

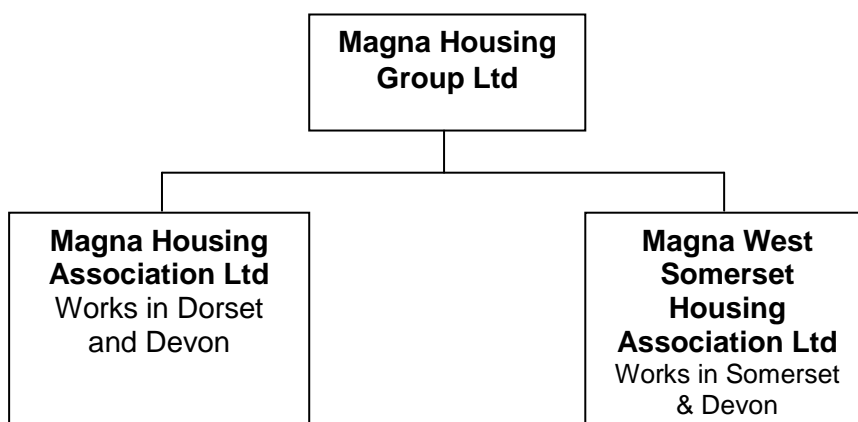
## ANNUAL MAGNA WEST SOMERSET REPORT TO EXMOOR PANEL

19 JANUARY 2016

### What is Magna West Somerset (MWS) and what is its role?

1. MWS owns and manages 2335 mainly rented homes, 87% of which are located in West Somerset. MWS is an independent and charitable housing association. Magna Housing Group has a Board of 9 voluntary members. The role of the Board is to set the direction for the association, to agree its Strategy and policies, to agree the Business Plan and annual budgets as well as monitoring its performance and the quality of services provided to its residents.

The structure of Magna Housing Group:



2. The Board delegates the operational management of MWS to a Director and 90 staff. MWS are based in two offices in Williton.
3. As a housing association, MWS is regulated by the Homes & Communities Agency (HCA) a government body. The HCA is responsible for monitoring the governance and financial viability of MWS. MWS's Purpose is "To help people meet their housing needs and aspirations".

### MWS's Finances

4. MWS's main source of income comes from tenant rents and service charges of £12.3 million for 2015/16. It also runs a number of privately funded services in West Somerset; a 24 hour Careline service for 550 private customers, a community meals on wheels service within a 10 mile radius of Watchet, a handyman gardening service for the elderly and disabled and a home help service.
5. The average MWS tenant rent is about £90.16 per week, which is about 60% of a rent in the private sector. Some 60% of MWS tenants are in receipt of full or partial housing benefit. Many MWS tenants are affected and will in future be affected by the new welfare reforms.

**MWS's Housing Stock in the Area covered by the Exmoor Panel Area**

6. Of the 2338 homes in West Somerset, 365 (15.6%) are located within the Exmoor Panel area:

	Numbers of Homes
Allerford/Selworthy (including 11 Sheltered properties)	23
Bridgtown	5
Brompton Regis	15
Brushford (including 16 Sheltered properties)	26
Dulverton (including 40 Sheltered properties)	146
Exford	9
Huish Champflower	2
Luccombe	1
Luxborough	3
Porlock/Bossington (including 33 Sheltered properties)	67
Skilgate	3
Timberscombe (including 30 Sheltered properties)	39
Wheddon Cross & Cutcombe	18
Withypool	3
Winsford	5
Total	365

**What has happened in the Exmoor Area**

7. We carry out an annual planned maintenance programme and during 2015/16 and 2016/17, the following works will or have been carried out in the Exmoor Area Panel area:

**2015/16**

<u>Work Type</u>	<u>Number</u>	<u>Location</u>
New kitchens	3	Dulverton
	6	Porlock/Bossington
	1	Withypool
New bathrooms	4	Brushford
	9	Dulverton
	4	Porlock/Bossington
New heating/boilers	1	Brompton Regis
	1	Dulverton
	27	Porlock/Bossington
New roofs	8	Porlock/Bossington
	4	Timberscombe
	1	Huish Champflower

## 2016/17

<u>Work Type</u>	<u>Number</u>	<u>Location</u>
New kitchens	1	Allerford/Selworthy
	5	Brompton Regis
	1	Dulverton
	3	Porlock/Bossington
	2	Timberscombe
New bathrooms	2	Allerford/Selworthy
	1	Brompton Regis
	3	Dulverton
	2	Porlock/Bossington
	6	Wheddon Cross/Cutcombe
	1	Winsford
New heating/boilers	12	Allerford/Selworthy
	4	Bridgtown
	2	Brompton Regis
	2	Brushford
	6	Dulverton
	2	Exford
	3	Porlock/Bossington
	1	Timberscombe
	1	Withypool
	1	Winsford
1	Luxborough	

### How properties are let?

8. All lettings take place using the Somerset-wide Homefinder Choice Based Lettings Scheme. We work very closely with the Housing Options team in West Somerset Council on choice based lettings and house a number of priority need households each year. In West Somerset, MWS gives preference to local people when it advertises homes in rural villages in Exmoor and all other West Somerset villages. From April 2014 – March 2015, 36 properties were let in the Exmoor area. For the current year April 2015 – 31 December 2015, 19 properties have been let.

### Building New Affordable Homes

9. Since 1998, MWS has acquired or built over 400 affordable homes for rent or low cost sale. MWS has worked to maximise its Business Plan capacity to fund new homes. MWS has been successful in obtaining funding from government bodies over the past 10 years. Grant levels and the total amount of grant have reduced significantly since 2012, as

part of the planned cuts in government spending. In West Somerset, we have one new affordable scheme at Ellicombe in Alcombe, which will be ready to let early in 2016. It will comprise of 9 one bed roomed flats that will be let at social rent levels.

10. Because of the very low levels of Government grant and rent reductions over the next 4 years, Magna has decided it is not viable to borrow more money to build new homes, so Magna's focus is to pay off its debts of £52 million and to focus on providing high quality services to its tenants.
11. MWS also has a number of redundant garage sites where there is no or very little demand to let them and some small plots of land, which might have a development potential. We have tried ourselves to develop these sites over the past few years and we have not succeeded because they are not financially viable. At most, these sites could be used to build one or two houses. We are looking to sell a number of these garage sites and plots of land to strengthen MWS's Business Plan.

### **Some Achievements over the past 12 Months**

#### 12. Key Performance Indicators at 30 September 2015

- 12.1 Average relet time for all properties was 11.2 days (1.6 weeks), which puts us in the top quartile of housing association performers.
- 12.2 Overall, rent arrears stand at 1.99%, which is top quartile.
- 12.3 From our big tenant survey in 2015, the headline results are that 89% of MWS tenants are satisfied with the services provided. 87% of MWS tenants are satisfied overall with the way we deal with repairs and maintenance and 75% are satisfied that MWS listens to tenants' views and act on them.
- 12.4 MWS will spend £3 million on major repairs and planned maintenance in the 12 months ending 31 March 2016. One of the priorities for MWS is to improve the energy efficiency of residents' homes and we are installing new heating systems with air source heat pumps to replace the inefficient electric storage heaters and will reduce residents' energy bills.

### **Housing policy changes since 2015 Election and the impact on Magna's Strategy from 2016**

13. In the July 2015 budget, it was announced that all social landlords will have to reduce rents by 1% each year for the next 4 years from April 2016. This will reduce Magna's rental income by about 12% by 2020/21 compared to our current forecasts, where we expected rents to increase by inflation plus 1%. The Government sees this as housing associations' contribution to reducing the housing benefit bill.

14. Magna's Board's response to these rent reductions in its review of its Strategy is that it wants to maintain high quality services, as far as possible for our tenants. This includes maintaining the Magna Repairs Standard, which is higher than the Government's Decent Homes Standard. The Board wants to keep to its plan to pay off Magna's debts and not to borrow more to build new homes.
15. Magna's plan to cope with 4 years of rent decreases is to make some savings in repairs costs, staffing and office running costs. We plan to sell 75 rented rented properties that MWS owns in Mid and North Devon to other social landlords who work in these areas. We also plan to sell a small number of empty properties over the 4 year period in Somerset that are not cost effective to repair and improve. As referred to earlier, we will continue to sell a number of redundant garage sites and small pieces of land.
16. There is a commitment from the Government to introduce a "Right to Buy" for all Housing Association tenants with a high level of discount. Housing Associations have been promised a full amount of compensation so that the properties sold can be replaced. Magna and the majority of housing associations have agreed to implement this scheme on a voluntary basis, rather than having legislation imposed on them. The Government is running a pilot scheme with 5 housing associations and this will determine how the new RTB will work for all housing associations.
17. Finally, significant welfare benefit cuts were introduced in the July 2015 budget. These include a freeze on housing benefit and other benefits for 4 years from April 2016. A new household benefit cap of £20,000 per year for working aged families (this is currently £26,000 per year). This is all likely to impact on our tenants' ability to pay their rent and potentially threatens Magna's main source of income.
18. We are confident that Magna will be well placed to deal with the impact of the rent reductions and welfare benefit cuts because of our relative financial strength and good performance in income management.

### **Neighbourhood Walkabouts**

19. MWS carries out a widely publicised annual programme of neighbourhood walkabouts covering all areas in West Somerset. These are attended by housing officers and surveyors, local police, community support officers and tenant representatives. The aim of these is to proactively deal with local issues of concern, such as outstanding repairs, neighbour or estate management issues. We would welcome local County District and Town and Parish Councillors who may want to join us on these walkabouts. Attached to this report is a list of MWS walkabouts for the remainder of 2015/16 and if any councillor is interested in attending a walkabout or would like to raise an issue, they should contact Lee Ellis, Senior Housing Officer, on 01984 635120 or by e-mail: [lee.ellis@magna.org.uk](mailto:lee.ellis@magna.org.uk)

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Inspection number	Area	Date	Start time	Start location and route	Estimated end time
20	Stogursey	Tuesday 23 <sup>rd</sup> February 2016	9.30am	<b>St Audries Close</b> Park View Lime Street Northfield Close Burgage Road Vicarage Close Tower Hill Paddons Farm	11.30pm
21	Carhampton	Tuesday 1 <sup>st</sup> March 2016	9.30am	<b>Carantoc Place</b> Milletts Close Hill View Road Hill Lane New Road Meadowside Orchard Road Vicarage Road Eastbury Road	11.30pm

Inspection number	Area	Date	Start time	Start location and route	Estimated end time
22	Watchet	Tuesday 8 <sup>th</sup> March 2016	9.00am	<b>School Close</b> South Road Temple Field Churchill Way Courtlands Close Woodland Road Grove Close Risdon Road	11.30am
23	Bridgwater	Tuesday 15 <sup>th</sup> March 2016	9.30 am  10.35am	<b>Poskitt house</b> Saltlands Waterfields  <b>Coral Court</b> Bailey Street Albion Close Malvern Close Biddiscombe Close Spillars Close	10.30am  12.35 am





Inspection number	Area	Date	Start time	Start location and route	Estimated end time
26	Watchet	Thursday 24 <sup>th</sup> March 2016	9.30am	<b>Kingsland</b> Gillams Close Anvil Court Whitehall Werren Close West Street	11.50am