

ANNUAL REPORT TO RESIDENTS

ENGLISH RURAL HOUSING ASSOCIATION
SEPTEMBER 2010



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WHY ARE WE PRODUCING AN ANNUAL REPORT FOR RESIDENTS?

This year English Rural is producing a separate annual report specifically for its residents in addition to the corporate publication that we also produce for wider circulation. Information has already been provided to residents regarding the production of the annual report in the summer newsletter. The annual report is designed to show residents how we are performing and improving services to better meet their needs and also forms part of the new regulation requirements put in place by English Rural's regulator, the Tenant Services Authority.

The annual report comes in two forms. Firstly a summary form, which has been published and produced to provide a general overview including key service improvement information, in addition to this more detailed report. This twofold approach was taken after discussions amongst the project group, who agreed that the majority of tenants will only wish to read about the key service improvements that impact them most and also in the interest of minimising production costs and securing value for money. In total the production of the annual report will have cost around £750 and given that the distribution will be combined with an existing mailing, no additional postage costs will be incurred.

HOW HAS THE ANNUAL REPORT BEEN PUT TOGETHER?

The annual report has used information from a number of different sources including the last resident survey, repairs feedback, the complaints register, performance reports and the brief survey sent to residents with the latest newsletter. The Residents' Panel has also been closely involved in producing this report and acted as a Project Group overseeing how it has been researched, written and presented.

In order to understand where there are weaknesses in the service that we offer and also identify if we are meeting all the regulatory expectations a comprehensive gap analysis exercise was undertaken. In short this means producing a chart which details what is expected of us, how we meet these expectations, and where gaps exist, what we can do to either improve or expand services to fill these gaps. Due to the size of this work it has not been included with the report but is available on request and will also be published on our website.

WHAT HAS BEEN INCLUDED IN THE ANNUAL REPORT?

The annual report provides some statistics and information on English Rural and the services that we provide to residents. The new approach to regulation also encourages housing associations like us to look at how we can tailor our services to meet the needs of those living in our homes. These are referred to as local offers or standards, which means what we are going to do to change services in line with what residents would like to see and the available finance.

The annual report is also designed to give residents honest and clear information about how well English Rural is doing compared to the standard expectations put in place by the Tenant Services Authority. The main themes of these standards are:

- Tenant involvement and customer care
- Maintaining your home
- Allocating homes and setting rents
- Looking after the neighbourhood and communal areas
- Value for money
- Ensuring financial security

WHO IS THE ANNUAL REPORT FOR?

English Rural owns and manages about 1,000 homes spread across around 20 different counties, the majority of these homes have been made available at affordable rents, but some have also been sold on a shared ownership basis. The services we offer to you will depend on whether you live in a rented or shared ownership home, which may mean that not all of the services discussed and assessed in the annual report apply to you. However, the chances are that each of the standards assessed in the publication lists elements of services will be relevant to you in some way, and we would therefore recommend that all residents read the annual report.

The pages that follow will take a look at how we are performing against the six standards highlighted above and also provide information on what changes you can expect to see as we develop and apply these standards at a local level.

RESIDENT INVOLVEMENT

Our last resident survey was carried out in 2007 and indicated that although 84% of residents felt English Rural was good at keeping them informed only 66% felt that their views were taken into account. In response to this English Rural has invested a lot of time into involving residents over the past few years. We have sought to offer a wide variety of involvement opportunities to residents to meet the level of commitment that individual personal circumstances allow. Since 2007 we have carried out an annual assessment into progress and achievements relating to resident involvement and this assessment looks at what has worked, what hasn't worked, and what other methods of involvement residents say they would like to see introduced. Residents are included in carrying out this assessment, both in a workshop format and also by incorporating feedback we receive throughout the year. At the end of the assessment we set ourselves a work plan for the following year to improve and build on involvement opportunities. This work also includes a review of the policies and procedures in place which relate to resident involvement.

As a result of the work we have carried out in this area residents now have a menu of different ways in which they can be involved including representation at Board level, with two residents elected to the Board in 2008. A Residents' Panel has also recently been established which consists of residents, Board Members and staff, who meet to discuss the services we provide, inform the decisions that are taken by the Board, and review service performance.

We are currently planning our next resident survey and hope to see that the work we have carried out in this area has made significant improvements.

Taking the results from our latest consultation around tailoring standards the table below summarises what you have said and how we plan to respond.

YOU SAID....	WE WILL....
<ul style="list-style-type: none"> ▪ <i>We should improve the way we communicate</i> 	<ul style="list-style-type: none"> ▪ <i>Improve the quality of and methods of providing information by reviewing existing communication in consultation with residents.</i>
<ul style="list-style-type: none"> ▪ <i>We should increase the opportunities for how services are delivered to you locally</i> 	<ul style="list-style-type: none"> ▪ <i>Provide you with details of local contracts in place as part of the annual service charge review and offer the opportunity to influence the level and type of service within the contract.</i>
<ul style="list-style-type: none"> ▪ <i>We should increase the opportunities for residents to scrutinise performance</i> 	<ul style="list-style-type: none"> ▪ <i>Use the Residents' Panel to scrutinise performance against key indicators and use this annual report to provide an opportunity to examine and comment on performance.</i>

- *We should offer more support for residents who want to get involved*

- *Prepare and publish documentation to support and guide residents who want to be involved so that involvement options are clearer.*
- *Offer training opportunities for those who want to get involved.*

CUSTOMER CARE

We strive to provide a high standard of customer care. Because of the specialist nature of our organisation we own and manage homes spread over a wide area and it is not possible for us to have offices close to where each resident lives. We therefore rely on contact via direct visits, telephone, email or text as the main ways of communicating with residents. We believe that continuity is important and that to establish a mutually trusting and supportive relationship it is essential for each development to have a dedicated Housing Manager. This way, the Housing Manager gets to know residents, the development, the contractors who service the homes on the development, and is also able to establish a broad network of contacts in that surrounding area that can help in carrying out their role.

Our office opening hours are Monday to Friday from 9am to 5pm. We also offer an out of hours emergency repairs arrangement when the office is closed.

Because we are a comparatively small organisation we can normally respond to customer enquiries quickly and efficiently without the need to refer calls on.

We have a clear policy for dealing with complaints and all formal complaints received about the standard of service are recorded and investigated. Wherever possible we try to deal with enquiries and concerns before they escalate into formal complaints by listening to residents and working through their concerns. Complaint cases are also reported as a part of our performance monitoring and made available for scrutiny by the Residents Panel. Feedback via the complaints process is also used to review services, policies and training. During the period between April 2009 and March 2010 three complaints escalated into formal complaints registered on the Complaints Register and these related to Allocations, Neighbourhood and Repairs and Maintenance.

Our last resident survey identified that most residents still prefer to contact English Rural via telephone, with contact made via the phone in 83% of cases. The survey also shows that 97% of those who had contacted English Rural knew how to do so and 82% found contacting the right person for their enquiry easy, in total 86% of residents found the contact with English Rural helpful with 77% of enquiries being resolved to the satisfaction of residents. Overall 90% of the residents confirmed that they were satisfied with the service that English Rural provided.

Although these figures are on the whole positive it is important not to be complacent. Since the last resident survey English Rural has been improving the methods of communication available, expanding the use of the internet, email and text. All Housing Managers have also been provided with new communications equipment so that they can be contacted by telephone, email or text when away from their offices.

Within the next resident survey we intend to find out preferred methods of contact to inform how we improve this area in the future. We also wish to improve the quality of information that we hold on residents so that we can tailor our communication with them to meet their needs. We are already carrying out annual impact assessments to improve how we address diversity and equality issues, ensuring that these are integrated into the way we provide services.

Taking the results from our latest consultation around tailoring standards the table below summarises what you have said and how we plan to respond.

YOU SAID....	WE WILL....
<ul style="list-style-type: none"> ▪ <i>We should increase the opportunities for residents to be involved in how services are delivered to you locally</i> 	<ul style="list-style-type: none"> ▪ <i>Provide you with details of local contracts in place as part of the annual service charge review and offer the opportunity to influence the level and type of service within the contract</i>
<ul style="list-style-type: none"> ▪ <i>We should increase the opportunities for residents to scrutinise performance</i> 	<ul style="list-style-type: none"> ▪ <i>Use the Residents' Panel to scrutinise performance against key indicators and use this annual report to provide an opportunity to examine and comment on performance</i>
<ul style="list-style-type: none"> ▪ <i>We should offer more support for residents who want to get involved</i> 	<ul style="list-style-type: none"> ▪ <i>Prepare and publish documentation to support and guide residents who want to be involved so that involvement options are clearer</i> ▪ <i>Offer training opportunities for those who want to get involved</i>
<ul style="list-style-type: none"> ▪ <i>We should improve the way we communicate with residents</i> 	<ul style="list-style-type: none"> ▪ <i>Carry out a review of how we communicate which is led by residents and set in place an action plan to improve the way we communicate in a way that residents want to see</i>

MAINTAINING YOUR HOME

If you live in a rented property then English Rural is responsible for repairing and maintaining your home. As of the end of March 2010 we owned 467 rented units which can be broken down as follows; 1% x 4 bedroom homes, 36% x 3 bedroom homes, 55% x 2 bedroom homes and 8% x 1 bedroom homes, the vast majority being houses rather than flats. In addition to these rented units we also owned the freehold and share of lease of 314 shared ownership properties; the lease makes the shared owner liable for ongoing repairs and maintenance of shared ownership properties. These figures sit alongside household types which the last resident survey identified as 20% single households, 33% two person households, 20% three person households, 30% four person households; in total 48% of all households were family units.

The feedback we have received has indicated that this is one of the most important service areas that we provide. Our last resident survey indicated that only 76% of residents were satisfied with our service in this area and this was one of the major considerations when changes were made in 2008 to bring all housing services in-house (reporting and responding to repairs had previously been outsourced). As of the last performance report for July 2010, 100% of residents were satisfied with the repairs that had been carried out, this does not mean that we have grounds to be complacent, but does indicate a significant improvement from previous arrangements.

To provide a repairs service English Rural relies on a number of regional contractors who it works with on a preferred basis. Larger scale works are undertaken as bigger contracts, for example each year we undertake a programme to decorate the outside of homes and replace major items like kitchens, bathroom, windows and doors. Like all housing associations our rented homes are required to meet what is known as the 'Decent Homes Standard', this means that the homes should be warm, weatherproof and have reasonable modern facilities. All of our homes achieve this and this was verified by the 2008 condition survey that we commissioned.

Looking back over the last financial year from April 2009 through to March 2010 we have collated the following results which indicate how we are performing against the targets that we set ourselves:

PERFORMANCE INDICATOR	PERFORMANCE TARGET	ACTUAL PERFORMANCE
To respond to emergency repairs within a 24 hour period	95%	100%
To respond to urgent repairs within a 7 day period	95%	95.5%
To respond to routine repairs within 30 days	95%	90%
Collection of rent as a percentage of rent receivable	97%	100%
Tenants satisfied with repairs	90%	99.8%

We do have work to do in this area though and are currently putting together an Asset Management Strategy. This will ensure that we continue to maintain and improve the quality of the homes we rent and also ensure that we make sufficient financial arrangements to fund this work in the future. The Asset Management Strategy is scheduled to be completed this year and as part of this work we will be consulting with residents to better understand their priorities.

We also plan to look for improvements in the way we work with contractors, both to make sure the service we provide is tailored towards what residents want, but also to make sure we achieve value for money. This does not however mean that we are looking to employ direct labour to provide repairs service, as due to the large area over which our homes are spread, we believe that this would have a negative impact both on cost and efficiency.

Since bringing repairs and maintenance in-house we have increased spending on planned maintenance, undertaking larger scale works than before, and we will continue to increase investment into our homes in order to improve and maintain them. As part of our work into equality and diversity we have also established a separate budget for aids and adaptations, where we will make grants of up to £500 towards these on the basis of medical recommendations.

Taking the results from our latest consultation around tailoring standards the table below summarises what you have said and how we plan to respond.

YOU SAID....	WE WILL....
<ul style="list-style-type: none"> ▪ <i>We should invest more money in improving the efficiency of your homes</i> 	<ul style="list-style-type: none"> ▪ <i>Include and plan for this in the Asset Management Strategy</i>
<ul style="list-style-type: none"> ▪ <i>We should improve the appointments system</i> 	<ul style="list-style-type: none"> ▪ <i>Work with contractors to see how this can be achieved</i>
<ul style="list-style-type: none"> ▪ <i>We should provide clearer information on responsibilities and how the repairs service works</i> 	<ul style="list-style-type: none"> ▪ <i>Update the Tenants' Handbook with this information and send it to all tenants</i>
<ul style="list-style-type: none"> ▪ <i>Increase the options available to shared owners</i> 	<ul style="list-style-type: none"> ▪ <i>Find ways for shared owners to benefit from the cost efficiencies or buy into the maintenance programme that we offer to rented homes contractor arrangements</i>
<ul style="list-style-type: none"> ▪ <i>We should include residents in monitoring work and contractor selection</i> 	<ul style="list-style-type: none"> ▪ <i>Build resident involvement into the selection of large scale contractors and continue to use resident feedback when reviewing preferred</i> ▪ <i>Provide clear information on work specifications so that residents can be involved in quality control</i>

- *We should offer more choice when it comes to services we provide*

- *Increase the ways you can report repairs and make appointments*
- *Introduce choice into the planned maintenance of your homes*
- *Explore the possibility of introducing choice into the day to day repairs carried out by our preferred contractors as part of our broader work underway in this area currently*
- *Incorporate the introduction of choice into all future service delivery reviews*

ALLOCATING HOMES

All but a handful of our homes are rural local needs units, which means a specific set of criteria are applied when they are allocated giving local people preference. We have an allocations policy and procedure to assist with this and have developed a fair system for assessing applicants and deciding on allocations. This system is regularly reviewed and during the year has been scrutinised by the Residents Panel, the Members of which will have experienced the allocations process first hand. The system also provides for appeals and complaints, which over the past year has led to additional training for staff and also changes to procedures.

When we allocate homes we work with local authority partners who have a statutory duty to deal with issues like homelessness and respond to the housing needs of households within their administrative area. Over recent years this has seen the introduction of Choice Based Lettings systems, which enable households registered with the local authority to express a preference and bid for homes where they would like to live. Our own experiences and feedback from residents has highlighted that this new approach has at times proved problematic, with Choice Based Lettings systems making the application process more complex and on occasions less flexible for rural local needs units like ours. To help address this issue we continue to offer applicants the opportunity to communicate directly with English Rural so that we can discuss any problems applicants experience directly with local authority partners. We also continue to work with local authority partners to highlight the need to incorporate local rural needs allocations within their systems.

We also need to ensure that our allocations system meets the objectives of the association by providing homes that best fit the circumstance of households applying. Careful consideration is therefore given to which homes are allocated to which household, to help establish a sustainable and cohesive community.

English Rural lets all of its rented homes on assured non-shorthold basis and all shared ownership homes are sold using the restricted staircasing lease issued by the Government agency which provides grants for new developments, the Homes and Communities Agency. We are committed to providing secure and affordable accommodation to residents.

Overall the feedback we receive on the allocations process is positive, with the last resident survey highlighting that 95% of households felt that the application process was made clear to them, with 89% confirming that interview assessments were held at a convenient time and location; overall 93% of households asked have said they were satisfied with the allocations process. These statistics are also verified by the responses to the six week survey undertaken with all new households, which provides a slightly higher percentage at 94%.

Of the allocations undertaken during the year to end of March 2010, we allocated a total of 77 rented properties and the data collected highlights that 94% of these had been nominated through local authority partners. The majority of successful applicants were White British with only 1.3% coming from a Black, Ethnic or Minority background (BME). This low level of BME households reflects the areas in which we

work and specific qualifying requirements. Recording also shows that of these 77 households 61% were in full or part time employment, 29% were currently seeking employment or long term unemployed, 7% were retired and 3% were unable to work due to long term illness or disability. In total 3% of those housed were registered as statutorily homeless prior to being allocated a property.

This data does not however include any feedback from unsuccessful households, but the experiences of these households can in part be seen through the complaints and appeals process. Complaints and appeals are investigated fully and so far over the past year have related to consistency of approach by the interviewer, but primarily to dissatisfaction from unsuccessful applicants once successful households are known. Any outcomes from the complaints and appeals process are incorporated into training or system reviews.

Taking the results from our latest consultation around tailoring standards the table below summarises what you have said how we plan to respond.

YOU SAID....	WE WILL....
<ul style="list-style-type: none"> ▪ <i>Applying through Choice Based Lettings can be complex and confusing</i> 	<ul style="list-style-type: none"> ▪ <i>Continue to support applicants who experience difficulties in applying through local authority choice based lettings systems and highlight the need to accommodate rural local needs homes within these schemes</i>
<ul style="list-style-type: none"> ▪ <i>It is not always convenient to make an appointment when being assessed</i> 	<ul style="list-style-type: none"> ▪ <i>Apply a flexible approach to making appointments.</i>
<ul style="list-style-type: none"> ▪ <i>There is some information that you would rather not supply via the post.</i> 	<ul style="list-style-type: none"> ▪ <i>Accept supporting information at the interview stage and treat all information supplied carefully and in accordance with data security and protection requirements</i>

SETTING RENTS

The rents that we charge are regulated by Government and each year we are directed as to what any rent review should be. Historically this has seen rents increase, but in fact last year some of our rents actually went down. We need to charge a level of rent that supports our operations, and pays for the services that we offer, but does not exceed the levels that Government has set, which is know as ‘target rent’; we are following a rent plan to achieve target rent with all rent falling below the maximum target threshold and only a small number of households falling below the target figure.

Up until 2010 English Rural did not charge any rent on the unsold share of its shared ownership homes, a small ground rent is payable and this is reviewed each year in line with increases for rented homes. Properties sold from April 2010 onwards do however have a small rent payable. The decision to charge this was taken to deal with changing circumstances faced at the development stage, with increased build costs and lower grant rates. Without this charge being introduced it would not have been financially viable to continue developing homes for sale. Again, these rents will be reviewed each April.

The average rents charged on rented properties for the 2009/10 financial period were as follows:

- 1 bed £80.95 (increase from £77.80 the previous year)
- 2 bed £93.78 (increase from £93.27 the previous year)
- 3 bed £100.08 (increase from £99.50 the previous year)
- 4 bed £113.22 (increase from £110.22 the previous year)

As an organisation we also need to ensure that rental income is not lost through non-payment or by leaving homes empty, we have a number of targets around this area which are detailed below along with the annual performance for the 2009/10 financial year. During the year we served 27

Notices for non-payment of rent but were able to avoid any evictions taking place.

PERFORMANCE INDICATOR	PERFORMANCE TARGET	ACTUAL PERFORMANCE
Rent collected as a percentage of collectable rent	More than 97%	100.31%
Time taken to re-let empty property	28 days	20 days (average)
To minimise arrears on rented properties	Less than 3%	3.55% (down from 4.2% the previous year)
To minimise arrears on shared ownership properties	Less than 3%	5.4% (up from 5% the previous year)

Taking the results from our latest consultation around tailoring standards the table below summarises what you have said and how we plan to respond.

YOU SAID....	WE WILL....
<ul style="list-style-type: none">▪ <i>You would like to be able to pay your rent by telephone or via the website</i>	<ul style="list-style-type: none">▪ <i>Look at expanding the ways in which you can pay your rent to include taking payment over the phone or via our website</i>
<ul style="list-style-type: none">▪ <i>The rent increase information is not always clear</i>	<ul style="list-style-type: none">▪ <i>Review the information sent to you when the rent review takes place and include a plain English version, which has been written jointly with residents in addition to the prescribed forms.</i>

LOOKING AFTER NEIGHBOURHOOD AND COMMUNAL AREAS

Each of our developments has a dedicated Housing Manager who is responsible for ensuring that communal areas are adequately maintained and also for dealing with any neighbourhood concerns and disputes. Although our developments are small in scale and located in areas less associated with social and economic problems, this does not mean that anti-social problems do not arise. Where they do, English Rural has a clear policy and procedure to tackle issues and provide support, which increasingly includes working in partnership with other agencies.

The last resident survey prioritised the main neighbourhood problems in the following order, car parking, litter and rubbish, pets and animals and problem neighbours. Tackling these problems can be difficult and is something that English Rural recognises needs to be improved. Over the past few years our approach has changed and we now look to work in partnership with either residents or other agencies to take action. For example, where problems exist we have been arranging meetings with local neighbourhood Police or Community Support Officers and residents to help highlight what is happening and establish an approach to tackling problems.

Maintaining communal facilities is also something that has become increasingly important for residents since the introduction of variable service charges. With cost for upkeep and maintenance collected directly from residents, it is only right that they should have input into the level and type of service provided; this is a message that we have heard time and time again as we meet with residents.

Because our housing stock is so spread out we often rely on the good relationship that we have with residents to keep us informed of any communal problems. We do however run a series of tours across the year, where Board Members, residents and staff carry out estate inspections. These are in addition to the regular visits by housing management staff.

YOU SAID....	WE WILL....
<ul style="list-style-type: none"> ▪ <i>You would like to be included in setting priorities and scrutinising the performance of communal area maintenance contracts</i> 	<ul style="list-style-type: none"> ▪ <i>As part of the service charge review provide you with details of service contracts so that you can help to scrutinise performance and also tailor the service provided</i>
<ul style="list-style-type: none"> ▪ <i>The lack of parking on developments causes problems and complaints</i> 	<ul style="list-style-type: none"> ▪ <i>Continue to provide as much parking as we can on all new developments subject to planning constraints and take a stronger stance when dealing with households who persistently cause problems with inconsiderate parking</i>
<ul style="list-style-type: none"> ▪ <i>You would like to be involved in estate inspections</i> 	<ul style="list-style-type: none"> ▪ <i>Promote visits and estate inspections in advance and invite you to join in and offer you the opportunity to ask for an estate inspection to take place</i>

- *You would like some funds allocated for community and neighbourhood improvements*

- *Make specific budgetary provision for making improvement grants and promote within the resident newsletters*

- *You would like to see security and communal problems tackled at the planning stages*

- *Ensure that before a planning application is submitted, neighbourhood and management issues are considered and when built, new homes meet Secure by Design accreditation and if possible external lighting is included within plans*

VALUE FOR MONEY

Value for money has always been important to English Rural and lately we have started to benchmark our costs against other housing associations to see how we compare. For example, some recent analysis against some of our peers showed that on average they had a member of housing management staff for every 102 homes, in comparison English Rural has one for every 133 homes. Staffing levels are however reviewed, and earlier this year one of the Director posts from the financial side of the organisation was made redundant and duties realigned to existing staff as part of a cost saving exercise.

We strive to achieve value for money in all that we do, with the value for money theme being considered in every area across the organisation. It is though worth highlighting that value for money is not always about cost cutting, but equally important is the quality of service or product.

We use competitive tendering for larger maintenance contracts or source quotes for works or services over a certain value. Even before the recent focus on austerity, we have sought to minimise waste and make sure that money is spent wisely and carefully.

The last resident survey established that 84% of residents felt that they received good value for money. We take a transparent approach to how we money is spent, with annual accounts published in full and provided in an abbreviated form in the corporate version of the Annual Report. This year we have also published how our income has been generated and spent, this information is also provided below.

Income

- Percentage income from rents and service charges = 94.2%
- Percentage income from sales activity = 2.3%
- Percentage income other activity = 3.5%

Expenditure

- Percentage of expenditure on property costs = 29%
- Percentage of expenditure on loan interest = 19%
- Percentage of expenditure on employment costs for all staff = 40%
- Percentage of expenditure on office costs = 9%
- Percentage of expenditure on other operational costs = 3%

English Rural has a Board of Management which currently consists of nine individuals, two of whom are residents. All Board Members volunteer their services and as such are unpaid. As far as possible they are made up from a broad range of individuals with specific qualities and skills that are necessary to make sound strategic decisions. The Board is separate to the Management Team, which is responsible for the day-to-day administration of the organisation. The Management team is made up of the Chief Executive, Deputy Chief Executive and Operations Director. This team report to, and is directed by, the Board with regards to strategic and operational objectives.

The Board has adopted the National Housing Federation's Code of Governance and has clear established roles for members, specifically the Chair, Vice Chair and Chief Executive. The structure of the Board meets regulatory requirements. English Rural also has detailed Standing Orders and Financial Regulations, which essentially delegate certain levels of decision and budgetary responsibility to members of staff.

The Association banks with the Co-Operative Bank and in addition has loan facilities in place with Barclays bank and Triodos Bank, in total the loans total around £14 million, and are secured against rented properties owned by the Association. The loans have been used to help fund the development of new affordable homes. Finances are closely monitored by our regulator, the Tenant Services Authority, and are also subject to an annual external audit to ensure that correct accounting practices are followed. The Association has to meet certain covenants associated with the loans we have and these are reported to the banks on a regular basis. No problems have been identified with the Associations finances and we remain in a strong financial position.

The Association's income is generated primarily through the rent payable by residents, in past years a small surplus has also been made through the sale of shared ownership homes. Because of funding and market changes this is no longer the case and in fact some of our shared ownership homes made a loss, because the total cost of building them was higher than what we were able to receive as income from the sale and grant receivable. To address this problem the Association has introduced a new form of shared ownership on houses sold from April 1st 2010, which also charges a modest rent. A lot of consideration was given to this matter, and the rent charged still represents value for money and an affordable product tailored towards the high value rural areas in which we work.