



**Rushmoor Borough Council**

**Community Policy  
Review Panel Meeting**

**4 February 2016**

**INFORMATION PACK**



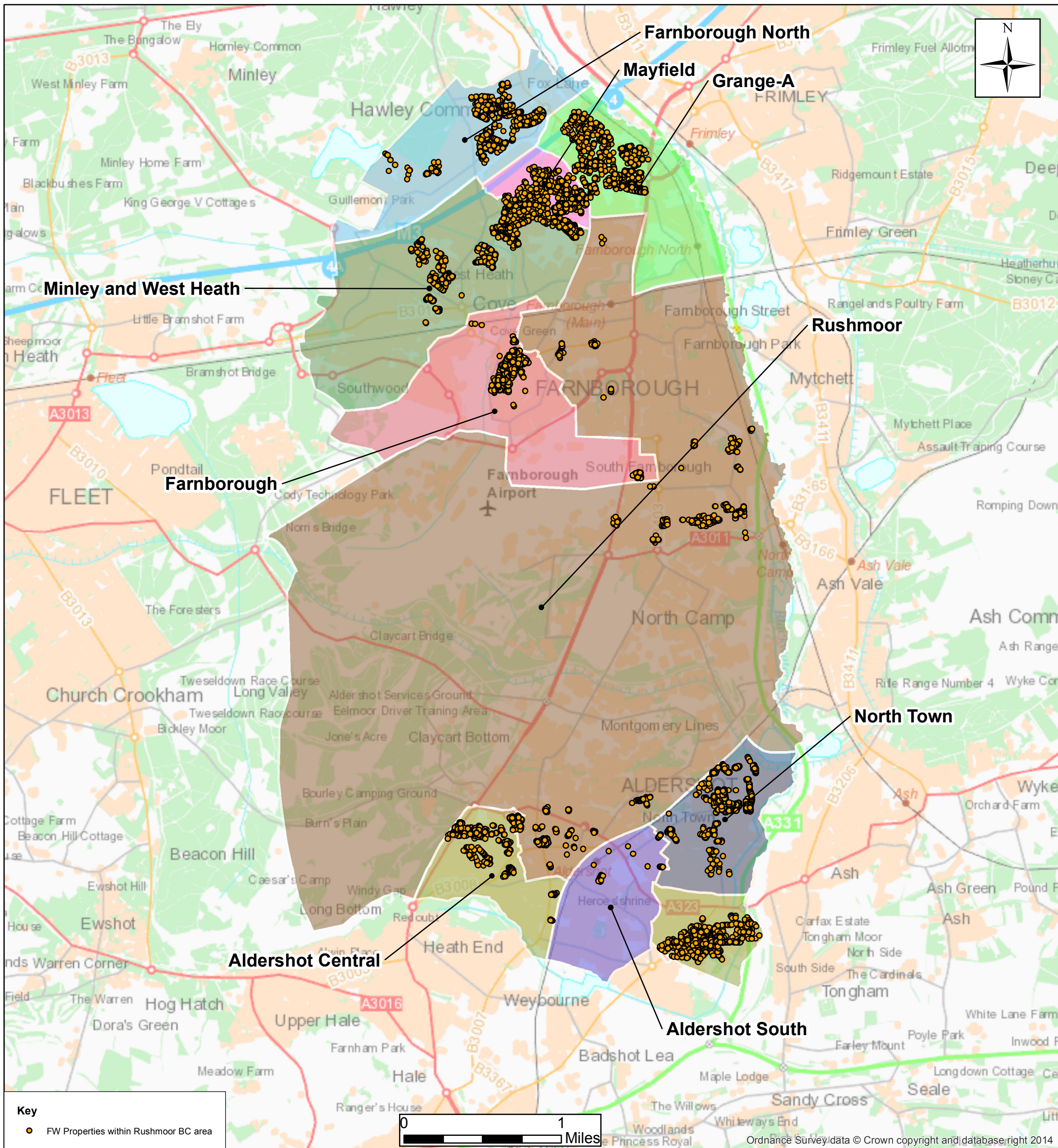
**RUSHMOOR BOROUGH COUNCIL  
COMMUNITY POLICY AND REVIEW PANEL  
4 FEBRUARY 2016**

**FIRST WESSEX INFORMATION PACK**

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# Neighbourhood Manager Patch Stock Breakdown within Rushmoor Borough Council



	Aldershot Central	Aldershot South	Farnborough	Farnborough North	Grange-A	Heron Wood	Mayfield	Minley and West Heath	North Town	Rushmoor	West End	Total
Commercial					4	2	1		3	2		12
Garages	163		152	154	158	113	296	14	42	36	3	1131
General Needs	574	35	253	368	435	469	436	393	453	357		3773
Intermediate Rental				3					14	9		26
Managing Agents						1				4		5
Market Rental									1			1
Other Housing Activities			12	1				1				14
Overhead / Departments										1		1
Owner Occupier	40		90	103	100	20	4	37	37	29		460
Shared Ownership		4		4	7				67	59		141
Sheltered	31		87	22	44	65		41	25	85		400
<b>Total</b>	<b>808</b>	<b>39</b>	<b>594</b>	<b>655</b>	<b>748</b>	<b>670</b>	<b>737</b>	<b>486</b>	<b>642</b>	<b>582</b>	<b>3</b>	<b>5964</b>

# Our Corporate Annual Report

2014/15

First Wessex 

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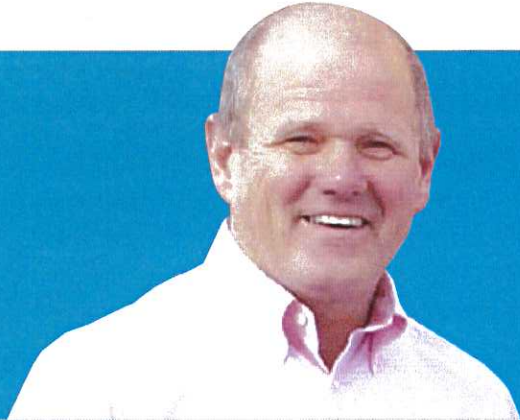
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# Chair's statement



**Phil Raybould**  
Chair of the Board

A handwritten signature in black ink that reads "Phil Raybould". The signature is written in a cursive style with a horizontal line underneath.

This year we have embarked on a number of opportunities to make sure First Wessex is well equipped to deal with and stay ahead of the challenges that face all housing associations and many residents.

We reviewed our corporate strategy and reinforced our focus on delivering a continued programme of new homes. Providing low-cost homes to people in need is central to our purpose and we will do all we can, under challenging circumstances, to continue our new build programme and play a leading role among housing associations in the south to help solve the housing crisis.

I am pleased to report that, despite significant reductions in government funding, we built around 300 new homes. Such is our commitment to providing more homes that we have worked hard to find other ways of raising important funds. In January we secured the lowest ever interest rate on a long-term loan of any UK housing association. In a record deal made as part of the government's Affordable Homes Guarantee Programme, First Wessex was also the first housing association to 'forward fix' the exceptionally low rate on future house-building funding from the scheme.

Welfare reform changes, including the introduction of Universal Credit for single claimants, has the potential to have a huge impact on our business and our residents. We have continued throughout this year to inform and equip residents with as much knowledge and skills as possible to help minimise the impact of these changes through regular information, training and advice.

Overall, it has been a year of good progress in many areas and importantly we have remained financially strong.

I am extremely thankful to our staff, Board and Committees and partners for continuing to so positively support First Wessex and its overall success over the past three years since I have been Chair, and I am very proud of what we have achieved. This is my last foreword as Chair as Mike Kirk takes over the role from 29 September 2015, and I wish him every success.

# Chief Executive's introduction



**Peter Walters**  
Chief Executive



Our priority throughout this year, as always, has been to make sure that we continue to deliver high standards of service to our residents and quality new homes for people in need. On top of this we have put an even greater focus on supporting our residents, especially with the continuing financial difficulty faced by many in the wake of austerity driven reforms.

Our organisational strength comes from a strong base in the form of our people, partners and financial performance (see pages 12-13). We continue to review our performance to ensure strength in all our activity.

During the year we started the process of putting in place a more streamlined governance structure in response to a review we had already commenced and also as a result of a subsequent regulatory downgrade from G1 to a G2. Importantly, even though we have been downgraded, we are still compliant but recognised the need to make improvements. We are working to regain our G1 rating as soon as possible. In addition, we have continued our tight focus on value for money and efficiency to ensure we remain financially strong and able to fulfil our commitment of continuing to build more new homes.

In October last year we held our second, and even more successful, Housing Forum event at Winchester Guildhall where around 100 business leaders including many of our partners came together to discuss and debate how to solve issues in the housing sector. Looking ahead, there are many measures in the Welfare Reform and Work Bill and forthcoming

Housing Bill that will fundamentally impact on the business and our sector, and on which we will need to act. As a sector it's vital that we share knowledge, approaches and a willingness to work together to help the government achieve its target of building a million new homes by 2020. This is set against a backdrop of tightening purse strings with housing association rents to decrease by one per cent each year until 2020 and a significant impact on our income due to welfare reforms.

Despite the financial challenges facing all housing associations, we are proud to reaffirm our commitment to our social purpose. We are an organisation which:

- provides homes for people who cannot meet their needs in the market
- provides help and support to sustain tenancies and communities

I look forward to working with residents, colleagues, Board members and partners to deliver these aims.




# Extra support for residents facing financial difficulty

Many of our residents will continue to feel the impact of welfare reforms between now and 2017. It's important that we don't underestimate the impact this change will have on our residents' lives, some of whose finances will change dramatically.

In January we held a Universal Credit (UC) conference in Southampton, where local councils, support agencies and housing associations came together to discuss how best to prepare for the national roll-out. Representatives from the National Housing Federation and the Department of Work and Pensions amongst others spoke at the conference – which was a big success. Deven Ghelani, a UC expert & Director of Think-Tank at Policy in Practice, even called it “one of the best” UC seminars he's attended!

During the year we continuously provided information and guidance to residents about Universal Credit, which will replace a range of benefits and tax credits for working-age people and was rolled out to single claimants in some parts of our region. We also introduced a new tenancy support service to provide advice on issues from budgeting and debt to aids and adaptations.

We improved the ways in which residents can access our services by modernising the secure residents' area of our website, My First Wessex, and a new text messaging service has made it even easier to contact us. In addition we established our 'Better Connected' service which aims to help residents get online and have access to the vast range of opportunities, training and savings that being online brings.

 [Click here to see our Annual Report for Residents and how we have delivered services during the last year](#)

LEFT: Linda Tookey, Financial Inclusion Manager and Clare Martin, Income Manager discussing the implementation of Universal Credit.



# Building new homes

This year, we continued with our commitment to building new homes. In January 2015, we marked the end of an era when the last of the high-rise buildings were demolished at our landmark regeneration scheme in Rowner, Gosport. The demolished flats paved the way for the final phase of the new development which will provide 127 sustainable homes to benefit local people. These homes will join the 495 homes already built in the first four phases of the regeneration. We were delighted to start the final phase of the development and complete the transformation of Rowner.

It was also a busy year for First Wessex Homes, our new development subsidiary, which completed 5 Bellevue, a development built especially for young parents and single mothers in Southampton. In August 2015, First Wessex Homes also took over as contractor at our North Town development in Aldershot, to deliver 213 homes as part of phases three and four of the 697-home development. The expansion of the subsidiary over the past year to enable us to deliver these projects affirms our commitment to the development of good quality homes.

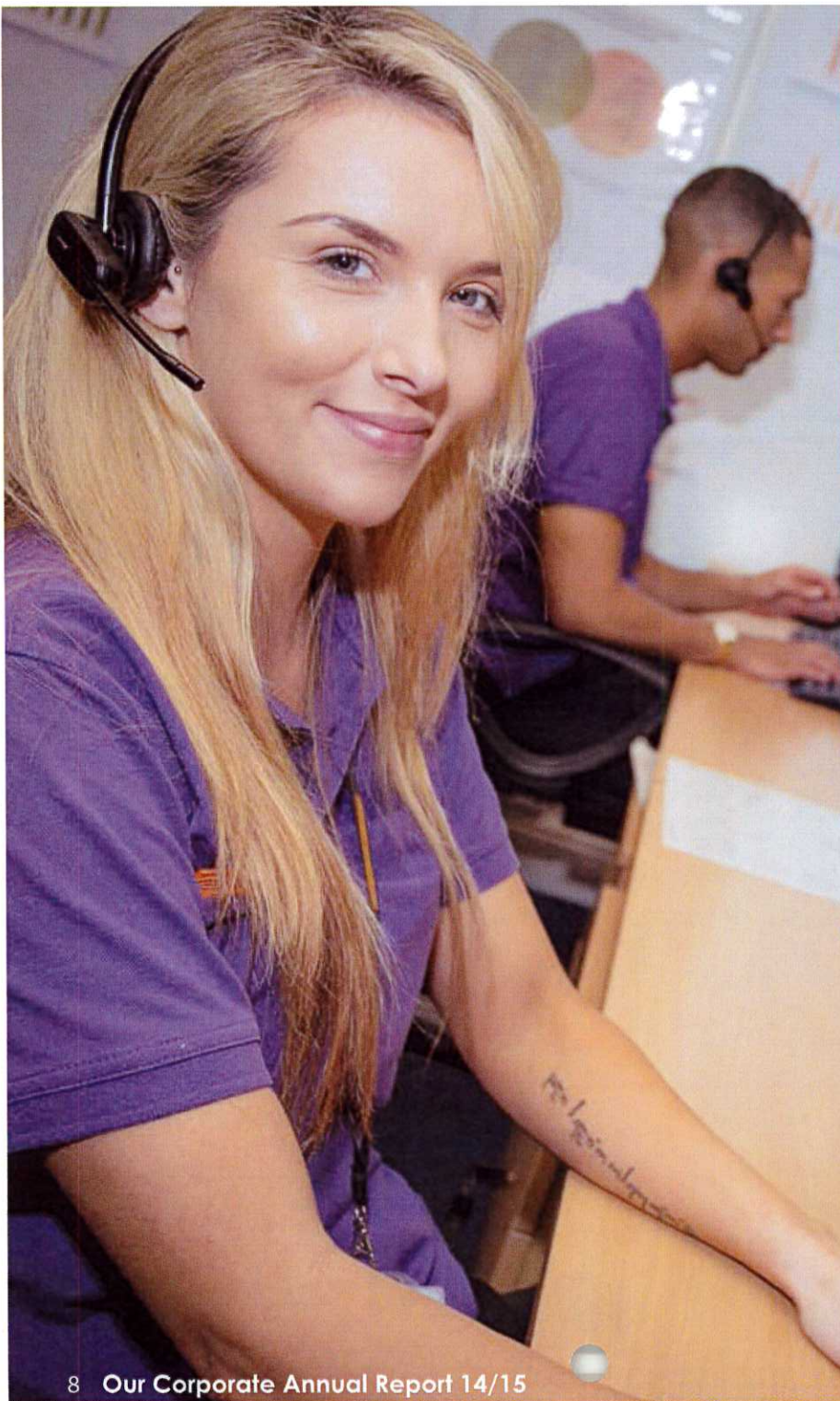


# Future-proofing our homes

Our focus isn't solely about building new homes; we also work hard to improve our existing properties. In May 2014, our Sustainability team carried out an extensive retrofit of 20 'hard to treat' pre-fabricated 1950s flats in Aldershot, which saw a vast improvement in the energy efficiency of the homes following external wall insulation, new boilers and solar PV panels. The retrofit significantly improved the appearance of the flats and residents' comfort and satisfaction, and extended the life of the flats by at least 30 years. The team also started its PV project, which will see up to 2.5MW of solar PV installed on selected properties over a two year period. We were delighted our sustainability efforts were recognised, when we received a silver SHIFT award in a scheme administered by Sustainable Homes.



ABOVE: Paul Ciniglio, Sustainability and Asset Strategist, Andy Price, Planned Maintenance Contract Manager, Hazel Warwick, Asset Management Director and John Barker, Interim Director of Assets and Development.



# Investing in our people

We are committed to investing in our people and working hard as an organisation to continue to build and develop individual, team and organisational strength through a framework of focused learning and development.

A successful example during this year of how we have ensured that staff new to role or new to the organisation are equipped and inspired to perform their role, is the launch of the First Wessex Customer programme.

The main focus of this project was to develop a consistent approach to how new starters in Customer Services are inducted into their role. This was achieved by the development of the Customer Academy, which set out a six month induction plan for all new starters. The Academy also provided other benefits including the introduction of a Customer Services Coach role and clarity around career paths for Customer Services Co-ordinators. The management team was also upskilled to support this process with opportunity to develop their coaching skills, alongside the Coaches.

Since its launch the feedback from new starters shows that it is achieving its objective to equip and inspire staff to perform their role.

- "It's so supportive here, the Customer Services Managers are great and you feel like such a valued member of the team"
- "I thought I was going to be thrown in at the deep end, it's reassuring to know I can learn things a bit at a time"
- "It's been great to have a structure and having a weekly catch up with my Manager has been really supportive"

This has been echoed by the Coaches' experience, as highlighted in the following feedback:

- "I have become more confident in myself and my own capabilities. I realised how much I already know – and I didn't think that before"
- "I love to see the new trainees flourish, and it's nice to know that they like to be trained by me"
- "Seeing the induction in practice has been great, the coaches have grown and developed and really taken ownership and pride in their work. It's great to see the hard work pay off"

# Meet the Board

(from 1 April 2014 – 31 March 2015)

**Phil Raybould**

Chair

**Paul Jenks**

Vice-Chair and Chair of Operations Committee

**Jeff Channing**

Independent Board Member

**Peter Farrar**

Independent Board Member

**Tim Glover**

Resident Board Member (resigned 25 September 2014)

**Nigel Graham**

Resident Board Member

**Mary Harris**

Independent Board Member

**Andrew Long**

Resident Board Member (Appointed 25 September 2014)

**Siven Rungien**

Resident Board Member (Appointed 25 September 2014)

**Dave Shaw**

Resident Board Member (resigned 25 September 2014)

**Allen Smith**

Independent Board Member and Chair of Asset Management Committee

**Judith Smyth**

Independent Board Member

**Paul Stanforth**

Independent Board Member and Chair of Business Risk Committee

**Jane Tabor**

Independent Board Member



Click here to see more details on our Board members

ABOVE: Board Member Allen Smith and Chair of the Board, Phil Raybould join staff at the opening of 5 Bellevue in Southampton

# Meet the Executive team

Click here to find out more about the Executive team



## Peter Walters Chief Executive

Peter joined First Wessex in April 2007, bringing over 30 years of experience in the housing and social services sectors. Peter has worked in a number of London local authorities and, prior to joining First Wessex, was Chief Executive of a national housing association.

"We exist to help people in need – to make lives better not just for those who have a home, but by providing low cost housing for the substantial, and increasing numbers who do not."



## Hazel Warwick Asset Management Director and Deputy Chief Executive

Hazel came to First Wessex as Development Director for Portsmouth Housing Association in 2001, having previously worked in a number of roles in housing associations across the South East and local government. Hazel heads up the property services division and the Sales, Sustainability, Asset Management, Procurement and First Wessex Homes teams.

"I'm proud of the homes we continue to build and maintain. Knowing we can make a difference to peoples' lives by providing the security of a decent home, either new or existing, is extremely rewarding."

# Meet the Executive team

[Click here to find out more about the Executive team](#)



## Patrick Symington

Finance, Governance and ICT Director

Patrick joined First Wessex in March 2009 as Interim Finance Director and was appointed permanently as Finance Director in September 2009, having worked as a consultant in housing for 12 years. During this time he held the position of Finance Director on an interim basis for several housing associations.

"Making sure we have the finances, technology and robust governance processes in place is crucial to the success of First Wessex. This forms the backbone to everything we deliver as an organisation, both to residents and the community at large."



## Carol Williams

Operations Director

Carol joined First Wessex in 2012 and oversees the Customer Services, Resident Involvement, Tenancy & Support, Lettings, Commercial Services and Neighbourhood teams. Carol has almost 30 years' housing experience, having worked in a number of housing associations and councils across Hampshire and Surrey.

"Providing residents with tailored services and the support they need during challenging times is vital and to do that I believe in having a strong local focus on the services we deliver."



## Paul Ryrie

Interim Central Services Director

(from 26 Jan 2015 - 14 Sept 2015)

We were pleased to welcome Paul back to First Wessex. Paul previously worked here between 2006-2009 in various roles including Head of Commercial Services, Head of Housing in Aldershot and Interim Director of Operations. Paul has vast experience of housing having started working in the sector in the 1970s. During his time in this role Paul was responsible for Health and Safety, Facilities, HR, Learning and Development and PR and Communications. Paul's time in this role came to an end following the permanent recruitment to this position in September 2015 of Sarah-Jane Taylor.



# Our financial statement

First Wessex has had a successful year financially, generating a satisfactory surplus of £13.4m on a turnover of £112m. We believe that this is the right level of surplus to ensure we remain financially sound whilst continuing to invest in our corporate priorities.

Our detailed Value for Money report demonstrates that we continue to deliver significant year on year improvements in efficiency and we have done some sector leading work on evaluating and improving the return (social and environmental as well as financial) from our assets.

Our business plan demonstrates that we are making good use of the capacity to continue to invest in our strategic priorities in the future, particularly the development of new homes. During the year we successfully renegotiated our Revolving Credit Facility (RCF) including an additional £25m, and we participated in a £33m bond provided by Affordable Housing Finance Ltd, and Guaranteed under the government's Affordable Housing Guarantee Programme. Our success in raising new finance from diverse sources demonstrates the confidence investors have in our financial performance and forecasts.

There have been some big changes in our operating environment over the last few years and these have introduced considerable new challenges. Some of these, such as welfare benefit reform, and the Budget Statement in July 2015 by the government introduce new risks to our business, and we are taking steps to manage these. However, other changes offer new opportunities – for example we have successfully adapted to the new funding regime.

In general First Wessex is well placed to cope with the recent and possible future changes: we have a tight geographic focus and sufficient scale to be able to operate very efficiently and focus on the communities that we serve; there is high demand for our housing and market rents are much higher than the social rents which we still charge on most of our stock.



Click here to see further financial information on our website

# Our financial statement

The following charts show where our income came from and how it was spent:

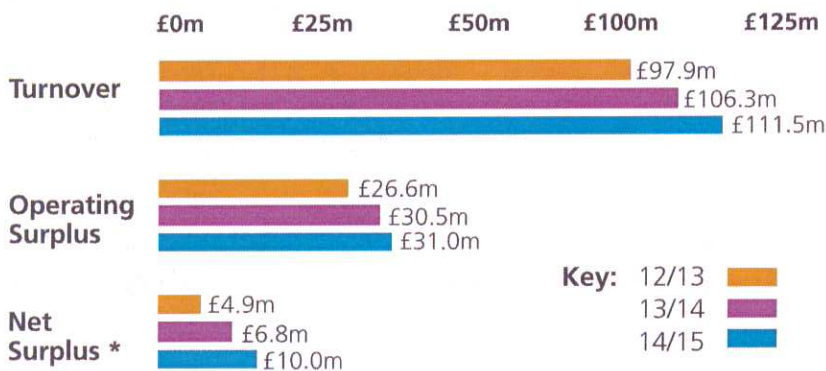
Our income - Total £112 million



Our spending - Total £112 million



## Three year comparison of key financial results



The net surplus for the year was £13.4m including £3.4m for the sale of our market rent stock. The operating surplus was £31.0m for the year against £30.5m for the previous year. This was another strong year at just over £4m better net surplus than was budgeted. We continued to control our income and expenditure well against budget, benefitting from low interest rates as well as efficiency savings.

Our cost comparison results show we are very efficient compared to other similar organisations. We aim to save at least 1% on our operating costs every year, and our actual efficiency savings for 2014-15 were 1.2%. Our cumulative efficiency savings for the last four years was 4.7%, exceeding our targets.

\* Net of one-off unusual items to show business as usual results:  
2015 Sale of market rent properties £3.4m.



# Get in touch

## Do you, or someone you know, need our publications in an alternative format?

We are able to accommodate a wide range of requests for alternative formats for our publications. If you, or someone you know, need

a summary of the content and key articles in large print, braille, audio or translated, contact us.

First Wessex 



-  0800 328 6461\*
-  [enquiries@firstwessex.org](mailto:enquiries@firstwessex.org)
-  [firstwessexhousing](https://www.facebook.com/firstwessexhousing)
-  [@firstwessex](https://twitter.com/firstwessex)
-  [first-wessex](https://www.linkedin.com/company/first-wessex)
-  [www.firstwessex.org](http://www.firstwessex.org)

\* Free to call from landlines and mobiles. All customer contact may be monitored/recorded for training purposes and in appropriate legal situations

# Our Annual Report for Residents

2014/15

First Wessex 

# Welcome to the Annual Report for Residents 2014/15

This Annual Report covers the year from 1st April 2014 to 31st March 2015, and shows how First Wessex measures up to the national standards for housing associations.

Read on to find out more about performance, value for money, and how services have been delivered.

Thank you to all the residents who gave us feedback on our performance and to those who reviewed the content, design, and wording. Over 350 residents were involved, and your contributions really helped to create, challenge, and validate this report.

## *A word from the Chief Executive, Peter Walters*



### **Welcome to our 2014/15 Annual Report for Residents**

It has been a very busy year with many changes and challenges for both First Wessex and our residents.

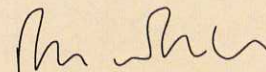
Our staff, Board, and Committees have continued to work hard to maintain good standards of service for our residents. One of our top priorities over the last year has been to provide as many high-quality, affordable homes as possible. First Wessex, alongside other housing partners, has worked not only to highlight the UK's growing housing crisis, but also to help address the affordable housing shortfall by ensuring that cost savings we make are invested into building more homes.

We have also continued to focus on providing extra support to residents facing financial difficulties, particularly as a result of the on-going changes to welfare benefits. We have created additional advice and support services to help residents manage their money, deal with debt, or move home where appropriate. We have also provided extra help and information so that residents can make the most of any benefits that may be available to them.

Our performance has been varied over the past year, but we are pleased that, on the whole, residents are confident that we continue to meet the standards set by our Regulator, the Homes and Communities Agency. Customer satisfaction dipped in some areas during the year, but we are very pleased that our performance and your satisfaction are now on the rise again. We have held focus groups to help inform our plans, and where residents feel our performance could be better we will work over the coming year to make further improvements.

In the longer term, recent government announcements will mean that rents will reduce for the great majority of tenants (by 1% a year) over the next four years. We will continue to seek to ensure we deliver the best possible services and support for our residents and their communities; however, the rent reduction means we will have less to spend, and we will work with you to ensure we minimise the impact on our day-to-day services.

Throughout the following pages you can see how we have delivered services during the last year. This can be viewed both through the thoughts of our residents as well as the facts and figures of our performance.



# How are we doing?...

Throughout this report you will see a key to our performance that shows how we are doing in meeting the Homes and Communities Agency's (HCA) Standards for Housing Associations. The scores show how residents who completed our Annual Report surveys rated our services. We will also show you how the ratings you gave us compared to those of last year (2013/14).

## Key to what you told us

### WHAT YOU SAID...

-  We fully or mostly meet the standard
-  We have some improvements to make
-  We have lots of improvements to make

### HAVE OUR SCORES IMPROVED?

IMPROVED

UNCHANGED

WORSENERD

## Comparing our services

As part of our commitment to delivering services efficiently and effectively, we compare our spending and performance to other housing associations in the South of England (including Aster Group, Radian, and Sentinel), using the independent organisation HouseMark. Throughout this report you will find examples of how we measure up, including the median (middle) spend or performance of all the landlords, and First Wessex's performance and rank. Not all of the housing associations provide results for every service area, so you will see how we compare for each one, for example ranking 25 out of 75 organisations, where a ranking of 1 indicates the lowest spend or best performance.



Peter Walters, Chief Executive at First Wessex joins the Mayor of Rushmoor Borough Council, Cllr Diane Bedford, and Sentinel's Chief Executive Mark Perry to welcome the official Homes for Britain mascot, Betsy the Bus, to our North Town development in Aldershot.

# Customer service and involvement

## This standard is about...

- Providing good customer service and communicating well.
- Offering choice.
- Having a fair complaints procedure.
- Providing opportunities for residents to be involved.
- Treating residents with fairness and respect, and meeting diverse needs.

## What you told us...

See page 2 for a guide to the scores



Customer service, choice and complaints

IMPROVED



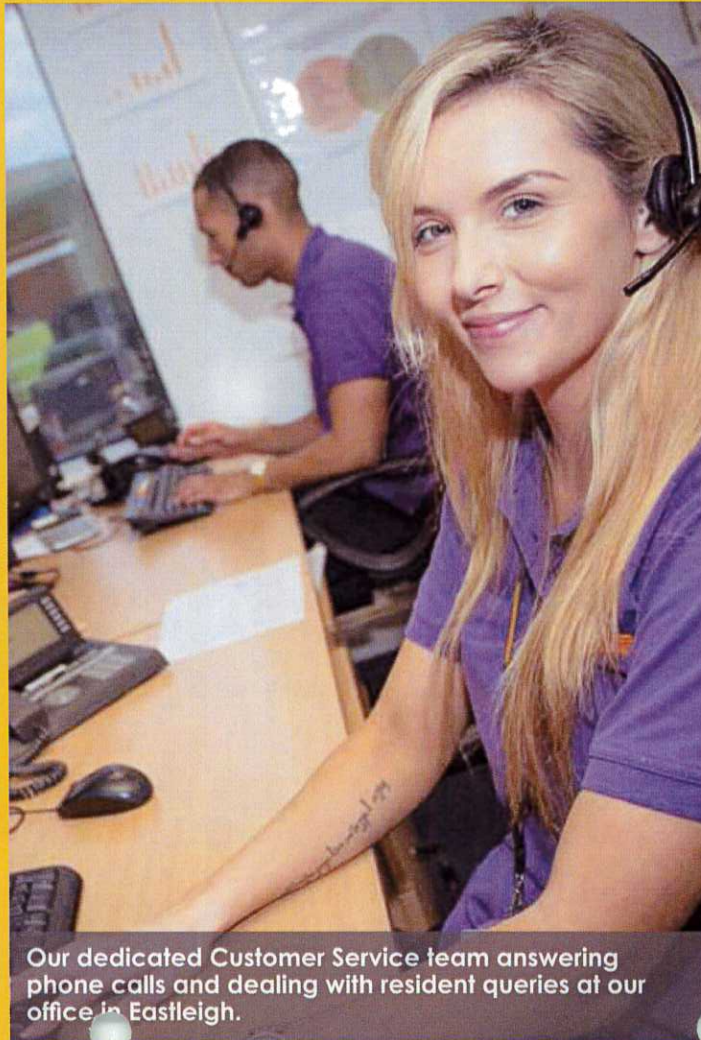
Resident involvement

WORSENER



Understanding and responding to diverse needs

UNCHANGED



Our dedicated Customer Service team answering phone calls and dealing with resident queries at our office in Eastleigh.

## Resident satisfaction

### CONDUCT AND ATTITUDE OF STAFF

2011	2012	2013	2014	2015
86%	84%	82%	80%	86%

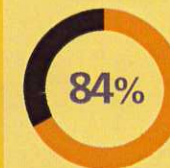
### HOW WE DEAL WITH QUERIES

2011	2012	2013	2014	2015
78%	79%	80%	82%	76%

### WE LISTEN AND ACT ON YOUR VIEWS

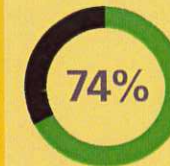
2011	2012	2013	2014	2015
70%	72%	72%	70%	65%

## How did we compare to other landlords?



Residents satisfied with overall services

Median 87%  
Rank 33 of 48



Residents satisfied with complaints handling

Median 60.34%  
Rank 8 of 38



Spend on Resident Involvement per property

Median £48.02  
Rank 17 of 57

# So, how are we doing?...

 **179,678**  
phone calls to  
Customer Services  
(35,657 fewer than 2012/13)

 **3,086**

residents signed up to access services through My First Wessex at [www.firstwessex.org](http://www.firstwessex.org) - our new self-service portal that allows residents to raise and monitor repairs online, and manage their rent accounts  
(888 more than 2013/14)

 Text messaging service launched for residents to raise repairs.

 **1,000**  
Facebook 'likes'  
(April 2015)  
(up by 187)

 **2,530**  
Twitter followers  
(April 2015)  
(up by 827)

## Value for money

 Approximately **£9,000** saved (excluding staff time) in streamlining customer satisfaction surveys and distributing these electronically (where the customer has a registered email address).

 **30 second** improvement in the average wait time when calling Customer Services (reduced to 42 seconds from 72 seconds) by improving the technology we use, and managing our resources better.

 **45** recommendations made by Complaints Quality Insurance Panel to improve quality of complaint investigations.

 **547** Regularly involved residents (202 fewer than 2013/14; partly as a result of challenging those who were registered but not engaging)

 **913** compliments (132 more than 2013/14)

Over **£34,000** invested in involving and training residents

 **1,387** complaints (71 more than 2013/14)

**233** Involved Residents trained (32 courses included ASB Awareness, Chairing Skills, and Confidence Building)

 **12** Regular ways to be involved

 **19**

**19 "Your Voice" activities** (including focus groups, tendering, service assessments, and surveys) completed to help improve services, including service charges, grounds maintenance, Out of Hours service, Automated Payment Line, ASB, and Home Owner enquiries.

**8** suggestions from residents led to changes in services, including improvements to online statements, reviews of van stocks, and review of arrears and gas servicing letters

### Improving Resident Involvement

This year we'll look to use our website and social media more to better-inform residents about improvements we make as a result of your feedback.

# Celebrating diversity

We are committed to understanding the differing needs of our customers. We recognise how personalising services improves our ability to serve our customers, and tailor how we do things to meet your needs wherever possible.



# 1,323

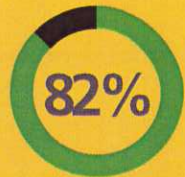
residents supported by Tenancy & Community Support Team

**Geographical mapping** of ASB incidents, community development activity, and resident profile information to help us target resources to work on preventing ASB on estates.

**Customer Insight** data used to plan Community Action Days, target job clubs and employment advice services for residents in need, and to identify and work with residents most affected by benefits changes.



Residents at Surrey Court, a redeveloped extra care scheme in Eastleigh, enjoying their new home.



82% residents satisfied with their overall support plan (up 6% from 2013/14)



# 700+

residents supported through Community Alarms Service



# 250+

customer-facing staff now trained to respond to safeguarding incidents

# 167

Safeguarding reports raised by staff, with issues including emotional, physical and financial abuse, neglect, and self-harm

## Who lives in our homes?



# A resident's story...

## Money advice transforms a resident's life

**Following a medical assessment the Department of Work and Pensions (DWP) had declared Mrs X fit to work and her benefits had been suspended, so she'd had no income for over two weeks and could not afford food or heating.**

Our Money Advice and Benefits Advisor provided her with a food voucher for the local foodbank and obtained a grant of £50 towards her heating and fuel costs.

“ we have been able to support Mrs X to maintain her home, afford to eat and heat her flat ”

The advisor found out that Mrs X suffers with severe depression, anxiety, agoraphobia and panic attacks. He felt that the decision that Mrs X was able to work was incorrect and helped her to begin the appeal process. He also helped her to secure Job Seekers Allowance and Housing Benefit, and to clear her rent arrears.

The advisor obtained written medical information about Mrs X's health issues and sent it to the DWP, who agreed that Mrs X was

not fit for work and her claim for Employment & Support Allowance was reinstated.

During this period, the advisor noticed that Mrs X had started to make a PPI claim with a bank which she hadn't progressed due to her depression. With his help this claim was accepted and Mrs X received £11,000 in compensation.

Due to the severe nature of her issues and how they affected her daily living and mobility, the advisor felt that Mrs X should make a claim for Personal Independence Payments (PIP). He assisted her to make a claim and Mrs X was awarded PIP which was accepted until 2019.

Despite initially coming into the office to look for help with a food voucher, we have been able to support Mrs X so she can afford to maintain and heat her home, buy food, and address her small debts. As a result, Mrs X's health and wellbeing has seen a great improvement.

## Worried about money, benefits, or debt?

If you would like some advice and support, our Money Advice and Benefits team is here to help you. Email the team at [mabadvisors@firstwessex.org](mailto:mabadvisors@firstwessex.org), or phone us (see the back cover for details) for an informal chat and to find out more about this free service for our residents.



Linda Tookey, Financial Inclusion Manager, and Claire Martin, Income Manager discussing the introduction of Universal Credit.



# Home

## This standard is about...

- Meeting the Government's Decent Homes Standard and maintaining homes to a suitable standard.
- Meeting legal health and safety requirements.
- Having a high-performing responsive and planned maintenance service.
- Working with other organisations to provide an adaptations service.

## What you told us...

See page 2 for a guide to the scores



Quality of accommodation

UNCHANGED



Repairs and maintenance

IMPROVED



Members of the Grounds Maintenance team at work in Portsmouth.

### QUALITY OF HOME

2011	2012	2013	2014	2015
85%	82%	82%	81%	84%

### OVERALL REPAIRS & MAINTENANCE

2011	2012	2013	2014	2015
78%	77%	77%	76%	73%

### QUALITY OF REPAIRS WORK

2011	2012	2013	2014	2015
84%	85%	87%	86%	86%

## How did we compare to other landlords?



Average spend on responsive repair  
Median £128.05  
Rank 43 of 58



Spend on cyclical repairs (service and management) per property  
Median £304.83  
Rank 23 of 57

# So, how are we doing?...



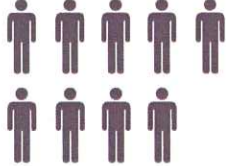
**99.8%**  
immediate (4-hours)  
repairs completed on  
time (target of 99.7%)



**596**  
new homes built (306 homes  
more than in 2014/15!)



**94.5%**  
of repairs completed  
Right First Time, compared  
to our target of 89%  
(0.2% fewer than the same  
period in 2014)



**9**  
residents on the Design  
Panels reviewed and  
commented on 21 proposed  
development schemes



**99.3%**  
emergency (24-hours)  
repairs completed on  
time (target of 99.5%)



**92.3%**  
urgent (5-days) repairs  
completed on time  
(target of 98.4%)

**726**  
minor disabled  
adaptations installed  
(113 more than 2013/14)



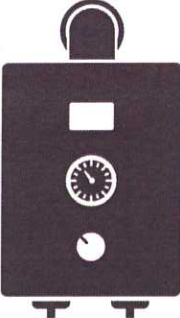
**100%**  
of homes had up to date  
gas certificate (up from 98.2%)  
**15,619**  
gas safety inspections  
completed  
(2,503 more than 2013/14)



**90.2%**  
routine (22-days) repairs  
completed on time  
(target of 98.2%)



**76,250**  
responsive repairs  
completed  
(3,946 more than  
2012/13)



**1470**  
boilers  
replaced



Refurbished  
**640** kitchens  
& **355**  
bathrooms



# Tenancy

## This standard is about...

- Having a fair way of letting homes, working in partnership with Local Authorities.
- Supporting residents if they want to complete mutual exchanges (swap tenancies and homes).
- Giving clear advice about housing options.
- Helping residents to maintain their tenancies.

## What you told us...

See page 3 for a guide to the scores



Lettings and mutual exchange

UNCHANGED



Tenure (support and types of tenancy)

UNCHANGED



Residents move into Southdown View, the development that has transformed the site of the former Hilsa Bus Depot.

## Resident satisfaction

### ADVICE ON BENEFITS

2011	2012	2013	2014	2015
62%	78%	72%	76%	75%

### ADVICE ON RENT PAYMENTS

2011	2012	2013	2014	2015
78%	65%	78%	70%	71%

## How did we compare to other landlords?



Average time to re-let empty properties (days)  
Median 24.9  
Rank 37 of 56



Spend on lettings per property  
Median £41.61  
Rank 24 of 56

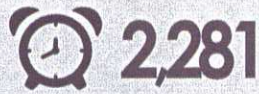


Spend on tenancy management per property  
Median £66.31  
Rank 26 of 57

# £1,890,554

of outcomes for residents achieved by Money Advice and Benefits Team; including **£510,872.71** in Housing Benefit awards, **£91,557.82** arrears reduction (backdated Housing Benefit or discretionary housing payments), and **£922,356.06** in other benefit awards.

## Value for money



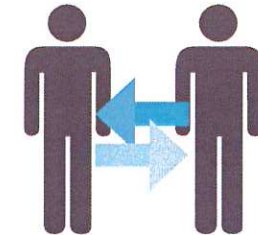
volunteer hours; costed conservatively at the current national minimum wage, this is a total of over £14,827 of value to the organisation.



reduction in legal fees through First Wessex self-representing in Court for arrears cases.



1,099 homes let, including 302 'new builds'



315 mutual exchanges ('home swaps') completed (62 fewer than 2013/14)

707 Money Advice and Benefits cases, and

2,039 enquiries handled



85 residents were helped by the Welfare Fund, receiving a total of **£30,485** in grants (21 more residents than 2013/14)



Campaign completed to support residents affected by Universal Credit rollout in Southampton.



3% rent arrears (increased from 2.7%)

178 residents helped by Tenancy Support team.

# Neighbourhoods and community

## This standard is about...

- Working with residents and other organisations to keep neighbourhoods clean and safe.
- Working with local partners to promote social, environmental, and economic wellbeing.
- Working to prevent and tackle anti-social behaviour (ASB)

## What you told us...

See page 3 for a guide to the scores



Neighbourhood management

IMPROVED



Local area cooperation

WORSENERD



Anti-social behaviour (ASB)

UNCHANGED



A member of the TechStart team supporting a resident. TechStart is an initiative, supported by First Wessex, that helps to provide low cost computers and IT skills to the local community in Aldershot.

# So, how are we doing?...

## Resident satisfaction

### NEIGHBOURHOOD AS A PLACE TO LIVE

2011	2012	2013	2014	2015
81%	85%	85%	85%	85%

### COMMUNAL CLEANING

2011	2012	2013	2014	2015
71%	73%	75%	73%	80%

### GROUNDS MAINTENANCE

2011	2012	2013	2014	2015
62%	67%	74%	73%	75%

### Value for money



# 29

Community Payback voluntary projects completed, including communal garden clearances, car park line-marking, and landscaping. This gives something back to the community, benefits residents, and saves First Wessex money which can be invested in services.



# 240

hours of work completed by 19 young people aged 11-16 who were involved in the Leisure Credit Scheme, creating an estimated value of £1,560. Tasks to improve local neighbourhoods included building raised planters, clearing areas of woodland, and planting wild flowers.

# £666,462

spent on groundwork projects, estate improvements, and communal area improvements.



# 17

apprenticeships offered across the business

## How did we compare to other landlords?

**£187.77**

Spend on estate services per property:  
Median £154.44  
Rank 46 of 57

**£45.77**


Spend on Anti-Social Behaviour per property  
Median £35.93  
Rank 41 of 57




# 3,221

hours of volunteering and work experience  
(down from 8,765 hours)

} the equivalent value of over  
**£20,936**

**82%** 

residents satisfied with overall appearance of neighbourhood  
(up by 4% from 2013/14)



# 706

ASB cases dealt with (176 fewer than 2013/14)



# 51%

residents satisfied with handling of ASB complaint.



# 32

community groups and partnerships supported



# 3

ASB Coordinators employed to deal with high level cases

# 94

customers assisted into employment and training

*Improving Local Area Cooperation*

This year we'll look to strengthen and develop our joint working with partners to ensure we deliver the best possible services and support to residents and their communities.

# Home owners

First Wessex currently has **1,798** shared owners, and **986** leaseholders.

We completed consultation with residents on "long-term qualifying agreements" for major works, window-cleaning, and scaffolding. These mean that we will enter into a contract for more than 12 months which should give home owners consistency of quality and cost and provide value for money.

Involved home owners in a focus group on service charges. We reviewed and amended the Annual Service Charge Statements as a direct result of feedback in order to improve clarity of information, and are implementing further improvements over the coming year.

## Improving services for Home Owners

In 2014/15 we completed a review of the processes involved in setting and recovering service charges, as well as processes for the services that incur charges.

Over the coming year we will look to make a number of improvements that we hope will increase residents' satisfaction, including:

- Reviewing service charges and repairs statements, to make them easier to understand.
- Putting in place new tools to help make setting service charges easier and more consistent in new developments.
- Looking at ways we could improve consultation with home owners regarding repairs.
- Improving the way we deal with queries about completed repairs and service charges.



**70** Shared Owners increased their share of their home to 100%



**71**

New shared owners (73 fewer than 2013/14)

### Shared owner satisfaction

#### WITH OVERALL SERVICES

2011	2012	2013	2014	2015
68%	73%	63%	63%	58%

#### THAT WE KEEP YOU INFORMED

2011	2012	2013	2014	2015
76%	60%	73%	74%	68%

#### WITH OVERALL QUALITY OF HOME

2011	2012	2013	2014	2015
80%	88%	78%	75%	82%

#### THAT WE LISTEN AND ACT ON YOUR VIEWS

2011	2012	2013	2014	2015
49%	53%	43%	47%	45%

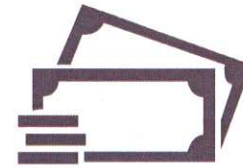
# Rent

*This standard is about...*

- Either setting rents in line with a national Government formula, or setting rents (inclusive of service charges) at no more than 80% of the estimated market rent ('Affordable Rent')
- Providing clear information to residents, that explains how their rent and service charges are set and any changes each year.

Over   
19,000

households written to by the end of February to advise about the coming year's rent and service charges.




Reviewed every rent against the government's target rent for social housing.



properties let under the government's "Affordable Rents" scheme, to help fund the building of new homes (676 more than 2013/14)

We set rents under a framework directed by the Government. The increase in April 2014 was September Retail Price Index (RPI) + 0.5% + maximum of £2. In April 2015 the increase was September Consumer Price Index (CPI) + 1%. In July 2015 the government announced that it intends to direct Housing Associations to reduce rents by 1% per year from April 2016 for four years.




The official opening of 5 Bellevue Road, Southampton which offers 18 homes for young families and mothers-to-be.



# Making it count

## This standard is about...

- Providing cost-effective, efficient, and quality services and homes.
- Having performance management and scrutiny functions which deliver improved value for money.
- Showing residents how we are achieving value for money (VFM).

## What you told us...

See page 3 for a guide to the scores



Value for money  
**UNCHANGED**

We are regulated by the Homes and Communities Agency (HCA), and our income is controlled. This means that in order to provide you with better services we need to get good Value for Money (VFM) when we buy goods and services, and operate as efficiently and effectively as possible to meet our goals and provide better services to you.



Members of the Rowner Partnership mark the start of the final stage of the Rowner regeneration in Gosport.

### Through our VFM strategy we aim to:

- Deliver cost effective housing management and support services that gives high levels of resident satisfaction.
- Develop new homes economically and efficiently
- Provide decent homes that deliver high levels of resident satisfaction

### In 2014/15 we made an efficiency gain of £0.9 million (1.2%) compared to 2013/14.

Over the past few years we have set ourselves the target of achieving cost efficiency savings of at least 1% of our costs (around £0.5million) each year. In our results for the past 4 years we have achieved gains of around 4.7%, exceeding our target.

The Government has recently announced that it intends to direct Housing Associations to reduce rents by 1% per year for 4 years (with no allowance for inflation). This would have a significant effect on our projected future income. We are currently reviewing our business strategy and this is likely to result in increasing our current target of at least 1% efficiency gains each year.

# Value for money (VFM) assessment

**In order to understand how we achieve VFM we look at three different areas of our business, considering our performance and costs, assets, and social investment.**

Our assessment of our performance and customer feedback on the HCA's standards demonstrates that despite a dip in some of our performance indicators, in most areas residents are satisfied that we meet the standards in the Regulatory Framework.

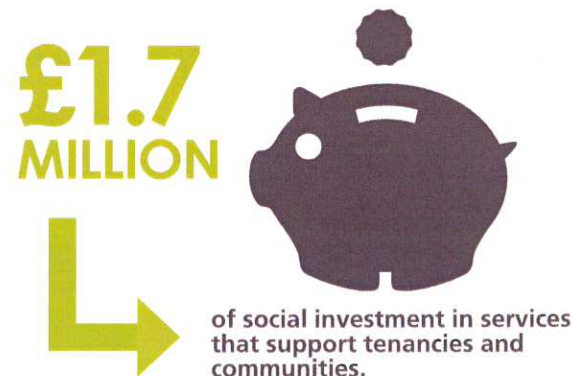
As the rest of this report shows, in our comparisons of spending and performance with other housing associations we have mixed results with some areas above the average and others below. We have identified areas for improvement, and have already seen progress from some of these including a review of our Customer Service Centre systems and resourcing. Over the coming year we will focus on understanding and seeking to eliminate any dips in our performance.

Throughout the year we made a number of changes to streamline our business and reduce overheads. Our work on VFM included a continuous programme of efficiency initiatives, including reviews of service areas where we might be aiming for a "gold" service when a lower service level may be satisfactory and would release resources for investment in our priorities.

In 2014/15 we also reviewed all of our 24,000 assets and stock condition, demand, satisfaction, and other factors. Following this we have made significant progress in completing option appraisals for any that do not fulfil our corporate objectives of ensuring adequate social, environmental, and financial return; these resulted in the remodelling, retention, or disposal (which helps support our future development and regeneration programmes) of a number of properties.

Our work not only creates benefits such as containing rent arrears and maintaining the value of our assets, but also generates a social return on investment. Last year we invested approximately £1.7million in services that support tenancies and communities, and we believe the social outcomes justify the investment. We have begun a pilot including 3 service areas to understand the quantitative return on our investment in more detail, and expect to have the results later this year.

Read our full Value for Money Annual Report on our website at [www.firstwessex.org/valueformoney](http://www.firstwessex.org/valueformoney)



## Managing our resources effectively through...

- Annual improvement planning
- Budget setting
- Strategic planning
- Efficiency reviews
- Satisfaction monitoring
- Performance monitoring



of residents satisfied with value for money of service charges (up by 1% from 2013/14)



of residents satisfied with value for money of rent (no change)

# Beyond bricks and mortar

**Because we are a social housing business, when we look at how we use our assets (i.e. our properties; your homes) we are concerned about more than just the financial return.**

We also consider the impact (“social return”) that we make within our areas of work, and believe this to be greater than our investment for many of our activities. Some examples of our social impact in 2014/15 include:

- provided homes for more than 20,000 people.
- completed 596 new homes in 2014/15, providing a place to live for people in housing need.
- provided a range of housing to meet a variety of needs including Housing for Older People, supported housing, and Shared Ownership for those struggling to get on the housing ladder.
- provided help and advice on a wide range of issues, including Welfare Benefits and Debt, anti-social behaviour (ASB) and Green Living.
- supported local employment, including contractors, apprenticeships and work experience.

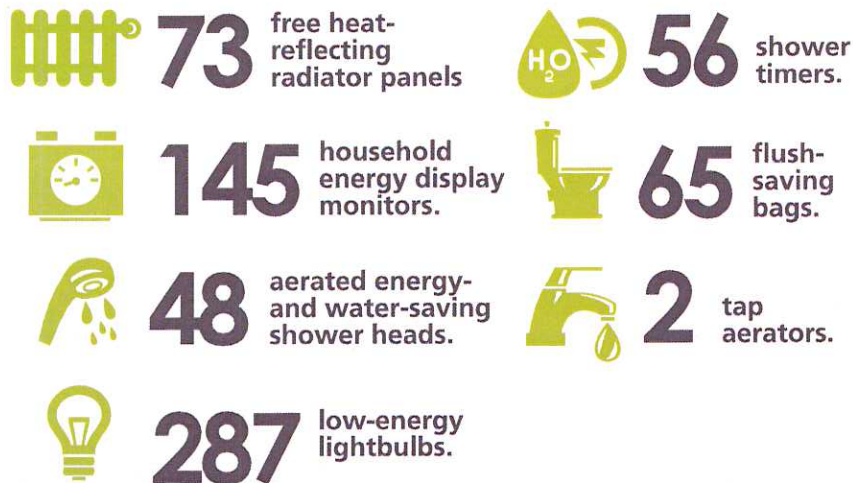


Residents at St Marks Place, in Farnham opening a new children's play area with the Mayor of Farnham, Cllr Jeremy Ricketts

# Green living

Fuel poverty continues to affect numerous households in the UK. Our Green Living Team works with residents to tackle the underlying issues and provide energy efficiency, water conservation, and utility usage advice to residents.

In 2014/15, the Green Living Team engaged with **182 households** and completed **402 home visits** to create a **potential average household saving of £118** (15.6%) on the average yearly bill. They provided 700 free water- and energy-saving devices, including:



To sign up for this free money saving service call **0800 328 6461** or email [sustainability@firstwessex.org](mailto:sustainability@firstwessex.org)

## A resident's story...

Resident saves over £850 per year on his energy bills

A disabled resident on a limited income of benefit payments had been struggling to afford his high energy bills.

After he received a visit from a First Wessex Green Living Advisor, Mr X changed his payment method to direct debit and corrected the meter readings, resulting in a saving of £140 per month.

When the Green Living advisor investigated why his energy bills were so high, they discovered

that the tumble drier used a large amount of energy, costing approximately 30-60p per day; a total cost of £100-200 each year! Arrangements were made for him to have a washing line installed to help reduce this cost.

The Green Living Advisor also found that the Mr X was paying for an expensive internet tariff, so his contract was changed, creating a saving of £96 a year.

Following a six month follow-up visit by the Green Living team, the resident has now received a credit of £140 for a 'Warm home discount'.

“ With all the changes made, Mr X has saved £860 over the past year ”

# Keeping our house in order

## *This standard is about...*

- Having strong governance arrangements (Boards and Committees) in place that make sure we are accountable to residents.
- Managing our resources and risks to remain financially viable.
- Following regulatory and legal requirements, and reporting on our improvement plans.

Our full published accounts for 2014/15 are available at [www.firstwessex.org/financialinformation](http://www.firstwessex.org/financialinformation)

We actively encourage residents to become board members. Vacancies are advertised and members are recruited through a selection process. We currently have 3 Board Members who are residents.



## Homes & Communities Agency

**Governance and Financial Viability are assessed by our regulator, the Homes and Communities Agency (HCA).**

The two areas are assessed on a scale from G1 (Governance) / V1 (Financial Viability) to G4/ V4. We have continued to maintain the highest possible rating for Financial Viability ('V1', which means we meet "the requirements on viability [...] and have the capacity to mitigate our

exposures effectively"); however, in January 2015 we were issued a "Regulatory Notice" for Governance as a result of a failure to meet the Home standard, and our rating was subsequently downgraded to G2, which means "the provider meets the requirements [...] but needs to improve some aspects of its governance arrangements to support continued compliance".

This was because for a period of time a significant number of gas servicing certificates for our homes had been overdue, which breached gas safety regulations. Before it came to the attention of the HCA, we had addressed this situation and put controls in place, with no outstanding gas certificates remaining.

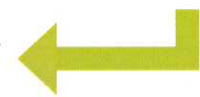
We acknowledge that the previous situation was unacceptable, and Health and Safety remains a top priority for us. We are working to regain our G1 rating as soon as possible, including putting in place changes to improve our governance structure.

# So, how are we doing?...

In 2014/15 our turnover was £111million and we made a satisfactory £13million surplus.

We need to make surpluses each year to remain financially stable, to put aside enough money to repay our funders, and to fund priorities such as regenerating communities, maintaining and developing homes, and increasing support and improving services for our customers.

**£14 million**



in grant awarded to First Wessex to develop new properties.



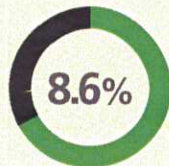
**Scrutiny panel examined our services** related to Anti-Social Behaviour, and made a number of improvement recommendations to the Board which are now being put into place.

**5**



residents on Scrutiny Panel examine our performance.

We invested a significant proportion of our spending into services rather than our back-office functions:



Spend on overheads as % of turnover  
Median 10.9%  
Rank 7 of 57

**9**

services reviewed by auditors PricewaterhouseCoopers (120 days), including

Rent, Service Charges and Arrears

Responsive Repair

Feedback and Customer Complaints



**Monitored and assessed** our performance against the Regulatory Framework.

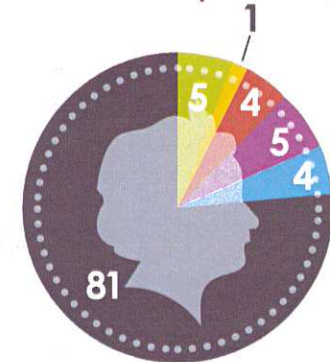


Worked on our **yearly improvement plans**



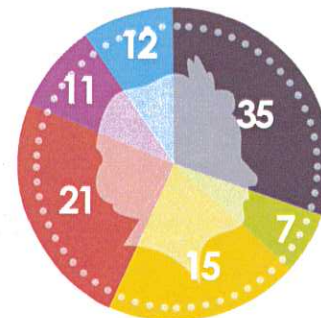
Boards and Committees agreed our **budget priorities**.

Our income per £1 (in pence)



■ Social housing rent ■ Shared Ownership sales  
■ Service charges ■ Non-social housing rent  
■ Support ■ Other

Our spending per £1 (in pence)




■ Maintenance costs ■ Finance charges  
■ Service costs ■ Other costs  
■ Management and support ■ Net surplus

# Get in touch

## Call us

-  **0800 328 6461\***
-  [enquiries@firstwessex.org](mailto:enquiries@firstwessex.org)
-  [firstwessexhousing](https://www.facebook.com/firstwessexhousing)
-  [@firstwessex](https://twitter.com/firstwessex)
-  [www.firstwessex.org](http://www.firstwessex.org)

## Pay your rent easily at any time

-  **0800 092 8920\***

## Out of hours emergencies

-  **0800 988 2440\***

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Approved by residents on  
**YOUR VOICE**



Homes and Communities Agency Registration Number L4553  
Regulated Society Registration Number 30940R

**FIRST WESSEX**  
**BOARD REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2015**



# FIRST WESSEX

## INFORMATION

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<b>Board of Management</b>	Phil Raybould Paul Jenks Jeff Channing Peter Farrar Tim Glover Nigel Graham Mary Harris Andrew Long Steven Runglen Dave Shaw Allen Smith Judith Smyth Paul Stanforth Jane Tabor	Independent (Chair) Independent (Vice Chair) Independent Independent (Resigned 04 June 2015) Resident representative (Resigned 25 September 2014) Resident representative Independent Resident representative (Appointed 25 September 2014) Resident representative (Appointed 25 September 2014) Resident representative (Resigned 25 September 2014) Independent Independent Independent Independent
<b>Executive officers</b>	Peter Walters Hazel Warwick Patrick Symington Carol Williams Caren Thomas Paul Rylie	Chief Executive Asset Management Director & Deputy Chief Executive Finance, Governance and ICT Director Operations Director Central Services Director (Resigned 21 January 2015) Interim Central Services Director (Appointed 26 January 2015)
<b>Secretary and Registered Office</b>	Peter Walters (Resigned 25 September 2014) Patrick Symington (Appointed 25 September 2014) Peninsular House, Wharf Road, Portsmouth, Hampshire, PO2 8HB	
<b>Bankers</b>	Royal Bank of Scotland 3 Hampshire Corporate Park Templars Way, Chandlers Ford Hampshire, SO53 3RY	
<b>Auditors</b>	<b>External Auditors</b> Nexia Smith & Williamson 18 – 21 Kings Park Road, Southampton, SO15 2AT	<b>Internal Auditors</b> PricewaterhouseCoopers LLP 3 Ocean Way, Ocean Village, Southampton, SO14 3TJ
<b>Accountancy and Tax Advisors</b>	Smith & Williamson LLP Chartered Accountants 18 – 21 Kings Park Road Southampton, SO15 2AT	
<b>VAT Advisors</b>	Deloitte LLP Imperium, Imperium Way, Reading, RG2 0TD	
<b>Solicitors</b>	Capsticks LLP Staple House Staple Gardens Winchester Hampshire, SO23 8SR	Winckworth Sherwood Minerva House 5 Montague Close London, SE1 9BB
<b>Treasury Advisors</b>	Canaccord Genuity 88 Wood Street London EC2V 7QR	

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**FIRST WESSEX**

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## FIRST WESSEX

### BOARD REPORT AND OPERATING AND FINANCIAL REVIEW FOR THE YEAR ENDED 31 MARCH 2015

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The Board of Management presents its report and Operating and Financial Review (OFR) together with the audited financial statements for the year ended 31 March 2015.

The report has been prepared in accordance with the principles set out in Paragraph 33 and 34 of the Statement of Recommended Practice – Accounting for registered social housing providers update 2010 ("SORP 2010").

#### First Wessex Group

Consolidated accounts have been prepared for the First Wessex Group comprising the following legal entities:

- First Wessex - a charitable Co-Operative and Community Benefit Society.
- Hewitt Homes for the Gentle Poor - a registered charitable trust which has approximately 50 homes of mostly sheltered housing.
- First Wessex Homes Limited - a Limited company which carries out construction activities for First Wessex.

In addition to the above, the Group acted as trustee or provides administration support to the following small charitable trusts and other entities: The Bill Sargent Trust, The Paddon Memorial Charities, Hilda Ruth Daley Trust and Mitre Court (Fareham) Management Limited (a management company).

First Wessex is a Registered Provider regulated by the Homes and Communities Agency (HCA).

#### Governance

The Group is governed by non-executive Board members who bring a range of skills and experience to the management of the Group's affairs. The Board of First Wessex is the parent Board and has overriding responsibility for all the companies in the Group. First Wessex Board and Committee members are paid positions in order to attract members of sufficient calibre for the roles. Day to day operations are delegated to an executive team of five directors.

The Board of Management and Executive Management Team of the Group as at 31 March 2015 are listed on the 'Information' page at the beginning of these accounts.

The Board of Management has a membership of 12 non-executive members and is responsible for managing the affairs of the Group. The members are recruited on a skills basis and drawn from a wide background bringing together professional, commercial and local experience. The Board meets formally on a regular basis. The Board has 3 Committees to deal with the detailed administration of matters relating to business risk (including audit and governance), asset management (including development), and operations (including housing management).

Members of the management Board hold a single £1 share in the Association. As at 31 March 2015 there were 12 valid shares in issue, which all relate to current members.

The Executive Officers of the Group hold no interest in the Group's share capital. Although they do not have the legal status of directors, they act as executives within the authority delegated by the Board of Management.

First Wessex is currently committed to and has applied the principles of the Combined Code on corporate governance contained in the National Housing Federation's "Excellence in Governance" (issued in 2010) and complies with these principles. During the year the Board commissioned an independent review of its governance arrangements and following this review decided to adopt the new NHF Code issued in February 2015, to be implemented from September 2015. This will involve a number of changes including reducing the number of Board Members to a maximum of 10 and specifying that the current maximum term of office of 9 years will include time spent on predecessor organisations.

## FIRST WESSEX

### BOARD REPORT AND OPERATING AND FINANCIAL REVIEW FOR THE YEAR ENDED 31 MARCH 2015

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The latter will bring First Wessex into line with guidance issued by the Regulator in February 2014. During the period of transition to the new Code, the length of service of one member, the current Chair, will exceed the 9 years maximum in the guidelines until the end of his term of office in September 2015. This was necessary to manage the process of transition. The Board has also decided that from September 2015 two other members whose length of service will have exceeded 9 years under the new definition can continue to serve as Board members for a limited period of one year. This is to meet a specific business need to retain essential expertise during a period of transition, and is therefore consistent with the proposed new Code. The Regulator has been consulted and agrees with this arrangement.

The Board's self-assessment of its performance was carried out as part of the Independent Governance Review. This identified a number of actions to strengthen its governance arrangements and ensure that they meet the requirements of the new regulatory Governance and Financial Viability Standard which came into force on 1 April 2015. These actions are in progress and are on schedule to be completed by September 2015. In particular, the Board has agreed a new set of skills and competencies for the Board as a whole and individual Board members. All current members, along with external candidates, will be going through an application and selection process to ensure that the Board meets these skills and competencies from September onwards.

During the year our Regulator issued a 'Regulatory Notice' as a result of our failure to meet the Home standard element of its regulatory code. This was because for a period of time in 2012-14 a significant number of gas servicing certificates for our homes had been overdue, which breached gas safety regulations. The notice recognised that this situation was being addressed prior to it coming to the attention of the Regulator, and that it had been rectified and revised controls put in place with no gas certificates outstanding, and this was still the position at the Year End. First Wessex acknowledged that the previous situation was unacceptable, and Health and Safety remains a top priority. Following this the Regulator downgraded First Wessex's Governance rating to 'G2' which means 'the provider meets the requirements on governance set out in the Governance and Financial Viability Standard, but needs to improve some aspects of its governance arrangements to support continued compliance'. We are continuing to work hard to regain our G1 rating as quickly as possible and the Regulator is satisfied with our plans, which include implementing the changes following the Governance review referred to above. We have also had an Independent review which gave the Board additional assurance on the framework of risk management and internal controls (see below).

Our Financial Viability rating from the Regulator remains the highest possible, 'V1'.

#### Principal activities

First Wessex aims to provide, build, manage and maintain homes for rent in the social sector. In order to achieve these aims the Group may:

- i. Manage rental homes;
- ii. Provide amenities and services for occupiers;
- iii. Purchase existing homes;
- iv. Build new homes;
- v. Improve and repair homes;
- vi. Acquire or build homes for sale or on a shared ownership lease; and
- vii. Undertake regeneration activity within our own estates and the wider community.

First Wessex provides a wide range of housing services and options, including rented accommodation, shared ownership, key worker, supported and temporary housing as well as a variety of support services.

We have a strong commitment to community regeneration. This means that we are well placed to help our partner local authorities achieve the outcomes of their local area agreement. We work closely with local communities to strengthen neighbourhoods and build new homes to meet future housing needs in the area.

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As at 31 March 2015 the Group had the following mix of housing stock in management

	2015	2014
General Needs	12,907	12,745
Housing for Older People & Supported Housing	1,681	1,688
Shared Ownership	2,513	2,461
Intermediate rent	494	506
Market Rent	56	141
Other	589	559
<b>Total</b>	<b>18,240</b>	<b>18,100</b>

The stock is located predominantly in Hampshire and neighbouring areas of Surrey.

Through its own Property Services division First Wessex provides property maintenance services for its own homes.

During the year First Wessex continued to act as an active development partner within the Wayfarer Consortium of other Registered Providers and Local Authorities for the purpose of contracting with the HCA. During the year 596 new properties were completed. However, due mainly to demolitions of properties in preparation for our major regeneration schemes and sales of new and existing properties the increase in total properties (see above) was less than this.

During the year First Wessex became a founding member of Aspect Building Communities Limited, a Joint Venture with Eastleigh Borough Council, Fareham Borough Council and The Swaythling Housing Society Limited. Aspect was set up with the principal objective of meeting housing need in the members' core areas of operation. It is envisaged that Aspect will in due course set up Special Purpose Vehicles to undertake housing development. So far there has been no substantive activity.

The financial results for the year are set out on pages 21 to 61.

#### **Business Objectives and Strategy**

Our mission is to 'work with our customers to develop communities to be proud of'.

The First Wessex vision is to achieve our Mission through our commitment to:

- Growing to meet changing needs and expectations while maintaining a regional focus
- Sustainable, affordable, high quality homes and services
- Supporting independent living
- Community regeneration
- Developing our organisational strength

#### **The Operating Environment and First Wessex's Response**

First Wessex operates in an area of strong demand for housing of all tenure types. A substantial proportion of the regional population requires assistance with their housing costs. Many of them look to housing providers such as us for either rented or shared ownership homes. On average we receive around 70 active applications for every new letting available.

First Wessex is concentrated almost entirely in 11 local authority areas in the county of Hampshire and adjacent Surrey. This geographical concentration is a key business strength enabling us to maintain excellent relations with the 11 core local authority partners and to deliver our services extremely efficiently with economies of scale.

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In 2011 the Government introduced a new funding regime for new social housing development. Under this regime social housing grant is reduced and new development is part funded by charging 'Affordable Rents' at up to 80% of market rents. Affordable Rent applies to new developments and a proportion of existing properties as they are relet. The first programme of 874 new homes over the period 2011-15 under this funding regime was exceeded, delivering 1002 units by March 2015. First Wessex has two further development programmes, 699 homes over the period 2014-17 and 474 homes over the period 2015-18. The 2015-18 programme approved by the HCA in the year included an allocation of £4.6m of social housing grant and approval to convert around 85 current units to Affordable Rents on re-letting. The financial benefit of Affordable Rent to First Wessex is significant and ensures that the development programme continues to be viable despite the reduced levels of grant. By March 2015 1,262 homes had been converted to Affordable Rent with an average increase on conversion of 29%. Around a further 680 new built homes were also on Affordable Rent.

However, First Wessex is very aware of the potential effect of higher rents on First Wessex' customers. At the same time the difficult economic conditions and Government cuts in public services also continue to have a significant impact on customers. Government changes to welfare benefits are also adding further pressures, with Universal Credit (UC) starting to be introduced in our areas during the year. Under UC the payment of Housing Benefit directly to us will no longer be an option in most circumstances. We have responded to this with a range of measures to support residents and ensure income is collected, including:

- greatly increased tenancy support and welfare benefits advice;
- the collection of comprehensive data on individual customers to enable us to respond to their particular circumstances;
- working with local partners to ensure good communication with tenants transferring to UC and to help with access to discretionary housing payments;
- increased management resources, better processes and a more commercial approach to income collection;
- new technology such as SMS texting and new proactive credit chasing system.

In our long-term financial business plan we have made conservative assumptions for increased arrears, increased rent loss and increased costs of management and advice services. So far arrears levels have only increased slightly.

Funding for Care and Support has been particularly hard hit by Government spending cuts. We have withdrawn from most of the contracts that rely on this funding, leaving other more specialist organisations to provide these services. From May 2015 income from such contracts will reduce to around £0.2m per year. This enables us to concentrate our own resources on tenancy support, advice and 'signposting' residents to other agencies.

The funding market for Housing Associations continues to provide a variety of options for borrowing at reasonable margins, particularly the funding under the Government's Affordable Homes Guarantee Programme (AHGP). Short and long-term interest rates continue to be extremely low. First Wessex was successful in raising new facilities during the year from additional bank facilities and the AHGP.

The housing sales market has remained strong in the areas in which we operate. During the year we continued to perform well in selling shared ownership units and a small number of open market sales on new developments. The average sales period during the year was 10.4 weeks (handover to exchange) and the price achieved at sale was on average around 14% higher than the price used in the original financial appraisal for the scheme.

We have been assessing the implications of the policy announcements of the new Government elected in May 2015. Details of the Right to Buy for Housing Associations have yet to be published, but our initial view is that whilst the policy could affect the amount of social housing we are able to provide, it is unlikely to have a direct adverse effect on our financial viability. The Government's intention of making significant further cuts in welfare benefits will add to the pressures noted above. We will continue the vigorous programme of support to residents and ensure income is collected, and

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### BOARD REPORT AND OPERATING AND FINANCIAL REVIEW FOR THE YEAR ENDED 31 MARCH 2015

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continue to stress test our business plan to ensure that we can continue to pursue our strategic objectives whilst maintaining financial viability under possible extreme adverse scenarios.

Shortly before publication of this report the Government announced its intention that rents for Housing Associations should decrease significantly compared to current policy over the next four years. The proposal would have a significant effect on our business plan. We have done an initial assessment of the impact which indicates that we should be able to ensure that we remain financially viable and within all our loan covenants. However, this could have a significant effect on our capacity for future development. Further details are given in note 35.

#### Operating Review

First Wessex has a robust annual corporate planning process. We set ourselves ambitious targets for the year, and these have been substantially achieved, including the following highlights:

- We have continued to progress all our strategic development priorities. These are predominantly our major regeneration schemes of North Town (in Aldershot), Velmore (in Eastleigh), Monks Brook (in Eastleigh) and Rowner (in Gosport). We also completed a number of smaller schemes including Southdown View (in Portsmouth), Bellevue (in Southampton) and Manor Farm (in Havant). We have been successful in our bid for funding for future programmes (see above). We have also set up the joint venture, Aspect (see above), which provides us with an alternative way of contributing to the provision of housing need in our areas of operation.
- We exceeded the target of 874 new homes under the 2011-15 development programme, delivering 1,002 completed units on time by 31<sup>st</sup> March 2015. Our future programmes through until 2018 will deliver a further 1,173 units. In the year we completed 596 units across these programmes.
- We have been successful in minimising the impact of welfare benefit reforms on our residents (for examples of outcomes achieved see the 'Value for Money' section below).
- We have continued to collect comprehensive data on the circumstances of individual residents and are preparing for the new Universal Credit with various measures as outlined in the previous section.
- We have started a major initiative to enable customers to transact with us digitally. By offering a choice of communication channels we intend to both improve service and increase efficiency. This will be a major project over a number of years as we develop the technology. During the year we introduced 'My First Wessex', a new and improved portal for on line services.
- Continuing improvements in operating efficiency (for further details see 'Value for Money' self assessment below)
- Following the completion of our programme of asset management reviews across all our neighbourhoods we have continued to streamline and focus our business by disposing of 82 units of market rented stock and 22 units of non-core properties releasing £12.2m of funds for investment in our key priorities (for further details see 'Value for Money' self assessment below).
- We raised significant new loan facilities at very favourable rates. We have also restructured our revolving credit facilities to achieve more flexibility and significantly lower cost of carrying facilities to meet future commitments. Sufficient facilities are now in place to meet all future requirements arising from our current development programme through to 2018.

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As well as the above specific initiatives we continued to deliver quality day to day services across the range of our activities. However, for a variety of reasons there has been a dip in performance in some areas – we are taking steps to improve these areas. (See further comments under 'Performance Indicators' below).

#### Financial Performance in period

The Board considers that the Group has performed satisfactorily in the financial year.

The surplus for the year on ordinary activities after taxation was £13.4m, up from £6.8m in the previous year. Of this £6.7m (2014: £1.1m) was the surplus on once-off sales of housing assets. The proceeds of these sales are re-invested in our housing development programme.

The operating surplus is £31.0m for the year against £30.5m for the prior year.

Turnover and operating surplus for the Group for the year by activity is set out below.

	2015 Turnover £'000	2015 Operating Surplus/(Deficit) £'000
General Needs	75,536	25,621
Supported Housing & Housing for Older People	11,524	2,413
Low Cost Home Ownership Lettings	4,551	2,069
Other / temporary Social Housing Lettings	4,005	1,371
Other Social housing (incl. Supporting People grants)	1,099	(168)
Market Rental/ Commercial/ Other Non Social Housing	905	(92)
Other Activities (Including Regeneration and property sales)	9,067	(1,283)
Sales of shared Ownership Properties	4,742	1,191
Total	111,429	31,022

Sales of new shared ownership properties performed well, with 67 sold during the year. Other disposals in the year included 82 units of market rental properties sold to another landlord, 6 houses and 1 block of 16 units that were either unsuitable or uneconomic to repair. The total surplus on disposals was £5.6m. In addition, 87 shared owners purchased further equity in their shared ownership homes with 79 of these taking them to full home ownership.

The Group drew down a net £32.3m of loan finance during the year and received £14.3m of Social Housing Grant from its Local Authority partners and the Homes and Communities Agency.



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### Key Performance Indicators

The table below shows the year end performance across the main performance indicators used by the Board to monitor the business. Comments on each section are included on pages 7-9.

First Wessex Performance Indicators	13/14 Benchmark	13/14 Result	14/15 Result
<b>1. Satisfaction (% satisfied General Needs and Housing for Older People)</b>			
% Overall satisfaction	87	87	84
% Satisfaction with neighbourhood as a place to live	86	86	86
% Satisfaction with rent	82	84	83
% Satisfaction with listening & acting on views	70	73	67
% Satisfaction with service charges	68	69	69
% Satisfaction with overall quality of your home	86	82	84
% Satisfaction with repairs and maintenance	81	80	76
<b>2. Complaints, Compliments &amp; Suggestions</b>			
Volume of Complaints	n/a	1,316	1,387
Volume of Compliments	n/a	781	913
Volume of Suggestions	n/a	68	36
% Complaints Closed In Target	n/a	72	82
<b>3. Telephony</b>			
Calls received	n/a	215,335	175,611
% Calls Answered In 20 seconds	n/a	44.9	67.5
% Calls Lost	n/a	21.6	7.7
<b>4. Current Arrears (% Net of Unpaid Housing Benefit)</b>			
General Needs	2.0	2.7	3.0
<b>5. Void Average Repair Time (days)</b>			
General Needs	23.4	20.2	24.4
<b>6. Void Rent Loss %</b>			
General Needs	0.8	0.6	0.7
<b>7. Repairs Performance</b>			
Average number of calendar days to complete a repair	9.3	9.1	10.4
% Current Gas Certificates	100.0	98.2	100.0
% Appointments Kept	97.2	99.4	99.5
<b>8. Staff Indicators</b>			
% Staff Turnover (% Headcount)	16.7	14.8	20.4
% Sickness (Sick Days % of Work Days)	3.9	5.5	6.2

\*Source: HouseMark. Benchmark figures shown are sample medians for Housing Associations in the South of England (excluding London).

Overall performance has been mixed. A number of areas have shown significant improvement from the previous year, notably telephony and gas safety. On the other hand overall satisfaction has dropped, as has satisfaction with repairs and maintenance, void performance has dropped and arrears have increased slightly. Actions to address these are being monitored by the Board and improvements in performance are a priority for 2015/16. Further comments are as follows:

- Satisfaction (% satisfied)**  
 Satisfaction performance has been mixed over the year with some areas showing improvement, but a 3% drop in satisfaction overall. Satisfaction data is based on a rolling annual survey of all neighbourhoods with a 21% response rate. More specifically, satisfaction with the repairs and maintenance service has dropped by 4%. These figures are likely to still reflect the impact of bad weather and a drop in performance following a major restructuring of the customer facing business in the previous year and the introduction of stricter policies across all

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tenures especially with regard to Fire Safety and Health and Safety. The new structure is now providing a much better focus on our customers, their neighbourhoods, home and wellbeing with a single point of contact for each of the neighbourhoods in which we operate. In the coming year we are launching a new 'Customer Academy' customer service training initiative which will ensure that our Customer Services Teams are more able to achieve a Right first Time with our Customer Enquires. This along with our resource planning, flexible recruitment approach and further enhancement of digital methods of communication will allow us to manage more efficiently peaks and troughs in Customer contacts.

- Complaints, Compliments & Suggestions

There has been a conscious push within First Wessex to record and capture customer feedback, therefore there was an anticipated potential for both complaints and compliments to increase. This effort has resulted in a greater increase in compliments (132) compared to the increase in complaints (71). There has in addition been a 2% drop in complaints that have been upheld at time of investigation. Common issues have been around failure to update/keep customers informed. This and other lessons learnt are fed back to relevant staff to improve future performance. In addition further consultation is underway with customer's who have rated us poorly at 'listening & acting upon views'.

- Telephony

Performance in telephony has greatly improved after the drop in performance last year. This is due to the improvements coming through from the restructure of the customer facing business and the focus on developing other channels of contact available to residents, which has noticeably reduced the volume of calls dealt with by the Customer Services team.

- Arrears

Arrears levels increased slightly compared to last year. This continued to be influenced by the welfare reform changes which impact on the affordability of our properties for our residents. In addition, like a number of associations, we are seeing a greater increase proportionally for those paying the higher 'affordable rents' compared to those paying social rents. The comparison of our performance relative to our peers will be reassessed in the autumn when the 2014/15 benchmark data becomes available. The range of measures we are adopting to deal with increasing arrears is set out above.

- Void re-lets

Void average re-let times have disappointingly increased in the year. With the restructure of the customer facing part of the business this team faced the greater challenges in moving locations, loss of experienced staff and a new manager. The impact of this change through 2014/15 led to a decline in letting performance. A full review of the lettings process has been initiated as a result and performance improvement is now a key area of focus for 2015/16. The review includes challenging our internal processes and also our relationships with our Local Authority Partners in the allocation process. Our Operations Committee have been very focused on seeing an improvement in this area and driving forward this review.

- Repairs & Maintenance

Average time to complete a repair was adversely affected in the first quarter by the completion of a backlog of repairs carried over from the storms in early 2014. During the year it also increased due to issues with the high demand for scaffolding and scaffold inspections. This issue is being rectified with new working at height systems approved that will reduce the need for such high volumes of scaffold in the future. Average repair time in the last quarter was better than benchmark.

- Gas Safety

Following the issues experienced with gas safety performance during 2013/14, 100% of appliances had a current gas safety certificate at the year end.

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- Staff

Turnover figures continued to be impacted by the later phases of the restructure. Sickness performance improved marginally on last year but continues to be a key area of focus for the business with higher than anticipated long term sickness continuing to impact.

In addition to reviewing performance at every Board meeting, the Board approves the Corporate Operating Plan which identifies all of the improvement activities First Wessex will undertake within the financial year. The Board also monitors the plan via a half year review report submitted by the Executive team.

#### Capital structure and treasury policy

Total external borrowings at 31 March 2015 amounted to £611m (2014: £579m) with £91m (2014: £96m) of available but undrawn facilities. Borrowing was mainly from banks and building societies in the United Kingdom. During the year First Wessex participated in a £33m bond provided by Affordable Housing Finance Ltd, and guaranteed under the Government's Affordable Housing Guarantee Programme. Revolving Credit Facilities were increased by a new five year £25m facility with Lloyds. Total housing loans are analysed further in Note 19 to the audited accounts.

The loan agreements include a number of financial covenants relating to asset cover, interest cover and gearing. These were all met at the 31 March 2015 and are projected to be met throughout the long-term financial business plan.

Treasury strategy is set annually and approved by the Board. The current interest rate management policy is to maintain between 50% and 90% of borrowings at fixed rates of interest. At the year end 79% of borrowings were at fixed rates of interest.

First Wessex has no standalone derivatives in place but does hold ISDA (International Swaps and Derivatives Association) Agreements with two counterparties (Credit Suisse and Lloyds).

First Wessex borrows only in sterling and so does not have any currency risk (US private placement is invested in sterling). Temporary surplus cash is invested in sterling in financial institutions that meet our strict counterparty credit risk policy.

#### Current liquidity and cash flows

Cash and bank balances at the year end were £41.7m (2014: £34m) and net current Assets were £36.5m (2014: net current Assets £21m). In addition there were undrawn loan facilities in place of £90.7m (2014: £95.7m).

First Wessex maintains short term cashflow projections and a long-term financial plan which show that it has sufficient guaranteed facilities to meet all its commitments for at least 3 years and can manage future requirements over the life of the plan.

Cash inflows and outflows for the period under review are set out in the cash flow statement.

The Company experienced a net increase in cash and bank balances during the year of £7.5m (2014: £7.8m increase). This increase includes net receipts in respect of operating activities of £43.1m (2014: £46.0m), net interest paid of £26.5m (2014: £25.9m), capital investment net of asset sales of £41.3m (2014: £41.5m) and net additions to loan funding of £32.3m (2014: £29.2m).

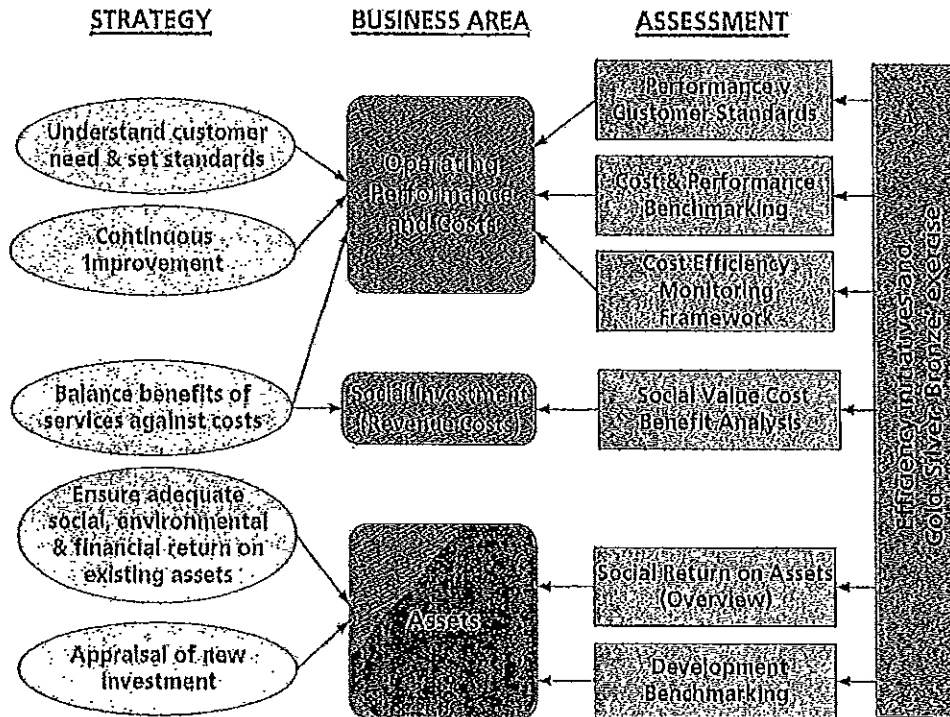
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Value for money (VFM)

Strategic approach to achieving value for money

The First Wessex Board has adopted a strategic approach to managing and assessing value for money (VFM), which is illustrated in the following diagram:



The key points of the strategy are shown on the left of the diagram, which indicates how they impact on three main areas of the business (shown in the centre of the diagram). How we assess our performance in delivering VFM in each area is shown on the right. The results of the self-assessment for the year are shown in 'VFM - Performance in the Year' below.

The first business area, 'Operating Performance and Costs', relates to the day to day basics of delivering an efficient and effective service. Our strategy is to understand the needs of our customers and set standards that meet these needs whilst ensuring that we balance the benefits of improving services against the cost and resources required to make improvements. We also aim to continuously improve our efficiency by improving standards and/or reducing costs and monitoring this over time. We assess this area by monitoring our performance against both the Regulator's and our own standards. This is achieved through performance measures and a Customer Insight team that focuses on customer satisfaction using a variety of surveying techniques as well as feedback and complaints monitoring to inform business strategy. We also benchmark the costs and performance of each service against our peer group and carry out a rigorous year on year analysis of our overall cost efficiency.

The second area is Social Investment, where we consciously decide to spend (revenue rather than capital) for a social benefit. Note that whilst it is useful to distinguish the 'basic' service from 'social investment', there is clearly an overlap between the two. We currently spend around £1.7m per year (out of total operating costs of £71m) on welfare benefits advice, other unfunded support for residents, community investment work, sustainability initiatives and supporting other charitable activities. Our strategy is to define the impact we aim to achieve from the investment, measured against our objectives, and assess these benefits against the costs.

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The third business area is our assets, where our strategy is to ensure adequate social, environmental and financial return on all our assets. Our investment in estates and individual assets has always been driven by our corporate objectives and strategy. We assess the return at high level across our assets as a whole. We also assess it by reviewing all assets, neighbourhood by neighbourhood, taking into account stock condition, demand, satisfaction, quality of the community and other factors. This enables us to assess the return on each asset and identify and consider options for their best use. During the year we completed the first such review of all assets (see below) and these reviews will be maintained and updated over time on a continuous cyclical basis. Capital investment in new housing schemes and other new business ventures is subject to a rigorous Scheme Appraisal process which takes into account social and environmental returns measured against the organisation's objectives, as well as financial parameters.

We also benchmark the cost and quality of our new development schemes.

Underpinning our work on VFM is a continuous programme of efficiency initiatives which impact on the results seen in the assessment exercises and some specific examples are noted in the assessments below. A significant initiative is the 'Gold Silver Bronze' exercise which reviews service areas where we might be aiming for a 'gold' service when a 'silver' or 'bronze' service level might be quite satisfactory and would release resources for strategic priorities.

Our performance in achieving VFM is supported by a performance management framework which regularly reviews progress. At the end of each year we carry out a self-assessment of how we are achieving VFM which involves our customers. The results of this are summarised below and will be published in our Annual Report for Residents' in accordance with the Regulator's VFM Standard. We will also publish a more detailed Value for Money Report and both these documents will be available on our website before the end of September 2015.










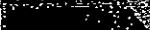


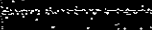





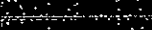



In addition to existing involvement of residents at all levels of the organisation, we have established a Residents Scrutiny Panel who review selected services and provide First Wessex with a residents' view of the impacts and outcomes of receiving the service.

### Value for Money - Performance in the year

#### Performance against customer standards and benchmarking results

We carry out an annual assessment of our performance against our own, and the Regulator's standards, supported by a survey of resident views which is summarised in the table below:

 We full or mostly meet the standard       We have some improvements to make

Standard - overview	Residents' response	
	13/14	14/15
Customer Service, Choice & Complaints		
Resident Involvement		
Understanding & Responding to Diverse Needs		
Quality of Accommodation		
Repairs & Maintenance		
Allocations & Mutual Exchange		
Tenure		
Neighbourhood Management		
Local Area Cooperation		
Anti-Social Behaviour		
Value for Money		

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This shows that, despite the dip in some of our performance indicators, in most areas residents are satisfied that we meet the standards. This survey was carried out in June 2015 and provides some evidence that the action we have taken recently to improve repairs performance and the focus on neighbourhood management have had a positive effect. Regarding the two areas where residents feel we have some improvements to make: for resident involvement we will be improving our structure as part of the current Governance review. On local area co-operation we will work with residents on areas of concern over the coming year.

The most recent performance benchmarking data shows mixed results, with some areas above peer group average and others below. This is a result of a dip in performance in the past year in a number of areas and we have identified areas for improvement and actions we need to take. However, in last year's VFM Statement, we identified that we would need to conduct a full review of our Customer Service Centre systems and resourcing. This has resulted in a big improvement in this area. Further details are given in 'Key Performance Indicators' section above. Our targets for performance indicators are generally to aim for upper quartile compared to our peer group.

The following table shows the most recent cost benchmarking analysis available, which is for 2013/14:

Cost Indicator	FW (2014 Result)	Benchmark (2014 Median)
Responsive, Voids & Cyclical Repairs cost per property	£1,049	£959
Housing Management cost per property	£273	£279
Overheads as % turnover	8.85%	11.11%

*Source: HouseMark. Benchmark figures shown are sample medians for Housing Associations in the South of England (excluding London). These cost indicators cover around 63% of the controllable operating costs of the business.*

This shows that our overhead costs are amongst the lowest in our peer group, showing the benefits of tight business and geographical focus and economies of scale. The cost of repairs is above peer group average and the cost of housing management is slightly below. Overall, the costs that we are able to benchmark are well below benchmark. We expect the 2014/15 results to show further reductions in housing management costs and a similar picture for the other areas. We will need to focus in the coming year on better understanding and seeking to eliminate our dips in performance in spite of this level of investment.

A more detailed analysis of cost and performance, including trends and an updated benchmarking analysis, will be published in our Value for Money Annual Report.

Cost efficiency monitoring

Our robust cost 'efficiency monitoring framework' tracks our total operating costs (and so doesn't just pick and choose areas where gains have been made). We have set ourselves the objective of cost efficiency improvements of 1% (or £0.6m) each year across all of our costs. Over the past year we have achieved the gains targeted in last year's VFM statement including:

- The benefits of the restructure of the customer facing side of the business with savings year on year of £0.6m
- Procurement – continuing development of excellent practice including systematically reviewing, specifying and re-tendering all contracts and better contract management. Over the year approximately 24 contracts were reviewed representing £3.2m of spend with estimated annual savings from re-tendering of around £0.3m.
- The re-tendering of our property insurance during the year yielded an additional £0.1m saving
- Continuing benefits of better processes and streamlining the business and absorbing business growth without increasing overheads. There was a further gain of £0.1m in central overheads.

## FIRST WESSEX

### BOARD REPORT AND OPERATING AND FINANCIAL REVIEW FOR THE YEAR ENDED 31 MARCH 2015

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The overall net efficiency gain in the year was 1.2% bringing our efficiency gain over 4 years to 4.7%, exceeding our target of 1% per year.

Our plans for the coming year include

- Continuation of the 'Gold Silver Bronze' projects referred to above
- Further procurement savings. We are budgeting cost increases below inflation across the board
- Improvements in processes across the business
- Continuing to streamline our business, reducing complexity and overheads.

#### Social value cost benefit analysis

Our assessment of our approximately £1.7m spend per year on the main areas of 'social investment' concludes that the social outcomes fully justify the investment, which is consistent with our strategy of supporting tenants and communities in the neighbourhoods where we operate.

For all areas of social investment we do a qualitative analysis to assess the "social" return we get to justify the investment we make. In last year's VFM Statement we committed to trialling one of the more formal quantitative methodologies for social value analysis and chose to pilot the widely-adopted Housing Associations' Charitable Trust (HACT) Wellbeing Valuation methodology in three service areas: Money Advice and Benefits (MAB), Green Living Advice, and Digital Inclusion.

The HACT model provides a financial value to various wellbeing metrics (for example health, financial inclusion, and employment) to understand the social return as a result of improvements to quality of life. The first surveys have been sent out with the second round being completed with the same residents from October 2015 to understand whether the service has had an impact upon their wellbeing. The financial value of this will be calculated using the HACT model's statistical analysis.

The Interim results have highlighted some of the key metrics which indicate a lack of wellbeing for our sample group (including 'unable to save regularly', 'unable to pay for housing' and 'do not feel in control of their life'). If residents respond more 'positively' to these in the follow-up survey this will enable us to quantify the 'social' return on investment impact of the support services provided.

Our work, however, does not just generate a social return on investment but also creates tangible benefits which include containing rent arrears and maintenance of the value of our assets.

In the past year the Money Advice & Benefits team opened 707 cases and 2039 enquiries in the year, the latter consisting mainly of benefit assessments for applicants for a FW tenancy. The outcomes achieved included bringing in increased income to residents of £1.9m (on-going housing benefit awards £0.5m; arrears reduction through backdated HB or discretionary housing payments £0.1m; other benefit awards £0.9m; one off non housing payments £0.4m). As a consequence of their intervention 17 evictions or possession actions were avoided.

We will continue our trial of the HACT model to see if we can use it in the future as a tool to assist with social investment decision making. This will help to ensure that all social investment demonstrably achieves a return that exceeds the investment and aligns with our corporate objectives.

## FIRST WESSEX

### BOARD REPORT AND OPERATING AND FINANCIAL REVIEW FOR THE YEAR ENDED 31 MARCH 2015

#### Social return on assets

The following is an analysis of the directly quantifiable return on our assets:

	Amount (£m)	Return
Open Market Value of Assets (estimated)	1,960	
Financial Return	30	1.5%
Rent Subsidy provided	57	2.9%
Total quantifiable Social Return on Investment (SROI)	87	4.4%

The financial return is the operating surplus on these assets (before disposals and interest payments) and the rent subsidy is the value of the benefit to our residents estimated from data on our rents compared to market rents in the relevant areas. Note that this estimated return is a 'real' rate of return (over and above inflation, since we can expect the market value of the assets to at least keep pace with inflation over time). We believe that the 4.6% real quantifiable return shown above represents a satisfactory overall return on the capital employed. However, there is a significant additional social and environmental return from our activities as a responsible social landlord and a whole variety of benefits to the communities in which we operate. It is not possible to quantify the latter in aggregate in any meaningful way, but the Asset Management Review process described below gives a high degree of assurance that each individual asset is contributing to our corporate objectives.

We also believe that we are making good use of the borrowing capacity of our assets which enables us to maximise our borrowing whilst remaining sufficiently sound financially to continue to get good terms from investors and retain their confidence.

Our investment in estates and individual assets has always been driven by our corporate objectives and strategy. Our major regeneration projects are notable examples of long term plans to maximise the social and financial return on assets.

Over the past two years our Asset Management Review has completed a systematic and robust assessment of the return we are getting on each individual asset across the business. Our approach is to review the extent to which each asset fulfils our corporate objectives and to identify by exception those assets where we should be considering alternative options for how they might realise a better 'Social Return on Investment' (SROI). By applying a number of tests we identify whether there is a case for option appraisal. For example, if there is low demand this is a strong indicator that we should be considering alternative uses. If all the tests are passed, and no viable alternative use or disposal is identified, then we are confident that the asset is providing good SROI.

In total we have reviewed around 24,000 assets which included all residential, commercial units, community centres, offices and garages. From this review we are now able to assess the extent to which each asset fulfils our corporate objectives and to identify those assets requiring option appraisal.

As a result of this, during the year we disposed of 82 market rental units to another registered provider. We also completed option appraisals on 55 units identified as poor performing or in need of high investment. As a result 22 were sold during the year and the remainder either remodelled or retained. The proceeds of the disposals help support our future development and regeneration programmes.

The Asset Reviews also identified a number of development opportunities on back land sites within our ownership which might be suitable for development. A number of these have been successful in planning with 4 units now on site due to this process, a further 4 waiting for HCA funding and a potential 15 units in the pipeline. This has helped First Wessex increase supply without the associated land cost. We also identified a number of other small development opportunities including re-allocation of garden space, small infill sites and re-use of garages of which there are 1,748 located



## FIRST WESSEX

### BOARD REPORT AND OPERATING AND FINANCIAL REVIEW FOR THE YEAR ENDED 31 MARCH 2015

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around 130 sites. The disposal of under-utilised garages to refurbish other garage sites or enhance parking facilities has proved popular with residents.

Following on from last year's VFM Statement, we have also now completed a number of the detailed actions that resulted from the Asset Reviews including updating the Tree Management Plan with all the tree surveys. We now have an understanding where all our trees are located which has allowed us to carry out or plan in maintenance requirements enabling all high risks to be identified and resolved.

We are also implementing a new asset management programme, SDS Stock Profiler, which will allow us to fully understand how our stock is performing by mapping information, such as valuation and future repairs costs, to each property and producing a financial return on investment for each asset. We can use this stock profiling to continue to highlight the assets that are poor performing and to carry out option appraisals in order to make decisions on the option with the best SROI.

Regarding new housing development, our aim is to deliver high quality products and services to our residents that reflect their aspirations, preferences and choices. We also build to a sustainability standard which is enhanced above the building regulation standards wherever possible. We have developed a system of client engagement which involves residents as much as possible in the development process, approving design and assessing the success (or otherwise) of completed schemes. Each new development of more than five homes is appraised by a local Design Appraisal Panel at the earliest stage possible to enable residents to effectively influence the site, layout and design. Satisfaction with quality of new homes during the year was 98%.

The most recent development cost benchmarking analysis available is for 2013/14. This showed that for developments completed in the year our acquisition and works cost per square metre were 25% lower than the benchmark for other associations operating in similar cost areas (source: SDS Catalyst). This analysis will be updated for 2014/15 in VFM Annual Report. We also monitor the cost to market value ratio of developments at appraisal stage, and the VFM Annual report will include an analysis of this ratio for schemes completed in the year.

To support future development cost efficiency we have a strategy to enter into strategic alliances with partner developers to secure strategic land and promote through the planning system. These arrangements have resulted in 4 greenfield sites being secured on mid term option agreements. For a small initial outlay, this allows us to secure the affordable housing element on the land without the need to bid against other registered providers. It also allows us to have some input into the affordable housing dwelling types ensuring that we meet local demand and deliver high quality.

More detail on the various VFM assessments summarised in this section will be published in our VFM Annual Report on our website before the end of September 2015. Go to <https://www.firstwessex.org/valueformoney>

#### **Summary of the Operating and Financial Review and Outlook for the Future**

In summary, the Operating and Financial Review demonstrates that First Wessex has had a generally successful year, generating a satisfactory surplus and making good progress with our strategy and plans for the future. However, overall satisfaction and some key performance indicators showed a dip in the year. Actions to address these are being monitored by the Board and improvements in performance are a priority for 2015/16. We also suffered a downgrade in our governance rating from the Regulator – the changes we have put into place as a result of this will leave us stronger for the future.

We continue to realise significant efficiency gains and our business plan demonstrates that we are making good use of our financial capacity to continue to invest in our strategic priorities in the future. Our success in raising new finance demonstrates the confidence investors have in our financial performance and forecasts.

## FIRST WESSEX

### BOARD REPORT AND OPERATING AND FINANCIAL REVIEW FOR THE YEAR ENDED 31 MARCH 2015

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There have been some big changes in our operating environment over the last few years and these have introduced considerable new challenges, with more challenges to come from the new Government's policies. Some of these, such as welfare benefit reform, continue to pose risks to our business, and we are taking steps to manage these risks.

In general First Wessex is well placed to cope with the recent and possible future changes: we have a tight geographic focus and sufficient scale to be able to operate very efficiently and focus on the communities that we serve; there is high demand for our housing and market rents are much higher than the social rents which we still charge on most of our stock.

#### Reserves Strategy

As at 31 March 2015, the Group held reserves of £178.3m (2014: £166.5m).

The Board's policy is to ensure that all of the Group's surpluses are applied for the long-term benefit of existing or future customers – none are able to be distributed to shareholders. The Group is committed to generating sufficient reserves to pursue its core objectives and to remain financially viable in the short and long term. The long-term position is monitored using a long-term financial business plan which is maintained using specialist software and regularly validated by independent financial advisors. Sensitivity analyses and stress tests are carried out which demonstrates that First Wessex can manage all identified future risks as well as combined risks and remain financially viable. The Board regularly discusses the priorities for investment of surpluses over and above these minimum requirements and has determined that in the light of the financial pressures being experienced increasingly by our residents, and of the continuing housing shortages in the region, the balance of investment should be weighted in favour of:

- Investment in welfare benefit and financial advice services to help residents retain their tenancies
- Building more homes through re-development of our own estates/properties, development in existing communities, and development in major urban extensions.

with adequate resources continuing to be devoted to:

- Front line day to day services to residents, to meet national and local standards.
- Investment in existing stock to maintain our assets, in accordance with our agreed Asset Management Strategy.
- Investment in support services, staff and/or systems to support the delivery of front line services.

The Board adopts a prudent approach in only releasing additional surpluses for re-investment when the long-term plan demonstrates that it is financially justifiable.

#### Insurances

Insurance policies are maintained by the Group for members of the Board and Executive Directors against liabilities in relation to the Group.

#### Going concern

The Board believes that the Group has adequate resources to continue in operation for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

#### Charitable donations

The Group made £56,000 charitable donations in the year (2014: £28,000).

## FIRST WESSEX

### BOARD REPORT AND OPERATING AND FINANCIAL REVIEW FOR THE YEAR ENDED 31 MARCH 2015

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#### Board members' responsibilities

The Co-Operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of its income and expenditure for that period.

In preparing the financial statements, the Board is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departure disclosed and explained in the financial statements; and prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the financial statements comply with the Co-Operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, the Statement of Recommended Practice (SORP) "Accounting by Registered Social Housing Providers" Update 2010 Issued by the National Housing Federation and the Accounting Direction for Private Registered Providers of Social Housing (Issued in September 2012).

The Board is responsible for safeguarding the assets of the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Risk Management and Internal Controls Assurance Framework

The Board of First Wessex acknowledges that it is responsible for First Wessex's system of internal control and for reviewing its effectiveness.

During the year a review of internal controls assurance has been carried out by the Executive Team and the Board has received their report, has conducted its annual review of the effectiveness of the system of internal control and has taken account of any changes needed to maintain the effectiveness of the risk management and control process. The Board acknowledges that the failure to adhere to the Regulator's Home standard with regard to gas safety (see Governance section above) was not acceptable. The problem had been resolved following new processes and controls put in place early in 2014. The Board has sought additional external assurance on our approach to health and safety generally, and has already implemented priority recommendations from those reviews. It also completed the external Governance Review and is implementing its recommendations as described above. The Board has considered the downgrade in First Wessex's Governance rating from the Regulator, and the internal auditors' conclusions on the circumstances. The Board does not consider that this or any other issues identified are indicative of a governance and risk management failure pervasive to the whole system of internal control.

Objectives are set out and reviewed annually in a business planning exercise, which includes consideration of the threats and risks that may prevent those objectives from being achieved. The system of internal controls is designed to manage rather than eliminate the risk of failure to meet these objectives and can only provide reasonable, rather than absolute, assurance against material mis-statement or loss.

Proper procedures and practices are in place to deal with the risk management of Health and Safety issues.

The Board has a current strategy and policy on fraud covering prevention, detection and reporting and the recovery of assets with quarterly updates to the Business Risk Committee of the Fraud

## FIRST WESSEX

### BOARD REPORT AND OPERATING AND FINANCIAL REVIEW FOR THE YEAR ENDED 31 MARCH 2015

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Register. The internal control framework and the risk management process are subject to regular review by Internal Audit which is responsible for providing independent assurance to the Board via the Business Risk Committee. The Internal Auditors propose a programme of internal audit work based on an assessment of the areas of risk and this is agreed by the Business Risk Committee which monitors progress against this plan, reviews audit reports and monitors progress in completing action points arising. The Business Risk Committee considers internal control and risk at each of its meetings during the year. The First Wessex Board also considers risk at each of its quarterly meetings, and the Operations and Asset Management Committees review risks at least once a year.

The Board has identified the main risks faced by First Wessex and has an established framework for the identification, monitoring and control of exposure to strategic risk. There is an effective process for the identification and reporting of operational risk through the quarterly Business Performance Reviews at which managers are able to escalate concerns of their teams to the Executive Team who submit an updated risk register to the Business Risk Committee. Issues arising from the risk register are reported to and discussed each quarter by the Board.

During the year the Board commissioned an independent review of risk management and business assurance. This provided additional assurance on the framework of control and resulted in an action plan that will further strengthen the framework and ensure that it meets the requirements of the Regulator's new Governance and Financial Viability standard.

The Board confirms that there is an ongoing process for the Executive team to identify, evaluate and manage significant risks faced by First Wessex. This process has been in place throughout the year under review, up to the date of the Annual Report, and is regularly reviewed by the Board.

The Board and Committees regularly receive reports on operational and financial matters that incorporate control issues and progress against action plans is monitored regularly by the Business Risk Committee.

The external auditors present their management letter to the Business Risk Committee and have the opportunity to meet the Committee without staff being present.

The Board receives reports on Key Performance Indicators that focus on operational and financial areas that are identified as significant in achieving our business objectives.

In addition to its Standing Orders and Financial Regulations First Wessex has established a range of policies which cover the manner in which its business activities are conducted. Those that are designed to provide effective internal control include:

Anti-Bribery	Health & Safety
Anti-Fraud	Incorrectly Routed Card Details Procedure
Capability Management Procedure	Procurement (Spend Smart)
Card Payment Security	Project Management Framework
Code of Conduct	Quality Management Systems Framework
Communication in the event of a Serious Incident	Responding to Allegations
Corporate Credit Card and Smart Data	Risk Management
Cardholders Procedure	
Customer Data Referencing & Verification	Safeguarding adults & children
Data Protection	Surveillance
Data Protection Breach Reporting	Tenants Data Protection
Data Retention	Tenancy Fraud
Data Subject Access Request	Treasury Management
Email Encryption	Value for Money Strategy
Equality & Diversity	Whistleblowing
Gifts & Hospitality	

## FIRST WESSEX

### BOARD REPORT AND OPERATING AND FINANCIAL REVIEW FOR THE YEAR ENDED 31 MARCH 2015

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#### Disclosure of Information to Auditors

Each of the persons who are board members at the time when this Board report is approved has confirmed that

- so far as the board member is aware, there is no relevant audit information of which the association's auditors are unaware, and
- that the board member has taken all steps that ought to have been taken as a board member in order to be aware of any relevant audit information and to establish that the association's auditors are aware of that information

#### Auditors

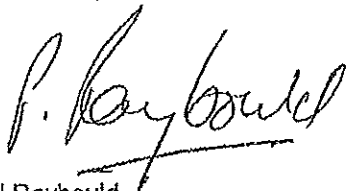
The auditors, Nexia Smith & Williamson, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

#### Employees

First Wessex recognises the importance of the contribution made by its employees and seeks to ensure that they remain committed, trained and motivated. First Wessex makes significant investment in training and development, under the overarching 'Simply Better' programme and makes full use of communication and assessment to involve and inform employees. Succession planning has been carried out down to Manager level and is kept up to date. A recent employee survey showed very high levels of satisfaction among our employees with First Wessex and their job, as well as a high level of pride in working for the company.

The Group is committed to equality and diversity and the creation of opportunities for all its employees. The Management Board wishes to put on record its gratitude to all employees for their continuing hard work and commitment.

Approved by the Board of Management and signed on behalf of the Board by:



Phil Raybould

Chair

Date: 16/7/15

## Nexia Smith & Williamson

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FIRST WESSEX

We have audited the financial statements of First Wessex for the year ended 31 March 2015 which comprise the Group and Association Income and Expenditure Account, the Group and Association Balance Sheet, the Group Cash Flow Statement, the Group and Association Statement of Total Recognised Gains and Losses, Group and Association Note of Historical Cost Surpluses and Deficits and the related notes 1 to 35. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Association's members, as a body, in accordance with the requirements of statute. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of the board and the auditors

As explained more fully in the Statement of Board's Responsibilities set out on page 17, the board is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council (FRC's) Ethical Standards for Auditors.

#### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group and the Association's affairs as at 31 March 2015 and of the Group and Association's Income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Co-Operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing (Issued in September 2012).

#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-Operative and Community Benefit Societies Act, 2014 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- the Association has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we need for our audit.

*Nexia Smith & Williamson*

Nexia Smith & Williamson  
Statutory Auditor  
Chartered Accountants

Imperial House  
18-21 Kings Park Road  
Southampton  
SO15 2AT

Date: 21/7/15

# FIRST WESSEX

## INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2015

	Notes	Group		Association	
		2015 £'000	2014 £'000	2015 £'000	2014 £'000
Turnover	2	111,429	106,254	111,407	106,111
Operating costs	2	(75,060)	(71,083)	(75,128)	(70,967)
Cost of sales		(5,347)	(4,646)	(5,347)	(4,646)
Operating surplus	2	31,022	30,525	30,932	30,498
Surplus on sales of properties	4	5,602	837	5,602	837
		36,624	31,362	36,534	31,335
Interest receivable and similar income	8	206	245	206	245
Interest payable and similar charges	9	(23,323)	(24,635)	(23,318)	(24,629)
Other finance costs	30 (pg. 55)	(30)	(70)	(30)	(70)
Surplus on ordinary activities before taxation		13,477	6,902	13,392	6,881
Tax charge on surplus on ordinary activities	10	(99)	(62)	(72)	(62)
Surplus on ordinary activities after taxation	24	13,378	6,840	13,320	6,819

All of the Group's activities relate to continuing operations.

The notes on pages 25 to 61 form part of these financial statements.

**FIRST WESSEX**

**STATEMENT OF TOTAL RECOGNISED SURPLUSES AND DEFICITS  
FOR THE YEAR ENDED 31 MARCH 2015**

	Group		Association	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Surplus for the year on ordinary activities after taxation	13,378	6,840	13,320	6,819
Actuarial (loss)/gain	(1,610)	520	(1,610)	520
Unrealised surplus/(loss) on investment	21	(162)	21	(162)
<b>Total recognised surpluses and deficits for the year</b>	<b>11,789</b>	<b>7,198</b>	<b>11,731</b>	<b>7,177</b>

**NOTE OF HISTORICAL COST SURPLUSES AND DEFICITS  
FOR THE YEAR ENDED 31 MARCH 2015**

	Group		Association	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Surplus on ordinary activities before taxation	13,477	6,902	13,392	6,881
Difference between the historical depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	3	3	3	3
<b>Historical cost surplus on ordinary activities before taxation</b>	<b>13,480</b>	<b>6,905</b>	<b>13,395</b>	<b>6,884</b>
<b>Historical cost surplus retained after taxation</b>	<b>13,381</b>	<b>6,843</b>	<b>13,323</b>	<b>6,822</b>

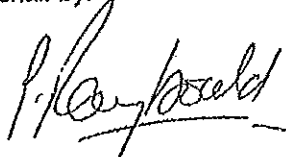


# FIRST WESSEX

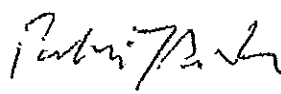
## BALANCE SHEET AS AT 31 MARCH 2015

	Notes	Group		Association	
		2015	2014	2015	2014
		£'000	£'000	£'000	£'000
<b>Fixed Assets:</b>					
Housing properties, depreciated cost	11a	1,121,151	1,080,684	1,119,723	1,079,217
Grant	11a	(384,094)	(373,254)	(383,413)	(372,573)
		<u>737,057</u>	<u>707,430</u>	<u>736,310</u>	<u>706,644</u>
Other	12	15,956	14,257	15,776	14,218
		<u>753,013</u>	<u>721,687</u>	<u>752,086</u>	<u>720,862</u>
Investments	13	1,767	1,746	1,767	1,746
		<u>754,780</u>	<u>723,433</u>	<u>753,853</u>	<u>722,608</u>
<b>Current assets:</b>					
Stock	14	18,299	13,413	18,299	13,413
Debtors	15	10,622	8,133	10,496	8,101
Cash at bank and in hand		41,724	34,243	41,547	34,218
		<u>70,645</u>	<u>55,789</u>	<u>70,342</u>	<u>55,732</u>
Creditors: Amounts falling due within one year	16	(34,149)	(34,615)	(33,715)	(34,474)
<b>Net current assets</b>		<u>36,496</u>	<u>21,174</u>	<u>36,627</u>	<u>21,258</u>
<b>Total assets less current liabilities</b>		<u>791,276</u>	<u>744,607</u>	<u>790,480</u>	<u>743,866</u>
Creditors: Amounts falling due after one year	18	605,003	571,853	604,684	571,504
Pension scheme liabilities	30	7,870	6,230	7,870	6,230
Provisions for liabilities and charges	22	90	-	63	-
<b>Capital and reserves:</b>					
Share capital – non equity	23	-	-	-	-
Revenue reserve	25	178,052	166,281	177,602	165,889
Revaluation reserve	24	261	243	261	243
		<u>178,313</u>	<u>166,524</u>	<u>177,863</u>	<u>166,132</u>
		<u>791,276</u>	<u>744,607</u>	<u>790,480</u>	<u>743,866</u>

The financial statements were approved by the Board of Management on 16/7/15 and signed on its behalf by:

  
Phil Raybould  
Chair

  
Paul Jenks  
Vice Chair

  
Patrick Symington  
Secretary

The notes on pages 25 to 61 form part of these financial statements.

**FIRST WESSEX**

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2015**

	Notes	Group	
		2015	2014
		£'000	£'000
Net cash Inflow from operating activities	28	43,096	46,007
Returns on Investments and servicing of finance			
Interest received		212	225
Interest paid		(26,703)	(26,137)
Net cash outflow from returns on Investments and servicing of finance		(26,491)	(26,912)
Taxation		(65)	-
Capital expenditure and financial investment			
Cash paid for construction and purchase of housing properties		(66,277)	(64,168)
Social Housing Grants received		5,765	5,895
Cash paid for purchase of other fixed assets		(3,241)	(2,547)
Net proceeds of sales of housing properties and other assets		22,407	9,360
Net cash outflow from capital expenditure and financial investment		(41,346)	(41,460)
Net cash outflow before use of liquid resources and financing		(24,806)	(21,365)
Finance			
Loans received (net of issue costs)	29	36,857	30,178
Loan principal repayments	29	(4,561)	(947)
Increase in cash	29	7,490	7,866

# FIRST WESSEX

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

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### 1. Accounting policies

#### 1.1 Accounting convention, compliance with accounting standards and constitution

The financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and in accordance with applicable United Kingdom accounting standards, the Accounting Direction for Private Registered Providers of Social Housing (Issued in September 2012) and the Statement of Recommended Practice (SORP) update 2010 issued by the National Housing Federation.

The Association is incorporated under the Co-Operative and Community Benefit Societies Act 2014.

The Group financial statements consolidate those of the Association and its subsidiary undertakings drawn up to 31 March 2015. Profits or losses on intra-group transactions are eliminated in full.

#### 1.2 Turnover

Turnover represents rental income receivable, fees and service charges, after deduction of voids losses, revenue grants received from local authorities and the Homes & Communities Agency, Supporting People income, other stakeholders and other income relating to the year. Turnover includes the proceeds of first tranche sales of properties developed for shared ownership and outright sales, recognised on completion.

#### 1.3 Tangible fixed assets

##### a) Housing properties

Housing and other properties are shown at cost less accumulated depreciation and social housing grant.

The cost of freehold properties includes all costs of construction and interest on borrowings to finance the construction of assets. Costs of construction are capitalised at their full amount and any retention is included within creditors due within one year.

The cost of shared ownership properties held at the year end is included in Housing properties only to the extent that it represents the cost of second and subsequent tranches. The costs attributable to the first tranche sales are classified as current assets within work in progress.

##### b) Commercial properties and office buildings

Commercial properties are carried at cost less accumulated depreciation.

As permitted by the transitional provisions of FRS 15, the association and group has elected not to adopt a policy of revaluation of tangible fixed assets. The association and group will retain the book value of land and office buildings previously revalued and will not update that valuation.

##### c) Depreciation

Depreciation is provided on a straight line basis on freehold properties to write off the cost or valuation less residual value, including the deemed value of the land on which the properties stand, over the estimated useful lives of the assets, at the following rates:

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## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015 (CONTINUED)

### 1. Accounting policies (continued)

#### 1.3 Tangible fixed assets (continued)

Type of property	Depreciation rate
Freehold housing (structure)	1% per annum
Leasehold property	Over the life of the lease
Commercial and office buildings	2% per annum
Hostels	2% per annum

Depreciation is not provided on freehold land or on assets in the course of construction.

Major components are treated as separable assets and depreciated over their expected useful economic lives or the lives of the structure to which they relate, if shorter, at the following annual rates:

Component	Depreciation life	Depreciation rate
Kitchens	20 years	5.00%
Bathrooms	30 years	3.33%
Roof	60 years	1.67%
Structure	100 years	1.00%
Windows	30 years	3.33%
Gas Boilers	15 years	6.66%
Heating Systems	30 years	3.33%
PV Panels	20 years	5.00%

#### d) Impairment

All properties are annually reviewed for impairment. Additional reviews are carried out to include properties developed for shared ownership sales, shared ownership properties earmarked for change in use and properties developed for outright sale which remain unsold at the year end.

The need for any fixed asset impairment is assessed by comparison of the net historical cost of the asset against the higher of realisable value and value in use.

Impairment provisions are made for schemes showing the higher of realisable value and value in use as being lower than the historical cost.

#### e) Sales of housing accommodation

The surplus/deficit arising on sales of housing properties comprises proceeds from property sales, which are recognised at the date of completion, less the net book value of the properties taking into account any associated sales costs.

The surplus or deficit on sales of housing accommodation takes into account any liabilities under right to buy sharing agreements with local authorities.

Sales of second or subsequent tranches of shared ownership properties are dealt with in the income and expenditure account after the operating surplus for the period within the surplus/deficit on sales of properties. Proceeds from first tranche sales of shared ownership properties are included within turnover with attributable costs being included within cost of sales.

## FIRST WESSEX

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015 (CONTINUED)

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#### 1. Accounting policies (continued)

#### 1.3 Tangible fixed assets (continued)

##### f) Social Housing Grant

Where developments have been financed wholly or partly by Social Housing Grant (SHG), the cost of those developments has been reduced by the amount of the grant received. It is allocated to the land and structure components in proportion to their cost.

Where SHG is received on items treated as revenue expenditure, e.g. elements of major repair expenditure, it is treated as a revenue grant and credited to the income and expenditure account in line with the underlying expenditure.

Social Housing Grant in respect of shared ownership properties is credited against the fixed asset element of shared ownership property costs.

Social Housing Grant may be repayable in certain circumstances, even where it has been treated as a revenue grant for accounting purposes, such as where a property is sold or if the development of a property is not completed. Where individual components are disposed of and this does not create a relevant event for recycling purposes, any grant which has been allocated to the component is released to the income and expenditure account. Upon disposal of the associated property, the Group is required to recycle these proceeds.

Social Housing Grants in respect of housing properties in the course of construction received in advance of expenditure is shown as a current liability on a scheme by scheme basis. Social housing grant not received, but claimed as being due, is shown as a debtor balance.

Social Housing Grant received in respect of costs written off in the income and expenditure account is matched against those costs as part of turnover.

##### g) Improvements to property and major repairs

The Group capitalises items of expenditure on housing properties if they result in an enhancement to the economic benefits from the property or if they replace a component that has been treated separately for depreciation purposes.

Works to existing properties which do not meet the above criteria are charged to the income and expenditure account.

##### h) Capitalisation of interest

Interest on loans financing a development scheme is capitalised to the extent that it accrues in respect of the period of development.

##### i) Capitalisation of development on-costs

Staff salary costs which are directly attributable to an individual development are capitalised. Other costs are capitalised only to the extent that they are incremental as a result of the individual development. Costs incurred on schemes, which are identified as abortive, are written off at the point at which it becomes apparent that the scheme is likely to be aborted.

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## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015 (CONTINUED)

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### 1. Accounting policies (continued)

#### 1.3 Tangible fixed assets (continued)

##### J) Other tangible fixed assets

Other tangible fixed assets are stated at cost less accumulated depreciation. On other assets depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation used are as follows:

Type of asset	Depreciation rate
Furniture, equipment, fixtures and fittings	10% to 33.3% per annum
Computer equipment	33.3% to 50% per annum
Leasehold improvements	Over the life of the lease

#### 1.4 Investments

Unlisted fixed asset investments are stated at cost less provision for any impairment in value. Listed fixed asset investments are stated at market value and the unrealised gain/loss is recognised in the statement of total recognised gains and losses.

#### 1.5 Stocks and Work In Progress

Stocks and work in progress are stated at the lower of cost and net realisable value. Work in progress represents the cost of assets (for outright sale) under development, and first tranches of shared ownership housing accommodation.

#### 1.6 Value added tax

The Group is VAT registered but a large proportion of its income, rent, is exempt for VAT purposes and therefore gives rise to a partial exemption calculation. Expenditure is therefore shown gross of VAT, with any net recovery of VAT included within operating costs.

#### 1.7 Deferred Taxation

Deferred taxation is provided for on a full provision basis on all timing differences which have arisen but not reversed at the balance sheet date. No timing differences are recognised in respect of gains on sale of assets where those assets have not been rolled over into replacement assets. A deferred tax asset is not recognised to the extent that the transfer of economic benefit in the future is uncertain. Any assets and liabilities recognised have not been discounted.

#### 1.8 Rentals under operating leases

Rentals under operating leases are charged to the income and expenditure accounts as incurred.

#### 1.9 Liquid resources

Included within the heading "Liquid resources" in the cash flow statement, are any current asset investments held as readily disposable stores of value.

## FIRST WESSEX

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015 (CONTINUED)

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#### 1. Accounting policies (continued)

##### 1.10 Pension costs

The Group has three distinct pension arrangements in operation for its employees:

##### Hampshire County Council Pension Fund

For employees who transferred from Eastleigh Borough Council and Rushmoor Borough Council or were eligible as employees of Portsmouth Housing Association at the time of the merger or were eligible to join before the scheme was closed to new employees, the Group participates in a defined benefit pension scheme which provides benefits based on final pensionable salary. The assets of the scheme are held by the Hampshire County Council Superannuation Fund.

The pension costs relating to the scheme are accounted for in accordance with FRS17 "Retirement Benefits". Current service costs and net finance returns are included in the income and expenditure account in the period to which they relate. Actuarial gains and losses are recognised in the statement of total recognised surpluses and deficits.

##### Social Housing Pension Scheme – Defined Benefit

For more recent employees who joined the pension scheme by 30 September 2002 (former Atlantic employees) or 31 August 2005 (former Pavilion employees) or 31 March 2008 (Portsmouth employees) the Group participates in the Social Housing Pension Scheme (SHPS). SHPS is a multi-employer defined benefit scheme through The Pensions Trust.

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers. Accordingly, due to the nature of the scheme, the accounting charge for the period under FRS17 represents the employer contribution payable.

##### Social Housing Pension Scheme – Defined Contribution

For employees joining the pension scheme after the above dates, the Group operates a defined contribution scheme through The Pensions Trust. The accounting charge for the period represents the employer contribution payable.

##### 1.11 Supporting People income and expenditure

Supporting People income and expenditure is accounted for on an accruals basis, matching income and expenditure, and disclosures are made in accordance with relevant standards and legislation.

##### 1.12 Loan issue costs

Costs incurred in raising loan finance are recorded as a deduction from the gross proceeds of the loan and subsequently amortised in the income and expenditure account over the term of the loan.

##### 1.13 Corporation tax

The charge for taxation is based on surpluses arising on certain activities which are liable to tax.

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015 (CONTINUED)

## 2. Group particulars of turnover, operating costs and operating surplus

	2015 Turnover	2015 Operating Costs	2015 Cost of Sales	2015 Operating Surplus/ (Deficit)	2014 Turnover	2014 Operating Costs	2014 Cost of Sales	2014 Operating Surplus/ (Deficit)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
a) Group								
Social housing lettings (Note 3a)	95,616	(64,242)	-	31,374	90,533	(59,857)	-	30,676
Other social housing activities:								
Current asset property sales	4,742	-	(3,551)	1,191	3,327	-	(2,312)	1,015
Charges for support services	1,099	(1,267)	-	(168)	1,448	(1,582)	-	(134)
Other	905	(997)	-	(92)	1,197	(1,142)	-	55
<b>Total for social housing activities</b>	<b>102,362</b>	<b>(66,506)</b>	<b>(3,551)</b>	<b>32,305</b>	<b>96,505</b>	<b>(62,581)</b>	<b>(2,312)</b>	<b>31,612</b>
Non-social housing activities (Note 3b)	9,067	(8,554)	(1,796)	(1,283)	9,749	(8,502)	(2,334)	(1,087)
<b>Total for all activities</b>	<b>111,429</b>	<b>(75,060)</b>	<b>(5,347)</b>	<b>31,022</b>	<b>106,254</b>	<b>(71,083)</b>	<b>(4,646)</b>	<b>30,525</b>



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NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015 (CONTINUED)

2. Association particulars of turnover, operating costs and operating surplus

	2015 Turnover	2015 Operating Costs	2015 Cost of Sales	2015 Surplus/ (Deficit)	2014 Turnover	2014 Operating Costs	2014 Cost of Sales	2014 Surplus/ (Deficit)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
b) Association								
Social housing lettings (Note 3a)	95,260	(63,997)	-	31,263	90,190	(59,603)	-	30,587
Other social housing activities:								
Current asset property sales	4,742	-	(3,551)	1,191	3,327	-	(2,312)	1,015
Charges for support services	1,099	(1,267)	-	(168)	1,448	(1,582)	-	(134)
Other	905	(997)	-	(92)	1,197	(1,142)	-	55
<b>Total for social housing activities</b>	<b>102,006</b>	<b>(66,261)</b>	<b>(3,551)</b>	<b>32,194</b>	<b>96,162</b>	<b>(62,327)</b>	<b>(2,312)</b>	<b>31,523</b>
Non-social housing activities (Note 3b)	9,401	(8,867)	(1,796)	(1,262)	9,949	(8,640)	(2,334)	(1,025)
<b>Total for all activities</b>	<b>111,407</b>	<b>(75,128)</b>	<b>(5,347)</b>	<b>30,932</b>	<b>106,111</b>	<b>(70,967)</b>	<b>(4,646)</b>	<b>30,498</b>

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015 (CONTINUED)

## 3a. Group particulars of income and expenditure from social housing lettings

	General needs	Supported housing and housing for older people	Temporary Social Housing	Low Cost Home Ownership	Other	Total 2015	Total 2014
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Rent receivable net of identifiable service charges	72,782	9,224	307	3,855	3,611	89,779	84,965
Service charge income	2,754	2,300	58	696	29	5,837	5,568
<b>Turnover from social housing lettings</b>	<b>75,536</b>	<b>11,524</b>	<b>365</b>	<b>4,551</b>	<b>3,640</b>	<b>95,616</b>	<b>90,533</b>
Management	10,852	2,344	77	1,089	558	14,920	14,973
Services	4,389	2,755	69	523	300	8,036	7,499
Routine maintenance	12,530	1,721	111	265	519	15,146	13,716
Planned maintenance	4,032	692	3	166	65	4,958	3,582
Major repairs expenditure	5,170	624	16	109	34	5,953	6,525
Bad debts	461	56	17	4	20	558	553
Rent charges & property lease charges	87	27	-	9	11	134	130
Depreciation of housing properties	12,494	892	42	317	792	14,537	12,879
<b>Operating costs on social housing lettings</b>	<b>50,015</b>	<b>9,111</b>	<b>335</b>	<b>2,482</b>	<b>2,299</b>	<b>64,242</b>	<b>59,857</b>
<b>Operating surplus on social housing lettings</b>	<b>25,521</b>	<b>2,413</b>	<b>30</b>	<b>2,069</b>	<b>1,341</b>	<b>31,374</b>	<b>30,676</b>
Void losses	489	397	15	(8)	118	1,011	889

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NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015 (CONTINUED)

3a. Association particulars of income and expenditure from social housing lettings

	General needs £'000	Supported housing and housing for older people £'000	Temporary Social Housing £'000	Low cost home ownership £'000	Other £'000	Total 2015 £'000	Total 2014 £'000
Rent receivable net of identifiable service charges	72,757	9,022	307	3,855	3,611	89,552	84,741
Service charge income	2,754	2,171	58	696	29	5,708	5,449
Turnover from social housing lettings	75,511	11,193	365	4,551	3,640	95,260	90,190
Management	10,849	2,305	77	1,089	558	14,878	14,932
Services	4,389	2,654	69	523	300	7,935	7,387
Routine maintenance	12,528	1,681	111	265	519	15,104	13,659
Planned maintenance	4,032	675	3	166	65	4,941	3,581
Major repairs expenditure	5,169	597	16	109	34	5,925	6,500
Bad debts	461	57	17	4	20	559	552
Rent charges & property lease charges	87	27	-	9	11	134	130
Depreciation of housing properties	12,492	878	42	317	792	14,521	12,862
Operating costs on social housing lettings	50,007	8,874	335	2,482	2,299	63,997	59,603
Operating surplus / (deficit) on social housing lettings	25,504	2,319	30	2,069	1,341	31,263	30,587
Void losses	489	388	15	(8)	118	1,002	886

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NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015 (CONTINUED)

3b. Particulars of turnover from non-social housing activities

	Group		Association	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
<b>Lettings</b>				
Market renting	418	1,111	418	1,111
Garage renting	443	453	443	453
Private sector leasing	3,182	3,128	3,182	3,128
Commercial	364	355	364	355
Other	1,262	1,125	1,262	1,125
<b>Total lettings</b>	<b>5,669</b>	<b>6,172</b>	<b>5,669</b>	<b>6,172</b>
<b>Other</b>				
Leaseholders	85	85	85	85
Outright property sales	2,185	2,646	2,185	2,646
Management fees	72	70	153	136
Insurance claims	294	115	294	115
Recharge income	337	366	337	366
Social, economic & community regeneration activities	96	87	96	87
Maintenance services provided to other companies	73	61	326	195
Other income	256	147	256	147
<b>Total other</b>	<b>3,398</b>	<b>3,577</b>	<b>3,732</b>	<b>3,777</b>
<b>Total all activities</b>	<b>9,067</b>	<b>9,749</b>	<b>9,401</b>	<b>9,949</b>

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**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015 (CONTINUED)**

**3c. Units of accommodation in management and managed by others**

	Group		Association	
	Number of units at 31 March 2015	Number of units at 1 April 2014	Number of units at 31 March 2015	Number of units at 1 April 2014
<b>Units of Accommodation in management</b>				
<b>Social Housing</b>				
General needs – Social	11,204	11,718	11,204	11,718
General needs – Affordable	1,703	1,027	1,703	1,027
Supported housing and housing for older people - Social	1,442	1,515	1,442	1,515
Supported housing and housing for older people - Affordable	239	173	239	173
Intermediate rent	494	506	494	506
Low cost home ownership	2,513	2,461	2,513	2,461
<b>Total</b>	<b>17,595</b>	<b>17,400</b>	<b>17,595</b>	<b>17,400</b>
<b>Non-social housing</b>				
Market rented	56	141	56	141
Other	589	559	589	559
<b>Total</b>	<b>645</b>	<b>700</b>	<b>645</b>	<b>700</b>
<b>Total units of accommodation in management</b>	<b>18,240</b>	<b>18,100</b>	<b>18,240</b>	<b>18,100</b>
<b>Units of accommodation managed by others</b>	<b>336</b>	<b>359</b>	<b>336</b>	<b>359</b>
<b>Total of all Units</b>	<b>18,576</b>	<b>18,459</b>	<b>18,576</b>	<b>18,459</b>
<b>Units of accommodation as defined in loan covenant agreements</b>			<b>16,568</b>	<b>16,527</b>

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NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015 (CONTINUED)

4. Surplus on sale of properties – Group and Association

	2015 £'000	2014 £'000
Gross sales proceeds	20,715	7,505
Amounts payable to Local Authority	(1,061)	(906)
Cost of sales	(14,052)	(5,762)
Surplus for the year	5,602	837

The surplus on property sales includes the sale of 82 market rental units with a surplus of £3,414k.

See Note 17 'Local Authority clawback'.

5. Surplus on ordinary activities before taxation

	Group		Association	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Surplus on ordinary activities before taxation is stated after charging:				
<u>Depreciation and amortisation:</u>				
Depreciation of housing properties	14,822	13,028	14,613	13,020
Depreciation of other tangible fixed assets Impairment	1,542	1,590	1,532	1,581
<u>External auditors' remuneration (excl. VAT and Incl. expenses):</u>				
In their capacity as auditors	49	47	41	39
Other non-audit services paid to related companies of the auditors	53	26	53	26
<u>Operating lease rentals</u>				
Land and buildings	2,572	2,458	2,572	2,458
Motor vehicles	1,748	1,573	1,748	1,573
Hire of plant and machinery	123	127	123	127

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## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015 (CONTINUED)

### 6. Employees

	Group		Association	
	Numbers for 2015	Numbers for 2014	Numbers for 2015	Numbers for 2014
The average number of employees, including the executive officers, expressed as full time equivalents based on 35 hours per week	956	935	948	930
Staff costs including remuneration of the members of the Board of Management:	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Wages and salaries of non-executive board members	94	71	94	71
Wages and salaries employees	29,435	27,497	28,961	27,255
Social security costs of non-executive board members	1	1	1	1
Social security costs of employees	2,896	2,819	2,842	2,791
Other pension costs of employees	1,946	1,713	1,931	1,700
	34,372	32,101	33,829	31,818

### 7. Directors emoluments – Group and Association

The Statement of Recommended Practice Accounting by Registered Social Housing Providers update 2010 and the Accounting Direction for Private Registered Providers of Social Housing (Issued in September 2012), define the Directors of the Group as the Board of Management, the Chief Executive and the other members of the Executive Management Team.

	2015	2014
	£'000	£'000
Emoluments of executive staff members	633	716
Consideration paid to third party for person acting as an executive staff member	27	-
Emoluments of non-executive staff members	94	71
Total Emoluments (including pension contributions and benefits in kind)	754	787
Emoluments (excluding pension contributions) payable to the highest paid director	168	164

The Chief Executive Officer participates in the defined benefit pension scheme under the same terms as the other members of that scheme.

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NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015 (CONTINUED)

7. Directors emoluments – Group and Association (continued)

The full time equivalent number (based on a 35 hour week) of staff whose remuneration (\*including any compensation for loss of office) fell within each band:

	Group		Association	
	Numbers for 2015	Numbers for 2014	Numbers for 2015	Numbers for 2014
£60,000 - £69,999	34	16	34	14
£70,000 - £79,999	10	3	8	3
£80,000 - £89,999	4	8	4	8
£90,000 - £99,999	-	3	-	3
£100,000 - £109,999	-	-	-	-
£110,000 - £119,999	1	2	1	2
£120,000 - £129,999	2	1	2	1
£130,000 - £139,999	-	-	-	-
£140,000 - £149,999	-	-	-	-
£150,000 - £159,999	-	1	-	1
£160,000 - £169,999*	2	2	2	2
£170,000 - £179,999	-	-	-	-
£180,000 - £189,999	-	-	-	-
£190,000 - £199,999*	1	-	1	-

8. Interest receivable and similar income

	Group		Association	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Interest receivable and similar income	107	137	107	137
Income from long term investment	99	108	99	108
	<u>206</u>	<u>245</u>	<u>206</u>	<u>245</u>



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NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015 (CONTINUED)

9. Interest payable and similar charges	Group		Association	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Interest and similar charges on loans	26,649	26,378	26,644	26,372
On recycled capital grant fund	17	9	17	9
	<u>26,666</u>	<u>26,387</u>	<u>26,661</u>	<u>26,381</u>
Capitalised interest	(3,343)	(1,752)	(3,343)	(1,752)
	<u>23,323</u>	<u>24,635</u>	<u>23,318</u>	<u>24,629</u>

10. Tax on surplus on ordinary activities	Group		Association	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Taxation charge for the year				
Corporation tax charge for the year	(9)	(65)	(9)	(65)
Deferred tax	(90)	-	(63)	-
Adjustment in respect of prior years	-	3	-	3
Total taxation charge for the year	<u>(99)</u>	<u>(62)</u>	<u>(72)</u>	<u>(62)</u>

The tax assessed for the period has been taxed at the 20% rate of corporation tax in the UK (2014: 23%). The differences are explained below:

	Group		Association	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Surplus for the year	<u>13,477</u>	<u>6,902</u>	<u>13,392</u>	<u>6,881</u>
Surplus multiplied by effective tax rate of 20% (2014: 23%)	(2,695)	(1,587)	(2,678)	(1,582)
Surplus relating to charitable activities	2,572	1,510	2,582	1,505
Group relief	24	9	24	9
Marginal relief	-	3	-	3
Capital allowances in excess of depreciation	90	-	63	-
Current tax charge	<u>(9)</u>	<u>(65)</u>	<u>(9)</u>	<u>(65)</u>

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NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015 (CONTINUED)

11a. Tangible fixed assets – Housing properties

Group	Properties held for letting £'000	Under Construction £'000	Total £'000
<b>Cost:</b>			
Balance at 1 April 2014	1,095,586	72,772	1,168,358
Additions	12,823	57,459	70,282
Disposals	(22,021)	-	(22,021)
Transfers to other Fixed assets	-	(1,514)	(1,514)
Transfers to under construction	(2,539)	2,539	-
Transfer from under construction	76,131	(76,131)	-
Balance at 31 March 2015	<u>1,159,980</u>	<u>55,125</u>	<u>1,215,105</u>
<b>Social Housing Grants:</b>			
Balance at 1 April 2014	359,156	14,098	373,254
Received during the year	-	14,278	14,278
Disposals	(3,438)	-	(3,438)
Transfer from under construction	7,204	(7,204)	-
SHG at 31 March 2015	<u>362,922</u>	<u>21,172</u>	<u>384,094</u>
<b>Depreciation &amp; Impairment:</b>			
Balance at 1 April 2014	85,767	1,907	87,674
Depreciation charge for year	14,622	-	14,622
Impairment	1,907	(1,907)	-
Disposals	(8,342)	-	(8,342)
Balance at 31 March 2015	<u>93,954</u>	<u>-</u>	<u>93,954</u>
<b>Net book value at 31 March 2015</b>	<u>703,104</u>	<u>33,953</u>	<u>737,057</u>
<b>Net book value at 31 March 2014</b>	<u>650,663</u>	<u>56,767</u>	<u>707,430</u>

All housing properties for letting or shared ownership are held on a freehold or long leasehold tenure.

The costs of works to existing properties which have been capitalised in the year in respect of components amounted to £12,823k, amounts expensed amounted to £2,564k.

# FIRST WESSEX

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015 (CONTINUED)

### 11a. Tangible fixed assets – Housing properties

Association	Properties held for letting £'000	Under Construction £'000	Total £'000
<b>Cost:</b>			
Balance at 1 April 2014	1,094,018	72,807	1,166,825
Additions	12,707	57,606	70,312
Disposals	(22,021)	-	(22,021)
Transfer to other Fixed Assets	-	(1,514)	(1,514)
Transfer to under construction	(2,539)	2,539	-
Transfer from under construction	76,131	(76,131)	-
Balance at 31 March 2015	<u>1,158,296</u>	<u>55,306</u>	<u>1,213,602</u>
<b>Social Housing Grants:</b>			
Balance at 1 April 2014	358,475	14,098	372,573
Received during the year	-	14,278	14,278
Disposals	(3,438)	-	(3,438)
Transfer from under construction	7,204	(7,204)	-
SHG at 31 March 2015	<u>362,241</u>	<u>21,172</u>	<u>383,413</u>
<b>Depreciation &amp; Impairment:</b>			
Balance at 1 April 2014	85,701	1,907	87,608
Depreciation charge for year	14,613	-	14,613
Impairment	1,907	(1,907)	-
Disposals	(8,342)	-	(8,342)
Balance at 31 March 2015	<u>93,879</u>	<u>-</u>	<u>93,879</u>
<b>Net book value at 31 March 2015</b>	<u>702,176</u>	<u>34,134</u>	<u>736,310</u>
<b>Net book value at 31 March 2014</b>	<u>649,842</u>	<u>56,802</u>	<u>706,644</u>

All housing properties for letting or shared ownership are held on a freehold or long leasehold tenure.

The costs of works to existing properties which have been capitalised in the year in respect of components amounted to £12,707k, amounts expensed amounted to £2,536k. Additions to the cost of housing properties include £2,491k (2014: £1,138k) in respect of capitalised finance costs.

The cumulative amount of capital grant or financial assistance received or receivable at 31 March 2015 was £383,413k.

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015 (CONTINUED)

## 11b. Tangible fixed assets – Housing properties (continued)

Group and Association	Shared ownership properties completed	Shared ownership properties under construction	Total shared ownership properties
Shared ownership properties included in Housing Properties	£'000	£'000	£'000
<b>Cost:</b>			
Balance at 1 April 2014	84,702	10,136	94,838
Additions	-	7,542	7,542
Transfer from under construction	14,282	(14,282)	-
Disposals	(5,409)	-	(5,409)
Balance at 31 March 2015	93,575	3,396	96,971
<b>Social Housing Grants:</b>			
Balance at 1 April 2014	32,739	881	33,620
Received during the year	-	1,790	1,790
Transfer from under construction	1,661	(1,661)	-
Disposals	(2,170)	-	(2,170)
Balance at 31 March 2015	32,230	1,010	33,240
<b>Depreciation:</b>			
Balance at 1 April 2014	2,190	-	2,190
Depreciation charge for year	325	-	326
Disposals	(132)	-	(132)
Balance at 31 March 2015	2,383	-	2,383
<b>Net book value at 31 March 2015</b>	<b>58,962</b>	<b>2,386</b>	<b>61,348</b>
<b>Net book value at 31 March 2014</b>	<b>49,773</b>	<b>9,255</b>	<b>59,028</b>

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NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015 (CONTINUED)

12a. Tangible fixed assets - other

Group	Commercial Buildings	Office Buildings	Other	Total
	£'000	£'000	£'000	£'000
<b>Cost or valuation:</b>				
Balance at 1 April 2014	3,734	9,001	7,504	20,239
Additions	1,514	47	1,859	3,420
Disposals	-	-	(2,502)	(2,502)
Transfers	-	(179)	-	(179)
Balance at 31 March 2015	<u>5,248</u>	<u>8,869</u>	<u>6,861</u>	<u>20,978</u>
<b>Depreciation:</b>				
Balance at 1 April 2014	419	1,310	4,253	5,982
Charge for the year	86	329	1,127	1,542
Disposals	-	-	(2,502)	(2,502)
Balance at 31 March 2015	<u>505</u>	<u>1,639</u>	<u>2,878</u>	<u>5,022</u>
Net book value at 31 March 2015	<u>4,743</u>	<u>7,230</u>	<u>3,983</u>	<u>16,956</u>
Net book value at 31 March 2014	<u>3,315</u>	<u>7,691</u>	<u>3,251</u>	<u>14,257</u>

FIRST WESSEX

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015 (CONTINUED)

12b. Tangible fixed assets - other

Association	Commercial Buildings	Office Buildings	Other	Total
	£'000	£'000	£'000	£'000
<b>Cost or valuation:</b>				
Balance at 1 April 2014	3,734	9,001	7,454	20,189
Additions	1,514	47	1,708	3,269
Disposals	-	-	(2,502)	(2,502)
Transfer	-	(179)	-	(179)
Balance at 31 March 2015	<u>5,248</u>	<u>8,869</u>	<u>6,660</u>	<u>20,777</u>
<b>Depreciation:</b>				
Balance at 1 April 2014	419	1,310	4,242	5,971
Charge for the year	86	329	1,117	1,532
Disposals	-	-	(2,502)	(2,502)
Balance at 31 March 2015	<u>505</u>	<u>1,639</u>	<u>2,857</u>	<u>5,001</u>
Net book value at 31 March 2015	<u>4,743</u>	<u>7,230</u>	<u>3,803</u>	<u>15,776</u>
Net book value at 31 March 2014	<u>3,315</u>	<u>7,691</u>	<u>3,212</u>	<u>14,218</u>

## FIRST WESSEX

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015 (CONTINUED)

13. Fixed asset investments	Listed Investments £'000	Unlisted Investments £'000	Total £'000
Group and Association			
Cost or valuation			
At 1 April 2014	1,721	25	1,746
Revaluation	21	-	21
At 31 March 2015	<u>1,742</u>	<u>25</u>	<u>1,767</u>
Net book value			
At 31 March 2015	<u>1,742</u>	<u>25</u>	<u>1,767</u>
At 31 March 2014	<u>1,721</u>	<u>25</u>	<u>1,746</u>

The listed investment includes an investment of £1,685k (2014: £1,671k) which is a requirement of the Haven loan facility.

The unlisted investments are made up of 25,250 shares in Portsmouth Area Regeneration Trust.

#### Company

The Company, First Wessex also has direct holdings in:

Hewitt Homes for the Gentle Poor – a registered charitable trust which provides sheltered housing, registered in Great Britain.

First Wessex Homes Limited- a limited company carrying out development activities for the Group.

The results of these holdings have been consolidated into the Group.

First Wessex is a co-investor in Aspect Building Communities Ltd ("Aspect") with a Registered Provider and two Local Authorities. Aspect was formed to bring forward housing developments to increase housing supply and boost the local economy by working in partnership with local organisations. We have a 26% interest in Aspect, a company limited by guarantee.

FIRST WESSEX

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015 (CONTINUED)

14. Stocks	2015 £'000	2014 £'000
Association & Group		
Raw materials and consumables	379	445
Work In progress – shared ownership properties – completed	10,041	1,107
Work in progress - shared ownership properties – under construction	7,797	11,851
Work In progress	82	10
	18,299	13,413

Work in progress Includes capitalised interest of £852k (2014: £614k).

15. Debtors	Group		Association	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Rental debtors	5,715	5,202	5,695	5,172
Less: provision for bad debts	(2,939)	(2,444)	(2,924)	(2,430)
	2,776	2,758	2,771	2,742
Trade debtors	249	2,107	249	2,107
Amounts owed by subsidiary undertaking	-	-	141	71
Other debtors	321	524	321	524
Prepayments and accrued income	3,318	2,595	3,056	2,508
Capital grants	3,958	149	3,958	149
	10,622	8,133	10,496	8,101



# FIRST WESSEX

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015 (CONTINUED)

16. Creditors: Amounts falling due within one year	Group		Association	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Loans	5,584	4,561	5,554	4,531
Trade creditors	3,555	3,375	3,414	3,266
Rent received in advance	2,158	2,343	2,150	2,335
Other creditors	296	263	300	263
Taxation and social security	799	689	777	677
Rent Deposits	302	380	302	380
Local Authority claw back	288	867	288	867
Leaseholders' sinking fund	3,739	3,428	3,739	3,428
Overdraft	-	9	-	-
Corporation tax	9	65	9	65
Amounts owed to subsidiary	-	-	1,591	210
Accruals and deferred income	17,419	18,636	15,591	18,452
	<u>34,149</u>	<u>34,615</u>	<u>33,715</u>	<u>34,474</u>

### 17. Local Authority Claw Back

Tenants in occupation at the date of transfer are eligible to buy their property at a discount from market value (the "right to buy") depending on the length of the tenancy. The proceeds from the right to buy are subject to a sharing agreement between the Group and either Eastleigh Borough Council or Rushmoor Borough Council.

18. Creditors: Amounts falling due after more than one year	Note	Group		Association	
		2015 £'000	2014 £'000	2015 £'000	2014 £'000
Recycled capital grant fund	21	3,765	1,794	3,765	1,794
Disposal proceeds fund	20	85	179	85	179
<b>Housing loans:</b>					
<b>Repayable, otherwise than by instalments as follows:</b>					
Between one and two years		11,151	5,471	11,121	5,441
In two to five years		118,480	122,486	118,389	122,395
In five years or more		471,522	441,923	471,324	441,695
		<u>605,003</u>	<u>571,853</u>	<u>604,684</u>	<u>571,504</u>

FIRST WESSEX

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015 (CONTINUED)

19. Housing loans due after more than 1 year are analysed as follows:	Group		Association	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Royal Bank of Scotland	59,500	61,000	59,500	61,000
Santander	122,000	122,000	122,000	122,000
Co-Operative Bank Plc	39,600	40,000	39,600	40,000
Barclays Bank Plc	96,775	99,500	96,775	99,500
Harbour Funding	75,000	75,000	75,000	75,000
Lloyds TSB	40,309	34,399	39,960	34,020
Bank of Scotland	44,500	45,000	44,500	45,000
Private Placements	73,000	73,000	73,000	73,000
AHF Bond	32,647	0	32,647	0
Other Capital Markets	28,496	28,949	28,496	28,949
Included in Current Liabilities	(5,584)	(4,561)	(5,554)	(4,531)
Issue costs	(5,090)	(4,407)	(5,090)	(4,407)
	<u>601,153</u>	<u>569,880</u>	<u>600,834</u>	<u>569,531</u>

Instalment loans are repayable within the terms of the loan which vary between 8 and 30 years ending between 2023 and 2045. Interest is charged at rates between 0.96% and 10.33% per annum. Non-Instalment loans are repayable at the end of their term which varies between 2 and 29 years ending between 2017 and 2044. Interest is charged at rates between 2.23% and 11.65% per annum.

Harbour Funding relates to an issue of £75,000,000 of Secured Bonds with a final maturity date of March 2034, at a fixed rate of 5.28%

The AHF Bond priced 17 Mar 2015 providing an effective rate of 2.919% on £28,000,000 nominal value for 27 years to 2042.

The Private Placements consist of two note purchase agreements; for £48,000,000 and £25,000,000. The £48,000,000 is repayable in two tranches; Tranche A (£28,000,000) is for 15 years with a final maturity in 2027 at 4.41% and tranche B (£20,000,000) for 30 years with a final maturity in 2042 at 4.90%. The £25,000,000 is for 30 years with a final maturity in 2043 at 4.77%

The UK Rents loan includes mortgages secured on the housing properties and the securitisation of the rental income on 201 general needs units.

The average interest rate for the above loans is 4.39%.

The above loans include adjustments to the carrying value of debt in respect of issue costs, discounts and premiums.

**FIRST WESSEX**

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015 (CONTINUED)**

20. Movements on the disposals proceeds fund – Group and Association	2015 £'000	2014 £'000
Opening balance at 1 April	179	33
Inputs to fund:		
Grants recycled	325	296
Outputs from fund:		
New build	(419)	(150)
Closing balance at 31 March	<u>85</u>	<u>179</u>
21. Movements on the recycled capital grant fund – Group and Association	2015 £'000	2014 £'000
Opening balance at 1 April	1,794	855
Inputs to fund:		
Grants recycled	2,801	2,270
Interest accrued	17	9
Outputs from fund:		
New build	(847)	(1,340)
Closing balance at 31 March	<u>3,765</u>	<u>1,794</u>
Amount due for repayment to the Homes and Communities Agency	<u>-</u>	<u>-</u>

FIRST WESSEX

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015 (CONTINUED)

22. Provisions for liabilities and charges	Group		Association	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Deferred Tax	90	-	63	-
Deferred Tax consists of:				
Capital allowances in excess of depreciation	90	-	63	-
	90	-	63	-
Balance at 1 April	-	-	-	-
Charge for the year	90	-	63	-
Balance at 31 March	90	-	63	-

23. Non equity share capital - Association	2015 £	2014 £
Shares of £1 each	12	12

The share capital of the Association consists of shares with a nominal value of £1 each, which carry no rights to dividends or other income. Shares in issue are not capable of being repaid or transferred. Where a shareholder ceases to be a member, that person's share is cancelled and the amount paid up thereon becomes the property of the Association. Therefore all shareholdings relate to non-equity interests. There are no equity interests in the Association.

24. Reserves	Group		Association	
	Revaluation Reserve £'000	Revenue Reserve £'000	Revaluation Reserve £'000	Revenue Reserve £'000
As at 1 April 2014	243	166,281	243	165,889
Surplus retained for the year	-	13,378	-	13,320
Excess depreciation on revalued assets	(3)	3	(3)	3
Actuarial Loss	-	(1,610)	-	(1,610)
Revaluation during the year	21	-	21	-
At 31 March 2015	261	178,052	261	177,602

FIRST WESSEX

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015 (CONTINUED)

25. Revenue reserve	Group		Association	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Balance brought forward	166,281	158,918	165,889	158,547
Actuarial (Loss)/gain	(1,610)	520	(1,610)	520
Surplus for the year	13,378	6,840	13,320	6,819
Reserve transfers	3	3	3	3
Balance carried forward	<u>178,052</u>	<u>166,281</u>	<u>177,602</u>	<u>165,889</u>
The revenue reserve comprises of:				
Revenue reserve excluding pension liability	185,922	172,511	185,472	172,119
Pension liability	<u>(7,870)</u>	<u>(6,230)</u>	<u>(7,870)</u>	<u>(6,230)</u>
Balance at 31 March	<u>178,052</u>	<u>166,281</u>	<u>177,602</u>	<u>165,889</u>

26. Commitments under operating leases

At 31 March the Group and Association had annual commitments under operating leases as follows:

	2015 £'000	2014 £'000
<b>Land and buildings</b>		
Leases which expire within one year	499	482
Leases which expire between one and five years	1,127	1,011
Leases which expire after five years	946	965
	<u>2,572</u>	<u>2,458</u>
<b>Vehicle leases</b>		
Leases which expire within one year	-	1
Leases which expire within two to five years	1,748	1,572
<b>Grounds &amp; Tool Equipment</b>		
Leases which expire within one year	1	49
Leases which expire within two to five years	122	78
	<u>1,871</u>	<u>1,700</u>

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NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015 (CONTINUED)

27. Capital commitments

Capital commitment at the end of the financial year for which no provision has been made in these financial statements, were as follows:

	Group		Company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Contracted for	112,466	82,980	112,466	82,980
Authorised by the Board of Management but not contracted for	28,122	74,057	28,122	74,057

Social Housing Grant will be available in respect of the above commitments. Where an excess over the Social Housing Grant arises, the excess will be funded from undrawn loan facilities.

28. Reconciliation of operating surplus to net cash inflow from operating activities - Group

	2015 £'000	2014 £'000
Operating surplus	31,022	30,525
Depreciation on fixed assets	16,164	14,618
Increase in stock	(4,034)	(3,582)
Decrease/(Increase) in debtors	1,320	(1,284)
(Decrease)/Increase in creditors	(1,376)	5,730
Net cash inflow from operating activities	43,096	46,007

29. Analysis of changes in net debt - Group

	At 1 April 2014 £'000	Cash Flows £'000	Other Non-cash Flows £'000	At 31 March 2015 £'000
Cash at bank and in hand	34,243	7,481	-	41,724
Overdraft	(9)	9	-	-
	34,234	7,490	-	41,724
Debt due after one year	(569,880)	(36,857)	5,584	(601,153)
Debt due within one year	(4,561)	4,561	(5,584)	(5,584)
Net debt after Issue costs	(540,207)	(24,806)	-	(565,013)

# FIRST WESSEX

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015 (CONTINUED)

### 30. Pension obligations – Group and Association

First Wessex currently operates and contributes to two defined benefit pension schemes and a defined contribution scheme. The assets of the schemes are held in separate trustee administered funds.

In accordance with Financial Reporting Standard No.17 – Retirement Benefits (FRS17) disclosure of certain information concerning assets, liabilities, income and expenditure related to pension schemes is required.

#### Hampshire County Council Pension Fund

The disclosures below relate to the funded liabilities within the Hampshire County Council Pension Fund (the "Fund") which is part of the Local Government Pension Scheme (the "LGPS").

The LGPS is a funded defined benefit plan with benefits earned up to 31 March 2014 being linked to final salary. Benefits after 31 March 2014 are based on a Career Average Revalued Earnings scheme. Details of the benefits earned over the period covered by this disclosure are set out in 'The Local Government Pension Scheme Regulations 2013' and 'The Local Government Pension Scheme Regulations 2014'.

The funded nature of the LGPS requires participating employers and its employees to pay contributions into the Fund, calculated at a level intended to balance the pension liabilities with investment assets. Information on the framework for calculating contributions to be paid is set out in LGPS Regulations 2013 and the Fund's Funding Strategy Statement. The last actuarial valuation was at 31 March 2013 and the contributions to be paid until 31 March 2017 resulting from that valuation are set out in the Fund's Rates and Adjustment Certificate. An actuarial valuation of the Fund will be carried out at 31 March 2016 and as part of that valuation a new Rates and Adjustments Certificate will be produced for the three year period from 1 April 2017.

The Fund Administering Authority, Hampshire County Council is responsible for the governance of the Fund.

The employer contribution during the year was £0.09M and the expected contribution in the next year is £0.1M.

The principal assumptions used by the actuary in updating the latest valuation of the Fund for FRS17 purposes were:

Principal financial assumptions (% per annum)	2015	2014	2013	2012	2011
	% pa	%pa	% pa	% pa	% pa
Discount rate	3.0	4.2	4.3	4.7	5.5
Pension accounts revaluation rate	2.4	n/a	n/a	n/a	n/a
Rate of increase to pensions in payment	2.4	2.7	2.7	2.5	2.8
Rate of general long-term increase in salaries	3.9	4.2	4.6	5.0	5.2

#### Mortality Assumptions

The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements. Sample life expectancies resulting from these mortality assumptions are shown below.

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NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015 (CONTINUED)

30. Pension obligations (continued)

Assumed Life expectancy at age 65	31 March 2015	31 March 2014
<b>Males</b>		
Member aged 65 at accounting date	24.5	24.4
Member aged 45 at accounting date	26.6	26.5
<b>Females</b>		
Member aged 65 at accounting date	26.3	26.2
Member aged 45 at accounting date	28.6	28.5

Expected return on assets

The approximate split of assets for the Fund as a whole (based on data supplied by the Fund Administering Authority) is shown in the table below. Also shown are the assumed rates of return adopted by the Employer for the purposes of FRS 17.

	Long-term rate of return expected at 31 March 2015 (%pa)*	Asset split at 31 March 2015 %	Long-term rate of return expected at 31 March 2014 (%pa)	Asset split at 31 March 2014 %	Long-term rate of return expected at 31 March 2013 (%pa)	Asset split at 31 March 2013 %
Equities	-	57.8	7.6	60.8	7.8	57.6
Property	-	8.0	6.9	7.5	7.3	7.8
Government bonds	-	25.4	3.4	23.6	2.8	24.9
Corporate bonds	-	1.6	4.0	1.6	3.8	1.3
Cash	-	3.7	0.9	3.8	0.9	2.3
Other	-	3.5	7.6	2.7	7.8	6.1
<b>Total</b>	<b>-</b>	<b>100.0</b>	<b>6.2</b>	<b>100.0</b>	<b>6.3</b>	<b>100.0</b>

\*The expected rates of return have not been calculated at 31 March 2015 – future returns will be set equal to the applicable discount rate under FRS102.

Reconciliation of funded status to balance sheet:

	Value as at 31 March 2015 £'000	Value as at 31 March 2014 £'000
Fair value of assets	11,940	10,940
Present value of funded liabilities	(19,810)	(17,170)
<b>Pension liability recognised on the Balance Sheet</b>	<b>(7,870)</b>	<b>(6,230)</b>



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NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015 (CONTINUED)

30. Pension obligations (continued)

<u>Analysis of income and expenditure charge</u>	2015 £'000	2014 £'000
Current service cost	90	100
Expected return on Fund assets (Pg 21 I&E Other Finance Cost)	(670)	(680)
Interest cost (Pg 21 I&E Other Finance Cost)	700	750
Expense recognised in income and expenditure	120	170
<u>Changes to the present value of liabilities during the year</u>	2015 £'000	2014 £'000
Opening present value of liabilities	17,170	17,630
Current service cost	90	100
Interest cost	700	750
Contributions by participants	20	30
Actuarial losses /(gains) on liabilities	2,470	(800)
Net benefits paid out	(640)	(540)
Past service cost	-	-
Closing present value of liabilities	19,810	17,170
<u>Changes to the fair value of assets during the year</u>	2015 £'000	2014 £'000
Opening fair value of assets	10,940	10,950
Expected return on assets	670	680
Actuarial gains/ (losses) on assets	860	(280)
Contributions by employer	90	100
Contributions by participants	20	30
Net benefits paid out	(640)	(540)
Closing fair value of assets	11,940	10,940
<u>Actual Return on Assets</u>	2015 £'000	2014 £'000
Expected return on assets	670	680
Actuarial gain/ (loss) on assets	860	(280)
Actual return on assets	1,530	400
<u>Analysis of amount recognised in Statement of Total Recognised Surpluses &amp; Deficits</u>	2015 £'000	2014 £'000
Actuarial gain/(loss) on liabilities	(2,470)	800
Actuarial gain/(loss) on assets	860	(280)
Total actuarial gains/(losses) recognised in STRS&D	(1,610)	520

FIRST WESSEX

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015 (CONTINUED)

30. Pension obligations (continued)

History of asset values, present value of liabilities, surplus/deficit and experience gains and losses

	2015	2014	2013	2012	2011
	£'000	£'000	£'000	£'000	£'000
Fair value of assets	11,940	10,940	10,950	10,130	9,730
Present value of liabilities	(19,810)	(17,170)	(17,830)	(18,060)	(14,140)
Surplus/(deficit)	(7,870)	(6,230)	(6,680)	(5,930)	(4,410)
Experience gains/(losses) on assets	860	(280)	850	(230)	(340)
Experience gains/(losses) on liabilities	190	720	30	(130)	(489)

**Social Housing Pension Scheme**

First Wessex participates in Social Housing Pension Scheme (the Scheme). The Scheme is funded and is contracted-out of the State Pension scheme.

The Scheme is a multi-employer defined benefit scheme. Employer participation in the Scheme is subject to adherence with the employer responsibilities and obligations as set out in the "SHPS House Policies and Rules Employer Guide".

The Scheme operated a single benefit structure, final salary with a 1/60th accrual rate until 31 March 2007. First Wessex operates the final salary with a 1/60th accrual rate benefit structure for active members as at 1 April 2007. First Wessex has closed the Scheme to new entrants with effect from 1 April 2007.

The Trustee commissions an actuarial valuation of the Scheme every three years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required, in respect of each benefit structure, so that the Scheme can meet its pension obligations as they fall due. From April 2007 the split of the total contribution rate between member and employer is set at individual employer level, subject to the employer paying no less than 50% of the total contribution rate. From 1 April 2010 the requirement for employers to pay at least 50% of the total contribution rate no longer applies.

The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market levels. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

During the accounting period 2014/15 First Wessex paid contributions at the rate of 6.9% to 8.15%. Member contributions varied between 9.4% and 11.65% depending on their age.

As at the balance sheet date there were 56 active members of the Scheme employed by First Wessex. The annual pensionable payroll in respect of these members was £2,179k. First Wessex has closed the scheme to new entrants.

It is not possible in the normal course of events to identify on a reasonable and consistent basis the

# FIRST WESSEX

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015 (CONTINUED)

### 30. Pension obligations (continued)

share of underlying assets and liabilities belonging to individual participating employers. The Scheme is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of total Scheme assets. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS17 represents the employer contribution payable.

The last formal valuation of the Scheme was performed as at 30 September 2011 by a professionally qualified Actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £2,062 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £1,035 million, equivalent to a past service funding level of 67.0%.

The Scheme Actuary is currently finalising the 2014 valuation but key provisional results have been confirmed. As at 30 September 2014, the market value of the Scheme's assets was £3,123 million. There was a shortfall of assets compared with the value of liabilities of £1,323 million, equivalent to a past service funding level of 70%.

The financial assumptions underlying the valuation as at 30 September 2011 were as follows:

Valuation Discount Rates	% pa
Pre-Retirement	7.0
Non Pensioner Post retirement	4.2
Pensioner Post retirement	4.2
Pensionable earnings growth	2.5 per annum for 3 years, then 4.4
Price Inflation	2.9
<b>Pension Increases</b>	
Pre 88 GMP	0.0
Post 88 GMP	2.0
Excess over GMP	2.4

Expenses for death-in-service insurance, administration and Pension Protection Fund (PPF) levy are included in the contribution rate.

The valuation was carried out using the following demographic assumptions:

Mortality pre-retirement – 41% SAPS S1 Male / Female All Pensioners (amounts), Year of Birth, CMI\_2009 projections with long term improvement rates of 1.5% p.a. for Males and 1.25% p.a. for Females.

Mortality post retirement – 97% SAPS S1 Male / Female All Pensioners (amounts), Year of Birth, CMI\_2009 projections with long term improvement rates of 1.5% p.a. for Males and 1.25% p.a. for Females.

The long-term joint contribution rates required from April 2013 required from employers and members to meet the cost of future benefit accrual were assessed at:

Benefit Structure	Long-term Joint Contribution Rate (% of pensionable salaries)
Final salary with a 1/60th accrual rate	19.4
Final salary with a 1/70th accrual rate	16.9

If an actuarial valuation reveals a shortfall of assets compared to liabilities the Trustee must prepare a Recovery Plan setting out the steps to be taken to make up the shortfall.

# FIRST WESSEX

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015 (CONTINUED)

### 30. Pension obligations (continued)

Following consideration of the results of the actuarial valuation it was agreed that the shortfall of £1,035 million would be dealt with by the payment of deficit contributions as shown in the table below:

From 1 April 2013 to 30 September 2020	A cash amount(*) equivalent to 7.5% of Members' Earnings per annum (payable monthly and increasing by 4.7% per annum each 1 April)
From 1 October 2020 to 30 September 2023	A cash amount(*) equivalent to 3.1% of Members' Earnings per annum (payable monthly and increasing by 4.7% per annum each 1 April)
From 1 April 2013 to 30 September 2020	£30,640,000 per annum (payable monthly and increasing by 3% per annum each 1 April; first increase on 1 April 2014)

(\*) The contributions of 7.5% will be expressed in nominal pound terms (for each Employer), increasing each year in line with the earnings growth assumption used in the 30 September 2008 valuation (i.e. 4.7% per annum). The contributions of 3.1% will be calculated by proportioning the nominal pound payment at the time of the change. Earnings at 30 September 2008 (for each Employer) will be used as the reference point for calculating these contributions.

These deficit contributions are in addition to the long-term joint contribution rates as set out above.

Employers that participate in the Scheme on a non-contributory basis pay a joint contribution rate (i.e. a combined employer and employee rate).

Employers that have closed the defined benefit section of the Scheme to new entrants are required to pay an additional employer contribution loading of 2.5% to reflect the higher costs of a closed arrangement.

First Wessex has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Social Housing Pension Scheme based on the financial position of the Scheme as at 30 September 2014. At this date the estimated employer debt for First Wessex was £43,933,309.

#### The Pensions Trust Growth Plan

First Wessex participates in the Pensions Trust's Growth Plan (the Plan). The Plan is funded and is not contracted-out of the state scheme. The Plan is a multi-employer pension plan.

Contributions paid into the Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Plan or by the purchase of an annuity.

The rules of the Plan allow for the declaration of bonuses and / or investment credits if this is within the financial capacity of the Plan assessed on a prudent basis. Bonuses / investment credits are not guaranteed and are declared at the discretion of the Plan's Trustee.

## FIRST WESSEX

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015 (CONTINUED)

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#### 30. Pension obligations (continued)

The Trustee commissions an actuarial valuation of the Plan every three years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

The rules of the Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as Technical Provisions.

If the actuarial valuation reveals a deficit, the Trustee will agree a recovery plan to eliminate the deficit over a specified period of time either by way of additional contributions from employers, investment returns or a combination of these.

The rules of the Plan state that the proportion of obligatory contributions to be borne by the member and the member's employer shall be determined by agreement between them. Such agreement shall require the employer to pay part of such contributions and may provide that the employer shall pay the whole of them.

First Wessex paid contributions at the rate of 3% or 6% during the accounting period. Members paid contributions at the rate of 4% or 5% during the accounting period.

As at the balance sheet date there were 619 active members of the Plan employed by First Wessex. First Wessex continues to offer membership of the Plan to its employees.

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The Plan is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of the Plan's total assets. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.

The valuation results at 30 September 2011 were completed in 2012 and have been formalised. The valuation of the Plan was performed by a professionally qualified Actuary using the Projected Unit Method. The market value of the Plan's assets at the valuation date was £780 million and the Plan's Technical Provisions (i.e. past service liabilities) were £928 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £148 million, equivalent to a funding level of 84%.

The financial assumptions underlying the valuation as at 30 September 2011 were as follows:

	% per annum
- Rate of return pre retirement	4.9
- Rate of return post retirement	
Active/Deferred	4.2
Pensioners	4.2
- Bonuses on accrued benefits	0.0
- Rate of price inflation	2.9
- Consumer Prices Index	2.4

In determining the investment return assumptions the Trustee considered advice from the Scheme Actuary relating to the probability of achieving particular levels of investment return. The Trustee has incorporated an element of prudence into the pre and post retirement investment return assumptions; such that there is a 60% expectation that the return will be in excess of that

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015 (CONTINUED)

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30. Pension obligations (continued)

assumed and a 40% chance that the return will be lower than that assumed over the next 10 years

The Scheme Actuary is currently finalising the 2014 valuation and results will be communicated in due course. At 30 September 2013, the market value of the Plan's assets was £772 million and the Plan's Technical Provisions (ie past service liabilities) was £927 million. The update revealed a shortfall of assets compared with the value of liabilities of £155 million, equivalent to a funding level of 83%.

If an actuarial valuation reveals a shortfall of assets compared to liabilities the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

The Pensions Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate. For example, the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the Plan liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Plan (which would effectively amend the terms of the recovery plan). A copy of the recovery plan in respect of the September 2011 valuation was forwarded to The Pensions Regulator on 2 October 2012, as is required by legislation.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan and The Pensions Act 2011 has more recently altered the definition of Series 3 of the Growth Plan so that a liability arises to employers from membership of any Series except Series 4. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up.

The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Plan's liability attributable to employment with the leaving employer compared to the total amount of the Plan's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Plan liabilities, Plan investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

When an employer withdraws from a multi-employer defined benefit pension scheme which is in deficit, the employer is required by law to pay its share of the deficit, calculated on a statutory basis (known as the buy-out basis). Due to a change in the definition of money purchase contained in the Pensions Act 2011 the calculation basis that applies to the Growth Plan will be amended to include Series 3 liabilities in the calculation of an employer's debt on withdrawal.

The Growth Plan is a "last man standing" multi-employer scheme. This means that if a withdrawing employer is unable to pay its debt on withdrawal the liability is shared amongst the remaining employers. The participating employers are therefore, jointly and severally liable for the deficit in the Growth Plan. As at 30 September 2013 the total deficit calculated on the buy-out basis was £219.9m.

First Wessex has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2013. As of this date the estimated employer debt for First Wessex was £447,971 including Series 3 liabilities or £80,788 excluding Series 3 liabilities

# FIRST WESSEX

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015 (CONTINUED)

### 31. Related party transactions

The Association has taken advantage of the exemption contained in Financial Reporting Standard 8 from reporting related party transactions with subsidiary associations and companies as they are eliminated on consolidation.

The Association has confirmed that Board members who are also local councillors cannot use their position as a Board member to their advantage; however the following transactions with the Rowner Community trust which a Board member of FW is a trustee amounted to donations of £13,167 throughout the year. This demonstrates our continued contribution to the local community.

### 32. Controlling party

At 31 March 2015, the ultimate controlling party was The Board of Management of First Wessex.

### 33. Principal subsidiaries

Company Name	Percentage shareholding	Description
Hewitt Homes Limited	100%	Registered provider
First Wessex Homes Limited	100%	Development company

### 34. Legislative procedures

The Association is a Registered Society under the Co-Operative and Community Benefit Societies Act 2014 with the reference 30940R and with the Homes & Communities Agency under reference L4553.

### 35. Post balance sheet event

In the 'Summer Budget' on 8 July the Government announced its intention that rents for Housing Associations (both 'social' and 'affordable' tenures) will decrease by an absolute amount of 1% per year for the next four years. This is still only a proposal and not yet approved by parliament but we believe it is prudent to start planning for this change in rent policy.

The proposal would have a significant effect on our business plan, which was based on the current government guarantee of rent increases of CPI+1%. The cumulative effect by 2019/20 is an ongoing reduction in rental for these tenures of around 14.3% compared to the assumptions in the current plan.

We have done an initial assessment of the impact of the proposed rent decreases, and this indicates that we should be able to ensure that we remain financially viable and within all our loan covenants. We had previously 'stress tested' our business plan for similar eventualities and ensured that viable contingency plans were in place. Furthermore, currently a significant amount of our future development programme is not contractually committed, which gives us further potential flexibility to adjust our future financial plans. However, this could have a significant effect on our capacity for future development.

We are also aware that this proposed change in rent policy might have an impact on the valuation of security pledged to loans. However, initial indications are that we would have sufficient value to continue to secure the borrowing requirement in the plan as and when any valuation change occurred.

We have advised all our funders of the situation

# Open Door

## Autumn 2015

The quarterly magazine for First Wessex residents  
[www.firstwessex.org](http://www.firstwessex.org)

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- New look Board announced

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- Do you need help with getting a job?

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- Fines for missed appointments

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- Housing Forum debate

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Tell me about... **value for money**

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Fun and facts

- New text messaging service
- Data protection matters

Also inside this issue, see how we've performed during 2014-15 in our summary of this year's Annual Report for Residents.



First Wessex welcomes new Board and Committee Members



A member of our Property Services team, and his daughter donate money to the Emily Ash Trust raised through our scrap metal recycling scheme



A resident talks to a member of our Resident Involvement team at a recent Community Action Day



## 2 Welcome to Open Door

### Welcome to the autumn issue of Open Door!



In this edition we are delighted to introduce our new look Board. The way First Wessex is governed is being changed and a new slimmed down Board of 11 members has been selected with their appointments due to be confirmed soon. Find out more in the article below.

This is also a special bumper edition of Open Door that includes a summary of this year's Annual Report for Residents. The report sets out how well we have done over the past year. It also tells you how First Wessex measures up against other housing associations. If you would like to see this year's full annual report visit [www.firstwessex.org/readourpublications](http://www.firstwessex.org/readourpublications).

Finally, with the roll-out of Universal Credit continuing across the county we tell you the next areas affected, explain how you can prepare and where you can get additional support – see page 4. Enjoy the read.

**Peter Walters, First Wessex Chief Executive**

## New look Board announced

The way First Wessex is governed is being changed. A new slimmed down Board of 11 members has been selected.

We have also appointed a new Chair – Mike Kirk – and he will take over as Chair of the Board at the same time.

The new Board will meet 12 times a year and will focus on strategic issues. It will delegate the running of the business to Chief Executive, Peter Walters and First Wessex senior staff. Residents will have a new role in scrutinising our services.

You can see the new First Wessex Board and Committee Members on the front page (from left to right): Jane Tabor, Ron Manley, David Mairs, Judith Smyth (Board Members), Andy Long (member of the Audit and Risk Committee), Jeff Channing (Board Member), Mark Slater (member of the Audit and Risk Committee), Siven Rungien, Allen Smith, Paul Jenks, Mike Kirk (Chair of the Board), Katherine Pears and Philip Raw (Board Members). All members,

including Board Member John Barker who is not in the picture, will take up their new appointments at the end of September.



### Get in touch

#### Office opening times

8:30am to 5:00pm (Mon to Thurs)  
and 8:30am to 4:30pm (Fri)

#### Website

Visit [www.firstwessex.org](http://www.firstwessex.org) to access lots of information and news. Also, manage your repairs, rent and lots more with My First Wessex - simply visit [www.firstwessex.org/login](http://www.firstwessex.org/login) to register today.

#### Also find us on Facebook, Twitter and YouTube

 /firstwessexhousing

 @firstwessex

 /firstwessex

\* free to call from mobiles and landlines. Telephone calls may be monitored or recorded for training purposes and in appropriate legal situations.

#### Email

- To report a repair, email: [repairs@firstwessex.org](mailto:repairs@firstwessex.org)
- For all other enquiries, email: [enquiries@firstwessex.org](mailto:enquiries@firstwessex.org)

#### Telephone

- 0800 328 6461\*

**Report a repair out of hours 0800 988 2440\***



### Don't forget that calls to 0800 are now free!

Earlier this year, Ofcom made changes to make it easier to calculate the cost of calls to 08 numbers. As part of these changes, calls to 0800 numbers are now free to call from both

landlines and mobile phones. In line with these changes, we have amended some of our phone numbers – please make a note of our up-to-date numbers in the article above.

### Quick and easy ways to pay your rent

- 1 Direct Debit** - Arrange for your rent to come out regularly from your bank account by setting up a Direct Debit. Ask us for a form or download one on our website
- 2 Online** - Use our website ([www.firstwessex.org](http://www.firstwessex.org)). It's safe, secure and only takes a few minutes. Visit our 'Pay my rent' page and login or register
- 3 Phone** - Call our automated payment number (available 24 hours a day, seven days a week) on 0800 092 8920. You'll need your tenancy start date, tenancy number, and debit card to hand
- 4 Standing order** - To set up regular standing order payments, ask us for a form or download one from our website
- 5 Cash** - At any Post Office or shop displaying the PayPoint logo, using your rent payment card
- 6 Mobile app** - Download the Allpay Payment app. For more information visit [www.allpay.net/allpay-payment-app](http://www.allpay.net/allpay-payment-app)
- 7 Mobile phone text messaging** - Register at [www.allpayments.net/textpay](http://www.allpayments.net/textpay)

## Do you need help with getting a job?

First Wessex is pleased to offer FREE specialist support to help residents into work. Our employment and training advisors provide a range of services, including assistance with writing your CV and completing job applications and even mock interviews to help you prepare. They can also point you in the right direction when it comes to finding a training course to boost your skills. If you are affected by it, one of the main ways of avoiding the benefit cap is to move into work.

To help you to get your foot on the job ladder, we also have an expert Work Experience Coordinator who can arrange placements for you to gain valuable first-hand experience in the workplace.

Whatever your aspirations, our support is tailored to your individual needs. If you would like to know more, please contact us - see contact details on page 2.



## Congratulations to our Resident Representatives

First Wessex has launched a Resident Rep of the Year award to recognise the positive contribution made by our Reps. They have been nominated by members of staff for their ability to tackle problems within your local area.

Here is the list of Resident Reps who have been nominated for the Resident Rep of the year award:

**Ron Mellor**  
**Andrew Cooper**  
**Patrick Thorne**  
**Barry Greenwood**  
**Bernard Deighton**  
**Sharon Maguire**  
**Amanda Sanders**  
**Paula James**

**Betty Holt**  
**Marion Tee**  
**Noel Purcell**  
**Ray Baverstock**  
**Roy Mason**  
**Carol Cheesman**  
**Joe Dyer**

The winner will be announced at our Residents' event in October and in the winter edition of Open Door.

## Customer Insight

### Tell us what you need

We are gathering information about our residents to ensure we are providing you with the best support possible. We also want to tell you about the opportunities available to you and those in your household.

Thank you to those who have completed and returned the Customer Insight forms. This information means that we can give you:

- information about our 'Job clubs,' which offer employment advice
- details of a younger persons' project called 'Rewards for a days work'
- you can contact our Money Advice and Benefits team using the contact details on page 2

### The next step...

If you haven't already filled out a form, either visit [www.firstwessex.org/whataboutyou](http://www.firstwessex.org/whataboutyou), or call our Customer Service team using the contact details on page 2 to request a printed copy. If you call our Customer Services team, and haven't yet filled in a form, you may be asked to complete the form over the phone. If there are any questions you do not wish to answer please state that you'd "prefer not to answer."



## 4 Tell me about...tenancies



# The roll-out of Universal Credit continues

**Universal Credit continues to be rolled-out slowly across the country, with Southampton, Eastleigh and Winchester now affected. In these areas, residents who are single and would normally claim Jobseeker's Allowance will have to claim Universal Credit instead.**

Universal Credit is paid monthly and in arrears. If you currently receive Housing Benefit to help with your housing costs when you move onto UC, you will receive the funds within your Universal Credit payment in future and you will then have to make your own arrangements to pay your rent.

Dates have also been announced for it to be introduced in other parts of Hampshire and Surrey, including:

- New Forest (7 December 2015)
- East Hampshire and Rushmoor (8 February 2016)
- Waverley and Guildford (15 February 2016)
- Fareham, Portsmouth, Gosport, Havant (28 March 2016)

It is important that you're ready for the change. Universal Credit will replace Income Support, Income-related Employment and Support Allowance, Housing Benefit, Job seekers Allowance (Income Based) Working Tax Credit and Child Tax Credit.

## Affected by the Bedroom Tax?

If you live in a First Wessex home and you have one or more 'spare' bedrooms, you may be affected by the Spare Room Subsidy (often referred to as the Bedroom Tax). This means that your Housing Benefit/ Universal Credit may be reduced by 14 per cent of your eligible rent if you have one 'spare' bedroom and 25 per cent of your eligible rent if you have two or more 'spare' bedrooms.

### Where can I get help or find out more?

If you are worried about being able to afford your rent, you should ask for advice now. Our Money Advice and Benefits team is here to help and can put you in touch with the right support if you are experiencing financial difficulties.

If you are interested in moving or downsizing, you can visit and register on the HomeSwapper website ([www.homeswapper.co.uk](http://www.homeswapper.co.uk)) to look for a suitable home to exchange to.

Please contact your local Money Advice and Benefits team for support and advice by emailing [BenefitAdvice@firstwessex.org](mailto:BenefitAdvice@firstwessex.org) or using the contact details on page 2.

### What can I do to prepare?

It is a good idea to work out a monthly budget and open a bank account. You should also ensure that you are comfortable using the internet as you will need to claim online.

### Need help budgeting?

The Government has recognised that some people will find the new payment arrangements under Universal Credit difficult and has introduced Personal Budgeting Support (PBS) to help people adapt. PBS will support residents who need help managing their money and paying their bills on time as they move onto Universal Credit.

This support could range from signposting to information on the internet, to a face-to-face interview with an advisor from an advice agency or the local authority. This support should be offered during the initial face-to-face interview at jobcentres once someone has claimed Universal Credit. A system has been established for those who are unable to manage paying their rent called Alternative Payment Arrangements, where the Department of Work and Pensions pays the landlord direct.

## Our Financial Inclusion team can help

**Did you know that our Financial Inclusion team offers a range of services to help if you're struggling with using/accessing the internet or if you need help with managing your money? This includes:**

- money and benefits advice: providing support with benefit claims, managing money, negotiating with creditors and applying for financial help
- employment and training advice: offering guidance with securing training and employment, CV writing, interview techniques and much more
- digital support: helping residents learn how and where to use the internet, and access low-cost computers

If you'd like more information on any of these services, please contact us via [www.firstwessex.org/contactus](http://www.firstwessex.org/contactus), or speak to your Neighbourhood Manager.

# How are we doing?

## First Wessex's performance 2014-15

This special performance supplement covers the year from 1 April 2014 to 31 March 2015, and tells you how First Wessex measures up against the Homes and Communities Agency's (our regulator) national standards for housing associations.

To see this year's full **Annual Report for Residents** visit [www.firstwessex.org/readourpublications](http://www.firstwessex.org/readourpublications). Inside you'll find out more about how we did, how we compare to other landlords, how we plan to improve services, and real-life residents' stories.

You can also find our **Value For Money Annual Report** on our website ([www.firstwessex.org/valueformoney](http://www.firstwessex.org/valueformoney)), where you can read about our work to make our business effective and efficient.

Over the next few pages you'll see scores from the residents who completed our Annual Report surveys. These show how you think we're doing in meeting the standards set by the Homes and Communities Agency.

### Key to what you told us:

#### WHAT YOU SAID...

-  We fully or mostly meet the standard
-  We have some improvements to make
-  We have lots of improvements to make

#### HAVE OUR SCORES IMPROVED SINCE LAST YEAR?

-  IMPROVED
-  UNCHANGED
-  WORSENERD




## Customer service and involvement

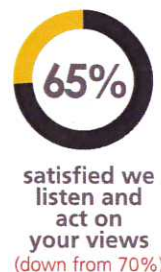
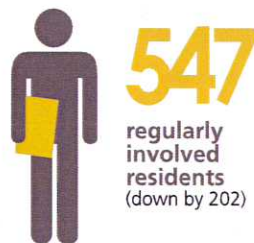


### This standard is about...

- providing good customer service and communicating well
- offering choice
- having a fair complaints procedure
- providing opportunities for residents to be involved
- treating residents with fairness and respect and meeting diverse needs.

### What you told us...

-  Customer service, choice and complaints **IMPROVED**
-  Resident involvement worsened **WORSENERD**
-  Understanding and responding to diverse needs **UNCHANGED**



Text messaging service launched for residents to raise repairs


# Home

Read our full Annual Report for Residents on our website!

This standard is about...

- meeting the Government's Decent Homes Standard and maintaining homes to a suitable standard
- meeting legal health and safety requirements
- having a high-performing responsive and planned maintenance service
- working with other organisations to provide an adaptations service.

What you told us...

 Quality of accommodation  
**UNCHANGED**

 Repairs and maintenance  
**IMPROVED**

  
**76,250**  
responsive repairs completed  
(3,946 more than 2013/14)

 Refurbished  
**640** kitchens  
& **355** bathrooms  


  
**596**  
new properties built (for rent, shared ownership, and outright purchase)  
(up by 306)

 **100%**  
of homes had up to date gas certificate  
(up from 98.2%)

**726** minor disabled adaptations installed  
(113 more than 2013/14)

**94.5%**  
of repairs completed 'Right First Time'  
(January-March 2014)  
(0.2% fewer than the same period in 2013/14)

**£786.61**  
spent on responsive repairs per property

**£291.19**  
spent on cyclical repairs per property

**86%**

satisfied with quality of repairs work  
(no change)

**73%**

satisfied with overall repairs and maintenance  
(down from 76%)

**84%**


satisfied with quality of home  
(up from 81%)

# Tenancy

This standard is about...

- having a fair way of letting homes, working in partnership with local authorities
- supporting residents if they want to complete mutual exchanges (swap tenancies and homes)
- giving clear advice about housing options
- helping residents to maintain their tenancies.

What you told us...

 Lettings and mutual exchange  
**UNCHANGED**

 Tenure (support and types of tenancy)  
**UNCHANGED**

  
**1,099** homes let, including  
**302** 'new builds'

  
**£1,890,554**  
in Housing Benefit awards, arrears reduction, and other benefit awards secured for residents by Money Advice and Benefits Team

 **71**  
new shared owners  
(73 fewer than 2013/14)

**28.17**  
day average to re-let empty homes

**3%** current arrears  
(increased from 2.7%)

 **315**  
mutual exchanges ('home swaps') completed  
(down by 62)

**707**  
residents supported by the Money Advice and Benefits team

**178**  
residents supported by the Tenancy Support team

**71%**  
satisfied with advice on paying rent (up from 70%)

**75%**  
satisfied with advice on benefits  
(down from 76%)

# Neighbourhood and community

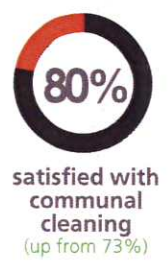
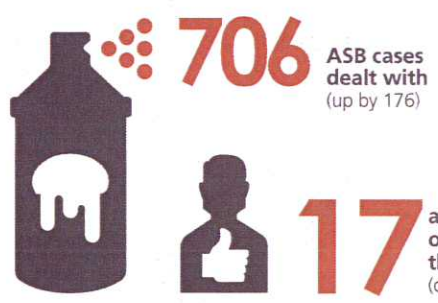
Read our full Annual Report for Residents on our website!

## This standard is about...

- working with residents and other organisations to keep neighbourhoods clean and safe
- working with local partners to promote social, environmental, and economic wellbeing
- working to prevent and tackle anti-social behaviour (ASB).

## What you told us...

-  Neighbourhood management **IMPROVED**
-  Local area cooperation worsened **WORSENERD**
-  Anti-social behaviour (ASB) unchanged **UNCHANGED**



# Rent

## This standard is about...

- either setting rents in line with a national government formula, or setting rents (inclusive of service charges) at no more than 80% of the estimated market rent ('Affordable Rent')
- providing clear information to residents, that explains how their rent and service charges are set and any changes each year.



# Making it count

This standard is about...

- providing cost-effective, efficient, and quality services and homes
- having performance management and scrutiny functions which deliver improved value for money
- showing residents how we are achieving value for money (VFM).

Read our Value for Money Annual Report on our website

What you told us...

Value for money **UNCHANGED**

**1.2%**  
(£0.9 million) efficiency savings compared to 2013/14

**£1.7 million** social investment in services that support tenancies and communities



satisfied with value for money of service charges (up from 65%)



of residents satisfied with value for money of rent (no change)



Compared costs and performance with over **80** other housing associations

# Keeping our house in order

This standard is about...

- having strong governance arrangements (boards and committees) in place that make sure we are accountable to residents
- managing our resources and risks to remain financially viable
- following regulatory and legal requirements, and reporting on our improvement plans.

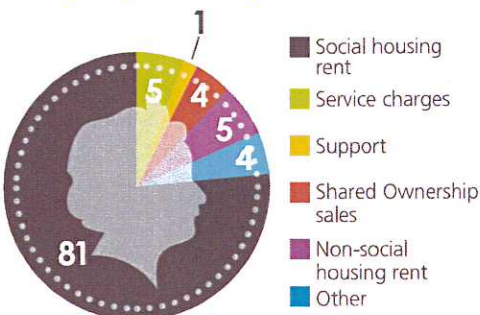
**1 in 4** members of First Wessex Board are residents.

**£111m** turnover  
**£13m** surplus to repay our lenders and invest in our priorities

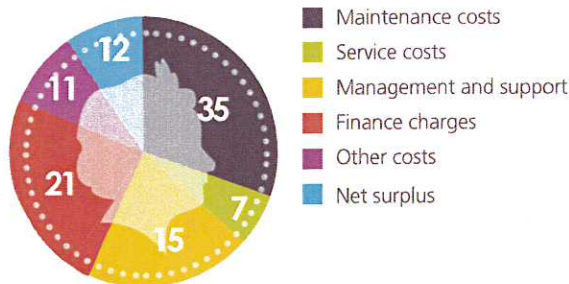
**9** residents on Scrutiny Panel examine our performance

**£14,000,000** in grant awarded to First Wessex to develop new properties

Our income per £1 (in pence)



Our spending per £1 (in pence)



**9** services reviewed by auditors PricewaterhouseCoopers (120 days), including rent, service charges & arrears, responsive repairs, feedback & customer complaints

## 'Smart meters' can help you save money

This year we have been working with a variety of energy suppliers to install smart meters in residents' homes. Smart meters allow real-time monitoring of energy consumption, and they help to ensure accurate billing. This energy-saving scheme is part of a national programme to help reduce the costs of bills in your home. If you haven't had a smart meter installed already, your energy provider will be in touch soon to make an appointment and change your meter.

### What this means for you:

- you will only be charged for what you use, rather than estimated bills. This will avoid you being overcharged and will save you money
- you can choose pre-payment or credit billing to suit your lifestyle and aim to reduce your energy bills each month
- you will never have to give meter readings again, smart meters automatically send energy readings to your energy provider

- you will be in control of how much energy you are using and be able to see how much it costs to wash clothes or boil a kettle and understand your usage better than ever before.

For more information visit [www.energysavingtrust.org.uk/electricity/smart-meters](http://www.energysavingtrust.org.uk/electricity/smart-meters), or alternatively information should be available on your energy company's website.



## Gas Safety Week

Gas Safety Week took place this month (14-20 September), an initiative which aims to highlight how important it is to take care of the gas appliances within your home.

Gas is used every day in homes, such as gas fires, most cookers and hot water boilers. Safety checks on these household devices are a legal requirement to prevent carbon monoxide poisoning, gas leaks, fires and explosions. Carbon monoxide can't be seen, tasted or smelt, but it can kill quickly and without any warning.

As your landlord, we need to access your property to perform these checks every 12 months. Our Property Services team will write to you and let you know when a gas engineer will visit.

If you won't be at home, you can let us know and we'll arrange another time. It's for your own safety!



## Save hundreds of ££s off your bills

Our Green Living team is a specialist team on hand to help you reduce the cost of your monthly energy bills.

This service provides FREE installation of energy-saving devices, advice on energy efficiency and more much! Not only could you save hundreds of pounds, but you also receive credit refunds!

Mr N from Botley, contacted our Green Living team and he was able to apply for a new tariff to reduce his gas consumption. He received a credit of over £200 and a total saving of over £400 for the year.

Mrs S from Bishopstoke, was able to reduce her gas consumption and have her overcharged water bill corrected. She was also provided with an energy-saving boiler, a 'warm home' discount, a credit of £300, resulting in a total saving of £936 for the year.

If you're interested in accessing our free Green Living service, please email the Green Living team at [sustainability@firstwessex.org](mailto:sustainability@firstwessex.org) or contact us using the details on page 2.





## 10 Tell me about...communities

### TechStart Anniversary



TechStart celebrates its first year after helping 1,000 people with IT training and hardware.

TechStart is a project that recycles and repairs computers and laptops. This year 1,500 computers have been donated by local companies, educational establishments and members of the public. This has enabled our residents to own a computer, improve their IT skills and to help them find a job.

The project has also provided 78 of our residents with free crucial digital skills, providing work

experience and offering internet access to help our residents find a job. Thirty per cent of these residents have gone on to successfully get a job or secure an internship.

To help residents get online, we're working with Techstart (Unit 32, the Galleries, Aldershot, GU11 1PE), and Jamie's Computers (Unit 32, Mount Pleasant Road, Southampton, SO14 0SP) to offer computers at low prices. For more information visit: [www.firstwessex.org/needacomputer](http://www.firstwessex.org/needacomputer)

### Tips to get ready for winter

The winter is coming and with the harsher weather conditions, it's important that we protect our homes from damp and mould.

In the cold weather, condensation, damp and mould can build up inside as the moisture outside increases. Here are some helpful tips to protect your home this winter:

1. Create airflow - ensure that your furniture is positioned away from the walls to create more room for air to circulate. This will reduce dampness and mould.
2. Dry windows - each morning make sure you wipe the windows with a cloth and wring the cloth out once you have finished with it - don't dry it on a radiator. This will help to reduce condensation.
3. Drying clothes - always try and dry your washing outside or hang it in your bathroom, with the door shut and the window slightly ajar. Don't put damp or wet clothes on radiators, or in front of heaters, as this will create condensation.
4. Wash it away - if you notice any mould growth, then wash it away with a cloth and an anti-fungal wash to prevent the mould coming back.
5. Lids on pans - when cooking, ensure that pans are covered by lids. The trapped steam will help your food cook quicker and heat your home a little.
6. Use your extractor fans if you have one.

### Welcome to our new Southdown View residents

Our striking new Hilsea development has created 59 affordable homes in Portsmouth on the site of the former Hilsea bus depot.

Southdown View already has several flats occupied for rented accommodation. Thirty-four homes are still available to buy, either for an outright sale or shared ownership. The old Hilsea bus depot was in major need of regeneration and now we have built a state-of-the-art residential complex.

Planning permission has been requested for commercial businesses to operate on the ground floor.

For more information, contact our Sales and Marketing team using the contact details [www.firstwessex.org/buyahome](http://www.firstwessex.org/buyahome)

### Housing experts debate industry challenges

Housing specialists from across the industry will be joining us once again later this year to debate and share ideas on the issues and challenges facing the housing sector.

First Wessex will be holding its annual Housing Forum at the Winchester Guildhall on November 18. This year guest speakers will include Emma Maier, the Editor of Inside Housing, the

housing industry's key national magazine, Dr Fiona Underwood, a specialist housing consultant and Alistair McIntosh, Chief Executive of the Housing Quality Network.

Among the issues they will be discussing will be the Government's latest housing policies such as Right to Buy and the financial pressures facing housing providers.

### First Wessex raises money for Nepal earthquake

First Wessex staff took part in a 112-mile charity bike ride to raise money for the Disasters Emergency Committee (DEC). DEC is a charity which supports people affected by major disasters around the world, such as those affected by the recent earthquake in Nepal.

Nineteen of our keen cyclists started from our office in Portsmouth, cycling to each of our offices and depots in Hampshire. Even though it was their day off, they still enjoyed the cycle-ride raising a total of £1,867 and hope to do it again next year!



## Spending Smarter

We are dedicated to securing the best contracts with our suppliers – both achieving better value for money and higher quality for our residents. Here are some of the examples of how we are doing this:

Recently, we obtained a new and improved contract for our out-of-hours telephone answering service which is provided by an external supplier. This has enabled us to deliver a high standard of customer service and improved value for money to our residents.

We will be reviewing our window cleaning contract later this year to standardise the delivery of the service and achieve better value for money for our residents.



Thanks  
to  
YOU

## Changing services thanks to your feedback

# Annual Customer Opinion Survey

We've made good progress on the Customer Opinion Survey programme for 2015/16. Thank you for your feedback, it has been used to create action plans for each of our areas to see what we can do to help improve our services.

For example, your feedback has been used to replace broken/stolen washing lines, undertake moss treatment on pathways and to repaint resident parking bays. Please continue to complete your Customer Opinion Surveys and let us know what improvements can be made to your local area.

By taking part in the survey you will be entered into a quarterly prize draw with the chance to win £50 in high street gift vouchers.



### 'Your Voice'

'Your Voice', which provides residents with an opportunity to be informally involved in improving our services, has since the last edition of Open Door helped:

- with our tender exercises to select the contracts for the out of hours call centre provider, preferred taxi companies and catering supplier at extra care schemes.

Other exciting 'Your Voice' projects currently underway are:

- a review of the existing 'My First Wessex' self service portal to inform future development of this product
- focus groups reviewing and improving current anti-social behaviour policies.

If you would like the chance to be involved in future 'Your Voice' projects or are just happy to be contacted to provide feedback please complete an online application form at [www.firstwessex.org/YourVoice](http://www.firstwessex.org/YourVoice) or contact a member of the Resident Involvement team on 01252 368708.

### Learning from resident feedback

Over the past quarter (April 2015 to the end of June 2015) we have received:

- 204 formal complaints (down 111 from the previous quarter)
- 199 compliments (down 41 from the previous quarter)
- 9 pieces of feedback about our policies

### How have we learnt from your complaints...

1. More information has been added to our website that is relevant to homeowners and shared owners.
2. Further training has been given to staff on how to deal with complaints and information has been given to managers on dealing with compensation claims and insurance matters.

## 12 Fun and facts

### Have you tried our new text messaging service?

Earlier this year, we launched a new service that allows you to request your rent balance or ask for a call back via text. The service is easy-to-use and costs the same as a normal text message. You don't have to register and you can opt out at any time. The phone number to text is **07860 024380** – why not save it in your phone?

Here are the keywords to use:

- Balance - We'll provide your current rent balance and last payment amount
- Repair - We'll call you by the end of the next working day to discuss your repair needs
- Rebook - We'll call you by the end of the next working day with a new date for your repair (if 48 hours or less before an appointment please do not text but contact us on Freephone 0800 328 6461)
- Rent - We'll call you by the end of the next working day.

We will also send you a text messages to notify you of your repairs appointment, and to remind you two days before the appointment.



### Apple and blackberry crumble

Try our warm and delicious apple and blackberry crumble - a perfect pudding this autumn

#### Here's what you'll need... For the crumble topping

120g plain flour  
60g caster sugar  
60g unsalted butter

#### For the filling

300g Braeburn apples  
30g unsalted butter  
30g demerara sugar  
115g blackberries  
¼ tsp ground cinnamon

#### Here's what to do...

1. Turn on the oven to 170C. Mix the flour and sugar together in

a large bowl and then add the butter. Using your fingertips rub the flour lightly to make a breadcrumb texture.

2. Place this crumble mixture evenly on a baking sheet and put in the oven for 15 minutes until golden.
3. Whilst the crumble mixture is in the oven, peel and cut the apples into small slices. Melt the butter and sugar in a saucepan for 3 minutes, until the mixture turns into a light caramel texture. Add the apples and cook for a further 3 minutes, then add the blackberries and cinnamon and cook for another 3 minutes. Remove the saucepan away from the heat and cover the saucepan and leave to cook for a further 2-3 minutes in its own heat.
4. Spoon the fruit into an ovenproof dish and add the crumble mix on top. Put in the oven for 5-10 minutes and serve with ice-cream.

### Data protection matters

The Data Protection Act requires us to openly communicate with you about the information we hold on you, why we hold it and how we access it.

We have a duty to ensure we address and answer these queries, along with requests to access any personal information we hold on you.

To address these requirements we have produced a new Privacy Statement, which will

replace the Tenants' Data Protection Policy. This is an industry recognised document and provides direction to those who may want to obtain further information. The full Privacy Statement (and a summarised version) can be found on our website: [www.firstwessex.org](http://www.firstwessex.org). If you have any queries about the information that we hold on you, please contact your Neighbourhood Manager.

### Do you have home contents insurance?

We have teamed up with Jardine Lloyd Thompson to bring you My Home contents insurance, available from just £1.75 a fortnight or £1.31 if you are aged over 60.



- Available to all First Wessex residents, including shared owners
- No excess
- No minimum home security requirements.
- Flexible pay as you go payment options.
- It's quick and easy to apply
- Replacement items rather than simply replacing the value of the old items.

For more info visit: [www.firstwessex.org/insurance](http://www.firstwessex.org/insurance) or call 023 9289 6805.

### Competition time!

Have you spotted the acorns in this edition of Open Door? We've hidden some across the pages – tell us how many there are to be in with a chance of winning £50 of high street vouchers!

Win  
£50!

To enter, send your answer along with your name and address by email to [competition@firstwessex.org](mailto:competition@firstwessex.org) or in the post to PR & Comms, First Wessex, Peninsular House, Wharf Road, Portsmouth PO2 8HB. Entries must be received by Monday 5 October 2015.

# Open Door

## Winter 2015

The quarterly magazine for First Wessex residents  
[www.firstwessex.org](http://www.firstwessex.org)

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## IMPORTANT NEWS - SEE PAGE 2 FOR DETAILS



Aggie Weston CEO, Rvd Simon Springett (left), with First Wessex and First Wessex Homes employees

Carol Williams, our Operations Director, with Patrick, from Portsmouth, our recent 'Resident Rep of the Year' winner



The photo shows: (lft to rt) Peter Walters, First Wessex Chief Executive, Alistair McIntosh, Chief Executive of the Housing Quality Network, Emma Maier, Editor of Inside Housing, Chris Wood, Partner at Altair, and Mike Kirk, Chair of First Wessex Board at the Housing Forum.



## 2 Welcome to Open Door

### Welcome to the winter issue of Open Door!



Firstly, on behalf of everyone at First Wessex I'd like to wish you a Merry Christmas and all the very best in 2016.

While we are looking forward to the year ahead, we know it will bring some tough challenges as we implement government changes and deliver significant savings. Two of the most important

changes to highlight are the extension of the Right to Buy scheme and the changes to the way annual rent increases are calculated. I explain more about how some of these changes will impact you in the article below.

Also in this edition of Open Door we explain new benefit changes and what you can do to prepare if you are likely to be affected by these. See page 4 for more information as well as advice if you are struggling to pay your rent. And with Christmas costs in mind, we look at tips to help you save money at this time of the year.

I hope you enjoy the read,

**Peter Walters, First Wessex Chief Executive**

### Get in touch

#### Office opening times

8:30am to 5:00pm (Mon to Thurs) and 8:30am to 4:30pm (Fri)

#### Website

Visit [www.firstwessex.org](http://www.firstwessex.org) to access lots of information and news. Also, manage your repairs, rent and lots more with My First Wessex - simply visit [www.firstwessex.org/login](http://www.firstwessex.org/login) to register today.

#### Email

- To report a repair, email: [repairs@firstwessex.org](mailto:repairs@firstwessex.org)
- For all other enquiries, email: [enquiries@firstwessex.org](mailto:enquiries@firstwessex.org)

#### Telephone

- 0800 328 6461\*

**Report a repair out of hours 0800 988 2440\***

#### Also find us on Facebook, Twitter and YouTube

 /firstwessexhousing

 @firstwessex

 /firstwessex

\* free to call from mobiles and landlines. Telephone calls may be monitored or recorded for training purposes and in appropriate legal situations.



## Important changes to your rent and services

A lot of what we do is decided not by First Wessex, but by the Government. At the moment there are important measures going through Parliament which will directly impact on our services to you.

The first and most significant is that the Government has decided that your rent will go **down** by 1% next year, and by another 1% in each of the next three years. Previously, the Government had planned rent increases of inflation plus 1% every year until 2024. This is a big change and it was unexpected too. This is obviously good news for residents but it does have some down sides. We fund all our services from rent income but this will now mean we have 14% (£16m) less than expected by 2020, and we will have to review the way we deliver services to help meet these savings.

### As a result, please be aware that we shall be closing all our reception areas in our offices from 1 February

Only a very small minority of our residents visit us in person and this is a costly service to maintain given the level of savings we must find. First Wessex has been investing in mobile technology so that key front line staff can spend more time out and about delivering services within our communities.

So after 1 February you will need to have an appointment when you visit our offices and you will no longer be able to call in without

an appointment, this includes paying your rent, raising a repair or making a general enquiry.

To make an appointment, please contact us using the details above. You may find it easier to pay your rent or raise a repair using our self service portal 'My First Wessex'. You can register by visiting our website.

### We also are changing our target times to complete repairs

Currently, we have four categories: immediate (4 hours) emergency (24 hours) urgent (5 days) and routine (22 days). We complete the vast majority of routine repairs well within our 22 day target time. Our average completion time for all repairs is only 9 days. However, there are some repairs which take longer and we sometimes spend a lot of money bringing in additional resources to hit our target. For the future, we have decided to remove the target time for routine repairs to give us greater flexibility, and to save hundreds of thousands of pounds per year. We would still expect to complete the great majority well within 22 days.

A second big government change is the proposal to extend the Right to Buy to Housing Association residents. This is expected to start in late 2016. We'll provide more updates on how, and if, you can purchase a property through Right to Buy, as government policy becomes clearer.

A third change is likely to be 'Pay to Stay', under which better off residents will be expected to pay higher rents. Like the Right to Buy, this is still going through Parliament and we'll provide you with more information when it becomes available.

First Wessex is changing to meet all these new challenges – we'll keep you up to date as we move forward!

## Resident Representative of the Year announced

**Our Residents' Representative of the Year Awards took place as part of a conference for residents held in October; and Patrick Thorne, representative for Chapel and Providence in Portsmouth, was announced the winner.**

Sandra Feenan, Resident Involvement Team Manager, said: "I am so pleased that Patrick won this award. He has been working very hard and has always gone above and beyond to look after residents."

The role of a resident representative is to conduct Neighbourhood Walkabouts, highlight any communal repairs, monitor caretaking and grounds maintenance, as well as helping us to understand how it feels to live in your area.

Well done to all those who were nominated and congratulations to Patrick!



## Christmas and New Year office closure details

**Thursday 24 December**  
Offices open until 3pm.

**Friday 25 December until Sunday 3 January**  
All offices closed.

**Monday 4 January**  
All offices and depots open for business as usual.

**Holiday period repairs service**

During this time, we will operate an out-of-hours service for emergency repairs, as is normally provided during evenings and weekends. If you have an emergency outside of our usual office opening times, please telephone 0800 328 6461 immediately.

Thank you for your cooperation.

## Thanks for your insight

We recently held a Customer Insight evening, where we phoned residents and asked them to complete a Customer Insight form over the phone. This was to ensure that the information held on our systems is correct and also to help us to provide the best possible support for our residents. Thank you very much for your time to help us complete these questionnaires.

Completing a Customer Insight form is a high priority for us, as it allows us to tailor our services to meet our residents' needs. If you haven't already completed a Customer Insight form, please visit [www.firstwessex.org/whataboutyou](http://www.firstwessex.org/whataboutyou), or if you would prefer to complete the form over the phone, please contact the Customer Service team using the contact details on page 2. Alternatively, printed copies are available on request. If there are any questions you do not wish to answer, please simply comment that you would "prefer not to answer".

## Helping residents get online

Following changes to the way that benefits are being rolled out, it is now even more important to get online and see what support is available to you.

Our dedicated Digital Inclusion Officer is able to provide residents with basic computer training. This is already being delivered to residents in Eastleigh and now the service is being extended further afield.

The training course covers the following topics:

- basic functions and settings
- setting up and using email and Skype
- accessing the internet and website searches
- public services and information online
- saving money and making money work

If you would like to register your interest and find out dates available for this course in your area, please contact Mark Gowers, Digital Inclusion Officer on **01252 368623**.



## 4 Tell me about...tenancies

### Changes to the Benefit Cap – what you need to know

During 2016, the Government is changing the Cap on the total amount of benefits that you can claim. Families living outside of London will see the total amount of benefits limited to £20,000 per year, or £385 per week. Single people with no children will be capped at £13,400 per year, or £258 per week.

#### How does it work?

The Benefit Cap adds up all of the money you receive from certain benefits (including Housing Benefit, Income Support, Jobseeker's Allowance, Universal Credit and Child Benefit). If the total amount adds up to more than the Cap, then your Housing Benefit or Universal Credit will be reduced. For example, if you are a single person and you receive

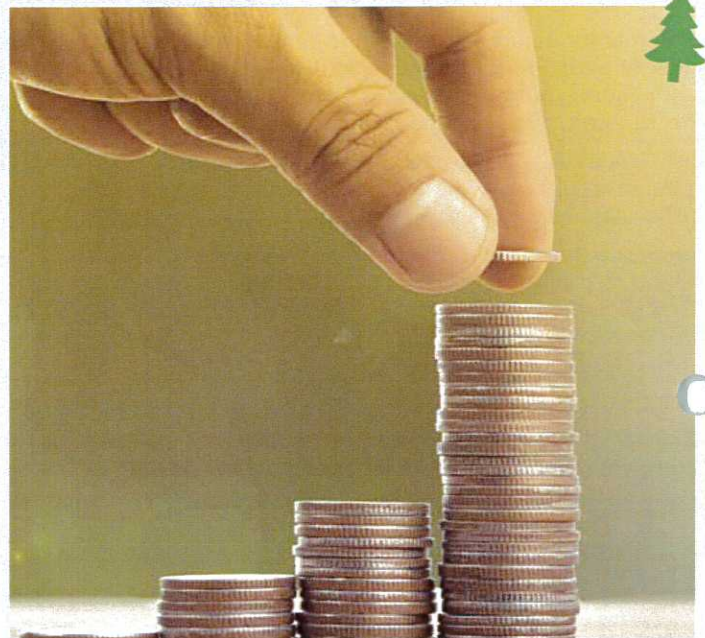
£270 per week, you are £12 over the Cap, so your Housing Benefit will be reduced by £12. This means you will have to pay £12 towards your rent yourself.

#### Who isn't affected?

Households where someone is in the Support Group of ESA, or have an entitlement to PIP or DLA, or work sufficient hours to be entitled to Working Tax credit are exempt from the Cap. For further details see [www.gov.uk/benefit-cap](http://www.gov.uk/benefit-cap)

#### What if I'm affected?

Are you worried you may be affected by the Benefit Cap. Our Financial Inclusion team can provide help and support. Get in touch using the contact details on page 2.



### Further rollout of Personal Independence Payments (PIP)

As part of the Welfare Reform changes, the Government has introduced a new benefit, Personal Independence Payments (PIP), to replace Disability Living Allowance (DLA) for disabled people. PIP payments help towards some of the extra costs arising from having a long-term condition (this means ill-health or disability expected to last 12 months or more).

#### When will it affect me?

The new benefit has been rolled out to new claimants since June 2013. However, in October 2015 the Government started rolling out PIP to existing DLA claimants. The roll out will be relatively slow and carefully managed to ensure that the volume of invitations issued to claimants in each postcode matches the capacity of the assessment providers in that area. If you are contacted regarding PIP and asked to make a claim, you can seek advice and support from our experienced Financial Inclusion team. Simply get in touch using the contact details on page 2. More information about PIP is available on our website: [www.firstwessex.org/pip](http://www.firstwessex.org/pip)

#### Worried about the changes to benefits?

If you are worried about the changes to benefits or you are struggling to pay your rent our Financial Inclusion team is here to help.

We can provide money and benefits advice, employment and training support and guidance on getting started on the internet and accessing low-cost computers.

If you would like more information on these services, please contact us via [www.firstwessex.org/contactus](http://www.firstwessex.org/contactus), or speak to your Neighbourhood Manager.

### New areas affected by Universal Credit

Universal Credit continues to be rolled out across the country, with Southampton, Eastleigh, Winchester and the New Forest now affected.

In the new year, East Hampshire and Rushmoor (8 February), Waverley and Guildford (15 February) and Fareham, Portsmouth, Gosport and Havant (28 March) will also be affected. People who are single and would normally claim Jobseeker's Allowance will have to claim Universal Credit once it is rolled out in their region.

Universal Credit is replacing Income Support, Income-related Employment and Support Allowance, Housing Benefit, Job Seekers Allowance (income based), Working Tax Credit and Child Tax Credit. It will be paid monthly and in arrears. Eventually all working-age

people who are claiming one or more of these benefits will have to make a claim.

To prepare, we would encourage you to work out a monthly budget and open a bank account. You should also ensure that you are comfortable using the internet as you need to claim online. More information is available on our website: [www.firstwessex.org/universalcredit](http://www.firstwessex.org/universalcredit)

# ARE YOUR HOME CONTENTS PROTECTED THIS WINTER?



Ask your local housing officer for a free information pack or call My Home Insurance on 0345 450 7288.

Terms and conditions, limits and exclusions apply. A copy of the policy wording is available on request.

The National Housing Federation My Home Contents Insurance Scheme is a product name arranged and administered on behalf of the National Housing Federation by Thistle Tenant Risks. A trading style of Thistle Insurance Services Limited, Lloyd's Broker, Authorized and Regulated by the Financial Conduct Authority. A JLT Group Company. Registered Office: The St Botolph Building, 130 Houndsditch, London, EC3A 7AW. Registered in England No 00339645. VAT No. 244 2321 96. The National Housing Federation is an Appointed Representative of Thistle Insurance Services Limited.



## Tree essentials



At First Wessex, we use a Tree Management Plan to help us manage the risks posed by trees.

We prioritise our tree maintenance by 'essential works' and manage our Tree Budget accordingly, which helps us to ensure that we maintain our duty of care to residents and others, who have access to our land.

### We would carry out essential works if:

- there is a risk of someone being injured
- there is a risk of someone's property being damaged

### We would not carry out non essential works, which includes the following:

- trees overhanging gardens
- trees reducing light into the property
- falling leaves and twigs in the garden
- trees perceived to look too big or too tall

## Path survey and grounds maintenance

Over the next six months, a company called "The Oxford Data Consultancy" (ODC) will be visiting our estates in Aldershot, Eastleigh and Portsmouth to video our communal areas to capture our grounds maintenance features and survey our paths. ODC will be carrying an authorisation letter and ID badge to confirm who they are, and can produce these on request.

## Planning to carry out home improvements?

We want you to be proud of your home and we recognise that you may want to make your own improvements either as a necessity (for example where an adaption to a home is required by a disabled resident) or for life style reasons (if you wish to install a new kitchen).

If you are planning any alterations or improvements to your home, you must first gain permission from First Wessex via your Neighbourhood Manager and provide any information we may ask to see regarding the work. At this point, we will look at our records and provide you with any information we have regarding your property to help you to carry out any invasive work safely (for example records of where hidden services are located). For more information, please view our Home Improvements Policy on our website.

## Could you be eligible for Warm Home Discount?

The government provides an allowance of £140 off electricity bills for those who are on a low income or on means tested benefits. The closing date for applications is 29 January 2016; however there is only a limited amount of funding available; so the sooner you apply the better. To find out if you could be eligible get in touch and receive a FREE visit from our Green Living team at [sustainability@firstwessex.org](mailto:sustainability@firstwessex.org) or contact us using the details on page 2

Our Green Living team can also help you by reviewing your energy bills, which could save you hundreds of pounds a year!

Ms G, who lives in Gosport, contacted our Green Living team, as she noticed that her water bills were particularly high and with assistance from our Green Living advisor, she received a refund of £670.

Mr B, from Portsmouth, was able to reduce his gas and electricity bills, and he successfully applied for Warm Home Discount, which resulted in a total saving of £570.





## 6 Tell me about...communities

### Stay Well This Winter

A new campaign has been launched by the NHS called 'Stay Well This Winter' to raise awareness of why it is important to look after ourselves in the colder months. Harsh weather conditions can be dangerous to your health, especially for those aged 65 and over, and those with long-term medical conditions.

Here are a few tips to help you stay well this winter:

- keep warm; ensure your home is

at least 18C and wear lots of thin layers, which will trap warm air better than one bulky layer

- get your flu jab; if you are aged 65 and over, or have a long-term health condition - it's free. Speak to your local pharmacist or GP for more information
- be remedy ready; check that your medicine cabinet is well-stocked for remedies of common winter ailments, such as coughs, colds, sore throat and ear ache. Ask your pharmacist for advice on what to buy. If your symptoms persist, book an appointment with your GP.



BELLEVUE 2014

### Finding the Silver Linings

Last month saw our third annual Housing Forum. We welcomed around 150 guests from across the housing sector to debate some of the biggest challenges facing housing.

They discussed how best to respond to the Government's latest announcements including the Right to Buy scheme, the need to make savings and the impact of changes to benefits, all under the theme of 'Silver Linings – Responses to Government Housing Policy'.

Guest speakers Emma Maier (Editor of Inside Housing Magazine - the sector's key publication), consultant Chris Wood and Alistair McIntosh (Chief Executive of the Housing Quality Network) all shared their views on how to make these

new government policies work best for residents.

New Chair of the First Wessex Board, Mike Kirk said: "Over the next four years, we (at First Wessex) will see a 14 per cent reduction in our income, so we need to focus our efforts on those who really matter - our residents - as everyone has the right to a good home."

Guests then put forward their questions to a 'Question Time' panel lead by First Wessex Chief Executive, Peter Walters.

### First Wessex breathes new life into a maritime landmark

The final resident has now moved into the newly refurbished Aggie Weston House in Edinburgh Road, Landport.

The regeneration project has breathed a new lease of life into the landmark building, which forms a precious piece of Portsmouth's maritime heritage.

Its distinguished history began in 1908 as the Duchess of Albany Sailors' and Soldiers' Home, and in 1951 it became home to Aggie Weston's, the much-loved sailors' support charity, founded in 1876. More recently, the Portsmouth Foyer, which provides support to vulnerable young adults, was based in the building until it moved to a purpose-built residence nearby.

Following careful renovation by First Wessex Homes, our building subsidiary, Aggie Weston House has been restored to its former glory as 29 high-quality affordable apartments for rent and shared ownership, plus a commercial unit. We are pleased to provide much-needed affordable homes close to the city centre and to mark a new chapter in the life of this prestigious building.



Aggie Weston CEO, Rvd Simon Springett (left), with First Wessex and First Wessex Homes employees

### Changes to alternative formats

We have been busy collecting valuable information about our residents to help shape our services. This has included information about whether residents require information in an alternative format, because of a disability or learning difficulty.

This information has shown us that the majority of residents who require communications to be in large print need the text size to be maximum of font 16. As a result, we have now changed our standard large print font size to font size 16, in order to meet our legal requirements and in future all large print documents will be printed in this font size.

This new approach will enable us to quickly and easily send letters and communications to residents in large-print format if required. We will be continuing to work alongside our Disability Panel to review our approaches and we will keep you informed of any updates in future editions of Open Door.

# Tell me about...value for money 7

## Don't let loan sharks ruin Christmas!

Christmas can be a very expensive time of year and it can be very tempting for a quick and easy fix, such as borrowing money from a door-step lender or loan shark. People who borrow from loan sharks are likely to incur very high interest rates, and sometimes bullying tactics may be used to reclaim the loan.

Here are some tips to help you spot a loan shark:

- there may be little or no paperwork offered with the loan
- your debt could be increased, without your permission
- they may refuse to tell you how much you still owe and what the interest rate is
- security items could be taken as deposits, such as a passport, bank card or driving license
- they may not allow you to settle your debt
- they may use bullying and intimidation.

If you would like help managing your money, our Money Advice and Benefits team can provide free financial advice. For contact details see page 2.

If you feel that a loan is the only option for you, we have partnered with My Home Finance to offer a safer alternative to door-step loans. For more information please contact 01902 711471 and speak to a dedicated loans officer.



Thanks  
to  
YOU

## Changing services thanks to your feedback

# Annual Customer Opinion Survey

Thank you for completing our Customer Opinion survey, we've really valued your feedback. Your feedback will help us put together action plans and look at what needs to be done to help improve our services.

For example, your feedback has enabled us to install extra bins to help reduce litter and we've identified where communal areas need repainting. If you would like to have the opportunity to improve your local area please keep a look out for the Annual Customer Opinion Survey as over the next few months we will be contacting our residents based in Bursledon, Aldershot, Winchester and Cosham.

By taking part in the survey you will be entered into a quarterly prize draw and could have a chance of winning £50 in high street gift vouchers.

*Congratulations to Miss H from the Heron Wood estate, Mr B from West End & Ms B from Rowner who each won £50 in high street gift vouchers in our quarterly prize draw for completing their Annual Customer Opinion Survey!*

## 'Your Voice'

'Your Voice' provides an opportunity for residents to be informally involved in improving our services. Since autumn, 'Your Voice' has helped:

- make improvements to the 'My First Wessex' self service portal, by making it quicker and easier to sign into the portal direct
- amend the rent balance on the self-service portal so that it appears in red, should the customer be in arrears



- produce an anti-social behaviour fact sheet, which is now available on our website and in tenancy packs.

Other exciting 'Your Voice' projects currently underway are:

- a review of resident's expectations when contacting our Customer Service contact centres
- assisting in the retendering of our window cleaning contracts.

If you would like the chance to be involved in future 'Your Voice' projects or are just happy to be contacted to provide feedback please complete an online application form at [www.firstwessex.org/YourVoice](http://www.firstwessex.org/YourVoice) or contact a member of the Resident Involvement Team on 01252 368708.

## Learning from resident feedback

Over the past quarter (July 2015 to the end of September 2015) we have received:

- 200 formal complaints (down four from the previous quarter)
- 201 compliments (up two from the previous quarter)
- 8 suggestions about improvements to our services
- 7 pieces of feedback about our policies.

How have we learnt from your feedback?

**1. Notification letters or emails are now being sent to residents to advise whether external contractors will be used to deliver planned works in a residents' home.**

**2. We are reviewing our website and 'My First Wessex' self-service portal to ensure that information is provided about our 'Call Out' service.**

## 8 Fun and facts

### Quick and easy ways to pay your rent

- 1 Direct Debit** - Arrange for your rent to come out regularly from your bank account by setting up a Direct Debit. Ask us for a form or download one on our website
- 2 Online** - Use our website ([www.firstwessex.org](http://www.firstwessex.org)). It's safe, secure and only takes a few minutes. Visit our 'Pay my rent' page and login or register
- 3 Phone** - Call our automated payment number (available 24 hours a day, seven days a week) on 0800 092 8920. You'll need your tenancy start date, tenancy number, and debit card to hand
- 4 Standing order** - To set up regular standing order payments, ask us for a form or download one from our website
- 5 Cash** - At any Post Office or shop displaying the PayPoint logo,



using your rent payment card

- 6 Mobile app** - Download the Allpay Payment app. For more information visit [www.allpay.net/allpay-payment-app](http://www.allpay.net/allpay-payment-app)

- 7 Mobile phone text messaging** - Register at [www.allpayments.net/textpay](http://www.allpayments.net/textpay)



### Leftover Christmas trifle

This yummy trifle is great for Christmas pudding leftovers; to make it your own, why not add any leftover fruit and grated chocolate.

#### Here's what you'll need...

- 3 sliced oranges (don't forget to keep some peel for later)
- 1 small chopped pineapple
- 1 tsp granulated sugar
- 120g cherry jam
- 300g leftover Christmas pudding
- 500g custard
- 284ml double cream
- 15g shaved dark chocolate

#### Here's what to do...

1. Mix together the oranges, pineapple and sugar in a bowl and set aside.
2. In a separate bowl, break up the Christmas pudding into large chunks and press firmly into the base. Pour over the custard and allow this to set in the fridge for around 3 hours.
3. When the custard has set, spoon on the cherry jam and add the oranges, pineapple and sugar.
4. Top off with whisked whipped cream and decorate with chocolate shavings and grated orange peel.

## Get 25% off a computer!

To help residents get online, we're working with TechStart in Aldershot, and Jamie's Computers in Southampton to offer computers at very low prices. We're even giving you 25% off your purchase when you buy a starter laptop or desktop computer!

Just take this voucher along to Jamie's (Unit 32, Mount Pleasant Industrial Estate, Mount Pleasant Road, Southampton, SO14 0SP) or TechStart (Unit 15, the Galleries, Aldershot, GU11 1PE) before **31 March 2016** to claim your discount.

Name:

Address:

Telephone:



First Wessex residents only. One voucher per person. This voucher has no cash value. Offer closes 31 March 2016.

## Competition time!

Have you spotted the Christmas trees in this edition of Open Door? We've hidden some across the pages – tell us how many there are to be in with a chance of winning £25 of high street vouchers!

Win  
£25!

To enter, send your answer along with your name and address by email to [competition@firstwessex.org](mailto:competition@firstwessex.org), or in the post to PR & Comms, First Wessex, Peninsular House, Wharf Road, Portsmouth PO2 8HB. Entries must be received by **Monday 2 February 2016**.

**Meeting:** RBC Community Panel Update – 4 February 2016

**Subject:** Customer Annual Opinion Survey (STAR) – 2014/15 Results

**Executive Summary:**

In April 2014 First Wessex commissioned the 2014/15 Annual Customer Opinion Survey programme. The Annual Customer Opinion Survey was constructed adopting the STAR methodology, the STAR question suite and in consultation with the relevant service heads and residents.

Over a 12 phase approach, broken down into estates, residents living in General Needs, Older Persons', Supported, and Leaseholder / Shared Owner accommodation were contacted by to provide feedback.

This paper outlines the key findings from the 2014/15 survey programme.

## 1 Introduction

1.1 In N. Hants 5,498 residents were invited to take part in the 2014/15 Annual Customer Opinion Survey. In total 1,108 surveys were returned, a return rate of 20%.

1.2 The below table illustrates the tenancy make up of responses to the 2014/15 campaign and how this compares to the profile of First Wessex's N. Hants stock.

	General Needs	Older Persons	Supported	Home Ownership
Survey	73%	16%	0.2%	11%
Stock Profile	79%	8%	0.1%	13%

*Stock data – sourced January 2016*

1.3 The below table illustrates the gender profile of those that engaged with the campaign and how this compares to the First Wessex's N. Hants resident profile.

	Male	Female
Survey	40%	60%
CI Profile	40%	60%

*Customer Insight data – sourced January 2016*

1.4 The below table illustrates the age profile of those that engaged with the campaign and how this compares to the First Wessex's N. Hants resident profile.

	24 and under	25-45	46-64	65+	Unknown
Survey	1%	18%	30%	47%	4%
CI Profile	2%	31%	32%	22%	13%

*Customer Insight data – sourced January 2016*

- 1.5 This data indicates that the feedback from the 2014/15 campaign is under representative of the younger age profiles, in particular 25 to 45 year olds, and over representative of the oldest age profile (65+).
- 1.6 Steps were taken for the 2014/15 survey to encourage younger demographics in engaging with the campaign including a prize draw incentive and the ability to complete the survey electronically, via email. A 1% increase in the overall return was noted however this did not result in any significant increases in the response by younger demographics. Steps have been taken for the 2015/16 campaign to encourage younger demographics including ICT developments to make surveys accessible by tablets/mobile phones, shorter versions of the survey and conducting targeted phone calls to these younger demographics.
- 1.7 The below table illustrates the disability profile of those that engaged with the campaign and how this compares to the First Wessex's N. Hants resident profile.

	Has Disability	No Disability
Survey	37%	63%
CI Profile	21%	79%

*Customer Insight data – sourced January 2016*

- 1.8 The below table illustrates the ethnicity profile of those that engaged with the campaign and how this compares to the First Wessex's N. Hants resident profile.

	White	BAME	Unknown
Survey	88%	4%	8%
CI Profile	71%	4%	25%

*Customer Insight data – sourced January 2016*

- 1.9 The below table illustrates the sexuality of those that engaged with the campaign and how this compares to the First Wessex's N. Hants overall resident profile.

	Heterosexual	Gay/Lesbian/Bisexual/Other	Unknown
Survey	74%	2%	24%
CI Profile	56%	1%	43%

*Customer Insight data – sourced January 2016*

- 1.10 The below table illustrates the religious belief of those that engaged with the campaign and how this compares to the First Wessex's N. Hants resident profile.

	Known Religion	None	Unknown
Survey	59%	21%	20%
CI Profile	34%	25%	41%

*Customer Insight data – sourced January 2016*

## 2 Key Findings - Core STAR Questions

- 2.1 The STAR methodology covers satisfaction with seven core questions. These questions must be included in the STAR survey to be in line with its methodology.
- 2.2 Below is the summary of N.Hants performance against the core questions. Included is an indication of performance movement, positive or negative, compared to the 2013/14 survey:

- 82% satisfied with the service provided by First Wessex (↓ 4%)
- 84% satisfied with the overall quality of their home (↑ 2%)
- 84% satisfied with the neighbourhood as a place to live (↓ 1%)
- 82% satisfied that rent provides value for money (↓ 1%)
- 68% satisfied that service charges provide value for money (↑ 2%)
- 76% satisfied with repairs and maintenance (↓ 1%)
- 67% satisfied that the landlord listens to views and acts upon them (↓ 4%)

## 3 Outcomes

- 3.1 Following the completion of each phase of the programme meetings were held with key staff to discuss common themes and trends. From these meetings estate lead action plans are agreed to improve performance against key performance measures. These actions are recorded and monitored in an outcome log.
- 3.2 During the 2013/14 Annual Survey programme 214 improvement actions were identified of which 170 actions (79%) are now complete.
- 3.3 To address the satisfaction decline on the measure '*listens to views and acts upon them*' further consultation work was carried out with those residents who scored First Wessex poorly on this measure. This campaign was commissioned to identify the root causes for the dissatisfaction and inform improvement plans.
- 3.4 The insight provided from the engagement campaign suggested that some dissatisfaction was linked to customers being unhappy with the more consistent implementation and enforcement of First Wessex neighbourhood management policies such as the Pet and Fire Safety policies.
- 3.5 The insight also identified customer dissatisfaction with the way in which enquires were handled, where some customers felt that First Wessex were slow to provide responses, staff were not able to answer the enquiry at the first point of contact or requests for call backs were not met in a timely manner.
- 3.6 As a result of the above, investment is being made in developing a consistent Customer Relationship Management culture and developing the supporting ICT systems to improve the accessibility of information to staff to enable them to be better able to offer a first contact resolution to enquiries.

3.7 In addition to the above, the intelligence gathered via the 2014/15 Annual Survey has been used to guided strategic planning (Corporate and Departmental Planning), inform the Asset Review process and been used for the Annual Report to Residents and by the Performance Review Panel.

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**023 8068 8992**  
**20 January 2016**

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# 1. Repairs

## 1.1 Home Maintenance - Responsive Repairs (Qtr)

Responsive Repairs % Completed in Target  
Immediate (4 Hrs)

Period	Actual	Target	Year end	RAG	Volume of lates
					Actual
Q3 15/16	99.9	99.7	100.0	↑	1
Q2 15/16	99.7	99.7	100.0	↓	4
Q1 15/16	99.8	99.7	100.0	↓	3
Q4 14/15	100.0	99.7	100.0	→	1

Responsive Repairs % Completed in Target  
Emergency (24 Hrs)

Period	Actual	Target	Year end	RAG	Volume of lates
					Actual
Q3 15/16	99.9	99.5	99.4	↑	3
Q2 15/16	99.1	99.5	99.4	↓	18
Q1 15/16	99.8	99.5	99.4	↑	4
Q4 14/15	99.4	99.5	99.8	↓	15

Responsive Repairs % Completed in Target  
Urgent (5 days)

Period	Actual	Target	Year end	RAG	Volume of lates
					Actual
Q3 15/16	96.3	98.4	91.4	↑	184
Q2 15/16	94.5	98.4	91.4	↓	240
Q1 15/16	95.4	98.4	91.4	↑	185
Q4 14/15	91.4	98.4	87.5	↑	448

Responsive Repairs % Completed in Target  
Routine (22 days)

Period	Actual	Target	Year end	RAG	Volume of lates
					Actual
Q3 15/16	95.7	98.2	90.7	↑	360
Q2 15/16	92.2	98.2	90.7	↑	696
Q1 15/16	91.2	98.2	90.7	↑	862
Q4 14/15	90.7	98.2	88.8	↓	955

All Repairs % Completed in Target  
(Weighted Average)

Period	Actual	Target	Year end	RAG	Volume of lates
					Actual
Q3 15/16	96.7	98.4	92.9	↑	548
Q2 15/16	94.2	98.4	92.9	↑	958
Q1 15/16	93.8	98.4	92.9	↑	1054
Q4 14/15	92.9	98.4	90.8	↓	1419

Average Responsive Repair  
Completion Time (days)

Period	Actual	Target	Year end	RAG	Benchmark	Vol. of Completed Jobs
						Actual
Q3 15/16	7.8	9.1	9.2	↑	9.6	16717
Q2 15/16	9.2	9.1	9.2	↓	9.6	16411
Q1 15/16	9.0	9.1	9.2	↑	9.6	16925
Q4 14/15	9.2	9.2		↓	9.2	19880

### Responsive Repairs Comments:

Immediate and Emergency performance are both up on Q2, and meeting overall target. Urgent and Routine, whilst not meeting target are both improved on Q2. However due to previous quarters performance we will not achieve target times at year end.

# 1. Repairs

## 1.2 Home Maintenance - Appointments & Scheduling (Qtr)

### % Appointments Kept to Target

Period	Actual	Target	Year end	RAG
Q3 15/16	99.3	99.0	99.4	↓
Q2 15/16	99.4	99.0	99.4	↓
Q1 15/16	99.5	99.0	99.4	↑
Q4 14/15	99.4	97.5	99.6	↓

### Volume of Appointments Made

Period	Actual
Q3 15/16	21131
Q2 15/16	18998
Q1 15/16	17910
Q4 14/15	22855

### Volume of Appointments Kept

Period	Actual
Q3 15/16	20979
Q2 15/16	18889
Q1 15/16	17826
Q4 14/15	22675

### % Responsive Repairs Completed Right First Time

Period	Actual	Target	Year end	RAG
Q3 15/16	96.2	96.0	96.6	↑
Q2 15/16	95.9	96.0	96.6	↑
Q1 15/16	95.7	96.0	96.6	↓
Q4 14/15	96.6	89.0	94.7	↑

### Appointments & Scheduling Comments:

Appointments kept has been adversely affected by a number of factors including operative sickness, holiday and severe staff shortages within the Planning teams.

## 1.3 Home Maintenance - Void Turnaround Time (Qtr)

### Minor Void Turnaround Time (General Needs)

Period	Actual	Target	RAG
Q3 15/16	10.6	10.0	↓
Q2 15/16	9.7	10.0	↑
Q1 15/16	11.5	10.0	-

### Major Void Turnaround Time (General Needs)

Period	Actual	Target	RAG
Q3 15/16	30.8	35.0	↑
Q2 15/16	34.6	35.0	↓
Q1 15/16	30.1	35.0	-

### Void Turnaround Time Comments:

Minor void turnaround time performance in Q3 has dropped slightly below target. This is due to the high volume of voids that were received. Major void turnaround times are below target and have improved since Q2, despite high volumes.

A service review is due to take place in Feb 2016 and will be part of the Lean Review of the service that is being carried out.

## 2. Housing

### 2.1.1 Income - General Needs (Qtr)

Current Arrears % (YTD) - General Needs Net of Unpaid Housing Benefit

Period	Actual	Target	Year end	RAG	Benchmark
Q3 15/16	2.9	2.7	3.0	↑	1.8
Q2 15/16	3.0	2.7	3.0	↓	1.8
Q1 15/16	2.8	2.7	3.0	↑	1.8
Q4 14/15	3.0	2.2	2.7	↑	2.0

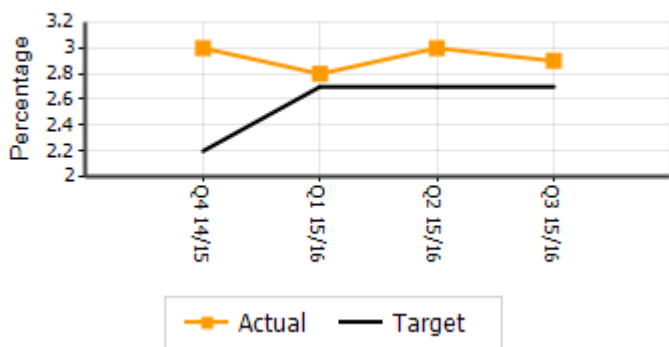
Stock Count - General Needs

Actual
13323
13302
13201
13097

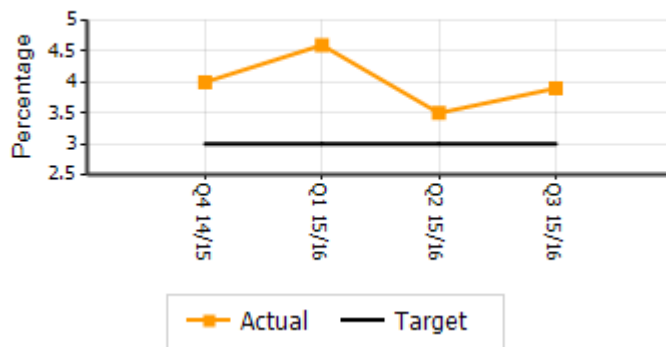
Current Arrears % (YTD) - General Needs Quarter End

Period	Actual	Target	Year end	RAG	Benchmark
Q3 15/16	3.9	3.0	4.0	↓	3.0
Q2 15/16	3.5	3.0	4.0	↑	3.0
Q1 15/16	4.6	3.0	4.0	↓	3.0
Q4 14/15	4.0	3.0	3.8	↓	3.2

Current Arrears % (YTD) - GN Net of Unpaid HB



Current Arrears % (YTD) - GN Quarter End



#### Income Comments:

Arrears (HB low weeks, in line with Housing Benefit payments) have decreased since Q2 but remain off-target. There was a downward trend in November, which was maintained through to the end of Q3. This is against the trend of the previous two years, which each had increases of 0.1% between these periods.

We have seen a slight increase in arrears for our Affordable rents and residents affected by the Spare Room Subsidy. This continues to be a focus for the Income team.

There have been 14 evictions due to rent arrears in Q3: three were cases where arrears were over £3k and three were over £2k arrears. Seven were as a result of outright possession and three were breached suspended possession orders; no stay applications were made for these cases.

## 2. Housing

### 2.1.2 Income - Care & Support Current Arrears % (YTD) (Qtr)

Designated Elderly Net of Unpaid Housing Benefit					Quarter End %	Stock Count
Period	Actual	Target	Year end	RAG	Actual	Actual
Q3 15/16	0.6	0.5	0.6	↑	1.7	538
Q2 15/16	0.7	0.5	0.6	↑	2.9	538
Q1 15/16	0.9	0.5	0.6	↓	2.7	538
Q4 14/15	0.6	0.5	0.7	↑	1.7	538

Sheltered Net of Unpaid Housing Benefit					Quarter End %	Stock Count
Period	Actual	Target	Year end	RAG	Actual	Actual
Q3 15/16	0.9	1.2	1.0	↑	2.3	653
Q2 15/16	1.0	1.2	1.0	↑	2.3	614
Q1 15/16	1.1	1.2	1.0	↓	3.2	614
Q4 14/15	1.0	1.5	1.5	↑	2.3	614

Extra Care Net of Unpaid Housing Benefit					Quarter End %	Stock Count
Period	Actual	Target	Year end	RAG	Actual	Actual
Q3 15/16	0.6	0.5	0.5	↑	1.8	191
Q2 15/16	0.7	0.5	0.5	-	1.7	191
Q1 15/16	0.7	0.5	0.5	↓	2.7	191
Q4 14/15	0.5	0.9	1.0	↑	1.6	191

Directly Managed Net of Unpaid Housing Benefit					Quarter End %	Stock Count
Period	Actual	Target	Year end	RAG	Actual	Actual
Q3 15/16	3.4	4.0	3.6	↑	5.0	368
Q2 15/16	3.8	4.0	3.6	↓	4.0	384
Q1 15/16	3.6	4.0	3.6	-	5.8	379
Q4 14/15	3.6	4.0	3.3	↑	4.4	393

Partnerships Net of Unpaid Housing Benefit					Quarter End %	Stock Count
Period	Actual	Target	Year end	RAG	Actual	Actual
Q3 15/16	4.2	3.0	3.8	↓	4.9	129
Q2 15/16	0.9	3.0	3.8	↑	1.0	135
Q1 15/16	1.6	3.0	3.8	↑	2.1	174
Q4 14/15	3.8	2.0	4.1	↓	3.5	173

### Income Comments:

#### Comments:

**Designated Elderly:** Arrears levels are above target, but have reduced from Q2. The majority of arrears remain under five weeks, with only five cases over five weeks; a reduction from Q2. Close monitoring of cases to ensure continual reduction has been achieved. 2014/15 saw an increase between Q2 and Q3 with arrears in Q3 at 0.8%.

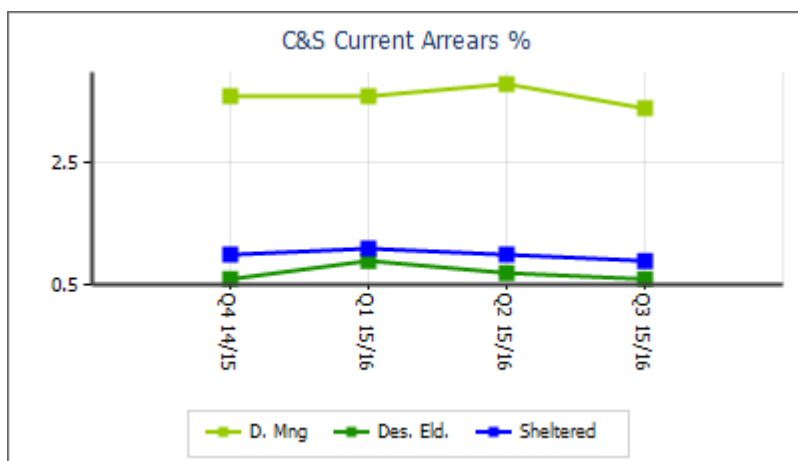
**Sheltered:** The target has been exceeded and there has been a reduction in arrears from Q2. This is also a reduction from arrears as at Q3 2014/15 when they were at 1.2%.

**Extra Care:** Arrears have reduced since Q2 but remain off target. The majority of cases are under five weeks, with only two cases over five weeks, both of which should be resolved in Q4. The arrears level is the same as in Q3 2014/15.

**Directly Managed:** Arrears have reduced since Q2 and are below target. 2014/15 saw an increase between Q2 and Q3 with arrears in Q3 at 4.2%.

**Partnerships:** Off target and increase from Q2. Some accounts missed being invoiced for quarterly charges to the managing agents. Income and Finance are working together to resolve these issues. This is an increase in arrears as at Q3 2014/15 when they were 3.3% and had seen a downward trend from Q2.

There have been two evictions due to rent arrears in Q3, both were hostel licenses.



## 2. Housing

### 2.1.3 Income - Universal Credit (Qtr)

#### Number of Tenants Moved to Universal Credit in Period

Period	Actual
Q3 15/16	8
Q2 15/16	3
Q1 15/16	1

#### % Tenants\* Receiving Universal Credit

Period	Actual
Q3 15/16	0.05
Q2 15/16	0.02
Q1 15/16	0.00

\* Includes all dwellings, except Owner Occupier and Older Persons business types.

#### Universal Credit Comments:

We have a total of eleven Universal Credit cases (which includes one joint claim). Universal Credit has currently rolled-out in Southampton, Eastleigh, Winchester and New Forest. East Hants, Rushmoor, Waverly and Guildford are due to go live in February 2016 and Fareham, Portsmouth, Gosport and Havant are set to go live in March 2016.

The arrears outstanding for all Universal Credit cases are 7.93%. Arrears based on balances pre Universal Credit were 5.38%.

Two Universal Credit claims are on Alternative Payment Arrangements (APAs). One was applied for by the resident and support worker, due to vulnerability issues and one was applied for by First Wessex, due to arrears being over two months. We have requested payment towards the rent but not arrears, as we are working with the resident to maintain arrears payments to help them take responsibility. If payments are not maintained as agreed then a third party deduction application will be made for payments towards arrears.

The Financial Inclusion Manager has been working closely with the Customer Services team to ensure that they have a solid understanding of Universal Credit, in their capacity as first point of contact.

## 2. Housing

### 2.2.1 Lettings - General Needs (Qtr)

Average Number of Days to Re-Let General Needs

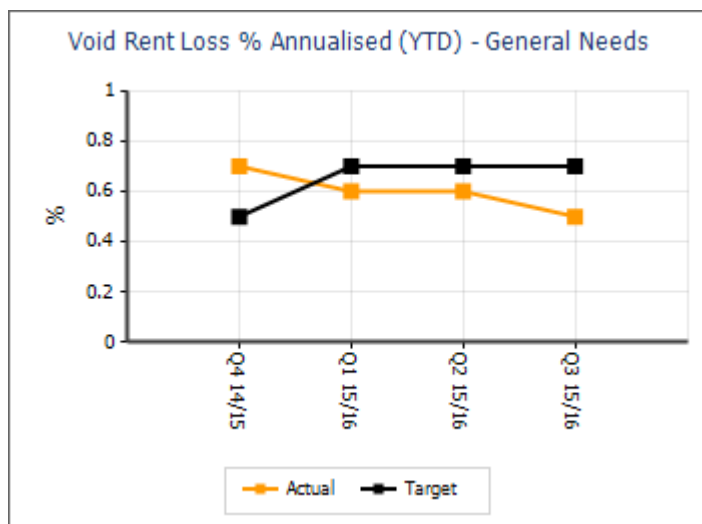
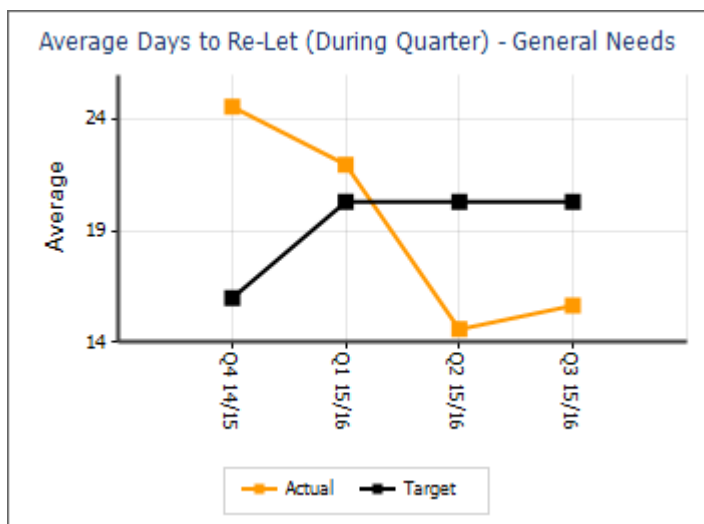
Period	Actual	Target	Year end	RAG	Benchmark
Q3 15/16	15.7	20.3	24.6	↓	24.2
Q2 15/16	14.6	20.3	24.6	↑	24.2
Q1 15/16	22.0	20.3	24.6	↑	24.2
Q4 14/15	24.6	16.0	27.5	↓	23.4

Stock Count

Actual
13323
13302
13201
13097

Void Rent Loss % Annualised (YTD) General Needs

Period	Actual	Target	Year end	RAG	Benchmark
Q3 15/16	0.5	0.7	0.7	↑	0.8
Q2 15/16	0.6	0.7	0.7	-	0.8
Q1 15/16	0.6	0.7	0.7	↑	0.8
Q4 14/15	0.7	0.5	0.6	-	0.8



#### Lettings Comments:

Identified from the Lean Review, process changes were launched in October within Operations and Property Services. These process changes are currently being implemented and measured by the Lettings Manager and the Lean Project Team. The voids process Lean Thinking Review is due to commence in February 2016.

General needs re-let performance in Q3 has continued to exceed target.

An implementation plan is in place for the Void Property Standard, which will launch in February 2016. For the first three months, a pilot will be undertaken regarding the provision of decoration vouchers to residents, which will be closely monitored by the Lettings Manager to assess any impact on the rate of refusals.

Following the Orchard Audit Day, a report has recommended improved usage of the Orchard housing management system. This is being progressed with support from ICT.

## 2. Housing

### 2.2.2 Lettings - Care & Support (Qtr)

**Average Number of Days to Re-Let Housing for Older People**

Period	Actual	Target	Year end	RAG
Q3 15/16	15.7	30.0	41.7	↑
Q2 15/16	22.2	30.0	41.7	↑
Q1 15/16	37.9	30.0	41.7	↑
Q4 14/15	41.7	30.0	46.7	↓

**Stock Count**

Actual
1382
1343
1343
1343

**Void Rent Loss % Annualised (YTD) Housing for Older People**

Period	Actual	Target	Year end	RAG
Q3 15/16	0.6	1.0	0.9	↑
Q2 15/16	0.7	1.0	0.9	-
Q1 15/16	0.7	1.0	0.9	↑
Q4 14/15	0.9	1.0	1.4	-

**Average Number of Days to Re-Let Partnerships**

Period	Actual	Target	Year end	RAG
Q3 15/16	112.0	25.0	21.0	-
Q2 15/16	0.0	25.0	21.0	
Q1 15/16	28.0	25.0	21.0	↓
Q4 14/15	21.0	25.0	0.0	↓

**Stock Count**

Actual
129
135
174
173

**Void Rent Loss % Annualised (YTD) Partnerships**

Period	Actual	Target	Year end	RAG
Q3 15/16	0.8	3.8	1.6	↓
Q2 15/16	0.6	3.8	1.6	↑
Q1 15/16	2.9	3.8	1.6	↓
Q4 14/15	1.6	3.8	1.4	↑

**Average Number of Days to Re-Let Hostels**

Period	Actual	Target	Year end	RAG
Q3 15/16	27.0	25.0	31.9	↑
Q2 15/16	33.0	25.0	31.9	↑
Q1 15/16	34.7	25.0	31.9	↓
Q4 14/15	31.9	25.0	24.6	↓

**Stock Count**

Actual
368
384
379
393

**Void Rent Loss % Annualised (YTD) - Hostels & Temporary Accommodation**

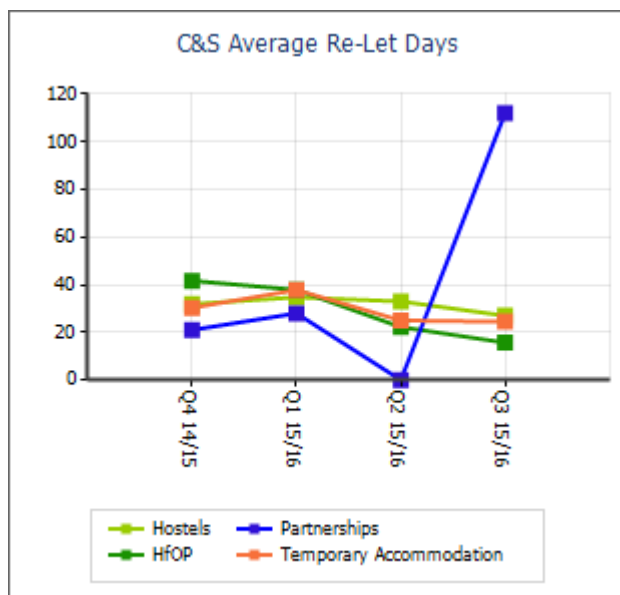
Period	Actual	Target	Year end	RAG
Q3 15/16	7.8	6.0	7.9	↑
Q2 15/16	12.6	6.0	7.9	↓
Q1 15/16	11.5	6.0	7.9	↓
Q4 14/15	7.9	6.0	6.6	↑

**Average Number of Days to Re-Let Temporary Accommodation**

Period	Actual	Target	Year end	RAG
Q3 15/16	24.5	25.0	30.3	↑
Q2 15/16	25.0	25.0	30.3	↑
Q1 15/16	37.8	25.0	30.3	↓
Q4 14/15	30.3	25.0	26.6	↓

**Stock Count**

Actual
52
52
52
52



## 2. Housing

### 2.2.2 Lettings - Care & Support (Qtr)

#### Lettings Comments:

##### HfOP:

As detailed in the Lettings commentary for General Needs, process changes are currently being implemented and measured under the Lean Review. This has led to continued improvement in performance for Housing for Older Persons, which exceeded target at the end of the quarter.

##### Supported Directly Managed - Hostels:

Performance within Hostels has shown an improvement at the end of Q3. Regular panel meetings are ongoing with support providers, in an effort to identify suitable nominees, and where these are not forthcoming we are continuing to work with Local Authority partners to review potential nominees.

Properties listed under Partnerships has seen a spike in performance, due to the letting of two long-term voids at Stella Maris House, totalling 258 re-let days.



**Meeting: RBC Scrutiny Meeting**

**Subject: Core Benchmarking – 2014/15 Actuals**

**Executive Summary:**

This report has been produced to share the findings of the core benchmarking exercise undertaken in 2014/15.

**Please note:**

- HouseMark core benchmarking is carried out between June and September every year. This report presents the published results for 2014/15.
- The peer group used for comparison is the southern region housing associations, consisting of 57 peers.
- Benchmarking is carried out at a First Wessex level only. As a result, there is no equivalent local area cost comparison breakdown available.
- A comparison of costs and performance against 2012/13 and 2013/14 is included with the 2014/15 outputs.

## 1 Key Results for Repairs & Maintenance

### 1.1 Responsive Repairs

Responsive Repairs	2014/15		2013/14		2012/13	
	Actuals	FW Quartile	Actuals	FW Quartile	Actuals	FW Quartile
Responsive Repairs (Service)	£679	●	£566	●	£534	●
Responsive Repairs (Management)	£105	●	£75	●	£50	●
Average Cost of a Responsive Repair (£)	£150	●	£135	●	£128	●
Satisfaction with repairs and maintenance	76	●	80	●	81	●
Average no. of calendar days taken to complete a repair	10.4	●	9.1	●	9.2	●
Average no. of Responsive Repairs per property	5.3	●	5.0	●	4.4	●
Responsive repairs (service % of total cost)	24.2	●	24.3	●	26.4	●

Appointments kept % of appointments made	99.4		99.4		99.0	
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Quartile Key	<b>Q1</b>	<b>Q2</b>	<b>M</b>	<b>Q3</b>	<b>Q4</b>

## 1.2 Cyclical Maintenance

Cyclical Maintenance	2014/15		2014/15		2012/13	
	Actuals	FW Quartile	Actuals	FW Quartile	Actuals	FW Quartile
Direct CPP Cyclical (Service Provision)	255		£256		£224	
Direct CPP Cyclical (Management)	£12		£9		£8	
% satisfaction with quality of home	84.0		82.0		82.2	
% properties with valid gas certificates (CP12's)	100		98.2		99.3	

Quartile Key	<b>Q1</b>	<b>Q2</b>	<b>M</b>	<b>Q3</b>	<b>Q4</b>

## 1.3 Voids

Voids	2014/15		2013/15		2012/13	
	Actuals	FW Quartile	Actuals	FW Quartile	Actuals	FW Quartile
Direct CPP Voids (Service)	£126		£134		£152	
Direct CPP Voids (Management)	£15		£8		£7	
Average re-let time	28.2		24.3		20.6	
Void Rent Loss (%)	0.8		0.7		0.6	
Average Cost of a Void Repair	£1,834		£1,795		£1,701	

% of units re-let during the year	5.6		4.9		4.9	
% of units available for letting but vacant at year-end	0.5		0.4		0.4	
% of units unavailable for letting and vacant at year end	1.7		1.0		2.2	

Quartile Key	<b>Q1</b>	<b>Q2</b>	<b>M</b>	<b>Q3</b>	<b>Q4</b>

#### 1.4 Major Works

Major Works	2014/15		1213/14		2012/13	
	Actuals	FW Quartile	Actuals	FW Quartile	Actuals	FW Quartile
Direct CPP of Major Works (Service Provision)	£1550		£1255		£974	
Direct CPP of Major Works (Management)	67		£48		£53	
Decent Homes Standard failures (%)	0		0		0	
Average SAP rating	69.2		68.6		67.3	

Quartile Key	<b>Q1</b>	<b>Q2</b>	<b>M</b>	<b>Q3</b>	<b>Q4</b>

#### 1.5 Housing Management

Housing Management Overall	2014/15		2013/14		2012/13	
	Actuals	FW Quartile	Actuals	FW Quartile	Actuals	FW Quartile
Direct CPP Housing Management (GN & HfOP)	£257		£273		£282	

Quartile Key	<b>Q1</b>	<b>Q2</b>	<b>M</b>	<b>Q3</b>	<b>Q4</b>

## 1.6 Rent Arrears & Collection

Rent Arrears & Collection	2014/15		2013/14		2012/13	
	Actuals	FW Quartile	Actuals	FW Quartile	Actuals	FW Quartile
Direct Cost Per Property (CPP)	£75		£99		£103	
Evictions due to rent arrears (%)	0.32		0.21		0.24	
Current tenant arrears (%) at Year End	3.9		3.7		3.4	
Current tenant arrears (%) (Net of unpaid Housing Benefit)	2.8		2.5		2.2	
Former tenant arrears (%)	1.2		1.0		0.7	
Write offs (%)	0.03		0.07		0.29	
Rent collected % (exc. current arrears brought forward)	99.5		99.0		99.5	

Quartile Key	Q1	Q2	M	Q3	Q4

## 1.7 Anti-Social Behaviour (ASB)

Anti-Social Behaviour (ASB)	2014/15		2013/14		2012/13	
	Actuals	FW Quartile	Actuals	FW Quartile	Actuals	FW Quartile
Direct Cost Per Property (CPP)	£46		£31		£33	

Quartile Key	Q1	Q2	M	Q3	Q4

## 1.8 Lettings

Lettings	2014/15		2013/14		2012/13	
	Actuals	FW Quartile	Actuals	FW Quartile	Actuals	FW Quartile
Direct CPP of Lettings	£37		£25		£27	
Average re-let time (days)	28.2		24.3		20.6	
Void rent loss %	0.8		0.7		0.6	
% of units re-let during the year	5.6		4.9		4.9	
% of units available for letting but vacant at year-end	0.5		0.4		0.4	

Quartile Key	Q1	Q2	M	Q3	Q4

## 1.9 Tenancy Management

Tenancy Management	2014/15		2013/14		2012/13	
	Actuals	FW Quartile	Actuals	FW Quartile	Actuals	FW Quartile
Direct Cost Per Property (CPP)	£62		£73		£73	
Tenancy Turnover %	6.0		6.1		7.2	
% satisfaction overall GN & HfOP	84.0		87.3		88.5	

Quartile Key	Q1	Q2	M	Q3	Q4

## 2.0 Other Supporting Information

### 2.1

Customer Service	2014/15		2013/14		2012/13	
	Actuals	FW Quartile	Actuals	FW Quartile	Actuals	FW Quartile
Complaints: Satisfied with outcome (%)	68		64		71	
Inbound calls – response time (secs)	49		113		40	

Quartile Key	Q1	Q2	M	Q3	Q4

### 2.2

Financial PI's	2014/15		2013/14		2012/13	
	Actuals	FW Quartile	FW Quartile	Actuals	FW Quartile	
Debt Per Unit Managed	£33,264		£31,716		£30,337	
Leverage Net Adjusted (%)	50.1		51.5		49.7	

Quartile Key	Q1	Q2	M	Q3	Q4

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20<sup>th</sup> January 2016



**RUSHMOOR BOROUGH COUNCIL  
COMMUNITY POLICY AND REVIEW PANEL  
4 FEBRUARY 2016**

**FIRST WESSEX – SUNDRY INFORMATION**

<b>Question:</b>	<b>1 Apr 14 – 31 Mar 15</b>	<b>1 Apr 15 – 30 Sept 15</b>
Percentage of voids offered through Rushmoor's Homefinder service – General Needs and HFoP:	94%	88%
Percentage of Properties to decent homes standard	100%	100%
Housing Management costs for General Needs and HFoP (Housing for Older People) units		£355