



FORDER LANE HOUSE
REGISTERED CARE HOME



SOUTH DEVON RURAL
HOUSING ASSOCIATION LIMITED

South Devon Rural Housing Association Limited
Registered England and Wales
South Devon House, Babbage Road, Totnes TQ9 5JA

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We are open from 8.45am to 4.45pm Monday – Friday

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



2017/18
Annual Report



SOUTH DEVON RURAL
HOUSING ASSOCIATION LIMITED

Chairman's Report 2018

I am pleased to report that the Association has had another successful year in 2017/18.

Founded in 1958 to provide social housing for local people, the Association has evolved into a modern organisation that has social objectives at the heart of its work. We have steadily increased our housing stock and have continued to deliver quality affordable housing.

Whilst our core business is providing affordable rented or shared-ownership homes, we also provide many forms of housing- related support services. A consistent theme is sharing a system of values about service to tenants and other customers, and to the wider community.



As we celebrate our Diamond Anniversary this year, we are moving forward with an ambitious and progressive programme of projects big and small, which will continue to benefit individuals and families with specific housing needs.

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 properties very well.

The Association was approached to support a local family in need. South Devon Rural Housing Association collaborated with local agencies to provide the family with a shared-ownership local home that could be adapted to their needs. In order that the move from their own property to their new home went smoothly, SDR agreed to purchase it. The housing association has

since refurbished their previous home in Totnes and the property was put up for sale. SDR entered into a joint venture with South Hams District Council, VirginCare and Devon County Council to identify and adapt a suitable home for the family in the autumn of 2017. The urgent need for facilities to cope with the child's specific disabilities meant that a project much like television's DIY SOS needed to swing into action. The only problem was that their existing home could not be adapted to suit the needs of the family.

The partners worked together with urgency and efficiency and the family were soon living in their newly-adapted home. Work could then begin on their previous house so it could be fully refurbished and sold. The sale was completed in June 2018. This is the Association's first property under shared ownership and is an area the Association is looking to develop in the future.

The family with the disabled child are living in much more suitable accommodation. People are what we are about.

The delays on our Brimhay redevelopment have been particularly frustrating, for us and our remaining tenants. The continued delays, due to no fault of the association, have decimated the community that was Brimhay. We continue to pursue our ambitious plan to provide 20 affordable homes, part funded by 12 open market sales.

Our Care Home, Forder Lane House continues to be very popular with very high occupancy, and generally a waiting list is in operation. Voids for the year were 5.31% 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.

The Association has a planned component replacement programme to ensure all properties are well maintained. The Board have recently agreed to increase spend on repairs and improvements for the next 4 years, with a budget of over £1 million to ensure SDR meet and exceed their targets, in upgrading properties, including heating, kitchens & bathroom works.

Turnover for the year has increased by

10.6%

to £2,366,757 in 2018 (6.8% in 2017).

The operating surplus has increased by

10%

to £583,000 in 2018 (increased by 14.5% in 2017).

The Association's net assets of £1,172,000 have increased by £36,000 (2017: £1,136,000).

The Association continues to manage its stock very well with low rent arrears of 0.79% (0.59% 2017) and total rent losses from housing voids of 0.34% (0.07% in 2017).

Elsewhere in this report you will find details of our service standards, how well we are performing, and how we are progressing with the Regulators 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 for their hard work and dedication, especially our senior management team – Steve Prime, CEO, Claire Barnett, Finance Director, and Francis Bourke, Operations Director – for all their hard work. I would also like to thank Bonnie Van Beek, our Care Manager.

Let us look forward to more successes in 2018.

Jim Davis, Chairman of the Board



SDR Head Office Team



The Board have recently agreed to increase spend on repairs and improvements for the next 4 years, with a budget of **over £1 million** to ensure SDR meet and exceed their targets, in upgrading properties, including heating, kitchens & bathroom works.



SOUTH DEVON RURAL
HOUSING ASSOCIATION LIMITED

Introduction from the Chief Executive

Welcome to this year's annual report. In this report, we have 3 aims:

to set out how we provide services to you, and meet the standards set by the 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 give 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. We investigate all reports of dissatisfaction with our repairs service.



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 makes regular inspections of 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



(above)

From left to right: Elena and Steve (SDR), Clare (tenant), Chris and Thelma (Plymouth City Council), Paul (Maitlands), Kevin (QSH), Richard, Kevin and Steve (Classic Builders)

(below)

From left to right: Clare (tenant), Steve (SDR), Chris (Plymouth City Councillor), Thelma (Plymouth City Council)



Our Service Standards

The regulatory framework requires SDR to include in our Annual Report how we are meeting the Homes England 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 Homes England has published detailed definitions of the standards it expects against these headings – if you would like to read these, visit the Homes England website at <https://www.gov.uk/government/publications/regulatory-standards>, or contact any of the contact names at the end of this report for a copy.

SDR believes that it meets the standards identified by the regulator. 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 regulators 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
- 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

- Minimise the number of our properties that are empty at all times
- Operate a defined lettings standard
- Maintain a 24 hour responsive repairs service, with target times for action which reflect the urgency of the repair need
- Undertake a stock improvement programme on our own properties each year, to ensure they continue meet the government's Decent Homes Standard
- Inspect all our housing sites bi monthly, quarterly or (6 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.

How well are we performing?



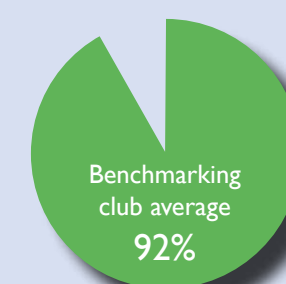
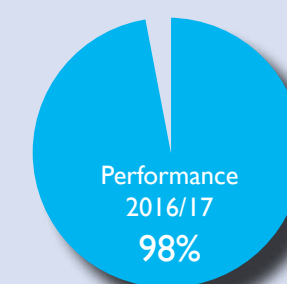
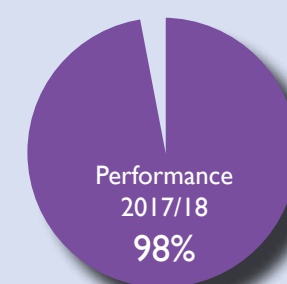
In this section, we aim to give you information about how well we are performing.

The chart below includes a number of 'performance indicators' showing SDR's current performance (over the last year). To put these figures in context, we have also included SDR's performance the previous year (2016/17) as well as average performance for a group of housing associations similar to SDR (our 'benchmarking club').

Performance indicator	Performance 2017/18	Performance 2016/17	Benchmarking club average
Emergency repairs completed on time	100%	100%	100%
Urgent repairs completed on time	100%	98%	95%
Routine repairs completed on time	90%	91%	93%
Rent lost through empty properties	0.34%	0.36%	0.4%
Average Time to re-let an empty property (days)	25	13	23
Rent arrears after housing benefit due is taken out	0.79%	0.59%	1.8%
Average weekly rent	£85.42	£89.35	£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.

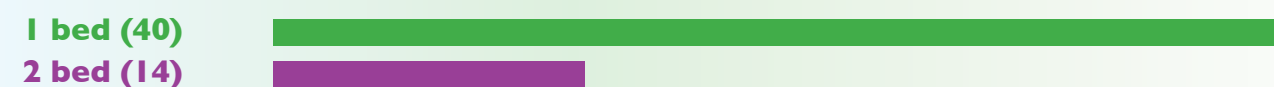
Overall satisfaction



Our Rented Stock as at 31.03.18

Property Type Number

General Needs - Flats



General Needs - Older Persons Bungalows



General Needs - Houses



Residential Care Home



Owned but not managed properties (10)

Intermediate & submarket units (35)

(at 80% market rents) 2, 3, 4 bed house let on shorthold tenancies

Supported Housing (10)

(Learning Disability)

Managed but not owned properties (40)

Leased family housing (10)

Total 366

Pipeline/future development

The Association is following its development strategy and intends to build more affordable homes and more homes for sale to subsidise the building of affordable homes. To this end we are progressing a number of sites which could produce **100 homes** over the next five years.

Brimhay – Plan to be on site Summer 2018 ready to let summer 2019 to local people **Total 32 units - 12 for market sale**

Over the next 3 years, **30 Affordable Homes**

Become an ambassador for SDR?

Do you want to make a difference?

Get more involved in SDR's decision making?

Tenant Involvement “Have your Say”

Well, if the answer is yes to these questions, why not be part of a tenant panel.

You can be involved by becoming a member on our tenant panel, where you will have the opportunity to influence and question what we do.

Meet directly with the senior management team and board members

This could be an opportunity to work as a consumer group, where you can give first hand experience of what we do well, and maybe not so well.

What are the benefits of being on a Tenant Panel:

- Enables you to be involved and have a say in what we do.
- You can contribute your direct experience to the development of services
- Learn new skills, meet new people
- Improve career prospects

For further information, please contact

Francis Bourke – Operations Director 01803 863550.

SOCIAL MEDIA – SDR continue to update 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 2018

Action

Review and implement further plans for alternative heating systems

Implement Image Management on the Housing Management System, to support Electronic Document Management, to support improvement in efficiencies and service.

Improve Asset Management Information on the Housing System to support improved business analysis.

Develop business opportunities through Rural Homes Limited.

Install computer console in SDH to enable tenants to access benefits and housing advice.

Update

Plan to replace 37 properties with alternative heating systems, replaced older storage heaters. SDR has recruited a new contractor to support this review.

Image Management has been implemented and working well. This will continue to be developed to support resource efficiencies.

Areas of the system improvements so far include all cyclical components being entered on OMNI giving facility for better reporting. Further training and improvements planned this year include responsive repairs, planned maintenance, housing management, business reporting and finance.

A number of opportunities are being explored. Rural Homes have identified a number of development sites, which should produce around another 30 affordable homes in addition to the 20 already planned.

This has now been installed

Strategy

Action Plan for 2018/19

- Implement rent arrears module on the housing management system.
- Improved business reporting and analysis across all services.
- Identify potential customer facing Welfare Reform impacts.
- Create opportunities to deliver housing contract and management services

Value For Money: How are we doing?



SOUTH DEVON RURAL
HOUSING ASSOCIATION LIMITED



Our Value for Money Self Assessment:

New regulatory requirements and revised VFM Standard which took effect from 1st April 2018. The new standard moves the focus of the regulatory approach away from providing the self assessment document, to include focused reporting by providers on targets including a suite of metrics with which to measure economy, efficiency and effectiveness on a comparable basis across the sector. These metrics are shown below and compared to the South West Benchmarking Group who are similar sized organisations:-

New supply delivered %

This metric sets out the number of new social housing and non-social housing units that have been acquired or developed in the year as a proportion of total social housing units and non-social housing units owned at period end. The table below shows the large stock transfer of the properties at Broomborough Court and Kellock Drive in 16/17 plus the completion of the 4 new build at Moreleigh. No further units were developed or acquired in 17/18. Because of the time required to deliver housing schemes can be long, the association is working to secure a pipeline of development opportunities a number of years into the future. Rural Homes Limited is assisting SDR to achieve this and has identified a number of projects moving forward which could provide around 30 affordable homes over the next three years. SDR is a partner in the Partnership South West which is a development consortium able to apply for grants from Homes England, to provide affordable housing.

A. New supply delivered (Social housing units)

16/17	17/18	SWBM Median
14.9%	0%	2.42%

The table below refers to the 2 properties acquired during the year to enable a local family to be supported. One of these units will be sold in 2018.

B. New supply delivered (Non-social housing units)

16/17	17/18	SWBM Median
0%	0.63%	0%

Reinvestment %

This metric looks how much money the Association is spending on improvements to existing stock and how much it is spending on providing new housing compared to the value of housing stock held. The Association is awaiting clearance for the Brimhay works which will be an investment of a further £1,400,000 on new properties. The Association has a commitment to spending £246,000 on works to existing stock in 2018/19.

16/17	17/18	SWBM Median
1.65%	2.45%	4.11%

Value For Money: How are we doing? *continued*



Return on capital employed (ROCE) %

This metric compares the operating surplus to total assets less current liabilities and is a common measure in the commercial sector to assess the efficient investment of capital resources. The higher rate achieved in 2016/17 was due to property sales increasing the operating surplus.

16/17	17/18	SWBM Median
3.97%	3.19%	3.43%

Gearing %

This metric compares the level of loans held to the housing properties held, it is like a loan to value comparator for a mortgage. The Association is restricted to a maximum of 65% loan to value ratio. The Association has embraced the need to ensure that assets are used to generate new social housing and continues to do so.

16/17	17/18	SWBM Median
62.47%	61.99%	28.88%

Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI) Interest Cover %

This metric shows how much cash is generated over and above what is required to pay the loan interest costs. The Association has to generate 110% as part of their loan covenants agreed with the banks.

16/17	17/18	SWBM Median
161%	159%	221%

Operating Margin %

The Operating Margin demonstrates the profitability of operating assets before exceptional expenses are taken into account. The higher the margins are one way to assess the financial efficiency of a business. However the Association's aim is not to achieve a high surplus but to ensure it runs an efficient business with well maintained assets.

A. Operating Margin (social housing lettings only)

16/17	17/18	SWBM Median
30.30%	28.28%	33.05%

B. Operating Margin (overall)

16/17	17/18	SWBM Median
22.22%	23.46%	33.05%

Headline social housing cost per unit

The unit cost metric assesses the headline social housing cost per unit as defined by the regulator. The cost increase from 16/17 to 17/18 mainly relates to an additional £100,000 spend on repairs.

Including the Care Home

16/17	17/18	SWBM Median
£3,574	£3,929	£2,999

Excluding The Care Home, which is a fairer comparator to the benchmarking club as care home running costs are high, and other local housing associations do not run them.

16/17	17/18	SWBM Median
£1,980	£2,348	£2,999

Information Technology (IT)

Websites for the Totnes Work Hub, SDR, Forder Lane House and Rural Homes Ltd websites have been updated. These changes include a more customer friendly version which can be accessed from any mobile phone or Ipad through an app. SDR have also set up facebook and Twitter accounts, please visit & follow us.

Further upgrades on SDR's housing management system (OMNI) to include image management and repairs

SDR have invested in planned and cyclical maintenance modules, to support improvement of projections and decision making in this area.

These new systems also allow us to deliver a more efficient service and also allows us to gain improved business analysis.

Solar Panels

Further to the installation of solar panels on a number of SDR properties, through SDR funding or working in partnership with local community providers, this continues to support customers in reducing their fuel bills and also reduces the carbon footprint.

During the year ended 31 March 2018 SDR received income of £17,685 from our photovoltaic cells which are on 77 of our properties.



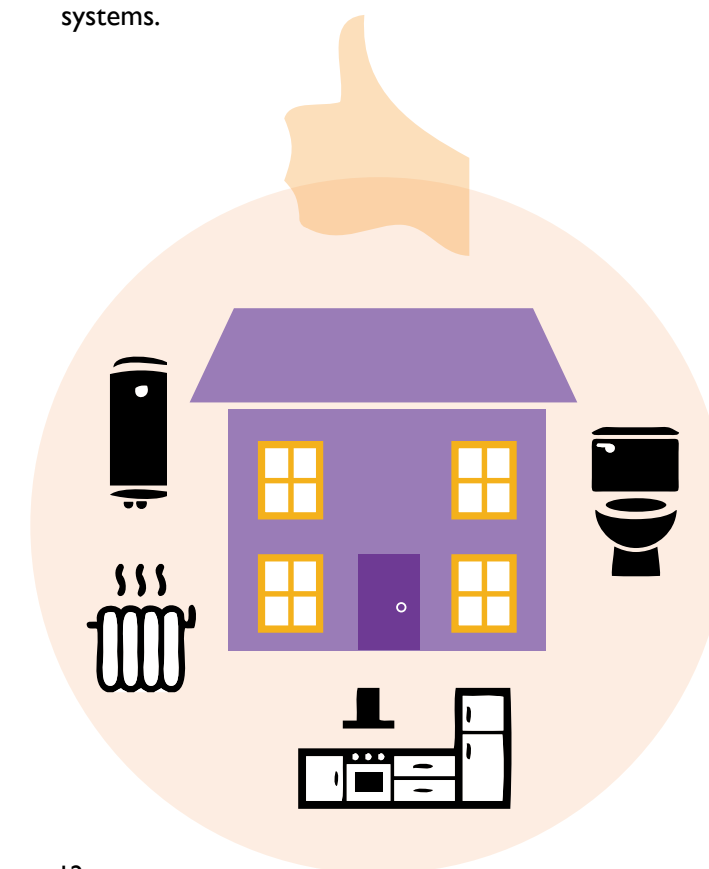
Responsive Repairs

Further to a review of the responsive repairs service, SDR have decided to make some changes to the delivery of the service, to allow continued high rates of customer satisfaction, and achieve Value for Money around processing and administration of repairs, SDR have will take calls direct from customers regarding repairs. This will compliment the improved IT systems around repairs management. Customer satisfaction at in qtr 4 2017/18 was recorded at 98%.

This decision supports SDR's Value for Money objectives, as there will be a benefit in resources such as staff time, and allowing SDR more control in managing the service.

Asset Strategy (Social Value)

SDR have increased the planned maintenance budget for the next 4 years. This will allow SDR to meet and exceed targets to replace components in customers homes, such as Kitchens, Bathrooms, & Heating systems.





SOUTH DEVON RURAL
HOUSING ASSOCIATION LIMITED

Income and Expenditure

ASSOCIATION STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018

	2018	2017 restated
	£'000	£'000
TURNOVER	2,367	2,140
Operating costs	(1,784)	(1,610)
OPERATING SURPLUS	583	530
Gain on disposal of property, plant and equipment (fixed assets)	-	203
Interest receivable	1	2
Interest and financing costs	(503)	(475)
Fair value gain/(loss)	(45)	(21)
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION	36	239
Tax on surplus on ordinary activities	-	-
SURPLUS FOR THE YEAR and TOTAL COMPREHENSIVE INCOME FOR THE YEAR	36	239

These figures are extracted from the financial statements approved by the Board on 25th July 2018. The association results relate wholly to continuing activities.



Broomborough Court, Totnes

Balance Sheet

ASSOCIATION STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

	2018	2017 restated
	£'000	£'000
FIXED ASSETS		
Housing properties	17,839	17,656
Other Fixed Assets	363	360
Investment Properties	315	360
Investments	10	10
Investment in Subsidiary	50	-
Total fixed assets	18,577	18,386
CURRENT ASSETS		
Debtors	108	79
Assets Held for sale	579	112
Cash at bank and in hand	298	776
	985	967
CREDITORS: Amounts falling due within one year	(654)	(645)
NET CURRENT ASSETS	331	322
TOTAL ASSETS LESS CURRENT LIABILITIES	18,908	18,708
CREDITORS: Amounts falling due after more than one year	(12,868)	(12,642)
Deferred Capital Grant	(4,868)	(4,930)
LONG TERM LIABILITIES	(17,736)	(17,572)
TOTAL NET ASSETS	1,172	1,136
RESERVES		
Non-equity share capital	-	-
Income and Expenditure Reserve	1,172	1,136
TOTAL RESERVES	1,172	1,136