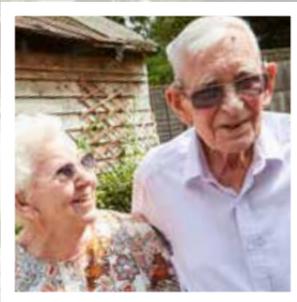


Sutton Housing Society

A photograph of three elderly women in a garden. One woman stands in the center wearing a white t-shirt and patterned pants, with her hand on the shoulder of a woman seated on the left. The woman on the right is seated and wearing a floral patterned top. They are all smiling and looking towards the camera. The background shows a wooden fence and green foliage.

Annual report 2017/18



Remembering Fred Allen
 Sadly Fred Allen passed away recently; Fred will be missed by us all at Sutton Housing Society. Fred was an active member of the Housing Operations Committee and an enthusiastic gardener, at Trickett House, where he lived with his wife Dot.

Everyone benefitted from his love and knowledge of gardening and his caring approach and good nature was recognised when he received the very first 'Pat Shaw' good neighbour award.

Our vision

Investing our resources we are proud to provide affordable, well maintained quality homes.

With charitable status and as a specialist provider of homes for the independent over 55s, we continue to invest for the changing needs of Sutton.

Our highly professional staff team are dedicated to responding to the needs of our residents and developing a sense of community.

Chairman's report

I am pleased to confirm that Sutton Housing Society has continued to enjoy sound financial strength, despite the challenges of reduced rent revenues as a consequence of the four year rent reduction regime. This has been achieved by careful management of our overheads and a commitment to providing value for money. In turn, we have been able to fund and develop new homes for local people – an aspiration that we wish to continue moving forward.

We welcome the fact that the Greater London Authority (GLA) in their recent consultation document, has recognised that smaller registered providers, such as Sutton Housing Society, can play a significant role in delivering homes on smaller sites. Similarly, reinvestment in our existing stock remains a key priority and is one of our new Chief Executive's aspirations to ensure our stock becomes truly excellent, a view which is supported by the Board.

We say a sad, but fond farewell to Board Members Graham Waters and Adam Phippen, who leave the Board this year. Graham and Adam are two of our longest serving Board Members, who have helped us to shape Sutton Housing Society into the successful organisation it has become. My thanks also go to all our Board Members for their continued contribution throughout the year and importantly, to our committed staff for all their hard work.

We also say goodbye to Chris Turton, former Chief Executive, who retired this year after 18 years of loyal service. Chris has contributed hugely to our success over the years and he leaves with our best wishes for a long, happy retirement.

We are delighted that Robin Roberts has joined Sutton Housing Society. Robin comes from the private sector and before that he worked in the affordable housing sector, where he created several multi-award winning initiatives focusing on client leadership, construction and sustainability. The Board offer their full support to Robin in fulfilling his aspirations for Sutton Housing Society.

Andrew Jepp
 Chairman



Chief Executive's report

I am delighted to have joined Sutton Housing Society in May 2018 and I write this review with thanks to Chris Turton, the outgoing Chief Executive, who has, as Andrew mentioned, now retired. I join this organisation with a passion for the genuine difference that small independent housing providers can make to their residents and the communities in which we live and work. Whilst there is a place for the large – there is also definitely a distinctive role for smaller providers – who bring that personal touch, which is so important to our older client group. There are not many organisations where you are invited to present a 100th birthday present to one of its residents, as we did on 19 July 2018 to Ada!

In early July 2018, Sutton Housing Society completed Peppermint Court, a name chosen by the local school. The completed scheme has provided 23 flats for older people in Wallington. Our dedicated team, working with its preferred supply chain have built this new development to a high standard. Sutton Housing Society should be very proud of such a significant achievement.

The management team along with myself are working with the Board and together we aim to build upon these strong foundations and ensure that Sutton Housing Society remains a responsive and independent housing provider. Our aim is to become the 'go to' provider in the local and surrounding areas. To help with this aspiration, I am delighted that Andrew Jepp has agreed to stay for another year to support me in my new role as Chief Executive.

Looking forward, we have commissioned a 100% stock condition survey to ensure that our 30-year investment plans can be prepared – the data will also inform our aspirations to help grow the business. As well as our objective to build new homes, we are also committed to improving our working environment for staff and visiting residents. This will be supported by developing our digital offering for our residents, acknowledging that we can modernise the way we interact, but also importantly, ensuring that we do not lose sight of that all important personal touch.

Robin Roberts
 Chief Executive



New homes

Over the last three years, Sutton Housing Society has built 36 new homes, growing the business by 8% – a significant achievement for any organisation, big or small. Sutton Housing Society has recognised that moving forward its ‘growth should not be for growth’s sake’ and that the delivery of new homes must be sustainable and meet local demand. Similarly, our aspirations for growth will be balanced against a need to invest in our existing homes, which is why we have commissioned a 100% stock condition survey in 2018.

As a business, we plan to grow both organically – which will be achieved by building or acquiring new homes – as well as inorganically – through stock transfers of existing homes, where we can provide a local management solution.

With the support of the Board, we propose to create new homes in our neighbouring boroughs, retaining wherever possible, our focus upon older people (over 55s). Wherever we operate, local will always mean responsive and we plan to define our opportunities on a maximum 30 minute travel time, where we can still provide the same local management service to our residents.

As Andrew has noted, we support the proposed consultation on the delivery of smaller sites in London. We already recognise there is a place for the large and the small and we believe where Sutton Housing Society can really add value is through the delivery of those smaller opportunities (say <10 homes).

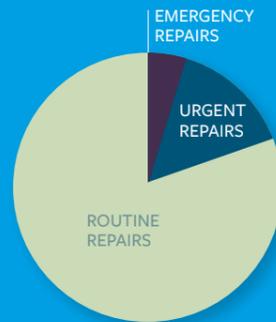
OVER THE LAST THREE YEARS
WE HAVE BUILT

36
NEW HOMES

We have identified several of our own sites where there is potential for extension and are proposing a two-phased programme of planning applications to generate a pipeline of opportunities. We recognise that this may be unsettling for existing residents, and we will ensure we are pro-active and clear in all communications and adopt an open and transparent approach.

We aim to target stock transfers from larger organisations who may be looking to rationalise their assets. There is a growing case for registered providers to release assets in non-core locations, which helps release funds for providers to focus more effectively on areas and products where they believe they can make a real difference. Residents should see service benefits from these changed arrangements.

Wherever we operate, local will always mean responsive and we plan to define our opportunities on a maximum 30 minute travel time, where we can still provide the same local management service to our residents.



2017/18
1,118
REPAIRS

As part of our 2017/18 planned maintenance programme:

- *Norman House had a total lift refurbishment and the old water tanks were removed from the roof.*
- *Lancelot House had new windows fitted.*

Repairs and maintenance

In 2017/18, we issued 1,118 repair orders, 99% of which were completed on time. Positive feedback on repairs has fallen slightly to 94% although there is no obvious reason for this; we will continue to monitor feedback closely and address any areas of concern.

The 1,118 repair orders equates to just under 2.5 jobs per Sutton Housing Society property. We spent 2% more in 2017/18 than in the previous year on responsive repairs and works to our empty homes. The average cost per property for repairs was £444, which is an increase from £386 per property in 2016/17. This is largely due to greater investment in our empty homes, as we introduced a higher lettings standard.

Health and safety is a key area of focus and in June 2017 we received our completed independent fire risk assessments. We carried out the high priority works identified, the majority of which related to fitting intumescent strips to communal doors. We also reviewed our approach to managing asbestos, pro-actively removing this from the communal areas of our buildings, as well as from individual homes. Throughout 2017/18, we maintained 100% compliance with gas safety inspections carried out on time.



There were a number of improvements undertaken as part of our 2017/18 planned maintenance programme. Norman House had a total lift refurbishment and the old water tanks were removed from the roof. Lancelot House had new windows fitted. For the 2018/19 planned programme, the majority of work is centred on many of our Wandle Valley homes, providing new doors and bathrooms. Elsewhere, new accessible doors are to be fitted, some external redecoration will be undertaken and some old kitchens and bathrooms will be replaced. The stock condition survey will help us plan our future programme of works from 2019/20 onwards.

Complaints and compliments

During 2017, we reviewed our complaints policy; as part of this we introduced the recording of ‘expressions of dissatisfaction’ (EOD). Many problems/concerns are resolved quickly by our front line staff without the need to escalate to a formal complaint. These are known as ‘expressions of dissatisfaction’ and are recorded and monitored proactively, as with formal complaints.

During 2017/18 there were six EODs and six complaints; this equates to 2.6% of residents expressing some dissatisfaction with Sutton Housing Society and/or the services provided.

The areas of dissatisfaction are largely property-related services; this is not surprising as it is the one service that virtually all residents access.

Improvements as a result of complaints

During 2018/19, staff will undertake a review of our Customer Service Standards and consider the outcomes from our two mystery shopping exercises. We will focus on putting our residents at the centre of our decision making and the services that we provide, with an overall aim of improving satisfaction with our services and reducing EODs and complaints where possible.

Compliments

Seventeen compliments were recorded during 2017/18; however, we know that we receive far more – we just need to get better at recording these!

Many of the compliments are related to staff acting quickly to address concerns about property or personal resident issues. We have also received positive feedback around the introduction of Wi-Fi in our schemes for older people.

support
gardens
response times
WiFi
window cleaning
repairs

Community engagement

At the end of March 2018, we completed our first full year of community engagement work. We are pleased with what was achieved and with the overall feedback from residents.

As well as continuing with our standard offering of events across the schemes (chair-based exercises, Nina the therapy dog visits, arts and crafts sessions, afternoon teas and the garden competition), at the request of residents, we introduced some one-off initiatives such as meditation, indoor bowls, recycling talks and falls prevention advice. Some events received such great feedback from residents that they now will become an annual feature – these include celebrating armed forces day, the Christmas pantomime, making a difference day, 'time for a cuppa' and the Millers Ark mobile farm visit.

Our Board is keen to ensure our community engagement work achieves positive outcomes in terms of easing loneliness and helping to support our residents' wellbeing and remains outside any charge made to rent accounts. Assessing the social value of this work can be tricky, as it is a measure of the difference that the individual events have made to those that attended.

During 2017/18 we have calculated that for every £1 we spent on community engagement, our social value return equates to at least £6, which is a pleasing result for our first full year.

Resident involvement

We engage and involve residents with the services provided by Sutton Housing Society through formal avenues such as review groups, committees, scheme meetings etc. This encourages residents to have their say and influence what we do – which is a requirement set by The Social Housing Regulator. During 2017/18, we developed a number of ways for residents to directly influence and be involved with our services.

Scheme meetings

Residents can influence the agendas and impact on what is happening at individual schemes, improvements requested etc.

Estate walkabouts

These are undertaken with interested residents and include health & safety inspections and reviews of communal areas.

Housing 'surgeries'

These take place on an ad hoc basis but were introduced at the request of residents at the larger schemes for older people.

Housing Operations Committee (HOC)

This is a sub-committee of our Board. The HOC focusses on core performance areas such as rents, repairs and empty homes. They review, influence and approve policies and have a say in more operational matters.

Mystery shopping

This was introduced in 2017/18. A small group of volunteer residents test Sutton Housing Society services and feedback on our performance. Action plans are then put in place to address areas of concern. Responsive repairs and resident services have been tested in the last year.

Specific topic discussions/learning

Residents asked to receive training relating to service charges, what they are, how they are set and how they are managed. Two sessions were held prior to the rent notice being issued in February 2018, with positive feedback received from those residents that attended.

Review groups

These are set up for a specific focus – in 2017/18 we reviewed our standards in the guest rooms at schemes alongside the window cleaning contract.

The input and contribution from residents and those that attended meetings, provided feedback, returned surveys etc. is greatly appreciated. We review feedback on a regular basis, sharing the details, complaints and compliments with the whole staff team. We use this to learn from what we have done well and not so well, improve services and to celebrate successes.

As we progress through 2018/19, we will strengthen our formal resident involvement offer by introducing a Disability Forum and recruiting new resident members to the HOC. We will also prepare a simple guide for residents on how they can be involved with Sutton Housing Society.

Creating an appropriate digital journey

The digital world is moving at a fast pace and we recognise how important it is for us to develop our digital journey in an appropriate way, to reflect the needs and aspirations of our residents and Sutton Housing Society as a business.

We will be reviewing our office technology to ensure we improve our systems and processes to support our staff team on our digital journey. It is important that we provide services to our residents in the most effective, efficient and economical way possible, whilst giving our staff team the flexibility and resources they need to deliver this.

We recognise that for many of our residents a more personal service is very important to them; we will continue to provide this as well as considering more interactive communication methods such as a resident portal, smart phone apps, Twitter etc.

Results from a recent resident profiling survey showed that 69% of our residents living in general needs housing had access to the internet, compared with only 39% of our residents living in older people housing. To help bridge this divide we took the decision to install Wi-Fi in all our older people housing schemes; this project was completed in April 2018. We also plan to install Wi-Fi in all new housing developments. We hope it will open up a whole new world of opportunities to residents and give many of them the chance to begin their digital journey.

We aim for 65% of residents living in our older people housing to have access to the internet by March 2019. To achieve this we realise some residents will also need support to get online. Thanks to a recent Lottery grant through Digital Unite, we received two years' membership to their Digital Champions Network. Digital Unite specialise in turning staff, residents and volunteers into effective Digital Champions. We currently have three staff and two resident Digital Champions and are keen to increase this. Our Digital Champions hold regular 'pop up' cafés and individual digital sessions at schemes. We recently held a five-week course for residents new to digital technology and, with the support of a local high school, plan to hold more.

As our older people housing is for people aged 55 years plus, the majority of residents moving in will already be using the internet for banking, government services, shopping etc. They will expect to be able to manage aspects of their tenancy online too and we need to respond to this. Online, digital services will provide quick and easy access to information and services, saving time and money for both our residents and Sutton Housing Society. Once finalised, our digital plan will be available at www.suttonhousingsociety.org.uk

69%

RESIDENTS IN GENERAL NEEDS HOUSING WITH ACCESS TO THE INTERNET

39%

RESIDENTS IN OLDER PEOPLE HOUSING WITH ACCESS TO THE INTERNET

Digital services are not really a choice... they are a must.

Great feedback from residents on... celebrating Armed Forces Day, the Christmas pantomime, making a difference day, Time for a Cuppa and the Millers Ark mobile farm visit.

5
DIGITAL CHAMPIONS AND COUNTING...

WI-FI INSTALLED IN ALL OLDER PEOPLE HOUSING

It is so rewarding to hear residents talk about calling their grandchildren abroad using social media such as What's App.

RESIDENT AT DOROTHY PETTINGELL HOUSE

Value for money

Value for money (VfM) is about being effective in how we plan, manage and operate our business. To effectively deliver value for money, it is important to ensure that we balance quality, efficiency and great service to our residents, stakeholders and partners.

The approach we adopt to value for money will ensure we always make the correct decision for the long-term benefit of the organisation, in a consistent way. We recognise that this approach is not a single solution. It can only be achieved through the combination of several key strategies, policies and procedures, as well as embedding the principles throughout the organisation. For 2018/19 we have developed a new value for money strategy that will underpin our work moving forward.

New value for money standard and metrics

A new value for money standard was issued by the Regulator of Social Housing (RSH) with effect from 1 April 2018, which included new metrics. Our performance is summarised as:

- EBITDA MRI: is high when compared to other providers due to our low level of loans.
- Reinvestment %: includes development of new homes and works to existing homes. Positively this is also higher due to the successful development of Bond Gardens.
- Headline social housing cost per unit: includes the majority of operating costs and capital works to our existing homes. In the past our capital spend is not always consistent year on year – we plan to even this out moving forward.

Looking back on 2017/18

Maintaining and improving financial strength

Some of our residents continue to face financial challenges, particularly those affected by Universal Credit – this makes our performance relating to managing rent arrears more pleasing as our downward trend continues, once adjusted for housing benefit payments.

Investment in staff training has continued, which included training from the Chief Executive of Citizens Advice Sutton on welfare reforms during the year, to ensure we provide the right information and assistance to our residents.

Maintaining and improving excellent resident services

A key area of focus for us in 2017/18 related to listening to our residents' views and wherever possible, acting upon them. We have introduced some initiatives to help us with this:

- 'You Said: We Did' information in our resident newsletters, updating all residents against various things we have been told or asked about.
- Regular scheme meetings with our older residents.
- Estate walkabouts with residents invited to attend.
- Mystery shopping for residents to test our services.

Value for money highlights

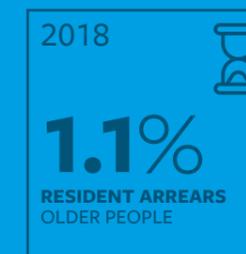
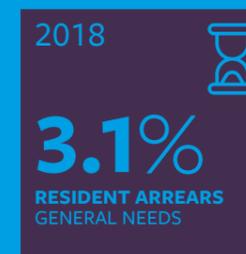
- Positive partnership working, which enabled us to secure a further £423,000 of grant funding from the London Borough of Sutton.
- Introducing an annual leave purchase scheme for staff, creating a positive impact on staff wellbeing.
- Procurement savings on telecoms, Wi-Fi installations at our older people schemes and stationery contracts.

Social value highlights

- We introduced a method to formally measure our social return on investment; this will be implemented at the start of 2018/19 financial year.
- Wellbeing activities and events were particularly popular with residents requesting more.
- Our investment in Wi-Fi across our older people schemes will help to embed a digital option for our residents; we have plans in place to promote this and to assist residents on their digital journey, improving their financial health, their wellbeing and easing feelings of isolation and loneliness.

Key performance indicators

Maintaining and improving financial strength

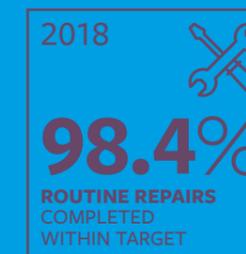


	RESULTS 2017/18	SHAPE* 2017/18
Current resident arrears: general needs	3.1%	3.2%
Current resident arrears: older people	1.12%	1.17%

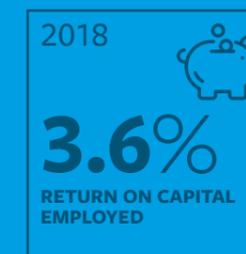
Maintaining and improving excellent resident services



	RESULTS 2017/18	SHAPE* 2017/18
Residents 'satisfied' with last repair	91.1%	96%
Emergency repairs (completed within target)	100%	100%
Urgent repairs (completed within target)	98.6%	99.2%
Routine repairs (completed within target)	98.4%	94.9%
Homes with valid gas safety certificate	100%	100%



Value for money metrics



	RESULTS 2017/18	SHAPE* 2017/18
RSH 101: operating margin (overall)	32.1%	30.8%
RSH 102: operating margin (social housing lettings)	32.4%	28.9%
RSH 103: EBITDA MRI (as % interest)	1,385	221
RSH 203: gearing (RSH and scorecard measure)	4.3	5.5
RSH 204: new supply delivered (social housing units)	0.2%	0.1%
RSH 304: reinvestment	12.4%	4.3%
RSH 401: return on capital employed (ROCE)	3.6%	3.6%
RSH 501: headline social housing cost per unit	£5,201	£3,899



*SHAPE (median) = Smaller Housing Associations Pursuing Excellence

Wellbeing activities and events were particularly popular in 2017/18, with residents requesting more of these.

Financial statements

Year ended 31 March 2018



Where our money came from

	£
Rents	2,383,542
Supporting people charges	47,407
Service charges	588,642
Interest receivable	1,013
Amortised government grants	119,262
Other income	67,271
Total income	£3,207,137

We use our surplus to fund adaptations and improvements to our existing properties and, when opportunities arise, to acquire more housing for rent. We also use some of our surplus to invest in community engagement.



Where our money went

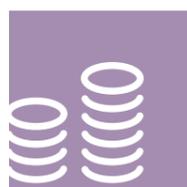
	£
Management	200,964
Supporting people services	42,949
Service charges	698,665
Routine maintenance*	234,857
Planned maintenance*	90,486
Adaptations and improvements	253,240
Depreciation of properties	473,420
Interest payable	51,748
Other expenses	201,412
Total expenditure	£2,247,741
Surplus for the year	£959,396

*The 1,118 repairs orders equates to just under 2.5 jobs per property owned by Sutton Housing Society. We spent 2% more in 2017/18 than in the previous year on responsive repairs and works to our empty homes. The average cost per property for repairs was £444, which is an increase from £386 per property in 2016/17. This is largely due to more investment in our empty homes as we introduced a higher lettings standard.



Income and expenditure

	2018 £	2017 £
Turnover	3,206,124	3,133,539
Operating costs	(2,195,993)	(1,976,565)
Operating surplus	1,010,131	1,156,974
Interest receivable	1,013	3,627
Interest payable	(51,748)	(81,922)
Surplus for the year	959,396	1,078,679



Balance sheet

	2018 £	2017 £
Fixed Assets	28,327,432	25,477,762
Cash and investments	263,910	1,306,840
Net liabilities	(13,661,606)	(12,814,266)
Total assets less current liabilities	14,929,736	13,970,336
Share capital and reserves	14,929,736	13,970,336
Total capital and reserves	14,929,736	13,970,336

The financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP) FRS102 and the Statement of Recommended Practice for registered housing providers, Housing SORP 2014.

Acknowledgements

Auditors
Knox Cropper

Private funders
Charity Bank
Royal Bank of Scotland

Bankers
National Westminster Bank plc

Governance
Sutton Housing Society aims to follow the highest standards of governance, accountability and probity. The Society's Board of Management has adopted the National Housing Federation (NHF) Code of Governance (2015), with two stated exceptions.

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 visit <http://suttonhousingsociety.org.uk/about-us/publications/>.

The senior management team
Robin Roberts BA (Hons) DipArch (Hons) FRIBA FRICS
Chief Executive and Secretary (from 21 May 2018)

Glynis Gatenby PG DIP CERT, CIHM
Operations Director

Marcie Regelous
Head of Finance and Resources

The Board of Management
Andrew Jepp FCII – Chair
Alison Bennett CMCIH MAPM
Matthew Corbett
Audrey McFarlane LLB
Pamela Norton MBE
Michael Payton Bsc MSC MRICS
Adam Phippen
Lisa Rae
Adrian Simpson
Graham Waters FCIH

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

Resident Housing Operations Committee members

Dot Allen
Joy Hammond
Val Rollason
Christopher Simpson

The external body responsible for the regulation of social landlords is the Regulator of Social Housing (RSH). They set out guidelines as to what standards our services should reach, how these are scrutinised and reported.

Detailed reviews of our performance are undertaken by the Society's Board of Management and its Housing Operations Committee (HOC). The majority of HOC members are residents.

This annual report summarises our performance, our work and the financial position of Sutton Housing Society.

It is aimed at all of our stakeholders and underpins our commitment to accountability.

If you would like to find out more about anything in this report or about the Society's work in general please get in touch with us at our head office, Pat Shaw House.

Sutton Housing Society

Head Office
Pat Shaw House, 13-19 Ventnor Road
Sutton, Surrey, SM2 6AQ

Tel: 020 8642 1500
Email: info@shsoc.org.uk

Registered with the Regulator of Social Housing No: L0721
An exempt charity, registered with the Financial Conduct Authority under the Co-operative and Community Benefit Societies Act 2014. No. 16614R



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