



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 Registrar of Friendly Societies No R14949 and the Homes and Communities Agency LH 0920.



2013/14

Annual Report



Chairman's Report 2014

I am pleased to report that the Association has had another successful year in 2013/14.

We continue to follow our primary objective of creating more affordable housing in South Devon. To this end the Association completed the development of 4 eco houses at Parkfield, Thurlestone, with grant support from South Hams District Council under the SHIRE (South Hams Intermediate Rent Enterprise) scheme. These homes are built to the very high standard of Sustainable Homes Code 5, making them very energy efficient for our tenants. The houses were all let from November 2013.

Our plans to convert Avondale House, South Brent, into 6 large family homes have progressed and these were all completed and let by the end of June. We are also continuing our involvement in a project for 12 homes in Moreleigh, which recently received planning approval. Four of these homes will be purchased by the Association for affordable rental. We have acquired a two bedroom, detached family home in Templeton, Mid Devon, which will be let during August 2014. Other projects are also being considered for innovative ways of providing more affordable housing in South Devon within the limits of the funds available to the Association.

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 were 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 and the work hub has grown substantially during 2013/14 providing start-up businesses with a range of services. The Work Hub also runs and hosts a wide range of business support events and seminars, supporting local business start-up initiatives.

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 recent review of its asset management policy, the Association has agreed to sell several properties in Dartington, where repair costs were substantially higher than other stock held. This should provide the Association with funds to reinvest in more affordable housing.

Turnover for the year has increased from £1,527,186 in 2013 to £1,766,900 in 2014, an increase of almost 16%. The operating surplus has increased by 31% to £351,986 in 2014. However due to a new form of accounting by components, depreciation has risen substantially and our normal operating activities showed a deficit of £42,702, though this was less than budgeted. The forecast for the year is for a surplus of over £50,000.

The Association's net assets of £92,035 have decreased by £42,702 (2013: £134,737) 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 0.97% and total rent losses from housing voids of 0.55%.

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

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

I would like to thank all our staff, especially our senior management team – Steve Prime, CEO, Claire Barnett, Financial Director, Francis Bourke, Operations Manager 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 Hewitt, Chairman of the Board

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

Tenants on the Board

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

With best wishes
Steve Prime, FCMI FCIH Chief Executive



Above Merryfield Barn (left) under construction (right) completed

Our Service Standards

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

- Tenant involvement & empowerment - service standards & choice
 - Home - repairs and quality of accommodation
 - Tenancy - rents and allocations
 - Neighbourhood & community – neighbourhood management and anti-social behaviour
 - Value for money
 - Set rents which are affordable, and only increase rents annually in line with regulatory rules
 - Allocate all homes according to our published Lettings Policy, with particular priority given to local people
 - Provide assured tenancies for all tenants, except where we manage property for other landlords who require us to use Assured Shorthold Tenancies or where we operate specific affordable housing schemes such as SHIRE
 - Minimise the number of our properties that are empty at all times
 - Operate a defined lettings standard
 - Maintain a 24 hour responsive repairs service, with target times for action which reflect the urgency of the repair need
 - Undertake a stock improvement programme on our own properties each year, to ensure they continue meet the government's Decent Homes Standard
 - Inspect all our housing sites bi monthly, (6 monthly for individual outlying properties) to ensure that communal areas and gardens are maintained properly, and identify any problems that need to be addressed
 - Respond actively to protect our tenants against anti-social behaviour, and take strong action against perpetrators
 - Address any complaints as quickly as practicable in accordance with our published Complaints Policy
 - Work with other social housing organisations on local initiatives, where this can benefit our tenants
 - Produce an annual improvements plan based on any gaps which have been identified by the organisation or its tenants
 - Keep under review our Local Offer to Tenants, taking into account tenant comments.
- The HCA has published detailed definitions of the standards it expects against all five headings – if you would like to read these, visit the HCA website, or contact any of the contact names at the end of this report for a copy.
- SDR believes that it meets the standards identified by the HCA. However, we recognise that there is always room for improvement, and we are committed to continuing to improve our performance each year. We support the HCAs view that performance can be improved by increasing the involvement of our tenants in running the association, and this report sets out how we aim to achieve this.
- The HCA are currently consulting on proposed changes to their regulatory framework, these changes are planned to be implemented in 2015. Once changes are made to the regulatory framework, we will notify you, however until the changes are applied the current standards still apply.
- In setting our service standards to meet both our tenants priorities and the regulatory expectations, SDR will:






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

How well are we performing

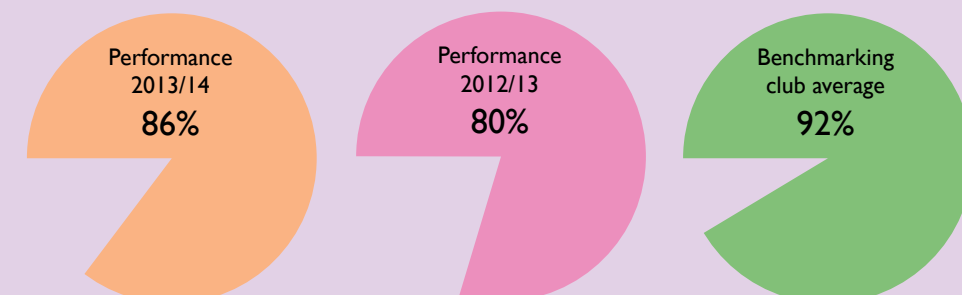
In this section, we aim to give you information about how well we are performing.

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 (2012/13) as well as average performance for a group of housing associations similar to SDR (our 'benchmarking club').

Performance indicator	Performance 2013/14	Performance 2012/13	Benchmarking club average	
Emergency repairs completed on time	100%	100%	100%	
Urgent repairs completed on time	95%	98%	97%	
Routine repairs completed on time	92%	89%	97%	
Rent lost through empty properties	0.55%	0.59%	0.5%	
Average Time to re- let an empty property (days)	15	11	23	
Current tenant rent arrears	0.97%	1.32%	3.3%	
Rent arrears after housing benefit due is taken out	0.97%	0.51%	1.8%	
Average weekly rent	£86.81	£82.74	£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 with your landlord



Our Rented Stock as at 31.03.14

Property Type	No.
General Needs Flats	
1 bed	14
2 bed	7
3 bed	1
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	
Bedspaces	25
Sheltered Housing Units (one bedroom)	22
Owned but not managed properties	10
Intermediate & submarket units (at 80% market rents)	
2, 3, 4 bed house let on shorthold tenancies	26
Supported Housing (Learning Disability)	12
Managed but not owned properties	33
Leased family housing	11
Properties under development	4
Total	306
Pipeline future development or acquisitions	2



Totnes Work Hub

Letitia Randell



This year we welcome Letitia Randell as the new hub officer. Letitia is from a housing background and has come to South Devon Rural to manage the hub and look after the repairs for South Devon Rural.

We have had a big move around and we welcome some new faces to our hub family. Prospects services have now vacated what

is known in the hub as the old heart office.
"Our aim is to inspire and motivate adults and young people by giving the right careers and employment support, assisting thousands of people into work and training each year."

Wendy Harris, Nutshellaw Totnes, Specialists in HR and Employment Law. Another lovely addition to our family at the hub. Wendy is a well known South Hams Lawyer and has particular expertise in all aspects of Employment Law including the provision of HR support and training. Services include HR outsourcing as part of their Bronze, Silver and Gold Nutshell-HR packages which also provide access to their interactive cloud based software.

"Employees can be your business' greatest asset but quickly changing employment legislation and rules can be a minefield and an ongoing headache. We understand how you want to do things right but to keep up to date can take you away from making your business a success. As such changes in the law often slip by unnoticed and can leave you unaware of potential liabilities until it is too late."

Finally we welcome Ashley Hamilton of Total PayHub.

"Total PayHub is a dynamic merchant services consultancy helping business access cost effective solutions. We believe having the ability to access key financial merchant data can make a difference to operations and the bottom line, couple that with the latest solutions available makes us stand out from the crowd. That is what we want for your business, that is what your customers notice."

They are now settled in and very happy with their new offices! Welcome to the family! We still have with us Babcock who have moved across the corridor to South Devon Rurals old offices, Proud2be and Rick of Samskara design.

Wendy Harris



Prospects services



Samskara design



Plans for Improvement

Update of action plan for 2013

Action

- Produce an asset management plan for the next 5 years
- Develop Value For Money Initiatives within the organisation.
- Improve our IT systems and process to deliver improved services to customers.
- We will contact all tenants who have expressed an interest in the running of the Association
- To arrange meet the team days on your schemes

Update

- Completed. This plan will be continually reviewed on progress.
- We have produced a Value For Money Self Assessment statement, this will be continually reviewed and updated.
- New processes have already been implemented, further training for staff has been obtained. This will enable SDR officers to work more efficiently.
- Current evidence suggests we have the right balance in place, however, we remain open minded about how we can be more inclusive.
- This will be arranged in the coming months, to link in with your regular scheme visits.

Action Plan for 2014

Action

- Review responsive repairs service
- 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
- Set up Housing Advice Surgeries
- 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?



Office Move/Daycare Relocation:

The day care service was reducing in numbers as Social Services change their policies and look to reduce their costs. It was identified that moving the service from South Devon House would allow the association to gain rent and service charge income of £15,000 per annum. The service was relocated to FLH which allowed the staff numbers to be reduced giving a saving of £7,500 pa.

Solar Panels

The association installed PV panels on 5 properties in March 2012, which benefitted the home owners with a reduction in their utility costs at a time when prices continued to rise. The association collected the feed in tariff, income of £2,134 in 13/14.

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 Tressoc, 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 Tressoc project estimated around £40,000.

Asset Strategy

New pilot to benchmark quality performance and cost with responsive repairs service. Splitting stock into 3 geographical areas, offering pilot to two contractors, and measuring performance against SDR in house service.

Legal Fees

Through preparing court paperwork and presenting cases in court through in house skills, this has saved legal fees of over £7,500. Further staff will be trained in this area of work to support continued savings.

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.



A new build detached 2 bed family home in rural village, Templeton Mid Devon, allocated to a local family.

Income and Expenditure

Income and Expenditure Account for the year ended 31 March 2014

	2014 £	2013 £
TURNOVER	1,766,900	1,527,186
Operating costs	(1,414,914)	(1,258,623)
OPERATING SURPLUS	351,986	268,563
Interest receivable and other income	4,096	6,254
	356,082	274,817
Interest payable and similar charges	(398,784)	(260,494)
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION	(42,702)	14,323
Loss on disposal of fixed assets	-	(1,164)
Tax on surplus on ordinary activities	-	-
SURPLUS/(DEFICIT) FOR THE YEAR	(42,702)	13,159

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 2014

	2014 £	2013 £
FIXED ASSETS		
Housing properties at cost	16,138,695	15,064,820
Social Housing Grant	(5,534,587)	(5,534,587)
Other Grants	(399,216)	(349,108)
Depreciation	(1,926,761)	(1,770,236)
Net Book Value of Housing Properties	8,278,131	7,410,889
Other fixed assets	771,811	756,846
Total fixed assets	9,049,942	8,167,735
CURRENT ASSETS		
Debtors	108,789	120,338
Land Held for sale	52,309	-
Cash at bank and in hand	666,475	1,039,042
	827,573	1,159,380
CREDITORS: Amounts falling due within one year	(282,119)	(241,045)
NET CURRENT ASSETS	545,454	918,335
TOTAL ASSETS LESS CURRENT LIABILITIES	9,595,396	9,086,070
CREDITORS: Amounts falling due after more than one year	9,550,000	9,000,000
Loan arrangement fees	(46,639)	(48,667)
LONG TERM LIABILITIES	9,503,361	8,951,333
CAPITAL AND RESERVES		
Designated Reserves		
Share capital	26	23
Capital reserve	44	43
Restricted reserves:		
Minibus fund	81	95
Revenue Reserve	91,884	134,576
TOTAL funds/net assets	92,035	134,737
	9,595,396	9,086,070