Vectis Housing

VECTIS HOUSING ASSOCIATION LIMITED

ANNUAL REPORT

YEAR ENDED 31 MARCH 2017

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CHAIR'S REPORT - YEAR ENDED 31 MARCH 2017

Over the last two or three years the social housing sector has faced some of its greatest ever challenges. It is scarcely an exaggeration to describe them as existential, going as they do to the heart of the movement's underlying philosophy and its financial viability. While low income households are suffering cuts in welfare provision, social landlords are beginning to encounter the cash flow difficulties long predicted to result from the introduction of Universal Credit and at the same time our essential rental base is being steadily eroded through the four-year rent reduction regime. The disappearance of grant assistance to build new houses directly affects the sector's ability to increase capacity even as the housing shortage is driving property prices beyond the reach of aspiring home owners. We live, as the Chinese proverb ironically observes, in interesting times.

One logical response, favoured by some of the larger associations, has been to merge on the pretext of economies of scale both in terms of administration and the ability to raise capital. On paper that looks good. In practice a price has all too often to be paid in terms of remote and inaccessible management, slow and cumbersome decision making, and poor response at local level to the legitimate concerns of the very people the movement is supposed to be serving - the tenants. That is not the Vectis way. We remain loyal to the core principle that social housing is about forging and sustaining communities. That means providing good quality affordable homes and working positively to promote a healthy and supportive environment in which the residents can thrive and feel valued.

That is easy enough for me to say, but we have in real terms continued to put it into effect. This year we have negotiated a doubling of our development facility with Triodos Bank which will enable us to build around a hundred new homes over the next five years. During the year we delivered eight units in Greenmount at Ryde, and as I write we are within a few weeks of opening thirteen homes on our latest flagship project on the old middle school site in Bembridge. Ongoing negotiations during the year have brought a number of further projects at various sites across the Island into the pipeline, and it is gratifying to note that we are plainly seen as good partners by both developers and other agencies concerned with housing provision. New building works do of course place an additional burden on our Property Services Team, but the maintenance of our existing stock has been admirably sustained.

People will not thrive unless they feel valued. Being a relatively small association, with short lines of communication from the front desk to the Chief Executive's office, we can say with some confidence that every one of our tenants will know at least one of our staff by name, and if they have a problem then someone will be "on the case" as quickly as possible. They matter to us. To that end the year has seen large strides towards completing the tenancy profiling project which will help us to identify and target areas of need. We have also seen the Communities Team working proactively with our residents with programmes to help them into work, engage with the local environment and realise the potential of their gardens. Thanks to Vectis's investment in them they have been able to initiate new projects and attract an additional grant of £32,000 which would have otherwise been lost to the Island.

The year was also marked by the final retirement of Paul Hann, our long serving former Chief Executive who had taken on the role of interim Finance Manager to keep us on the straight and narrow following the appointment of Martyn Pearl as CE. We owe Paul a huge debt of gratitude for his selfless commitment to the growth and prosperity of Vectis for over a quarter of a century and wish him the very best in his retirement. We have welcomed Sara Pedrick as his able replacement at the head of finance. I also extend to Martyn and all the other members of the staff the Board's appreciation of their sheer hard work and their sterling efforts to support and promote the highest standards in all the varied activities of this busy association. I have been personally struck by the patience and good humour they display even when I have witnessed them in some very trying situations!

The future will continue to hold challenges just as it has during all my years with Vectis, but I have every confidence that the association will progress from strength to strength. I have now completed my allotted time as Chairman and will stand down at the next AGM. I take great pride in what Vectis has achieved during my time in the Chair, and wish my successor an equally happy and satisfying term of office.

George Hibberd
Chair of the Board of Management
Vectis Housing Association

CHIEF EXECUTIVE'S SUMMARY REPORT

This past year has seen a significant shift in Vectis' role as a strategic housing provider on the Isle of Wight. Although very much the smaller of the main three housing associations, our commitment to local services has opened up opportunities for us in areas in which our larger colleagues might previously have been dominant.

Of course, while wishing to support the delivery of housing and services where we are able, we have to be very aware of the extent to which our resources can stretch. However, I am certain that we are on a path to reposition ourselves in the light of a changing Island housing landscape.

Overall, the past year has been one of positive performance and service delivery. We have however experienced a series of unexpectedly high responsive repair costs that have resulted in our overspending our budget. However, I am confident that these will not be replicated and we have a rigorous cost control regime in place to ensure we keep within budget.

On the plus side, we have improved areas in which we felt that we had underperformed such as void control and rent collection.

Ultimately, we are only as good as the staff that deliver on our ambitions and plans. I am extremely proud of the team we have, all of whom regularly seek to make a positive difference to the people we work with. The phrase 'going the extra mile' may be a bit long in the tooth now, but it remains core to our ethos.

Martyn Pearl, Chief Executive
August 2017

NEW HOMES AND DEVELOPMENT

DELIVERING MORE HOMES

We are the main provider of new social-rented homes on the Isle of Wight. The importance of this is reflected in the low paid, often seasonal work that acts as a barrier to many households accessing suitable housing.

Our commitment to this tenure is borne out in the following development pipeline:

Bembridge - 13 2- and 3-bed houses due for completion June 2017

Greenmount, Ryde - 8 1- and 2-bed flats completed August 2016.

Forelands Fields Road, Bembridge - 4 2-bed bungalows for rent and shared ownership - mid-2018

Bouldnor, Yarmouth - 4 2-bed houses during mid-2018

Ash Lane, Gunville - This site, which is awaiting planning consent, is mixed development of housing, providing employment opportunities through the construction process, together with educational and environmental facilities, will deliver 14 homes during 2018.

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

All this will be achieved with additional long-term finance recently secured with Triodos Bank.

HAL (HOUSING ASSOCIATION LEASING)

Our HAL programme remains an important source of new homes for sub-market renting. It plays an important role in complementing our new-build programme. By leasing properties from private owners, we can provide a vital service in getting homes occupied and extend our capacity without the need to borrow additional funds. 2016/7 saw a consolidation of our stock, with a small number of less appropriate properties being returned to their owners.

We continue to project a healthy future for HAL, with a concerted promotion for additional properties in 2017. We also continue to expect the IoW Council to extend the successful partnership we have with them for this resource.

WORKING WITH OUR TENANTS

GETTING TO KNOW OUR TENANTS

• **PROFILING** - We are committed to providing services that properly respond to the needs of our tenants. It is therefore vital to understand their needs and requirements. We currently have profiling data on 276 (68%) of our tenants, which helps inform what we do.

• **TENANCY HEALTH CHECKS** - we have visited 186 (46%) of our tenants over the last 12 months; this enables us to ensure that all residents are appropriately supported and that they are informed about what services and opportunities we can offer them.

• **CONSULTATIONS** - We continue to consult tenants on a regular basis. Tenants views are crucial in influencing service delivery and improvement. During the course of 2016/7 we have conducted 13 separate SMS consultations contacting 344 tenants, relating to a range of specific services and issues

VECTIS TENANT FORUM

Tenants remain central to our activities and we have as strong a commitment to work with and for them as we have had in previous years. Despite having refreshed our Resident Involvement and Engagement Strategy in the last couple of years, we have not generated as much direct tenant or resident input as we would wish for.

The Tenant Forum continues to meet regularly and we will use the good will and expertise contained within it to further develop our offer to tenants.

COMMUNITY ACTIVITIES

The Vectis Communities Team has been working for a full year. Effective community investment depends on building relationships, developing partnerships, understanding customers and clients, and working to address needs over a period of time.

We have delivered a range of projects and initiatives which complement and support VHA's aspirations to support the development of active and dynamic communities and contribute to the well-being of our residents. As part of this we have now developed a forward-looking Communities Plan.

2016-17 HAS BEEN PRODUCTIVE ON A NUMBER OF LEVELS.

• A successful bid to Awards for All for ***£8700*** for a project called "Growing Communities, Bringing Nature Home". This project is now being delivered and so far 83 VHA households have benefited.
• A successful bid to the HIWCF for ***£24,274*** for the "Path to Empowerment" project, which is also now underway. 38 people have attended GOALs courses in the first phase of this project.
• A total of 53 events/activities have been delivered
• The communities programme has engaged 102 VHA tenants and a total of over 1000 people overall
• The first full year of the Wild about Wight project has been delivered to target
• A number of new partnerships have been developed and explored
• The Communities Team have been able to support the core work of VHA in a range of different ways.
• We have generated a raft of positive news stories across a range of social media platforms and in the local press.

OUR PERFORMANCE 2016

We remain committed to the delivery of consistently high quality, value for money services. The tables and diagrams below are taken from the 2016/7 benchmarking data for housing associations comparable to Vectis. This information enables a comparison of performance across a range of activities.

Vectis	92
SHAPE	90
SPBM	88
Housemark	87

Figure 1. Tenants' satisfaction with landlord's services overall

In virtually all of the key satisfaction indicators Vectis performs as well, if not better than our peers. Of particular note is the very high level of satisfaction expressed by our tenants in relation to value for money services in respect of their rent payed (91% VHA /87% SPBM average), overall services (92%/88%) and satisfaction with the quality of home (92%/88%).

Vectis	80
SHAPE	80
SPBM	80
Housemark	69

Figure 2. Satisfaction that landlord listens to views and acts upon them

We are exactly in line with our sector peers in relation to listening to tenant views and responding to them. But we aim to be better.

	Home	Neighbour-hood
Vectis	92	93
SHAPE	89	93
SPBM	88	90
Housemark	84	86

Figure 5. Tenant satisfaction with home & neighbourhood

Vectis	86
SHAPE	86
SPBM	85
Housemark	80

Figure 6. Tenant satisfied with repairs

In terms of our core performance, we recognise there is room for improvement.

Vectis	19 (27)
SHAPE	16
SPBM	17
Housemark	20

Figure 3. Average relet time in calendar days

Vectis	4.51 (3.96)
SHAPE	2.89
SPBM	2.4
Housemark	3.12

Figure 4. Arrears

Relet times have significantly improved both of these performances over the previous year, with 2016/7 figures in brackets. However, the apparently worse performance than our peers is partly explained by the significantly higher than average number of lettings, the majority of which were through turnover in our HAL properties. A number of these properties are let in conjunction with the IoW Council as temporary accommodation and therefore are always likely to have higher turnover and relet costs.

Rent arrears appears higher than the previous year, but this is slightly deceptive. The figure quoted is at a specific date, which may not reflect housing benefit payments due. In reality, our arrears level has remained relatively stable at 3.9%. This remains much higher than we would like, but does reflect a relatively high level of historic arrears. Almost a quarter of the debt is owed by six tenants, most of who are the subject of suspended court orders and on regular payment plans.

VALUE FOR MONEY

Value for Money (VfM) is central to delivering our mission, values and Business Strategy. We are constantly focused on improving our overall service to tenants by continuing to engage with them as part of an ongoing structured implementation of value for money principles.

The benchmarking tables below indicate that a substantial percentage of VHA tenants believe they are getting good value for the rents they pay for their homes.

Vectis	91
SHAPE	88
SPBM	87
Housemark	83

Figure 7. Tenant Satisfaction with Value for Money

Similarly, we are delivering better value than many of our peers through successfully achieving a positive balance between more cost-effective planned maintenance and the more expensive responsive works.

	Responsive	Planned
Vectis	48.04	51.96
Median	53.7	43.6

Figure 8. Responsive / Planned maintenance expenditure as % of maintenance budget

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

FINANCIAL SUMMARY

Income and Expenditure Account	Year ended 31 March 2016	
	2016	2015
Income	£	£
Rents and service charges	2,203,070	2,105,998
Amortised grant	83,497	83,497
Other income	70,360	3,894
	2,356,928	**2,193,389**
Expenditure		
Management costs	476,154	468,674
Maintetnance costs	346,596	330,964
Service costs	92,836	65,763
Housing voids and bad debts	90,357	71,568
Depreciation of properties	381,429	360,756
Leasing costs	373,747	311,295
Other costs	191,621	38,084
	1,952,739	**1,647,104**
Operating surplus	**404,189**	**546,285**
Interest receivable	8,964	14,552
Interest payable	(184,939)	(199,018)
Net surplus	**228,214**	**361,819**
Balance Sheet		
Housing Stock at depreciated cost	18,221,599	17,180,945
Other fixed assets	351,196	365,395
	18,572,795	**17,546,340**
Work in progress	539,256	117,500
Debtors	156,636	77,964
Bank and cash balances	594,610	1,688,861
Less Creditors	(667,302)	(379,232)
	623,200	**1,505,093**
Less: Mortgages	4,161,103	4,375,755
Social Housing Grant	7,138,296	7,007,297
	11,299,399	**11,383,052**
Net assets	**7,896,596**	**7,668,381**
Financed by:		
Share capital	36	35
Revenue reserves	7,896,560	7,668,346
	7,896,596	**7,668,381**

BOARD AND STAFF PROFILE

BOARD OF MANAGEMENT

George Hibberd, MBE
- Chairman - Retired local solicitor.

Michael Starke
- Freelance Journalist

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

Robert Biggs
- Local practising architect

David Newton
- Management Consultant

Christopher Squibb, MBE
- Retired Engineering Manager

Keith Hopkins
- Retired, Magistrate & member of Social Security and Employment Tribunals

John Maton
- VHA Tenant

Yasmin White
- Customer Service Manager

Richard Kaminsky
- until 20/2/17

Jane Cullis
- until 11/6/16

Sara Pedrick
- until 13/1/17

EXECUTIVE TEAM

Martyn Pearl
- Chief Executive

Sara Pedrick
- Finance Director (P/T)

Grahame Law
- Property Services Manager

Nicola Betchley
- 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 Officer

HOUSING MANAGEMENT

Jo Sandells
- Housing Officer

Isabelle Cates
- Income Management Officer

Carol Coleman
- Neighbourhood Housing Officer

COMMUNITY SERVICES

Claire Hector
- Community Investment Officer (P/T)

Suzie Mundell
- Community Investment Officer (P/T)

FINANCIAL SERVICES

Sarah Coates-Evans
- Senior Finance Officer (P/T)

Lynne Walker
- Finance Officer (P/T)

ADMINISTRATION

Robyn Sanders
- Customer Services Assistant (Apprentice)

Lucy Williams
- Customer Services Assistant (Apprentice)

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

CONTACT US:

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www.vectishousing.co.uk

Registration under the Co-operative and Community Benefits Act 2014
• registration with Homes and Communities Agency (L1005)
• membership of National Housing Federation
• membership of Independent Ombudsman Scheme
• membership of SHAPE

Designed by Monika Olek - www.olekm.com