



2014/15 ANNUAL REPORT



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CHAIR'S REPORT

We are a housing association providing both management services to 17 housing co-operatives with over 700 homes and owning 302 homes directly. Our services cover London, Berkshire and East Anglia and we benefit from being part of the RHP Group: a dynamic, innovative and customer-focused organisation that owns and manages over 9,000 properties in South West London.

We focus on providing excellent customer service and involving our residents in shaping and managing our services. We have three key strategic priorities:

1. To generate additional income from agency-managed services.
2. To continuously improve our core services.
3. To improve customer service and satisfaction.

The role of the Board is to establish the policies of the organisation and make sure that it stays on track. We are delighted that thanks to the hard work of Co-op Homes' employees, this has mostly been achieved in 2014-15. This year we welcomed three new housing co-op customers: Longlife Housing Co-operative, based in Tower Hamlets; Nimbus Housing Co-operative in Lewisham; and Quadrant-Brownswood Tenant Co-operative in Finsbury Park. We look forward to a long and mutually beneficial relationship with them and their 223 residents.

Part of our vision is to increase the number of very satisfied customers. We really value feedback, so we employ external consultants to survey our residents twice a year. This year showed a satisfaction level of 88%, with the number of 'very satisfied' residents increasing from 46% in 2013-14 to 48%. For our own tenants, we completed this year's planned Asset Management Programme on time. We came within 5% of our budget, spending over £630,000 on major improvements, including new kitchens, bathrooms, windows and boilers. We met our responsive repairs completion targets and, as a result, overall satisfaction with repairs and maintenance ended the year at 83%. We will continue to work together to improve our residents' satisfaction in this area over 2015-16.

For our housing co-operative customers, we achieved all the objectives set out in the individual management agreements. This included submitting annual returns to the Financial Conduct Authority and sending accounts and other statutory information to the Homes and Communities Agency. Co-op Homes is committed to providing high-quality management services that fulfil the promises set out in our management agreements and more than meet our customers' expectations on quality and value. Further assurance for our housing co-operative customers is provided by our accreditation by the Confederation of Co-operative Housing.

As we reflect on our achievements in 2014-15 and look forward to 2015-16, Co-op Homes' team and Board expect to face challenges resulting from changes in Government housing policies. Nevertheless, we shall remain focused on providing good quality homes, delivering excellent services and involving our customers.

I am always pleased to hear your thoughts about how we might improve your satisfaction with Co-op Homes - either directly or through the Co-op Homes' User or Customer Focus Groups.

Best wishes,

Brian Rose - Chair of the Board of Management



EVERY OPPORTUNITY, EVERY DAY, WE WANT TO DELIVER GREAT SERVICES THAT MAKE A MEANINGFUL DIFFERENCE TO ALL OUR RESIDENTS

For our housing co-op customers, we:

- Helped to develop a new 'unfettered' tenancy agreement for our co-operatives. This 'Mexfield-free' tenancy agreement removes the idea of contractual tenancies being 99-year leases, and for one co-op makes sure that it can meet its lease requirements.
- Changed the way we calculate our annual fee within our standard Management Agreement to provide better value for money and reflect the new rent regime required by the Homes and Communities Agency (HCA). This meant moving from the Retail Price Index plus 0.5% to the Consumer Price Index plus 1%.
- Advised and supported a number of co-ops to change their external audit arrangements to save on their fees.
- Collaborated with the Confederation of Co-operative Housing to influence a co-op's landlord to change its fee structure and help safeguard the co-op's long-term future.
- Negotiated on behalf of one co-op's landlord to significantly improve the fire safety standards within its high rise building.
- Arranged a mutual exchange event which gave all residents within tenant-led housing organisations across London the opportunity to register for mutual exchange of their homes.
- Provided specialist advice and support to a co-op on the feasibility of developing housing on its land.
- Worked in partnership with a local authority to resolve a long-standing noise nuisance issue.
- Provided training and development opportunities for members of our Customer Focus Group and our housing co-ops' management committees to improve their confidence and capacity to scrutinise our performance and feed back to our Board of Management.
- Negotiated with third-party contractors to include a co-op's properties in their operation, offering better value for money for this co-op.
- Helped a co-op to resolve governance issues and make sure its arrangements complied with the Homes and Communities Agency's regulatory requirements.
- Secured funding from a primary landlord to install a new water feed and heating system.
- Provided access to online housing services 24 hours a day for all our residents and client co-ops.

A full Annual Report and Financial Statement together with our Value for Money Self-Assessment are available at www.coophomes.coop. Paper copies are available on request by calling 020 3166 2608.



VALUE FOR MONEY

Over the last year we:

- Grew the turnover of our agency-managed business stream by 11%. We now provide services to an extra 223 homes.
- Benchmarked our performance and compared our accounts against similar organisations. We are doing better than our peers in most areas, and although our unit cost is not the best, we have improved it by 14% over the last year. We are confident that as our customer base grows, we will be able to offer greater economies of scale and pass the savings on to clients through reduced fees.

Overall operating results	CHS	Peer 1	Peer 2
Turnover (£k)	£2,435	£5,528	£7,210
Operating Surplus (£k)	£820	£983	£1,566
Operating Margin (%)	33.7%	17.8%	21.7%
Surplus before tax (£k)	£745	£1,020	£1,069
% of turnover	30.6%	18.5%	14.8%
Turnover per FTE (£k)	£174	£135	£90
Cost per unit managed 2013/14 (£k)	£1,073	£892	n/a
Cost per unit managed 2014/15 (£k)	£925	n/a	n/a

- Reduced rent arrears despite the introduction of welfare reforms.
- Re-let empty properties at an average of 4.2 days, well within upper quartile performance.
- Communicated with residents and co-op customers more through email and our website.

THE NEXT STEPS

Over 2015-16 we will:

- Improve core services and satisfaction levels for both our residents and our co-op customers.
- Grow our agency-managed service through targeted marketing and a robust business development campaign. As our base of new customers grows, we will be able to offer greater economies of scale and pass the savings on through reduced fees.
- Achieve re-accreditation from the CCH to demonstrate our commitment to providing a quality management service.
- Continue to seek feedback from our customers that will help us develop our service to be more effective and efficient.
- Continue to invest in our own properties by carrying out planned works, reducing the number of costly and inconvenient day-to-day repairs and providing our residents with a safe and decent home.
- Ensure we keep informed of the changes in Welfare Reform and help our residents plan and prepare for this.
- Improve our service by offering our employees quality training and development opportunities.
- Increase the number of customers involved in the development, monitoring and scrutiny of the service provided by Co-op Homes and our contractors.

Tel: 0845 250 7276 | 0203 166 2608

8 Waldegrave Road
Teddington
Middlesex
TW11 8GT

Co-op Homes is a registered society
under the Co-operative and Community
Benefit Societies Act 2014

Registered number: 25197R

homes@coophomes.coop
www.coophomes.coop

