



Crown
Simmons



Creating the right balance

Annual Report 2016

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Well placed to meet our mission

Against a backdrop of significant change for the housing sector, our focus over the last twelve months has been completing the remaining tasks from our Corporate Plan 2014-16, with particular emphasis on achieving full integration following the merger with Crown in 2014.

A 'back to basics', fundamental review of our Business Plan has ensured that Crown Simmons continues to be well placed to meet its Mission to acquire around 130 new homes over the next five years and provide better services. Read more about our future plans on pages 4 & 5.

During the year we consulted staff on a reorganisation, which will lead to management savings and ensure that we are better placed to meet any future challenges. We have also introduced a new performance management framework to ensure that our staff are fully supported.

Finally, one of the highlights of the last year for me was Castlemaine Court in Byfleet being recognised as 'Best Designed Scheme' at the Inside Housing Top 60 Awards in October. Against very stiff competition, we showed that smaller associations can produce high quality, affordable housing, which meets housing need.

Paul Yates, Chief Executive



A future with confidence

I am really proud of the way Crown Simmons is responding to the challenges such as rent reduction and I believe we can look forward to the future with confidence.

During the year we developed a new business plan, which accommodates the impact of lost income due to the decision by the Mayor's Office for Policing and Crime (MOPAC) to dispose of the properties that we manage on its behalf at contract expiry in 2016.

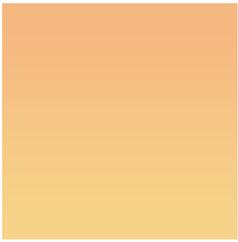
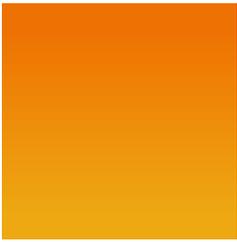
We have also allowed for the 'minus 1%' rent reduction and made cost savings to ensure that we have a viable business, but also one which can develop much needed new homes over the next few years. The Brexit vote means that we will monitor any possible impact on areas such as new borrowing which is essential to help us deliver our new homes plan.

I should like to take this opportunity to thank my fellow board members for their dedication and hard work and I'm pleased to welcome Diane Lennan and Rob Webber as new members who have already made a positive impact.

I would also like to acknowledge the contribution of three colleagues, Jane Worsley, Roger Winterburn and Dan Prentice who will be standing down at the AGM. Their wise counsel and support will be sorely missed.

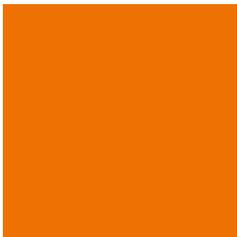
And finally, our achievements would not be possible without the hard work and good humour of our staff to whom I would extend my appreciation and thanks.

Alfons Dankis, Chair



Despite anticipated reductions in our income over the next four years by the Government's imposed 1% rent reduction, Crown Simmons remains in a very strong position to deliver on its mission to provide new, affordable housing.

Artists impression of plans for Rosemary House, Esher



Plans for new affordable housing

We have made a strong start on our ambition to develop or acquire around 130 new homes over the next five years, by submitting a pre-planning application to redevelop our sheltered housing scheme at Mole Abbey, West Molesey. Our proposals would see 12 existing homes and communal facilities

demolished and replaced with 28 new affordable homes, including 4 for private market sale to provide additional subsidy.

We have also submitted plans to build 11 new apartments on the site of our former head office in Esher - nine of these new homes would be affordable housing.

MOPAC contract comes to an end

Originally entered into by Crown Housing Association in the 1990s the MOPAC (Mayor's Office for Policing & Crime) contract has been a major part of our business. We are pleased that our residents in Ealing, Forest Hill and Hammersmith now have a more certain future under new management with social landlords who share a similar ethos and values to ourselves.

Discussions are on-going with MOPAC regarding our potential acquisition of another of the estates in our management comprising 28 homes and we hope to conclude this in the autumn following agreement of Heads of Terms earlier this year.



Consolidating our geographical focus

As part of the Business Plan review discussions our Board agreed that we should look to transfer our longstanding sheltered scheme in Islington - Highbury View - to a more locally based housing association who share our values and who will be better placed to provide excellent services. The proceeds

of this sale will be used to provide more housing in our traditional operating area. Subject to resident consultation and approval by both Boards we expect to complete the transaction this autumn.

New partnership with Surrey Police

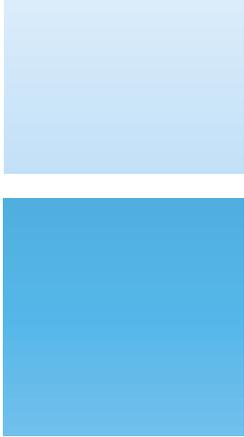
We are very pleased to have agreed a new partnership with Surrey Police, which will initially see us bring 12 empty properties back into use for their staff. A five-year lease was signed in July and we look forward to extending the partnership over the next few years.



Islington resident Jeremy Corbyn MP speaks at the Highbury View Garden Party

balance





Iris Simmons Community Award Winners and representatives from Elmsbridge BC and Crown Simmons

Community award winners recognised

The Iris Simmons Community Award was established to recognise the work of Iris Simmons, our founder and former Mayor of Elmsbridge.

The winners of year's awards were The Freewheelers Theatre and Media Company and the Silver and Gold Club.

The Freewheelers Theatre and Media Company work with members of the community to create productions and

carry out workshops to support older and disabled people through drama, dance and theatre. They are going to use the funds to extend and develop a media programme.

The Silver and Gold Club host guest speakers and arrange outings for older and disabled people in Esher. They will be using the funds to support their activity programme and reduce social isolation.

Media workshops support residents

We have teamed up with The Freewheelers Theatre and Media Company to provide media workshops for our residents and other older people living in Elmsbridge. The workshops will

be led by a professional film maker and give older people the opportunity to get involved with acting, script writing and filming.



Tenant text service saves residents time

During the year we launched an on-line service for residents to check their balances and ensure recent payments have been received. In addition,

residents can request a call from their Neighbourhood Manager and report a repair, all from a simple text.

New repairs service a success

In July 2015 we launched our new repairs service, with a single repairs partner, KNK, to complete all our general repairs. KNK has a dedicated team who answer calls and deal with enquiries 24/7, 365 days a year.

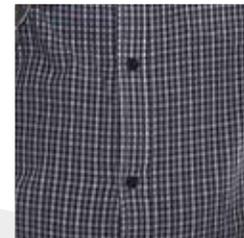
We have been monitoring the provision against a number of performance indicators on a monthly basis. At the end of March 2016 the 'first time fix' rate, where

a repair is completed at the first visit, was 96% and all emergency repairs were attended to within 24 hours.

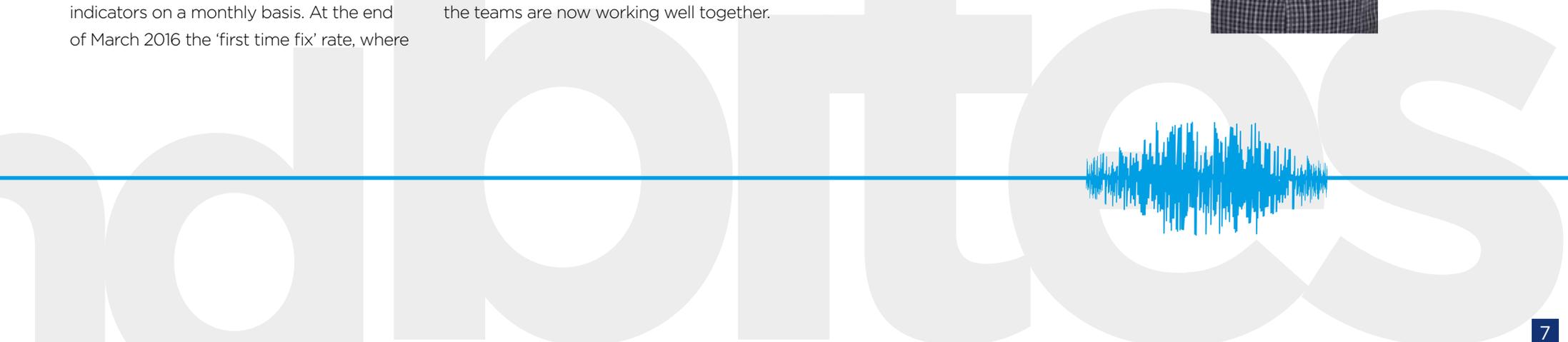
One area that we are working on is the time taken to turn around empty properties for the next customer. We did experience some initial delays, but following a review the teams are now working well together.

Planned works programme a hit

Crown Simmons and KNK have been working together to fit new kitchens and bathrooms in some of our properties. Over the year we completed 22 kitchens and 2 bathrooms. The work has been well received and residents have given excellent feedback on the quality of the kitchen units and the workmanship scoring 100% satisfaction with the work.



Mr Ireland,
Graysbrook, Sutton



Survey shows increasing customer satisfaction

Overall satisfaction with Crown Simmons' landlord service is 85%

We were pleased with the response rate; 162 tenants (a mix of properties owned and managed by Crown Simmons) responded to the survey, giving a response rate of 52%. Of these, 15% of responses were made online. For homeowners the response rate was 49%.

The response was positive and we have seen improvements in scores for 'your neighbourhood' and 'the condition of your property'. We also saw increased satisfaction in the repairs services since the new partnership began. 82% of residents were satisfied with the repairs service and 86% were satisfied with the way their last repair was dealt with.

There was a drop in satisfaction in estate services, grounds maintenance and cleaning which did not come as a surprise as we had started to receive complaints about the service and were planning to review the way we deliver this in the future.

Overall satisfaction with our services increased from the last survey in 2012, which is encouraging and we will compare the results again after the next survey later in 2016.



Winner of the 2015 Best Dressed Home Competition



finetune

New staff structure positioned for growth

Significant change in 2015 for the housing sector with the introduction of a new Government housing policy will have a detrimental impact on the future income of all housing associations, at least for the next four years.

The Board and Leadership Team reviewed the impact on the Association's Business Plan and looked closely at where savings could be made. We made the very difficult decision that we needed to make substantial cost savings resulting in six members of staff leaving the Association after giving many years excellent service.

From May 2016 we introduced a new staff structure with two dedicated Neighbourhood Managers responsible for the complete management of their area, dealing with income management, all tenure types (tenancies and leasehold), anti-social behaviour, lettings, contractor management and community involvement. We have also established an Operations Team dealing with transactional activities across the organisation and all the front line enquiries from customers, contractors and suppliers.



Crown Simmons team

mining

Madeline Marshall, scheme manager at the Fairings, Hersham

Responding to government policy

Changes in Government policy over the last twelve months continue to provide challenges for the social housing sector. There is also the uncertainty caused by the Brexit vote, which will undoubtedly have implications for the sector over the next few years.

Our Board has spent considerable time reviewing the financial impact of major policy changes such as rent reduction, changes to welfare benefits and the impact of the Housing & Planning Act which will see the Right to Buy extended to many of our tenants in 2017.

Continuing strong financial performance

We've also had to make our own adjustments and carried out a major review of our own operating costs in view of the planned end of the MOPAC management contract later this year

(see page 4). Our financial performance remains strong with income management and the control of void properties improving over the year.



Annual General Meeting 2015



Castlemaine Court, Byfleet

backgro

Ensuring future capacity for delivery

There has also been an increasing focus on housing associations to consider mergers and other forms of collaboration to increase capacity for the delivery of new homes. Our Board, in common with many others, has considered its position in view of the changes that have affected housing associations, which are probably the greatest, faced since the 1988 Housing Act.

Following the review of our Business Plan and internal savings that we have already delivered and others that we are planning over the next few years, the conclusion reached is that we remain a viable

organisation with the capacity to deliver more in the future.

In many ways we were 'ahead of the curve' when we merged with Crown in 2014 and are already seeing the benefits of this decision, which was made without the external pressures we are now facing.

Collaboration remains one of our Values and our Board remains committed to considering options that would ultimately see more homes delivered and better services for our residents.



Proposals for the new Mole Abbey development, West Molesey



Busy time for our Board

The Board carries out a review of governance arrangements each year and an action plan is in place to ensure full compliance with the NHF Code of Governance 2015 in areas such as membership, shareholder membership and rules.

Our Board has been busier than usual over the last year as we completed the initial Corporate Plan 2014-16 and took a strategic overview of the changes affecting the sector. We are fortunate to have members with a wide range of skills and experience.



Retiring Board member Ali Khan thanked by Chairman

The Board's priority has been to oversee a seamless integration process over the last two years, which has now largely been achieved. In September 2015 Ali Khan retired from the Board having completed his nine-year term of office. Two further members of the original Crown Board, Roger Winterburn and Dan Prentice, complete their HCA-approved extended terms of office in September 2016.

The Board adopted a succession plan in 2015 following a skills review and two new board members were appointed in the last year. Diane Lennan adds strength from her strategic HR and charity background, while Rob Webber has brought a range of skills from both his current Group Operations Director role with a large housing association, in particular strategic asset management, and from previous public and private sector experience.

Statement from Chair of Audit & Risk Committee

Over the last twelve months the Audit & Risk Committee has undertaken the following activities by way of conforming to best practice in the sector.

- Appointed new Internal Auditors (Mazars LLP and agreed a three year plan)
- Reviewed the content and format of the Association's Risk Register as part of the usual quarterly review (the Board also reviews this biannually)
- Overseeing the procurement of the new repairs & maintenance contract and monitored performance
- Considered the impact of FRS 102 on Crown Simmons, taking advice from our External Auditors, Beevers & Struthers, as required
- Reviewed the Association's staff pensions provision from a cost and risk perspective

Over the next year our focus will be on reviewing board risk appetite, ensuring better value from our repairs arrangement and seeking further assurance on health and safety and other compliance matters.

Stephen Cooper, Chair of Audit & Risk Committee

Statement from Chair of Governance & Remuneration Committee

The Committee continued to focus on adoption of the highest standards of governance, board effectiveness and a number of important employment related matters. Specific projects included:

- Overseeing the recruitment process for two new members of the Board following a skills review
- Implementing and monitoring a Governance Improvement Action Plan
- Reviewing and approving a restructure of the staff team
- Agreeing new performance management arrangements for the staff team
- Reviewing the Association's pension arrangements making recommendations to the Board for changes

Over the next twelve months the Committee's focus will be on ensuring full compliance with our code of governance, reviewing the skills mix required on the Board in view of scheduled retirements, and completing a review of staff terms and conditions which was partially implemented in 2016.

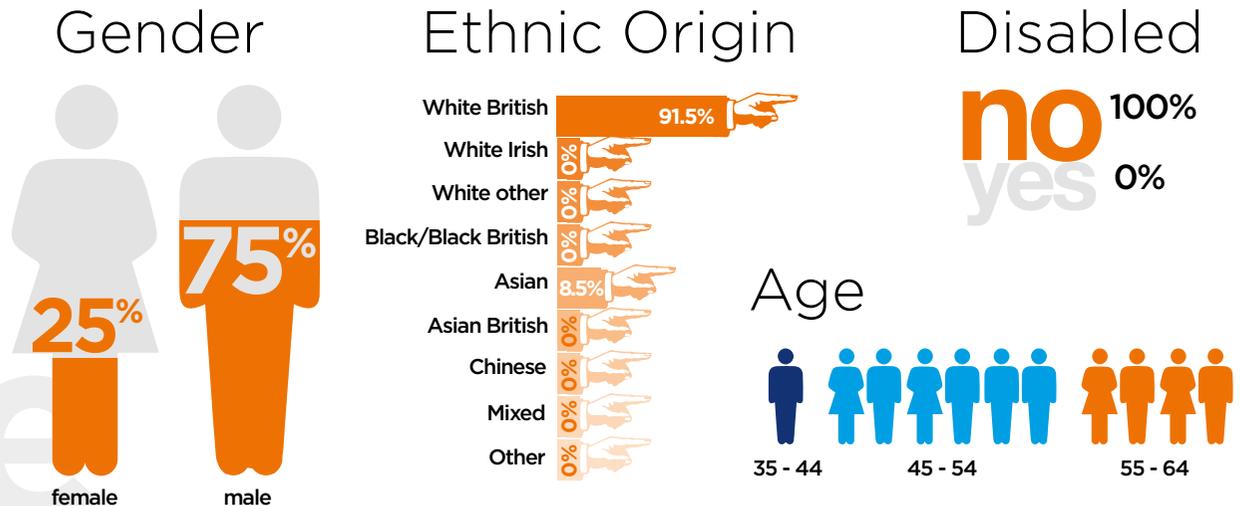
Robin Fielder, Chair of Governance & Remuneration Committee

Board Member attendance at Board & Committee Meetings – April 2015 to March 2016

Committee Membership & Office held		Overall Attendance (%)
Alfons Dankis	Chairman of Board GRC (ex-officio)	91%
Jane Worsley	Deputy Chairman of Board GRC (ex-officio) ARC (ex-officio)	79%
Chris Clarke	ARC	75%
Stephen Cooper	Chair of ARC GRC	93%
Helen Edwards*	ARC	75%
Robin Fielder	Chair of GRC	82%
Diane Lennan**	GRC	83%
Anil Majevalia	ARC	91%
Dan Prentice	GRC	91%
Rob Webber**	ARC	67%
Nick Williams	ARC	92%
Roger Winterburn	GRC	91%

ARC – Audit & Risk Committee. GRC – Governance & Remuneration Committee
*Helen Edwards was on sabbatical from the Board from January 2016
** Diane Lennan and Rob Webber joined the Board as co-optees in September 2015

Board diversity statistics at 31 March 2016



How the numbers add up

Many of the planned merger benefits had already been achieved ahead of schedule by 31 March 2016. Income is moving in the right direction and we are keeping a firm hand on costs, but still meeting our promises, leading to an increase in the operating surplus for the year of 21%.

Behind the figures lies a more efficient and effective organisation focussed on service delivery. A solid foundation is now in place on which to build a positive, but what will nevertheless still be a challenging 2016/17. Note, 2015/16 is the first full year of the new, combined association.

Where the money goes	2015/16	2014/15
Service charges	831,757	752,794
Leasehold service charges	322,232	255,394
Routine maintenance	468,228	482,730
Major/planned repairs and Decent Homes	225,510	192,092
Depreciation of properties	543,301	760,766
Housing Management	1,770,954	1,021,989
Development Services	-	73,128
Interest payable & similar charges	568,816	580,563
Others	48,274	39,057
Total expenditure	4,779,072	4,158,513
Surplus for the year	429,238	7,663,454

Where the money comes from	2015/16	2014/15
Rent	3,919,952	3,345,167
Service charges	406,356	355,550
Leasehold service charges	334,946	336,148
Other income	175,367	59,348
Sub-total	4,836,621	4,096,213
Interest receivable & similar income	73,258	49,620
Surplus on sale of properties	298,431	111,386
Net gain on business combination	-	7,564,748
	5,208,310	11,821,967

Balance Sheet year ended March	2016 £	2015 £
Housing properties excluding grants	36,773,602	37,381,762
Other fixed assets	154,767	625,241
Short term investments	7,381,651	9,205,939
Net current assets	1,496,991	(1,462,115)
Total assets less current liabilities	45,807,011	45,750,827
Capital and reserves:		
Creditors falling due after more than one year (incl Grants)	26,710,325	27,083,376
Non-equity share capital	28	31
Revenue Reserves	19,096,658	18,667,420
	45,807,011	45,750,827

Improving performance

2015/16 saw an improvement in income collection performance. The new repairs arrangements with KNK were introduced mid-way through the year and there are some encouraging signs that we expect to sustain as the contract fully beds in. Our performance on re-letting empty homes, while better than the previous year, is an area for improvement. Our targets for 2016/17 are currently under review.

ACTUAL

TARGET



2.45%

Current tenant rent arrears



3.75%



0.22%

Former tenant rent arrears



0.50%



0.23%

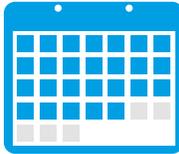
Void rent loss



0.50%

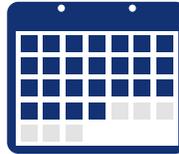
ACTUAL

TARGET



26

Average re-let time (calendar days)



25

32

Total number of re-lets (normal voids)

-

10

Total number of re-sales (leasehold & shared ownership)

-



100%

Gas safety compliance



100%

ACTUAL

TARGET



97%

Repairs completed on target



95%



89%

Resident satisfaction with repairs



95%

14

Customer complaints during year

-

Board of Management

Alfons Dankis | Chair (appointed 2011)

Jane Worsley | Deputy Chair (appointed 2008)

Stephen Cooper | Chair of Audit & Risk Committee (appointed 2008)

Robin Fielder | Chair of Remuneration & Governance Committee (appointed 2011)

Chris Clarke (appointed 2010)

Helen Edwards (appointed 2012)

Ali Khan (resigned 22 September 2015)

Diane Lennan Co-optee (appointed 22 September 2015)

Anil Majevalia (appointed 2012)

Dan Prentice (appointed 2004*)

Rob Webber Co-optee (appointed 22 September 2015)

Nick Williams (appointed 2011)

Roger Winterburn (appointed 2000*)

*Approval granted from Homes & Communities Agency for term of office to be extended to September 2016

Leadership Team

Paul Yates BA (Hons) CIHCM | Chief Executive & Company Secretary

Shaun Cooper FCMA | Finance & Resources Director (resigned 1 November 2015)

John McNiece | Interim Finance & Resources Director (appointed 9 November 2015)

Nick Coverdale BA (Hons) | Customer Services Director (resigned 26 June 2015)

Emma Solomons | Customer Services Director (from 24 August 2015)



Registered Office: First Floor, Aissela, 46 High Street, Esher KT10 9QY

TEL: 01372 461 440 **WEB:** www.crownsimmons.org.uk **EMAIL:** enquiries@crownsimmons.org.uk

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Crown Simmons Housing is the trading name of Rosemary Simmons Memorial Housing Association Ltd.