

CHISEL Annual Report for 2006-7

Introduction from the Chair

Over the last year CHISEL has been working to complete its transformation into a viable and well run organisation which delivers the service our tenants want. Under our Director, Jo Hillier, we have continued to strengthen our financial position and resolve a number of long standing and intractable issues.

Particular achievements this year include finally buying 12 of our self-build homes from London and Quadrant, planning and delivering a cyclical decorations programme to our self-built homes using self-builders, conducting a review of tenant involvement, improving our financial performance and reducing our rent arrears in line with our target. Sadly, securing ownership of the homes built for us by SLFHA has defeated us this year, though we believe that we are slowly making progress.

During the year we also reviewed our plans for the future of CHISEL and the performance of its governing body – the Board. We confirmed that we still want to see an independent Chisel, which provides better services than the large housing associations and continues to increase its financial viability by:

- Increasing the number of homes we own and manage
- Offering services to homes in co-operative management
- Providing services which are value for money because they are a good balance of cost and quality

We also confirmed that we would act to build more effective ways for residents to influence Chisel's direction and decision making and to develop responsible arrangements for employing our tenants to carry out maintenance work on our homes.

As we move forward, we intend to maintain a "family atmosphere" as has frequently been requested by tenants and staff.

Wendy Newell



project	GREENSTREET GAP	date	08/06	dwg title	LOCATION PLAN & STREET MONTAGE
for	CHISEL/	scale	1:1250	dwg no.	GAP / PL/01

Housing Management Report

A priority for the year was to reduce rent arrears, which have a serious impact on the association's finances. As can be seen from the figures, this was a successful exercise, with the amount of money owing to the association reducing by nearly £6,000.

Current Tenants' Arrears

At start of year:	£98,587.44
At end of year:	£86,518.54
Reduction:	£12,068.90 (2%)

Gross Tenants' Arrears (includes ex-tenants)

At start of year:	£100,409.66
At end of year:	£ 94,529.52
Reduction:	£ 5,880.14 (1%)

We have continued to keep the number of empty homes at a low level. Nearly all the vacant property during the year consisted of rooms in shared houses, where people come and go on a frequent basis. We sometimes have a gap between one person leaving and a new tenant moving in and it is often difficult to find new people wanting shared accommodation.

Following a review, we have decided to convert two of our shared homes into self contained houses and reduce the number of sharers in two other properties. This will cut the number of rooms in shared housing from 47 to 38. We are committed to keeping some shared properties as they are a useful route into housing for single people who wouldn't otherwise be able to get a foot in the door.

Void (empty homes)

Percentage of total stock empty

At start of year:	1.8%
At end of year	2.2%

Lettings for the year reflect the fact that most of the empty homes were in shared accommodation.

<u>Total number of lettings</u>	20
Transfers	3
Direct Lets (shared only)	15
Nominations	2

Equal Opportunities Information

Ethnic Origin

White British	10
White Irish	1
White other	2
Asian/Asian Brit Bangladeshi	1
Black/Black Brit Caribbean	2
Black/Black Brit African	4

Social Homebuy

Many of our tenants have told us that they would like the opportunity to buy a home of their own, so we decided to carry out a tenant consultation on Social Homebuy, a government scheme aimed at enabling tenants to buy their existing housing association home. The scheme offers the chance to buy the home, or a share in the home, with a small discount.

An overwhelming majority of tenants said they would like CHISEL to offer Social Homebuy, so our board agreed to make it available to our existing self-builders on an experimental basis. If it proves successful, we may decide to offer it more widely.

Since we took that decision, the government has reviewed the scheme and is making some changes. No applications are being accepted at present, but we are keeping an eye on the situation and plan to put in a bid when funding is resumed. We will be writing to eligible tenants with more information when it becomes available.

At present, a number of the self-build schemes still belong to SLFHA and we are in negotiation with them about transferring the properties to CHISEL as soon as possible. We won't be able to sell any of these homes until we own them ourselves. The affected properties are at Greenstreet, Nubia Way, Brockley Park and Lowther Hill. The Diggers houses in Brighton cannot be sold because they were bought from Brighton Council on a lease which specifically forbids their sale.

Maintenance Report

Day-to-Day Maintenance

We are continuing to perform well against our targets for day-to-day maintenance, which are 95% within timescale for emergencies, 90% for urgent repairs and 90% for non-urgent. As can be seen from the table below, the average time taken to carry out a repair improves upon the target in every category of repair. Failure to achieve the target timescale is generally as a result of access problems.

We have now added the Brighton and the Colchester properties to the service contract with LFSA.

2006-7's figures were as follows:

	No of jobs	Target (days)	Average achieved (days)	Number within target	%
Emergency	16	1	0.7	15	94
Urgent	83	7	4.2	76	92
Short Term	48	14	8.5	45	94
Med Term	7	28	20.7	7	100

Planned Maintenance

Planned maintenance during the year consisted mainly of cyclical decorations and kitchen replacements.

Cyclical decorations were carried out on 38 homes at a total cost of £61,927.

14 kitchens were replaced, at a total cost of £52,470, averaging £3,748 a home.

6 boilers were replaced at a total cost of £11,227, averaging £1,871 a boiler.

Specialist self-build repairs, including grass roof repairs and replacements cost the association a total of £13,715.

A total of £1,475 was spent on fencing.

Development Report

Although CHISEL is no longer able to apply for grant to develop new homes, we do have some existing grant, which has been released for re-use by the sale of two of our shared houses.

This is being spent developing two small sites which we already own, one in Thamesmead and the other in New Cross.

The Thamesmead development is adjacent to our existing self-build houses. Following discussions with the local planners, we have decided to build two bungalows, each with two bedrooms and a small garden. They will be built to very green specifications and, although not specifically adapted for disabled use, they will be suitable for people who have difficulty with stairs. We have applied for planning permission for the scheme and hope to start building early in 2008, with the properties ready for occupation in the autumn.

The New Cross development will complete a terrace of houses at Greenstreet Hill. The Gap, as it's known, was originally intended for a community centre. Lack of funding meant that it was never completed and it remains an empty space, with two sides and a roof but nothing more. We will be converting it into a two bedroom house for use by one of the existing self-builders, who previously lived in a shared house. We hope to complete the work early in 2008.

CHISEL is a small, charitable housing association with 223 permanent homes of which 165 are managed in-house and 58 are managed by managing agents.

Staff:

We employ 6 part-time office staff and two full-time maintenance staff, the equivalent of 4.8 full-time staff, as follows:

Director:	Jo Hillier (2 ½ days a week)	director@chisel.org.uk
Housing Manager:	Clare Canning (4 days a week)	housing@chisel.org.uk
Co-ops and Tenants Officer:	Linda McMahon (2 days a week)	cto@chisel.org.uk
Finance Manager	Jane Brenan (1 day a week)	mgrfin@chisel.org.uk
Finance Officer:	Vathani Ariyam (2 days a week)	finance@chisel.org.uk
Rents Officer:	Jacqui Welsh (2 ½ days a week)	rents@chisel.org.uk
Maintenance Officer:	Dougal Brown	maintenance@chisel.org.uk
Maintenance Worker:	Christopher Hatcher	

Maintenance

The day-to-day maintenance service is run by LFSA: 020 8692 9294

Board:

We are run by a Board of Management which has overall responsibility for all aspects of performance.

Current membership is as follows:

Wendy Newell (Chair)	Non-tenant
Per von Scheibner (Treasurer)	LFSA delegate
John Clark	Non-tenant
Jeremy Hopkin	Non-tenant
Jim McNamee	Tenant
Louise Owen	Tenant
Keith Roberts	Tenant
John Taylor	Non-tenant
Andrew Watson	Non-tenant
Reg Wickings	Non-tenant

Board members are elected at the AGM. Vacant places can be filled during the year, but non-elected members must stand for election at the next AGM. Any shareholder of the association can stand for the Board. Applications for a share are agreed by the Board and CHISEL tenants will automatically be accepted, other than in exceptional circumstances. A share costs £1, non profit-making and non-returnable. No-one can hold more than one share in the association.

Chisel Ltd

Summary Financial Statements

Income and Expenditure Account	£'000	Balance sheet	£'000
Turnover	<u>883</u>	Cost of housing	12046
Operating costs	(648)	Less: grants	<u>(9,939)</u>
Operating surplus	235		2107
Interest receivable	17	Other fixed assets	19
Interest payable	<u>(136)</u>	Net current assets	<u>362</u>
Revenue surplus for the year	116	Total assets	<u>2488</u>
Revenue surplus at start of year	182	Housing loans	2191
Revenue surplus at year end	<u>297</u>	Revenue surplus	297
		Total reserves	<u>2488</u>

The year to 31.3.2007 has been one of consolidation and we have generated a surplus of £115,789 compared to last year's deficit of £80,109. We have had to spend considerably less on planned maintenance and major repairs compared to the previous year. We have also spent less in all areas of expenditure than we budgeted for at the beginning of the year.

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