




archeshousing
peoplecommunitieshomes

ANNUAL REPORT 2016 - 17



ABOUT US

We are a social landlord providing more than 1150 affordable homes in Sheffield and Rotherham. We were formed in 1975 by members of our local community as they focussed on renovating old houses into quality homes to stop communities in North Sheffield being broken up by slum clearance.

Although we've since expanded and now serve communities across Sheffield and Rotherham, we're proud to still be based in the heart of the community that our founders cared so deeply about.

Our mission

Bringing affordable homes to diverse communities across the Sheffield City Region.

Our vision

Contributing to people's wellbeing by providing safe, secure, warm homes that meet their needs.

Our strategic priorities

- Putting customers at the heart of what we do
- Providing homes that people want to live in
- Playing our part in increasing the number of affordable homes in the Sheffield City Region
- Maintaining a sustainable and balanced business model
- Being a well-run organisation

Our guiding principles

- **Innovation** - we challenge ourselves to do things better; thinking outside of the box to bring better outcomes for our customers;
- **Integrity** - we work in a professional and ethical manner;
- **Empathy** - we care and plan for the needs of our diverse staff and customer base;
- **Responsibility** - we take our commitments seriously, providing valuable services and delivering on our promises;
- **Passion** - we are driven by our shared personal beliefs and commitment to the provision of quality affordable housing whilst putting our customers at the heart of all we do.

A MESSAGE FROM OUR CHAIR AND CHIEF EXECUTIVE



Brian Summerson - Chief Executive



Kay Dickinson - Chair

Chief Executive's Message

Thank you for reading our review of the financial year 2016/17. I'm sorry to say that this will be my final annual report as I will be retiring in March 2018 after 21 very enjoyable years at Arches Housing.

During the year, the Association went through considerable change. Denis Creaghan stepped down as Chair at our last AGM and Kay Dickinson was appointed in his place with Tony Jervis appointed as Deputy Chair. Kay has a real passion to deliver an agenda with high expectations of performance. Tony has already been involved in setting our new Arches Home Standard and chairs our Investment Committee.

In the year we agreed a new mission, vision, identity and new values for how we deliver our services. We also set five long term priorities for the Association. You can see these on the previous page and they will be the focus in our corporate plan for 2017-22.

We welcomed Caroline Bell as Director of Finance and Corporate Services and John Hudson as Director of Operations. They joined me to create a new Executive Leadership Team, and together we are responsible for the day to day operations of the organisation. The team's first job was to consider how we could have a more effective structure to improve the way we work.

Finally, I would like to thank all of my colleagues and board members that I have worked with over the last twenty years for providing me with the support to make our organisation a success.

Brian Summerson - Chief Executive

Chair's Message

Although the sector continues to face external challenges, from welfare reform, rent reductions and less grant funding for new homes, the 2016-17 financial accounts show that Arches has a strong track record. I'd like to take this opportunity to thank our staff, board and partners for their hard work during the year in ensuring that this is the case.

Kay Dickinson - Chair

(1996) Brian joined us. Then called North Sheffield Housing Association, we owned just less than 800 homes.

(2001) We moved in to our current office at Burngreave Road.

(2005) We became a specialist BME housing provider in recognition of our customer base and the fact that 90% of our board were from the BME community.

(2010) We became a charitable Association on account of the fact we planned to create surpluses in order to build more homes.

(2017) By the end of March 2017 we owned 1,156 homes having built 400 homes in the previous 10 years, expanding by almost 50%.

(1997) We changed our name to Arches Housing, a nod to the Wicker Arches just down the road from our old office on Spital Hill.

(2003) We moved from a flat structure, where all of our staff were paid the same and there were no bosses, to a more conventional hierarchy. Management and pay structures were introduced.

(2008) We started to provide homes in Rotherham. By March 2017 we had a total of 223 homes for affordable rent and low cost home ownership in Rotherham.

(2013) We completed our largest scheme to date – 75 homes in Dinnington. This pushed the number of homes we own to above 1000 meaning, for the first time, we were officially classified as a large Housing Association.

TIMELINE OF 2016/17

April

The start of our financial year - 1,137 units in management.

May

Bryan Armour, our Finance Manager, retired. Bryan worked in social housing for many years and spent 6 years with us at Arches. We thank Bryan for his service and wish him a happy retirement.

June

We worked with our Resident Forum to create the **Tenant Loyalty Scheme**. This scheme thanks long standing residents who have stuck to their tenancy agreement by carrying out an improvement at their home. During the year, 8 families benefited from this scheme.

July

The second phase of our **Planned Improvement Programme** with Wates was completed. The programme had been running since the previous December and carried out:

	Work at	Kitchen Replacements	Boiler Replacements	Bathroom Replacements
16/17	49 properties	10	15	40
In total	132 properties	44	62	93

A development at **Staveley Lane, Wickersley** was given the green light. The site will consist of 9 family houses.

August

Caroline Bell, our Director of Finance and Corporate Services, joined us. Over the last 17 years, Caroline has worked in a number of different public sector Finance and Resources Director roles. Caroline is passionate about employee engagement.

December

12 homes for affordable rent were handed over at **Brameld Rd, Swinton**. This included 10 bungalows designed specifically for older people and wheelchair users.

A block of 6 flats were completed on the **Waverley Estate**. All 6 of the flats were made available through the shared ownership scheme which is designed to help people buy a home who otherwise could not afford to buy on the open market.

We re-homed our 15th asylum seeker family in conjunction with **Sheffield City Council's Gateway project**. The project finds homes for people fleeing war and oppression overseas and helps them to feel welcome and bed into their new life in Sheffield. We're very proud to be the Association who provides the most homes to this project in the area.

November

We became shareholders in **Northern Shared Services**, a cost sharing organisation which allows us to make use of services provided by Wakefield District Homes (WDH). Since November, WDH have been carrying out gas repairs and gas services on our behalf. Feedback from residents is good and 94% of our customers are satisfied with the service that WDH provide.

In celebration of the 50th anniversary of the film **Cathy Come Home**, we became members of **Homes for Cathy**. This is a group of Housing Associations who were formed in the 1960s and 70s, inspired by the film, who came together to raise awareness of homelessness.

October

Building was completed at 8 homes on the Waverley estate. 6 were made available to rent and 2 were sold as Low Cost Home Ownership properties, allowing 2 families to take their first step on the housing ladder.

Mohsin Rizvi, our much-loved Housing Officer retired. Mohsin became a member of the Arches family in his 25 years of service to the company and we wish him the best in his well-deserved retirement.

September

At our AGM, our chair, **Denis Creaghan** stood down and was replaced by **Kay Dickinson**. Kay has been a member of our board for 2 years. Kay was an Executive Director of the UK Commission for Employment & Skills and has a range of experience including strategic planning, organisational delivery, change management, corporate governance and risk management.

On her appointment as chair, Kay said "Whilst I was sorry to see my predecessor, Denis, step down from the board, I was delighted to take over as chair of the Association. Denis is a great advocate for affordable housing with a real passion for his lifetime's work in the sector. We're particularly grateful to him for championing work to improve the organisation's performance and invest in updating some of our older homes."

Staff, board and residents worked together to decide on a **new vision and mission** statement for the organisation - you can see this on page 3.

January

John Hudson joined the team as Director of Operations with responsibility for delivering high quality housing and property services to our customers. John has worked in housing for a number of years, most recently as a Director of Customer Transactions for Your Housing Group. John is particularly interested in how digital services can provide a high quality service and better value for money.

Arches Home Standard, a list of the minimum features that all of our customers can expect from their homes, was approved by our board. The standard also includes a list of features that we aspire for all of our homes.

The green light was given to a transfer of 13 tenanted homes in Firth Park from Riverside Housing Association. We will be taking on the management of the properties and the current residents will be staying in their homes. The transfer is scheduled to be completed by the end of the 2017/18 financial year.

February

A restructure process started in our Corporate Services team to make sure that we have the skills and resources to run our organisation in a sound and effective way.

March

We held an open day at our **new Brameld Road scheme** in Swinton. We were joined by the Mayor of Rotherham, some of our colleagues from Rotherham Metropolitan Borough Council and some residents of the new scheme. We'd like to thank the residents who allowed us to show off their homes.

We signed up to the **Pledge to Migrant People**. This reinforced our intent to do what we can to help by providing a safe environment for migrants, training staff and board members on the difficulties facing vulnerable migrants and raising awareness about issues migrants face.

End of financial year - 1,156 properties managed

THE YEAR IN NUMBERS

Rent



Collected £5,012,920
(100.64% of the rent we charged in the year)

Arrears total £180,143.43
(3.62% of the rent we charged in the year)

4 evictions for arrears

Voids



94 tenants left us
(9.3% property turnover)

Termination reasons

- Property unsuitable for needs **20**
- To move nearer to family or work **18**
- Need a home with more bedrooms **10**
- Relationship breakdown **7**
- Do not like the area **6**

Lettings



112 families joined us

- 17 of these were judged to be in urgent need of rehousing by their local council
- Housed **13** asylum seeker families with Sheffield City Council's Gateway project
- Transferred **5** families to a more suitable home
- Took an average of **19 days** to let an empty home
- Helped **2 families** get their first step on the housing ladder with our low cost home ownership properties

Maintenance



Carried out a gas service at all of our properties

Replaced **95** bathrooms, **98** showers, **45** boilers, **54** fuseboards, **72** doors and **41** kitchens

Completed **5922** repairs of which **5783** were completed on time (**97.6%**)

Customer Service



Logged 33,287 notes on our system about rents, repairs and numerous other things

Received 20 complaints

- 12 - repairs
- 5 - staff
- 2 - estate management
- 1 - rent arrears

and 7 compliments

- staff 4 - repairs 3

Answered 32,692 phone calls and spent a total of 2,624 hours on the phone

Investigated 62 cases of antisocial behaviour Cases Resolved - 82%, 66% of complaints were satisfied with the outcome and handling of case

- Noise **20** Verbal Abuse **9** Litter **6**
- Gardens **11** Pets **8** Other **6**

Homes



Built 26 new homes
18 rented & 8 Low Cost Home Ownership

Provided **48 homes** to supported housing providers available to young people leaving care, people with brain injuries and people suffering from mental illness

Sold 6 homes that were not providing us with value for money

1 of our shared owners purchased **100%** of their property

Staff



Said goodbye to...

7 members of staff and said hello to 2 new permanent employees

Volunteered more than 40 hours of staff time in Burngreave library

OUR FINANCES

Value for Money

For a more detailed value for money statement, please visit our website at www.archeshousing.org.uk

Value for money is very important to us and we aim to embed it in all of our processes. Over the last few years we have set ourselves specific, challenging targets to save money in particular areas. Using our assets (such as homes and equipment) in better ways and finding ways to provide the same or better services by spending less is very important to us, as this will increase the amount of money we make and allow us to spend more money on building new affordable homes and improving the homes we already have.

During the year, our board decided to pause developments that were not already in progress in order to preserve our surplus. This was to make sure that we had an idea of how much money would need to be spent in order to make all of our homes meet the new Arches Home Standard. At the same time we:

- Reviewed and changed some of the criteria we use when deciding whether large investment decisions are worthwhile. This means that our management and board can now be more confident than ever that the decisions they make weigh up financially and provide us with value for money.
- Commissioned a "Stock Condition" survey of more than 80% of our older homes. This involves expert surveyors estimating how long items in our homes will last before they need to be replaced, and how well each property measures up to the new Arches Home Standard. The survey will be completed in the summer of 2017.
- Began implementing the Insight Asset Performance Model, which helps us to identify properties that are not providing us with value for money. This may be because certain properties or areas are costing more to maintain or are empty more often. We will then use this information to make decisions about how (or whether) we can use that asset in a more effective way.



Unit Cost Analysis

In June 2016 our regulator, the HCA, launched its 2014/15 unit cost analysis of Registered Providers and updated these again in February 2017 as a part of the Global Accounts for the sector. The report showed how much money was spent by each Housing Association in comparison to the number of homes they managed - this is known as the unit cost. The regulator has stated that it regards a focus on the delivery of value for money as a leading indicator of good governance, and that boards should have a good understanding of their unit costs.

The graph opposite outlines our 2016/17 unit costs compared to our own, and the rest of the sector's unit costs in the 2015/16 financial year (unit costs for the whole sector are generally not collated for around 9 months after we close our financial accounts).

Social Housing Cost Per Unit



Financial Summary

Statement of Comprehensive Income	2016/17	2015/16
Turnover - Money we made by providing our services	£5.9 million	£6.1 million
Operating Surplus - Profit after the money spent on running our services (such as staffing costs and repairs)	£2.2 million	£1.9 million
Surplus for the year before taxation - Total surplus after all expenses (including interest costs)	£1.5 million	£1.2 million

Statement of Financial Position	2016/17	2015/16
Fixed Assets - The net book value of our properties and equipment	£53.7 million	£51.3 million
Net Current Assets - Total value of our cash and investments, incomplete buildings and the amount owed to less amounts we have to pay within one year	-£0.1 million	£2.1 million
Debt due after one year	£18.9 million	£19.4 million
Net book value of grant received to date	£24 million	£24 million
Amount we owe after more than one year	£0.5 million	£0.6 million
Reserves - Running total of surpluses to date	£10.1 million	£8.7 million

Accommodation (units)	2016/17	2015/16
Homes we own and manage	1,156	1,137

Ratios	2016/17	2015/16
Operating Margin - Number of pence from each pound of turnover (excluding sales of our homes) which is not spent on providing our services	36.6	31.8
Interest Cover - The number of times the annual interest we owe can be covered by our Operating Surplus	3.27	3.14
Gearing - The amount of money we owe to lenders as a % of our Reserves and the grant we've received	41.6%	44.0%

Board of Management:

Kay Dickinson (Chair)
Tony Jervis (Deputy Chair)
Ken Torres
Shamsa Latif
Iain Campbell
Mohammed Jamil (Co-opted)
Andrew Liles (Co-opted)
Christine Woods (Co-opted)



Company Secretary & Chief Executive:

Brian Summerson



Registered Office:

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Auditors:

Mazars LLP
45 Church Street
Birmingham
B3 2RT



Solicitors:

Taylor & Emmet
20 Arundel Gate
Sheffield
S1 2PP



Bankers:

Co-operative Bank plc
84-86 West Street
Sheffield
S1 3SX

The Board of Management:

Membership to our board is open to anyone who has the necessary skills, experience and commitment to ensure all areas are covered for sound governance. Board membership is open to those who can fill particular skills and experience at the time of application. Arches Housing is headed by an effective board with sufficient range of skills and expertise. This is supported by appropriate governance and executive arrangements that will ensure capable leadership and control. All members are expected to subscribe and adhere to the Association's rules and Diversity and Equal Opportunities Policy. The board are committed to the National Housing Federation code for members, "Excellence in Governance"

Recruitment:

The recruitment of all board members is undertaken in accordance with the policy and procedure for election of board members. The term of office is for three years with the possibility of being a board member for three terms.

Where the secretary receives interest in becoming a board member, where a vacancy exists, an application pack shall be sent out. This will include a job description, person specification, application form, Board Member Code of Conduct, terms of reference and details of the expected time commitment of a board member.

Vacancies will be advertised asking for specific skills required by the board at that time. All applications received by the deadline will be reviewed by the Nominations Committee to ensure they meet the criteria set by Arches. The Nominations Committee will arrange for short-listed applicants to meet existing board members and executives, this may entail applicants attending a number of board meetings as an observer.

Tenant board members shall be elected at or before the AGM by tenants of the Association. Each year the Association may advertise a vacancy for a tenant board member or members. Anyone interested should apply in writing. Applications accepted by the board will be circulated to Arches tenants for election.

A co-optee must be a shareholder when elected to the board at the AGM.

Shareholder Membership:

Any eligible person can be a shareholder of the Association in accordance with the policies and objectives for admitting new shareholders at the time. Applicants must apply in writing to the company secretary at our registered office address, setting out their reasons for applying and their qualifications. They must also pay a sum of one pound which will be returned if the application is not approved by the board.



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www.archeshousing.org.uk

- Homes & Communities Agency Registered No. LH0884
- Register of Co-operative and Community Benefit Societies No. 21451R (Exempt Charity)
- Members of the National Housing Federation, PlaceShapers and BME National

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