

PEMBROKESHIRE HOUSING
MILL BAY HOMES
WEST WALES CARE & REPAIR

Annual Report

16-17



Board of Management

Mrs Christina Hirst FRICS BSc

Chair

Chartered Surveyor and practicing management and training consultant for the property and housing sector

Mr Peter Hughes resigned May 2016

Vice Chair

Retired Management Consultant and Chair of Tenants Panel

Mr Martin Bell BA, DipTP, MRTTP (retired)

Retired Principal Planning Officer, South Pembrokeshire District Council

Mrs Dean Campbell

Retired Head Occupational Therapist

Chair of Personnel Panel

Mr Brian Charles OBE, IPFA

Former Executive Chairman of Dŵr Cymru Welsh Water

Mr Chris Jones resigned September 2016

Retired Businessman and CAB Advisor

Mr Edward Lewis

Retired Senior Partner Solicitor

Chair of Audit Committee

Mr Mark Lewis

Retired Finance Director

Mrs Sue Rogers resigned May 2016

Member of the Tenants Panel

Councillor David Simpson

Retired Managing Director and Magistrate

Mr Ron Butler appointed June 2016

Chartered Quantity Surveyor (retired)

Registered Office Details

Pembrokeshire Housing Association Limited
Meyler House, St Thomas Green,

Haverfordwest, Pembrokeshire. SA61 1QP

Tel: (01437) 763688

Fax: (01437) 763997

Email: Housing@pembs-ha.co.uk

www.pembs-ha.co.uk

Registered with Welsh Assembly Government No. PO72

Financial Conduct Authority No. 23308-R

Pembrokeshire Housing is a charitable organisation.

Co-opted Members

Mr Michael Westerman appointed June 2016

Partner in Fundraising/Marketing Consultancy

Mr Hugh Watchman appointed June 2016

Buyer

Observer

Councillor Alison Lee

Cabinet Spokesperson for Housing

Management Team

Nick Hampshire commenced January 2017

Group Chief Executive

Adrian Williams

Group Finance Director

Nigel Sinnott

Group Property Services Director

Elin Brock

Housing Director





Fir Tree Close, Merlins Bridge.

Chair's Statement

Pembrokeshire Housing, with the support of its Local Authority Partners, was able to secure £4.1m Social Housing Grant that helped us complete 136 new properties.



The Delphi, South Parade, Tenby.

This year's Annual review shows another positive year for the Pembrokeshire Housing Group with all three companies, Pembrokeshire Housing, Mill Bay Homes and West Wales Care & Repair producing higher than expected surpluses whilst delivering high levels of service to the customers and communities we serve.

In uncertain economic operating conditions it was essential that the Group maintained its corporate strength so that it could continue to invest in existing services and develop to meet growing demand. The Group's operating margin of 28% remains one of the best in our sector, our reserves have increased from £19.6m to £22.9m over the last year, and our financial covenant performance has comfortably exceeded our targets. This financial performance provides a high level of assurance to our customers, partners and regulators that our Group will continue to have the ability to evolve and grow.

Pembrokeshire Housing, with the support of its Local Authority Partners, was able to secure £4.1m Social Housing Grant that helped us complete 136 new properties. Its letting and repairs services continued to perform well, a number of successful community and tenant led events including the 'Big Day Out' were held; and we continued to work closely with our customers to ensure they received good benefit advice and help to maintain their tenancies.

With an aging population, the relevance of West Wales Care & Repair has never been stronger. They dealt with in excess of 2800 enquiries for help from older or vulnerable private home owners or renters who without their support may not have been able to enjoy the full use of their homes.

We continue to see the definition of housing need widening as pressures on housing supply in the private housing sector increase. Mill Bay Homes addresses two needs, the need for new open market homes and the need for additional funds to help provide more affordable housing to combat growing waiting lists. The 48 new homes sold and the £1.077m covenanted by Mill Bay Homes to the Group parent to use for new affordable housing shows that Mill Bay Homes continues to fulfil its envisaged purpose.

There is no doubt that we are operating in uncertain times which will place higher levels of demand on our governance and corporate systems. Our Group is adapting and evolving to meet this challenge; to make sure it enjoys continued success and is therefore making a difference to the lives of the people and communities we serve.

In December we wished a happy retirement to our Group Chief Executive of 20 years, Peter Maggs and welcomed our new Group Chief Executive, Nick Hampshire. I wish to express mine and the Board's appreciation of Peter's committed service to the Group and the many achievements he led.

This will be my last Annual Review as your Chair, having completed 3 years office. May I thank my fellow Board Members, Directors and the senior and wider teams for their constant support and I will look forward to seeing the exciting developments planned for the Group coming to fruition over the coming years.

Mrs Christina Hirst FRICS BSc Chair

Group Chief Executive

I am delighted to have joined Pembrokeshire Housing Group at such an exciting time in its evolution. During the year, our Group has developed clear plans to make sure we continue to find solutions to housing need and greater community empowerment.

Together, with our customers and partners, we will continue to aim to deliver better services, more efficiently, with greater customer experience.

We remain committed to evolving our Board's vision of creating a customer centred, growing and dynamic group of companies that is able to collaborate with a wide range of stakeholders in West Wales to provide a range of living solutions.

Nick Hampshire MRICS MBA BSc (hons)
Group Chief Executive

Business Development

We remain committed to providing new quality affordable homes for people who cannot afford to rent or buy in the open market and we are well placed to support outcomes and targets set by Welsh Government and our Local Authority partners.

We built our new homes at

Location	New Homes
South Parade Tenby	12
Fir Tree Close Merlins Bridge	16
Howells Close Monkton	30
Town Meadow Marloes	8
Imble Lane Pembroke Dock Phases 2 & 3	48

We acquired new homes at

Location	New Homes
Martello Park Pembroke	9
Ashford Park Crundale - acquired from our Mill Bay Homes subsidiary	11
Tenby - existing properties	3



Finance and Kitchen Fitting Apprentices.

Investing in new homes and communities

Pembrokeshire Housing is the leading provider of new affordable housing in West Wales. Working closely with our local authority partners and the Welsh Government, we take care to build safe and stable communities that support the local economy and sustain communities through initiatives ranging from local lettings policies to supporting rural communities.

Demand for affordable homes continues to be high with over 3000 applicants on the joint housing waiting list in Pembrokeshire alone. We remain committed to providing new quality affordable homes for people who cannot afford to rent or buy in the open market and we are well placed to support outcomes and targets set by Welsh Government and our Local Authority partners.

During the year, 136 new homes were completed, land was acquired to support the future development of 156 homes and work started on 52 new homes. Over £4 million of Social Housing Grant was received from the Welsh Government against an original target of £1.5 million.

Working in partnership with Pembrokeshire County Council and the Welsh Government we completed our smaller properties grant programme. This funding mechanism enabled a further 25 properties to be brought into management.

We continued to maintain a healthy land bank to underpin our future development plans and the needs of the local community for affordable housing.

We are proud to say that over the last 4 years we have delivered over £40 million of investment providing over 400 affordable quality homes for people in housing need and helping to maintain and support jobs and growth for local businesses.

Improving our homes

The Association achieved compliance with the Welsh Housing Quality Standard back in 2012 and, as part of our 30 year asset management plan, we continue to invest in maintaining our properties to the high standards we have set.

During the year we invested in the following major improvements:

 118 new kitchens	 104 replacement boilers	 144 properties received replacement doors	 164 properties received replacement windows
 36 new bathrooms	 81 properties received replacement fencing	 129 new sheds	 386 properties were repainted externally

We completed our three year programme of installing carbon monoxide detectors in all of our properties, and during the year we installed detectors to 400 homes. This work supplemented our usual rolling programme of statutory compliance works to all our homes

All boilers were replaced with the most energy efficient systems currently on the market.

Adapting our homes

We worked closely with health and social services professionals and Welsh Government to help our residents with physical or other difficulties by providing adaptations to their homes to provide the stability for them to enjoy living there for longer.

71 applications were processed during the year and work amounting to £217k was carried out.

Service Provision

Pembrokeshire Housing was awarded £205,432 from the Big Lottery Fund for our 'Get Connected' project. The 3 year project will support a digital support worker to help our customers with digital advice and support.



Howells Close, Monkton.
Knight's Court, Templeton

We have continued to provide a full range of repair, rent, advice and support and engagement services for our customers, partners and communities throughout the year and started some significant changes that will see further improvements in our services over the coming years. In particular, we undertook a review of our repairs service to establish how we could enhance our customer experience. This resulted in the implementation of a new repairs appointments system and greater use of mobile technology which together will provide more convenience to our customers with better response times. Other improvements in the year included online 24/7 customer accounts access and a SMS text messaging facility

Pembrokeshire Housing was awarded £205,432 from the Big Lottery Fund for our 'Get Connected' project. The 3 year project will support a digital support worker to help our customers with digital advice and support. The service will be provided from a 'Digi-van' on our customer's doorsteps which will provide significant support to customers in rural areas with limited broadband facilities.

With the continuing demand for older people support and property, we undertook a review of our sheltered housing and older person support services with the aim of developing a new older person strategy to deal with these emerging challenges. We used a 'co-production' approach that gave customers the opportunity to redesign the service around their needs. Significantly, a key outcome from the review was the identification of more support service opportunities to older tenants outside our sheltered housing schemes.

The Association continues to maintain a healthy performance on managing rent arrears and continues to offer support and advice to customers affected by welfare reform. The number of tenants applying for Universal Credit is growing and approximately 750 tenants were supported during the year to maximise their income and access money advice and support.

Our in-house maintenance team undertook 78% of all responsive repairs providing an effective and efficient service appreciated by our tenants with 99% of tenants happy with the repairs service provided. Working closely with colleagues in West Wales Care & Repair, we were able to undertake adaptations to 50 homes providing our tenants with greater comfort and safety.

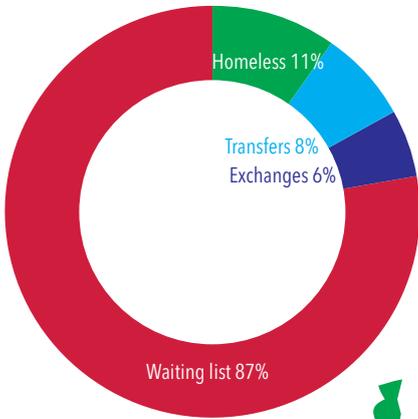
During the year we provided a new home to 441 households using the local authorities Choice-Homes joint waiting list.

Our customers continue to engage in improving our services and improving their communities. A breakdown of our customer involvement and community investment activities are listed below:

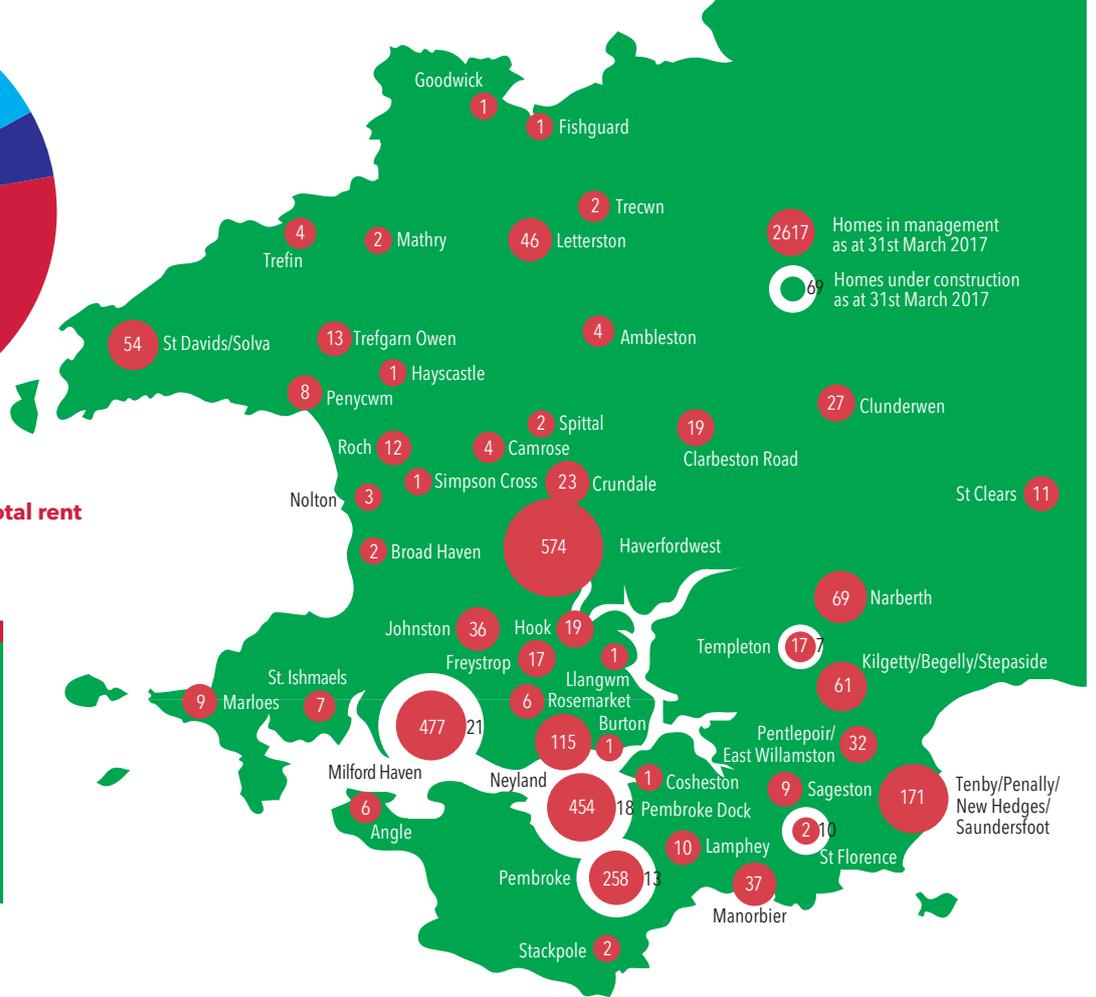
Customer involvement	Numbers attended (approx.)
Community events	538
3 Study visits	23
Consultations	236
Learning and Development	62
TRA	138
Disability Group	10
Tenants Panel	23
QAA	6
Editing Group	4

The Facts

Total lettings during 2016/17



Homes in management/construction



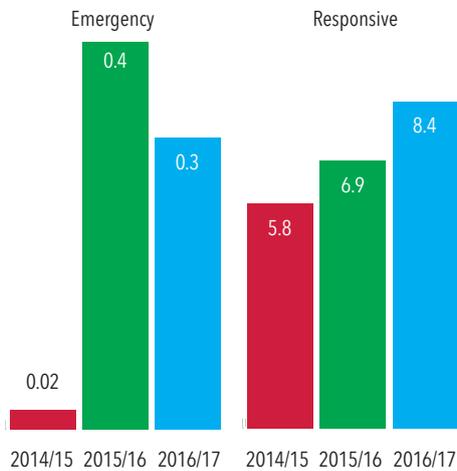
Rent arrears as a percentage of total rent



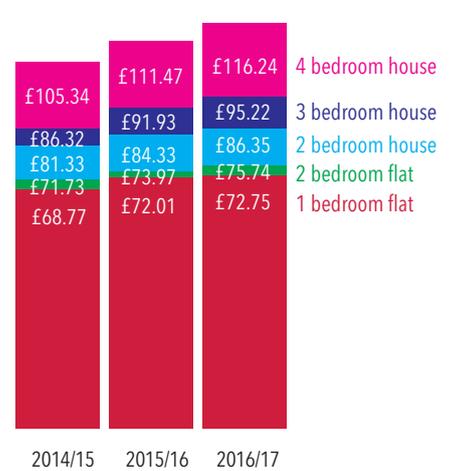
Rent loss due to void properties as a percentage of total rent



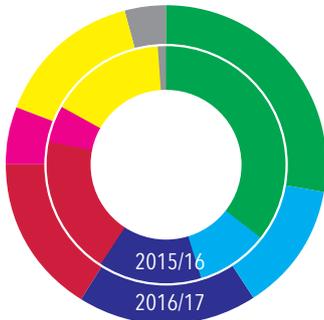
Repairs: average number of days to complete



Rent levels

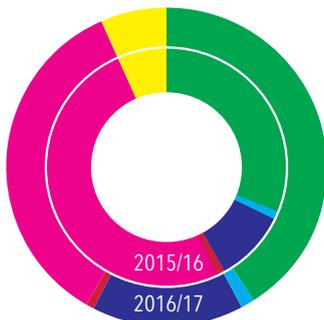


Chair's Statement



Referrals Source

	2015/16	2016/17
Self	36%	28%
Local Authority	10%	13%
Health Authority	14%	18%
Voluntary Sector/Other	19%	16%
Internal	5%	6%
Friends/family	16%	15%
HA/RSL	1%	4%



Nature of Work

	2015/16	2016/17
Small Repair/Adaptation	61%	94%
Improvements to Heating/Energy Efficiency	2%	3%
Emergency Alarm System	19%	35%
Privately Fund Work	2%	2%
*Home Safety/Falls Prevention	98%	80%
Advice/Information/Sign Posting	13%	15%

*All clients are offered a Home Safety Check as part of Casework Service



It gives me great pleasure, as Chair, to present this report for West Wales Care & Repair Agency.

A strong financial performance enabled the Agency to return a surplus of £75k compared with a budgeted surplus of £55k.

During the year the staff team was able to provide advice, support and assistance to over 2800 clients. This included a range of services from minor adaptations and repairs through to major disabled adaptation works. Welfare benefit advice enabled clients to receive increased income totalling £543k.

Funding was received from the Welsh Government, Ceredigion County Council, Pembrokeshire County Council and our parent Pembrokeshire Housing Group.

I wish to thank all of our funding partners, without whose invaluable assistance we would be unable to continue our much needed work.

I wish to thank my colleagues on the Board for their support; Tina Mills, Agency Manager and the staff team who have continued to maintain the service provision to the highest standard for all of our clients.

I look forward to working with you, continuing to deliver these much needed services to the older persons of Ceredigion and Pembrokeshire.

Dean Campbell

Dean Campbell Chair

15/16 16/17

Welsh Government Funded Core Service

Referrals received	974	1,130
Completed Jobs	620	1,087
Value of Work	£503k	£214k

Locally Handyperson Service

Referrals received	357	337
Value of Work	£28k	£36k

Welsh Government Funded

Rapid Response Adaptations Programme		
Referrals received	1,427	1,688
Value of Work	£155k	£178k

Income Maximisation/ Benefit Increase

Clients who had income increased	87	125
Annual value of increased income	£385k	£543k
Benevolent Funding Raised	£5k	£6k

Intermediate Care Fund (ICF)

Referrals received	110	169
Income generated	£23k	£48k

Client Satisfaction Survey 2016/17

- 96%** of clients stated they were very satisfied with the services provided by West Wales Care & Repair
- 95%** of clients said they would recommend West Wales Care & Repair to others
- 91%** of clients said they were satisfied with the standard of work carried in their homes
- 90%** of clients said West Wales Care & Repair had completely solved their problem and that were able to remain living independently in their own homes

Chair's Statement

Of our 2016/17 sales, 72% have been to Pembrokeshire residents, and 44% have been to first time buyers, with 32% of our purchasers having used the Welsh Government's Help to Buy scheme.



The 100th Mill Bay Homes customers at Newton Heights, Kilgetty.

I am pleased to report on a successful year for Mill Bay Homes which saw us complete the sale of our 100th home.

Mill Bay Homes achieved 48 sales over the year, across our development sites at Pentlepoir, Templeton, Crundale and Kilgetty. This was a record annual sales total for the company to date.

This generated a surplus of £1,073,676, which was over £22,000 better than budget.

In line with the business strategy of Mill Bay Homes this surplus will be covenanted back to Pembrokeshire Housing to be invested in affordable housing.

Construction work commenced at Kilgetty (Phase II) which in total will provide 55 homes. 89% of the units on Phase I are now sold or reserved.

The Mill Bay Homes shared ownership scheme was launched in November 2016, this enables customers to buy at 50% of market value across all Mill Bay Homes developments, the scheme has been well received to date and offers a very affordable route into homeownership.



Of our 2016/17 sales, 72% have been to Pembrokeshire residents, and 44% have been to first time buyers, with 32% of our purchasers having used the Welsh Government's Help to Buy scheme.

I wish to thank my colleagues on the Board for their continuing support and the staff team led by Matthew Owens, for their hard work and commitment in delivering such good results.

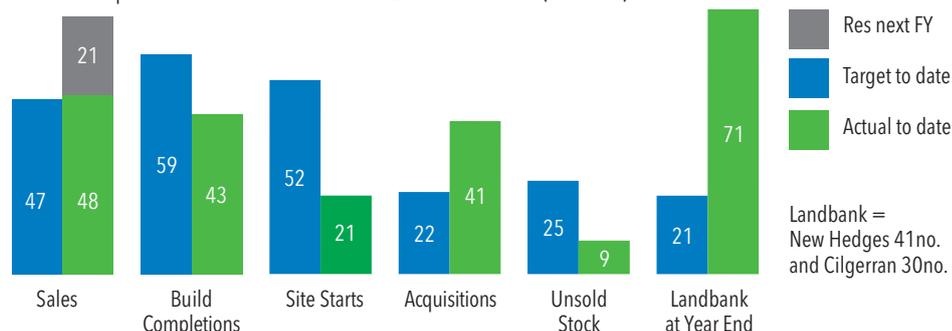
Ron Butler

Ron Butler Chair

Business Plan Progress Report Target To 31 March 2017

All developments

MBH Total Sales (to date) 117



	Pentlepoir	Templeton	Crundale	Kilgetty	TOTAL	BP
Stock b/f as at 1 April:	3	10	-	-	13	13
Build completions to date:	-	-	29	14	43	59
Build completions anticipated by YE:	-	-	-	-	-	-
Sales to date:	3	9	17	19	48	47
Sales anticipated by YE:	-	-	-	-	-	-
Unsold stock (forecast as at YE) in FS:	-	1	12	-	13	25
Of which are reserved as at YE:	-	1	3	-	4	-

Financial Overview



Fir Tree Close, Merlins Bridge.

Group net assets increased to £22.9m at 31 March 2017 (2016:£19.6m). This is largely attributable to the continued increase in development activity.



Spring View, Imble Lane, Pembroke Dock.

The Group has returned a surplus of £3.3m (2016:£4.9m). Annual surpluses are required to cover repayment of loans, long-term maintenance obligations and to mitigate against future risk.

Mill Bay Homes Limited again performed well, exceeding sales target and generating over £1.077m in gift aid to the parent (2016:£1.23m). The company reached its milestone 100th sale during the year and sales activity continues to be strong across existing sites under development.

Mill Bay Homes launched its new shared ownership scheme in November 2016. This enables customers to purchase properties at 50% - 70% of Open Market Value and it also continues to be registered with the Welsh Government's 'Help to Buy Wales' scheme. The availability of both these schemes allows Mill Bay to offer very affordable routes into home ownership for its customers.

During the year, West Wales Care and Repair Limited returned a surplus of £75k (2016:£12k) which was significantly better than expected.

The Agency was able to provide a range of services to over 3,260 older and / or disabled clients in Pembrokeshire and Ceredigion.

Pembrokeshire Housing Association, the parent organisation in the Group also had another successful year returning £2.1m surplus (2016:£3.7m) before the receipt of gift aid from the subsidiary Mill Bay Homes.

During the year, £12.7m (2016:£14.7m) was invested in social housing development which was supported by £4.1m (2016:£3.6m) receivable in Social Housing Grant from the Welsh Government.

The total amount spent on housing component replacements and planned repairs in the year was £2.4m (2016:£2.1m). The level of expenditure will fluctuate from year to year depending on the profile reflected in the asset management plan.

Group net assets increased to £22.9m at 31 March 2017 (2016:£19.6m). This is largely attributable to the continued increase in development activity.

During the year, Pembrokeshire Housing Association took into management a further 136 units with another 95 units planned for 2017/18.

The Group's liquidity remains strong. New loan facilities of £40m were put in place in 2016 of which £9m was used to repay existing debt with a lender who intends to exit the sector in the near future. In addition there are a substantial number of unencumbered properties available as further security when required for future loan facilities.

All lenders' covenants have been complied with by a comfortable margin and there are no matters of concern to the regulator.

Our Financial Position

Consolidated Statement of Comprehensive Income

For the year ended 31st March 2017

	2017	2016
	£'000	£'000
Turnover	23,179	21,278
Cost of sales	(6,572)	(5,419)
Gross surplus	16,607	15,859
Operating costs	(10,115)	(9,273)
Operating surplus	6,492	6,587
Net interest	(3,329)	(3,300)
Other	196	1,620
Surplus for the year	3,359	4,907
Actuarial (loss)/gain in respect of pension schemes	(64)	(11)
Total comprehensive income for the year	3,295	4,896

Consolidated Statement of Financial Position

At 31 March 2017

	2017	2016
	£'000	£'000
Housing properties	181,658	171,748
Other assets	577	623
Homebuy loan	3,336	3,533
Total fixed assets	185,571	175,904
Net current assets	18,064	11,488
Trade payables due after one year	(180,752)	(167,804)
Net assets	22,883	19,588
Restricted reserves	198	192
Revenue reserves	22,685	19,396
	22,883	19,588

A copy of the Association's audited accounts is available on request.