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Housing People

Cornerstone Housing Limited complies with the
National Housing Federation Code of Governance

81st Annual Report 2008

Designed & produced by
RH Advertising, Exeter. www.rhads.com

“We are raising our profile with our bold, new modern look”

Chairman's statement

As the newly appointed Chairman, it gives me much pleasure to present the 2007 annual report. We are proud of our reputation as one of the best performing registered social landlords which has continued to meet its targets for the year.

Our 2007 tenant satisfaction survey showed 90% of tenants were satisfied with the overall service, which compares favourably with the national average top quartile of 85%. In addition 97% of tenants were satisfied with the condition of their home.

Moving forward, our business plan sets challenging targets for the next five years focusing on developing our strengths, maintaining high standards for all existing tenants and continuing to seek new opportunities to help people in need of housing support within Exeter and the surrounding districts.

The South West has the least affordable housing in the country and this is expected to become even more of a problem in the future. We will continue to seek opportunities to provide additional homes for those people most in need. During 2007 we worked on new developments in Exeter at Higher Barley Mount and Alphington to create an additional 17 homes. In addition we have been active in following up on possible opportunities for many other new housing developments within Exeter and surrounding districts and we are hopeful that some of these will come to fruition in 2008.

Roger Norman



The past year has been a time of taking stock. We have consulted extensively on the association's image and this has reinforced our existing view that we have a strong brand, reflecting high standards of independence, financial stability and service. However the consultation also identified that we are not perceived externally as being as progressive as we really are and this has hindered our plans to expand geographically outside Exeter.

Therefore a new corporate identity and supporting marketing strategy has been agreed to improve the external perception of the association so that it is seen as being more competitive and outward looking. The publication of this report coincides with the launch of our new name and image - Cornerstone. We believe that the Cornerstone brand will demonstrate our core values of strength, quality and dependability whilst projecting a new modern image as we expand the organisation to help people in need of housing support.

Roger Norman

“Going from strength to strength, we are hoping to achieve more than ever”

Housing Management report

Working with residents...

Foxhayes Improvement Scheme

We have been busy working alongside the Building Section on the Foxhayes Estate, overseeing the decanting of residents out of their homes into temporary accommodation and then helping them to return to their fully modernised homes.

Generally these houses are being extended to meet the householder's space requirements and in other cases where the properties are not currently fully occupied, we are taking the opportunity to reduce them to two bedroom houses so that we can have a more flexible mix of units. In keeping with our policy of consultation the residents have been fully involved and given a choice of internal layout, fixtures and fittings.



Disability Equality Focus Group

Starter Tenancies

The association introduced Starter Tenancies in December last year. This decision was taken so that we could strengthen our procedures when dealing with tenants who breach their tenancy agreement and in particular to help combat anti-social behaviour.

The Starter Tenancy applies to all new tenants, the only exceptions being existing tenants moving to another of our properties or tenants joining us by way of a mutual exchange. A Starter Tenancy will convert to a full Assured Tenancy provided the initial qualifying period of 12 months has been successfully completed. If there has been a serious or persistent breach of the tenancy agreement we will consider terminating the tenancy.

Disability Equality Focus Group

Our focus group has been meeting to discuss the association's activities and business plan with regard to implications for disabled residents. The group comprises staff, board members and residents with first hand knowledge of the inequality issues.



Members of Tenants' Association





Foxhayes - before



Foxhayes - after



Raleigh House

Building report

Improving Foxhayes Estate

The Improvements Team have spent another year transforming the Foxhayes Estate. The last 12 months has seen the high bank houses and half of Foxhayes Rd completed. The gradient of the road was particularly challenging for our Direct Labour Force in terms of extending properties and grading gardens but the investment has been worthwhile and visitors to the estate have commented on the transformation.

Conservation at Raleigh House

We regularly carry out modernisation and maintenance work to all of our properties with the help of our Direct Labour Force. Last year, for example, as a result of the good observation skills of our painting team, it was reported the roof tiles on Raleigh House were beginning to crack.

The re-tiling was scheduled to begin in the autumn but this was delayed when we consulted our residents on the proposed work and were advised that there may be other "residents" to contend with! Sure enough our environmental surveyor discovered a colony of Pipistrelle Bats, a protected species, living in the roof. Therefore we managed the work under the supervision of a bat specialist in such a way that minimal disruption was caused to our 'guests'.

Recycling is good for the garden

The old sheds and fences that we removed from Foxhayes have been shredded by our Gardening Team to reuse as mulch on our planted areas around the City. Mulching is an important way of retaining moisture in gardens which means our water usage can be reduced as well as our waste going to land fill sites.



On site discussions

"Visitors to the estate have commented on the transformation"

Development report

Working in, and for, the community

We pride ourselves on the work we undertake prior to starting our schemes. Resident consultation and involvement, on proposals is seen as key to the future success of our projects.



Resident consultation

In the last twelve months we have been to a local school and arranged a health & safety poster competition warning children of the dangers of playing on building sites. We have also involved the local community in the project and in the naming of our new scheme.



Winner of safety poster competition

Little Barley - a new build project

The project at Little Barley is our first scheme working with ROK under our framework agreement. The eight houses and two bungalows have been built on land owned by us, which had become wasteland used by fly tippers. These smart new homes have been welcomed by the local residents and have provided opportunities for some locals to "down size" from their three bedroom houses.



Little Barley

Admiral Vernon Inn - a new lease of life

This scheme was another first! It's our first pub! Sadly it is not to use as a hostelry. Instead we are converting it into 4 flats and 3 houses. Opportunities for new social housing in Alphington are scarce and we are very pleased to be undertaking this project with grant funding from the Empty Homes Consortium.

Despite its dilapidated state, the building acquired a grade 2 listing during our planning application process which made life very complicated! In addition, the old pub is made of cob and stone and is attached to two neighbouring properties. Nevertheless we have soldiered on and our contractors Blight & Scoble are coping with the project admirably!



Cutting out the Admiral Vernon

“How we found our new identity”

What's in a name?

Last year was a big year for Exeter Housing Society. After 54 years, we decided to change our name. So why change now? Well, after a long period of consultation with our tenants, employees, stakeholders and partners we discovered that although we had an enviable reputation amongst those who know us, this wasn't necessarily reflected outwards in the wider world.

So we needed a name that was seen as more progressive and more descriptive of the role we play in people's lives and importantly a name that reflected our planned expansion beyond Exeter.

To help us in our rebranding we engaged RH Advertising, an Exeter-based team of Marketing Consultants. After some in-depth research they proposed a list of names, which were reduced to a short-list and visualised in various logo designs.

After being whittled down again it became a choice between Avocet and Cornerstone. Finally, after lots of debate and discussion, Cornerstone

was the name chosen by the board because it sounds strong and represents the pivotal role we play within our community, in the same way that a cornerstone supports a building.

Meanwhile up on site, at Foxhayes, the Direct Labour Force was holding its own competition to find a new name. Purely by coincidence the favoured choice was Cornerstone as well, as suggested by Reece Precious, an electrician who has been working with us for seven years. Fortunately for us rumours that Reece is considering a career in marketing are unfounded.

RH then set about designing the new logo, and consequently the whole rebranding exercise, that best reflected the name. The final logo achieves this by being as strong, bold and solid as the name Cornerstone whilst portraying a look and feel which not only brings us right up to date but also reflects the size and status of the company a lot better.



Reece Precious

Logo progression from old to new ...

If you compare our old logo at the bottom of page 5, to the all new colourful look here, you'll see how far we've come on this journey.

There are a variety of ways the look can be adopted which proves the design's flexibility.

We've even come up with a 'friendly feel' version of the strapline 'Housing People' as shown below. This is to be used mainly on the tenant facing items, to project an approachable nature. This is also flexible and can appear in any of the new corporate colours, on its own away from the main logo and in some cases on an angle.

Housing People

“The new name together with a colourful and memorable look will set us up for an exciting future”



Housing People



Housing People



Housing People



Housing People



The brand team at work



INCOME & EXPENDITURE ACCOUNT
Year ended 30th September 2007

	2007	2006
	£'000	£'000
Income	3,409	3,247
Operating Costs		
Housing Management	(331)	(309)
Property management	(749)	(691)
Major repairs & improvements	(758)	(660)
Development overheads	(138)	(122)
Depreciation of housing property	(479)	(468)
	(2,455)	(2,250)
Operating surplus	954	997
Finance charges & interest	(415)	(399)
Surplus for the year	539	598
Number of properties owned	1,036	1,036

BALANCE SHEET
As at 30th September 2007

	2007	2006
	£'000	£'000
Tangible fixed assets	34,398	33,283
Capital Grants	(8,867)	(8,742)
	25,531	24,541
Current assets	164	1,039
Creditors: due within one year	(657)	(614)
Total assets	25,038	24,966
Creditors: due after one year - loans	6,627	7,094
Capital & Reserves	18,411	17,872
	25,038	24,966
Loan Gearing	25%	27%

The results demonstrate a good financial performance with results ahead of budget targets.

Income

Income represents rents receivable from the association's housing stock.

Annual rent increases for the year were set at 0.5% plus RPI (retail price index) based on guidance for national target rents by the Housing Corporation.

Grants of £125,000 were received during the year and have been set against the cost of properties in the Balance Sheet.

Operating Surplus

The net surplus for the year was £539,000.

These results were achieved through careful management of costs, use of the association's own Direct Labour Force, and by increased economies of scale.

The surplus will enable the association to continue investing in the refurbishment and improvement of existing properties.

During the year the association invested £1.2 million in major improvements to existing properties as part of the ongoing improvement programme. These works included refurbishment of properties at the Foxhayes Estate, and the construction of eleven extensions.

Of these improvement works £442,000 was treated as capitalised improvements and added as fixed assets to the balance sheet and not charged against the operating surplus.

New Loan Facility

The association negotiated a new loan facility of £5 million, based on a revolving credit arrangement with Barclays Bank, which was partly used to refinance £1.5 million of LIBOR based borrowings.

The revolving credit facility enables the association to both draw down and repay borrowings against the loan facility, in order to minimise the total interest charges payable.

The additional loan facility will fund new property developments for people in need of housing support.

Balance Sheet

The association worked on developments for 10 new homes during the year at Little Barley, Exeter and acquired sites at Polsloe and Alphington for future development.

Total expenditure during the year on property developments and acquisition of new sites was £1.1 million.

The association's borrowings reduced during the year by £0.5 million to £6.8 million and represent a gearing ratio of 25%. The reduction in borrowing was achieved by the application of bank deposit balances to reduce borrowings under the revolving credit facility.

The association is in a strong financial position to continue to improve services, fund new developments and to maintain its tradition of providing high quality provision to all its valued customers.

"We're in a strong financial position to continue to improve services..."



Board members visit

“A work force with pride in its image is a productive and happy work force”



Rick Williams
- celebrates tenants 100th birthday



Cornerstone, Southernhay Head Office

www.cornerstonehousing.net

Chief Executive's report

Along with our new name we have a new strap line, Housing People. In simple terms it says what we do and who we are. It is what we have done for more than eighty years.

Originally established by local professionals and business people to address the shortage of decent housing in the city, the company started out as The Exeter Workmen's Dwellings Co. Ltd. In 1954, with more than 500 homes on its books, it converted to charitable status and became The Exeter Housing Society Ltd, a name it has proudly carried until this year.

We have a strong reputation among those who know us. We are financially sound, perform well and attain high levels of customer satisfaction. However, we were concerned that our profile was not as high as it could be among the wider community and particularly in the areas beyond Exeter where we aspire to work. For this reason the board took the decision to completely re-brand the association and the process by which we arrived at Cornerstone is explained in the centre spread of this report.

So what can our customers and stakeholders expect from these changes? Quite simply they can look forward to the same high standard of service.

We are not giving up the good name of Exeter Housing Society without

a lot of careful thought about the consequences. It is of utmost importance to us that our existing reputation is not diminished during the change to Cornerstone. However, there would be little point in going through this challenging process if things were not going to change at all. Where we seek to see a real difference is in generating more opportunities for growth. We have the resources to do more and a huge demand for our services, but we need to exploit every opportunity to deliver new homes for the people who need them. We believe that the new image and the way it is marketed can only help us unlock such opportunities.

Our biggest asset is our staff and it is important that they embrace our new image. Many of us do not like change but I am delighted to report that the association's employees are keen to adopt the Cornerstone brand. A work force with pride in its image is a productive and happy work force.

Whatever our particular skills – carpenter, accountant, manager or receptionist – we are all ...

Housing People

Rick Williams

The Board

Roger Norman ACIB – Chairman

Roger worked for Lloyds TSB for more than thirty years after starting his career working for a variety of commercial organisations. He retired as Agricultural Manager in East Devon in 2002 having previously held both administrative and branch management roles in the area.

Keki Cooper M.Sc.Tech, C.Eng., M.I.C.E.

Keki retired as Director of Technical Services at Exeter City Council in 1996 after thirty-six years service with the local authority.

Sian Gibbon LLB

Sian is a solicitor and partner with Ashfords in Exeter, specialising in housing.

Paul Goodes MAAT

Paul trained as an accountant in Exeter before joining property company Eagle One (formerly known as Rock Eagle) in 1990, where he became Managing Director in 2001.

George Palmer LLB

George has worked as a solicitor since 1983 and is a partner at Ford Simey.

Mark Richardson LLB

Mark is a solicitor specialising in property litigation at Stephens & Scown.

David Rogers FICES MI Mgt

David spent forty years as a quantity surveyor with many national construction firms. He joined the Board in 1999 following his retirement from North Cornwall District Council, where he was Head of Design & Construction.

Jane Vlietstra BDS (UNI.BIRM)

Jane has been a practising dental surgeon for nearly thirty years. She currently runs a practice in Exeter with her husband.

Allan Vodden BSc ACIB

Allan joined the board in 2004 and retired as Senior Manager in the Corporate Section of Lloyds TSB in 2006.

New members joining the board

Mark Pellow BSc (Hons) MRICS

Mark is a Director at Vickery Holman Property Consultants and he specialises in strategic advice on commercial property matters. He is also involved in the Exeter Initiative Property Group and the Exeter Chamber of Commerce.

Neil Hitchings ACA

Neil has been working at Ernst & Young's Exeter office since 1992. He is a Senior Audit Manager and works with not-for-profit charities and a number of other South West companies.

Dave Mashiter

Dave has been a tenant of the association since 1989 and has been appointed as our first tenant board member following an open selection process. He is looking forward to bringing a tenant's perspective to meetings.



Some board members on site

Our senior executives

Rick Williams BA – Chief Executive

Bob Weatherall BA, FCA
Head of Finance and Resources

Andy Allison – Building Manager

Anne Seaborne BA (Hons)
MRICS, MCIH Development Manager

Gary Hill – Housing Manager

“I am looking forward to bringing a tenant's perspective to meetings”