

Giving people
of all ages...



... a place to
call home for the
past 65 years!



2022/23
Annual Report



SOUTH DEVON RURAL
HOUSING ASSOCIATION LIMITED



SOUTH DEVON RURAL
HOUSING ASSOCIATION LIMITED

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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.

Putting people
and property
together



INTRODUCTION FROM PETER SYMONS, SDR CHAIRMAN

Adaptability the key to creating a bright future



As we take stock at the end of another operational year, it's customary to look back on recent achievements, but also to contemplate what the future holds for us as a small regional housing association, currently in its 66th year as a community-based housing provider.

Over those many decades we have faced and overcome numerous challenges and have continued to grow in breadth and stature, consistently fulfilling our mission to provide decent, affordable homes for local people.

We can certainly look back over the past 12 months with pride, knowing we have continued to deliver against our broader objectives and our Business Plan. The key is to be adaptable and prepared to improvise as changing circumstances demand, much the way we did when we found ourselves in the thick of the Covid emergency.

STRATEGIES

SDR currently faces another of those trials and it is up to me, our Board and Senior Management Team to weather the latest storm and to use our very best strategies to take this association forward for the benefit of both current and future tenants.

The latest is by no means peculiar to SDR. Our counterparts, large and small, in the social housing and care sector, are all experiencing the same choppy waters.

The underlying issue is that incomes have increased at half the level of costs over the past two years. Worse still for housing associations like us, that have borrowed to increase capacity and improve services, interest rates have doubled over last 12 months, imposing a huge strain on funding.

Every day, headlines bemoan the ongoing "cost of living crisis". Like everyone else, outgoings have to be trimmed and spending prioritised to ensure existing commitments are met.

Meanwhile, investment in future projects may need to be

paused, whilst seeking like-minded partners who can share both costs and support infrastructures.

SDR has been giving – and will continue to give – serious thought to the best way of adapting our business model to take us forward.

SUCCESSFUL

On the positive side, our Brimhay development has now been completed, creating 11 assisted-living apartments and 12 social rent flats, funded by a sizeable Homes England grant and the profit from building and selling 12 'open market' homes. This extremely successful development encapsulates what SDR is all about, as does our management of six homes at Lifton, through a partnership with Rentplus.

During the past year we've focused heavily on extensive cost savings – from small efficiencies to reductions in staffing costs. Our senior management staffing has been trimmed to significantly reduce outgoings.

We need to create new funding streams to provide sufficient revenues to improve our housing stock and to make vital Energy Performance improvements.

I'm delighted we have completed the latest phase of our development programme. That is now on hold and this is a good moment for such a pause.

SHARING

The Board are now looking extremely positively at the bigger picture in terms of expanding social housing provision locally. This may mean looking at working with other housing associations, sharing costs and improving efficiencies to reduce the impact of rising costs and stagnant incomes.

We are particularly privileged to work with teams of exceptional staff whom we know we can rely upon to help us navigate through these difficult times.

The future may be somewhat uncertain, but fortune favours the brave – and SDR's Board and Management have both the expertise and the courage to ensure that a bright outlook lies ahead.

Meet the Board



SOUTH DEVON RURAL
HOUSING ASSOCIATION LIMITED



Peter Symons, Chairman

Born and bred in the county, Peter has 40 years' experience as a Chartered Surveyor specialising in the sale of rural property, mainly based in Totnes. Formerly a Partner in Stags, Peter currently runs a family business managing both residential and commercial properties.



Elaine Baker

Elaine Baker is a qualified Community Housing Enabler and Deputy Chair of Ashburton Community Land Trust. Raised in a poor district of Liverpool, Elaine has a degree in Philosophy from London University. She retired from teaching 8 years ago.

Always passionate about the inequalities of the housing system, Elaine joined Ashburton Town Council 12 years ago with the aim of bringing affordable housing to the area.



Sally Fairman

Sally has been a Board Member in two stints ranging over nearly 11 years. She brings with her experience of SDRHA's long history and local government policy as a former Deputy Chair of South Hams District Council. In 1995, Sally was appointed to the Housing Board as a Local Authority nominee. Her first priority is supported living and specialist care housing.



Roger Hands

Roger qualified as a Chartered Surveyor, with supplementary training in architecture and engineering. He worked initially for the Official Surveyor to Church Commissioners for England in management and repair of residential and commercial property. After a spell running the Bristol office of private practice general surveyors, Roger became Property Controller for the Church Army. He later took on the organisation's financial and administrative management. In 1981, he left to start his own private practice in Totnes.



Rick James

Rick James came from an educational background, facilitating short courses for the Dartington Hall Trust. He later moved to work for a multinational in business software sales across the South West.

For the last 20 years Rick has worked in the Marine industry, in management and boatbuilding. Communication has been key to his previous roles and he feels this is essential to the understanding and development within communities. He is passionate about the provision of social housing for all.



Seb Stewart

Seb joined the Board in 2016. He currently provides consultancy services and support to organisations with a focus on service delivery, design, strategic and business development, primarily in health and social care. Seb was previously an Army Officer, serving in the Duke of Wellington's Regiment and has an MBA from the University of Southampton.



Jonathan Weeks

Jonathan Weeks' 30-plus year management career spanned several industries, with positions in Unilever, Bass Charrington, Black & Decker, Hoover, and Kingfisher, mostly in general management but with a bias towards the logistics side of those businesses.

He served a term as Chairman of the Institute of Logistics and was appointed Professor in that discipline at the University of Huddersfield. He was also Director of Strategy and Development for the Kingfisher Group. Jonathan is married with three daughters and six grandchildren.

'Steadying the ship' amidst stormy seas



HOW SDR IS MEETING THE TOUGH CHALLENGES FACED BY INDIVIDUALS, BUSINESSES – AND CHARITIES

By Christine Candlish, Chief Executive

Over the past year, SDR has encountered challenges similar to those faced by individuals, businesses, and charities worldwide.

The best analogy I can think of is to imagine myself as captain of a ship responsible for guiding a diverse group of passengers through stormy seas.

Our passengers represent a wide range of demographics, from the young and able-bodied to the elderly and vulnerable, and my primary focus is to ensure their safety and comfort throughout the journey.

SDR's Board has set the direction and we know our destination. My job is to steer the ship through any squalls and currents we encounter and ensure we reach our destination safely, regardless of delays or slight changes of itinerary along the way.

Challenges

The economic environment around us – whether as house-owners, renters, singles, couples or families – means we all face tough challenges every day. Those who run public services, businesses and charities confront similar challenges – often on a larger scale.

Among a multitude of causes is the impact of a two-year global pandemic, coupled with inflation and international conflicts, leading to rising costs in every walk of life.

The sector where charities like SDR operates has also been hit by Government policies, with a cap on rents severely limiting our ability to ensure our charges keep pace with the rising costs of running our operation.

An extra concern is a shortage of suitable applicants for employment – with health and social care sectors especially having problems filling vacancies to keep staffing levels where they should be.

This has presented SDR's Board and Management Team with considerable headaches as we strive to maintain existing services and plan ahead to invest in our homes and communities.

Despite these obstacles, our Board and Management Team remain resilient, employing agility and creativity to fine-tune operations and keep our "ship" on the right course. I acknowledge the dedicated efforts of staff in our offices, and in our Forder Lane House Care Home, who have gone the extra mile to ensure residents receive the best possible service, despite the obstacles they may encounter.

Can-do spirit

Forder Lane is a prime example of the staffing issues faced by so many care homes, yet the "can do" spirit of our staff keeps our operation running smoothly. Leading that team is Care Home Manager Jo Pammenter, delivering an excellent service to residents and putting her heart and soul into the job with a planned charity walk in autumn 2023, raising funds for the Alzheimer's Society.

I'm pleased to say our mood remains optimistic and it is by no means all doom and gloom on the SDR ship. Everyone inside our organisation is pulling together and we're pleased with the progress we're making through embracing partnerships with the public sector and with rent-to-buy companies like RentPlus UK to positively impact local housing needs.



Graphic shows our Lifton new homes partnership

Continued from previous page

Notably, a successful partnership near Lifton, Dartmoor, opened by local MP Sir Geoffrey Cox just before Christmas 2022, illustrates the win-win benefits of collaboration between SDR, RentPlus, and West Devon District Council. Elsewhere in this Report (*Case Study Page 13 & 14*) we focus on a telling example of how this partnership working can benefit people with a range of housing needs.

Triumph

Another triumph is the completion of the Brimhay project in Dartington, replacing outdated bungalows with apartments for the Over 50s and flats for people with learning disabilities. This project's funding, through the sale of Market Value homes in Brimhay Gardens, showcases our commitment to addressing a variety of housing needs.

We celebrated with the opening ceremony for Elmhirst Court in July 2022 – see *Case Study on Page 10*. One of these apartments' most colourful characters is Able Sharp, a young man who has bounced back from a devastating childhood illness to live an incredibly active life.

We were delighted to help Able launch a fund for a special mobility aid that has changed his life – see *photo on Page 7*. SDR has always been at the heart of the community and we're carrying on that strong tradition with our support for

Case Study on Page 10



Sun shines for Elmhirst Court ribbon cutting ceremony

worthy causes, like sponsorship of a junior football team in Plymouth – see *Case Study on Page 15*.

Communicating with customers is vitally important and we welcomed some largely positive feedback from a sample of residents who took our Communications Survey in Autumn 2022 (*Page 9*). We have since fine-tuned our communication channels in response to their comments.

Pride

As we journey forth on the "Good Ship SDR," I take pride in being at the helm, steering us into the future. Our commitment to the community, resilience in the face of challenges, and dedication to customer satisfaction reinforce our mission to provide exceptional housing services and positively impact the lives of those living in our communities.

FORDER LANE HOUSE MARKETING CAMPAIGN

The homely care home that's on your doorstep

As the end of the financial year approached, we took steps to promote our wonderful Dartington care home, where a number of vacancies had opened up.

As part of a new marketing strategy for Forder Lane House, the promotional efforts planned include news items, magazine advertising, a railway station billboard and greater use of social media.

We also refreshed the home's promotional brochure to bring it up to date and give it wider appeal.

Forder Lane House is a key element off SDR's portfolio, in which we offer accommodation for every age sector ranging through from nine months to ninety.



Our Service Standards

The regulatory framework requires SDR to include in our Annual Report how we are meeting the Regulator of Social Housing (RSH) 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



RSH 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 get in touch with any of the contact names at the end of this report for a copy.

Here at SDR we believe that we meet the standards identified by the regulator. But we recognise that there is always room for improvement and we are committed to continuing to improve our performance each year. We support the regulator's 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 that 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
- 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 that reflect the urgency of the repair need
- 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, quarterly – or 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 possible in accordance with our published Complaints Policy
- Work with other social housing organisations on local initiatives, where this can benefit our tenants

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 into context, we have also included SDR's performance the previous year (2021/22) as well as average performance * for a group of housing associations similar to SDR (our 'Benchmarking Club'). * **where available**

PERFORMANCE INDICATOR	2022/23	2021/22	Benchmark
Emergency repairs completed on time	100%	100%	N/A
Urgent repairs completed on time	100%	100%	N/A
Rent lost through empty properties	0.15%	0.44%	0.38%
Average Time to re-let an empty property (days)	17	65	18
Rent arrears after housing benefit due is taken out	0.48%	0.58%	1.45%
Average weekly rent	£105.57	£94.39	£107



The story of our working year told in pictures

The photos on these two pages illustrate a working year in the life of South Devon Rural. Every image depicts the two things that get us all up in the morning – people and property.

Matching people to affordable homes that suit their needs has been our mission for so long that it's in our very DNA!

This glimpse at the progress we continue to make, despite very challenging times, helping young and old alike, is all the evidence you need that our efforts are well worth it.



Clockwise captions on this page:
Residents at our Forder Lane House Care Home in full patriotic mode to celebrate the Platinum Anniversary of Queen Elizabeth II, who sadly died later that year.
Elmhirst Court resident Able Sharp and girlfriend Leanne enjoy a country outing, thanks to a high-tech mobility device bought with funding kick-started by SDR.
Last batch of Market Value homes at Brimhay Gardens.



Above: South Devon District Councillor Jaqi Hodgson performs the official opening ceremony for Elmhirst House apartments. Full story Page 10.

Above right: Under 13 players at Morley Rangers with match balls sponsored by SDR. Full story Page 15.

Below: Forder Lane House (FLH) Care Home residents enjoy carols sung by pupils of Dartington Primary School.

Right: Declan Haworth and partner Georgina Jones outside their new Lifton home with baby Hudson. Full story Page 13-14.

Below: The new FLH marketing brochure.

Below right: FLH Manager Jo Pammenter announces a charity walk later in 2023 in aid of the Alzheimer's Society.



SDR NEWSLETTER READERSHIP SURVEY

Sally Scott wins our £25 Amazon gift voucher

Congratulations to Dartington resident Sally Scott, who wins an Amazon voucher as the lucky draw winner in our Readership Survey. The Autumn issue contained a questionnaire asking readers to tell us their communication preferences. The results of the survey are summarised below. All survey forms and scanned versions of the online form went into a draw, with one chosen at random for the prize. Sally is pictured (right) receiving her prize from Housing Manager Robert Carnon.



Questionnaire: The results are in!

We want to thank all those who took the time to fill in a paper or online form asking for feedback on the way we communicate with our residents. The results will help us to ensure that we use the most effective channels of communication with our residents in future.

Briefly, a majority of you learn a lot from your regular newsletter, although a significant number also rely on letters for more individual or urgent messages.

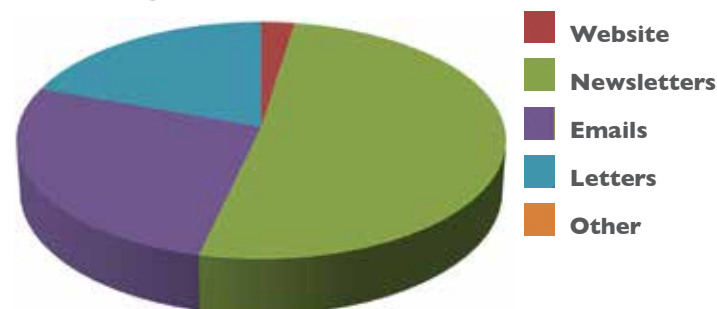
A majority of those who responded want to continue receiving a printed (paper) copy of the newsletter, mailed direct. Some people would prefer an electronic version either emailed to them or downloaded from our website (where it's already available – see News tab).

Based on the above, we will continue to print and post the newsletter, but for those who prefer to receive an electronic version, we'll look into email delivery options. You also told us which articles and sections you like best and so future issues will be re-shaped to take account of your preferences. If you'd like to comment on SDR's communication channels, you can always go online at: <https://southdevonrural.co.uk/pages/for-tenants/consultation-corner/118>

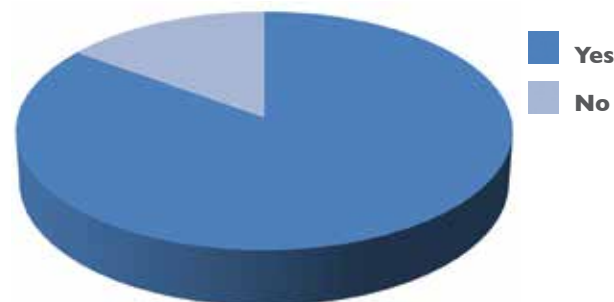
How do you receive news and information about SDR?



What's your preferred method of receiving SDR news?



Do you read the SDR Newsletter, published 3 times a year?



Continue receiving a printed version of your Newsletter?



CASE STUDY



SOUTH DEVON RURAL
HOUSING ASSOCIATION LIMITED



Sun shines for Elmhirst Court ribbon cutting ceremony

An official opening ceremony has finally been held for 11 new independent living apartments for people with various levels of learning difficulties on a site at Brimhay, Dartington.

The Elmhirst Court apartments on land owned and managed by South Devon Rural Housing Association (SDR) were completed in the summer of 2021 and the first tenants are now well established in their new homes, which for many are offering the first taste of independent living.

The opening ceremony, which was attended by key stakeholders in the project, had to be postponed from the original date due to Covid-19 restrictions. Dartington Councillor Jacqi Hodgson cut the ribbon.

Councillor Jacqi Hodgson, South Hams District and Devon County Councillor for Dartington, who performed the opening ceremony, said: "The 'Stepping Stone' apartments at Elmhirst Court are a real boost for meeting a wider range of housing needs for our community. These 11 new homes mean we can now offer more local people the chance to live independently and confidently in bright and comfortable accommodation".

SDR Chief Executive **Christine Candlish** added: "The range of properties that make up our soon-to-be-completed Brimhay Project symbolises the broad spectrum of ages and needs that South Devon Rural aims to cater for going forward.

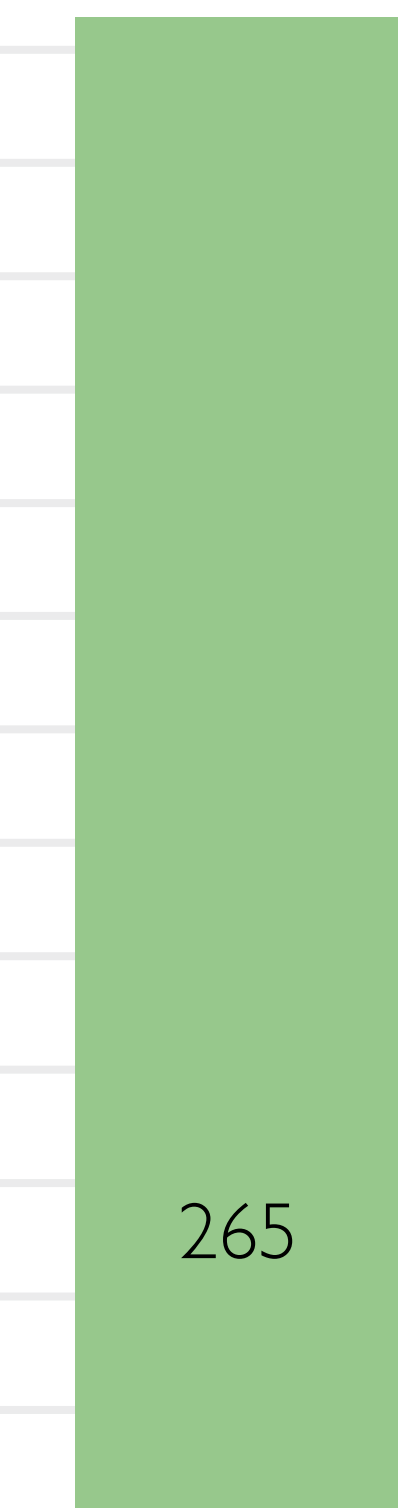
Above: A large group of residents, partners and stakeholders gathered for the ribbon-cutting ceremony. Below: Close-up shows Councillor Jacqi Hodgson cutting the ribbon watched by (left to right): Versha Koria from Homes England, Christine Candlish SDR Chief Executive, Roger Hands SDR Chairman.

"I'm delighted these 11 apartments are now helping tenants to experience independent living, many for the first time. It's the human element that makes any building come alive and Elmhirst Court is now fulfilling the potential we knew it would offer".

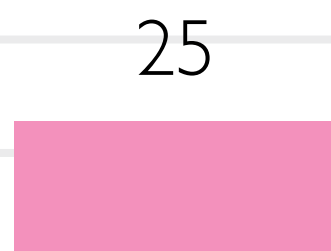
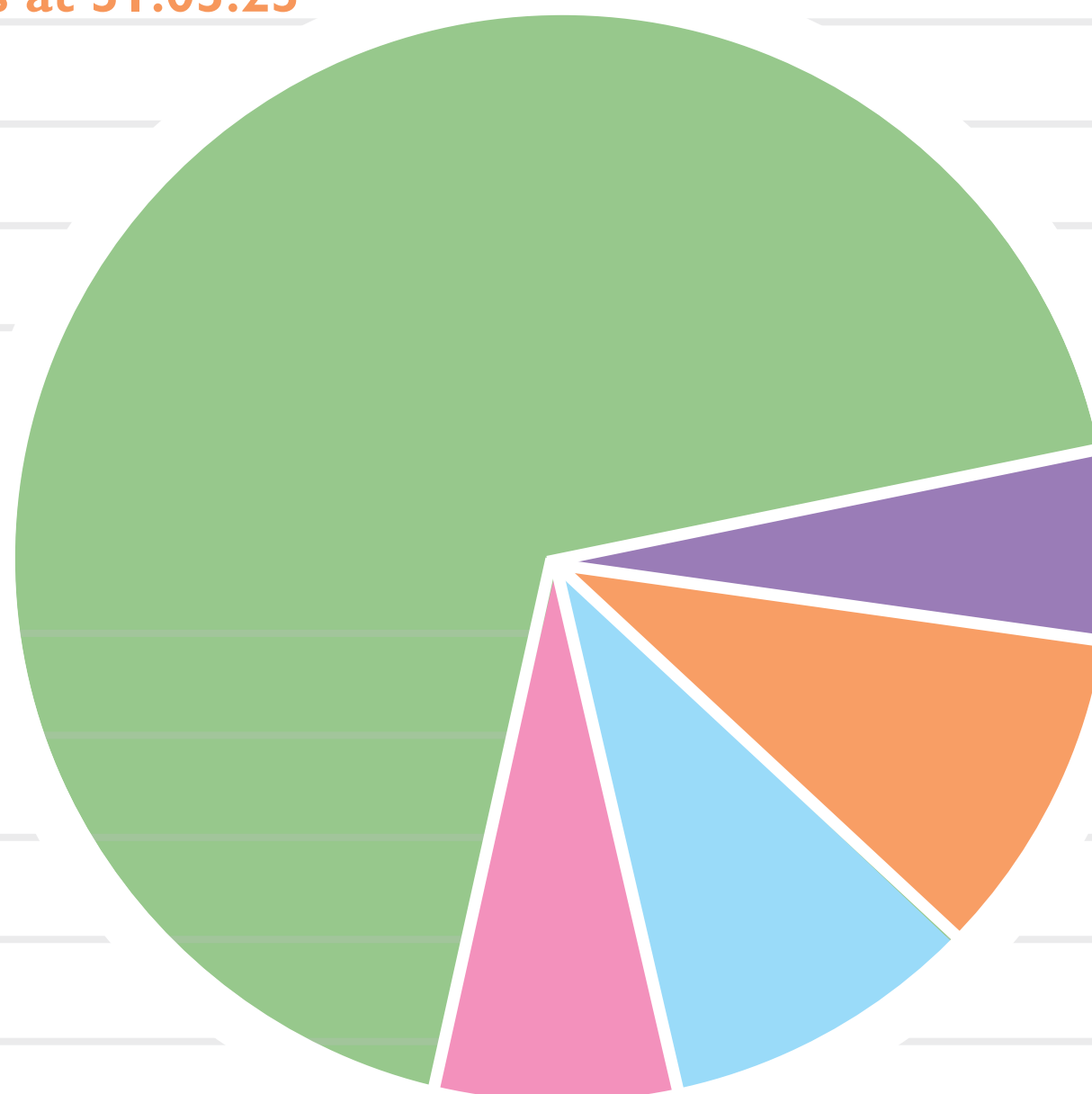


Our Stock as at 31.03.23

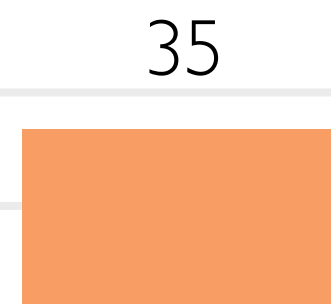
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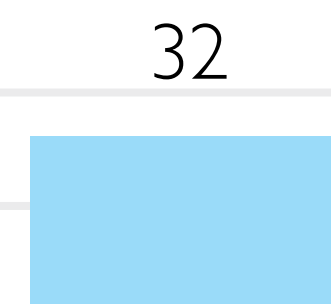
**General Needs
and ex-Sheltered
Properties**



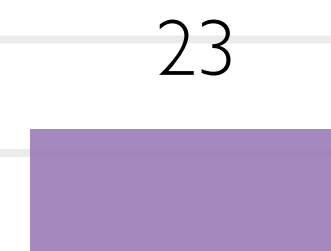
**Residential
Care Home
Bedspaces**



**Intermediate &
Submarket Units**
(at 80% market rents)
2, 3, 4 bed house let on
shorthold tenancies



**Supported
Housing**



**Managed but
not Owned
Properties**



Total
Stock
380

CASE STUDY

PARTNERSHIP WITH RENT- TO-BUY CHAMPION BEARS MORE FRUIT

We help six local families get a foot on the housing ladder

SDR is a major player in an innovative Devon-based approach to increasing local home ownership that saw six local families being helped onto the housing ladder just before Christmas.

The latest partnership between Plymouth-based Rentplus-UK and SDR, working with West Devon Council and local builders Harrington Homes meant six new affordable rent-to-buy homes were available close to the centre of Lifton.

Under the model, private finance funds new affordable housing at no cost to the local council. SDR also benefits from a new rental income stream, in return for taking over local management of the tenancies in the Green Valley Meadow development.

MP's welcome

Just four weeks before Christmas, Sir Geoffrey Cox MP joined with Cllr Caroline Mott, Mayor of West Devon and Lead Member for Built Environment and Christine Candlish, CEO at SDR, to welcome the new residents into the homes they will be buying.

The homes are two 2-bed houses and four 1-bed flats. All homes have been allocated and tenants are starting their home ownership journey by moving into their brand-new homes without paying any upfront deposit. They will pay an affordable rent (80% of market rent) for an agreed period, living in the home that they will one day own whilst they save up to buy it. Each family has previously lived in or has connections to the area.

By paying a below-market rent they can save more each month. At the outset, they choose whether to buy their home after 5, 10, 15 or 20 years. They move in with no deposit and when they come to purchase, Rentplus will gift them 10% of their home's value to add to their savings and reduce the mortgage they need. They will buy their home using a high-street mortgage and then own 100% of it, as if they had bought on the open market.

At the event, Robin Falle, Regional Director for the West of England at Rentplus, said: "Affordability is an issue across the country. We're excited to be working with South Devon Rural and West Devon Council to offer local homes for local folk, enabling hard working people to stay living in the communities they grew up in. It's good to meet the tenants, hand over their keys and wish them all the best in their new home".

Christine Candlish, SDR Chief Executive, commended all parties for the partnership and said: "One of the things that excite us about working with Rentplus is the way it fills a gap in the market, particularly in small rural villages where people want to stay living in their communities, but cannot afford to. With Rentplus they can stay living locally, pay an affordable rent, build their deposit, and buy. They never have to move again if they choose not to.

"We're excited about future opportunities and we all wish our tenants picking up their keys at Lifton every luck and happiness in their new homes".

Cllr Caroline Mott, Mayor of West Devon, added: "This is the council's sixth scheme with Rentplus. We need more schemes to get affordable housing into our local communities. Giving local people the chance to buy a home in these villages is crucial to the future of our rural communities. We want to work with partners to see more schemes like this come to fruition".



PICTURED on facing page: Declan Haworth and partner Georgina Jones with 10-month-old Hudson Haworth outside their new front door. Above: CGI image of Green Valley Meadow, Lifton, with the new affordable homes circled.

Torridge and West Devon MP Sir Geoffrey Cox, who planted a tree on site, said: "Partnerships such as this have an important part to play in enabling more people to own their homes. Providing people with somewhere to call their own is the single most important cause of the time. Having somewhere to call your own is a basic human need. "Talking to the people moving in today I can see how much it means to them to have a place of their own that they will someday own. Giving people the chance to own their home is true Levelling Up. Schemes such as Rentplus assist in this and I hope there are more to come".

Excited

Declan and Georgina Howarth were among the first residents to move in to their new Lifton homes. Not needing a deposit to move in is a real bonus. "We're really excited to be moving in. We'll be paying an affordable rent, cheaper than local rents, which means we can save our deposit and get on the housing ladder earlier than we expected thanks to the Rentplus scheme". The young family were also delighted to be in their new home in time for Christmas.



Rentplus
Your pathway to home ownership



ABOVE: MP Sir Geoffrey Cox plants a tree, watched by (front row L-R) Christine Candlish and Mayor Cllr Caroline Mott. Back row L-R: Ward Member Cllr Chris Edmonds, Rentplus Regional Director Robin Falle and West Devon Council Leader Cllr Neil Jory. BELOW LEFT: A welcome gift of a pot plant handed over by Christine Candlish (right) to new tenants Christian and Gemma Bungay. BELOW RIGHT: Another pot plant for David and Gayle Ledsham, whose new flat is in the background.



CASE STUDY



Junior footballers get their kicks from new ball sponsorship deal

Every time youngsters playing for Morley Rangers Football Club in Plymouth kick a ball, it will be thanks to a sponsorship deal with South Devon Rural Housing Association (SDR).

SDR specialises in providing affordable homes for people in a wide range of age-groups, some with disabilities, and wants to support a club helping to promote fitness and sporting values among the young.

The relationship with the club came about through SDR Housing Manager Robert Carnon, who is a coach at the club and has a grandson playing in the Under 13s.

The £170 sponsorship deal means the team has been able to buy 14 Mitre practice balls and 2 match balls.

Robert Carnon said:

“It’s so important for kids’ fitness and general wellbeing for them to get plenty of fresh air and exercise. What better way than playing a game that does all that and teaches them life lessons and sportsmanship at the same time?”

Privilege

The club’s Secretary, Pete Frankland, said:

“We set great store by fair play and sportsmanship and we’ve won a number of awards. We encourage all at MRFC to take victory modestly and defeat graciously. That’s why we’re so delighted to receive support in the form of SDR’s ball sponsorship deal”.

Christine Candlish, SDR’s Chief Executive, said:

“When Robert came to us with the suggestion of ball sponsorship, we jumped at the chance.

“We are all about providing homes and building management services for a wide variety of people in different age groups and with diverse needs – and making a difference to their lives.

“It’s great to be able to make a contribution to a club that’s making a difference to the lives of young people, both boys and girls, as well as older players and, now, people with disabilities. This sponsorship deal is a really good fit for us and I’m delighted to support it”.

Our photos, taken at Morley Rangers’ Plymstock School training ground, show a group of players with the 16 balls bought with SDR’s sponsorship and four of the Under 13 players, each holding a match ball.

Above - Morley Rangers youngsters and coaches with the 16 Mitre balls, also holding up SDR newsletters, at their Plymstock School training ground.



Value For Money (VFM)

Value for Money is an important part of our culture. It sets the tone for doing the best for our customers and is one of our fundamental values, using our resources efficiently and effectively.

We measure our performance against the previous year and benchmark ourselves against similar small housing associations as part of the South West Benchmarking Group.

Our definition of VFM is simple - we want to produce as much value as possible for the money and resources we have available. The value we produce is directly related to our social purpose as set out in our mission statement which is as follows:

The Association is a socially responsible business delivering quality homes and support services which change people’s lives. We are engaged and innovative; and work in collaboration with others to enhance the wellbeing and independence of individuals and communities.

For us, therefore, achieving VFM is about making a bigger difference by delivering quality homes and the best support services we possibly can with the resources available. We will do this mindful of the legitimate and sometimes competing interests of our key stakeholders: tenants, local communities, local partner organisations, taxpayers and funders.



SOUTH DEVON RURAL
HOUSING ASSOCIATION LIMITED

Our strategic approach to VFM and use of resources:

Our VFM strategy can be summarised as:

- being clear about what we do – our purpose, objectives and the value we produce
- recognising how our operating context influences what we do:
 - the needs and aspirations of our stakeholders, particularly the profile of our customers,
 - the local and national context.
- ensuring the system of value production is optimised:
 - do the right things – a business plan that focuses resources on the right activities by making informed choices to achieve our corporate priorities
 - with the right assets – ensure we have the right physical and human assets for the right cost
 - in the right way – efficient and effective delivery
 - using the right tools – we need the right tools to allow us to evaluate success and apply learning - to check we have delivered the right outcomes, including making a surplus and efficiency gains for reinvestment in our social objectives.

Our embedded approach to the delivery of VFM on a day to day basis:

Our Board head up the Association’s approach to VFM holding the Senior Management Team to account for VFM performance.

The need to maximise VFM is embedded as a culture of the Association.

We are part of a benchmarking group of housing associations in the South West of England. We use this to compare our performance to others and identify how we can improve the way we deliver our services.

Value For Money continued

Strategic Objectives – how have we done so far?

DEVELOPMENT

To develop and manage sustainable, community based, affordable housing and related services for South Devon and surrounding areas (existing operations are in South Hams, Teignbridge, West Devon and Exeter) where there is a proven need and good strategic fit.

Due to the current economic climate, the Board has paused all development activity and has withdrawn from pipeline schemes. However, the Association is still keen to continue to be able to support small rural developments in South Devon and surrounding areas.

The Association has entered into a development consortium agreement with LiveWest (as the lead partner) and 9 other South West based Housing Associations.

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.

A. New supply delivered (Social housing units)

2021/22	2022/23	SWBM Median 2021/22
3.4%	0%	0%

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

2021/22	2022/23	SWBM Median 2021/22
0%	0%	0%

Housing Properties at cost before depreciation have increased from the 2022 figure of £24,607,000 to £24,886,000. This includes 35 properties purchased since May 2008 under the South Hams Intermediate Rent Enterprise ("SHIRE") scheme with a total cost of £4,999,000. The net book value of the Association's fixed assets has decreased from £20,362,000 to £20,252,000. Details of fixed assets are shown in Note 11. This does not include any properties developed by the subsidiary Rural Homes Limited.

HOUSING SERVICES

To provide a housing management service that is cost effective, customer focussed, responsive to resident influence, and achieves a high rate of tenant satisfaction. Ensure staff are knowledgeable of stock and schemes and local needs, and are well trained in relevant service areas. This is supported through training, regular site visits and customer feedback.

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 2021/22 to 2022/23 reflects inflationary increases.

Including the Care Home:

2021/22	2022/23	SWBM Median 2021/22
£5,498	£6,928	£4,656

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:

2021/22	2022/23	SWBM Median 2021/22
£3,074	£4,486	£4,656



Arrears as a percentage of rent receivable

This shows how well the level of rent money owed to the Association by tenants compared to the amount of rent it is due to collect. As you can see the Association performs very well and our tenants pay promptly. The Association has provided a number of ways to pay rent. The offer of payment by Direct Debit was introduced a number of years ago in preparation for the Universal Credit roll out. To date there are 59 (20%) out of 299 tenants receiving Universal Credit. The Housing team works closely with these tenants to ensure their debt levels have not risen due to the transfer from Housing Benefit. £4,190 (52%) of the £8,122 tenant rent arrears is relating to Universal Credit tenants.

2021/22	2022/23	SWBM Median 2021/22
0.58%	0.52%	1.73%

Rent losses from voids – General needs stock

This shows that there is a demand for the Association housing stock:

2021/22	2022/23	SWBM Median 2021/22
0.44%	0.27%	0.60%

FINANCE

To be a financially sustainable organisation.

The Association reports a loss before taxation (including £168,000 gift aid from Rural Homes Limited) of £227,000 against a budgeted surplus of £1,378.

Turnover for the year in 2023 is £2,933,000 a decrease from £3,220,000 the previous year. The decrease includes a reduced gift aid donation from Rural Home Limited of £168,000, compared to £440,000 in 2022. The operating surplus is £435,000 in 2023 compared to £957,000 in 2022.

The Association's net assets of £2,146,000 have decreased by £227,000 from £2,373,000 in 2022. It should be noted that fixed assets are shown at book value of the properties owned by the Association, which is currently significantly below their market value. The Association shows its assets held as social housing properties at cost, with the table showing housing properties carried net of depreciation at £20,252,000. Note 11 of the accounts contains more detailed information.

Gearing %

Gearing decreased

This metric compares the level of liabilities less cash held, compared to assets held, it is like a loan to value comparator for a mortgage. The Association has embraced the need to ensure that assets are used to generate new social housing and continues to do so.

2021/22	2022/23	SWBM Median 2021/22
55.95%	55.52%	15.46%

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.

2021/22	2022/23	SWBM Median 2021/22
220.02%	63.5%	255.00%



Value For Money *continued*

Operating Margin %

Our operating margin is impacted year on year mainly due to the gift aid donation from Rural Homes Ltd. Operating margin measures the amount of surplus generated from turnover on our day-to-day activities. It is an indicator of operating efficiency and business health. In 2022/23, our overall operating margin was 14.83%.

A. Operating Margin (social housing lettings only)

2021/22	2022/23	SWBM Median 2021/22
16.81%	9.86%	18.00%

B. Operating Margin (overall)

2021/22	2022/23	SWBM Median 2021/22
34.42%	14.83%	16.68%

SERVICES FOR OLDER AND VULNERABLE PEOPLE

To provide, in partnership with other providers, care and support services that meet the requirements of customers and comply with regulatory requirements.

Forder Lane House, the Association's residential care home was awarded a rating of Good in September 2020 by the Care Quality Commission. It is the Association's aim to achieve the highest rating available.

It has been a challenging year and the home has worked very closely with local intermediate care teams to provide short term respite placements to minimise void levels, however the void level increased above that of 12% in 2020/21.

2021/22	2022/23	SWBM Median 2021/22
4.0%	16.5%	N/A

HUMAN RESOURCES

To recruit and retain well-trained and motivated staff.

Unfortunately, due to the nature of care work and the impact of the pandemic, the Association has ended the year with a reduced staff team and a high level of staff turnover. The Association is committed to providing a good place to work, with good rates of pay. No other member of the South West Benchmarking group has a care home to provide figures to compare.



Staff Turnover

2021/22	2022/23	SWBM Median 2021/22
73%	25%	N/A

The Association wishes to support staff for future pension arrangements and supports all staff who wish to join the Association's pension scheme, regardless of their pay level. This is a defined contribution scheme.

INFORMATION AND COMMUNICATION TECHNOLOGY

To have an ICT strategy to meet the current and future ICT needs of the Association.

Our aim is to reduce reliance on paper records, which has now been largely implemented to enable staff to continue to work flexibly, sometimes remotely sometimes in the office. Staff are also supported with mobile working technology, to enable them to provide current information to tenants whilst visiting our housing schemes.

Plans are also in place to move our operations to be fully cloud-based, eliminating the need to maintain hardware in our head office.

The Association has been operating with staff alternating between home working and office working, and residents are now able to access the head office by prior appointment. The Housing team have been making regular visits to residents in their homes. Resident queries continue to be dealt with either by telephone, email or letter.

To support improved customer service and give tenants more control over their housing account, the Association continue to promote housing software which enables all tenants to access their rent accounts, update their personal details and report a repair.

RESIDENT ENGAGEMENT

There are currently a number of ways customers can be involved in the organisation, such as input on policy review, feedback and ideas on how the Association can improve services, and customer panels.

The Association will continue to develop and promote further opportunities for customer involvement in line with the Regulator's new Consumer Standards.

GOVERNANCE

To ensure high standards of governance and clear accountability for the Association, and maintain probity in its direction. The National Housing Federation Code of Governance 2020 has been adopted.

ASSET MANAGEMENT

To ensure a good understanding of the Association's assets and how they perform. Using business analysis to support strategic decisions.

The Association reviewed its Asset Management Strategy in January 2020.

The Association's definition of Asset Management is the range of activities undertaken so that our housing stock aligns with current and future need including the development, retention, investment in and sale of homes. It recognises that effective asset management includes three key elements:

Stock Investment

Those activities that will maintain the stock to a standard to meet customer needs and regulatory requirements. This is principally the stock investment programme designed to keep all properties to the agreed investment standard for the full period of the Business Plan.

Active Asset Management

Those activities to improve or replace properties that have a poor social, economic or environmental performance, because of low demand or high costs, and either improving them or replacing them with properties which are fit for purpose.

Supporting wider objectives

Being clear where and how asset management is supporting wider objectives, such as new development or supporting wider community activities.



SOUTH DEVON RURAL
HOUSING ASSOCIATION LIMITED

There is a planned component replacement programme over the next five years to ensure all properties are well maintained.

Reinvestment %

This metric looks at 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 spent £376,000 on component replacements and capitalised repairs in 2022/23 and has a commitment to spending £248,000 on works to existing stock in 2023/24.

2021/22	2022/23	SWBM Median 2021/22
7.2%	1.51%	2.42%

Return On Capital Employed (ROCE) %

This measure shows how well we use both our capital and debt to generate a financial return. It is a commonly used ratio to compare the efficiency of capital usage of different businesses in the same sector. Our return on capital is broadly in line with our peer group average current liabilities and is a common measure in the commercial sector to assess the efficient investment of capital resources.

2021/22	2022/23	SWBM Median 2021/22
4.33%	2.02%	2.41%

SOUTH DEVON HOUSE

To provide facilities and office space to local businesses, supporting new businesses to grow.

South Devon House is a thriving business hub, with a mix of longer term rentals, as well as providing the registered offices for the Association. The offices for let are nearly fully let, with waiting lists.

The Work Hub provides start-up businesses with a range of services, from a postal address only, to a fully-serviced office at affordable prices.



SOUTH DEVON RURAL
HOUSING ASSOCIATION LIMITED

Income and Expenditure

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

	2023	2022
	£'000	£'000
TURNOVER	3,437	3,871
Operating costs	(3,159)	(2,880)
Gain/(loss) on disposal of housing properties	(13)	-
Other income	-	41
OPERATING SURPLUS	265	1,032
Interest receivable	8	-
Interest and financing costs	(674)	(536)
Surplus/(deficit) before tax	(399)	496
Taxation	-	-
SURPLUS/(DEFICIT) FOR THE YEAR and TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(399)	496

This is an extract from the audited Financial Statements for the year.



Balance Sheet

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	2023	2022
	£'000	£'000
FIXED ASSETS		
Housing Properties	20,204	20,314
Other Fixed Assets	366	315
Investment Properties	315	315
Investments Unlisted	7	7
TOTAL FIXED ASSETS	20,892	20,951
CURRENT ASSETS		
Stock	233	45
Debtors	835	1,283
Cash at bank and in hand	763	837
	1,831	2,165
CREDITORS: Amounts falling due within one year	(1,210)	(890)
NET CURRENT ASSETS	621	1,275
TOTAL ASSETS LESS CURRENT LIABILITIES	21,513	22,226
CREDITORS: Amounts falling due after more than one year	(14,026)	(14,270)
Deferred Capital Grant	(5,399)	(5,469)
	(19,425)	(19,739)
TOTAL NET ASSETS	2,088	2,487
RESERVES		
Non-equity share capital	-	-
Income and Expenditure Reserve	2,088	2,487
TOTAL RESERVES	2,088	2,487

This is an extract from the audited Financial Statements for the year.