	220,372	-	
Debtors	75,251	172,710	
Bank and cash balances	822,264	914,142	
Less Creditors	(438,721)	(476,591)	
	679,166	610,261	
Less: Mortgages	6,414,261	4,185,808	
Finance Lease Liability	1,946	3,502	
Social Housing Grant	7,380,665	7,381,302	
	13,796,872	11,570,612	
Net assets	8,830,882	8,589,094	
Financed by:			
Share capital	7	9	
Revenue reserves	8,830,875	8,589,085	
	8,830,882	8,589,094	

BOARD AND STAFF PROFILE

BOARD OF MANAGEMENT

Malcolm Groves

- Chairman - Retired

John Maton

- VHA Tenant (vice Chair)

Elizabeth Ralley

- volunteer at Citizens' Advice Bureau

Norman Arnold

- Company Director

Graham Cooper

- Retired, from a banking & finance background

Damien Ward

- Business Improvement Consultant

Chris Goddard

- from a construction background

EXECUTIVE TEAM

Martyn Pearl

- Chief Executive

Sara Merrigan

- Finance Director (P/T)

Grahame Law

- Head of Assets

Yasmin Peverley

- Head of Neighbourhoods & Communities

PROPERTY SERVICES

Stephen Barnes

- Property Services Officer

Sam Tillett

- Compliance Officer

Peter Thompson

- Maintenance Operative

HOUSING MANAGEMENT

Jo Sandells

- Senior Neighbourhood Housing Officer

Carol Coleman

- Neighbourhood Housing Officer

Robyn Sanders

- Neighbourhood Housing Officer

Sarah Crosbie

- Community Housing Officer

FINANCIAL SERVICES

Lynne Freeborn

- Finance Officer

ADMINISTRATION

Jennifer Holford

- Customer Services Assistant

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



CONTACT US:

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01983 529956



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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