

# Annual Report 2018



**Growing and Evolving**

**Making a positive impact**

# Chair's Report

It has been a year of **growth and evolution** for PCHA as we completed our strategic review, set out a clear vision for the future and developed a new corporate plan.

As part of the review we considered our strengths, weakness and financial position, as well as the risks and opportunities within the current challenging environment. More importantly we spent a great deal of time considering what kind of association we want to be and as a result we reviewed our vision, values and strategic objectives. As part of this process we actively considered whether a merger was the right vehicle to enable us to deliver these. We concluded that in fact it was not and that we have a bright future as an independent community based housing association.

We are really excited about our future and we have an ambitious corporate plan to deliver. We are committed to developing new homes to help solve the housing crisis as well as improving our services and creating homes and communities we can be really proud of.

One theme of this report is **growth** and in June we took handover of our 6 new homes for local families in Scotts Road, Bromley. This represented a 2.25% increase in our stock as well as being extremely good value for money at approximately £160k per unit in a high value area where sales of equivalent units are in the region of £320k.

Our new business plan aspires to increase our stock by 1-2% per annum, although we recognise this may not be a smooth line. However, growth will not be prioritised at the expense of our existing stock and service to tenants

Over the year we had two long standing Board Members stand down, Edward Lee Smith and Peter Fookes and I would like to thank them for their amazing contribution over the last decade.



I would also like to thank all the staff and Board Members for their ongoing commitment and hard work; together we have a strong team to lead and deliver our renewed vision for the future.

Tracey Downie  
Chair

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# Chief Executive's Report

I have been extremely privileged to work with the team and Board over the last year to develop a clear vision for PCHA's future. In the light of all the challenges the sector faces it would have been an easy route seek a merger but, together, the Board and Staff passionately believe that we are able to make a positive impact without doing so.

However, we are not complacent and know that in order to thrive and flourish we must continue to grow and evolve, ensuring that our services meet the needs and aspirations of both our current and future tenants. Standing still in the current climate is simply not an option.

Whilst developing new homes is important given the current housing crisis, we are also seeking to deliver a broader range of services to more people in our community. Our vision is to develop homes, services and communities we can all be proud of.

Over the year we have been growing and evolving; shaping and improving our services to be more person centred. People are the heart of PCHA and we want to ensure that our tenants receive a service that is holistic, proactive and responsive. Building a positive relationship with our tenants is critical to our ongoing success and it is largely for this reason that during the year we made the decision to bring our repairs service back in house from September 2018. This provides a real opportunity for us to strengthen our customer service and provide a one stop shop for our tenants going forward.

I would like to extend my respect and gratitude to Keniston and their staff for their support and partnership over the years.

I would particularly like to thank both the staff and Board for their commitment and support and I look forward to working together to turn our vision into a reality in the year ahead.

Karen Cooper  
**Chief Executive**



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# Growing



Developing new homes is important to us as we recognise the chronic shortage of social rented homes in London generally and particularly within Bromley.

Homelessness is on the increase and the chronic lack of truly affordable homes is a contributory factor. We are passionate about growing the organisation and developing new homes for local people.

We were delighted to have worked with Bromley Council, L&Q and Persimmon Homes to deliver six 2-bed flats for rent in the heart of Bromley Town Centre.

The tenants, who were nominated by Bromley Council, moved in during the first couple of weeks in June and as you can see from the photos, they quickly turned their properties into wonderful homes.

During the year we reviewed our business plan to ensure we could deliver our ambition to continue to develop new homes to help address the housing crisis.

On this basis we plan to develop approximately 40 new homes over the next 8 years. We will be looking first at any capacity within our existing stock and have some exciting plans for the next couple of years.

# Evolving

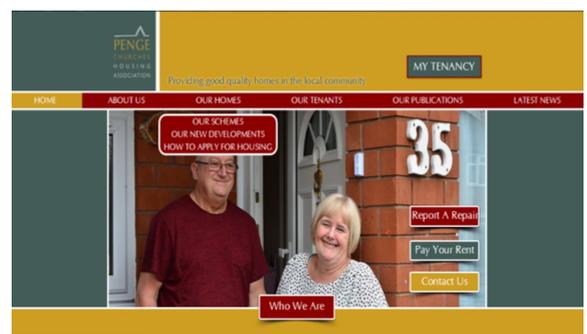
The Strategic Review gave us the ability to really examine where we are against where we want to be and once we had done that the journey could truly begin.

Whilst change can be uncomfortable it is both inevitable and essential. One of our values is about being ambitious for PCHA and embracing change and respond positively to new opportunities.

During the year we developed our corporate plan and set some ambitious targets for 2018-19 but this does not mean the year was all about planning; there was a great deal of activity too.

Aside from developing 6 new homes, other highlights over the year have included:

- Launching the website
- Introducing My Tenancy so that tenants can log on to their own rent account
- Reviewing a number of key policies
- Producing a suite of tenant leaflets
- Reviewing our business plan to include developing 40 new homes over the life of the plan
- Borrowing new money for our development
- Improving our void and arrears processes
- Carrying out a governance review



# Growing

Growth is not simply about developing new homes and we are keen to develop new services for our tenants and the local community. Most importantly we are keen to engage with our tenants in a positive way so that they feel part of the PCHA community and can help shape our service going forward.



Our vision is to create a holistic and responsive service for our tenants, creating both sustainable tenancies and communities. We are planning to offer some training and development to our tenants and in order to do that we started making plans to extend our current office to create a more welcoming and flexible space.

In the meantime we have had a number of really successful tenants events which have enabled tenants to come together with us in an informal and positive environment.



# Evolving



We have had a long and successful partnership with Keniston Housing Association who have managed our repairs and maintenance service on our behalf for a number of years. This has been a positive partnership and Keniston have provided us with an excellent service over the years for which we are very grateful.

However, over the last year we have been reviewing this in line with our new vision. In particular we have been considering how best to meet two key strategic objectives:

- To deliver a proactive responsive repairs service, ensuring clarity about our respective responsibilities
- To sustain tenancies and provide a holistic, proactive and responsive housing management service

On balance we felt these could best be achieved by taking repairs back in house.

Reporting a repair is generally the most common reason for tenants to contact us but for years these calls have been handled by Keniston and with each call we miss that opportunity to build a positive relationship with our tenants. We want to deliver a holistic housing management service and we should be able to use the opportunity when tenants phone us about repairs to deal with other matters at the same time, creating a one stop shop. We hope that taking repairs back in house will enhance customer satisfaction, allow us to continue to improve our services and deliver better value for money.

Repairs come back in house from September 2018.

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# Our Performance

We are performance focused, and our Board and Committees monitor our performance against a set of annually agreed targets and key performance indicators.



## Arrears

Arrears at the end of the financial year were 3.98% against a target of 4% the annual rent due. This target is likely to become ever more challenging as Universal Credit rolls out and we are mindful of the conflict between creating sustainable tenancies and protecting the organisation. Increasing debt is a major concern and one we want to further develop our response to.



## Legal action and evictions

During the year we served 27 Notices of Seeking Possession (NOSPs) for rent arrears, had 11 court hearings and carried out one eviction. Whilst eviction is always the last resort, there are sadly times when tenants will not engage with us to address their arrears. Again, by supporting tenants to manage debt, we hope to limit the impact of Universal Credit on arrears and minimise future evictions.



## Voids (empty homes)

In the 2017–18 period we had just 8 voids and made 14 new lettings with the acquisition of 6 new flats in Scott's Road. The average time it took to re-let our homes (excluding delays due to major repairs) was 19 days, which is well within our target of 28 days. Total re-let time was 25.6 days.



## Anti-Social Behaviour

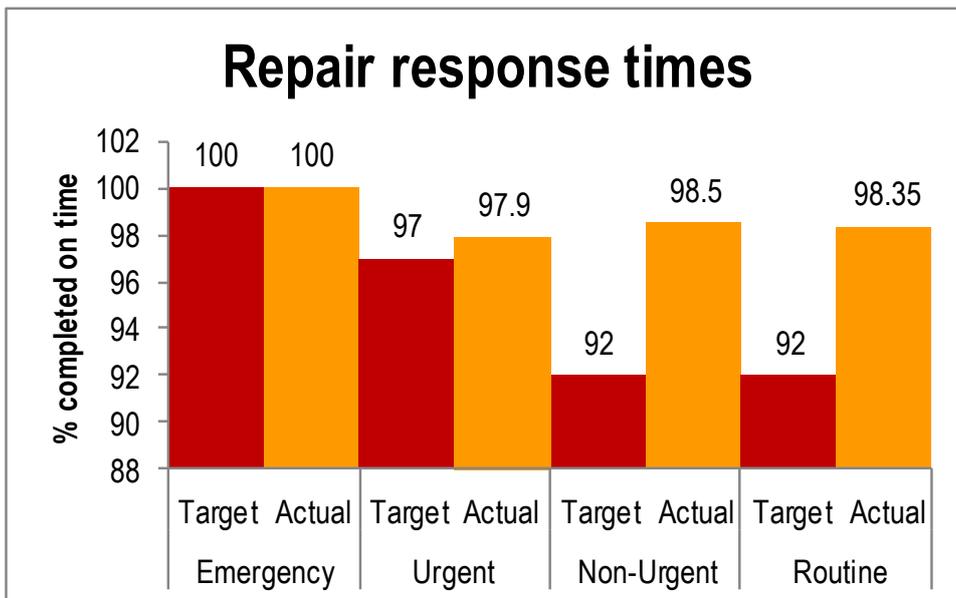
We received 8 reports of ASB over the year, all of which were responded to within our target time. Most of these were related to noise nuisance, pets and neighbour disputes. This compares to 12 cases reported in 2016–17. We remain committed to tackling reports of ASB quickly and positively.

# Our Performance

## Repairs

During 2017–18, 752 repair orders were raised. 98% of total repairs were carried out on time, and we beat our target repair response times for urgent, non-urgent and routine repairs (see graph below). The average number of days to complete a repair (including non-urgent repairs) was 8.4 days. A total of 107 people filled in tenant satisfaction surveys, with 92.7% saying that the repairs service was 'good' or 'very good'.

As of the 10th September our repairs service will be back in-house with the aim of further improving the service, quality of



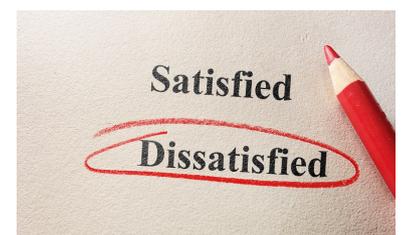
repairs and tenant satisfaction.

## Planned Improvements

During the year we fitted 2 new bathrooms, 3 new kitchens and carried out 12 boiler replacements as part of our planned improvements programme.

## Complaints

We had a total of 8 formal complaints over the year, all of which were addressed within 5 working days. We continue to work hard to ensure complaints are tackled quickly and positively and that we learn from them to improve our service.



# Our Strategic Objectives

## Our Services

- To seek to develop a broader range of homes and services to more people in the community
- To create homes and communities we can all be proud of
- To provide an excellent customer service
- To ensure services deliver VFM for tenants
- To safeguard and make the best use of our assets, maximising our resources and ability to provide high quality homes
- To deliver a proactive responsive repairs service, ensuring clarity about our respective responsibilities
- To sustain tenancies and provide a holistic, proactive and responsive housing management service



## Our Business

- To remain financially strong and ensure the resources are in place to deliver our vision
- To take appropriate risks to grow the business
- To be a high performer across the board
- To be well governed and well managed
- To develop effective partnerships in the community to help us further our objectives

## Our People

- To ensure we have the right staff and board team to manage the business
- To be a good employer, with a clear framework for delivering excellence and driving up performance
- To create a culture of team working, collaboration and shared responsibility

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# Our Vision and Values

## Our Vision

We are a community based housing association that is passionate about enhancing the lives of our residents by providing excellent homes and services. We are proud of our strong community roots and strive to be a positive voice within, and make a positive impact on, the local community.

## Our Values

### Acting with Integrity

- We communicate in an open, honest and transparent way
- We do what we say we will and keep our promises
- We are accountable for our decisions and take responsibility for our mistakes

### Being Ambitious

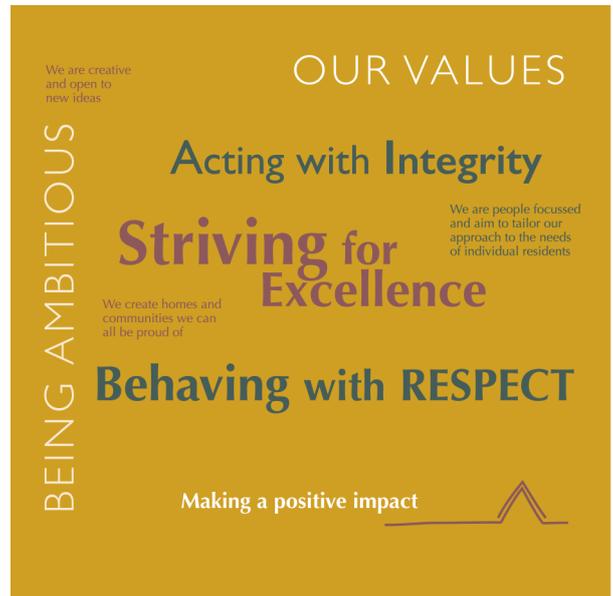
- We are ambitious for the future of PCHA, seeking to deliver a broader range of services to more people in our community
- We are prepared to take measured risks to drive improvements and growth
- We are creative and open to new ideas
- We embrace change and respond positively to new opportunities
- We adapt swiftly to changing markets and needs

### Striving for Excellence

- We create homes and communities we can all be proud of
- We are people focussed and aim to tailor our approach to the needs of individual residents
- We strive to be proactive, solution orientated and go the extra mile
- We work collaboratively and build positive partnerships
- We continually challenge ourselves to improve our performance
- We seek to make sound business decisions and be well governed and managed

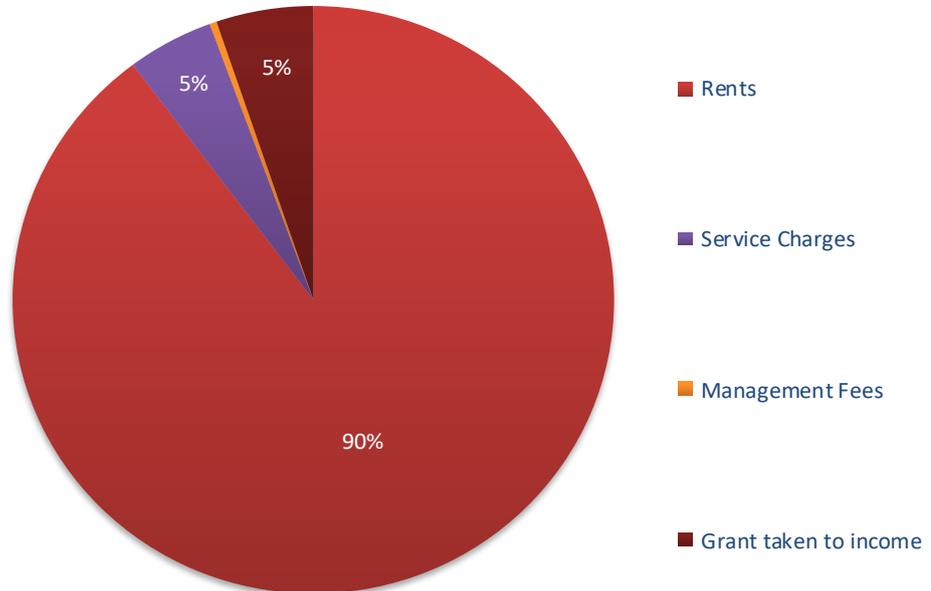
### Behaving with Respect

- We behave in a fair-minded and non-judgemental way
- We value the individuality and diversity of our residents and our community
- We are inclusive in the way we work

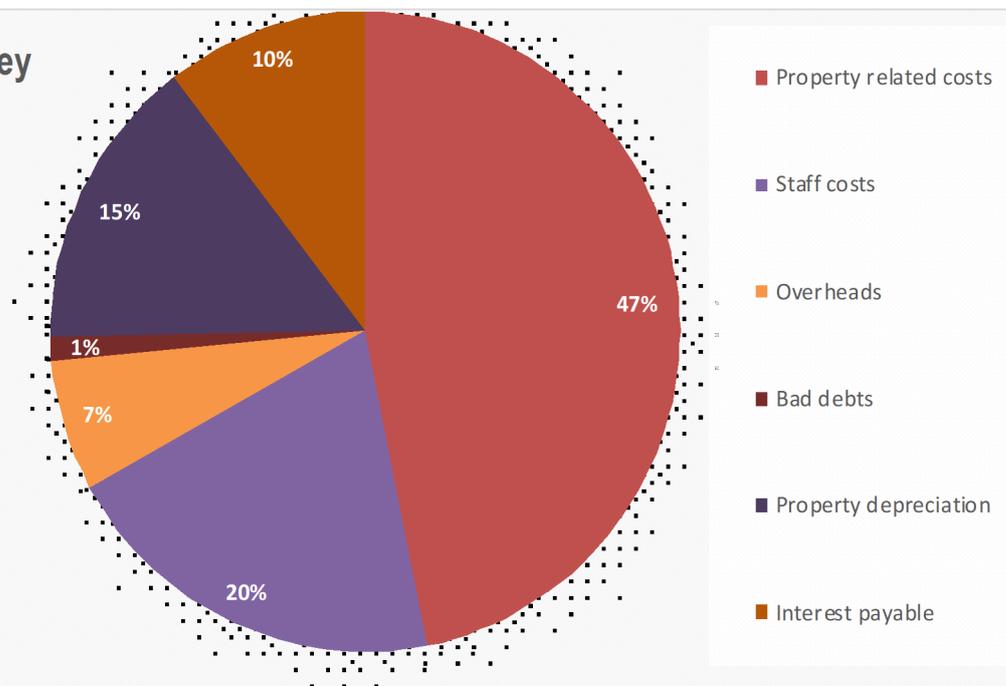


# Our Money

## Where our money comes from



## How we spent our money



The detailed Annual Accounts and VFM Strategy can be found on our website:

[www.pengechurchesha.org.uk](http://www.pengechurchesha.org.uk)

# Our Money

## FINANCIAL PERFORMANCE—Statement of Comprehensive Income

Year ended 31 March 2018	2018 £	2017 £
Turnover	1,778,967	1,730,701
Less: operating costs	(1,273,508)	(1,129,012)
<b>Operating surplus</b>	<b>505,459</b>	601,689
Interest receivable and similar income	466	1,711
Interest payable and similar charges	(147,869)	(137,386)
<b>Total comprehensive income for the year</b>	<b>358,056</b>	466,014
Revenue reserves brought forward	3,551,711	3,085,697
<b>Revenue reserves carried forward</b>	<b>3,909,767</b>	3,551,711

## FINANCIAL PERFORMANCE—Statement of Financial Position

As at 31 March	2018	2017
<b>Fixed Assets:</b>		
Tangible assets (Housing properties at cost)	14,758,436	13,896,848
Other fixed assets	137,201	135,602
<b>Total Fixed Assets</b>	<b>14,895,637</b>	14,032,450
<b>Current Assets:</b>		
Debtors	64,732	38,852
Cash and bank balance and deposits	680,947	705,127
<b>Total current assets</b>	<b>745,679</b>	743,979
<b>Creditors:</b>		
(Amount falling due within one year)	(614,986)	(482,528)
<b>Net current assets</b>	<b>130,693</b>	261,451
<b>Total assets less current liabilities</b>	<b>15,026,330</b>	14,293,901
<b>Creditors:</b>		
(Amounts falling due after more than one year)	(11,116,535)	(10,742,163)
<b>Total net assets</b>	<b>3,909,795</b>	3,551,738
<b>Capital and reserves:</b>		
Revenue reserve	3,909,767	3,551,711
Share capital	28	27
<b>Total reserves</b>	<b>3,909,795</b>	3,551,738



# Value for Money

It is important that PCHA is able to demonstrate that it achieves Value for Money in its delivery of housing and associated services to its tenants and other stakeholders. It is important to note that cost cutting is not the primary driver of our Strategy but a desire to understand our costs and ensure we get the maximum return on our investment.

PCHA's vision is to enhance the lives of our tenants by providing excellent quality homes and services. Tenants tell us that they value the personal and responsive service we are able to offer as a small community based association. This is an area we intend to develop further as we bring repairs back in house and will form a major part of our VFM Strategy in future.

## VFM Metrics

The Regulator for Social Housing has set 7 core VFM metrics for the sector. PCHA's results can be summarised as follows:-

	PCHA	PCHA	PCHA	Median - all HA's
	2017-18	2016-17	2015-16	2016-17
1. Reinvestment	7.27%	1.00%	1.25%	5.62%
2a. New supply delivered (social housing units)	2.25%	0.00%	0.00%	1.24%
2b. New supply delivered (non-social housing units)	0.00%	0.00%	0.00%	0.00%
3. Gearing	24.27%	21.91%	24.62%	48.20%
4. EBITDA MRI interest cover	348%	418%	193%	216%
5. Headline social housing cost per unit	£4,258	£4,011	£4,913	£3,298
5a. Management cost per unit	£1,103	£1,143	£1,360	£941
5b. Service charge cost per unit	£314	£275	£367	£372
5c. Maintenance cost per unit	£1,908	£1,528	£1,981	£925
5d. Major repairs cost per unit	£413	£525	£663	£683
5e. Other social housing costs per unit	£0	£0	£0	£241
6a. Operating margin (social housing lettings)	28.93%	34.51%	21.00%	34.33%
6b. Operating margin (overall)	28.39%	34.78%	21.24%	31.16%
7. Return on capital employed	3.36%	4.21%	2.56%	4.37%

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# Value for Money - Benchmarking

PCHA is a member of the BM320 small housing Associations' benchmarking club for London and this enables us to compare our costs and performance with other similar organisations. Our Chief Executive, Karen, has been Chairing this group and she says "The club provides a valuable support network but more than that; it is about using the data and our discussions with our peers to drive up our performance and improve our services by understanding.

During 2017/18 our performance overall compared well with us being in the top quartiles in most areas. Some of the key results are shown in the table below:

Benchmarking BM320 Report 2017-18					
	PCHA	BM320 Quartile	Regional Quartile	SPBM Quartile	House-mark
Satisfaction - overall services %	92	2	1	2	1
Satisfaction - quality of home %	90	2	1	3	1
Satisfaction - VFM rent %	92	1	1	2	1
Satisfaction - repairs and maintenance %	86	1	1	2	1
Satisfaction - listens to views and acts %	85	1	1	2	1
void losses %	0.3	2	2	2	1
Ave re-let time - days	25.6	2	3	3	3
Ave days lost due to sickness absence	4.8	2	2	2	1
Current tenant arrears %	3.98	3	3	4	4
Emergency repairs completed within target %	100	1	1	1	N/A
Urgent repairs completed within target %	98	2	1	2	N/A
Routine repairs completed within target %	98.5	2	2	2	N/A
Homes with a valid gas safety cert %	100	1	1	1	1
Operating margin (overall)	28.4	1	1	2	3
No. of New Units (social housing) developed	6.0	1	1	2	4

# Board and Staff

As of 31 March 2018 our board had eight active members, including our Chief Executive who is a non-shareholding executive member. Together members have a broad range of relevant skills and expertise. The skills and experience of the Board are reviewed periodically to ensure that the Association has the right mix to meet both current and future needs.

## Our Board:

Tracey Downie	- Chair
Mark Phillippo	- Vice Chair
David Hynes	
Mark Ryan	
Adeola Oke	
Trevor Crook	
Dennis Simmonds	
Karen Cooper	- Company Secretary

## Our Staff:

Over the year we had a small but passionate staff team who want to make a real difference to our residents.

Karen Cooper	- Chief Executive
Jennifer Duberry	- Housing Manager
Danuta Evans	- Housing Assistant
Natalie Ions	- Project Officer (Maintenance)
Mark Knight	- Project Manager



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