

The background is a soft watercolor wash in shades of pink, purple, and blue. Overlaid on this is a large white outline of a house, with the roofline forming a diamond shape that frames the central text.

2020

# Annual Report

**pha**  
HOMES



WHERE PEOPLE  
AND HOMES COUNT

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As a small association we pride ourselves on being able to provide a much more supportive and personal service to our tenants.

As this is my first report as Chair of PHA Homes, I have read a number of other Housing Associations' Annual Reports and find very similar messages in them all. I have also thought how do I begin to sum up 2020 and everything we have been through, namely the end of speculation over 'Brexit' deal or no deal, and it being completely overshadowed by the impact on our daily lives caused by COVID-19.

## Chair's Report

Lockdown has followed lockdown, albeit with a brief interval over the summer, radically changing the way we work, shop, exercise and socialise which has become for the time being our "new normal". The roll out of the vaccine in January has at least brought us hope, and a big light at the end of the tunnel.

This has impacted on our operations. We have all faced personal and professional challenges and for PHA Homes, COVID has meant adapting the way we engage and communicate with each other, our customers and our suppliers. During the year we have focussed on delivering services our customers want and need whilst still ensuring the safety of everyone involved. This has resulted in a reduction to our planned maintenance programmes and cancelling non-urgent repairs, but during all this we have managed to maintain our compliance services at 100% and completed all urgent and vital repairs.

As a smaller housing provider we face the same challenges as larger organisations, but without the large resources and people to fall

back on. I must congratulate the leadership and the staff for adapting and rising to the challenges we have repeatedly faced and managing the resources to ensure we continued to operate our key customer services.

These recent events have only served to emphasise the importance of taking time to reflect on our role as a local service provider, a local employer, and a key contributor to our local communities. You will see, as you work through this Annual Report, examples of our progress throughout the year. From providing new homes to moving to our new offices, we have continued delivering and growing our business to serve our customers in what has been an unprecedented year.

I would like to say a heartfelt 'thank you' to the staff and the Board and all our partners, contractors and funders for their hard work and commitment throughout the year ensuring the continued success of PHA Homes.

John Cogbill  
Chair of the Board



# Our Vision:

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



1.

2.

3.

4.

5.

6.

## Professional, effective and efficient

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

## Honest and accountable

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

## Proactive partnerships

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

## Community focused

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

## Embracing diversity

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

## Ensuring 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

A home  
they  
can be  
proud  
of...



Stroud  
Development



## Chief Executive's Report:

Everyone is aware of the many challenges faced by us all throughout 2020. Of course, for PHA Homes our focus, as always was the health, safety and wellbeing of our tenants and residents, our staff and our contractors.

2020 also marked that last of the -1% rent regime over four year. Despite the pressure on our income that this presented 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.



I am proud that 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.

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 were completed in the spring of 2020. Lockdown in early 2020 meant that we were unable to start any further developments, but we look forward to further development in 2021 to bring additional, much needed housing to the area. We did however purchase new and much needed larger office premises in Petersfield, which required significant refurbishment works. Our old offices in Lavant Street were also significantly refurbished and then let as a two bed flat.

Despite the limitations on our services as a result of lockdown we were able to complete an exterior refurbishment of one of our blocks of flats. The same block received a full interior makeover in 2019.

I am proud that 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. My thanks go to the wonderful team of staff, the Board, our tenants and contractors for making this all possible. I would also like to thank East Hampshire District Council for their ongoing support, which is invaluable to PHA Homes.



Denise Rajchel  
Chief Executive





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

## Our Performance in 2020:

PHA's performance overall against peers is good and satisfaction levels remain high. 2019/2020 performance results are shown below.

The regulator of Social Housing has set out 7 'compulsory' metrics with which to measure economy, efficiency and effectiveness on a comparable basis across the sector.

Regulator for Social Housing compulsory metrics	PHA Homes Results	Benchmarking Group	National Results
Operating margin %	37	19.11	29.2
EBITDA MRI Interest cover %	184	243.27	158.35
Gearing %	36	17.95	43.06
New supply delivered	4	0	1.36
Reinvestment %	11	10	5.6
Return on capital employed	3	2.8	3.55
Headline social housing cost per unit	2,368	4,328	3,814

## Compliance:

PHA Homes has a robust approach to ensuring legislative and regulatory compliance.

Performance regarding compliance is reported quarterly to the Board. At the end of 2020 PHA Homes was 100% compliant across all areas including gas, electric, fire safety, legionella and asbestos.

The association manages a comprehensive compliance database which holds records on each property file on the Associations computer network. Compliance was subject to an internal audit in 2019 the outcome of which was a 'substantial degree of assurance that the Association has good controls for the areas reviewed'.

## Risk Management:

The association holds a 'Risk Map' which determines the risks to the business that have been identified by the Board and how those risks are managed or mitigated. The risk map was comprehensively reviewed during 2020. The risk map is reviewed both by the Audit and Risk Committee and quarterly at every Board meeting.

## Compliance with the National Housing Federation (NHF) Code of Governance:

In 2020 the NHF reviewed its code of governance. The new code of governance is designed to help housing associations achieve the highest standards of governance and Board excellence.

Organisations and their Boards in all sectors should aim to achieve a set of standards in order to be well governed. The code sets out the standards that housing associations, their Boards, and the wider sector should seek to attain.

The code is built around the key values that good governance is based on – accountability, integrity, openness, and equality, diversity and inclusion. At its heart are four

core principles which shape the content of the code, each with a set of requirements for organisations to adopt:

- Mission and values
- Strategy and delivery
- Board effectiveness
- control and assurance

The code is designed to cater for the diversity within the housing sector, and those adopting it should apply it in a way that fits the size, complexity and scale of their organisation.

PHA Homes has adopted the 2020 Code of Governance.

“

PHA Homes has a robust approach to ensuring legislative and regulatory compliance.

We have adopted  
the 2020 Code of  
Governance.





96%

were satisfied with  
how easy it is to  
make contact with  
PHA Homes.

## Highlights of 2020 Include:

During 2020 we carried out a STAR survey (Survey of Tenants And Residents). This is a best practice customer satisfaction framework for the UK housing sector. In the survey there are 9 key questions asked by all landlords.

### PHA Homes STAR Satisfaction Results

- |    |   |     |
|----|---|-----|
| 1. | Taking everything in to account how satisfied are you with the service provided by PHA Homes?                                       | 93% |
| 2. | How satisfied are you with the overall quality of your home?  | 88% |
| 3. | Thinking specifically about the building you live in, how satisfied are you that PHA Homes provides a home that is safe and secure? | 93% |
| 4. | How satisfied are you that PHA Homes is easy to deal with?  | 91% |
| 5. | Overall, how satisfied are you with the repairs service you received in the past 12 months?   | 89% |
| 6. | How satisfied are you with your neighbourhood as a place to live?   | 88% |
| 7. | How satisfied are you that your rent provides value for money?  | 94% |
| 8. | How satisfied are you that PHA Homes listens to residents views and acts upon them?   | 84% |
| 9. | How satisfied are you with how easy it is to make contact with PHA Homes?   | 96% |

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:

	31/12/20	31/12/19
Operating surplus	800,520	803,079
Turnover	1,922,616	1,862,136
Operating margin	42%	43%



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.

- We have worked closely with our tenants to continue the downward trend on rent arrears and bad debts.
- We have Increased our borrowing capacity to support our development ambitions.
- We have strengthened our Board membership and therefore the skills on our Board.
- Understanding our residents’ needs and the issues that matter to them is a key driver for PHA Homes. During 2020 we continued to work with the Tenants and Residents Engagement Group (TREG) to determine their views and how best to adopt their views to improve our services going forward.
- We moved to much needed larger premises. It remains important to us to be accessible to our tenants and residents. As such our new office is located in the centre of Petersfield.
- Our previous office was converted to a large two bed flat for market rent.
- During the lockdown we kept in touch with more vulnerable tenants by phoning them on a weekly basis to ensure that their needs were met.



New Office



# Summary of Accounts for 2020:

Where our money comes from	£	Where our money goes	£
Rents	1,725,958	Property maintenance	387,688
Service charges	70,938	Housing management	400,460
Interest receivable & similar income	2,212	Depreciation	356,246
Other income	25,947	Interest payable & similar charges	310,741
Amortisation of capital grants	97,561	Service charges	73,618
	<b>1,922,616</b>	Loss on disposal of components	-113,765
		Other	15,637
			<b>1,430,625</b>
		<b>Surplus for 2020</b>	<b>491,991</b>

Balance sheet at 31/12/20	Audited Accounts	2020 (£)	2019 (£)
Tangible assets		22,576,048	21,922,138

Current assets	2020 (£)	2019 (£)
Debtors	28,284	36,497
Cash at bank and in hand	1,400,636	2,131,161
Creditors: amounts falling due within one year	(975,762)	(986,540)
Net current assets	453,158	1,181,118
Total assets less current liabilities	23,029,206	23,103,256
Creditors: amounts falling due after more than one year	(14,937,122)	(15,503,500)
Provision for liabilities	(173,000)	(173,000)
<b>Net assets</b>	<b>7,919,084</b>	<b>7,426,756</b>
<b>Capital and reserves</b>		
Called up share capital	7	10
Income and expenditure reserve	7,919,077	7,426,746
<b>Total equity</b>	<b>7,919,084</b>	<b>7,426,756</b>

## Income & expenditure for the year ended 31/12/20

Turnover	1,922,616	1,862,136
Administration expenses	(1,122,096)	(1,059,057)
<b>Operating surplus</b>	<b>800,520</b>	<b>803,079</b>
Interest receivable & similar income	2,212	23,755
Interest payable & similar expenses	(310,741)	(331,233)
<b>Surplus for the year</b>	<b>491,991</b>	<b>495,601</b>

# Board of Management:

## John Cogbill (CHAIR)

John has worked in the housing sector for over 30 years, specialising in Asset Management, development, procurement and portfolio management. John has worked at Director and Executive levels for a number of housing associations across the country and until recently was the Chief Commercial Officer for ‘Your Housing Group’ located in the North West. Prior to that, John spent a number of years working as a consultant for Savills, operating around the country as an advisor or acting as an interim. John also has extensive experience as an executive and non-executive Board member for a number of joint ventures and smaller associations.

## Hilary Channing (VICE CHAIR)

Hilary is Managing Director of Hilary Channing Associates, an HR consultancy. She provides bespoke business support services, including resourcing & assessment, talent support & coaching, personal

development & career transition, primarily for the not-for-profit sector. Hilary has worked in the social housing sector since 1999, during which time she has been Director of Recruitment Services at Insight HR & Management Consultancy and the joint owner of another successful HR consultancy Channing Hammond Associates. Hilary brings extensive experience in leading and shaping HR Strategy, governance and general business management.

**Kevin Smith**  
Kevin is a Partner and Head of the firm’s Commercial and Commercial Property Departments at MacDonald Oates solicitors in Petersfield. Kevin is a Company Commercial, Commercial Law and Commercial Property specialist. As well as practicing in Construction and Engineering Law, Kevin is also a highly experienced Residential Property lawyer. Kevin is a Fellow of the Chartered Institute of Arbitrators and a Member of the Royal Institution of Chartered Surveyors. He is also a Member

of Hampshire Incorporated Law Society.

## Graham Norris (CHAIR OF AUDIT AND RISK COMMITTEE)

Graham worked for 29 years as an Operations Manager for a multinational advertising company, working his way up to UK Technical Manager responsible for procurement, product development and health and safety. He is now a full-time carer.

**Richard Budd**  
Richard is an experienced finance professional with 30 years’ experience of working in a variety of industry sectors, including fashion, leisure, music and construction. He currently works for British Gas, concentrating mainly on a not-for-profit subsidiary (Energy for Tomorrow), which has provided free solar PV systems to schools throughout the country. Richard has a keen interest in renewable energy, ecology and the environment.

## David Thompson

David is a retired Chartered Surveyor, whose particular specialisation has been in development and property management within the social housing sector. David worked at a senior level within the sector and was responsible for development programmes, property management, routine maintenance and asset management, including re-investment into the existing stock. David also managed all aspects of providing new social housing through acquisition of land for the construction of new buildings and purchase of property for renovation and repair. David was also a founding member of the Wickham Community Land Trust (WCLT), set up in 2008.

**Qamer Yasin**  
Qamer is currently Contract Performance Manager with Two Saints Ltd and a qualified Executive Coach and Mentor. She has over 30 years’ experience in the social housing and homelessness sector. She brings extensive senior and strategic management experience and has a track record of successfully delivering front line services. She is a Fellow Member of the Chartered Institute of Housing and Associate Member of the Association of Coaching.

**Denise Rajchel**  
Denise has been Chief Executive of PHA Homes since 2008. She has worked in the housing sector for more than 30 years within local authority, a LSVT organisation and national housing associations. Denise is a member of the National Housing Federation’s sounding board and also a member of the National Housing Federation’s national panel of smaller housing associations. She is a Chartered Member of the Chartered Institute of Housing.

# PHA Staff

Denise Rajchel  
**CHIEF EXECUTIVE**

Paul Shergold  
**DIRECTOR OF OPERATIONS**

Claire Corney  
**FINANCE MANAGER**

Lauren Parrett  
**HOUSING MANAGER**

Currently vacant  
**MAINTENANCE MANAGER**

Carolyn Brickell  
**ADMINISTRATION ASSISTANT**

Cerisa Sugrue-Gee  
**FINANCE ASSISTANT**

Sophia Hodgkins  
**HOUSING ASSISTANT**

Sarah Hye  
**SCHEME MANAGER**





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