



Spitalfields  
Housing Association  
স্পিটফিল্ডস হাউসিং এসোসিয়েশন

# Annual Report 2019 – 2020





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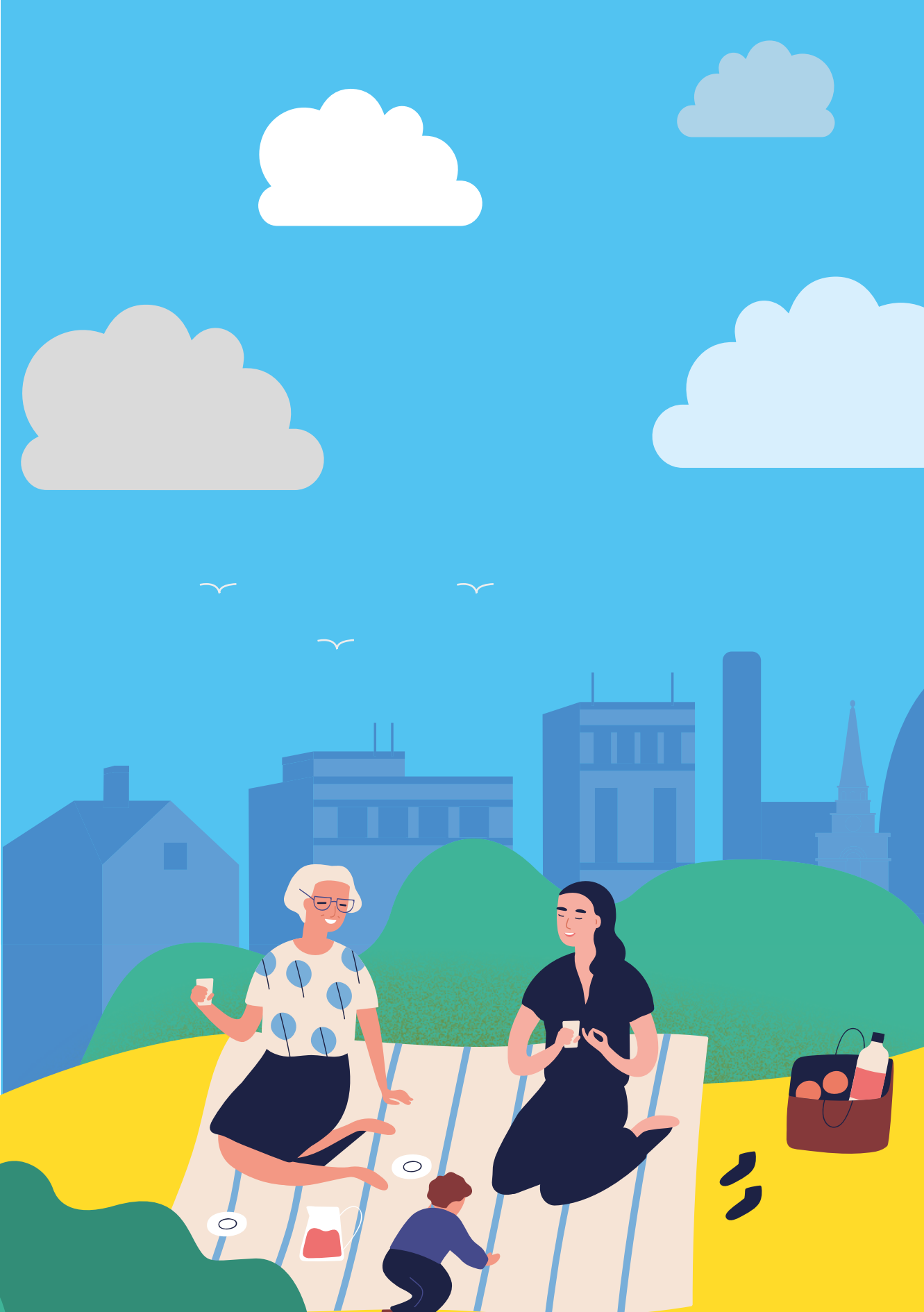
# Corporate Statement

Spitalfields Housing Association (HA) is the largest Bangladeshi-led housing Association in the UK. Spitalfields HA has grown to become one of the top five largest BME housing association in London. The Association was founded in 1979 by members of the Bangladeshi community in response to poor housing conditions in the Spitalfields area. It was originally set up as a co-operative, and concentrated on developing large family sized accommodation for Bangladeshi families. The Association was registered with the Housing Corporation in 1979 and it began an ambitious development programme, where we refurbished and invested in what had been underdeveloped homes and communities.

We are now a general needs housing provider, providing good quality housing, and community services to those with the greatest needs in Tower Hamlets and beyond. Spitalfields HA has grown to become one of the top five largest BME housing associations in London; and we have achieved this through diligent management and inspirational leadership. This is at a time where growth in the sector has largely been achieved through mergers and acquisitions. Spitalfields HA has been able to maintain its unique identity and exceptional service delivery to its residents and those in the surrounding communities.

We are extremely proud of our diverse family of employees, residents, partners and contractors. As a provider of homes to numerous communities in one of the most diverse cities in the world and an employer to many BAME employees, we support the fight against racism, and discrimination in all forms. We share the sadness of all the innocent lives lost over the years, and stand in solidarity with the quest for social and economic justice.

Spitalfields HA's mission is to 'create places where people want to live'. We have been working hard to continue to deliver services to our resident throughout the covid-19 pandemic. The health and safety of our residents and colleagues has been our top priority throughout the lockdown. We are proud of the dedication; commitment and support from our staff who have continued to work to deliver services to meet our residents' needs and expectations. Our staff have gone the extra mile to support the most vulnerable.





# Corporate Statement (continued)

Our commitment to creating places where people want to live has inspired our approach to rent collection where we have achieved sector leading results, despite the continued challenges faced with the welfare reform system and Universal Credit in Tower Hamlets.

The financial performance of the Association remains strong. Spitalfields HA generated an overall surplus of £1,992k (2019: £2,306k). This has been achieved through diligent financial and treasury management and excellent cost control; prior year income was boosted by external factors such as property sales through stair-casing and right to buy sales which was not replicated in the current year. The operational surplus was therefore higher than prior when excluding these exceptional items.

Our long-term asset management strategy includes health and safety, cyclical and planned programmes to ensure that our investment is well appraised, used where needed, and our stock is maintained at a high standard. We are currently in the process of reviewing our programme of renewal and repair to our properties due to uncertainty and concerns associated with covid-19 outbreak.

We would like to express our gratitude to all the members of the Scrutiny Panel, Residents' Associations and Estate Inspectors who continue to work to challenge the Association's work on a range of matters which are of importance to our residents. We would also like to thank our residents, Board members, staff members, partner organisations, and contractors for their valued contribution and continued support over the past year.

# Value for Money

Value for money is embedded in our corporate plan and our business planning framework. Our three on-going key strategic priorities are to improve our core services, increase our residents' satisfaction and to develop more homes for our local communities. This is underpinned by our strong financial performance.

Value for money has been delivered through:

- Adhering to our asset management strategy which seeks to improve the performance of our assets;
- Providing good quality, efficient and effective services to residents; and
- Using balance sheet strength to finance our loan portfolio.

We have maintained strong cost control and we anticipate that our costs and quality of service will continue to improve with our renewed focus on our online services and overall re-design of services. We are continuing to engage and explore new methods of interaction and methods of delivering services to our residents in a way that meets the needs of our residents.

The year to 31 March 2020 has also been another financially strong year for Spitalfields HA. We ended the year with an operating surplus of £3.3 million (42.7% operating margin) and a net surplus after interest of £2.0 million (25.6% net margin). There were no asset sales in the current year. Our value for money focus can be seen by the strong performance in our operating surplus and the improvement in the services we have delivered to our residents.

These surpluses are a result of diligent financial and treasury management, with a focus on cost control, and a proactive approach to risk management. We are focused on providing value for money as we are a social purpose business and we use our surplus to invest in our existing stock and develop more homes for social benefit.







# Resident Engagement Report

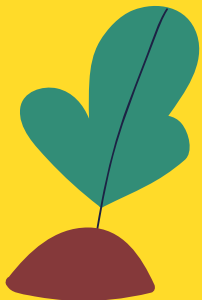
Our resident engagement programme has produced another successful year with the local community. Our continuous effort has ensured that residents have had the opportunities to get involved in improving our service delivery and improve the quality of their life.

We have been working in partnership with not-for-profit, and community based organisations, to pool our resources and expertise in order to deliver activities to priority groups on a regular basis. The activities this year included youth club sessions, half-term sports schemes for young people, disability group activities for young people, women's fitness sessions, healthy eating and cooking clubs, lunch club for older people, and breakfast club for mums. These activities have helped to improve the participants' physical and mental health and wellbeing, reduce social isolation, and improve confidence and communication skills.

Our community events included two estate fun days, and two summer trips. One of the summer trips was attended by three families who had never travelled outside London together before.

With all our resident involvement and community events we have estimated that we have engaged more than five hundred local residents over the year and we are looking forward to continue to engage with residents and bring communities together.

We would like to thank our residents for their contribution in the Residents Scrutiny Panel, Estate Inspection Scheme and service surveys which contribute significantly to our continued effort in improving our services.





# Housing Services

Spitalfields HA has performed extremely well in the Borough as part of the Common Housing Register group and amongst other BME Housing Associations in delivering our core services. This year we have built on our strengths in Housing Management and maintained high levels of performance in rent and service charge collection, void management and achieved high levels of satisfaction with the services that we have provided.

This is evidenced by our performance indicators which demonstrate that we have met, maintained or exceeded our targets. We are committed to ensuring that we continue to offer good quality and cost effective core service to our residents.

Arrears continue to show a downward trend due to the focus on credit control from the Housing Management team. Some of the successful techniques that we continue to employ to streamline the process include:

- uniform debt letters written in a clear and concise way.
- ensuring all letters are recorded against the property account;
- encouraging residents to Pay in Advance – this has been extremely successful in avoid tenants slipping into arrears unknowingly and is in line with the terms of lease and tenancy agreements.
- supporting our tenants with Universal Credit applications and signposting to other services where they have welfare needs.

We continue to act on the recommendations from Fire Risk Assessments; and as a result, we have maintained a zero tolerance clean up approach and targeted buildings where the risks remain high. The health and safety of our residents, assets and contractors are paramount to our focus on safety. Our advice to residents is to keep all communal areas clear of any obstructions and combustible materials and that includes balconies. We carry out estate inspections to all our estates at least once a month to ensure residents are in compliance with the zero tolerance approach.







# Housing Services (continued)



My Tenancy is a comprehensive system that allows tenants to access their rent account 24/7 and 365 days of the year via a web portal. The customer portal allows residents to access their rent account, make payments online, place repair requests, print statements, and make a complaint or compliment, and much more! Initial feedback on usage has been positive and we would like to encourage all our residents to sign if up if you haven't already and use the service to its full potential.

Housing management completed a total of 22 lettings during the year. We are pleased to report that the void turnaround for the year was an average of 12 days, and this enabled desperately needed properties to be let quickly and maximise our income.

### Key Performance Indicators

	2019 / 20	2018 / 19	Target
Assured rent arrears	3.8%	4.0%	5.0%
Affordable rent arrears	1.9%	1.7%	6.0%
Homeless Persons Units arrears	1.1%	1.0%	7.0%
Shared owners arrears	7.2%	5.1%	6.0%
Leaseholder service charge arrears	6.5%	6.4%	25.0%
Void turnaround (Days)	12	13	21

# Finance Report

Spitalfields HA's financial performance remains strong. The surplus for 2020 was £2.0m (2019: £2.3m). This has been achieved through diligent financial and treasury management and excellent cost control; prior year income was boosted by external factors such as property sales through stair-casing and right to buy sales which was not replicated in the current year.

## Statement of comprehensive income for the year ended 31 March 2020

	2020 (£)	2019 (£)
Turnover	7,791,184	7,813,357
Operating costs	(4,453,484)	(4,617,715)
Operating surplus	3,327,700	3,195,642
Surplus on sale of properties	-	519,534
Net Interest payable	(1,410,784)	(1,408,771)
Surplus for year	1,916,916	2,306,405
Other comprehensive income	75,000	-
<b>Total comprehensive income for the year</b>	<b>1,991,916</b>	<b>2,306,405</b>



The value of our housing stock as at 31 March 2020 was £99.1m (the decrease is due to depreciation), and our cash position was very strong at £8.1m. Other fixed assets relate mainly to commercial properties and the changes are due to annual revaluations. All loan covenants were and are comfortably met.

### Statement of Financial Position as at 31 March 2020

	2020 (£)	2019 (£)
Housing properties	99,073,916	100,141,180
Other fixed assets	5,259,916	5,260,855
Debtors	450,558	446,422
Cash	8,116,398	7,001,075
Creditors	(88,671,491)	(90,612,151)
<b>Net assets</b>	<b>24,229,297</b>	<b>22,237,381</b>
<b>Reserves</b>	<b>24,229,297</b>	<b>22,237,381</b>





# Finance Report (continued)

Financial activities during the year yielded a net cash surplus of £1.1m.

The Association is financed by a combination of revenue reserves, long-term loan facilities and social housing grant received either directly from the Government or from Recycled Capital Grant Fund. The income from our commercial properties also contributes to the funding mix.

## Statement of Cash Flow as at 31 March 2020

	2020 (£)	2019 (£)
Net cash from Operating activities	4,215,311	4,055,611
Investment in properties	(30,090)	(67,110)
Net proceeds from property sales	-	741,107
Repayment of loans	(1,597,113)	(993,466)
Net interest paid	(1,472,785)	(1,407,994)
Net change in cash	1,115,323	2,328,148
Cash at the beginning of the year	7,001,075	4,672,927
Cash and cash equivalents at the end of the year	8,116,398	7,001,075



# Asset Management and Maintenance

Spitalfields HA has a prudent and planned approach to cyclical works through a five-year asset management strategy. This is revisited every year by the Board to ensure that the ratio of planned and responsive repairs are proportionate and value for money is achieved through planning and efficiency.

We provide cost-effective repairs through the tendering of the day-to-day repairs service using the Schedule of Rates method. We also have additional procedures for tendering or gaining quotations for other planned works or non-scheduled repair works.

Where possible, we involve residents in the procurement stage of tendering for works, and training is provided to equip tenants with the necessary skills for effectiveness in the decision making process. Furthermore, tenants can choose from a range of choices when considering modernisation works to bathroom and kitchens. We also consult tenants with respect to works in communal areas.

Our contractors are instructed to carry out works at first fix and document information in respect of the work done. This informs our internal management report as part of our core key performance indicators. Our contractor(s) who are responsible for responsive repairs are monitored regularly to ensure performance standards are met. Additionally, the maintenance team regularly carry out post inspection checks on works completed to ensure tenant satisfaction and that value for money is achieved.



Our on line repair tool allows residents to report repairs and enables us to respond and fix the problem quickly and efficiently. We continue to encourage all residents to sign up for this service.

We take great pride in the health and safety standards of our properties. We would like to reassure our residents that we take great care to ensure that all our properties are compliant with fire, building, and safety standards, and where defects are identified, we prepare a plan to rectify these issues.



# Asset Management and Maintenance (continued)

The table below demonstrates our repair performance

## Key Performance Indicators

	2019 / 20	2018 / 19	Target
Emergency Repair	100.0%	100.0%	100.0%
Urgent Repair	99.6%	99.2%	97.0%
Routine Repair	97.0%	96.7%	95.0%
Appointment Kept	97.8%	99.1%	95.0%
First Time Fixed	93.7%	94.0%	75.0%
Satisfaction of last repair	97.0%	96.0%	95.0%
Valid Gas Safety Certificate	100.0%	99.8%	100.0%









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