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Board of Management Report 2017-2018

This has been a year of changes and developments for Crosby Housing Association. We were very sorry that our new Chair, Ian Ross, had to retire after less than a year in office due to ill-health. Our thoughts are with him and his family for his speedy recovery.

I feel privileged to have stepped up to the role of Chair and to be so ably supported by the new Vice Chair, Tony McClure. I have been very grateful to the support of fellow Board members in this process. Together they hold the ethos of the organisation and ensure its continuance, maintaining our commitment to provide quality services to our tenants and support to our most vulnerable customers while still seeking to engage in wider neighbourhood activity.

We have been extremely pleased to attract a number of new applicants as Board members. They bring a variety of new skills and experiences and different perspectives which will enhance our performance as we move forward to our 50th Anniversary in 2019.

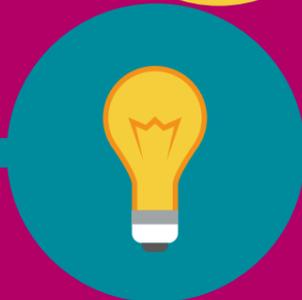
We also sought to deliver efficiencies in our operating costs and new opportunities for growth. To this end we were delighted to see the culmination of several years work with the opening of two new projects. During the process we developed some new and important relationships that will support our business objectives going forward. All this has been done within existing resources. This is a considerable achievement and one which helps to offset the reduction in our income caused by the rent cut. It also reflects well on the dedication and initiative of the staff team, all of whom have worked hard during the year to deliver high quality services to our tenants and promote our work both locally and nationally.

Our shop plays an important part in the organisation. We are particularly pleased that so many of the shop's volunteers and staff are drawn from our tenant group and believe that it makes an important contribution to the locality. Over the Christmas period staff and volunteers provided a Christmas Dinner for a group of more vulnerable customers who would be eating alone at Christmas.

Similarly, our long-standing relationship with CHART, who focus on the accommodation needs of those with mental illness, continues to gather strength. CHART's work highlights the importance of strong links between healthcare and housing providers, something that we are keen to maintain and develop.

Finally, we are pleased to enjoy the continuing support of our Tenants Service Panel who play an important role in reviewing our services and making recommendations to the Board. Their work is greatly valued.

Liz Calderbank
Chair



CEO report

Building strength in our governance

The board upholds the principles of good governance and evidence of how the principles are applied are included throughout this report. The Board Support Group, comprising staff and board members, continues to look in depth at a range of business critical areas. It performs a policy scrutiny role and makes recommendations to the full Board. This group oversees the implementation of action plans in relation to the NHF Code of Governance.

Following a period of illness the newly appointed chair has had to step away from his position. He has recently confirmed that he is unable to continue his role and he has resigned from the board. The vice chair took over the role of chair at the end of 2017. A new vice chair was appointed from within the board and both members are now settled into their new roles.

Both have led on the recruitment process to introduce new Board Members. The aim of this exercise was to: improve the skill set of the board to meet the changing needs of the business, target candidates with a proven

track record of achievement in delivering successful and innovative business models, and in particular, seeking to strengthen skills in the areas of finance, development and asset management. In order to improve the diversity of the board, applications were encouraged from underrepresented groups such as women, black and minority ethnic (BAME) and lesbian, gay, bisexual and transgender (LGBT) and those with disabilities.

The response was extremely good and the calibre of candidates was excellent. Five candidates were invited to join the board. It is recognised that in order to ensure

consistency and stability such a significant change in membership will need to be managed carefully.

The changes have:

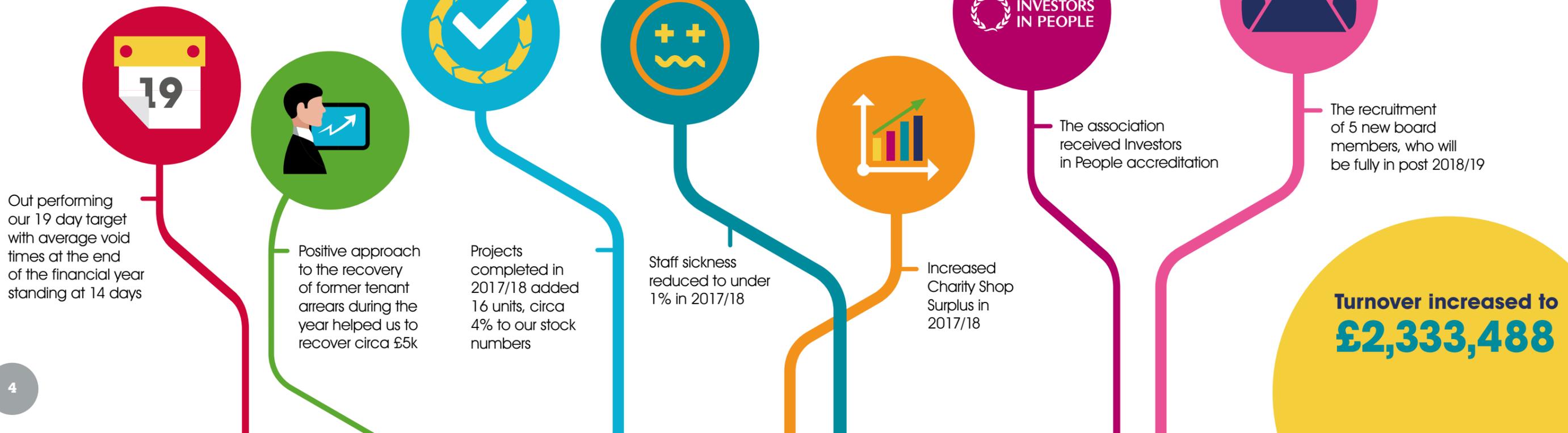
- Improved the gender balance and reduced the average age of the board.
- Improved the balance between members who are working and those who have retired.
- Enhanced existing skills around business management and housing expertise.
- Delivered new skills in the areas of finance, development, marketing and asset management.

We have also reviewed our approach to audit services and agreed the appointment of DSG as new external auditors and TIAA as internal auditor. The changes seek to improve performance and provide robust assurance to the Board.

Mandy Elliott,
Chief Executive



Key highlights



A year of development - delivering new homes

This has been an exciting and very important year.

We focussed on the delivery of 2 projects that would increase the number of homes we own or manage on behalf of others.

Firstly we completed the refurbishment of a grade 2 listed building in Liverpool to deliver a new supported accommodation service. This is a partnership project with Health and Probation and following completion of the scheme, a steering group comprising all partners is working as a team to resolve upcoming issues.

The second project was the purchase of a large Edwardian house in Southport. This was previously owned by Southport Soroptimist Housing Association (SSHA). This property was on the market at the time CHA was appointed as their managing agent. It required improvement work and the refurbishment was completed in June 2018. The new layout provides 7 self-contained flats which are now home to our new tenants.

The role as managing agent for SSHA is in its second year and relationships have developed well. CHA project managed the refurbishment of the property retained by SSHA and further expanded the scope of its service offer to include guidance on wider business matters.



To do more with less

The number of units we own rose from 410 to 426. When adding in units managed on behalf of others the total rises to 433. This position was reached with no additional staff resource and without any loss of commitment to the planned works programme.

The additional units will deliver increased rental income that will help to offset the implications of the 4 year rent reduction. This together with the fee income generated from management services at SSHA, project management fees from the new Supported Housing scheme and a small reduction in operating costs has supported the Association's financial strength and viability.

Void turnaround times have continued to reduce. At the end of the financial year they stood at 14 days, outperforming the 19 day target set for 2017-18.

There were fewer tenants leaving during the year and as a consequence the number of lettings in 2017-18 reduced by 22% compared to the past 3 years. Sustaining tenancies is a key priority for the Association and low turnover supports this. It also reduces the number of void periods and the often costly works associated with tenant departures.

Current tenant arrears stood at 3.28% against the target of 4%. We will continue our intensive management for current tenant arrears in order to mitigate the position as rollout of Universal Credit continues to affect more of our tenants. The positive approach to the recovery of former tenant arrears is delivering results, with over £5k being written back to the accounts.

The Association continues to explore opportunities to streamline processes and it is committed to improvements through the use of technology. However, it is prudent to await the outcome of the repairs service review started this year before new investment is made in this area. A key consideration of any procurement process for repairs will be the contractor's ability to provide effective management reporting.

Through new partnerships and procurement we seek to add value to our business. This year benefits included training opportunities - 24 people (CHA Staff and Tenants) attended 14 training sessions at no monetary cost to the Association. Works contractors supported Christmas community events, donated Easter eggs to a local children's charity and assisted vulnerable tenants to address issues around hoarding. Many contractors sponsored the production of a calendar for tenants.

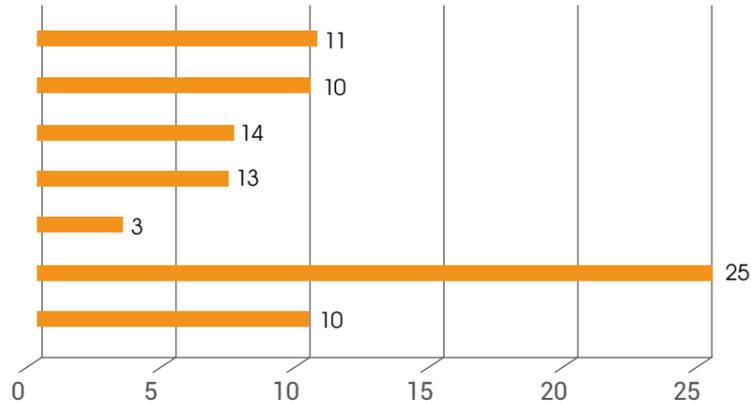


Programme completions 2017-2018



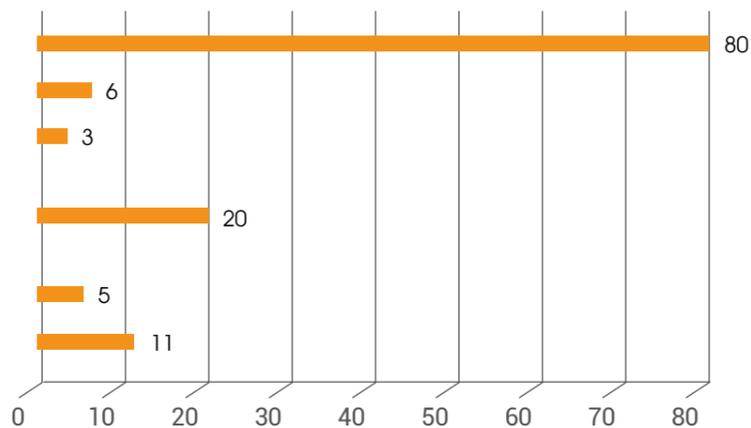
Operational Planned work

- Conservation area windows replaced
- Kitchens replaced
- Bathrooms replaced
- Boilers replaced
- Electrical heating systems replaced
- Boundary and party fences replaced
- External gates replaced



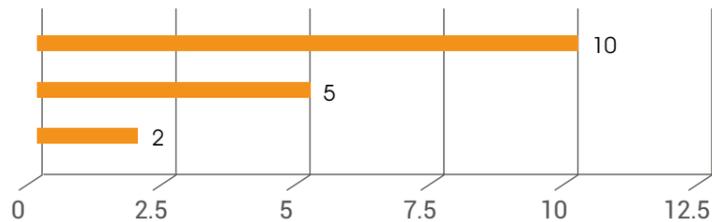
Cyclical programme

- External painting
- Major replacement failed render to elevations
- Bricks replaced to external wall areas and brickwork reported externally
- Fascia and gutters replaced as part of cyclical paint program
- Major roof repairs / replacement areas
- External gates



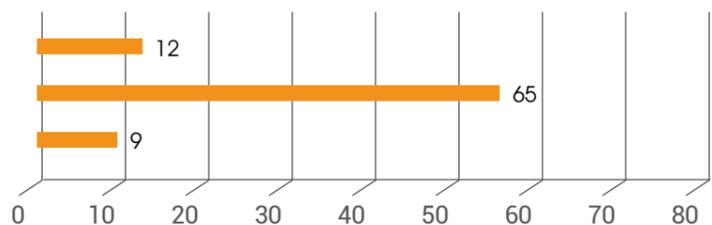
Energy efficiency - warm homes

- Dry lining to exterior walls
- Loft insulation upgraded
- Basement insulation upgraded



Fire safety improvements

- Fire doors replaced
- Fire doors upgraded
- Fire ceilings installed to improve fire standard to communal areas including basements



A year of caring for our homes

We continue to invest in our homes and this year alongside replacement of kitchens, boilers and bathrooms we focussed on energy improvements to support tenants to stay warm for less.

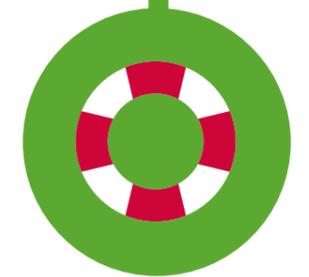
The cyclical painting programme is in its 3rd year and with many properties requiring scaffolding to undertake the painting we took the opportunity to conduct high level inspections to roofs and fascias and a number of repairs and replacements were completed.

Performance against budget is satisfactory in planned and cyclical areas but spending on routine maintenance and unplanned component replacements continues to run high. A review of procurement of property investment services started during the year and we will soon be engaging a

consultant to manage the process of change.

Health and Safety continues to be a priority. Gas and electrical safety checks are up to date and the fire alarm upgrade programme is complete. We have adopted the LACORS Fire Safety standard for all flats and supported housing schemes. This standard exceeds building regulation requirements but we are not complacent and we will continue to monitor this area.

We are taking opportunities to conduct option appraisals for some of our homes, particularly when they become vacant. This could result in the property being reconfigured, used differently or even disposed of where it is demonstrated that improved value for money can be achieved in a different way.



A year of caring for the vulnerable

The review of future funding for supported housing continues and this provides uncertainty for the Association and for the vulnerable people in need of support. We have submitted feedback to the consultation and now await final decisions from Government.

CHA works with a range of support providers. We are currently working through a process of updating management/service level agreements and occupancy agreements.

Once there is clarity over funding we will conduct a wider review where risk assessments around relationships/income stream etc will be refined.



A year of recognition for our hard working staff team

The staff team work increasingly hard to deliver our objectives and they are to be commended for absorbing new business areas into their existing priorities. The continuing work to streamline systems to create capacity for new work streams is essential to support this.

We are delighted that IIP North of England confirmed that Crosby Housing Association continues to achieve accreditation against the 6th Generation Investors in People Standard. See what they said:

"Crosby Housing Association has been able to absorb the additional workload without increasing the workforce through reviewing and streamlining job roles and supporting the development of additional skills needed."

"The organisation has hit its financial targets, and has been particularly successful maintaining its plans for upgrades and planned maintenance while a number of associations have downsized in this area in order to respond to financial pressures."

"The charity shop has also seen a significant turnaround in the last year with it turning a respectable profit following a long period of it just about breaking even. Again, this was a big team effort with a full makeover, review of staffing and operating hours, maximising social media, utilisation of volunteers, working in a more integrated way with the local community and other related charities, housing teams and contractors to ensure that better use of the resources was made."

"New software has been installed and developed to meet the needs of the team. This has brought together a number of different platforms into one which can be set up to generate reports, reminders, log HR records etc. This investment has been valuable in releasing admin time and in being able to provide data which can be interrogated to inform future decisions and direction of the Association."

Teams are supported through external expertise acquired through Citation for HR and Health and Safety, SASSHA for systems and IT infrastructure and NWHS for accountancy services. Brabners provide legal services and the new audit services for both internal and external audit commissioned from April 2018 will further strengthen the support given to staff.

CHART continues to be a key housing delivery vehicle for people with severe and enduring mental illness across Sefton. Staff are employed by the Association but the team is reliant on external funding through the Local Authority and the Clinical Commissioning Groups (CCG). Although cuts were expected, funding for CHART was sustained at the same level for 2018-19 as for 2017-18. The CHART reporting process continues to provide evidence of the outcomes and value delivered by the team.

There was good take up of the new staff incentives introduced during 2017-18 and these will be continued during the new financial year.

The Association will review its position in relation to the SHPS pension scheme during 2018-19 following the outcome of the latest triennial review.

With the exception of a short term placement contract coming to an end there have been no movements in staff during the year. However, in the first quarter of 2018-19 our Senior Housing Officer secured a new role and we will be recruiting a replacement during the summer of 2018.



Building healthy relationships

A good reputation is recognised as a key priority in the business plan and partnership roles have led to business opportunities and good relationships with tenants.

The partnership work with NHS England, Probation, Resettle and the Support Provider has delivered a first class supported housing scheme. The project, which brought back into use a vacant grade 2 listed building, is proving to be of national interest with a range of senior Health and Probation officials visiting from London.

Our role as managing agent has delivered a new and vibrant partnership with Southport Soroptimist Housing Association. As there has been more activity than was originally planned, we have secured increased management fees.

Our involvement on the Sefton Coast Landscape Partnership resources task group supports the business aim to sustain a good reputation. Being involved at a strategic level helps to take forward the aspirations of the Coastal Community team and Waterloo Town Team particularly in influencing

the economic drivers for the coast. CHA has demonstrated its value to the partnership and has directly contributed to governance improvements.

Our work in relation to New Realities further enhances relationships with Sefton Council and with the voluntary and faith sector through Sefton CVS (Council for Voluntary Services). This work seeks to create a healthy working environment between the LA and Community groups and in turn deliver some innovative practices that support communities and the LA through difficult financial times.

The Association is an active member of Community Housing Associations North West (CHANW) and the partnership agreement with Brabners solicitors continues. Through this a new standard tenancy agreement has been agreed and free training has been provided.

Our CEO is reaching the end of her term as chair of the National Housing Federation's smaller housing association forum and will step down from September 2018. This has been a rewarding role that has provided a platform to raise issues that affect smaller providers. She is giving consideration to remaining on the group post this date.



Listening to our customers

We thank our tenants for their continued involvement through the Tenant Services Panel (TSP), Community CHAT (Crosby Housing Association Tenants) meetings, newsletter contributions, the annual Open Meeting and the annual Tenant Conference.

The TSP continues to review policies and procedures, specifically looking at areas that directly impact on tenants and their families. This year they have worked alongside key members of the Housing team to look at how income is maximised through the Association's approach to recovering and reducing tenant debt. Areas reviewed include current and former tenants' arrears and also recharges due to works, damage or court costs.

The Panel were instrumental in designing and commissioning bespoke training for local residents in terms of 'respecting your neighbours, living communally' and also 'money management and benefit changes'. With some courses hosted by CHA in conjunction with local partners.

The Panel is able to present reports to the Board and members are invited to the December Board meeting to observe the meeting and to discuss report findings and recommendations. In order to maximise tenant involvement and participation the Panel will also be involved in arranging, attending and promoting events to celebrate the upcoming 50th anniversary of the Association.



Feedback & communications

The TSP reviewed current policies and practises in relation to tenant communications including a review of the Comments, Complaints & Compliments policy and the newsletter.

This year we have launched two tenant led social media pages.

The first, CHAT is currently reaching over 6,000 people. It focusses on local news, events and opportunities and enables us to promote the work of many of our partners. The second, focusses on the Charity Shop and currently reaches just under 500 local residents and customers.



Services

In response to the outcome of the tenant survey, TSP attended a workshop with staff to learn more about service charges.

Following this, a survey was distributed to all tenants paying service charges for window cleaning, gardening and communal cleaning. Tenants provided information on the quality and frequency of delivery and overall value for money. There was a 60% response rate with clear opinions given. The responses have led to improvements to the service specification for window and communal cleaning and a new gardening contractor. Since this survey the level of satisfaction has improved.

Performance



2017-18	2016-17	Global Accounts 31/03/17
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VFM metrics

Reinvestment (%)	12.9%	3.5%	No data
This metric looks at the investment in properties (existing stock as well as New Supply) as a percentage of the value of total properties held.			
New supply delivered	3.8%	0%	No data
The New supply metric sets out the number of new social housing and non-social housing units that have been acquired or developed in the year as a proportion of total social housing units and non-social housing units owned at period end.			
Gearing %	-8.9%	-15.6%	50%
This metric assesses how much of the adjusted assets are made up of debt and the degree of dependence on debt finance. It is often a key indicator of a registered provider's appetite for growth.			
Earnings before interest, tax, depreciation, amortisation and major repairs / interest payable (EBITDA)	1054.2%	1076.4%	147%
The EBITDA MRI interest cover measure is a key indicator for liquidity and investment capacity. It seeks to measure the level of surplus that a registered provider generates compared to interest payable; the measure avoids any distortions stemming from the depreciation charge.			

Headline social housing cost per unit	£	£	
Services	175,439	161,313	
Routine maintenance	419,915	415,335	
Planned maintenance	156,851	145,550	
Major repairs (components)	55,874	34,307	
Management	285,937	272,499	
Bad debts	16,735	11,894	
Total costs	1,107,751	1,040,898	
Number of units	433	410	
Cost per unit	2,558	2,539	3,698

The unit cost metric assesses the headline social housing cost per unit as defined by the regulator.			
Operating margin – social housing	20.7%	24.8%	34%
The Operating Margin demonstrates the profitability of operating assets before exceptional expenses are taken into account. Increasing margins are one way to improve the financial efficiency of a business.			
Return on Capital Employed (ROCE)	3.1%	4.2%	No data
This metric compares the operating surplus to total assets less current liabilities and is a common measure in the commercial sector to assess the efficient investment of capital resources.			

Business KPIs			
New units added	16	-	●
Repairs completed at first visit	100%	100%	●
Tenant satisfaction with repairs service	99%	85%	●

Management KPIs			
Average re-let time (total void period days)	14	17	●
Rent collected as % of rent owed (ex arrears b/f)	96.80%	101%	●
Current arrears as % of annual rent debit	3.06%	2.80%	●
Rent Write-Offs & Bad Debts against Provision	£40,253	£24,429	●

Financial KPIs			
Current Ratio (assets over liabilities)	2.12	1.7	●
Interest Cover	17.14	13.9	●
Rent loss due to voids (as % of gross rental income)	0.96%	0.5%	●

Other KPIs			
% of dwellings with a valid Gas Safety Certificate	100%	100%	●
Sickness absence	0.8%	1.8%	●

Making best use of our finances

Income and Expenditure in the year ending 31 March 2018

Our income from rents and service charges, the Charity Shop, revenue grants and interest received was

£2,333,488

We spent on management, repairs and maintenance, services, loan interest payments, pension costs and shop expenses

£1,893,370

Leaving us with a surplus of

£440,118

Then we set aside the Charity Fund surplus

£11,689

Leaving a net surplus added to general reserve

£428,429

Balance Sheet Housing assets by the end of the year we had housing assets at cost, including capital works

£19,272,582

Less depreciation

£8,656,570

Leaves net housing assets of

£13,017,696

Plus other fixed assets (offices, shop, computers, equipment etc.) net of depreciation

£321,430

Giving a net total value for fixed assets of

£13,339,126

Plus current assets (cash and amounts owed to us)

£1,741,097

Less liabilities (what we owe to others)

£8,755,398

Giving a total for all assets less liabilities

£6,423,653



Staff and Board Members



Staff

- Mandy Elliott**
Chief Executive
- Chris Richardson**
Head of Corporate Resources
- Hannah Wilson**
Corporate Resources Officer
- Si Jones**
Finance Officer
- Dave Tai**
Head of Housing Operations
- Kevin Powe**
Senior Housing Officer (until July 2018)
- Jayne Carter**
Housing Officer
- Carolyn Bowfield**
Operations Assistant
- Sheila Duffy**
Operations Assistant
- Angela English**
Operations Assistant
- Malcolm Gilbert**
Head of Asset Management
- Geoff Wall**
Estates Officer
- Vin Fox**
Head of Projects
- Stephen Wright**
Data Assistant (until March 2018)

Charity Shop

- Kerrie Smart**
Shop Manager
- Kim Roberts**
Shop Assistant
- Jo Nelson**
Shop Assistant

CHART

- Colm Quinn**
Homelessness Officer
- Karen Kay**
Housing Co-ordinator
- Michelle Edge**
Housing Support Officer

Board Members

- Ian Ross**
Chair until March 2018
- Liz Calderbank**
Chair from April 2018
- Tony McClure**
Vice Chair from April 2018
- Nick Thompson**
- Lol Walters**
- Peter O'Dowd**
- David Tournafond**
- Kim Ross-Houle**



Crosby Housing Association Ltd

10 Church Road
Waterloo
Liverpool
L22 5NB

Telephone: 0151 920 7300

Fax: 0151 949 0717

Email: enquiry@crosby-ha.org.uk

Twitter: @crosbyhousing

www.crosbyhousing.org.uk



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Če želite ta dokument v drugem jeziku ali obliki, ali če potrebujete storitve prevajalca, se prosim obrnite na nas.

اگر آپ کو معلومات کسی دیگر زبان یا دیگر شکل میں درکار ہوں تو برائے مہربانی ہم سے پوچھئے۔

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