



# VECTIS HOUSING ASSOCIATION LIMITED



## ANNUAL REPORT

*YEAR ENDED 31 MARCH 2022*

# CONTENT



Chairman’s Report .....	3
Chief Executives Report .....	4
Introduction .....	5
Meeting the Housing Standards .....	6
Tenancy Standard .....	7
Involving you .....	8
Home Standard .....	9
Value for Money .....	10
Neighbourhood and Community Standards .....	14
Development - Delivering New Homes .....	15
Resident Satisfaction - STAR Survey .....	16
Financial Summary .....	18
Board and Staff Profile .....	19
Contact us .....	20

# CHAIRMAN’S REPORT



I am pleased to report yet another successful year for the association with our largest ever development of new homes at Branstone Farm well underway with completion enabling 42 islanders to settle into their new homes this year. I am grateful not only for the efforts of the Vectis team in making this happen but also to all our partners in this project.

You will see that our balance sheet continues to grow with additional borrowing and government grants supporting the provision of further additional homes under construction and planned on a number of sites across the island.

We also continue to invest substantially in maintaining and improving our existing homes to ensure they are kept in good condition for our residents.

The rents we receive provide the financial underpinning to the association and receipt of the vast majority of what is due ensures that we are able to make a surplus for investment in new and existing homes.

Thanks to the continuing support of the Daisie Rich trust and others, we have continued to provide financial support to those of our residents in financial difficulties and were again able to arrange for Christmas presents with the help of the IW Radio Toy Appeal. The small team at Vectis have again demonstrated their energy, professionalism and commitment in ensuring the success of the association in what continue to be unusual times. The association also 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  
Chair of the Board





# CHIEF EXECUTIVE'S REPORT - YEAR ENDED 31 MARCH 2022



So, from a year of navigating through lockdown and pandemic from a position of normality, 2021/2 was a little more about building on our experience and consolidating our service delivery to reflect the wider impacts of the pandemic. There were clear indications that we were all learning to live with Covid a little better, with the added reassurance of widespread vaccination.

Although we adapted the ways in which we delivered services, we did not cut back on anything we did, in fact we increased the proactive contact with those residents we felt to be vulnerable. We also continued with our ambitious programme of building new homes and

completed our schemes at Ash Lance and Alvington Manor View, while progressing well with our flagship development at Branstone Farm.

The challenge we have had to address, other than Covid, has been the significant cost increases in both labour and materials and the shortage of some key components. This has added cost to both new build and investment in our existing stock and coupled with future uncertainty over interest rates and rent rises, the extent of our activities may need to be reviewed moving forward.

We remain committed to our role as the Island's housing association and will continue to meet local needs in whatever way we are able. Being small we are flexible and dynamic, but also limited in the resources we can bring to bear. We will continue to pursue partnerships where they can deliver tangible outcomes and share our expertise where we can be of value.

We have some interesting times ahead.

*Martyn Pearl*  
Chief Executive VHA

## INTRODUCTION

We are a small, independently-run housing association operating exclusively on the Isle of Wight.

We have a mission to “**Deliver excellent homes, develop local neighbourhoods and support strong communities across the Isle of Wight**”.

We currently own and manage over 450 general needs dwellings and look to deliver the highest quality services within our size and financial capacity.

Our ethos and values can be summarised as:

- We are the Isle of Wight's housing association
- We aim to provide and maintain excellent homes that local households can afford
- We look to support financial and social independence amongst our current and future tenants
- We are community-based
- We are good partners to work with

We are strongly committed to support equality, diversity and inclusion and this underpins everything we do and the way we do it.

Despite our relatively small size, we have been busy developing new houses across the Island.

In addition to building our own homes, we also have a highly successful and thriving HAL scheme. This operates on the basis that we lease properties from private owners for a period of 3-5 years, often renewable, to offer affordable homes to local people.

As well as delivering homes that are affordable, we also provide services and initiatives aimed at underpinning and promoting the wellbeing of our tenants and local communities.



# 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 2021, we received five formal complaints. One was in relation to perceived rudeness from a member of tenant and a safeguarding referral being made. One was regarding boundary of tree line considered to be cut back to far by a private resident. One was about parked cars, noise of showers and number of visitors to neighbours. One regarding not be rehoused due to overcrowding. Another relating to an on-going anti-social behaviour case, with 16 incidents reported and court intervention applied for. All complaints dealt by the relevant departmental managers.

# HOME STANDARD

Going back to some form of normality after the many lockdowns we are now facing high increases in cost and labour which is having a significant impact on our expenditure, 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 2021/2022, we invested approximately £749,000 completing almost 1060 responsive repairs, 6 new kitchens, 5 new bathrooms, 18 condensing gas boiler and external painting and repairs to 49 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 11.3 calendar days to complete and satisfaction with the service ran at 92%. Satisfaction with our grounds maintenance was 80% this year and satisfaction with our cleaning service was 87% we will aim to improve both significantly during 2022/2023.



# VALUE FOR MONEY



VHA is a community-focused housing association. Our mission is to deliver high quality services and provide new homes for households on the Isle of Wight. The latter has involved a major programme of growth requiring significant levels of investment which must be funded through rental income coupled with capital grants. Maintaining Value for Money (VfM) and achieving high rates of Return on Investment (ROI) are core to delivering our Business Strategy.

Having navigated the challenges of 2020, 2021 has proved no less challenging. The need for lockdowns and remote working has placed continued demands on organisational capacity but demands that we have managed well. The investment

made in previous years to create a robust and flexible organisation as part of an effective Business Continuity Plan has proven money well spent. We have maintained a balanced programme of growth, high quality services and organisational investment. We have also extended our activities to partner with organisations provided specialist and supported housing. This has been driven by a commitment by our Board to take seriously our position as the key Island-based association and deliver housing outcomes focused on the Island's needs.

The need to deliver remains a cornerstone of our operations. So, during 2021 we delivered 14 new homes and are on site with 56 more. Having brought into letting

9 flats for people with learning difficulties we have had initial discussions about 24 additional units. We are piloting the first Rent-to-Buy scheme on the Island and have continued to maintain and invest in our housing stock.



Our operating environment has been challenging. We have had to contend with increasing labour and material costs, a relatively limited market for driving competition on the Island and an increased level of housing and financial need among Island households.



Our focus on VfM has largely been focused on driving the most out of what we spend and generating qualitative

improvements, e.g. increasing/improving services with no increase in cost. We have a passionate and committed workforce who look consistently to deliver the best outcomes within the resources available. This has been reflected in the response to the challenges posed by Covid and is often evidenced in the responses we receive back from tenants and partners.

Achieving value for money continues to be about achieving a balance between cost and outcomes. We are clear that in delivering a wider community service and investing in new homes, that our approach to efficiency must also be geared towards achieving our medium- and longer-term vision of investment and growth.



The Regulatory Framework for housing associations requires VHA as a registered landlord to manage our resources economically, efficiently and effectively and for our Board to be robust in articulating and delivering VfM. We believe that we comply fully with this requirement.

The VfM indicators required by the Regulator for Social Housing (see below)





REGULATOR FOR SOCIAL HOUSING INDICATOR	2021	2022	SPBM MEDIAN
RSH101 Operating margin (overall)	14.31	11.63	15.49
RSH102 Operating margin (social housing lettings)	6.68	7.83	16.74
RSH103 EBITDA MRI (as % interest)	256.90	193.67	375
RSH203 Gearing (RSH and Scorecard measure)	27.67	35.72	10.05
RSH204 New supply delivered (social housing units) [as % of existing stock]	3.80	3.69	-
RSH205 New supply delivered (Non-social housing units)	-	-	-
RSH304 Reinvestment %	11.40	19.57	2.42
RSH401 Return on Capital Employed (ROCE) %	1.83	1.89	2.3
RSH 501 Headline housing cost per unit	4,521.97	4773.79	4756.36

Operating costs have clearly increased over the year, which reflects a similar situation across the sector. This has been driven by rapidly increasing costs of labour and materials in respect of maintenance and new build. Inflation generally has seen costs take on an upward trajectory which has inevitably hit our budgets.

We also continue to absorb the costs of activities that are outside the normal scope of associations of our size, which are:

- 1. Investment in the process of developing new homes - this relates to the staff and building costs of new developments, which have not yet come into management.**
- 2. Investment in supporting and developing communities - this is central to our values and business model**
- 3. Higher than average void, repair and arrears costs partly resulting from a strategic partnership with the IoW Council to provide temporary accommodation for homeless people.**

We have retained our ethos of delivering value to tenants and reducing costs where possible. Like most other housing providers, we have battled to control and mitigate the impact of soaring prices and material shortages over a prolonged period. We continue to post repairs and maintenance costs broadly in line with our peers and have a positive balance between responsive and planned maintenance.



We have worked to create a value for money culture within VHA. Our focus on cost saving has been predicated on our commitment to support residents through incredibly challenging times and to continue to invest in our homes. We also remain acutely aware of our obligation to the many households on the Isle of Wight who are in desperate need of affordable accommodation. Our interpretation of value is therefore a clear focus on achieving the maximum outcome from the resources we have available. All investment decisions are made to sustain our planned growth moving forward and within the strategic context of the Business Plan.

We have produced a VfM Statement and Policy 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.

## PERFORMANCE 2021/2022

High quality services remain our priority even with the cost of increases in material and labour costs. 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. From this time last year we have reduced our re-let time significantly by 25.38 days.

Vectis	27.66
SHAPE	27.66
SPBM	27.39

Figure 2. Average re-let time in calendar days

Vectis	4.41
SHAPE	3.76
SPBM	2.05

Figure 3. Arrears

Rent arrears continues to demonstrate improvement. The figure of 4.41% is almost half percentage point below that of two years ago but is still not representative of the current position, which is 3.28%. 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 STANDARDS – OUR WORK IN COMMUNITIES



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Working in our communities continues to be an integral part of the work we do at Vectis. As Covid restrictions eased, we were able to restart our programme concentrating mainly on events that could be run outside to minimise risk. In September 2021 we started taking a group of tenants to volunteer at the Muddy Boots project at Quarr Abbey. The project is run by Southern Housing and we are pleased to say that this partnership working is still going strong. We work alongside another group from No Barriers.

We also trialled 15 Mindfulness Packs which consisted of quiz, puzzle and colouring books and pens for adults. We gave them to tenants who were identified as being lonely and isolated, and/or struggling with mental health. These were so well received we successfully applied for funding which enabled us to produce another 100 Mindfulness Packs, this time for children as well as adults.

We delivered 56 gifts to children from 30 families, thanks to the generosity shown by Islanders who donated to the Isle of Wight Radio Toy Appeal. We also produced 25 Christmas hampers for struggling families, with one large family receiving an extra hamper from The Salvation Army. Cowed Rotary kindly delivered 11 Christmas Treat bags to our tenants at Kelsey Court, and we delivered a box of chocolate to 6 households in Acorn Gardens who have been affected by ongoing ASB.

# DEVELOPMENT - DELIVERING NEW HOME

## DELIVERING NEW HOMES

In October 2019, Vectis set out to build 160 new homes over the next 3 to 5 years. By December 2022 we will have completed 97 properties in various locations across the Island. The first phase of 16 homes at our largest scheme at Branstone Farm will complete at the end of August 2022 with remaining properties completing by December 2022. The scheme includes 15 shared ownership properties with equity levels as low as 40%, and 21 rental properties where rents are expected to be 60% of the market rent.



Branstone Farm Phase 1

A smaller scheme at Blanchards Field, Brightstone comprising of 14 homes will also be completed by December 2022.

We are currently working on plans for more new homes in Calbourne, Ryde and Newport and expect to deliver a further 60 properties over the next 3 years.





# RESIDENT SATISFACTION - STAR SURVEY

Having conducted our last comprehensive satisfaction survey in 2019, we commissioned Acuity to conduct a updated survey. All residents were included in a mixed mode survey, which took place between May and July 2022. The results from the survey are positive and satisfaction has generally increased since the previous survey. In their survey report, Acuity commented “they compare very well with other landlords and look even better when seen in the context of generally lower satisfaction across the country. The survey recorded many high ratings including Vectis being easy to deal with (93%), the value for money of the rent (92%), providing a safe and well-maintained home (92%) and Vectis keeping residents informed (91%) – all of which is reflected in the finding that 90% of residents are satisfied with the services provided by Vectis”.

## KEY FINDINGS

### Satisfaction

- A high percentage of residents are satisfied with the services provided by Vectis (90%),
- The majority of Vectis’ residents are satisfied with the overall quality of their home (87%), that it is safe and well-maintained (92%) and with the upkeep of the communal areas (83%).
- Over nine out of ten residents are satisfied with the value for money of their rent (92%), and this is higher than that of the service charge (79%).
- Eight out of ten residents are satisfied with their neighbourhood as a place to live (81%),
- Fewer are satisfied with the positive contribution made by Vectis to their neighbourhood (74%), whilst 68% are satisfied with the way Vectis handles anti-social behaviour.
- Grounds maintenance service is appreciated by 84% with 87% satisfied with their internal communal areas and 86% with the external areas.

### Perceptions of Vectis Housing

- A high percentage of residents find staff friendly and approachable (93%), while 89% feel the service is effective and efficient and 90% say it is the service they would expect.
- 84% say they trust Vectis
- 84% think the Association cares about its residents and their well-being.

### Day-to-day repairs and maintenance service

- 88% are satisfied with the repairs and maintenance service, and this is up 2% since the previous survey. More are satisfied with the repairs service in the last 12 months (89%)
- 89% are satisfied with the time taken to complete their most recent repair.

### Communication and information

- 91% of residents are satisfied that Vectis keeps them informed about things that might affect them.
- Fewer are satisfied with the opportunities to make their views known (87%) and that they listen to their views and act upon them (80%) - however, just 9% are dissatisfied and a further 11% are neither satisfied nor dissatisfied.



Image by katemangostar on Freepik

## AN INDEPENDENT ASSESSMENT

From their position of informed impartiality, Acuity made the following assessment of our performance:

### Comparison with other landlords

*The tenants’ results are compared against the latest Housemark figures for general needs tenants. Vectis is in the top quartile for all the measures, apart from the neighbourhood, which is in the third quartile.*

### Recommendations

*The survey found very few areas where it could be said that there was a problem and for Vectis the main challenge will be continuing to maintain high levels of satisfaction*

### Suggestions for improvement

*A total of 161 comments were received suggesting possible improvements to the service, although 12% are positive suggesting no improvement is needed. Issues mentioned include neighbourhood problems as the most common (car parking and ASB in particular), followed by repairs and grounds maintenance.*

*However, there are no specific issues which many residents focused on, suggesting that no particular aspect is poor, but they would just like general improvement in some areas.*

We are pleased that satisfaction levels amongst tenants are at a high level and have improved over the last three years. However, we are not complacent, and recognise that having asked for residents’ views we need to make a positive response. We will therefore look to identify further ways we can bolster those aspects of our performance that were not as well received and consolidate those that were positive.



# FINANCIAL SUMMARY

Income and Expenditure Account	Year ended 31 March 2021	
	2021	2020
<b>Income</b>	<b>£</b>	<b>£</b>
Rents and service charges	2,586,956	2,384,103
Amortised grant	89,762	90,710
Other income	6,312	8,014
Low cost home ownership sales	382,500	704,425
	<b>3,065,530</b>	<b>3,187,252</b>
<b>Expenditure</b>		
Management costs	240,834	245,995
Maintenance costs	635,406	604,843
Service costs	121,292	101,355
Housing voids and bad debts	106,009	104,825
Depreciation of properties	453,460	422,199
Leasing costs	350,096	305,814
Other costs	537,358	488,765
Low cost home ownership	264,825	510,685
	<b>2,709,280</b>	<b>2,784,481</b>
<b>Operating surplus</b>	<b>356,250</b>	<b>402,771</b>
Interest receivable	227	247
Interest payable	(355,078)	(251,701)
Surplus on disposal of tangible fixed assets	268,956	61,574
<b>Net surplus</b>	<b>270,355</b>	<b>212,891</b>
<b>Balance Sheet</b>		
Housing Stock at depreciated cost	28,572,233	23,427,711
Other fixed assets	347,833	341,349
	<b>28,920,066</b>	<b>23,769,060</b>
Work in progress	-	-
Debtors	45,709	28,815
Bank and cash balances	4,845,831	890,892
Less Creditors	(566,513)	(437,133)
	<b>4,325,027</b>	<b>482,574</b>
Less: Mortgages	15,034,736	7,365,522
Finance Lease Liability	18,178	2,335
Social Housing Grant	8,878,049	7,840,005
	23,930,963	15,207,862
<b>Net assets</b>	<b>9,314,130</b>	<b>9,043,773</b>
Financed by:		
Share capital	9	7
Revenue reserves	9,314,121	9,043,766
	<b>9,314,130</b>	<b>9,043,773</b>



# BOARD AND STAFF PROFILE

## BOARD OF MANAGEMENT

### Malcolm Groves

- Chair of the Board

### 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

### 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

### Grahame Law

- Assets Manager

### Sharon Harvey

- Operations Director

## PROPERTY SERVICES

### Stephen Barnes

- Property Services Officer

### Sam Tillet

- Compliance Officer

### Amanda Collopy

- Property Services Manager

## HOUSING & COMMUNITIES

### Jo Sandells

- Housing Service Manager

### Carol Coleman

- Neighbourhood Housing Officer

### Rosie McGlinchey

- Trainee Neighbourhood & Community Housing Officer

### Sarah Crosbie

- Community Housing Officer (P/T)

## FINANCIAL SERVICES

### Carina Squibb

- Management Accountant

### Lynne Freeborn

- Finance Officer

## ADMINISTRATION

### Jennifer Holford

- Customer Services Administrator

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





# CONTACT US:

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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