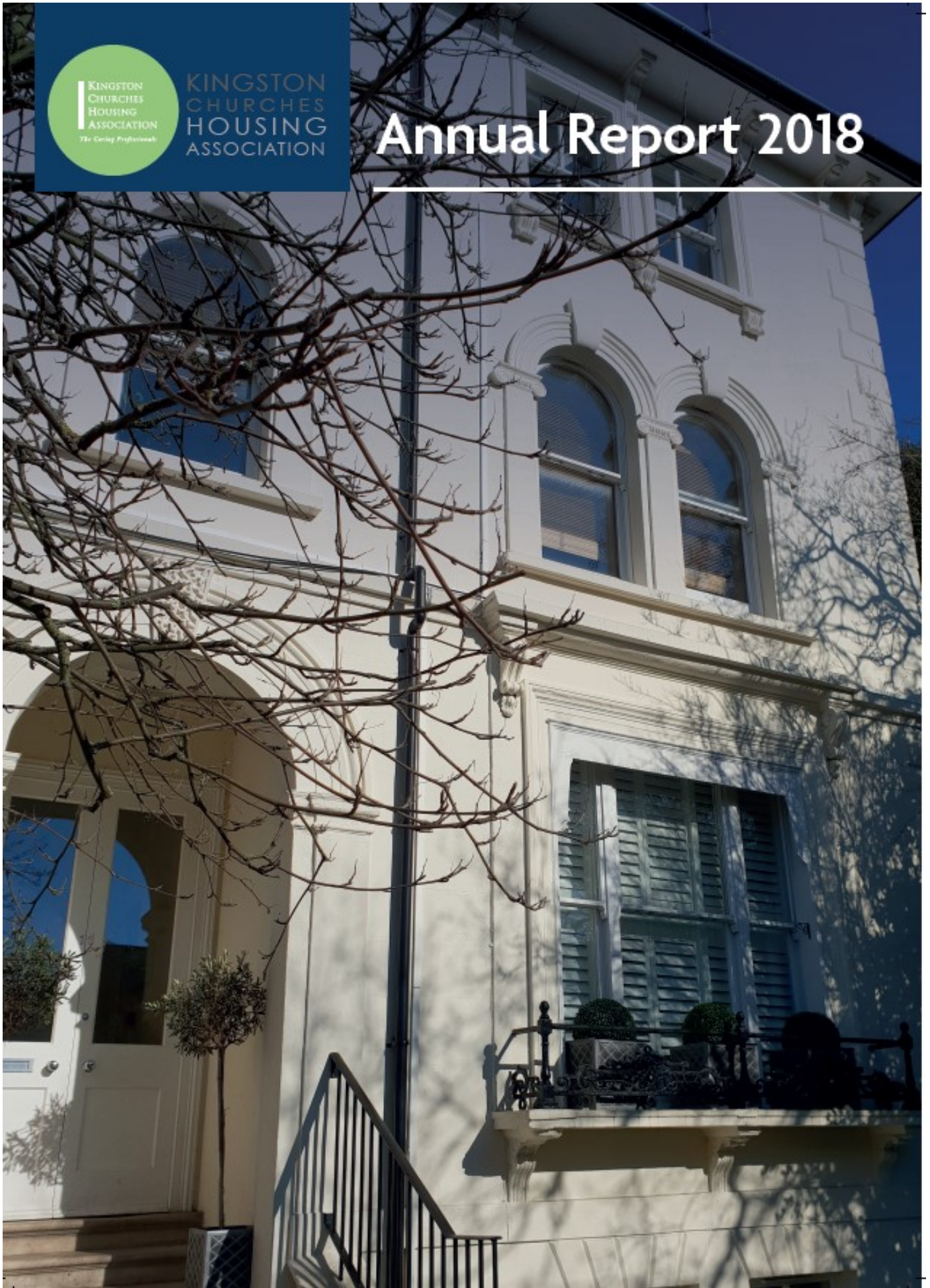




KINGSTON
CHURCHES
HOUSING
ASSOCIATION

Annual Report 2018



A photograph of a residential street with brick houses and a tree, overlaid with a green header and white text. A crystal chandelier hangs in the foreground.

**KCHA have grown
steadily in size and
now manage 272
units of housing**

About the Association

Kingston Churches Housing Association (KCHA) is a locally based housing association operating mainly in the Royal Borough of Kingston upon Thames, but with additional properties in Elmbridge Borough Council and the London Borough of Merton.

The Association was formed in 1964 and opened its first property in 1967. Since then we have grown steadily to our current size, and at the end of 2018 we owned and managed 272 units of housing. This is made up of a mix of general needs housing (for single people, couples, single parents and families) and sheltered housing for the elderly.

This figure includes 60 units of sheltered housing acquired by our merger with Wilberforce Housing Association completed at the beginning of 2011. It also includes two large properties formerly used for student accommodation, which have now been converted into 11 self-contained flats for intermediate rent.

Much of our housing consists of older properties that have been acquired and refurbished, but we also have some new build schemes including two consortium developments with other associations at Donald Woods Gardens in Tolworth, and California Road/England Way in New Malden.

The distribution of our housing units by local authority area at the end of 2018 was: Kingston – 198 units
Elmbridge – 12 units Merton – 62 units

Code of Governance 2018

KCHA endorses the National Housing Federation (NHF) Code of Governance as revised and reissued in February 2015. This aims to support Federation members in having balanced, diverse and effective boards which lead and control their organisations and comply with legal requirements.

The Association strongly supports the nine principles of good governance set out in the Code and complies with its guidance in all respects, other than that one Board member has now served for longer than nine years. This is under review. It does not make payments to Board members.

Recruitment to board vacancies is open and transparent, based on merit and objective selection and assessment techniques. We carry out regular appraisal of the board as a whole and of individual members.



Fundraising Appeal

We continue to receive generous donations to our Fundraising Appeal both from many of the Churches in Kingston and from individuals. The money has been used to help our work with those in priority need in Kingston and to contribute to our general tenants' welfare fund. Projects to date include:

- ▶ We spent £6,500 installing a much-needed new central heating system for the single homeless project which at the time we ran jointly with Kingston Churches Action on Homeless (KCAH).
- ▶ In 2015 we launched our new website to allow tenants to find out more easily about our work and plans for the future, to report repairs and pay rent online, and to let us know their views.
- ▶ In 2018 we doubled the budget to help our older and disabled tenants with decorations to their homes (all our tenants are normally responsible for their own internal decorations).
- ▶ The fund has helped us to maintain the community based alarms in our sheltered schemes for older persons in Kingston when other funding was withdrawn.
- ▶ It is also used for other ad hoc improvements agreed in consultation with tenants. For example, in 2018 we installed new carpets to all the communal areas of our Merton sheltered Schemes and refurbished all of the guest rooms.

There are many more opportunities like this to help our work. So thanks to all the Churches and individuals who have given so generously to date – but if you would like to contribute to our continuing Fundraising Appeal please contact us directly.

Review of the Year



Every year brings something new and 2018 saw a number of significant changes both for KCHA and on the wider front. These include the national changes that all housing associations face, including welfare reform and the introduction of the General Data Protection Regulations, plus more local changes in our staff team and Board.

The 1% rent reduction in social housing continues to apply to all our social rented properties until the beginning of May 2020, although in September the government announced its intention to revert back to rent increases in line with CPI plus 1% for five years from 2020. Whilst this will likely mean a small increase in rent, it ultimately gives us the confidence to be able to invest in our current stock, improve our services to residents and look to grow the Association as we play our part in addressing today's shortage of decent affordable housing.

KCHA will continue to keep you updated on the Voluntary Right to Buy, for which the detail still has not been finalised. Universal Credit was finally introduced in June 2018 and we are continuing to support tenants in a number of ways to help with the changes this reform has brought.

On the home front, we carried out our annual programme of cyclical decorations and associated repairs, which now includes window replacements at the same time. Following the programme to install new bathrooms in all of our sheltered properties, we have rolled out the programme to include all of our general needs properties over the coming years. This had been identified by tenants as the top choice for future improvements.

It has now been almost two years since the tragic events at Grenfell Tower and fire safety remains at the top of the agenda for social housing. In 2018 we commissioned new detailed fire risk assessments in our properties with a plan to take actions arising from the recommendations. The feedback continues to be very good from the relevant fire safety authorities, and we regularly review the fire risk assessments to ensure the health and safety of our tenants. In addition to this our health and safety consultants carry out monthly visits to our properties with shared communal areas and our fire alarms are tested quarterly.

Due to focusing on our existing stock with repairs and improvements it had been a long time since we had considered developing any new housing. However in 2018 we signed the contract for a development to build three new houses for affordable rent on land at the rear of our existing property at 22 and 24 The Avenue in Surbiton. After significant work involving consultation with residents, specialist consultants and building controls, the Local Authority granted us planning permission. The final plan allows for us to develop two 2-bed houses and one 3-bed house with designated off street parking. The work that has taken place during 2018 has been

remarkable, aided by a particularly dry year, and we anticipate completing the development in May 2019. This is the first new build development we have managed in over 20 years and signals KCHA's appetite for controlled growth and our commitment to being part of the solution to the widely accepted housing crisis.

Using in part a generous legacy from a previous tenant we have modernised the communal lounges at our sheltered housing schemes in Wimbledon and Raynes Park. The lounges are valued by residents and play host to number of activities for both residents and staff, one of which is the regular quiz nights that have been well attended and proved extremely popular.

In 2018 we replaced all the communal carpets and re-furnished and decorated the guest rooms. The overall appearance of the schemes has been greatly improved and the next step is to look at communal area decoration.

Knowing the importance our tenants place on repairs, we aim to provide a high quality maintenance service for them. During the year we continued to provide an excellent service on responsive repairs, far exceeding the targets for completion times (see performance information, page 6).

As well as keeping their homes in good repair, we know that another high priority for our tenants is the ability to have peaceful enjoyment of their homes. We dealt with a number of neighbour disputes and complaints of Anti-Social Behaviour, most of which were effectively resolved, with one continuing to be investigated.

Overall rent arrears reduced from 4.8% to 3.9% of gross rent receivable at the end of 2018, most of which were debts owed by current (as opposed to former) tenants. To continue to try to keep this figure as low as possible, especially now that Universal Credit has kicked in as noted above, we have trained all staff on the practical impact and theoretical implications of welfare reform. Tenants can pay rent securely over the phone, via our website www.kcha.org.uk or in person at the office. Those who pay online or over the phone have commented on how easy it is and appreciate the immediate digital receipt.

In May 2018 the Board held a successful Awayday seminar, where they contributed to refreshing the Business plan for the period 2018 – 2021, and introducing the new whistleblowing policy. The whistleblowing policy forms part of our commitment to being open and transparent in all areas of our work, and that our staff feel safe and secure carrying out their duties with the knowledge they have the full support of the Board to address any concerns of a professional nature.

On the staffing front, Mr Calum Roger joined us in April as our new Housing Officer and Ms Sophie Mselle joined us in September as the new Housing Assistant following the departure of Elisabeth Martin in June. Both Calum and Sophie come highly recommended and have made a significant contribution towards our work since their arrival. During the year our Housing Services Manager, Karen Hart, successfully completed her studies to become a Chartered Member of the Institute of Housing.

However the biggest changes in 2018 happened to the Board of Management with tenant Judith Crocker and long serving member Jennifer Newman retiring. Judith had played a key part in keeping the strategic vision of the Association in line with tenants' priorities, and Jennifer had worked tirelessly to ensure we were providing a high quality range of homes and services, in particular for our sheltered tenants. Much to her credit, Jennifer has continued to be involved in events and improvements at the Merton Schemes following her retirement, just in a more social and practical capacity. In response to the retirements, and in order to bring numbers back up to our agreed optimum, we are in the process of recruiting three new Board members.

In line with regulatory requirements, the Board carries out a full Appraisal and a Skills Audit in alternate years. The last Skills Audit was carried out in 2018 and the next Appraisal will take place at the end of 2019.

Finally, in September, we said farewell to Maureen Corcoran who had chaired the Board since 2013. Under Maureen's strategic direction, the Association's financial health went from strength to strength which meant not only could we continue to invest significantly in improving our existing stock, but we were also in a position to fund our own development of three new affordable family homes, which are soon to be completed. Maureen has now moved abroad to take on new challenges and we wish her all the best.

Ms Glennis Beresford-Bevan was elected to take over as our new Chair, with Mr Sam Spencer being voted in as the Vice Chair. Glennis works as freelance editor and is an avid jazz fan. She has a long history of voluntary work for housing associations and is committed to ensuring the tenants' perspective remains at the heart of decision making. Sam is a business improvement advisor for the London Borough of Merton and has detailed housing experience of welfare reforms and improving service delivery. We are delighted that our current financial expert, Bob King, has agreed to continue as our treasurer.

There seems to be no end to the uncertainty caused by the ongoing Brexit story, and this is undoubtedly having an impact on an already volatile housing sector. However, with the Prime Minister, Theresa May, attending our annual housing conference, it is clear that affordable housing has risen relatively high on the government's agenda. So whilst there will be big challenges, there will also be great opportunities. We believe that the Association and its tenants are well served by a loyal and dedicated staff and Board, and that we continue to be well placed to face the future.

Glennis Beresford-Bevan
Chair

Roscoe Brown
Chief Executive

Performance Information 2018

RENT Weekly rent comparisons



KCHA and Other HAs figures show gross rents inclusive of service charges eligible for housing benefit, but now exclude supported housing and housing for older people.

LA figures include sheltered housing and houses in multiple occupation but exclude leased properties, service charges, heating and hot water and premiums re: scheme manager facilities, and are for 2017/18.

Figures for Other HAs are taken from the Regulator of Social Housing Statistical Data Return 2018.

Figures for Private Rents are taken from the Greater London Authority (GLA) "London Rents Map" using median values from Valuation Office Agency (VOA) data as at March 2019.

KCHA rents for 1 bed to 4 bed properties are approximately 34% of those for equivalent private rented properties.

The average (mean) house price in 2018 in RB Kingston was £571,948. The mean annual earnings in 2018 were £38,090, while the income required for 80% mortgage in 2018 was £130,731.

(Figures from the National Housing Federation London Home Truths 2018/19)

Rent arrears and voids

	2018	(2017)
Rent Collected as a % of Rent Receivable	98.2%	(98.5%)
Arrears (Current & Former Tenant) as a % of Rent Receivable	3.9%	(4.8%)
Void Losses as a % of Rent Receivable	0.4%	(0.8%)

How each £ of the rent is spent



REPAIRS & MAINTENANCE

	No. of jobs completed	No. of jobs completed in time allowed	% completed in time allowed
Code E – Emergency <i>These should be dealt with immediately or in any event within 24 hours</i>	12	12	100%
Code U – Urgent <i>These should be dealt with within 5 days</i>	222	222	100%
Code R – Routine <i>These should be dealt with within 28 days</i>	326	329	99%
Code 0 – Other planned works <i>To be completed within 3 months</i>	1	1	100%
TOTAL	561	564	99%

LETTINGS

CORE lettings data provided by Housing Figures, National Housing Federation

Total number of lettings	17
Average letting time for vacant units (excluding major refurbishments)	19 days (2017: 29 days)

Source of referral



Economic status of tenant



Ethnic group of tenant



Qualifies for Housing Benefit

Mean Net Weekly Income of Tenant or Tenant and Partner
£367.93 (2017: £197.50)

	No.	%
Yes	7	41
No	9	53
Not known	1	6
TOTAL	17	100

Treasurer's Report 2018

Turnover

The turnover for the year ended 31st December 2018 decreased by £10k to £1,850k (2017: £1,860k). 2018 was the third year during which the designated 4 year period of 1% rent cuts took place.

Operating costs

Operating costs increased by £31k to £1,402k (2017: £1,371k). This differential includes the impact of the non-cash adjustment of £51k at the end of 2018 due to the re-assessment of the past service deficit due on the pension fund. Without this adjustment the operating costs would have been £1,351k which would have been £20k less than the previous year.

The expenditure for all categories of I&E repairs was £673k (2017:£691k). The expenditure on development of three new infill dwellings was £358k (2017: £44k) and expenditure on improvements to existing properties required to be capitalised was £237k (2017:£634k). The total cost attributable to all categories of repair to existing properties, whether or not capitalised, and development of new properties was £1,268k (2017: £1,369k). Rent loss from bad debts is shown in the accounts as £9k (2017: £(4)k). This provides for rents not paid at the year-end that we may not recover.

Financing and treasury management

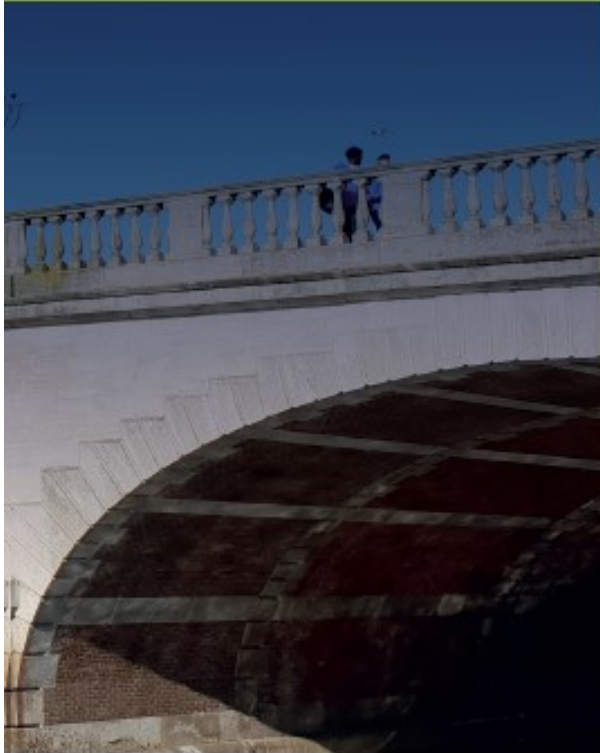
The majority of our long-term loan is with the Halifax Bank of Scotland (HBOS) and is based on an approximate split of 50% fixed and 50% variable rates. These terms reduce the risk from fluctuating interest rates. Interest cover for the year was 1225% (2017: 1344%) and is very much higher than the 110% stipulated under the loan covenants.

Surplus for the year

Our surplus for the year decreased by £37k to £41k (2017: £448k). As described above, excluding the effect of the revaluation the surplus would have been £462k.

Balance sheet

Asset costs increased during the year by £481k. This included £358k costs for three properties under development which were started in 2018. There were £237k of improvements to existing properties during the year (2017 £634k) and the elimination of £114k of fixed assets components which have been replaced (2017: £57k). The biggest category of improvement in 2018 was replacement windows, which will improve the heat efficiency of these homes, where £153k was spent. In line with the feedback we have received from our tenants asking for bathrooms to be prioritised we spent £56k, and £29k on new boilers.



Total debtors at the year-end were £82k (2017: £82k). Debtors relating to rents was identical in both years £85k, and after deducting the provision for bad debts it was lower at £36k (2017: £45k).

Cash stated at £2,961k confirms the Association's strength in an uncertain economic period to meet our immediate creditors and to continue to invest in our existing housing as well as developing new homes.

Summary

In 2018 the Board will use the financial strength of the Association to continue to improve our existing properties as well as looking at further opportunities for development in the future.

Lynn Boyd

Finance Manager

2018 2017
£000's £000's

Income & Expenditure

TURNOVER	1,850	1,860
Operating Costs	(1,402)	(1,371)
Other Income	3	5
OPERATING SURPLUS	451	494
Surplus on Sale of Fixed Assets	-	-
Interest Receivable	18	11
Interest Payable	(58)	(57)
SURPLUS ON ORDINARY ACTIVITIES	411	448
Revenue Reserves brought forward	6,951	6,503
REVENUE RESERVES CARRIED FORWARD	7,362	6,951

Balance Sheet

FIXED ASSETS	11,662	11,215
CURRENT ASSETS	3,148	3,094
CREDITORS:		
Amounts due within one year	(487)	(405)
NET CURRENT ASSETS	2,666	2,689
TOTAL ASSETS LESS CURRENT LIABILITIES	14,218	13,903
CREDITORS:		
Amounts due after more than one year	(6,856)	(6,951)
	7,362	6,951
CAPITAL & RESERVES		
Share Capital	-	-
Revenue Reserves	7,362	6,952
	7,362	6,952

The above is an extract of the audited accounts of the Association for the year ended 31st December 2018, on which our auditors expressed an unqualified opinion. A full copy of the accounts is available on request.

The Staff at 31 December 2018



Rosscoe Brown
CIHCM
Chief Executive/ Secretary



Sophie Mselle
Housing Assistant



Lynn Boyd
BA Hons, ACCA
Finance Manager



Sharon Lock
Accounts Assistant



Karen Hart
CIHCM
Housing Services Manager

Pat Faulds
Sheltered Manager
Broughton House/Thornton Lodge, Wimbledon



Calum Roger
Housing Officer

Ann Longden
Sheltered Manager, Wilberforce House,
Raynes Park

Karen Toland
Sheltered Manager, Torrington,
20 St Mary's Road, Long Ditton/
104 Westbury Road, New Malden





The Board of Management at 31 December 2018

Glennis Beresford-Bevan	Chair	Editor	Joined September 1999
Sam Spencer	Vice Chair	Business improvement adviser	Joined September 2017
Bob King	Treasurer	Chartered accountant	Joined February 2011
Erhire Akpovrare		Operations manager	Joined September 2016
Suzanne Barrows		Housing association head of policy	Joined September 2016
Chris Nicholson		Financial adviser	Joined September 2016
Roscoe Brown		Chief Executive/Secretary	Joined February 2018



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Co-operative and Community Benefit Societies
Act 2014 – No 17374R. Registered with the
Homes and Communities Agency No L0891.
Member of the National Housing Federation



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