



ORWELL ANNUAL REPORT





“LISTENING TO TENANTS’ VOICES IS ONE OF THE MOST EFFECTIVE WAYS FOR THE BOARD TO SHAPE THE ASSOCIATION’S FUTURE STRATEGY AND CONTINUE TO ENHANCE AND DEVELOP THE SERVICES IT PROVIDES.”

# CHAIR’S STATEMENT

IAN BEAUMONT

## 2017 - A CHALLENGING YEAR AND THE PACE OF CHANGE HAS NOT SLACKENED!

Housing features prominently in the current political debate. The tragic events at Grenfell Tower initiated national discussions about standards in social housing that will culminate in the publication of a Social Housing Green Paper. This policy document, the most substantial report of its kind for a generation, will inform Government policy and wider debate for many years. Its remit extends to the quality of social housing, tenants’ rights, tenants’ voices, action on homelessness, building more homes and the safety of housing stock. Orwell is already taking action in all of these areas.

The safety of our tenants and service users is of paramount importance. Although Orwell does not have any buildings above 6 stories, we still acted swiftly in the aftermath of Grenfell to audit all relevant housing stock, review fire risk assessments and evacuation procedures and undertake any necessary remedial action in affected properties.

Listening to tenants’ voices is one of the most effective ways for the Board to shape the Association’s future strategy and continue to enhance and develop the services it provides. In December 2017 the Board welcomed an ambitious new strategy for Tenant Involvement and Scrutiny, the culmination of 8 months of close working between tenants and Board members. Orwell tenants also offered valuable input directly to the housing minister’s review of the sector.

Orwell continues to build new affordable housing stock across the region, both for our own Association and as the lead partner in the e<sup>2</sup> consortium, delivering some 650 properties under the 2015-18 Homes and Communities Agency programme. In doing so, we have met the challenge of continuing cuts to central government development grant. Our subsidiary, Orwell Homes, is now actively developing homes for sale on the open market. The profits from this activity will be used in full to further the mission of the Association through the delivery of much needed additional social housing.

Our Support and Care Division has seen a significant expansion over the last 18 months. We have consolidated our position as the lead provider of extra care accommodation in Suffolk, successfully integrating four Flagship schemes into our portfolio. Most of our schemes continue to earn ‘Good’ ratings from the Care Quality Commission, underlining the high quality of support and care that Orwell provides, and we now aim to achieve a minimum rating of ‘Good’ across all our schemes. The funding of supported housing was, until recently, facing an uncertain future but assurance from central government will allow Orwell to continue to develop the valuable work it provides through its learning disability service, refuges, temporary supported and sheltered housing.

As we move through 4 years’ of rent reduction, the introduction of Universal Credit and the ongoing constraints to the funding of social care, the Board continues to drive a progressive value for money programme that also seeks to enhance services. We will harness new technologies and couple these, where possible, with the retention of local, personal delivery that our tenants and service users value so highly.

Every member of Orwell staff contributes to the ongoing success of the Association and the Board is proud that Orwell maintains the highest governance and financial viability ratings. I therefore welcome the opportunity to thank all of our staff for their hard work, professionalism and dedication in continuing to provide high quality homes, support and care services.

**IAN BEAUMONT**  
CHAIR

ORWELL HOUSING GROUP

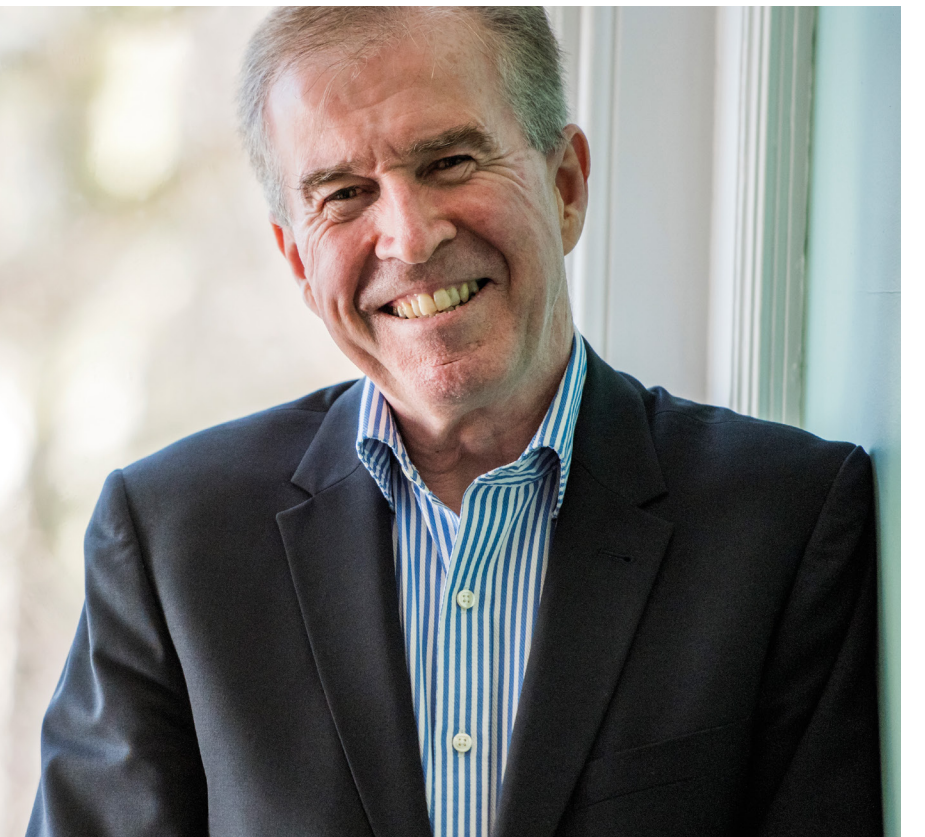


“LOOKING FORWARD OVER THE NEXT 3 YEARS, WE WILL CONTINUE TO FACE A NUMBER OF CHALLENGES BUT WE ARE DETERMINED TO SEE FURTHER GROWTH AND WILL CONTINUE TO DEVELOP THE QUALITY SERVICES FOR WHICH WE HAVE AN EXCELLENT REPUTATION.”

# FROM THE CHIEF EXECUTIVE

STEPHEN JAVES

The Chair's report reflects on what was an excellent year during which we delivered financial results above expectations and made improvements to our services. We achieved surpluses before interest of £8m and after interest of £5.2m. In addition, I am particularly proud of our staff as they have worked hard to implement a new accounting system; laid the foundations for a brand-new housing management software system which went live on 9 February 2018 and piloted new software in our extra care division which will make service delivery even better and further improve efficiencies.



2018 WILL BE AN EXCITING AND DYNAMIC YEAR, WHICH WILL ALLOW US TO CONSOLIDATE OUR WORK FROM 2017 AND RISE TO THE CHALLENGES WE HAVE SET OURSELVES. OF PARTICULAR NOTE WE WILL:

- Grow our development services to both the e<sup>2</sup> consortium members and other customers through our newly branded Orwell Project Management division.
- Pilot a Flexible Dementia and Domiciliary Care Service in the community based at our extra care scheme in Levington Court, Lowestoft and, assuming this is successful, look to provide this service in other areas.
- Investigate other opportunities to expand our Extra Care Division.
- Launch a Care Academy where we can develop our own staff from apprenticeships all the way through to nurturing our own Managers from our own talent pool.
- Partner a professional volunteering agency to increase the number of volunteers within our business to at least 100.
- Expand our Learning Disabilities and Temporary Supported Housing provision.
- Increase the activity of Orwell Homes as provider of homes for sale.
- Work with financial institutions to provide them with development and housing management services.
- Work with our customers to further improve our services.

Our operating environment remains difficult with external pressures on rents, pricing of support and care services and government intervention regarding the funding of support and care. Nevertheless, I remain confident that we will work through these pressures and remain optimistic that we will continue to make a difference into the future.

**STEPHEN JAVES**  
CHIEF EXECUTIVE

ORWELL HOUSING GROUP



# FINANCIAL REVIEW

**WE ARE DELIGHTED TO REPORT ANOTHER  
VERY GOOD FINANCIAL YEAR WITH RETAINED  
SURPLUS UP £309,000 (6.3%) ON LAST YEAR.**

THE PERFORMANCE IS ESPECIALLY NOTEWORTHY  
AS 2017 WAS THE FIRST YEAR OF THE GOVERNMENT'S  
1% RENT REDUCTION.

Investment and delivery of the asset maintenance plan continues with £5,343,000 spent on improving the existing housing stock during the year.

At the end of the year, cash plus undrawn borrowing facilities totalled £16.5m which provides security for the foreseeable future.

This strong performance, together with the strength of the balance sheet, enables the Group to move forward with confidence into the coming years.

## INCOME AND EXPENDITURE FOR THE YEAR

	2017	2016
	£'000	£'000
Turnover (excluding development)	27,893	27,596
Costs (excluding development)	(19,925)	(19,603)
Development - net income	79	178
<b>OPERATING SURPLUS</b>	<b>8,047</b>	<b>8,171</b>
Surplus on sale of houses	294	65
Net interest payable	(3,091)	(3,213)
<b>SURPLUS</b>	<b>5,250</b>	<b>5,023</b>
Pension movements	(32)	(143)
Corporation Tax	(32)	(3)
<b>RETAINED SURPLUS</b>	<b>5,186</b>	<b>4,877</b>

## BALANCE SHEET FOR THE YEAR

	2017	2016
	£'000	£'000
Properties at cost less depreciation	209,283	204,318
Other fixed assets	3,120	3,092
Investments	382	382
<b>TOTAL FIXED ASSETS</b>	<b>212,785</b>	<b>207,792</b>
Cash at bank	9,035	6,278
Other current assets	9,681	5,750
Current Liabilities	(10,637)	(10,845)
<b>NET CURRENT ASSETS /(LIABILITIES)</b>	<b>8,079</b>	<b>1,183</b>
Grants	(72,121)	(70,876)
Borrowings	(87,911)	(82,701)
Pension and other provisions	(2,449)	(2,201)
<b>TOTAL</b>	<b>58,383</b>	<b>53,197</b>
<b>RESERVES</b>	<b>58,383</b>	<b>53,197</b>

The above figures are extracted from the audited accounts of the Group.  
A copy of the full financial statements is available on request from the Registered Office.



## ORWELL PROJECT MANAGEMENT

Orwell Project Management now provides development and property expertise to an expanding number of external clients.

## ORWELL REPAIRS SERVICES

We are now carrying out day to day repairs and empty property improvements for two other affordable housing providers, as well as for our own housing stock using our in-house team Orwell Repairs Services.

## ORWELL PAINTING TEAM

Our Orwell painting team have expanded and we are now able to complete over

# 80%

of our annual decorating programme using our in-house team. Our tenants have told us how pleased they are with their work.

## ORWELL HOMES

The first scheme for housing for sale by Orwell Homes is now on the market and selling well. A further site for 8 market homes has been acquired and will start in 2018 in Great Bromley, Essex. There are a further 4 sites for open market sale in the pipeline.

## AFFORDABLE HOUSING DEVELOPMENT

ON SITE BUILDING

# 76

NEW HOMES for affordable rent and shared ownership with a further 80 in the pipeline.

# 156

NEW HOMES  
PLANNED

## EXTRA CARE

We achieved 92% GOOD with CQC during the year and have done some excellent work to improve the administration of medication.

## HOUSING MANAGEMENT

We now have 226 tenants claiming Universal Credit and of those, 65 are in rent arrears and 38 are on alternative payment arrangements.

In spite of this, we are still managing to achieve mid-upper quartile performance with regard to our % arrears to annual gross rental.

We have completely revamped our approach to tenant involvement and the scrutiny of services. This will involve a much wider net of people and the introduction of Community Representatives.

## TEMPORARY SUPPORTED HOUSING

Our contracts to deliver Domestic Abuse service have been extended until 2021. We won a small contract with Kesgrave Town Council to run our first Youth Club which is going to be overseen by our Young Persons' Service in Ipswich.

## LEARNING DISABILITIES

We are exceptionally pleased during 2017 to not only be accepted onto the Suffolk Learning Disability Framework but also to be awarded the highest score of all the providers throughout Suffolk. We are hoping that will stand us in good stead in winning new business going forward.



# ORWELL

## HOUSING





**3,969 HOMES**  
IN MANAGEMENT

**£6.5M**

SPENT ON BUILDING  
NEW HOMES

**256,000**

HOURS OF CARE AND SUPPORT  
GIVEN TO MEET PEOPLE'S CARE NEEDS

WE EMPLOY ALMOST  
**700 PEOPLE**

**93%**

OVERALL SATISFACTION WITH  
OUR SERVICE BY TENANTS

**£5.343M**

INVESTED IN IMPROVING OUR  
EXISTING HOUSING STOCK

BY BUYING MORE EFFECTIVELY WE HAVE SAVED

**£281,208**



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