



# **Penge Churches Housing Association**

## **Business plan 2015-2018**

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## **Introduction**

Welcome to our Association. We have been in existence since 1969 when a group of people from local churches recognised the need for good quality affordable rented housing. Their determination and commitment sowed the seeds for the Association that has developed over the years within the local community.

We manage 264 homes for families and single people, including those with mental health support needs and learning disabilities. Our local focus enables us to provide a personalised, friendly service. We don't have a call centre; we provide a generic, tenant centred service - many of our tenants know our staff by their first name. We are efficient and believe that the added value provided through our partnership working means that our management costs are very competitive. Our tenants have access to small grants from our own 'Friends Fund' and we actively pursue grants from other grant funding organisations for tenants.

We are a Registered Society under the Co-operative and Community Benefit Societies Act 2014, registered with the Homes and Communities Agency and a member of the National Housing Federation.

We have adopted a set of values and these underpin the ways in which we work. Our values mean that in all our dealings we will be:

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

We aim to maintain our Christian ethos in pursuing our aims and objectives.

## **1. Purpose and Objectives**

Our main purpose is to provide good quality homes and housing services in the local community. Our strategic objectives are:

### **1. To deliver efficient and effective housing services and be financially viable:**

- We will provide responsive, tenant focused services to maximise satisfaction and respond to feedback from satisfaction surveys
- We will implement our Asset Management Strategy in order to maintain our homes in good condition whilst keeping repairs costs down
- We will implement our Welfare Reform Action Plan and work with LB Bromley and other local partners to support tenants and minimise rent arrears as a result of welfare reforms
- We will benchmark our performance and network to learn from others to improve our services
- We aim to be an 'upper quartile' housing management performer

### **2. To work in partnership with others in the interests of our tenants and the local community:**

- We will be proactive in developing partnerships where there is clear benefit to our operations, including seeking external funding
- We will develop and maintain relationships with organisations whose services benefit our tenants
- We will research local needs and consider taking the lead in community projects where funding is available and these will benefit our tenants

### **3. To pursue opportunities for growth to meet the needs of the local community:**

- We will increase our social housing stock
- We will develop new homes with or without grant
- We will consider developing a small programme of sub-market rented homes
- We will consider offering management services to other landlords

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These objectives are reviewed and updated periodically to ensure that we are focused on achieving value from our resources and assets. Each member of staff has individual objectives derived from the corporate objectives.

### **2. Governance**

The Association is registered under the National Housing Federation's 2005 model rules. We have adopted the Federation's Code of Governance (2015 edition) and are currently working towards compliance with the requirement that Board members do not serve more than nine years in office.

Our Board has eleven members, including a tenant elected member and 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 and we have a succession plan in place to ensure that the Association has the right mix to meet current and future needs.

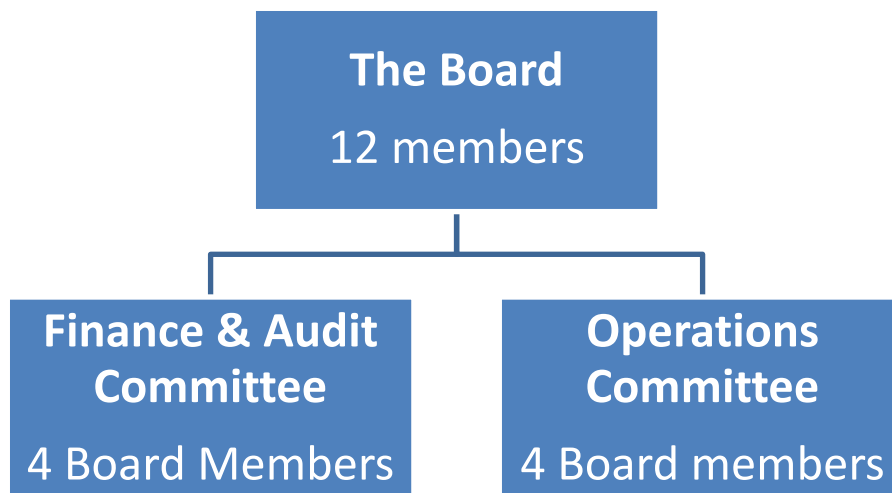
#### **Board membership at 1<sup>st</sup> December 2015**

Tracey Downie	Chair
Mark Phillippo	Vice Chair
Cllr Peter Fookes	
David Hynes	
Edward Lee-Smith	
Michael Mason	
Adeola Oke	
Rev. Nigel Poole	
Mark Ryan	
Gill Wiscombe	
Louise Barnden	Chief Executive

Our main Board activities are supported by 2 committees, the Finance & Audit Committee and the Operations Committee. Our Operations Committee has a place for a co-opted tenant member.

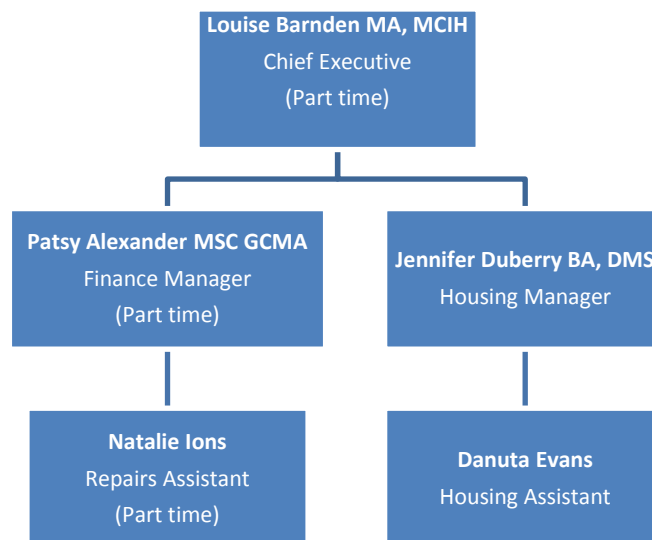
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**Organisation structure**



**Current staffing**

We employ 5 staff, 3 of whom are part time. Louise Barnden, our Chief Executive was appointed in 2014. Louise has over 30 years experience in housing, having worked for several housing associations, The Chartered Institute of Housing and as a freelance housing consultant.



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### **Skills and resources**

Our experienced staff team has a good range of skills and experience in housing management, finance and treasury management, project management, partnership working and fundraising. We invest in training and staff development.

We have a partnership arrangement with Keniston Housing Association to provide a repair and planned maintenance management service.

### **Performance benchmarking**

We are a member of the BM320 benchmarking group. We aim to achieve upper quartile performance in all areas when measured against other associations having fewer than 1,000 properties.

## **3. Current Activities**

### **Homes in ownership and management**

We own 261 homes

- 3 x 5 Bedroom homes
- 14 x 4 Bedroom homes
- 32 x 3 Bedroom homes
- 85 x 2 Bedroom homes
- 93 x 1 Bedroom homes
- 21 x Studios
- 5 Studios and 8 1 bedroom self- contained flats for people with mental health support needs (Stafford House)

### **Stafford House**

Stafford House is a scheme of 13 flats for people with mental health support needs. The scheme is managed on our behalf by Community Options who also provide support to all of the tenants.

### **Management agreements**

We manage 3 houses on behalf of a local church, Christ Church Anerley.

### **Asset management**

We achieved the decent homes standard for all of our stock ahead of the government deadline in 2010, and we aim to keep all our properties in good condition. We completed a stock condition survey in 2015 and will use the results to guide our planned maintenance programme. We will ensure that we have the resources to maintain a good standard of housing for our tenants. Over

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the next three years we will be investing around £1 million in our homes to maintain and improve them.

We have an asset management strategy. Every 7 years (or 5 years where properties have wooden windows) we carry out cyclical decorations and repairs. This comprehensive approach reduces responsive maintenance commitments.

### **Improvements**

In addition to meeting the decent homes standard we are committed to improving energy efficiency in our homes and upgrading facilities generally. We also carry out adaptations to our homes to enable people to continue living independently; applying for funding from a range of agencies where possible.

### **Partnership working**

We work in partnership with a range of organisations and focus on building relationships that benefit our tenants. We work with LB Bromley's health and social care teams to ensure that our more vulnerable tenants receive the support they need to sustain their tenancies.

We work with the police, Victim Support and are a member of Bromley council's anti-social behaviour liaison group. This enables us to work in a co-ordinated and effective way to deal with any reports of anti-social behaviour.

We work with Lewisham Plus credit union to give access to savings and lower interest loan facilities. An independent debt advice service provided by Bromley Community Counselling is available to all tenants.

We work with a number of grant funding organisations and trusts to access grants for individual tenants.

### **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.

Our arrears management is upper quartile. At 31<sup>st</sup> March 2015 rent arrears were 2.7% of the annual rent debit despite the changes in welfare benefits affecting a number of our tenants.

We work hard to turnaround empty properties. In 2014/15 we re-let empty homes in an average of 29 days. In many of these homes improvements were carried out as part of the re-let works.



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We manage gas safety strictly and there were no late completions of inspections on time in 2014/15. In rare situations where servicing has not been completed on time we work closely with our contractor Clairglow, our tenant and our solicitor, if appropriate.

### **4. Our tenants**

We house families, couples and single people. Our studio flats give many single people a good starter home from which they can move onto a larger home.

Stafford House in Anerley has provided supported housing for people with mental health support needs for over 20 years. Stafford House provides homes for 13 single people in fully self contained flats.

Our 24 home scheme at Garden Walk in Beckenham provides flats for older active people.

We work in partnership with Bromley Women's Aid offering accommodation to women fleeing domestic violence. Another partner is LATCH, a charity supporting young homeless people; we offer accommodation to young people who then receive ongoing support from LATCH to help them settle successfully into independent living.

Involving our tenants in our work is important to us. We have a variety of ways in which our tenants can get involved in the Association:

- A place on our Board is reserved for a tenant elected Board member
- Tenants and Board members work together on topic based working groups
- Our open tenants' forum, Tenants Talk, is held twice a year
- We consult tenants through our quarterly newsletter and our website
- Satisfaction surveys
- A suggestion scheme

Our 2015 tenant satisfaction survey showed that 90.6% of tenants were satisfied with the overall service provided by us.

## **5. Our plans**

### **Our development programme**

The Association is keen to look at potential opportunities to develop where this meets the needs of the communities and the priorities contained within the Local Housing Strategy. In 2015/16 we have plans to build six new flats in partnership with a larger local association.

In 2013 we remodelled one of our larger 2 bedroom properties converting it into 2 one bedroom properties.

### **Management agreements**

We have a management agreement with a local church and have experience of managing agreements with other service providers. In order to grow our organisation and to provide quality housing services to more tenants we have agreed to explore management opportunities in the next 5 years.

### **Community Projects**

We are experienced at working in partnerships for the benefit of our tenants and have proven project management skills. Our staff team has fundraising experience. Our tenants have a variety of needs and we plan to identify and work with partner organisations to develop projects that will benefit our tenants and the local community.

### **Welfare reform**

The government's welfare reform agenda is well underway and major changes and cuts to certain benefits have come into effect. We offer free independent debt advice to our tenants. We have developed an action plan to minimise the impact of these reforms.

We are communicating with all tenants about the changes and are working with Lewisham Plus credit union to promote bank accounts that have standing order facilities. We have updated our tenant information so that we can focus on working with tenants who will be affected, and we will continue to work closely with tenants as Universal Credit is introduced.

Our rent arrears are low and we are good rent collectors so we are in a good starting position but we do not underestimate the potential impact of welfare reform on the Association both in terms of rent collection and in time needed to collect rents.

## **6. Financial projections and forecasts**

We continue to have a strong financial base having generated operating surpluses for successive years. The operating surplus for the year ended 31 March 2015 was £136k (2014, £185k).

The three year financial projection is based on the following assumptions have been made:

- Secure and existing assured rents are forecast to decrease by 1% per annum from April 2016 based on the government's recent announcement of rent cuts
- Operating and revenue surpluses are forecast to continue.
- The plan includes £300k per year for major and cyclical repairs with capitalisation at 30%. All works will be funded from revenue and it is not intended to fund major works from reserves or borrowing.
- Other expenditure is assumed to increase by 3% per annum.
- Interest receivable is assumed at 1.5%.
- Interest payable arises from interest on some loans at fixed rates of interest and the balance at variable rates which are assumed to average 6%.
- Cash and investments will be maintained at a minimum of £100k in line with the treasury management policy.
- Sub-market rent properties will remain within local housing allowance targets.

### **Borrowing and future potential**

Our balance of loans at 31 March 2015 was £3.9 million. The plan assumes additional borrowing of £1.3m in 2016/7 for the purchase of six affordable two bedroom units.

30% of our properties are unencumbered. We therefore have a strong asset base against which further borrowing to fund development could be taken out.