



PENGE CHURCHES HOUSING ASSOCIATION

ANNUAL REPORT

2015

Contents

Chair's Foreword	3
Chief Executive's report	4
Who We Are	5
Investing in Homes and Services	6-7
Governance	8
Performance	9
Financial Performance	10-11
Board, Staff & Advisers	Back Cover

Chair's Foreword



Despite the many challenges now facing the affordable housing sector and our residents, Penge Churches Housing Association (PCHA) has had another successful year. We remain committed to providing high quality housing services in our local area at a price our residents can afford, with excellent customer service as our top priority. We are rooted in the local community, and this is the key to our future success.

The change of Government brings several major challenges.

Our rents are set to reduce over the next four years, which will be welcome for residents, but some of them will face further cuts in welfare benefits. These changes also mean that we need to continue to manage our finances and investment diligently. The Right to Buy for housing associations is another challenge that will require careful management.

We are undertaking a major survey of our homes, and this is key to understanding how we need to use our resources to keep our assets in good condition. During the past year we have invested over £750,000 in all types of maintenance services, including major repairs.

Two of our larger properties had basement flats which needed significant investment in damp proofing, improved insulation and drainage:

- 173 Anerley Road (contains 18 flats)
- 84 Thicket Road (contains 6 flats)

As an organisation we are only as good as our people, and we are very lucky to have such a dedicated and competent staff team, as well as a very able Board which is continuing to evolve.

I would like to pass on my thanks to Edward Lee-Smith, who retired from the Chair in 2014. Edward successfully steered us through a difficult period, and built on the organisation's achievements for the future. We are grateful that he is maintaining his involvement with PCHA. This year we have seen the resignation of four highly experienced Board members: Reverend Anthony Atherton, Reverend John Taylor, Andrew Tredinnick and Jason Charles have between them dedicated many years to the organisation and its residents. I would like to thank them for their efforts and contribution to the continued success of PCHA. We have recently recruited a number of new Board members, whose skills and local connections will help us maintain our high quality of service in the coming years.

We would also welcome the involvement of our residents in the management of the organisation, as it is our customers who best understand how best we can improve. There are a number of ways in which you can contribute, and we would encourage anyone who is interested to get in touch.

Julian King

CHAIR

We remain committed to providing high quality housing services in our local area at a price our residents can afford.

Chief Executive's Report



The achievements described in our 2014/15 report demonstrate the hard work of the staff team, who have continued to deliver a great service to our tenants. We pride ourselves on offering a friendly, supportive service from our local office in Maple Road, Penge. Our last tenant satisfaction survey in 2013 showed that 91.7% of our tenants were satisfied with our overall service. We hope to see equally good results when our 2015 survey is completed in the next couple of months.

Our first aim is to deliver efficient and effective housing services, maintaining the financial viability of the organisation. This means that we need to be 'firm but fair' in our approach as landlords. Positively we kept rent arrears down to 2.7% of our rental income; this is an achievement when more tenants have been getting into arrears. We work hard to help tenants manage their finances, including offering a free, independent debt advice service. This has helped quite a number of tenants to repay their debts. Sadly in a couple of cases we had no alternative but to evict tenants who persistently failed to engage with us and pay their rent.

Positively
we kept rent
arrears down
to 2.7% of our
rental income.

As a community housing association we want our tenants to feel secure and enjoy living in their homes. We have had some cases of anti-social behaviour to deal with over the past year, and in one case a tenant who was making life a misery for others was evicted. Good partnership working is an important part of our approach to dealing with such cases, and we work closely with the local police, Victim Support, Bromley Women's Aid, and social workers and mental health workers from Bromley Council.

Value for money continues to be high on our agenda. It is important that we make best use of the rents received from tenants to provide good quality maintenance services and to invest in improvements to their homes. See pages 6 & 7 of our report for more detail on how we have invested in homes over the past year.

The staff team at PCHA is small in numbers, but not short on experience and dedication. I'd like to thank them for their real commitment to our tenants and to the success of the organisation. I'd also like to thank Edward Lee-Smith and Julian King who have chaired the Board during the year, and to the rest of the Board members. They have given me and the staff team support and guidance, as well as exercising good governance by holding us to account and setting out a clear strategic lead for PCHA as a strong, locally focussed organisation, offering great services to our tenants.

Louise Barnden

CHIEF EXECUTIVE

Who We Are



We own and manage 264 homes for families and single people, including those with mental health support needs and learning disabilities.

Penge Churches Housing Association was set up 1969 by a group of people from local churches who recognised the need for good quality rented housing. Their determination and commitment sowed the seeds for the Association which has grown over the years, but which has not lost its local focus on the community of Penge, Anerley and Beckenham.

We own and manage 264 homes for families and single people, including those with mental health support needs and learning disabilities.

We have adopted a set of values which underpin the ways in which we work. In all our dealings we will be:

- Sensitive to people's needs
- Open and accountable
- Inclusive and fair
- Honest and trustworthy

We are a charitable provider of social rented housing, registered with the Homes and Communities Agency and a member of the National Housing Federation.

Our aims and objectives are to:

- Deliver efficient and effective housing services and be financially viable
- Explore opportunities for growth to meet the needs of the local community
- Work in partnership with others in the interests of the local community

Investing in Homes and Services

Value for money

Value for money continues to be a constant theme of the way we run PCHA. In the current economic and political climate housing associations are being challenged to make best use of their resources. At the same time many tenants are finding their incomes under pressure from welfare benefits changes. So it is particularly important that we spend our money wisely at the same time as giving a good service and investing in homes.

We focus on a number of aspects of running the business which contribute to value for money. These include:

Investing in assets

We know that one of the most important things for our tenants is our maintenance service. This can mean anything from fixing an emergency repair such as a leak or a broken window to a major repair project such as dealing with damp in older properties. A significant number of PCHA homes are older street properties which can have high maintenance costs.

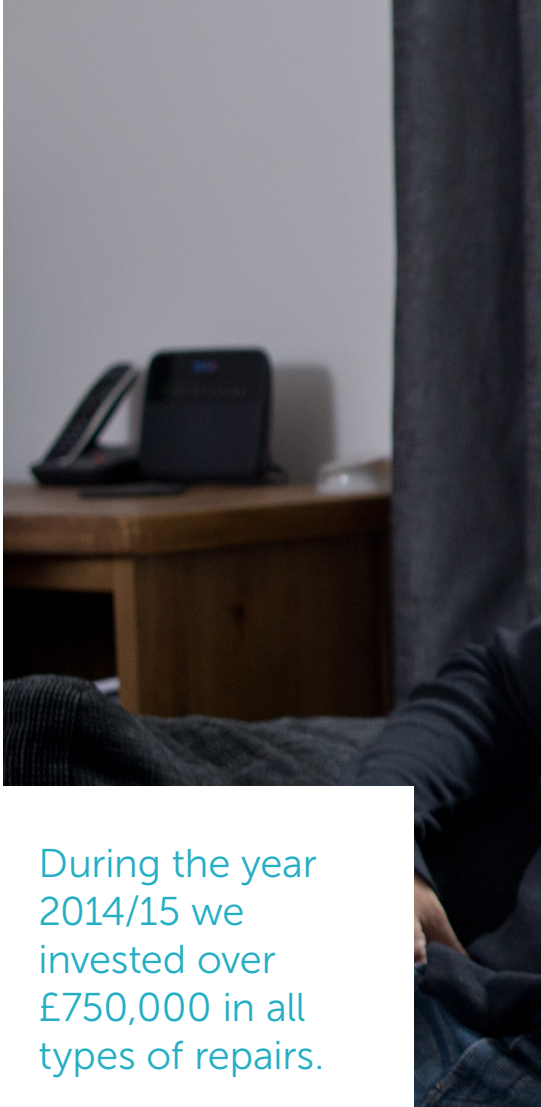
We continue to work with Keniston Housing Association who manage our day to day and planned repairs service, and with Clairglow who carry out gas servicing, boiler replacements and plumbing works.

During 2014/15 we have thoroughly reviewed our Asset Management Strategy. The aim of this is to sustain the long term future and value of the association's properties and also to keep homes safe, fit to live in and appropriate to meet the household's needs.

There have been several elements to this work:

- Planning a new stock condition survey to be carried out in September 2015 - this will give us good up to date information about the quality of our properties and the timing of investment such as new kitchens, bathrooms and boilers.
- Carrying out major repairs to some properties suffering from damp - two of our larger properties with basement flats (173 Anerley Road and 84 Thicket Road) needed significant damp proofing, insulation and external drainage works during the year. This has improved the quality and energy efficiency of these homes.
- Encouraging tenants to take care of the minor repairs which are their responsibility.

During the year 2014/15 we invested over £750,000 in all types of repairs.



During the year
2014/15 we
invested over
£750,000 in all
types of repairs.



Efficiency in running costs

We are always looking for ways to save money, and during 2014/15 we spent less than we did the previous year on a number of overheads, for example:

- Staff salaries
- Board expenses
- Printing, stationery, phones and postage

Social Value

Wherever possible we aim to offer tenants more than just a home and basic landlord services. Over the past year this has included:

- Over £1,200 in small grants from our Friends Fund for household goods, essential furniture, white goods
- Access to support from Community Options or Keyring, who enable people with mental health issues or learning disabilities to live independently in the community
- Financial support, for example through our free, independent debt advice service
- Support to tenants seeking employment, for example use of internet facilities at our offices for job seeking

If you would like more information, copies of our Annual Report and Financial Statements VFM Strategy and VFM self-assessment are available on the website or from our registered office.

Governance

PCHA's Board is responsible for the effective governance of the Association, while day to day management is delegated to the staff team through the Chief Executive. The key responsibilities of the Board are to lead, control and monitor the performance of the Association.

The Finance & Audit Committee and Operations Committee scrutinise financial and operational performance and hold the staff team to account. Overall, the members are responsible and accountable for governance and make sure that all regulatory and legal requirements are met.

In 2014/15 we had eleven non-executive directors, including one tenant board member, and the Chief Executive also serves as an executive director.

During the year two of our long standing members stood down from the board, Andrew Tredinnick and Rev. John Taylor, Jason Charles and Anthony Atherton will be standing down at the 2015 AGM. To replace them, we have recruited new members who will join the Board in the later part of 2015 and together the members will continue to bring a wide range of skills and expertise to the Board, ensuring strong governance and good decision-making. Board members are not paid for their services. The Association aims to comply with the 2015 version of the National Housing Federation's Code of Governance.

The Association continues to encourage and foster resident involvement in its decision making processes and structures. This is achieved by working with our Tenants' Talk forum and Tenants' Panel, along with our regular feedback surveys.

The Association continues to encourage and foster resident involvement in its decision making processes and structures.

Performance

Our performance in 2014/15

The Association has had another successful year financially, with a surplus for the year of £138,686 (compared with £186,525 in 2013/14). Although this is a 26% decrease in surplus, it is the result of a positive decision to invest in some major repairs during the year to improve a number of our larger, older properties (see further details on page 6).

The position at the end of the year is shown pages 10 and 11.

	Target	2013 / 2014	2014 / 2015
Current rent arrears as % of rent debit	3.25%	2.62%	2.7%
Average time to re-let homes	< 28 days	30.5 days	29 days
Properties with a valid gas certificate	100%	100%	100%
Repairs carried out within target time:			
Emergency	100%	97%	97%
Urgent	97%	97%	92%
Non-Urgent	92%	95%	95%

Benchmarking

We compare our operational and financial performance with other similar organisations working in London through the BM320 benchmarking group.

This table shows our performance for 2014/15 compared with our benchmarking group. National data for small housing associations is also shown.

	Us	BM320	National Average
Operating cost as a % of turnover	81.87%	71.03%	73.58%
Management costs per home per week	£19.37	£23.73	£19.82
Average spend on day-to-day repairs per home per week	£17.63	£13.40	£13.02
Average rents per week	£120.00	£122.00	£99.36
Current rent arrears	2.7%	2.89%	2.82%
Average time to re-let properties	29 days	29 days	21.5 days

Financial Performance

Balance Sheet

As at 31st March	2015	2014
Tangible Fixed Assets		
Housing Properties:		
Cost less depreciation	£14,417,818	£14,394,792
Less: Social Housing Grant	£(9,278,065)	£(9,278,065)
	£5,139,753	£5,116,727
Properties – Sub-market lettings	£1,054,886	£1,054,886
Other fixed assets	£140,017	£140,021
	£6,334,656	£6,311,634
Current Assets		
Debtors	£60,702	£33,348
Bank balances, deposits and cash	£414,731	£442,449
	£475,433	£475,797
Less: Creditors		
Amount falling due within one year	£(386,817)	£(362,802)
Net current assets	£86,616	£112,995
Total assets less current liabilities	£6,423,272	£6,424,629
Creditors		
Amount falling due after more than one year	£3,942,911	£4,082,954
Capital & Reserves		
Revenue reserves	£2,480,335	£2,341,648
Designated reserves	–	–
Called-up share capital	£26.00	£27.00
	£6,423,272	£6,424,629

Income and Expenditure Account

Year ended 31st March	2015	2014
Turnover	£1,617,204	£1,521,884
Less operating costs	£(1,324,060)	£(1,163,916)
Operating surplus	£293,144	£357,968
Interest receivable and similar income	£2,102	£4,477
Interest payable and similar charges	£(156,560)	£(176,553)
Surplus before transfer	£138,686	£185,892
Transfer from / (to) reserves	–	£633.00
Surplus for the year	£138,686	£186,525
Revenue reserve carried forward	£2,480,335	£2,341,648

Board, Staff and Advisers

Board

Julian King, Chair
Tracey Downie, Vice Chair
Rev. Anthony Atherton
Jason Charles
Cllr Peter Fookes
Edward Lee-Smith
Michael Mason
Mark Phillippo
Rev. John Taylor (retired 20.11.14)
Andrew Tredinnick (retired 11.9.14)
Gill Wiscombe
Louise Barnden

Our Staff

Louise Barnden, Chief Executive
Patsy Alexander, Finance Manager
Jennifer Duberry, Housing Manager
Danuta Evans, Housing Assistant
Kate Yankah, Finance Assistant
Natalie Ions, Repairs Assistant

Company Secretary

Louise Barnden

Funders

The Homes & Communities Agency
Nationwide Building Society
Unity Trust Bank

Auditors

Beever & Struthers (external audit)
TIAA (internal audit)

Bank

CAF Bank

Registered Office

99 Maple Road
London
SE20 8LN

Contact

Tel: 020 8659 3055
Email: housing@pengechurchesha.org.uk
Web: pengechurchesha.org.uk