



sutton housing society  
limited

Annual Report 2015/16

# All in a day's work



Providing affordable  
homes locally  
for over **50** years



# making a difference for



## REPORT FROM THE CHAIRMAN

2015/16 was a year in which the context of social housing changed significantly. A right to buy for housing association tenants will be introduced by the Government in 2016. Sutton Housing Society voted against

the voluntary agreement and we remain opposed to it. It is our view that in areas of high demand and high land values it will be hard if not impossible to replace properties sold in this way.

Most housing associations were set up by volunteers who gave freely of their time and expertise to establish this provision of social housing. Generous grants available at the time from the Government ensured new homes were built or refurbished often for groups of people who could not access home ownership or qualify for council housing. Fifty years on, despite the low social rents charged, loans on these homes have been repaid. The properties themselves continue to provide social value to the community, contribute to our surpluses and could continue to make these contributions for another 50 years at least.

Value for money is at the top of our agenda, it always has been. The results of this focus now allow us to reinvest in our buildings and to look for opportunities to build new homes. We are able to fund these projects and new schemes using the surpluses we generate from our activities. We are able to do this because we focus on our costs and extract maximum value from what we do. Careful stewardship by Board Members of the Society's assets for the last 50 years has created this organisation. I and my fellow Board Members are committed to maintaining and increasing the contribution that Sutton Housing Society makes to the local community.

I would like to take this opportunity to thank my colleagues on the Board for all that they do. We are always looking to strengthen our Board. We will continue to do this next year particularly to improve the diversity of our membership. I would also like to place on record my thanks to three Board Members whose services we lost for different reasons this year. Salem Ahmed served conscientiously on the Board of Sutton Housing Society for 22 years and also on the Housing Operations Committee (HOC). Sadly Salem passed away suddenly in February 2016. Steve Kent also brought his considerable experience of social housing to the Society for 19 years and served as both a Board Member and Vice-Chairman and as Chairman of the HOC. Lastly, and by no means least, my thanks to Len Ross who served as a tenant member on both the Board and HOC for many years.

The selfless contribution of these Members provides the backbone to the proper governance of the Society, its strategies, direction and the careful stewardship of its assets. My thanks go to each of these Members and to all of my colleagues on the Board.



## CHIEF EXECUTIVE'S OPERATING REPORT

Under the general direction of the Board, staff produce the detailed operational plans for delivery of the Society's services and for investment in its buildings.

The development of 12 flats at Park Road in Hackbridge (Kent Court) represents the first step in an ongoing programme of new build properties by the Society. Up until quite recently the Society's priority has been reinvestment in its existing stock. The Society achieved Decent Homes Standards across all of its stock several years before the deadline set by our regulator, the Homes and Communities Agency. This enabled more of our surpluses to be invested in substantial new projects and more active management of our existing assets. At the same time we're keeping up with our reinvestment strategy for our existing buildings. From the several projects completed this year the following are examples of this three pronged approach;

### New housing

At Kent Court. Funded entirely from the Society's surpluses we undertook the development of 12 new flats for older people in Hackbridge. We took on a challenge buying a derelict factory on a difficult site. We will provide badly needed housing let at social rents and significantly improve the local environment. We're building for the future – all flats will have level access showers and have access to Wi-Fi.

At Bond Gardens. We hope to be granted planning permission for 23 new flats. Here too we will build-in independence for older tenants including items such as a lift, level access showers and Wi-Fi. The scheme will also be let at social rents, which will help tenants on fixed incomes and will make lower demands on the public purse.

### Asset Management

Harding House consisted of 12 bedsits that were proving difficult to let and were due substantial reinvestment. Planning permission has been achieved to extend the building creating nine one bedroomed flats and three studios. At the same time all of the planned reinvestment works (new kitchens, bathrooms and rewire) will be rolled into the extension project to be undertaken in 2016/17.

# the future

## Reinvestment

Thomas House Roof Replacement. The ageing flat roof was completely stripped off. Levels of insulation were greatly improved and waterproofing details upgraded before a new roof guaranteed for 20 years was fitted.

## Cloverdale Court bathrooms

In line with our reinvestment plan, we replaced 45 bathrooms at Cloverdale Court. This work included the rewire of each bathroom and the installation of new energy efficient water heaters. Level access showers were fitted and grab rails and shower seats supplied to meet individual tenants' needs. This improved tenants' opportunities for independent living and brought significant savings in levels of support that had to be provided by other agencies.

Under the specific direction of the Board we will continue to seek the best possible value from all of our operations. This is not just about asset management or improving our procurement. We are constantly challenging ourselves and our working practices to ensure we operate as efficiently as possible and at the lowest possible cost.

Over the past year we have continued to nurture our existing partnerships and have developed new ones. We work with other housing associations in London via the G320 group and across the South East with the SHAPE\* performance group. We receive support in our development work from L & Q. This along with all of our partnerships helps us to achieve much more than operating alone.

\*SHAPE smaller housing associations pursuing excellence



**The Kent Court development, Park Road, Hackbridge – before, during and now completed. The development provides 12 new homes and is the first step in an ongoing programme of new build projects by the Society.**



**"My new shower is very easy to access, the adaptations will be helpful when it's difficult to stand"  
Tenant at Cloverdale Court.**

# making a difference

## STAFF TRAINING

We realise that our employees are one of our most valuable assets and encourage their personal and career development. This year we have supported three employees in external qualifications linked to their roles. Alongside external training we also deliver regular 'in-house' training programmes for all staff, which provide significant cost savings when compared to external individual training programmes. We always receive positive feedback from these events and from those staff members receiving individual training.

"This year I have had the opportunity to study for a qualification in accounts. I have completed levels 1 & 2 in bookkeeping and will now move on to an AAT level 3 which I hope to complete by April 2017. Through these courses I have gained background knowledge and a deeper understanding of my role at SHS. My hope is to be able to put this

knowledge into practice at work and help make processes more efficient.

During the year two 'in-house' training sessions were held for all staff. The Time Management course enabled staff to discuss ways in which we can work more efficiently and prioritise our workload day to day. The Customer Care training allowed us to look at ways to improve the services we provide to our tenants and external customers. These group training days are an excellent way for staff to work as a team and to get a deeper insight into each other's roles within the Society."

*Michelle, Finance Officer*

## TENANT ENGAGEMENT

Following the review of our sheltered service, a new post of Tenant Engagement Officer was established.

"Tenants at our sheltered housing schemes, who expressed an interest in being more active, have been taking part in chair based exercise sessions.

These are open to all sheltered residents. The sessions are held by a qualified instructor at several of our schemes. In addition to the physical health benefits these sessions provide, tenants also enjoy the social interaction with the instructor and their neighbours. We hope over the course of the next year to introduce Zumba Gold exercise sessions and Yoga classes to aid relaxation. We also plan to install large raised planters in the communal gardens for those tenants who have mobility problems and find it hard to bend.

Tenants have also benefited from individual IT support from Age UK volunteers who kindly gave up their time to provide six week computer courses at two of our sheltered schemes. Beginners were shown the difference between laptops, computers and tablets and taught the basics of how to get on-line and use apps, with some moving on to setting up Email, Facebook and Ebay accounts. With this knowledge, the tenants can use either their own equipment or the



**Tenant – "I always have a good time at the chair based exercises with Claire. I don't get out much and am unable to go on the trips that are organised here so the exercises are a good way for me to be social and keep my body going! "**

# every day



**"I found the one to one tuition very helpful. I wanted to learn more about using file manager and creating posters for our social club. I also received help setting up a gmail account. I found the tutors really friendly and knowledgeable. I enjoyed the course and would like further computer courses or top up lessons in the future"** Tenant

**"Everyone is brilliant. Repairs always get done so quickly"**

**"Carried out professionally and promptly"**

**"Very efficient service – thanks"**

**"Very good communication with all parties concerned. Thank you very much"**

The responsive repair performance process was reviewed this year and performance across all response categories has improved and compares favourably with SHAPE. **In 2015/16 99% of all repairs were completed within target times**, compared to 96% in 2014/15; and the SHAPE median\*\* (2015/16) 98%.

**In 2015/16 we spent £300,787 on routine repairs and planned maintenance** compared to £321,841 in 2014/15. Of this repairs & maintenance expenditure 38% was spent on planned maintenance and 62% on routine maintenance. **In 2015/16 we spent an average of £412 per home on routine repairs** compared to £452 in 2014/15. The Society's spend and the number of responsive repairs has reduced over the past three years, reflecting the ongoing investment in our stock.

\* Average score of survey questions on repairs satisfaction questionnaire

\*\* SHAPE (smaller housing associations pursuing excellence) median – middle value of a set of data

computer kiosks provided in our larger sheltered schemes to continue learning and to stay in touch with family and friends. We plan to roll out these sessions across other schemes and offer advanced and top-up classes.

We are forging links with the Alzheimer's Society, LiveWell NHS and Healthwatch Sutton and hope to work in partnership with these groups on future projects." *Billie, Tenant Engagement Officer*

## REPAIRS AND MAINTENANCE

We understand that the maintenance of our properties is very important to our tenants and also drives tenants' opinions of our overall service. We monitor satisfaction on our repairs service via questionnaires and telephone surveys. **In 2015/16 of the repair satisfaction questionnaires returned, 98% expressed a positive view of repairs service\*** compared with 95% in our Independent Satisfaction Survey (2012) on last completed repair.

## 1 QUALITY OF ACCOMMODATION

This year as part of our continued investment in our existing properties we spent £1,100,000. The projects with spend over £10,000 were:

	£'000s
Completion of new communal boiler at Trickett House	27
Completion of new bathrooms at Nairn Court	70
Completion of new roof at Thomas House	287
Completion of new communal bathrooms at Cloverdale Court	464
New carpets to communal areas at Nairn Court	17
New kitchens at Lancelot House	45
New carpets to communal areas at 3 sheltered schemes	17
Upgrade to fire panel system at Trickett House	12

1 NEW COMMUNAL BOILER  
 1 NEW FLAT ROOF  
 55 NEW BATHROOMS  
 8 NEW KITCHENS

# making a difference year on year

**We compare our own performance year on year to identify any trends** and also, as members of bench marking group SHAPE (smaller housing associations pursuing excellence), against other similar organisations. Membership of SHAPE also gives the opportunity to meet with colleagues from similar organisations facing similar challenges to network, share ideas and to learn from each other.

**The table below shows a selection of key performance indicators** as at 31 March as well as comparisons to SHAPE and HfOP (Housing for Older People) benchmarking groups.

Whilst voids and lettings performance has improved over the last year, rent arrears have stayed the same. We intend to review all our processes to help us maximise our income in 2016/17.

The **Headline Social Housing Costs** include the majority of operating costs and capital works to existing properties. Sutton Housing Society spent £1.1M in 2015/16 and £450K in 2014/15 on capital works to existing properties. As this spend is not always consistent year on year it will distort comparisons. The HCA comparative median figure is £3,550 per unit. Providers with large amounts of supported housing or housing for older people will have higher costs. Two thirds of SHS stock is sheltered housing for older people.

The **Return on Assets** (ROA) is directly affected by the cost of existing properties and new developments. As

existing properties have not been revalued the percentage of return on these assets will be significantly higher than the return on new schemes. The ROA has gone down this year largely due to the £2.6M spent on capital improvements and the development of a new scheme, which did not generate any income this year.

**The level of the Society's operating surplus demonstrates that our core activities are profitable.**

This allows us to continuously reinvest in our existing properties and build new.

**The Society reviewed its borrowing costs this year**, raising a loan of £4M from The Charity Bank to finance the development of new schemes (Kent Court and Bond Gardens) and refurbish existing ones. The loan also enabled repayment of more expensive loans from the RBS and The Housing Finance Corporation. This will lead to a saving of approximately £34K in interest per annum.

**We have positive partnership working experiences with the London Borough of Sutton (LBS).** This has for example enabled us to secure funding from LBS towards the development of Kent Court.

**We have reviewed our sheltered service. Support is now delivered according to identified need, recognising that one size does not fit all.** The property maintenance and tenant engagement work was extracted from the support role. This provides for a more efficient service delivery.

	SHS 13/14	SHS 14/15	SHS 15/16	SHAPE 15/16 Median	HfOP 15/16 Median
<b>Rent Collection and Arrears</b>					
Rent arrears* of all current tenants as % of rent due	1.5%	0.7%	0.7%	GN 1.87%**	HfOP 0.51%**
Rent loss between lettings	0.6%	1.2%	0.7%	0.53%	HfOP 1.3%
Average re-let days for empty homes	26.6	28.7	23.89	GN/HfOP 21	HfOP 39
<b>Repairs and Maintenance</b>					
% Repairs completed in time	99%	96%	99%	98%	-
<b>Headline Social Housing Costs</b>					
Includes capital works on existing properties	£4,104	£3,992	£5,532	£3,550 (HCA 2015)	-
Excludes capital works on existing properties	£3,149	£2,995	£3,029	-	-
<b>Overhead costs as % of turnover</b>	10.61%	10.58%	9.21%	18%	-
<b>Operating costs as a % of turnover</b>	62.5%	59.4%	64.8%	67.67%	HfOP 78.09%
<b>Return on Assets</b>	3.88%	4.54%	3.47%	-	-

\*Adjusted for HB due \*\*Not adjusted for HB due GN; General Needs

# Summary financial statement

## Year ended 31st March 2016

WHERE OUR MONEY CAME FROM		WHERE OUR MONEY WENT	
	£'000		£'000
Rents	2,347	Management	284
Supporting People charges	113	Supporting People services	138
Service charges	477	Service charges	501
Interest receivable	2	Routine maintenance	187
Amortised government grants	113	Planned maintenance	114
Other income	27	Adaptations & improvements	92
		Depreciation of properties	435
		Interest payable	77
		Pensions deficit provision	131
		Other expenses	111
<b>TOTAL INCOME</b>	<b>£3,079</b>	<b>TOTAL EXPENDITURE</b>	<b>2,070</b>
		<b>SURPLUS FOR THE YEAR</b>	<b>£1,009</b>

We use our surplus to fund adaptations and improvements to our existing properties and when opportunities arise, to acquire or build more housing for rent. We also use some of our surplus to invest in resident involvement and services.

### Income & Expenditure (summary)

	2016	2015 restated
	£'000	£'000
Turnover	3,077	3,023
Operating costs	(1,993)	(1,796)
Operating surplus	1,084	1,227
Transfer of engagements	-	78
Interest receivable	2	4
Interest payable	(77)	(90)
<b>Surplus for the year</b>	<b>1,009</b>	<b>1,219</b>

#### PRESIDENT

The Worshipful The Mayor of the London Borough of Sutton

#### AUDITORS

Beever and Struthers

#### PRIVATE FUNDERS

The Charity Bank  
The Housing Finance Corporation  
Royal Bank of Scotland

#### BANKERS

National Westminster Bank plc

### Balance Sheet (summary)

Fixed assets	24,896	22,761
Cash and investments	652	1,718
Net liabilities	(12,532)	(12,472)
<b>Total Assets less Liabilities</b>	<b>13,016</b>	<b>12,007</b>
Share capital and reserves	13,016	12,007
<b>Total Capital &amp; Reserves</b>	<b>13,016</b>	<b>12,007</b>

The statutory accounts have been produced in accordance with FRS102 and the 2014 SORP for Registered Social Housing Providers required for the first time for the year ended 31st March 2016. The comparative data for 2015 has been restated because of this. The main changes in adopting this new accounting standard are the calculation of depreciation, the treatment of social housing grant and accounting for the SHPS pension scheme plan to fund past service contribution deficits.

# Our mission statement

Sutton Housing Society will provide affordable housing to meet the needs of local people.

The Society will work independently or in partnership with others to achieve its objectives.

We will consult and involve our tenants or service users at all levels of our work.

Sutton Housing Society will aim to provide housing services and support where necessary, of the highest possible quality. We will seek to continually improve on our achievements.

We will strive to be responsive to the needs of individuals and the community. We will embrace diversity, promote equality and encourage independence for all of our tenants.



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[www.suttonhousingociety.org.uk](http://www.suttonhousingociety.org.uk)

## THE BOARD OF MANAGEMENT

Andrew Jepp FCII - *Chair*

Steve Kent - *Vice Chair (to Mar 2016)*

Salem Ahmed (*to Feb 2016*)

Matthew Corbett

James Montgomery Heffernan (*from Mar 2016*)

Pamela Norton

Adam Phippen

Len Ross (*to Jan 2016*)

Loraine Shaile

Adrian Simpson

Graham Waters FCIH

The Board of Management is supported by the Housing Operations Committee (HOC).

## TENANT HOC MEMBERS

Dot Allen

Val Rollason

Christopher Simpson

Geoffrey Martin

## PRINCIPAL OFFICERS

Chris Turton BA MBA FCIH

Chief Executive and Secretary

Zoë Macgregor-Williams BA Hons

Head of Housing and Support

Marcie Regelous

Head of Finance and Resources



## GOVERNANCE

Sutton Housing Society aims to follow the highest standards of governance, accountability and probity. The Society's Board of Management have accepted and adopted all of the principles contained in the National Housing Federation (NHF) Code of Governance 'Promoting Board Excellence' (published in 2015).

For a copy of the NHF Code of Governance and a detailed statement of how this is applied to the operation and management of the Society please contact the Chief Executive/Company Secretary.