



**SHROPSHIRE  
RURAL HOUSING**  
ASSOCIATION



# Annual Report

2016-2017





# THE KEY TO AFFORDABLE FAMILY HOMES

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# CHANGES

As the Association continues to develop we have adopted a refreshed identity. This Annual Report is the first to be presented with our new logo and in a new style consistent with our new and improved website which is being progressively rolled out.



# Chair's Report

BY STEVE PRICE  
CHAIR OF THE BOARD

**This year's Annual General Meeting will be my first as Chair of the Board of Shropshire Rural Housing Association. I was honoured to take up the position when Heather Kidd stood down from the position at the end of her nine-year term of office.**

In her final Chair's Report, Heather referred to 2015-16 having been a 'notable year' and reflected on the progress of the Association over a period of more than thirty years. 2016-17 has also been notable and a year in which we built, sometimes literally, on the achievements of previous years.

At the heart of my personal aims as Chair is a single core theme; to ensure that we move with the times, are progressive and relevant but, importantly, that we remain true to our core values and protect the distinctive heritage of the Association.

For me, a common feature of some of the very best organisations is marked by how they develop and evolve over time whilst remaining true to their roots. My earnest hope is that Shropshire Rural will display these characteristics.

### Boardroom Changes

On the theme of change and development, as some of our long-serving Board Members are stepping down, having served their maximum permitted term of office, so we have recruited new Board Members. I would like to take this opportunity to thank all those Members who are standing down at this year's AGM, or who have stood down during the year. Their forward looking and in some cases brave, visionary views have taken the Association to where it is today. I thank them for all their hard work and

dedication to the Association. I am also looking forward to working with our new Board Members, each of whom brings with them their own valuable skills and experience to help the Association.

During 2015-16, the Association also said goodbye to long-standing Finance Director, Rachel Fullwood, who kept us on the straight and narrow, financially. I wish her the very best of fortune in her new role. We are also appreciative of the assistance given to us by Paul Hackett, who for many months was our interim Finance Director. I am delighted that we have now appointed Kate Adams as the new Finance Director and we look forward to Kate joining us in a 'permanent' capacity towards the end of July 2017.

### Exciting New Projects

The year also bore witness to the development of new homes at Llanymynech and Lydham. Although completed early in May 2017, much of the work was undertaken during 2016-17. More is said about those developments elsewhere in this document, but I am pleased to report that these new homes reinforce our commitment to providing not only homes at rents affordable to local people but also homes that are affordable to run. In that respect, I am particularly pleased that the Association has ensured that the homes are affordable to heat. The dwellings at both Llanymynech and Lydham incorporate state of the art technology; the homes at Llanymynech have ground source heat pumps and those at Lydham are our first to have heating and hot water provided by air source heat pumps.

As the Association continues to develop we have adopted a refreshed identity. This Annual Report is the first to be presented

with our new logo and in a new style consistent with our new and improved website which is being progressively rolled out. Although we may be a small association, we recognise the importance, to tenants and other stakeholders, of an attractive and accessible website along with a strong 'brand identity'. Be reassured, however, we understand that style is no substitute for substance and we remain committed to providing the best possible service.

### Challenges Ahead

During the year we have also reviewed our Strategic Plan which provides a framework to support our main vision of 'providing homes that help Shropshire's rural communities thrive'.

In support of our Strategic Plan, we will be reviewing our capacity for further modest growth and ensuring we have competitively priced loan facilities in place to fund that growth.

Whilst the Association will continue to seek capital subsidy for new homes wherever possible, successive Governments have adopted policies which have resulted in a long-term trend of grant reduction and a shift in emphasis away from affordable rented housing towards forms of low-cost home ownership. Whilst choice may be a good thing, the reality is that there is a very real shortage of good quality homes to rent at affordable levels in rural Shropshire. It is meeting that need which is at the heart of what we do in the Association.

We do not work in a vacuum. Our ability to achieve our aims and objectives is, as I've already suggested, shaped by the policies and priorities of Governments, both local and national.

Publication of this Annual Report will follow quickly on the heels of the results of both local and National elections. Whatever the election outcomes, whatever the various manifesto commitments, the only certainty would seem to be that it will take some time before the true impact on our work can be understood. In the meantime, we must continue to make the case for the provision of more affordable housing to rent in general and more in rural areas in particular.

### Grow Stronger

In closing, I would stress the positives.

The excellent work carried out by Board and Committee Members and staff during the life of Shropshire Rural Housing Association, much of it traditionally unheralded, has made, and continues to make, a very real and positive impact on Shropshire's rural communities. As new Board Members become involved and we adjust to the inevitable changes in staff that occur from time to time, we grow stronger and reach further.

For my part, I feel privileged to lead Shropshire Rural Housing Association and take this opportunity to express my thanks to not only Members and staff, but also, importantly, to all those contractors, consultants and other stakeholders who are integral to our success. Finally, I extend to all of those living in Shropshire Rural homes our commitment to deliver great services and value for money.

# A Review Of The Year

BY IAN RICHARDSON  
CHIEF EXECUTIVE



Steve Price refers, in his introduction to this report, to 2016-17 having been a notable year. Steve also refers to a core theme of his personal aims, as Chair of the Board, being to ensure that we move with the times but remain true to our core values; protecting the distinctive heritage of the Association.

In the year that Bob Dylan received the Nobel Prize for Literature, I would concur that, indeed, "The Times They Are A-Changin". The Nobel Laureate said so in 1964 and his words remain true today: the Housing & Planning Act 2016, which received Royal Assent on 12th May 2016, has still not spawned a full set of Regulations and yet we have witnessed, as this annual report is finalised, a General Election which has produced a 'hung' Parliament and in which the (then) Housing Minister has lost his seat and become the Prime Minister's Chief of Staff. All of this, and a commitment to 'Brexit'...

## Responding To Challenge

In such circumstances of national uncertainty, we might be best served in giving attention to those matters over which we have greatest control and influence. The past year has seen Shropshire Rural address a number of such matters and we are as a consequence, I believe, in a better position to face the future.

One fact that has impacted the year, and will continue to do so into the future, is the Government's policy of reducing rents by 1% each year. Introduced in 2015-16, initially for a period of four years, we don't know what will happen beyond March 2020. However, whilst rent reductions might seem appealing to tenants, they limit

the income of the Association and consequently restrict the funds available to build new homes, repair, maintain and improve existing homes and deliver service improvements.

During 2016-17 we have continued to develop and grow; we have built new homes; strengthened our housing management; invested in improvements to our properties and have managed changes in both Board membership and staffing. Further reference is given to each of these later in this report.

## Leadership & Management

Good governance is essential to the work we do and the Board has benefitted during the year from the appointment of four new Board Members. I am delighted to be working with our new Members, each of whom brings knowledge, skills and experience which are of great value to us and will serve us well in the months and years ahead.

In a small association such as Shropshire Rural, every member of staff counts and managing staff turnover needs to be effectively handled. The position of Finance Director embraces broad functional responsibilities and is crucial to our success. Having lost the long-serving Rachael Fullwood during the year, I have been grateful for the interim assistance provided by Paul Hackett; not only in managing our finances but in helping us to significantly develop our financial planning tools. Paul quickly became 'one of the team'.



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**Little of what we set out to do can be achieved without the support of others.**

**It is dangerous to single out individuals or organisations – it risks offending those we don't mention – but I do wish to make mention of a few. The new developments at Llanymynech and Lydham are the first occasions on which we've worked with Pickstock Group's J Ross Developments and J Harper and Sons respectively: we've enjoyed the working relationship and would welcome the opportunity to do further work together.**

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## New Finance Director

The period of transition prompted by Rachael's departure will end when Kate Adams joins us, in July 2017; bringing significant housing association experience with her.

Kate's experience will, I am sure, be very helpful to us; not least in ensuring that we have in place the resources to maintain and improve our existing assets and to enable us to fulfil the potential for growth in the number of homes owned and managed.

## Shropshire Council's Support

Providing new homes isn't always easy but the continuing support of Shropshire Council's housing enablement team is very much appreciated: long may it continue. I also wish to place on record our appreciation of the contribution made to housing and planning in Shropshire by Mal Price, who stood down at the May 2017 elections. As Shropshire Council's portfolio holder for housing and planning, Mal's understanding of the need for more and better affordable housing,

his commitment to making things happen and his engaging approach made him a firm and respected friend of Shropshire's housing providers.

## Moving On, Moving Forward

My final tribute echoes comments made by Steve Price in his Chair's introduction to this report: it is to those Board Members who have stood down during the year or will stand down at the 2017 Annual General Meeting. Each of these individuals has served the Association for at least nine years and has contributed enormously to the growth, development and culture of the Association. I value greatly the trust, support and guidance they have provided to the Association and wish them well.

Looking forward, we continue to set ourselves challenges. I expect to be able to report in the Association's next annual report that we have provided more homes, made further improvements to existing homes and achieved improvements to service delivery; mindful of how important customer service and value for money are to our tenants' experience of Shropshire Rural.

# Developing New Homes

HELPING SHROPSHIRE'S RURAL COMMUNITIES THRIVE



The provision of additional affordable homes is a strategic priority for Shropshire Rural. Growth in the number of homes owned and managed by the Association has largely been through the development of new homes. In seeking to provide additional homes in the future, building what is required is likely to remain the principal focus of growth although, if suitable opportunities arise, consideration would be given to acquisition of existing homes and/or the conversion of existing buildings to provide new housing.

The number of homes is not, however, the Association's only concern: there is a commitment to provide good space standards and affordable warmth and to ensure that new housing sits well in its host community and in the landscape. Delivering on these aims comes at a price but the commitment is predicated on a belief that the poor space standards offered by some new housing, whilst delivering housing more cheaply, represents poor value; for the

occupiers and for the Association's long term sustainable letting, management and maintenance of the homes.

With regard to affordable warmth; a little over one third of the Association's homes have access to mains gas whilst almost two thirds do not. Of those without gas, less than one third are served by electric heating on 'economy' tariffs whilst more than one third now have their heating and hot water provided by ground source or air source heat pumps. These renewable energy sources are not only environmentally friendly but enable heating and hot water to be provided more cheaply; leaving more money in the pockets of tenants to spend on other things.

Returning to space standards; an illustration of Shropshire Rural's commitment to providing relatively spacious homes can be provided by recent development experience. Two-bedroom homes developed by Shropshire Rural to the association's requirements have averaged 83 square metres internal floor area.

A development in which the Association took on from the landowner already approved designs provided 77 square metres. This can be contrasted with homes recently offered to the Association by house builders whose planning conditions included an obligation to provide a proportion of affordable housing: those two-bedroom homes were 64 square metres and the Association declined to make an offer for those homes. The same developer is building three-bedroom homes for sale which are smaller than Shropshire Rural's two-bedroom designs.

Shropshire Rural is financially strong and keen, as has already been suggested, to add to its housing stock: we have set out our stall on standards but, that said, we'd always be pleased to hear about

land in rural areas which is suitable for development or about opportunities to acquire homes in such areas.

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# Managing Shropshire Rural's Housing

SHROPSHIRE IS ENGLAND'S LARGEST INLAND COUNTY, AT **1,346** SQUARE MILES

Despite the widespread distribution of the Association's homes across the county, we aim to provide the best possible housing management services, starting with our first contact with prospective tenants.

More than many housing providers, Shropshire Rural invests a great deal of time and effort in getting tenancies off to a good start and helping tenants to get the most from their home.

Once in a Shropshire Rural home, tenants tend to stay: in 2016 the Association re-let 19 properties, amounting to only 6.8% of the stock of 280 properties and suggesting that each home would have a change of tenancy at intervals of almost 15 years. When tenants do move on, it is generally for the 'right' reasons: their needs have changed and they require a different size or type of housing or a different location.

## Tenancy Management

The average time elapsing between one tenancy ending and another starting was 21 days in 2016-17 (23 days in 2015-16). An amount of time is almost always necessary, to enable any necessary repairs or maintenance to be carried out or to enable the property to be advertised and the allocations process to run its course, but the aim will be to achieve a further reduction to the average re-let period in the year ahead.

Rent collection is crucial to the business of the Association, being by far the greatest source of income. In 2016-17, 99.16% of rent due was collected; an improvement on the 98.93% in 2015-16. The Association will give all reasonable advice and support to tenants to enable them to pay their rent and sustain their tenancy but will take firm action where, despite support offered, tenants fall

into arrears. The commitment of tenants to paying their rent and the advice and support provided by Shropshire Rural does, however, seem to be working: no tenants were evicted for rent arrears during 2016-17. Any tenant experiencing difficulty in paying their rent should have no hesitation in contacting the Association promptly: the earlier we are able to assist and the greater the willingness of tenants to take advice, the better the chance that the difficulty can be overcome quickly and effectively.



# Asset Management & Maintenance

Providing housing represents a major investment: maintaining and, when necessary, improving that housing is important in achieving the best return on that investment and in providing a comfortable home for tenants.

During 2016-17, 859 responsive repairs were carried out (885 in 2015-16); almost exactly 3 per property. The need to carry out some repairs is inevitable but we do try to keep properties in good repair and have ongoing plans for maintenance and improvement. During 2016-17 planned work included the replacement of:

- Porches and front doors at Riverside Drive, Tern Hill and at a property in The Glebelands, Shawbury
- Front doors at Godings Close, Harmer Hill
- Doors and windows at a property in St Martins
- Doors, windows and heating system at a property in Wilcott
- 21 kitchens at addresses in Clive, Cockshutt, Ruyton XI Towns, Weston Lullingfields and Hinstock.

New gas 'combi' boilers were installed at four addresses in Shawbury and Weston Rhyn whilst, under the disabled facilities programme, level-access showers were installed at addresses in St Martins and Hinstock: a further three are already in the 'pipeline' for installation during 2017-18.

More than one third of the Association's properties are heated by mains gas, 100% of which have a valid gas safety certificate. These certificates are issued following annual servicing; it is vital to the health and safety of all concerned that tenants keep appointments enabling access to service gas appliances.

# Finance And Value For Money



£1,557,147

Turnover & Other Income

£1,365,853

Gross Rents Receivable

£934,679

Operating Costs

Financial Summary - Turnover & Other Income	
Rent Receivable	£1,314,732
Service charges Receivable	£36,573
Management Fee Income	£14,548
<b>Gross Rents Receivable</b>	<b>£1,365,853</b>
Less: rent and service charge losses from voids	-£9,205
	£1,356,648
Other Income	£21,489
<b>Total Rent &amp; Other Income</b>	<b>£1,378,137</b>
Deposit account interest	£44,043
Recovery of previously written off investment	£12,500
Government grants released	£122,467
	<b>£1,557,147</b>

Financial Summary - How Every Pound Is Spent		
Cyclical/Planned Maintenance	£33,149	2.1%
Services	£62,748	4.0%
Responsive Repairs	£180,292	11.6%
Management	£264,356	17.0%
Bad Debts	£2,250	0.1%
Lease Charges	£48,124	3.1%
Development Administration	£63,877	4.1%
<b>Expenditure</b>	<b>£654,796</b>	
Depreciation	£265,460	17.1%
Bank Charges	£2,827	0.2%
Loss on Disposal of Fixed Assets	£11,596	0.7%
Operating Costs	<b>£934,679</b>	
Loan Interest Payable	£144,158	9.3%
Pension Scheme Interest Liability	£6,000	0.4%
Retained Surplus for the Period	£472,310	30.3%
	<b>£1,557,147</b>	<b>100.0%</b>

## Summary of Balance Sheet (as of 31st March 2017)

Fixed Assets	£18,068,469
Net Current Assets	£1,103,495
Total Assets less Current Liabilities	<b>£19,171,964</b>
<b>Financed by:</b>	
Long Term Creditors	£14,576,993
Pension Liability	£302,000
Called Up Share Capital	£77
Income & Expenditure Account	£4,292,894
Members Funds	<b>£19,171,964</b>

## Average Rents

### ARCHETYPE / 2016-17 RENT RATES

1 Bed Semi-Detached Bungalow	2 Bed Semi-Detached Bungalow	2 Bed Detached Bungalow	3 Bed Semi-Detached Bungalow
£75.98	£83.88	£92.70	£96.36
2 Bed Terraced House	2 Bed Semi-Detached House	3 Bed Semi-Detached House	3 Bed Detached House
£91.25	£90.98	£98.75	£110.65
4 Bed Semi-Detached House	4 Bed Detached House	1 Bed Flat	2 Bed Flat
£111.51	£112.70	£67.54	£86.09

Overall

**£90.06**

The above figures are exclusive of charges for additional services which apply to some, but not all, of Shropshire Rural's homes.

# Performance & Value For Money

ENSURING THAT WE DELIVER GREAT VALUE IN THE WORK WE DO



As a small charitable provider of housing and related services, Value for Money (VfM) is an essential ingredient of all we do. Though smaller and less diverse than many housing providers, we are committed to ensuring that we deliver great value in the work we do. VfM isn't necessarily about being cheaper; rather it is about getting more from each pound spent or spending more but getting a disproportionately greater benefit from that expenditure.

## DURING 2016-17 WE HAVE:

- ✓ Continued to develop new homes with a strong emphasis on affordable warmth; Generated Renewable Heat Incentive income from our investment in heat pumps;
- ✓ Reduced operating costs in 2016/17 by £77k from the previous year;
- ✓ Deployed our Tenancy Management Officer (TMO) to work closely with tenants: maximising income, assisting with effective budgeting and mitigating the potential impact of the roll-out of Universal Credit during 2017/18;
- ✓ Collected 99.16% (98.93% 2015/16) of the rent due;
- ✓ Reduced the average number of days a property remains empty before it is reoccupied; from 23 days in 2015/16 to 21 days in 2016/17;
- ✓ Invested in financial planning software; enabling improved long-term forecasting, financial modelling and options appraisals; improving decision making and better managing financial risks;
- ✓ Commenced development of a new and much improved website with a focus on delivering better online services to tenants, prospective applicants and other interested parties. This work will continue and be rolled out progressively in 2017/18, and;
- ✓ Increased the rent payment options; introducing telephone payments and planning for on-line payment facilities via the new website.

Participation in the performance benchmarking services provided by Acuity continues; enabling the Association to compare its performance with that of similar providers and to better understand performance and value improvement.

Our financial reporting arrangements enable close scrutiny of our income and expenditure by a Board of independent, voluntary members responsible for setting the strategic direction of the Association and ensuring that their key objectives are achieved: that focus will be sustained in the year ahead.

A fuller Value for Money Statement is available on our website: [www.shropshirerural.co.uk](http://www.shropshirerural.co.uk)

A comprehensive customer satisfaction survey will be carried out during 2017-18 with results being included in the 2017-18 annual report.

# Looking Forward

During the latter part of 2016-17 the Association has reviewed and refreshed its Strategic Plan; setting out priorities for the next three years. Our strategic themes are:



## Property

Developing and managing more homes in Rural Shropshire.

We want to help more people to be safe, secure and to thrive in Shropshire's rural communities. We'll do this by providing more affordable homes and managing them well.



## Places

Helping to make, and keep, villages vibrant places.

We invest to maintain mixed communities and help to avoid people being 'priced out'.



## People

Having the best team in place to deliver our ambitions.

We have great people at Shropshire Rural. Staff and our voluntary Board Members are recruited, trained and developed with a clear purpose: to deliver the best possible service in all aspects of our work.



## Public Relations

Effectively communicating, developing & promoting our distinctive identity.

We are the longest established and the only traditional housing association with a particular focus on rural Shropshire.





**Steve Price**  
Chair of the Board



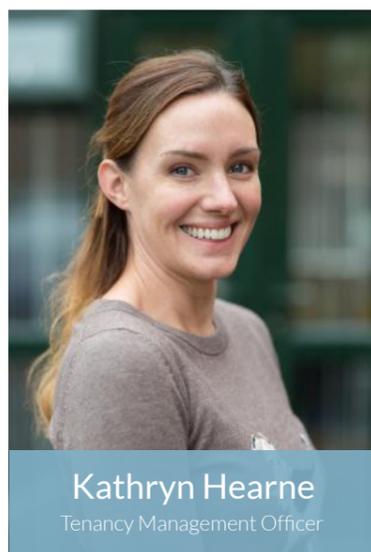
**Ian Richardson**  
Chief Executive



**Paul Hackett**  
Interim Finance Director



**Annette Hadwen**  
Scheme Manager



**Kathryn Hearne**  
Tenancy Management Officer



**Stuart Jobson**  
Asset Manager



**Linda Talbot**  
Housing Officer



**Wendy Wainwright**  
Administrative Officer



**Stephen Gittins**  
Interim Tenancy Management Officer

# The People

## WHO WE ARE AND WHAT WE DO

Shropshire Rural Housing Association is managed by a small team of paid staff who are responsible, through the Chief Executive, to a Board of volunteer Members of the Association.

The Board and its Committees are responsible for setting the strategy and priorities of the Association and for ensuring that the objectives are met. During the course of 2016-2017, composition of the Board has changed; with new Members joining and longer-serving Members, who would otherwise have stood down, staying on until the 2017 AGM in order to ease the transition and ensure continuity in governance.

For 2016-17, the Board of the Association comprised of:

Steve Price	(Chair of the Board)
Andy Vanderhook	(Vice Chair of the Board, Chair of Strategy & Resources Committee and Chair of Personnel Committee)
Rosemary Abbiss	
John Alvey	(Chair of Housing Management Committee)
Terry Davies	
Sam Hine	
Heather Kidd	
Maelor Owen	(Vice Chair of Housing Management Committee)
Mark Astley	(from December 2016)
Katrina Baker MBE	(from December 2016)
Rachel Danemann	(from December 2016)
Tom Howard	(from December 2016)

For 2016-17, the Association's staff team comprised of seven posts, covered as follows:

Ian Richardson	Chief Executive (and Acting Company Secretary from August 2016)
Rachael Fullwood	Finance Director and Company Secretary (until August 2016)
David Johnson	Interim Finance Director (August 2016 – October 2016)
Paul Hackett	Interim Finance Director (from October 2016)
Stephen Gittins	Interim Tenancy Management Officer (from January 2016)
Annette Hadwen	Scheme Manager – Older Persons' Housing
Kathryn Hearne	Tenancy Management Officer (Maternity Leave from March 2016)
Stuart Jobson	Asset Manager
Linda Talbot	Housing Officer
Wendy Wainwright	Administrative Officer

In such a small team, flexibility and good attendance are essential to delivering good service. Not only have the team performed flexibly but sickness absence during the year averaged 2.2 days per employee. The national average for the year was the lowest since records began, at 4.3 days, meaning Shropshire Rural's absence rate was very nearly half that of the nation as a whole.



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