



South Devon Rural Housing Association Limited
Registered England and Wales
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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.

2014/15
Annual Report



Chairman's Report 2015

I am pleased to report that the Association has had another successful year in 2014/15.

We continue to follow our primary objective of creating more affordable housing for rural communities in South Devon. To this end the Association completed the conversion of Avondale House in South Brent into 6 large 3 and 4 bedroomed houses. These are now let to local people. Our Chief Executive recently visited tenants in their homes and all said how happy they were with their new homes.

We acquired two further family homes in Mid Devon and Buckfastleigh during the year increasing our housing stock by 8 homes in all.

We submitted ambitious plans to redevelop our housing at Brimhay, Dartington. The Brimhay bungalows have been of concern to the Association for over 20 years. Developed in the 1960's, when space and construction standards were much lower than those of today, the homes fail to meet the standards we wish our tenants to enjoy. Consideration has been given to improving and extending the 18 bungalows over the years and the Association carried out a number of feasibility studies. None of these proved viable. The only way that the development could be funded was build both open market and affordable homes and to use the proceeds from the sale of the open market houses to finance new bigger and better affordable homes. This was designed to allow our existing tenants to remain at Brimhay. Since the year end, and in spite of considerable opposition from the local community, our plans have been approved by South Hams.

The community led affordable homes development in Moreleigh will soon be on site now that the builder has worked through the considerable list of conditions. SDR has agreed to purchase four three bedroomed houses to be available for local people to rent at affordable rents. The remaining 8 homes will be sold by the builder at 80% of market value to local people.

Our Care Home Forder Lane House continues to be very popular with very high occupancy, and generally a waiting list is in operation. The home achieved Investors In People status independent of the Association in March 2014. The Care Quality Commission has inspected the home during the year and was very impressed with the practices and procedures in place and the residents are happy.

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.

“ We continue to follow our primary objective of creating more affordable housing for rural communities in South Devon.

The work hub continues to be popular for facilitating and hosting a wide range of business support events and seminars to support local businesses and business start-ups.

The Association has a planned component replacement programme to ensure all properties are well maintained. However in spite of this 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 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. The funds received will be reinvested in more affordable housing.

As part of its Value for Money policy, SDR has agreed a contract with a local communities renewable energy organisation, TRESOC, who will provide funding to install solar panels on 76 SDR properties. This supports customers by reducing their fuel bills and also reduces the carbon footprint.

Turnover for the year has increased from £1,766,900 in 2014 to £1,838,688 in 2015, an increase of 4.1%. The operating surplus has increased by 28.5% to £452,299 in 2015.

The Association's net assets of £128,724 have increased by £36,689 (2014: decreased by £42,702) but these are based on book values, not current values which are generally much higher.

The Association continues to manage its stock very well with low rent arrears of 0.52% and total rent losses from housing voids of 0.48%.

SDR has a community fund for supporting communities in the South Devon area to which anyone can seek funding for a community project. The Association also 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, Francis Bourke, Operations Director and Bonnie Van Beek, Care Manager – for all their hard work.

I am also very grateful to the Board for their support and to look forward to more successes in 2015.

Rod Hewett, Chairman of the Board



Avondale Terrace - 6 x 3 & 4 Bedroom family homes in South Brent, all allocated to families in June 2014.

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 – for every repair the Association carries out the tenant will receive a satisfaction slip to return in a pre-paid envelope giving their view on the repair service provided by both the Association and contractor.

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 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



Brimhay redevelopment project

South Devon Rural Housing Association LTD started life in 1958. It was called Dartington Housing Society at that time and was formed by Totnes Rural District Council and The Dartington Hall Trust, to house estate workers retiring from work, who lived in 'tied' housing on the estate.

The first houses built by the Society were Brimhay Bungalows in Dartington in 1960. Over the years the bungalows have been upgraded as much as possible, with new roofs, insulation and double glazing. Around 1995 the association first began to look at how they may be improved further to meet modern standards. Early ideas included extensions further insulation and other measures, adding more dwellings on open spaces. However, due to financial constraints, nothing happened.

Over more recent years the association considered a number of options including a bold plan to demolish everything on site and start again. This of course may have been the most commercial solution, but not considered in the best interests of the people who lived and worked at Brimhay, which of course includes our care home Forder Lane House, providing care for 13 individuals and employing 17 people in providing care (at that time). As you are aware SDR took the more difficult (and costly) decision to refurbish and extend Forder Lane House, preserving and increasing homes and jobs.

In considering what to do with Brimhay Bungalows, the association was between a rock and a hard place. Grants to housing associations have almost disappeared and in any case we would be expected to maximise our asset base to fund new development ourselves. The prospect of demolishing 18 bungalows and replacing them would be impossible, unless we could generate enough cash out of the site or obtain over £1 million in grants. The latter as I have said is not available. On top of that SDR loses the rental income from the Bungalows. Mission impossible? We thought so for a long time. SDR was left with the uncomfortable reality that we had 18 bungalows which did not meet our standards for accommodation. Poorly

insulated, electric heating systems and very small. Increasingly applications from older people to live in the bungalows reduced and lets were made to younger tenants. The support traditionally provided to residents had reduced over the years as changes were made to support budgets.

Over the last three years SDR has looked at various ideas for the redevelopment of the site which would preserve the highest number of affordable rented homes and work financially for the Association. Our current ideas we believe make the most of the site and creates enough (anticipated) surplus from the development to cross subsidise the planned replacement apartments. This is a housing redevelopment site with many constraints and is now a very marginal development. In an ideal world the Association would like to redevelop the whole site for social and affordable housing, alas this is not possible. However, if we do move forward with the development it will be at least on an established, pre developed site.



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How well are we performing?



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

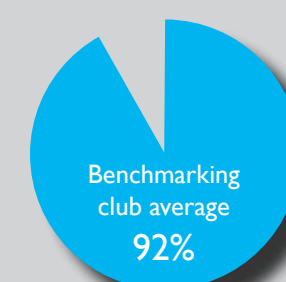
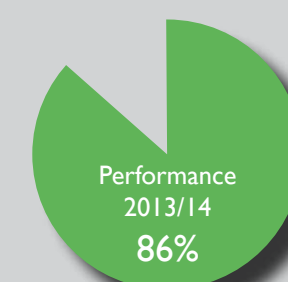
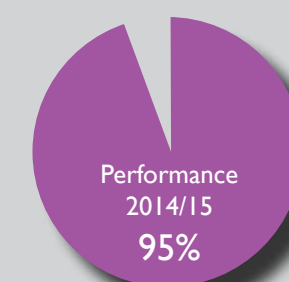
The chart below includes a number of 'performance indicators' showing SDR's current performance (over the last year). To put these figures in context, we have also included SDR's performance the previous year (2013/14) as well as average performance for a group of housing associations similar to SDR (our 'benchmarking club').

Performance indicator	Performance 2014/15	Performance 2013/14	Benchmarking club average
Emergency repairs completed on time	100%	100%	100%
Urgent repairs completed on time	94%	95%	97%
Routine repairs completed on time	90%	92%	97%
Rent lost through empty properties	0.48%	0.55%	0.5%
Average Time to re-let an empty property (days)	31	15	23
Current tenant rent arrears	0.52%	0.97%	3.3%
Rent arrears after housing benefit due is taken out	0.43%	0.97%	1.8%
Average weekly rent	£86.43	£86.81	£98.49



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 31.03.15

Property Type No.

General Needs Flats

1 bed 14

2 bed 7

General Needs Bungalows

1 bed 37

2 bed 23

General Needs Houses

1 bed 23

2 bed 32

3 bed 24

4 bed 2

Residential Care Home

25 Bedspaces

Independent Living Units

1 bed 22

Owned but not managed properties 10

Intermediate & submarket units (at 80% market rents)

2, 3, 4 bed house let on shorthold tenancies 32

Supported Housing (Learning Disability)

11

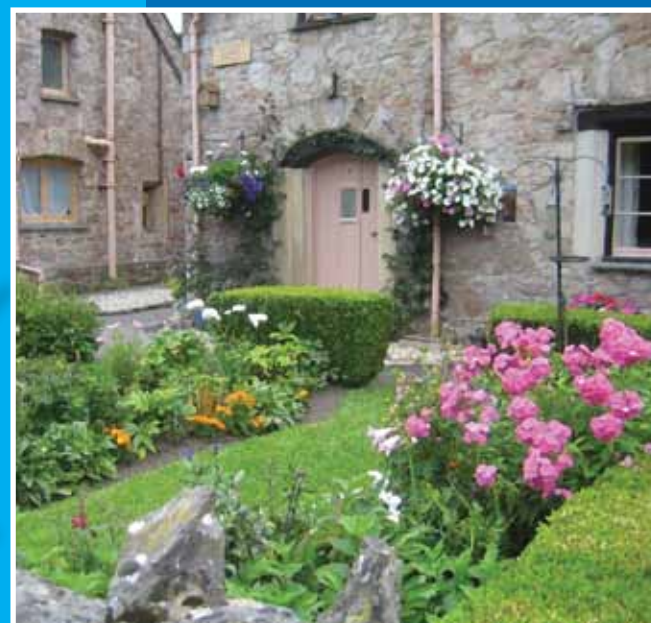
Managed but not owned properties

35

Leased family housing 11

Total 308

Pipeline future development or acquisitions 4



A Grade II Listed Cottage at Shimmers Bridge, Dartington, part of SDRs asset strategy.



Award winning: The newly built homes at Thurlestone jointly named Best Rural Development 2014.



Totnes Work Hub



This year we welcome Deborah Green as the new hub officer. Deborah is from a finance and customer service background and has come to South Devon Rural to manage the hub, meeting rooms, leased offices and also 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, Meeting Rooms, Business Address Service and Hot-Desks for the local business community. For everyone, from Companies to single Entrepreneurs.

Deborah Green who manages the 'Work Hub' says "it's great to have such a dynamic business facility in the heart of South Devon, providing great working space for local businesses at cost-effective prices. With internet speeds of 54 MB and printing facilities you can't go wrong."

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 and have a coffee and a chat, look at the facilities and tariffs and make the next move. At 'Totnes Work Hub' we don't rest on our laurels, our goals at the 'Work Hub' in 2015 include:

Promotion and Marketing of 'Totnes Work Hub' and the Businesses who use the facilities there on Social Media.
Sourcing of companies who can provide free training and advice for business start-ups.





SOUTH DEVON RURAL
HOUSING ASSOCIATION LIMITED

Plans for Improvement

Update of action plan for 2016

Strategy

Action

Achieve Investors in People Accreditation.

Develop Value For Money Initiatives within the organisation.

Improve our IT systems and process to deliver improved services to customers.

We will aim to recruit new board members to support a having a diverse board.

To arrange meet the team days on your schemes.

Update

This has been awarded, the assessment process had Value For Money as the main theme.

We have updated a Value For Money Self Assessment statement, with activities throughout the year, this will be continually reviewed and updated.

We have implemented mobile working technology, which supports staff efficiencies and improved customer service.

We have recruited a number of new board members, and have received a number of further enquiries.

This will be arranged in the coming months, to link in with your regular scheme visits.

Action Plan for 2016

Action

- Review success of responsive repairs service pilot.
- Update of advice on the effects of welfare benefits generally to our tenants and specifically to those we believe may be affected most by these changes.
- Update SDR's website.
- Improve asset management data on housing management system.
- Publish a revised VFM Self Assessment, Policy and Strategy.
- Contact all customers to update their details, to support tailoring services to them.

Value For Money: How are we doing?



Asset Strategy

WMS was the successful contractor during the responsive repairs pilot. WMS are now carrying out all SDR responsive repairs service. This will be reviewed again at the end of the financial year. We are working towards improved intelligence around asset management, to support business analysis. The board made a strategic decision to sell grade II listed buildings as they became available, which allows the sales proceeds to be reinvested into future development.

Re – organisation of Staff Duties

This has enabled more efficient delegation of tasks and duties, which supports resources at senior management level. This supports delivering an improved customer service to tenants.

As noted earlier, achieving VFM is about making a bigger difference by delivering quality homes and services with the resources available. We do this by delivering value through our assets and operations.

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, by September. The self assessment will include evidence of how we are achieving VFM, such as the examples given in this report.



Board away day

Information Technology (IT)

Implementation of the bought ledger remittance advice email module, which will automatically email suppliers when their payment has been made, saving on staff time and postage costs.

New OMNI software, to support mobile working, accessing documents and information which will automatically upload to the housing management system, saving staff time and giving customers a more instant efficient service.

Solar Panels

Further to investing £85,000 with a local company to install solar panels to a number of our properties, SDR has agreed a contract with local communities renewal energy organisation, who will provide funding to install solar panels on a further 76 SDR properties. This supports customers in reducing their fuel bills and also reduces the carbon footprint.

The Association is very concerned about the high cost of utility bills to their tenants so continued the project with a further investment of £85,000 with a company based in Totnes during 13/14, which should generate £12,000 feed in tariff income plus reduce bills for tenants. This includes the supported housing schemes for older people on the moors which have significant heating costs. The Association is working with Tresoc, another Totnes company to provide further installations of PV panels to benefit the tenants to reduce their utility costs. Estimated savings for tenants across SDR stock after Tresoc project estimated around £40,000.

Income and Expenditure

Income and Expenditure Account for the year ended 31 March 2015

	2015 £	2014 £
TURNOVER	1,838,688	1,766,900
Operating costs	(1,386,389)	(1,414,914)
OPERATING SURPLUS	452,299	351,986
Interest receivable and other income	2,077	4,096
	454,376	356,082
Interest payable and similar charges	(417,687)	(398,784)
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION	36,689	(42,702)
Loss on disposal of fixed assets	-	-
Tax on surplus on ordinary activities	-	-
SURPLUS/(DEFICIT) FOR THE YEAR	36,689	(42,702)

The above surplus is based on historic costs.

There was no other recognised surplus or deficit other than that reported above.

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous year.



Balance Sheet

Balance sheet for the year ended 31 March 2015



SOUTH DEVON RURAL
HOUSING ASSOCIATION LIMITED

	2015 £	2014 £
FIXED ASSETS		
Housing properties at cost	16,898,908	16,138,695
Social Housing Grant	(5,539,587)	(5,534,587)
Other Grants	(483,216)	(399,216)
Depreciation	(2,106,537)	(1,926,761)
Net Book Value of		
Housing Properties	8,769,568	8,278,131
Other fixed assets	740,031	771,811
Investments Unlisted	10,000	-
Investments in Subsidiary	10,000	-
Total fixed assets	9,529,599	9,049,942
CURRENT ASSETS		
Debtors	199,878	108,789
Land Held for sale	94,668	52,309
Cash at bank and in hand	557,080	666,475
	851,626	827,573
CREDITORS: Amounts falling due within one year	(348,809)	(282,119)
NET CURRENT ASSETS	502,817	545,454
TOTAL ASSETS LESS CURRENT LIABILITIES	10,032,416	9,595,396
CREDITORS: Amounts falling due after more than one year	9,948,304	9,550,000
Loan arrangement fees	(44,612)	(46,639)
LONG TERM LIABILITIES	9,903,692	9,503,361
CAPITAL AND RESERVES		
Designated Reserves		
Share capital	25	26
Capital reserve	47	44
Restricted reserves:		
Minibus fund	67	81
Revenue Reserve	128,585	91,884
TOTAL funds/net assets	128,724	92,035
	10,032,416	9,595,396