



SOUTH DEVON RURAL
HOUSING ASSOCIATION LIMITED

BUSINESS PLAN 2017- 2021

CONTENTS	Page
EXECUTIVE SUMMARY.	3
1. SOUTH DEVON RURAL HOUSING ASSOCIATION'S PURPOSE	4
2. INTERNAL ENVIRONMENT	5
2.1 Background	
2.2 Board of Management and Governance Structure	
2.3 Staff Team	
2.4 Customer Care	
2.5 Resident Involvement	
2.6 Equality and Diversity	
3. CURRENT OPERATIONS	8
3.1 Development Operations	
3.2 Asset Management	
3.3 Achievements	
4. FINANCE	11
4.1 Rent Restructuring	
4.2 Grants.	
4.3 Loans.	
4.4 Security	
4.5 Financial Plans	
4.6 Internal Controls	
4.7 Risk Assessment.	

5. STRATEGIC OBJECTIVES	14
6. OPERATING ENVIRONMENT	18
6.1 Partnerships agreement with South Hams District Council (SHDC)	
6.2 Changes in the Sector	
6.3 Group Structures	
6.4 Large Scale Voluntary Transfer organisations (LSVTs)	
6.5 Regulation	
6.6 Other Changes	
6.7 Stock Rationalisation and Diversification of Activities	
6.8 Care and Support for Older People	
6.9 Demographic framework	
6.10 Local Market Issues - Housing Demand and Supply	
7. THE WAY FORWARD	22
7.1 Development	
7.2 Asset Management	
7.3 Management	
7.4 Care and Support Services	
7.5 Housing and Care Services for Older People	
7.6 New Initiatives	
APPENDICES	
1. The Board of Management	26
2. Staff Structure	27
3. Housing Stock at 31 March 2014	28
4. List of Registered Providers with Housing Stock in The South Hams	29
5. Performance Indicators	30

EXECUTIVE SUMMARY.

In framing this Business Plan South Devon Rural Housing Association (The Association) has reviewed its aims and objectives in order to meet both external changes and to address internal needs. The Business Plan has been reviewed and updated from the previous Business Plan covering the period 2016 - 2017

The plan sets out the main aims, objectives and goals for the Association for the period 2017 -2021. Detailed targets are set out in our Action Plan and demonstrate individual staff responsibilities, performance and opportunities for growth. All staff are appraised linked to their 121's at which time performance is discussed and SMART (**S**pecific, **M**easurable, **A**chievable, **R**ealistic and **T**ime Based) targets are set out in an action plan for the forthcoming period. From staff appraisals a training and development plan is set for the forthcoming year to enable staff to achieve their objectives.

The Association is well established within South Hams. It has a strong ethos, a healthy balance sheet, committed staff and a portfolio of stock in good condition. Although the Association may be considered a 'minnow' in the Registered Social Landlord World, in the South Devon Area, the Association holds considerable housing stock. **(Appendix 4)**

The Association's aim is to build on its distinct identity as a flexible independent organisation focusing on the housing related needs of the community within South Devon and surrounding areas. The Association also recognises that it can add value to communities by investing in a range of support and care services as well as housing.

The environment in which the Association operates continues to experience considerable change in nearly all areas of its operations. Such change will affect a number of key areas due for review that may impact upon the work of the Association in the future.

Changes in national and local strategies, regulations, funding opportunities, and technology all create challenges and opportunities for the Association. To meet these challenges the Association needs to focus its activities both in terms of the functions it carries out and the geographical area that it covers. In this way the Association aims to improve the quality of service it wishes to achieve whilst controlling and maintaining overhead expenditure at acceptable levels, and providing value for money services.

From now onwards the Association will continue to seek opportunities to develop housing projects that have a strong strategic fit. It has a model for the provision of housing for families and older people and a

reputation for delivering good quality, affordable housing on a small scale, particularly in relation to affordable housing in rural settings.

Approximately 75% of the Association's housing stock is located within rural villages. The Association will continue to be innovative and consider other projects that help it to deliver its key objectives which include and benefit wider community, particularly in rural areas.

Whilst development opportunities are reducing, the Association will continue to develop and improve its development & management services to other landlords seeking more locally based customer service.

The rationalisation of stock without a strong strategic fit will continue to form part of SDR's asset management strategy, alongside reinvestment into existing stock through both its cyclical and major repairs programme and component replacement programme. This approach will include analysis and assessment of the performance and return on investment of assets. The Association will also consider further acquisitions from other landlords who may be seeking to rationalise their housing stock.

The Association will continue to look strategically at the Association's main assets. The Association will continue to review key policies, and aim to sustain its reputation for good management, by building on the staff's existing skills and capacity whilst improving succession planning.

1. SOUTH DEVON RURAL HOUSING ASSOCIATION'S PURPOSE

The aim of the Association is to provide quality affordable housing, and other related services, facilities and amenities that add value to the communities and economies in South Devon and the surrounding area and reflect the Association's charitable status.

Our key objectives are:

1. Through providing a variety of housing options , and where appropriate, care and support services, enable the Association's occupiers to be part of, and to contribute to the local communities within South Devon and surrounding area throughout their lifetime.
2. By nurturing and developing the Association's features of uniqueness, its culture of continuous improvement, its attention to the needs and influence of the occupiers, and its programme of business efficiencies, ensure that value for money is achieved in all its activities.
3. Through a robust governance and management structure, maintain the Association's long-term viability whilst ensuring that the Association contributes to the local rural economy.
4. Ensure that in all its activities it is evident that people matter to the Association.

Our Values:

- People matter
- Customer and beneficiary focused
- Striving for value and quality
- Continuously improving
- Promoting and valuing diversity and equality, balancing rights and responsibilities
- Good governance based on openness, integrity and honesty

This plan reflects our vision to work within our community both as a social landlord providing homes and services, and as a stakeholder who can make a positive contribution to the local economy and environment.

This plan sets out our objectives for the four years to 2021, together with an action plan of how we may achieve those objectives.

2. INTERNAL ENVIRONMENT

2.1 Background

The Association, known originally as The Dartington Housing Society, was formed in 1958 on the joint initiative of The Dartington Hall Trust and the former Totnes Rural District Council. The organisation then changed to Dartington Housing Association Limited in the early 1970's finally rebranding to South Devon Rural Housing Association Limited in 2009, the latter name was thought to more accurately describe the specialist nature of the organisation and its geographical cover. The Association continues to have a close working relationship with local authorities in South Devon.

South Devon Rural Housing Association is a non-profit making, exempt charity, registered with the Registrar of Financial Conduct Authority and The Homes and Communities Agency. It is also a member of the National Housing Federation and the Housing Ombudsman Scheme. The Association has been awarded Investor in People Status since 2002. Our Care Home, Forder Lane House also achieved Investors in People Award during 2014 in its own right.

We have a commitment to:

- Customers,
- Neighbourhoods,
- Excellence.

2.2 The Board and Governance Structure

As at April 2017 there were twenty seven share-holding Members of the Association including four tenant members.

The Association has a Board of a maximum twelve Members, with a wide range of experience and skills. Members are appointed from people who demonstrate the skills and experience needed to govern the organisation, but who also have an interest in local housing matters. The Board has undertaken a review of its skills and has determined a strategy which will strengthen Governance. This has included:

- The adoption of the 2015 National Housing Federation Code of Conduct (with exceptions) and the Nolan principles of Public Life, noting any specific exclusions
- The adoption of a Policy for Board Membership and Renewal
- The adoption of a Policy for Tenant Board Membership

The Association appointed the first two tenant Board Members at the beginning of 2000 following a full tenant ballot. Tenant Board members are elected to the Board every three years for a three year period. Next elections are due in 2018 although tenant members can be elected to the board at any time if there are vacancies and their skill set is likely to fill a gap on the board.

The Board has overall responsibility for directing the activities of the Association, its policies and staff. Its Members serve on a voluntary basis and no payment is made other than for travel costs and necessary expenses.

The Board meets quarterly and at least once during the year holds special sessions to concentrate on strategic planning and the training needs of the Board. Delegated authorities are set out in the Standing Orders and Financial Regulations of the Association.

Details of the Board are shown in **Appendix 1**.

2.3 Staff Team

As at April 2017, the Association employed 31 staff. The Association has 9 staff linked to the main office and the remaining 22 are employed to work at the residential care home at Forder Lane House.

The Association's office staff comprised of the Chief Executive, Finance Director (part time), Operations Director, Housing Officer, Maintenance Inspector (Part Time), Scheme Co ordinator (part time) and three Service Officers. A Senior Management Team has been established which includes the CEO, Finance Director, and Operations Director. Accountancy support is provided by accountants Bush and Co. External Audit Services are provided by Bush and Co. The staff team are responsible for managing the operational activities of the Association, and advising the Board on policy and strategic matters. The Business Plan provides for a review of staff roles and the sourcing of services on a rolling basis governed by changes in the business needs of the Association and staff turnover. Whenever a vacancy occurs, a review of the role and staffing requirements will be undertaken before a decision to recruit takes place.

In 2015 the Association retained the Investors In People standard reflecting its commitment to training and staff development. Forder Lane House achieved the Investors in People award in 2014. The Association carries out ongoing staff appraisals linked in with 121's and has individual staff training programmes, and individual work plans. Performance is regularly monitored on a one to one basis.

The staff structure is shown in **Appendix 2**.

2.4 Customer Care

The Association aims for a high standard of care that balances the retention of a personal touch and professionalism. We are committed to improvement and will continue to look at how the principles of 'continuous improvement' and greater customer focus may be applied effectively within our organisation. Surveys of our customers and stakeholders have helped identify areas where improvement is required and which we continue to develop. Development of excellence in service delivery and customer care will continue with our Quality Assurance programme. It is the Association's objective during the lifetime of this business plan, to build on these initiatives through the adoption of a business excellence model, such as the PQASSO Quality Management Standard which is specifically designed for small charitable and not-for-profit organisations.

2.5 Customer Involvement

In April 2017 there were two vacancies for tenant board members. There are currently no active resident groups, however, the association continues to encourage engagement with tenants.

The frame-work for customer involvement will be developed further with a clear strategy for involving tenants and customers in the work of the Association. This will be reflected in the Association's Customer

Involvement Strategy to be produced during the life of this Business Plan. Communications with customers will continue through one to one discussions, general consultations, quarterly newsletters, satisfaction surveys and through regular feedback. We will continue to identify methods of making communication more effective.

2.6 Equality and Diversity

The Association has adopted the principles of the Challenge Report and is committed to action that recognises and addresses the day to day experiences of black and minority ethnic people living in our rural community. Our main policies were reviewed in 2010 and 2014 to reflect changes to equality and diversity legislation.

3. CURRENT OPERATIONS

As at April 2017, the Association owned 281 self-contained properties, and 35 'care and support' bed-spaces, which comprises of a directly managed care home for the elderly, and an agency managed residential care home for adults with learning disabilities.

The Association has developed a sub-market rental scheme within the South Hams, in partnership with South Hams District Council, and has so far acquired 35 properties on this basis which it rents out at 80% of local market rents. SDR also manage 10 properties on behalf of South Hams District Council. The Association provides managed services to a further 40 properties. A breakdown of the Association's managed housing stock is shown in **Appendix 3**.

3.1 Development Operations

Over the 7 years to 2017, the Association has grown considerably and turnover has increased to over **£2.1 million** in 2016/2017. Future growth through development is likely to slow given the changes to the funding of social and affordable housing. However, the Association has a no grant model for future development and has a vibrant programme that will ensure development in the short term. Recent changes to grant conditions have given hope that SDR can in fact pursue a part grant funded development programme.

The Association also plans to grow the support and care side of its operations and will undertake innovative projects which help deliver affordable housing and services that meet our objectives and the needs of local communities.

The Association has entered into a development partnership agreement with Partnership South West a development partnership of 11 Housing Associations and will continue to look at development opportunities which may arise, in particular where more innovative solutions can be found. The Association is looking at opportunities for growth which may arise from joint developments.

3.2 Asset Management

As of April 2017 the Association's stock is in good condition and has been well maintained. A high proportion of the stock is less than twenty years old and is mainly traditionally built. Details of the stock are shown in **Appendix 3**.

The Asset Management Strategy is reviewed on an annual basis to ensure it delivers set objectives. The Association expects to invest further resources into its housing stock. At 31 March 2017 the Association had 22 properties that did not meet decent homes standards and these are due to be demolished in 2017.. All of those properties falling short of the standard were due to difficulties in increasing insulation levels due to design or other factors. The Association at some point will undertake a physical stock condition survey, which will inform future investment plans.

3.3 Achievements

The Association grew substantially in the 5 years to 2017 by opportunistic market acquisitions, stock transfer and new build.

Recent achievements included:

- Securing additional funding in 2016 providing £5 million of development funding
- 2016 4 new properties in Moreleigh
- Stock transfers of 12 properties in 2015 and a further 42 in 2016.
- In April 2015, the Association again retained the Investors in People Standard.
- The Association achieved accreditation as "Positive about Disability"
- During 2014 the Association was awarded Best Rural Housing Development for our Code for Sustainable Homes 5, at Thurlestone in South Devon.
- During 2012 Improved asset management encompassing component accounting. The Association developed an asset management policy and identified all its housing and components in line with

the requirements. Identifying the sale of a grade 2 property with high repair costs which could not meet Decent Homes Standards.

- The review of key policies and procedures to support the work of the Association and its staff and support continuous improvement are set in place.
- Forder Lane House Care Home was improved and extended and now accommodates 25 residents.
- Increased production of in house leaflets and information documents included the Tenant's Newsletter and an Annual Report to Tenants, Customer Charter and general advice on how to apply for housing provided more opportunities for our customers to get involved through our policy consultation framework. We developed and issued our 'Local Offer to Tenants' during the first part of 2011 and this is has been kept under review and revised where necessary, reporting through the Annual Report to Tenants on an Annual basis.
- Development and purchase of **35 properties for Sub-market rents**.
- Establishing the first Devon Work Hub in our main offices in Totnes following a competitive bid process.
- Development of 10 supported housing units in Buckfast for people with learning disabilities in association with Camphill Devon Community.
- The acquisition of Avondale House which was converted from 12 flats into 6 large family homes for people local to South Brent
- Purchase of new offices in 2010 and relocation of the administrative function for the Association.
- The purchase of individual houses in rural villages and hamlets to promote help sustain affordable housing in small rural communities 2007 - 2016
- Maintaining good performance in relation to peers in Small Providers Benchmarking Group

4. FINANCE

4.1 Rental Income from 2017

A review of our rent setting policy took place in 2014 to reflect the Association's ability to participate in the 4 year Affordable Housing Programme and introduce intermediate and affordable rents on re-letting social housing units.

Social Housing Rent Reduction by 1% 2016/17 for 4 years – despite having agreed a rent increase policy with the HCA, the government decided to put that to one side and instruct housing associations to reduce

social housing rents by 1% for the next 4 years starting in April 2016. The affect to the association is a reduction in cash of £800,000. This would have been used to upgrade current properties and develop new properties. The government has announced that a new rent standard will be put in place from 2020/21 to reinstate the increase to CPI +1%, whilst welcoming the increase, the Association would rather have rent freedom to asses and review rents on an individual basis to reflect the needs of the the local areas.

SDR will be looking to make up this lost income from new enterprises opportunities and activities, listed further in this business plan.

4.2 Grants.

During the course of its development history South Devon Rural Housing Association has received grants from The Homes and Communities Agency, and South Hams District Council, to the value of **£5,744,650 (as at 31.3.17)**.

4.3 Loans.

As at March 2017 current Association borrowing was £12,929,000.

The financial ratios and Performance Indicators as at 31.3.17 are shown in **Appendix 5**.

4.4 Security

The Association has total assets (at MVET) of £26,002,544 which includes a total of £18,137,544 secured against existing loans. Assets valued at over £7,865,000 are unfettered and available to be placed as security.

4.5 Financial Plans

In preparing this Plan the Association reviewed its long term cash-flow forecast which is available upon request. This forecast was drawn up to show the opportunity for the Association to attract and support future borrowing, fund future development and other business opportunities, in line with HCA requirements.

4.6 Internal Controls

The Association continues to use a number of methods to monitor its internal control and governance. The responsibility for Internal Audit lies with the Board who order a periodic Internal Audit. The outcome from these is built into management plans.

4.7 Risk Assessment.

The Association recognises the importance of Risk Management and has developed a system of internal controls that will give the Board assurances on a wider range of risks

The Association developed a Corporate Risk Map and continues to manage risk at Board level on a regular basis.

5. STRATEGIC OBJECTIVES

<p>1</p>	<p>Development</p> <p><i>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.</i></p>	<ul style="list-style-type: none"> • Develop a strategy to move SDRHA to a mix of opportunistic and planned growth. • Utilise Rural Homes Ltd as a development arm of the business to develop housing for sale to cross subsidise. • Commit to recycle money from sales. • Develop exposure to shared ownership. • Build on SDR strength and reputation as a “can do” organisation.
<p>2</p>	<p>Housing Services</p> <p><i>To provide a housing management service that is cost effective, customer focussed, responsive to resident influence, and achieves a high rate of tenant satisfaction.</i></p> <p><i>Ensure staff are knowledgeable of stock type and local, through training and site visits.</i></p>	<ul style="list-style-type: none"> • Provide customer focused service delivery. • Meet and excel key performance indicators. • Supporting customers affected by Welfare Reform. • Sell housing management services externally. • Overall customer satisfaction –to be maintained in excess of 90% • Improve satisfaction in areas where customers views can be taken into account • Increase affordable tenancies • Staff training/cross knowledge on all key service areas.
<p>3</p>	<p>Finance</p> <p><i>To be a financially sustainable organisation.</i></p> <p><i>Ensure the organisation is able to grow organically as well as funded and through future borrowings identified in</i></p>	<ul style="list-style-type: none"> • Ensure all advice and knowledge are up to date for accounting and taxation. • Value For Money: evidenced as upper quartile within smaller housing association sector. • Develop diverse sources of income.

	<i>strategic plans approved by the Board.</i>	<ul style="list-style-type: none"> • Review loan portfolio. • Identify lease deals and management services. • Ensure asset values are current • Identify options for investment – generate income. • Restriction by gearing covenant whilst Brimhay being developed. •
4	<p>Services for older and vulnerable people</p> <p><i>To provide, in partnership with other providers, care and support services that meet the requirements of customers and comply with regulatory requirements.</i></p>	<ul style="list-style-type: none"> • Maintain positive CQC rating at all times. • Develop new services for which there is an identified need or business opportunity. • Consider acquisitions of care and or support businesses where there is a strategic fit and good business case. Provide specialist advice to other care homes. • Provide outreach services/care in the community. • Develop opportunities in extra care. • Purchase another care home.

5	<p>Human Resources</p> <p><i>To recruit and retain well-trained and motivated staff.</i></p>	<ul style="list-style-type: none"> • Retain IIP status for SDR and FLH. • Use of apprenticeships, and European work placements. • Effective Leadership and delegation. • Robust policy & Procedure • Training & Development of Staff. • New HR Software – staff user friendly • Employee Engagement – promote staff retention.
---	--	---

		<ul style="list-style-type: none"> • Succession Planning • Skills matching via 121's.
6	<p>Information & Communication Technology</p> <p><i>To have an ICT strategy to meet the current and future ICT needs of the Association.</i></p>	<ul style="list-style-type: none"> • Develop Social media strategy. • Virtual Tours – Voids and FLH. • Use IT to full capacity – supporting performance analysis tools. • Review nominal ledger for improved financial processes. • Document image management implementation

7	<p>Customer involvement</p> <p><i>To develop and implement a customer involvement strategy (including input to quality assurance)</i></p>	<ul style="list-style-type: none"> • Develop community initiatives. • Review and improve customer involvement in respect of existing policies and procedures. • Ensure occupiers, and potential occupiers have opportunities to contribute to setting design standards. • Evaluate Return on Social Investment. • Consider tenant involvement when delivering projects. • Customer Profiling: knowing our customers – keeping profile information up to date. • Promote customer champions. • Map of local links to support community involvement. • Use media to spread SDR success in tenant involvement.
8	<p>Governance</p> <p><i>To ensure high standards of governance and clear accountability for the Association, and maintain probity in its direction</i></p>	<ul style="list-style-type: none"> • Ensure new Code Of Governance 2015 and HCA standards are understood and implemented. • Improve Board Training. • Improve board appraisal processes • Reporting clearly on return on asset investment. Challenging how assets perform. • Manage risks effectively. • Maximise commercial opportunities. • Develop and implement a PR strategy, review and identify who are our stakeholders.
9	<p>Asset Management</p> <p><i>To ensure good understanding of assets and how they perform. Using business analysis to support strategic decisions.</i></p>	<ul style="list-style-type: none"> • Have all properties maintained to decent homes standard. • Review asset portfolio in terms of performance & risk. Make

		<p>recommendations to board.</p> <ul style="list-style-type: none"> • Have comprehensive asset register • Implement a programme for detailed stock surveys. • Review potential for full outsource of repairs service. • Aim to source further eco projects eg solar panels/heating pilot.
10	<p>South Devon House</p> <p><i>To provide facilities and office space to local businesses, supporting new businesses to grow.</i></p>	<ul style="list-style-type: none"> • Increase revenue for SDR. • Community and social facility. • Out of hours 24/7 facility. • Loss of Burke Rd parking.

6. OPERATING ENVIRONMENT

6.1 Partnerships agreement with SHDC

South Devon Rural Housing Association is signed up to the South Hams District Council Social Housing Partnership Agreement as a small, rural, developing Registered Provider. The Agreement sets out the District's development targets and management standards and respective responsibilities between RPs and the District Authority.

6.2 Changes in the Sector

The social housing sector continues to go through a period of significant and rapid change. This has included the growth of fewer, larger organisations, often within group structures. Stock transfers have continued and many organisations have diversified their activities and extended their role into regeneration. Added to this has been the implementation by the Homes and Communities Agency of preferred investment partners. This environment will be monitored closely by the Association. The Association's future and the business case for its independence will be kept under periodic review.

6.3 Group Structures

The Board actively considered the option of joining a group structure. The conclusion at that time was that the benefits of a group structure were not sufficiently favourable. The HCA is actively encouraging organisations to look more closely at possible mergers and partnership working.

Whilst the Association continues to demonstrate the benefits to tenants, residents and local communities, the Board had a strong desire to remain independent. However, the Board recognises the benefits of working with other Social Landlords and will consider partnership and joint working arrangements where appropriate.

6.4 Large Scale Voluntary Transfer organisations (LSVTs)

Other registered providers operating in the District include primarily DCH Group, and Sovereign Housing Associations. There will thus be continued competition for limited funds and land within the area.

SDR's unique small scale of operation will, to some extent, place it outside the main impact of competition, and local knowledge may help in the search for small development sites in the Association's area of operation within South Devon and surrounding areas, generally of little interest to other registered providers. However, opportunities to acquire further housing stock may be possible as some of the larger, national RP's rationalise their housing stock.

6.5 Regulation and de-regulation

The regulatory framework for RSLs continues to undergo significant change. There has been a continued emphasis on Value For Money. Housing Associations will be expected to exceed the minimum standards by continuously improving their performance. From April 2013 Housing Associations have been required to submit a Value for Money Assessment as part of the regulatory standard and a requirement for organisations to demonstrate and evidence in more detail how they achieve Value For Money.

6.6 Other Changes

Other changes include the following;

Supporting People

Funding for supporting people continues to decline. In 2014 Devon County Social Services ended all support contracts. SDR took a strategic decision at that time not to bid for new contracts.

The Care Standards Act 2014

The effect of this Act has been to improve standards of care for older people e.g. through minimum room sizes, minimum training standards, and the introduction of better quality assurance processes. The Association has invested additional capital and revenue expenditure into meeting the requirements of the Care Standards Act. This will continue to be monitored closely through the regular inspections carried out by the Care Quality Commission (CQC) Inspectorate while the Forder Lane House business continues. The way the inspectorate inspects will be changing and the Association must keep abreast of the proposed changes and the impact on the business.

Development of New Housing

The Association is keen to maintain a small development programme in keeping with its size and will continue to pursue this with our development partners and The Homes and Communities Agency.

6.7 Stock Rationalisation and Diversification of Activities

The Association directly manages family housing, residential care for the elderly and supported housing for people with learning disabilities.

The majority of the Association's housing stock is located in and around South Devon and surrounding areas. However, there were some clusters of outlying stock in Woolwell and Teignbridge which we continue to review along with business analysis on the performance and returns from of our assets

The Association will thus aim to achieve a greater focus both in terms of the functions it carries out, services it provides and in the geographical area which it covers, and this is reflected in the Objectives set out in this Business Plan.

6.8 Care and Support for Older People

The Association aims to provide accommodation and services for older people that reflect national policy, fit with the strategies adopted by Devon County Council and South Hams District Council, complement the existing provision by other Registered Providers, and meet local demand.

Devon County Council's published vision for Services for Older People would seem to mean the provision of more community based services such as day centres, personal support in the home and respite services for carers. Devon County Council plans to pull out of direct provision of general residential care and will

instead look to ensure that there are enough independent homes in the right place to meet the need. However, the reality would appear to be that the number of residential care places within the district will reduce with greater pressure being placed upon available spaces and the cost of running them. Strategically, Social Services have preferred to commission services which help keep clients in their own home. However, Forder Lane House remains a popular choice for older people who require quality residential care.

6.9 Demographic framework

Within the UK there is an upward trend in the number of people aged 65 and over, with almost half of the elderly population being at least 75. This growth in the number and proportion of older people within the community is likely to translate into an increased demand for care services.

A quarter of the population of South Hams in 2001 was over sixty, and this age group is estimated to grow by about 36% between 2001 and 2016. An increase of 12% in the numbers of people over 75 is expected over the same period. A large proportion of the migration into the district comes from people of retirement age. (Housing and Support for Older People. F Peroni and B Pearson January 2002). These predictions hold good today with 8.5 million over 65 currently in the UK. By 2031 this will increase to 15.8 million. In 2010 there were 700,000 people with dementia in the UK and this is to grow to 1.4 million in the next 30 years.

In contrast to the number of elderly, the number and proportion of younger people, (from whom the care work force is drawn) will fall. In Devon 21% of the population is over 65, predicted to increase from 133,510 in 2006 to 185,450 in 2026. 3% is over 85 predicted to increase from 22,130 to 32,120 in 2026. For people with dementia, this will rise from 12,054 to 16,036 by 2020. (Gary Hortop Associates June 2011)

6.10 Local Market Issues - Housing Demand and Supply

Less than 2/3rds of the homes needed in the South West are being built, with 21,500 new households forming each year and only 13,460 homes built in 2012/13. (Home Truths 2014 NHF).

South Hams has a high proportion of owner occupiers with 84% of households being owner-occupiers, 9% social rented and 7% private rented.

Meanwhile, the barriers to owner occupation have been increasing with a low wage economy and high average house prices. In 2016 the average house price in South Hams was £336,784 (SHDC Land Registry data). This compared with average gross weekly earnings in South Hams of £23,613 per year, (Source ONS Annual Survey of Hours and Earnings) South Hams had the highest affordability ratio as measured as average wages against average house prices in Devon, the multiplier stood at 14.3 (Home Truths 2016 NHF)

7. THE WAY FORWARD

7.1 Development

Although funds for new projects are likely to remain limited, South Devon Rural Housing Association will continue to seek opportunities to develop small housing projects as part of an intermittent development programme. The Association has a reputation for delivering high quality housing. South Devon Rural Housing will still be a significant local provider of quality housing, even if it cannot compete with the larger Associations across the whole of the District.

South Devon Rural HA will continue to seek opportunities for development on sites that can be brought forward within the Local Plan and will seek to build on its partnership with local land owners. Development will only go ahead if there is a strong strategic fit and it does not require disproportionate subsidy from the Association's reserves. The Association will also consider the merits of buying homes at market prices to convert them to permanent sub-market housing, and look to infill opportunities on its existing housing schemes. These initiatives will add to the overall availability of affordable housing in the district. We will look carefully at opportunities afforded by way of joint venture.

7.2 Asset Management

Regular review of stock without a strong strategic fit will form part of South Devon Rural's asset management strategy, alongside reinvestment into existing stock through both its planned maintenance programme and the options appraisal of older properties. A matrix to continually measure the performance and return from our assets will be developed during 2017/2018 to assist the Board in making strategic decisions future investment.

7.3 Management

The Association will continue to develop its management services to RSLs seeking local management for their stock.

7.4 Care and Support Services

The Association will continue to provide care and support services to local communities, where it is cost effective to do so and fits with overall strategic objectives. The Board recognises the sector is experiencing much change and will monitor the effectiveness of continued service delivery.

7.5 Housing and Care Services for Older People

Partnerships with other Providers may be needed to improve the Association's capacity to drive the necessary changes, to develop strategies that reflect national policy, fit with the strategies adopted by Devon County Council and South Devon Councils, and to ensure that any new services complement the existing provision by other providers. The Association will continue to improve all aspects of management and service delivery, to ensure it is best placed to capitalise on opportunities which arise in this ever changing environment.

7.6 New Initiatives

The Association has always been a catalyst for innovation, taking on projects that require local knowledge and commitment. We will continue to build on our strengths to take advantage of any opportunities which fit with the aspirations of the organisation. Along with this Business Plan is an action plan based on ideas and aspirations expressed by staff and the Board at a strategic away day.

Steven Prime FCMJ FCIH

Chief Executive

Jan 2018

A range of documents and information leaflets can be found on our web site.

www.southdevonrural.com

If you wish to comment on this or any issue regarding South Devon Rural Housing Association, you may do so by:

E-mail our dedicated consultation e-mail address, consult@southdevonrural.com

Write to:-

South Devon Rural Housing Association

South Devon House

Babbage Road

Totnes

TQ9 5JA

South Devon Rural Housing Association Limited is a registered society under the Cooperative and Community Benefit Societies Act 2014 and The Homes and Communities Agency No. LH 0920. (England and Wales)

Appendix 1; The Board of Management

Name	Position
Mr Jim Davis	Chairman
Mrs Prana Simon	Vice Chair
Mrs Charlotte Burrows	Member
Mr Seb Stewart	Member
Mr Rodger Hands	Member
Mr Rod Hewett	Member
Mr Alec Munroe	Member
Mr Martin Lightfoot	Member
Mrs Sally Fairman	Member
Vacant x 3	Member 2x Tenant Member

Appendix 2: Staff Structure

Chief Executive

Outsourced Services;

Development Consultant (Rural Homes Limited)

Finance Director

Operations Director

Head of Care and Support (Forder Lane House)

Finance Assistant

**Housing Officer
Service Officer (Work
Hub/Housing
Housing Assistant
Maintenance Inspector
Scheme Co ordinator
Property Inspector
Estate Staff**

**Deputy Care Manager
Carers (15)
Cook (2)
Housekeepers (3)**

Appendix 3: Rental Housing Stock as At 31.3.17

Property Type	No.
General Needs Flats 1 bed 2 bed	40 14
General Needs Bungalows 1 bed 2 bed 3 bed	43 38 1
General Needs Houses 1 bed 2 bed 3 bed 4 bed	24 37 37 2
Residential Care Home Bedspaces	25
Owned but not managed properties	10
Affordable Housing Units (at 80% market rents) 2 and 3 beds	35
Supported Housing (Learning Disability)	10
Managed but not owned properties	40
Leased family housing (10 years from 2011)	10
Total	366
Pipeline properties under development	32

Appendix 4: Performance Indicators for the year ended 31 March 2017. Financial Ratios

Ratio	2017	Standard	Comment
Liquidity	4.56	1 (100%) is the rule of thumb minimum If less than 1 reasons should be investigated	SDR are reducing the cash balances held, which will be invested in improving homes and acquiring new properties
Net Interest Cover (accounting surplus basis)	1.84	Most lenders require ratio of not less than 1.1	Future projections show that the 1.2 ratio is achievable in future years.
Gearing (based on historic cost)	0.64	No specific standard. This compares the value of loans to the fixed assets held.	The current covenant states we cannot exceed 0.65. SDR are ensuring that maximum development is achieved with assets available.

Performance Indicators 2016/2017

Appendix 5

Performance Dashboard	Performance 2015/16	QTR 1	QTR 2	QTR 3	QTR 4	Target 2016-17	Commentary
ASSET MANAGEMENT							
Annual Gas Safety Checks Completed	100%	100%	100%	100%	100%	100%	
Emergency	100%	100%	100%	100%	100%	100%	
Urgent	98%	97%	95%	100%	100%	95%	
Contractor Satisfaction	96%				98%	85%	Due to good performance this target will be increased to 90% for year 17/18.
RENT ARREARS							
GN Tenant rent arrears as % of annual debit	0.57%	0.99%	0.67%	0.78%	0.59%	1.50%	Due to continued good performance this target will be reduced to 1.25% for year 17/18.
Forder Lane Gross rent arrears as % of annual debit	1.83%	1.47%	2.33%	1.81%	1.20%	4.00%	Gross performance includes social services debt. Due to continued good performance this target will be reduced to 3.00% for year 17/18.
Total Rent amount written off as a % of rent debit	0.55%				0.08%	1.00%	
ALLOCATION AND VOID MANAGEMENT							
Void loss on homes as a % of gross rent	0.18%	0.07%	0.12%	0.10%	0.07%	1.00%	
Average re-let time (including major works(days)	15	7	19	18	16		
Average relet time (excluding major works)	15	7	19	10	16	14	1 property was a delayed let, due to sensitive letting, which led to going over target.
Number Of Lettings	19	6	4	4	4		
% Of Lettings to BME Households		0	0	0	0		
ANTI SOCIAL BEHAVIOUR							
Total no of ASB Cases	14	0	1	1	1		
% Of ASB Actions Completed On Time	100.00%	N/A	100.00%	100.00%	100.00%	90.00%	
No of ASB cases open	3	0	1	1	2		

Approved by the Board 31 January 2018