

Annual Report

2019/20



BECHA

SERVING OUR COMMUNITY FOR 55 YEARS



Message from the Chair

I have to start this year's report with reference to the Covid pandemic that has dominated all our lives. Thankfully BECHA already had in place agile systems that allowed staff to work remotely whilst maintaining essential services. As restrictions have gradually lifted, we have been able to continue with more day to day services and maintenance to homes. This has been a result of the fantastic commitment from all the staff whom I whole heartedly thank.

The Board have continued to meet regularly by way of video conference to ensure governance remains robust. I wish to thank them for their continued commitment and valuable support.

Back to the outcomes of last year – prudent financial planning and management delivered an acceptable surplus that maintains BECHA's healthy independent position; investment has continued into the upgrading of our generally older stock; customers service as

monitored by feed back remained very good; and we continued with our planned asset management strategy of disposing of poor performing properties when they become vacant to generate funds for investment into new energy efficient homes. In addition we have continued to provide a service to the residents of alms houses in Gravesend.

Uncertainty will continue in the coming months but I am confident that BECHA has the financial strength and staff resources to ensure high service levels continue.

Clive Astall
Chairman



Message from the Chief Executive

At the end of the year, BECHA was in a very healthy position, with an overall surplus £417,264 (this included a property disposal) - and an operating surplus of £392,320.

This was a year of consolidation – having spent the last two years focusing on developing our new homes in Slade Green, we needed some time to bed this in. In many ways we were well placed to withstand the Covid pandemic which moved us into lockdown with no time to prepare. We already had in place a Business Continuity Plan which we were able to adapt to fit these particular circumstances and able to very quickly put in place arrangements to enable staff to work remotely from home, to communicate with residents, and supervise essential services.

It's been challenging and it's not how we want to deliver our services but we have adapted. Residents have responded responsibly and with understanding. So, thank you to my extraordinary staff team for your commitment and support and also to our board who contribute so much, but most of all, thank you to our residents who have faced a really tough time with resilience and tolerance. As I write this, I know the future feels uncertain but in difficult times a safe home is one of the most important gifts we can have, and that's what BECHA has been about for the last 55 years.

Sue Daniels
Chief Executive

About BECHA

About BECHA

BECHA is an uncomplicated organisation with a clear mission – to deliver excellent services, and to contribute to the ability of our residents to sustain their tenancies and indeed, to thrive. We do this by ensuring our core services are really good, and we then respond to the various needs of our residents where appropriate. We measure our activity against one simple objective: will this enable our resident(s) to continue to live safely and independently in their home? Occasionally we must balance the needs of our resident(s) against the needs of the wider neighbourhood. Always, we must balance cost. However, as a social landlord we recognise that we have a responsibility towards our residents and towards the wider neighbourhood and we are involved in a number of community safety initiatives.

Our properties, which are let to people in housing need, are all in Bexley and we charge social rents.

Bexley Community Housing Association (BECHA) now owns 140 homes in Bexley and manages a further 63 alms-houses in Gravesend, on behalf of a local charity. The properties we manage in Gravesend are almshouses and, as a smaller organisation, we are able to provide a more individual service which we know is valued by the residents.

Our staff

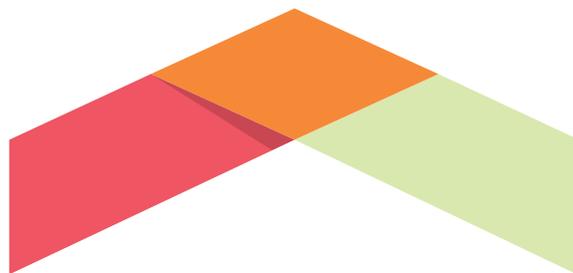
BECHA employs six staff, four of whom are part-time. The BECHA staff team is led by Sue Daniels, the Chief Executive. Housing Management services are delivered by Mary Loftus, the housing manager, and Esmine Hilton, our housing assistant. Jim Gillham is our technical officer and manages our maintenance operation. Nigel Spice is our Finance Manager and our Finance and Income recovery officer is Jackie Gregory.

Our Board

We currently have a board of nine members who have a range of skills and experience. Board members are now elected for a term of three years and serve for a maximum of nine years. We have a succession plan in place to ensure that when board members step down, we do not lose key skills.

Board members have an annual appraisal and undertake a review of Board effectiveness each year. A skills audit has been undertaken and recruitment of new members is made with reference to this. We have adopted the NHF (National Housing Federation) 2015 Code of Governance with which we fully comply.

Our Board members are unpaid and we are very grateful to them for the commitment and skill they give to the organisation.



Tenant satisfaction

In February, we launched our tenant satisfaction survey which was carried out for us by an independent third party. We had carried out a survey in 2015 so we were keen to know if the improvements we had put in place had worked.

This was a telephone survey, which took place during February and March 2020. The results from the survey are very positive and satisfaction has increased since the previous survey in 2015. The results also generally compare well with other smaller social landlords.

Key services

The vast majority of BECHA's tenants are satisfied with the overall rating for landlord services, 90% - the second highest rating in the survey. A number of measures have received similar ratings or even higher with friendly and approachable staff at 93%, the neighbourhood as a place

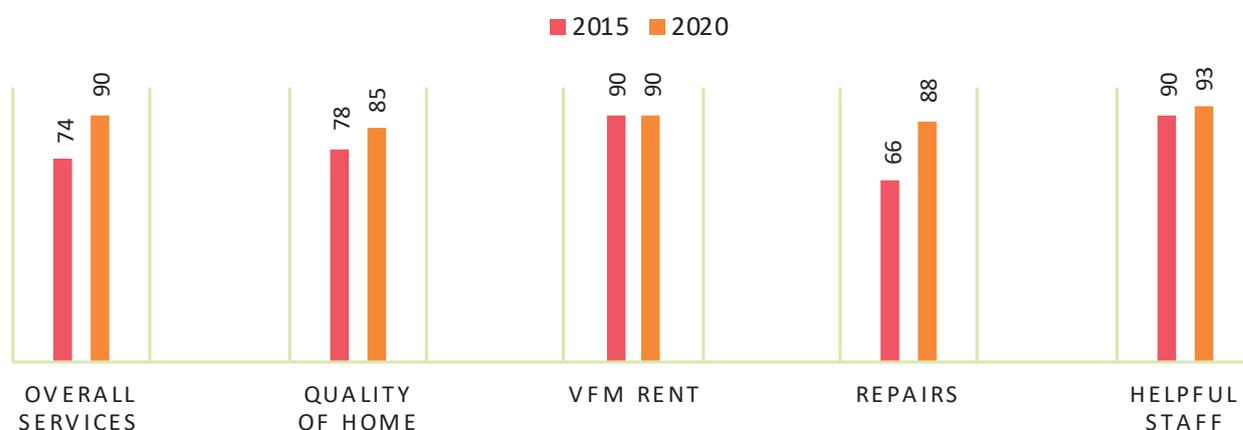
to live next at 90% and the value for money of the rent (90%). Satisfaction with our repairs service has increase significantly to 88%.

How are we doing?

The results from the BECHA survey have been compared against Acuity's SPBM London benchmarking data for landlords with general needs tenants. The comparison reveals that overall satisfaction at BECHA is 3% above the upper quartile. Satisfaction with all areas are above the median (4% to 25% higher), and other than the repairs and maintenance service are in the top quartile with the repairs and maintenance satisfaction being in the second quartile.

We also benchmarked ourselves against our smaller peer group which is a group of landlords of similar size and characteristics.

Direction of travel: Improvements since 2015 survey



Comparison within our peer group

Satisfaction - overall services	90	2
Satisfaction - quality of home	84.5	3
Satisfaction - neighbourhood	89.7	2
Satisfaction - VFM rent	90	1
Satisfaction - VFM service charges	90	1
Satisfaction - repairs and maintenance	88	2
Satisfaction - listens to views and acts	79	2
Satisfaction - safe and secure	86	3

Conclusion

We felt that the results from the 2020 STAR survey are very positive. There is high satisfaction with a number of aspects of service including that BECHA has friendly and approachable staff (93%), the value for money of the rent (90%) and the neighbourhood as a place to live (90%) -all of which are reflected in the finding that 90% of tenants are satisfied with the overall services provided by BECHA. Residents are less satisfied with the quality of their home which reflects our ageing stock – something we are addressing through our asset management strategy.

Performance

Performance during the year

- Our headline social housing cost is £3,904 a reduction of £399 on last year and cumulatively £980 on the previous year. We have increased our unit numbers but not our resources
- In previous years we had very low gearing. This has risen considerably during the last two years because of the loan facility we have taken out to fund our new development at Alliance Court.
- Our stock is aging – more than half of it was built before 1919. It is expensive to maintain and repair so when properties become empty, we consider carefully the options available to us.

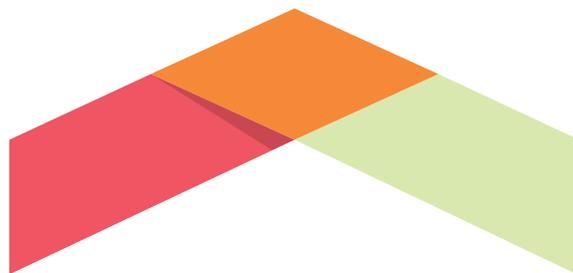
It is worth noting that we charge social rents which are among the lowest in London, and so while this has an adverse effect on metrics like operating margins and our unit costs, the cost to the treasury in terms of housing benefit subsidy is considerably better than the average provider.

Benchmarking our performance

Using key performance indicators and individual targets the Association measures its performance to ensure appropriate action can be taken to maintain efficiency and effectiveness in line with the efficiency agenda.

At the end of March, our arrears as a percentage of the rent roll stood at 2.6% compared with 3.% the previous year. Our rent collection is 100%.

Our performance indicates that we are effective at managing our income. Our repairs costs are good but it takes us too long to let our properties. As a smaller organisation, we can be expensive, because our stock is older, and our residents increasingly need support. Our residents have a high level of satisfaction and we charge lower than average rents – we have improved our cost effectiveness each year but there is more to do.



Value for money

Key to performance

Quartile 1	Quartile 2	Quartile 3	Quartile 4
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Vale for money

Indicator	Measure	2017/18	2018/19	2019/20	Peer Group
Value for money	Annual cost per property - Housing Management	£672	£470	£397	3
	Annual cost per property - Responsive repairs & voids	£936	£669	£743	1
	Annual cost per property - Major & cyclical works	£1,456	£993	£1,836	4
Social housing regulator	Operating margin (overall)	16.0%	14.2%	16.5%	2
	Return on capital employed (ROCE)	26.2%	1.4%	1.4%	4
	Occupancy	100%	98%	100%	2
	Gearing	4%	18.1%	14.7%	N/A
	EBITDA MRI (as a percentage of interest)	328.6%	330.7%	2.06%	N/A
	New supply (number of units)	-	12	0	
	Reinvestment	3.1%	24.9%	0%	
	Headline social housing cost		£4,303	£3,904	2

Housing management and maintenance performance

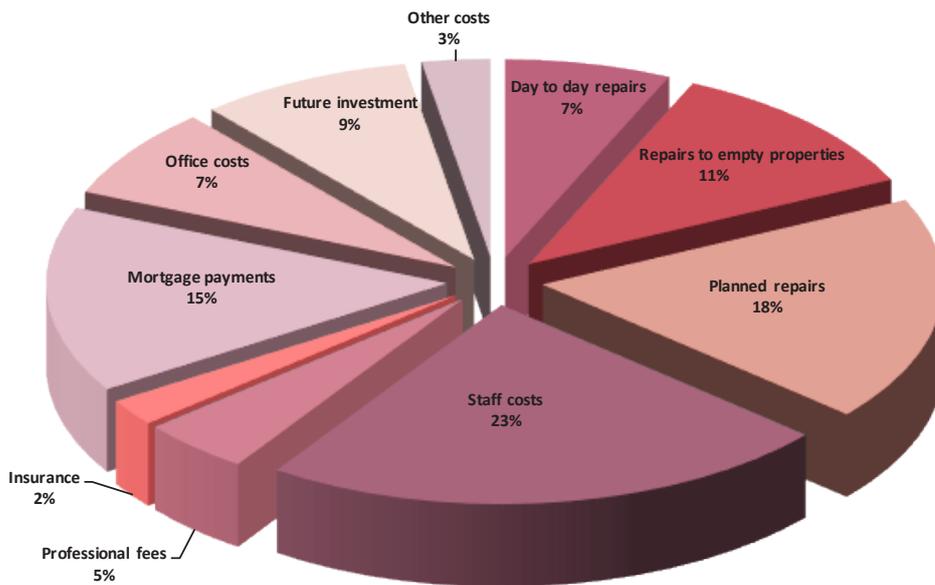
Indicator		2017/18	2018/19	2019/20	Peer Group
Voids & lettings	Average re-let time - GN (days)	34	77	100	4
	Lettings to BME households	-	-	-	-
Income	% rent collected	100%	101%	100%	2
	Current arrears as % of rent due - all tenants	3.62%	3%	2.6%	3
Maintenance	Repairs fixed on first visit	100%	99%	100%	1
	Repairs completed in target time	99%	97%	100%	2
	Average days to complete all responsive repairs	5.13	5.15	4.7	1
	Properties with a valid gas safety certificate	100%	100%	100%	1
	Reactive maintenance spend/ property p.w./ £	£1.00	£15.00	£7.00	1
	Cyclical maintenance spend/ property p.w./ £	£4.00	£4.00	£3.00	2

How we spend your rent

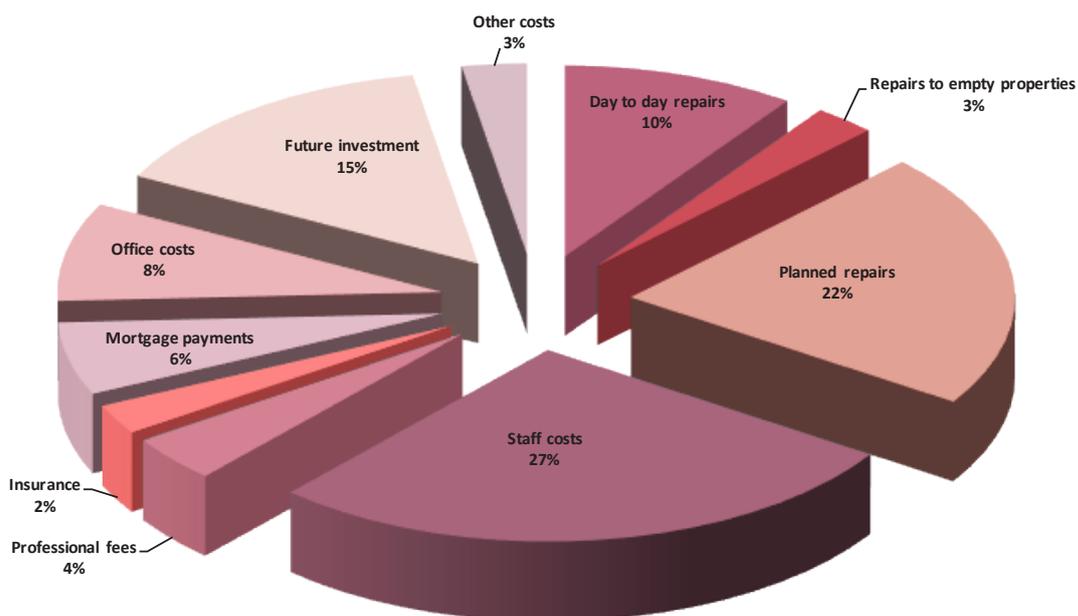
Our rents are our main source of income and from these we pay all of our running costs, repairs and improvements to your homes, insurances, staff costs, our offices, and we also have loans which we've taken out in order to build new properties. We also need to keep a prudent sum in reserve in case we need a cushion.

We were particularly pleased to have something in place this year when we were facing the lockdown as we knew that we would be able to continue as a going concern into the future. We try to be as efficient as possible with money. Our rents are lower than the average for a housing association operating in the area.

How we spent your rent in 2019/20



How we plan to spend your rent in 2020/21



Accounts

BEXLEY COMMUNITY HOUSING ASSOCIATION LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020

	Year ended 31 March 2020 £	Year ended 31 March 2019 £
Turnover	955,151	868,773
Operating expenditure	(797,232)	(713,472)
Gain / (loss) on disposal of property, plant and equipment (fixed assets)	234,401	-
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Operating surplus / (deficit)	392,320	155,301
Interest and financing costs	(65,545)	(47,211)
Interest received	1,489	3,420
	<hr/>	<hr/>
Surplus / (deficit) before tax	328,264	111,510
Taxation	-	-
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Surplus / (deficit) for the year after tax	328,264	111,510
Other comprehensive income		
Initial recognition of multi-employer defined benefit scheme	-	(44,055)
Actuarial gain/(losses) in respect of pension schemes	89,000	(41,000)
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Total comprehensive income for the year	417,264	26,455
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Accounts

BEXLEY COMMUNITY HOUSING ASSOCIATION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Year ended 31 March 2020 £	Year ended 31 March 2019 £
Fixed assets		
Housing Properties	11,134,180	11,251,328
Other fixed assets	2,626	2,290
	<u>11,136,806</u>	<u>11,253,618</u>
Current assets		
Debtors	40,290	40,959
Stock	-	-
Cash and cash equivalents	749,765	444,848
	<u>790,055</u>	<u>485,807</u>
Less: Creditors: amounts falling due within one year	<u>(265,678)</u>	<u>(276,822)</u>
Net current assets/(liabilities)	<u>524,377</u>	<u>208,985</u>
Total assets less current liabilities	<u>11,661,183</u>	<u>11,462,603</u>
Creditors: amounts falling due after more than one year	(7,855,238)	(7,976,922)
Liability: Defined benefit pension	<u>(72,000)</u>	<u>(169,000)</u>
Total assets less liabilities	<u>3,733,945</u>	<u>3,316,681</u>
Reserves		
Called up share capital	11	11
Revenue Reserve	3,733,934	3,316,670
Total reserves	<u>3,733,945</u>	<u>3,316,681</u>

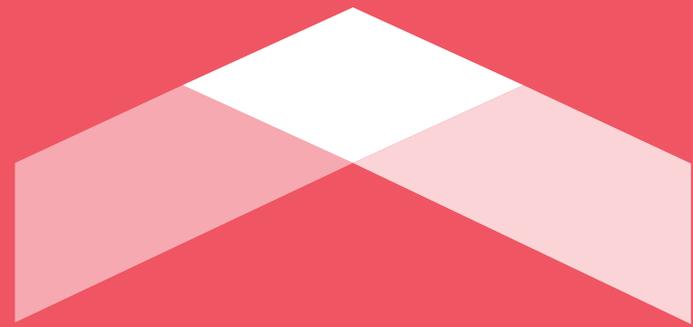
Management and Advisors

For the year ended 31 March 2020

Board of Management:	Clive Astall Leigh Pattison Karen Patten Daniel Skinner Andrew Green Richard Smith Stuart Isley Caroline Boguzas Paul Rosbrook	Chairman Vice Chairman
Chief Executive:	Sue Daniels	
Company Secretary:	Sue Daniels	
Auditors:	Beever and Struthers 15 Bunhill Row London EC1Y 8LP	
Bankers:	National Westminster Bank Plc Northumberland Heath Branch 235 Bexley Road Northumberland Heath Kent DA8 3XX	
Solicitors:	Winckworth Sherwood Minerva House 5 Montague Close SE1 9BB	Bachelors Charles House 35 Widmore Road Bromley, Kent BR1 1RW
Registered Office:	21 Bourne Road Bexley Kent DA5 1LW	

Registered with the Regulator of Social Housing - No. L0976

Registered under the Co-operative and Community Benefit Societies Act 2014 - No. 17138R



BECHA

COMMUNITY HOUSING

Bexley Community Housing Association

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