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Annual General Meeting & Tenants Evening
22 Sept

Join the Board, staff and other residents of CHISEL for:

6:30 refreshments
7:00 AGM
7:20 discussion - update on the massive changes happening in social housing

Thursday 22 Sept
6:30-8:30 pm

Terrace Room
The Library at
Deptford Lounge
9 Giffin St, SE8 4RW

AGM is on Thurs 22 Sept!

Chair's Report

I would like to start by offering thanks for the support and assistance from all CHISEL staff and fellow Board members in my first full year of chairing the Board of CHISEL.

I am pleased that I am able to report that CHISEL remains a strong and stable small Housing Association as we enter another challenging period in our history.

You can see more information on this elsewhere in this Annual Report: the Director's report briefly explains some of these challenges, and the Finance Report gives more detail on our financial position.

Government de-regulation of the housing association sector means that our Board now has even more important decisions to make, including setting our policies on Right To Buy and Pay To Stay, and finding ways for CHISEL to thrive despite lower rental income. We have managed this over the last year and will strive to continue do so in the future.

CHISEL is a charitable housing association whose principal function is to provide affordable housing. Government policy, especially the extension of the Right to Buy to housing association tenants, is making this harder to achieve, but we are determined to fulfil this crucial role.

I look forward to discussing these issues, and CHISEL's response to them, with residents at the AGM and Tenants Evening on 22 September. I hope to see you there.

David Eatwell, Chair



Managing Director's Report



It's been a busy year in the housing world. Changes in legislation over the past year mean the world of housing as we have known it has changed and things will never be the same again.

In November 2015 the Office of National Statistics reclassified housing associations as "public bodies". The Welfare Reform & Work Act came into being in March; it reduced our rental income by 1% per annum for the next 4 years. It also reduced benefit levels for tenants and further restricted housing benefit entitlement to those under the age of 35.

The new Housing and Planning Act became law in May 2016 and introduced the extension of the Right to Buy to housing association tenants, and Pay to Stay (higher rents for higher income households). Both these initiatives are voluntary for housing associations. The Act also saw a shift in the provision of funding for new homes to the Government's Starter Home Initiative and away from the provision of affordable homes for rent.

This Act has also paved the way for the introduction of a less restrictive regulatory regime for the social housing sector, in an attempt to reverse the November reclassification decision and give associations back their independent status. The government still expects to see consolidation in the housing association sector via mergers and partnership working in order to achieve greater value for money within the sector.

What has all this meant to CHISEL? These are unsettling times, but the reassuring thing is that CHISEL as a small organisation is fairly flexible and can adapt to change. We are in good financial shape and have a skilled Board and staff team with immense commitment to CHISEL and its objectives, that will ensure that we steer a course through the challenges that lie ahead.

Despite all the turmoil in our operating environment we have achieved many good things this year:-

We have continued to invest in our properties by planned maintenance - as described below. We have extended a 2 bedroom home to convert it into a 4 bedroom home.

We have successfully negotiated an agreement with Brighton Council to work with DRYAD Co-op and take a 20 year lease on 11 Walter Segal self build homes in Brighton, which the co-op occupy.

We have invested in a 4 bedroom house in Brighton and have leased this to the University to provide much needed student accommodation in Brighton.

Some of the most satisfying and rewarding work we have undertaken this year has been working with tenants on Operational Scrutiny Committee to review our responsive and planned maintenance service and draw up our resident satisfaction survey.

Pauline Goodfellow

Complaints: CHISEL has changed the way we record complaints, so more of the feedback given by tenants is now noted as a complaint. In 2015-16 we received 12 complaints; all were about CHISEL's customer service, mainly repairs issues. 7 complaints were upheld, 4 were not upheld, and 1 was unresolved within our procedure.

Planned maintenance: we replaced 7 kitchens, 4 bathrooms, and 12 boilers; and put new windows in 12 homes.

Lettings: 16 new lettings. The average relet time was 26 days. We lost £5,725 through voids, 0.65% of the annual rent due. Both these figures are much lower than the previous year.

Finance Report

The accounts look slightly different this year as new accounting regulations mean that we have to report the figures in a new prescribed format.

The financial year ending 31 March 2016 has been another very strong year for CHISEL. Our rental income has increased marginally and we have been able to hold our expenditure at a very similar level to last year. Expenditure is closely monitored by both the management team and the Board. The majority of the money is spent on the management and maintenance of our properties and we continue to seek value for money in everything that we do.

Overall, we have returned an operating surplus of just over £427k. From this we need to pay any loans that we have, and the continued low interest rates and reducing loan balances have reduced these costs this year to £110k compared to £117k last year. We have therefore made a surplus for the year of £317,652, compared to £285,845 last year. Once this is added to our reserves we are in a very strong financial position with reserves carried forward of just over £1.7m.

The balance sheet (which is now known as the "statement of financial position") also shows how financially strong CHISEL currently is. We have managed to accumulate £670k in the bank; however, it is the Net Current Assets at £431k that shows the amount of money that CHISEL can actually reinvest after we have paid off any immediate debts.

Given the directive that rents must reduce by 1% per annum for the next four years and the economic uncertainty surrounding the BREXIT vote, we are in a very strong position to ride out any economic downturn, and at the same time look to take advantage of any new business opportunities that may arise.

CHISEL Financial Statements 2016

Statement of Comprehensive Income

	2015/16	2014/15
	£	£
Turnover	1,562,073	1,541,424
Less : Operating costs	(1,134,937)	(1,139,459)
Operating Surplus	427,136	401,965
Interest receivable	1,349	1,084
Interest payable	(110,834)	(117,204)
Surplus for the year	317,651	285,845
Comprehensive income for the year	317,651	285,845
Transfer from share capital	1	0
Revenue Reserves brought forward	1,384,013	1,098,168
Reserves at the end of the year	1,701,665	1,384,013

Statement of Financial Position

Tangible Fixed Assets		
Housing Properties	20,065,755	19,848,451
Less : Depreciation	(4,119,173)	(3,907,948)
	15,946,582	15,940,503
Other fixed assets	13,071	30,609
	15,959,653	15,971,112
Current Assets		
Debtors	79,532	139,866
Cash and equivalent	670,189	637,734
	749,721	777,600
Less : Creditors		
Amounts falling due within one year	(318,048)	(314,071)
Net Current Assets	431,673	463,529
Assets less Current Liabilities	16,391,326	16,434,641
Less : Creditors due after one year		
Housing loans	(2,794,612)	(2,991,515)
Pension debt liability	(73,000)	(58,000)
Grant - deferred income	(11,821,991)	(12,001,056)
Total Net Assets	1,701,723	1,384,070
Reserves	1,701,665	1,384,013
Share capital	57	58
Total Reserves	1,701,723	1,384,070

Operational Scrutiny Committee report

At CHISEL, we're committed to continually working with tenants to improve our service and make the association work better.

It's out of this commitment the Operational Scrutiny Committee (or OSC) was born. A group of tenants and Board members have had regular meetings covering important issues such as

planned maintenance. I'm pleased to report that thanks to the hard work of our tenants the OSC has been successful in 2016 and has helped to inform decisions at a Board level.



The first area we tackled was the **maintenance review**, which included planned maintenance and responsive repairs, as well as how we measure resident satisfaction. We mapped out how these processes currently work and invited tenants to both feed back their experiences and suggest ways we could do things better. Learnings from these sessions were then fed back into board meetings. We have also redesigned the way we gather information of resident satisfaction with repairs, which will ensure we can quickly identify any problems tenants might be having with the service they receive from contractors carrying out work on their property.

This led on to our second area of focus: the **tenant survey**. The OSC have helped us to design the survey that has been sent out to tenants, and ensure that it is accessible. Having the help of our tenants has ensured that we are focusing on the right issues and communicating in a clear way. We are due to get the results from this research very soon.

All of this work is vital in ensuring that we are continuously listening to tenants. As tenant board member Adrian Adams noted, OSC gives us the ability "to focus on issues that we don't have the chance to do at Board meetings" and hence give CHISEL a "useful alternative feedback mechanism". It gives us the opportunity to get into more detail with tenants and help to co-create our policies and ways of working with them.

Alex Hiscox, Chair of OSC

Tenant Satisfaction Survey 2016

Massive thanks to the approximately 50% of tenants who returned the satisfaction survey over the summer. Preliminary results from this will be presented during the discussion at the AGM on 22 September - and 5 lucky tenants will shortly receive £50 each from the prize draw for returning a survey!



WHO'S WHO IN CHISEL

Managing Director:	Pauline Goodfellow (3 days pw: various)	director@CHISEL.org.uk
Housing Manager	Clare Canning (4 days pw: Monday to Thursday)	housing@CHISEL.org.uk
Rents Officer	Flos Marriott (2 days pw: Tuesday & Thursday)	rents@CHISEL.org.uk
Maintenance Officer	Christopher Hatcher (4 days pw: Mon to Thurs)	maintenance@CHISEL.org.uk
Co-ops & Tenants Officer	Mark Allan (2 days pw: Monday & Thursday)	involvement@CHISEL.org.uk
Finance Manager	Nigel Spice (2 days pw: Monday & Thursday)	financemanager@CHISEL.org.uk
Finance Officer	Shuk-Ling Hou (2 days pw: Wednesday & Thursday)	financeofficer@CHISEL.org.uk