



2015/16 Annual Report

“Moving into this house will make a huge difference to me and my family. We will be close to my parents and other relatives and to my job. At the moment we are renting privately and this rent is much more affordable for us. More than this our utility bills will go right down and I will only have a short journey to work and to take my children to school. For all of these reasons life will be much less stressful!”

Jamie Bennett



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We are open from 9.00 am to 5pm Monday – Friday

South Devon Rural Housing Association is an exempt charity registered with the Cooperative and Community Benefit Societies Act 2014 No R14949 and the Homes and Communities Agency LH 0920.



SOUTH DEVON RURAL
HOUSING ASSOCIATION LIMITED

Chairman's Report 2016

I am pleased to report that the Association has had another successful year in 2015/16.

We continue to follow our primary objective of creating more affordable housing in South Devon. We also have an excellent reputation for delivering projects on time and managing our tenants and properties very well. To further our objectives, during the year we have:

- acquired a property as a result of Section 106 planning gains
- worked with South Hams to purchase a much needed social housing property in Salcombe
- purchased a 1-bed flat in Lapford which has been let as an affordable property
- acquired the "other half of the street" by purchasing 12 properties in Bramble Close, Dartington, adding to the 8 properties currently owned there.

Four 3-bedroom properties are currently being developed in Moreleigh, which should be available for rent in August 2016 and the Association is working on the transfer of a further 42 properties from another Housing Association in 2016/17.

The Association's ambitious plans to redevelop our housing scheme at Brimhay, Dartington, were approved by the South Hams Planning Committee in spite of a number of local objections. The innovative plan is to use open market sale of houses to subsidise new, bigger, better affordable homes. A primary objective was always to work with our existing tenants to ensure they could remain at Brimhay. However, since the approval, objectors have taken the Council's decision to judicial Review. This should be heard in July 2016.

Our Care Home, Forder Lane House continues to be very popular with very high occupancy, and generally there is a waiting list. Voids for the year were only 2.2% of the total rent.

South Devon House continues as a thriving business hub, with a mix of longer term rentals, as well as providing the registered offices for the Association. One of the longer term tenants left in 15/16. However, a new tenant was found who required a larger space, so the South Devon Rural offices relocated within the building to permit the whole of the ground floor to be let to the new tenant. This will result in a higher rental return for South Devon House in future years. The work hub continues to be popular, facilitating and hosting a wide range of businesses and supporting local business start-up initiatives.

The Association has a planned component replacement programme to ensure all properties are well maintained. However, a small number of the Association's homes do not meet requirements for decent homes and value for money. This is largely because they are Grade II listed, which restricts improvement works. As a result of a recent review of its asset management policy, the Association agreed to sell several properties in Dartington, where repair costs were substantially higher than other stock held. One of these was sold during the year yielding £221,162 for the Association which will be reinvested in more affordable housing. Two further properties are on the market.

Turnover for the year has increased from £1,887,937 in 2015 to £2,014,151 in 2016, an increase of almost 6.7%. The operating surplus has increased by 9.3% to £488,610 in 2016.

The Association's net assets of £821,000 have increased by £284,000 (2015: £537,000).

The Association continues to manage its stock very well with low rent arrears of 0.57% and total rent losses from housing voids of 0.7%.

A community fund has been established to which communities in the South Hams and Teignbridge areas have access. Funds were recently used to help a local food bank. The Association welcomes suitable requests from all its residents.

Elsewhere in this report you will find details of our service standards, how well we are performing, and how we are progressing with the HCA's regulatory standards. We continue to spend substantial amounts repairing, maintaining and improving our housing stock. While we are doing well with all these, we are not complacent and strive to improve further.

I would like to thank all our staff, especially our senior management team – Steve Prime, CEO, Claire Barnett, Financial Director, and Francis Bourke, Operations Director – for all their hard work. I would also like to thank Bonnie Van Beek, our Care Manager.

I am very grateful to the Board for their support and to look forward to more successes in 2016.

Rod Hewett,
Chairman of the Board



SDR acquired a number of properties from Sovereign Housing, as Sovereign Housing tenants specifically asked for SDR to be their preferred landlord, this compliments the homes on Bramble Close, already owned by SDR. SDR now own all properties on Bramble Close.

Introduction from the Chief Executive

Welcome to this year's annual report. In this report, we have three aims:

- to set out how we provide services to you, and meet the standards set by the Homes and Communities Agency (HCA)
- to report how well we are performing
- to identify the ways in which you can comment on our procedures and our performance, and influence how SDR is run

We will also report feedback on comments, suggestions and complaints from tenants and service users.

I hope you find our Annual Report interesting, and that it encourages you to get more involved with the way SDR is run. If you would like to contact me personally to discuss anything in our report, please feel free to email me on: **steve@southdevonrural.com**
I can also be contacted by telephone on 01803 863550.

A reminder of existing communication routes and ways to get involved we have already set up: **consult@southdevonrural.com** a dedicated consultation e-mail address
consult@ - a matrix of tenants and stakeholders who receive policies and procedures on which to comment upon as part of our consultation and tenant involvement strategy. (Where they have said they wish to do so)

feedback@southdevonrural.com
a dedicated e-mail address which goes out on all association e-mails inviting feedback from anyone with whom we communicate.

Repairs satisfaction surveys – In addition to our main contractor West Country Maintenance Service (WMS), satisfaction surveys, SDR staff will also contact customers by telephone to ask if they were satisfied with works carried out.

What You Want surveys – an annual survey of tenants giving their views on what is important to them for forthcoming years. The results of which influence the Association's investment plans.

Grounds Maintenance Annual Satisfaction Surveys to measure the level of tenant satisfaction with the grass cutting and grounds maintenance service provided by our contractors.

Regular site inspections – Our Housing Staff make regular inspections to our housing schemes to ensure they are maintained to our expectations and standards – residents are invited to accompany the Housing Staff on these inspections should they wish to do so. You may also contact us by telephone on 01803 863550 and ask to speak to me or any member of staff on this matter.

Tenants on the Board

The Association has, for many years, had two places available on the Board of Management, reserved for tenants of the association. Tenant Members are voted onto the Board by tenants and are subject to the normal selection criteria for Board Members.

With best wishes
Steve Prime, FCMI FCIH Chief Executive



How well are we performing?



In this section, we aim to give you information about how well we are performing.

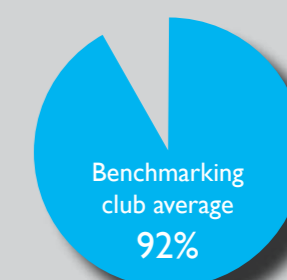
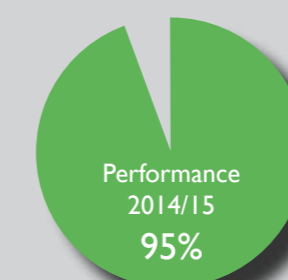
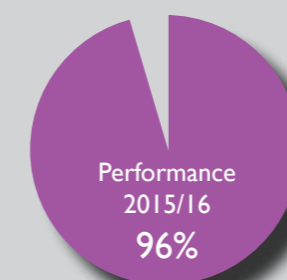
The chart below includes a number of 'performance indicators' showing SDR's performance over the last year. To put these figures in context, we have also included SDR's performance the previous year (2014/15) as well as average performance for a group of housing associations similar to SDR (our 'benchmarking club').

Performance indicator	Performance 2015/16	Performance 2014/15	Benchmarking club average
Emergency repairs completed on time	100%	100%	100%
Urgent repairs completed on time	98%	94%	97%
Routine repairs completed on time	92%	90%	97%
Rent lost through empty properties	0.45%	0.47%	0.4%
Average Time to re-let an empty property (days)	15	31	22
Rent arrears after housing benefit due is taken out	0.57%	0.43%	1.8%
Average weekly rent	£89.35	£86.43	£98.48



You told us that repairs & maintenance is the most important service we provide to you. We continue to monitor all aspects of satisfaction (or dissatisfaction) with the service we and our contractors provide. We investigate all reports of dissatisfaction through our quality assurance system.

Overall satisfaction



Our Service Standards

The regulatory framework requires SDR to include in our Annual Report how we are meeting the Homes and Communities Agency (HCA) regulatory standards, which relate to:

- Tenant Involvement & Empowerment Standard
- Home Standard
- Tenancy Standard
- Rent Standard
- Neighbourhood & Community Standard
- Value for Money Standard
- Governance & Financial Viability Standard



The HCA has published detailed standards it expects against these headings – if you would like to read these, visit the HCA website at <https://www.gov.uk/government/publications/regulatory-standards>, or contact us (details at the end of this report).

SDR believes that it meets the standards identified by the HCA. However, we recognise that there is always room for improvement, and we are committed to continuing to improve our performance each year. We support the HCAs view that performance can be improved by increasing the involvement of our tenants in running the association, and this report sets out how we aim to achieve this.

In setting our service standards to meet both our tenants priorities and the regulatory expectations, SDR will:

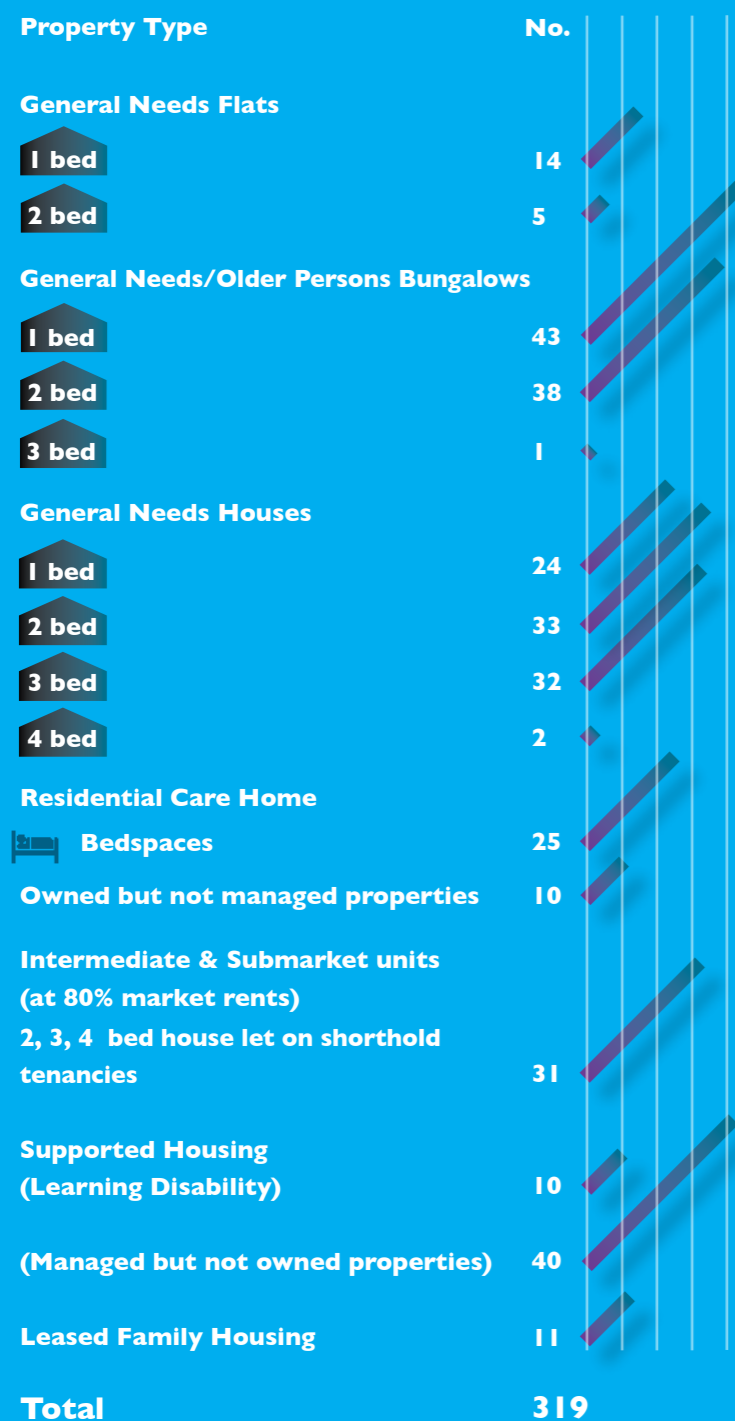
- Set rents which are affordable, and only increase rents in line with regulatory rules
- Allocate all homes according to our published Lettings Policy, with particular priority given to local people
- Minimise the number of our properties that are empty at all times

- Provide assured tenancies for all tenants, except where we manage property for other landlords who require us to use Assured Shorthold Tenancies or where we operate specific affordable housing schemes such as SHIRE

Operate a defined lettings standard

- Maintain a 24 hour responsive repairs service, with target times for action, which reflects the urgency of the repair
- Undertake a stock improvement programme on our own properties each year, to ensure they continue to meet the government's Decent Homes Standard
- Inspect all our housing sites bi-monthly, (six-monthly for individual outlying properties) to ensure that communal areas and gardens are maintained properly, and identify any problems that need to be addressed
- Respond actively to protect our tenants against anti-social behaviour, and take strong action against perpetrators
- Address any complaints as quickly as practicable in accordance with our published Complaints Policy
- Work with other social housing organisations on local initiatives, where this can benefit our tenants
- Keep under review our Local Offer to Tenants, taking into account tenant comments.

Our Rented Stock as at 31.03.16



New build, 1 bed flat in Lapford



Acquired 2 Bed flat in Salcombe



Family homes under development in Moreleigh

Pipeline/future development

Moreleigh - Onsite due for completion 2016 – Total 4 Units
 Brimhay - Planning Permission – not yet on site – Total 32 units - 12 for market sale
 Plymouth - Rent To Buy Units – 11 due for completion 2016

Totnes Work Hub

This year we welcome Julie Garner as the new Hub officer. Julie is from a housing and customer service background and has come to South Devon Rural to manage the hub, leased offices and support the office with other administrative tasks.



Open since late 2013 'Totnes Work Hub' is situated on the 1st floor of South Devon House, Babbage Road, Totnes. The 'Work Hub' provides a mixture of dedicated Offices, Business Address Service and Hot-Desks for the local business community, for everyone, from companies to single entrepreneurs.

So if you have a good business idea, or you've been working from home – with all the distractions that can have – and have decided that the next step to take is to use a Hot Desk at the 'Work Hub'... come have a coffee and chat, look at the facilities and tariffs and make the next move.



Community Development

What are you up to? Need any help?

If you have an idea for a project or event that will help improve the lives of SDR's customers and the surrounding community in which they live, then you may be eligible for a SDR community fund donation to help you on your way.

Francis Bourke (SDR Operations Director) will consider the applications and make decisions about awards. Decisions will normally be made within two weeks of the application.

SDR have an annual budget that we set aside to fund local community projects. From April 2016 to March 2017 we will grant Community Development payments, up to a maximum of £500 (no minimum amount), however if you have an exceptional reason to need more than £500, this can be considered. Applicants must be able to demonstrate how the proposed project or event will benefit the community and there has been consultation with local residents.

If you think that your community would benefit from a SDR Community Development payment, then don't miss out!

To apply, please write into our office or email, Francis Bourke, francis@southdevonrural.com, detailing your project, how much you are requesting and why you feel you should be awarded the payment.

We look forward to hearing from you.



Value For Money: How are we doing?

Information Technology (IT)

Website for the Totnes Work Hub has been upgraded and the SDR, Forder Lane House and Rural Homes Ltd websites are currently being updated. These changes include a more customer friendly version which can be accessed from any mobile phone or iPad through an app released in May 2016. SDR have also set up new Facebook and Twitter accounts. Please visit & follow us.

Further upgrades on SDR's housing management system (OMNI) will include image management and tenant access to their tenancy account.

SDR will be implementing a new telephone system, which will support improved customer service and business analysis.

Solar Panels

SDR agreed a contract with a local community renewable energy organisation, who provided funding to install solar panels on a further 53 SDR properties. This supports customers in reducing their fuel bills and also reduces the carbon footprint. The association also added another 5 solar arrays out of its own funds.

During the year ending 31 March 2016 SDR received income of £14,675 from our photovoltaic cells on 77 of our properties. In addition these cells reduced the energy costs of the buildings for the residents.



Asset Strategy

Further to the outcome of the responsive repairs pilot in 2014/15, WMS have been managing SDR's response repairs throughout 2015/16. There has been a reduction in costs and increase in customer satisfaction. This arrangement will continue during 2016/17 and will be reviewed regularly through budget meetings and contract meetings.

This decision supports SDR's Value For Money objectives, as there will be a benefit in allowing SDR more time to focus on compliance and business analysis. We will retain some key contractors for some works, such as gas servicing.

Social Value

Further to implementing a planned maintenance programme, WMS identified the 6 Grade II cottages owned by SDR cost at least double an average general needs property. They also require significant spend on planned maintenance in the coming years. The sale of these properties will give the opportunity to build new homes, which will be easier to maintain, cost less to run, and perform more efficiently for tenants.

Our Value For Money Self-Assessment

To remain compliant with our regulator, in addition to having a proactive approach and evidencing VFM activities, we are required to provide a self assessment/statement annually. The self-assessment will include evidence of how we are achieving VFM, like the examples given in this report.

SOCIAL MEDIA – SDR have updated their Facebook and Twitter accounts for South Devon Rural Housing and the Totnes Work Hub – please visit us. You will find that people wishing to exchange or swap their home, post on our Facebook page.



Plans for Improvement

Update of Action Plan for 2017

Action

Review success of responsive repairs service pilot.

Update of advice on the effects of welfare benefits to tenants.

Update SDR's website.

Improve asset management data on housing management system.

To publish a revised VFM self assessment, policy & Strategy.

Update

This has been reviewed and due to the success of the pilot, SDR are continuing to use WMS as it's main contractor.

We have placed information in quarterly newsletters, informed customers direct when dealing with queries on rent and benefits, and carried out a Welfare Reform Survey, including updating tenant information.

We have upgraded SDR's, Forder Lane House and the Totnes Work Hub websites, including setting up Twitter and Facebook accounts.

A number of areas have been added to the housing management system, such as Gas, Electric and asbestos. Further improvement work will continue in this area.

The VFM self-assessment is revised annually, and will be going to our Board for approval in July 2016.

Action Plan for 2017

- Upgrade telephone system at SDR and Forder Lane House
- Upgrade Housing Management System (OMNI) including image management, and supporting tenants to access their Housing Accounts.
- Establish a tenant panel and recruit tenant board members.
- Review and implement a plan for alternative heating systems.
- Deliver one-to-one advice to tenants on Welfare Reform, and produce a Welfare Reform Action Plan.

Strategy



SOUTH DEVON RURAL
HOUSING ASSOCIATION LIMITED

Income and Expenditure

ASSOCIATION STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2016

	2016 £'000	2015 £'000
TURNOVER	2,003	1,898
Operating costs	(1,534)	(1,437)
OPERATING SURPLUS	469	461
Gain on disposal of property, plant and equipment (fixed assets)	221	-
Interest receivable	4	2
Interest and financing costs	(429)	(417)
Fair value gain/(loss)	(6)	(19)
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION	259	27
Tax on surplus on ordinary activities	-	-
SURPLUS FOR THE YEAR and TOTAL COMPREHENSIVE INCOME FOR THE YEAR	259	27

The above surplus is based on historic costs.



Properties at Grove Close Totnes had new windows and doors.



Four new family homes being built in Moreleigh.



Solar panels at Sutcliffe Close, funded by SDR.

Balance Sheet

ASSOCIATION STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

	2016 £'000	2015 £'000
FIXED ASSETS		
Housing properties	15,594	14,306
Other Fixed Assets	485	491
Investment Properties	250	250
Investments	10	10
Investment in Subsidiary	10	10
Total fixed assets	16,349	15,067
CURRENT ASSETS		
Debtors	92	200
Assets Held for sale	68	62
Cash at bank and in hand	625	557
	785	819
CREDITORS: Amounts falling due within one year	(570)	(411)
NET CURRENT ASSETS	215	408
TOTAL ASSETS LESS CURRENT LIABILITIES	16,564	15,475
CREDITORS: Amounts falling due after more than one year	(10,804)	(9,903)
Deferred Capital Grant	(4,951)	(5,022)
LONG TERM LIABILITIES	(15,755)	(14,925)
TOTAL NET ASSETS	809	550
RESERVES		
Non-equity share capital	-	-
Income and Expenditure Reserve	809	550
TOTAL RESERVES	809	550