

Annual Report 2019



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Chair’s Introduction:

2019 was a very positive year for PHA Homes and we continue to grow from strength to strength.

The Board remains focused on our strategic objectives moving forward whilst ensuring robust governance of PHA Homes, maintaining our financial strength, ongoing compliance and excellent performance across all services.

As a smaller housing association, we value our successful partnership working and in 2019 we developed new partnerships to further help reduce risk and increase opportunities.

I am particularly proud of our work on the new Resident Engagement Strategy which we will focus on during 2020 and thereafter.

I would like to say a heartfelt ‘thank you’ to the staff and the Board for their continuous hard work and commitment to ensuring the success of PHA Homes. I must also thank East Hampshire District Council for their continued support.

Hilary Channing
Chair of the Board



Our Vision:

PHA Homes strives to provide good quality affordable homes and excellent services



Our Key Values:

People and Homes Count

1

To be professional, effective and efficient:

Regularly examining how and what we do will help us find different ways to do things better in the future.

2

To be honest and accountable:

We will be open and honest about our business; what we do and how we do it.

3

To be involved in proactive partnerships:

We want to be a partner of choice; ensuring the best of our skills and resources to deliver more for our residents.

4

We are community focused:

We will put the needs of our residents and communities at the heart of what we do.

5

We embrace:

We will work with our residents to ensure that our services remain responsive to their changing needs and aspirations going forward.

6

We ensure robust financial management and value for money:

We will control our costs, increase income and ensure effective and efficient use of our resources.

Our Strategic Objectives:

1. To facilitate sustainable growth
2. To ensure quality services
3. To invest in sustainability
4. To invest in people
5. To ensure financial stability and value for money



Chief Executive's Report:

Albeit another challenging year, 2019 was also an exciting year for PHA Homes.

We implemented a new staffing structure to enable us to meet our ambitions going forward, to maximise efficiency and effectiveness across all our services and to respond to the government's agenda for housing. To further support that we started a full IT review to ensure that our IT system meets our needs going forward.

Despite the pressure on our income following the -1% rent regime over four years, combined with the increasing costs of ensuring our tenants safety, we have continued to invest in our stock and to improve standards in both new and existing homes. We are very focused on ensuring that our tenants have a home that is safe and comfortable - a home they can be proud of.

We are delighted to have completed our programme of refurbishing the communal areas of all our blocks of flats during the year.

In late 2019 we started to develop 12 new homes in Stroud, a village near Petersfield. Some homes were ready and families were able to move in before Christmas, whilst the remaining homes will be available in the spring of 2020.

PHA Homes continues to grow and evolve, whilst ensuring that we maintain our focus on the quality of our homes, the services to our tenants and retaining our roots in the local community.

Denise Rajchel
Chief Executive



PHA's performance overall against peers is good and satisfaction levels remain high. 2018/2019 performance results are shown below.

Annual Benchmarking Data	PHA Homes results	Benchmarking Group Median	National Results Median
Void loss %	0.63	0.59	0.94
Lettings as % of stock	7.40	5.30	n/k
Average re-let times (calendar days)	12.40	18.40	19.60
Rent collected as % of rent owed	101.54	100.12	99.80
Current tenant arrears %	0.68	2.55	3.23
% of tenants satisfied with most recent repair	98.20	97.00	92.20
% of tenants satisfied with landlord service overall	93.20	92.20	85.90
% tenants satisfied that landlord listens to views & acts on them	81.70	79.00	70.50
% tenants satisfied with quality of home	97.40	90.00	84.00
% tenants satisfied with neighbourhood	93.70	89.50	83.80
% tenants satisfied with VfM for rent	91.90	90.00	85.30
% tenants satisfied with repairs and maintenance	85.90	86.00	78.10

Highlights of 2019 include:

- The development of two new partnerships for future development opportunities This will help facilitate access to more sites and will reduce development 'risk' for PHA homes.
- The health and safety of our residents is of paramount importance to us. As such during 2019 an independent internal audit on Health and Safety Compliance was commissioned.

The auditor's report awarded PHA Homes a 'green light' and stated: -

“

As a result of our internal audit work, we can provide management; the Audit Committee and the Board with a substantial degree of assurance that the Association generally has good controls for the areas reviewed.

”



- Twelve new homes were started on 2019 and are due to be completed in March 2020 bringing total stock to 332
- Therefore, we have seen a 36.49% growth due to new development and a net growth of 21% despite a disposal programme of 41 units since 2009. All development has been delivered on time and within budget.
- Maintaining healthy operating surpluses as a percentage of turnover at 42% Operating surplus as a percentage of turnover is another measure of profitability more commonly known as the Operating Margin.

It is calculated as follows:

	Operating Surplus Turnover	
	31/12/2019	31/12/2018
Operating surplus	776,096	627,073
Turnover	1,838,820	1,892,356
Operating margin	42%	33%

The Sector Scorecard published results for 2018 stated:

“Housing associations are financially robust and efficient organisations, with margins of over 20% for three out of four organisations, with a median result of 27.89%. This has fallen slightly since the 2017 pilot, which could be a result of the ongoing rent reduction and greater pressures on costs.”

As such the operating margins for PHA have been exceptional despite the pressure on rents and costs.

- Continuing the downward trend on rent arrears and bad debts
 - Increasing our borrowing capacity to support our development ambitions
 - Reviewing our strategic objectives and a renewed business plan for 2020 - 2024
 - Strengthening our Board membership and therefore the skills on our Board
 - Reviewing our financial forecast to ascertain the resources available to deliver the growth strategy
 - Working in partnership with another larger housing association to provide development agent services and access to a sector wide development appraisal system and an experienced development manager, thus reducing the risk associated with new development for PHA Homes
 - Comprehensively reviewing the Asset Management strategy and commissioned a 20% stock condition survey to ensure data is up to date and relevant
 - Completing the last internal refurbishment on a block of flats in Petersfield. We have now completed the refurbishment of the internal areas of all our blocks of flats
-
- Resident Engagement – understanding our residents’ needs and the issues that matter to them is a key driver for PHA Homes. During 2019 we developed a new Resident Engagement Strategy which lays out comprehensively how we want to engage with our residents and determine their views and how best to adopt their views to improve our services to them. We look forward to improved communication with all our residents and to working more closely together



Summary of Accounts for 2019:



Where our money comes from	£
Rents	1,644,861
Service charges	63,090
Interest receivable & similar income	7,178
Other income	25,008
Amortisation of capital grants	98,683
	1,838,820

Where our money goes	£
Property maintenance	393,360
Housing management	361,874
Depreciation	333,807
Interest payable & similar charges	313,233
Service charges	69,077
Loss on disposal of components	-123,657
Other	21,085
	1,368,779
Surplus for 2019	470,041

Audited Accounts

Balance Sheet at 31 December	2019	2018
	£	£
Tangible assets	21,873,990	19,856,597

Current assets		
Debtors	7,806	39,957
Cash at bank and in hand	2,128,577	2,320,762
Creditors: amounts falling due within one year	(749,964)	(897,283)
Net current assets	1,386,419	1,463,436
Total assets less current liabilities	23,260,409	21,320,033
Creditors: amounts falling due after more than one year	(15,679,195)	(14,208,878)
Provision for liabilities	(116,242)	(116,242)
Net assets	7,464,972	6,994,913

Capital and reserves		
Called up share capital	10	10
Income and expenditure reserve	7,464,962	6,994,903
Total equity	7,464,972	6,994,913



Income & expenditure account for the year ended 31 December	2019	2018
	£	£
Turnover	1,838,820	1,892,356
Administration expenses	(1,062,724)	(1,265,283)
Operating surplus	776,096	627,073
Interest receivable & similar income	7,178	4,294
Interest payable & similar expenses	(313,233)	(281,936)
Surplus for the year	470,041	349,431

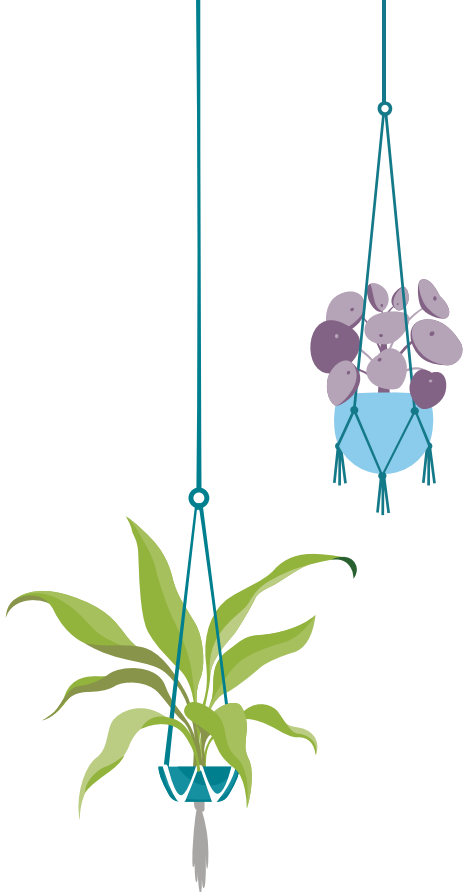
Board of Management:

Hilary Channing Chair (stepping down in 2020)
David Chapman MCI0B Vice Chair (stepping down in 2020)
David Walsh (stepping down in 2020)
Kevin Smith
Graham Norris
Richard Budd Chair of Audit Committee
Joseph Carr
David Thompson
Qamer Yasin
John Cogbill



Staff:

Chief Executive - Denise Rajchel
Director of Operations - Paul Shergold
Finance Manager - Claire Corney
Housing Manager - Lauren Parrett
Maintenance Manager - Pauline Carter
Administration Assistant - Carolyn Brickell
Finance Assistant - Cerisa Sugrue-Gee
Housing Assistant – Sophia Hodgkins
Scheme Manager - Sarah Hye



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