



CHISEL Ltd  
188a Brockley Road  
London SE4 2RL

Tel: 020 8692 5258  
www.chisel.org.uk

### THIS YEAR

Chair's Message	1
Director's Perspective	2
Growing bigger	2
Calling Digger — a tenant interview	3
How are CHISEL's Finances?	4
How are we doing and how do we compare?	5-7
Keeping costs down	8
Plea for new tenant board members	8
Staff directory	8

# ANNUAL TENANTS REPORT 2010/2011



## CHAIRS MESSAGE - increasing the amount we do through collaboration

**We've taken the time, over the last year, to have a really good look at what we are doing and we've learnt a lot about what works and**

**where our services and our communications fall down in your eyes. We are still a small organisation and must be careful with our staff time as well as our money so that we ensure we are working on your priorities.**

We know that maintenance is the number one concern for most tenants. We want to publish what we are doing and deliver the standards you help us set.

The Board has continued its programme of visits to our properties and this year we have also been to homes managed on our behalf by Three Boroughs Housing Co-op and Lewisham Family Self Help Association. Although not directly managed by us, we are conscious that these tenants are still CHISEL tenants in CHISEL homes.

This year, we looked again at our aims and objectives. We believe that CHISEL should put service to tenants at its very core, value our co-op roots and remain committed to providing sensitive services to small co-ops.

We want to encourage more tenants to tell us what you think and to be actively involved in our work in the ways you want to be. This year we are holding a tenants' evening on 22 September, the same evening as our AGM, to give everyone the opportunity to talk to us and each other over a drink and a buffet. This is your chance to meet members of the board and put a face to the names of our hard working staff.

Two members of the Board, tenant member Lisa Austen and independent member Kathryn Bull, have indicated that they wish to stand down from the Board this year and I would like to thank them both for their invaluable input over the last three years. This means that once again we are urgently seeking new members to join us to help us do it better. The more help we have, the more we can achieve.

**"Tell us what you think and be actively involved in the ways you want to be"** Wendy Newell  
Chair

**REMEMBER**  
**TENANTS EVENING**  
**2011**  
 22nd September  
 7-9pm  
 The Albany Café,  
 Deptford  
 Free buffet and drinks & fares refunded



## DIRECTOR'S PERSPECTIVE

**Our tenant survey completed during the year found that over two-thirds of CHISEL tenants were satisfied with the service provided by us. Still, this was a much lower percentage than we would have liked so we**

**have been looking at how we can work with tenants to make our services better.**

We have also responded to our regulator, the Tenant Services Authority's requirements in relation to their new standards by allowing ourselves to be better scrutinised and getting tenants involved. We hope you'll notice the difference.

In April we agreed a new set of Service Standards which spell out how we will deliver our services, how we will involve and consult with tenants and how we will compensate them if we fail to live up to our promises. Also as part of our 'Local Offer' to tenants we have agreed to set out a three year rolling programme for our planned home improvements so tenants know when this work will be done and to agree a set of

standards for this work. And with the help of a number of tenants we are committed to improving the information we are providing to tenants – including this Annual Report - and our website.

We wound up our Tenant Sounding Board during the year as we had found that attendance at later meetings had fallen off. Instead we have asked individual tenants, who have said they might like to become more involved, how they would like to do this. We found that one size does not fit all and we are now developing a range of involvement options which allows individual tenants to get involved in the way that suits them and their particular interests and circumstances best, from getting involved in a particular function – such as helping to produce newsletters – to being a local CHISEL representative or champion or serving on CHISEL's Board.

Elsewhere in this report you will find a lot of information about what we have done with regard to maintenance and lettings and rent collection and how our performance in these and other areas of our work compares with other associations. I hope you find this information useful and if you have questions or comments about any of it I'd be happy to hear from you.

John Smith  
Director



**We didn't add any new homes to our property stock during the year but have been working hard on three initiatives:**

### Stock transfers

Following our acquisition of CHISEL managed stock owned by AmicusHorizon in 2010 we are now negotiating with them a possible transfer of up to 68 other small co-op or agent managed homes in Lewisham and Southwark. This will help make CHISEL stronger and better able to provide quality services to all our tenants.

## GROWING BIGGER

### Helping Co-ops

Dryad Housing Co-op is a housing co-op of 11 homes next to our Diggers scheme in Brighton. Together they have decided that they would like to work with CHISEL to help them realise their aim of improving their homes. They value the flexible approach we have to working with small co-ops, which makes us unique among other housing associations local to the scheme. This summer, Dryad members were delighted to get Brighton Council (who own the freehold) to agree that CHISEL should take a new lease on the properties and be the co-op's development partner working with the Council. We are looking forward to becoming the landlord of choice for the tenants of another small co-op.

### Managing homes for others

We are close to agreeing terms with Circle 33 Housing Trust to take on the management of 18 homes they own in Honour Oak. Circle 33 is a large housing association based in North London and they and their tenants have chosen CHISEL as a local manager of these homes. We are excited by this opportunity to work with a bigger association such as Circle 33 and to be able to offer our management services to their tenants.



## CALLING DIGGER – a tenant interview

do so means people are putting themselves at risk. Our second major problem arises from tenants who raise a fault days or even weeks after it's first noticed. This can result in a larger and more costly repair having to be made, the worst being from water damage.

**Q. "With all the work that's needed how do you decide what to do?"** LFSA receives our maintenance calls and logs the faults reported (the CHISEL handbook gives examples of urgent and non-urgent repairs). Certain faults are then dealt with immediately, especially those that have the biggest impact on tenants. Others are discussed, costs are factored in, local knowledge can be called upon and details can be identified. One of the biggest problems we are dealing with at present is subsidence – difficult and expensive work, but it absolutely has to be addressed.

**"Of the 245 responsive repairs carried out this year only 10% of tenants gave their feedback—we have to presume there is satisfaction unless we are told otherwise!"**

**Q. "Who carries out the work for Chisel and how do you identify that you are getting value for money?"** We have specific companies who carry out the work for us. We ask for estimates for projects – ideally the cheapest is best, but we must have good quality work and good quality products – this is where tenant involvement is so important. I have a role checking work that has been done but we also ask tenants for comments on their experience, but of all the 245 responsive repairs carried out, only 10% ever respond – we have to presume that there is satisfaction. My work helps ensure that our stock is maintained properly and will continue to be a credit to our organisation and meet the living requirements of our tenants, also it keeps the contractors on their toes with their work under constant review.

I bade farewell to "Digger", with a few strides he was away, a leap over the fence and he headed for the "Digger-mobile", off to the next tenant's repair? I thank him for his time taking care of CHISEL's homes and talking to me about it.

Dave Smith – Self Builder Thamesmead

**If you'd like to know more about any aspect of CHISEL's work please let us know and you can interview a member of staff for a coming edition of the Tenants Newsletter. Contact [cto@chisel.org.uk](mailto:cto@chisel.org.uk) or call the office to speak to Flos or Jane.**

**Responding to a recent survey from Chisel, I volunteered to take a more active role in the life of our Landlords. I didn't expect them to take up my offer, but was asked to interview "Digger" (Chris Hatcher – Maintenance Officer) about CHISEL's maintenance.**

First I had to ask the main question on all our minds - how did the name "Digger" come about? Digger's real name is Chris – apparently his workmates at the time decided that he had a long face just like a JCB, so the name stuck! As it turns out he is just a normal guy from Gloucestershire.

**Q. "What exactly do you do?"** My role is mostly project management and as a Clerk of Works – I inspect the work carried out and ensure that the quality we expect has been met. Lewisham Family Self Help Association (LFSA), managed by Barrie Stanbrook, is responsible for the administration of our day to day maintenance service although I'm often needed to work out what needs to be done and when and how we'll do it.

**"This year a total budget of £414,000 was allocated for maintenance."**

**Q. "How many properties do you have responsibilities for?"** Chisel has 223 homes on the stock list, but day to day maintenance for 64 of these is the responsibility of 3 Boroughs Housing Co-op and LFSA working as our agents.

**Q. "With such a large stock list how do you get the money for maintenance?"** Every year the Board agree a budget for the coming year. This year a total of £414,000 was allocated. This has to cover three main areas; 'Responsive' maintenance such as gas checks which are mandatory under law, boilers, plumbing, doors, electrics etc; 'Planned' work, such as kitchens, window replacement and bathroom renewals and 'Cyclical' work – decoration and external work on properties that needs to be done on a regular basis. About half the total is spent on planned work to maintain the standard of our homes. Around a quarter goes on responsive repairs.

**Q. "Of the 3 programmes what causes the biggest headache for you?"** Where to start? Well the cyclical annual gas checks are difficult – they are required by law but getting access to tenants' homes causes us a lot of problems. People just aren't in or simply don't realise how important it is to have their boilers and appliances checked each year by an expert. Failure to



**Garry, one of our contractors at work**



## HOW ARE CHISEL'S FINANCES?

It's not so very long ago that CHISEL was having serious financial difficulties, so one question I thought all tenants would like to know the answer to is – how is CHISEL now doing financially? We care, because it's the money we give in rents that keeps the organisation going and we want to know it is well spent – keeping our homes well maintained and supporting the services we need as tenants.

As you probably know, CHISEL isn't a large housing association. A relatively small number of properties means that we have to manage resources well and look for opportunities that enable improvements to services at relatively low cost. Last financial year, 2010-2011, CHISEL's turnover was £1,044,766. Of this we received **£1,020,713 in rents from our 223 homes**. We set our budget carefully and spent according to plan and this, combined with another year of low interest rates meant that we ended the year with healthy and stable finances. How? well you can look at it two ways:

First, considering the Income and Expenditure account (that's how much we earned and spent) £724,556 was spent on 'operating costs', this is money needed to run the business effectively, including staff salaries, running the office, money designated for maintenance and planned improvements of homes, legal fees and insurances etc. This was around £8,000 less than the previous year and left £320,210 over (the 'operating surplus').

Low interest rates meant we only earned £712 on our money in the bank, but they also meant we paid less than we might have expected in interest on our loans and mortgages, although still more than the previous year (£139,233). After adding the interest earned and paying our interest owed we had £181,689 left, this is called the 'revenue surplus for the year' (this isn't actually money in the bank, but gives a good indication of how well we have budgeted, saved and what we can invest for the future). **Wisely, £55,916 of this was moved into 'designated reserves'** (i.e. put aside with a specific future use in mind – in this case so that we can combat the increasing issues we're having with subsidence). So there was an overall or 'net revenue' surplus of a very healthy £125,773.

The revenue surplus is accumulated each year, but the fact that all our homes and assets (e.g. the office equipment, tools etc) are ageing means a 'depreciation adjustment' is made to take into account the decreasing value of all this stuff over time. Overall then, **CHISEL has a 'revenue surplus' at the end of the year' of £855,387.**

You could look at this as our profit, but it's really a theoretical figure – all of this money isn't sitting around anywhere as paper notes or as a balance on a bank account. It's within the organisation. And it's important that it's a good amount because it enables us to cope with changing times, e.g. fluctuations in interest rates or unexpected major works on our homes. It means we know we have money we can spend in the next financial year so we can budget better and plan more improvements.

Chisel Ltd Summary Financial Statements 2010/11			
Income and Expenditure Account	£'000	Balance Sheet	£'000
Turnover	1,045	Cost of housing	19,435
Operating costs	(725)	Less: grants	(14,978)
Operating surplus	320		4,457
		Other fixed assets	4
Interest receivable	1	Net current assets	129
Interest payable	(139)	Total assets	4,590
Revenue surplus for the year	182		
Transfer to designated reserves	(56)		
Net Revenue surplus for the year	126	Housing loans	3,679
Prior year property depreciation adjustment	56	Designated reserves	56
Revenue surplus at start of year	674	Revenue surplus	855
Revenue surplus at year end	<u>855</u>	Total	<u>4,590</u>

The second way to look at the books is to consider the 'balance sheet'. This tots up the value of what we own, what we are owed (mostly from tenants in arrears) and what we still owe at the end of the financial year e.g. bills to pay and outstanding mortgage balances. It shows that **CHISEL is worth £4,590,210**, calculated by adding up:

1. Our £4,461,197 'fixed assets' – what we paid for our 'stock' i.e. homes (£19,434,922), minus the contributions towards this that were made from social housing grants (£14,977,920) plus money paid for other things e.g. the photocopier and computers in the office (£4,195); and
2. Our £129,013 'net current assets' – which is the money still owed in rent (£108,236) plus our cash in the bank (£241,707) minus any outstanding bills due this year (£220,930).

If the books balance, we should also get the same figure if we add up how much we still owe in housing loans (mortgages), £3,678,865, our designated reserves £55,916 and the revenue surplus from the Income and Expenditure account £855,387. And they do – well done to John, Jane and the watchful eye of the board for getting us into such great shape.

Jill Gettrup – Tenant Board Member

# HOW ARE WE DOING AND HOW DO WE COMPARE?

We commissioned the National Housing Federation's FEEDBACK Service to carry out an independent tenant survey during summer 2010 which asked our tenants what they thought about our homes and services. The survey found that 68% of tenants were satisfied with the overall service provided by CHISEL.

The survey used was a standard 'STATUS' survey which meant that the findings could be compared with surveys carried out by other landlords. CHISEL's findings were compared with the findings of a 'peer group' of 6 other landlords who had also recently carried out surveys and with average National Housing Federation findings across the country.

Tenant surveys provide a snapshot of how satisfied tenants are with different service aspects but they don't tell you why this might be the case. Since the survey was completed we

have been giving attention to those service areas which tenants either said were the most important to them or they were least satisfied with.

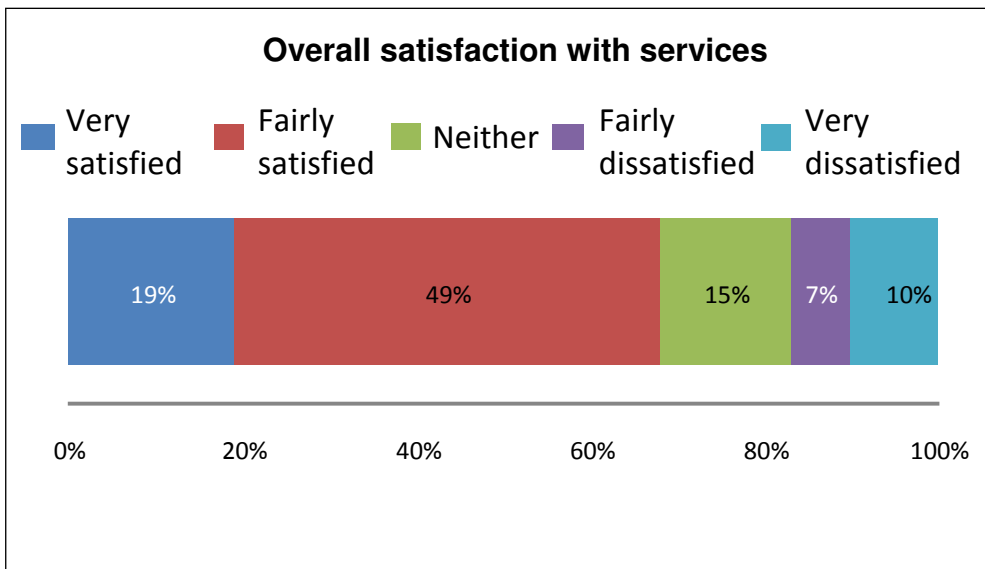
**Repairs Service:** We have been asking tenants who have had repairs completed how they found the service. We will be using the information gained to suggest improvements.

**Improvement Programme:** We have started work on agreeing a set of improvement standards with tenants

and have also agreed to develop a 3 year rolling improvement programme so that tenants know when work is likely to be carried out at their homes.

**Anti-Social Behaviour:** We will be reviewing how we respond to problems especially in shared housing.

**Tenant Engagement:** We are developing new ways that tenants can get involved and influence and scrutinise what we do.



Tenants told us that they were generally satisfied with the quality and general condition of their homes and with their neighbourhoods as places to live. They were less satisfied with repairs and maintenance. And although 85% said that the association was good at keeping them informed about things that affected them, only a disappointing 58% felt that the association was good at taking tenants' views into account that tenants know when work is likely to be carried out at their homes.

Key Tenant Survey Findings - CHISEL's findings compared with peer group and National Housing Federation averages (figures exclude no opinion/don't know responses)			
Question	CHISEL	Peer group average	National Housing Federation average
Overall services provided by landlord	68%	77%	81%
Quality of home	84%	80%	83%
General condition of property	71%	74%	79%
Neighbourhood	79%	77%	79%
Value for money of rent	81%	73%	78%
Satisfaction with outcome of contact	64%	65%	67%
Repairs & maintenance	62%	73%	76%
Quality of maintenance work	78%	80%	84%
Account taken of tenants' views	58%	70%	67%
Keeping tenants informed	85%	83%	80%

**We collect a wide range of information on what we do so that we can see where we're improving and where not. It also allows us to compare our performance ('benchmark') against 12 other small housing associations based in London (managing between 134 and 640 homes each). Together we are called the BM320 Benchmarking Group. This gives us ideas about where we could do even better - whether by keeping costs down, collecting rents more effectively, or through the letting or maintenance of our homes. You can have this information if you'd like it – just let us know and we can post or email a copy.**

### Rents

Most CHISEL rents are set in accordance with government policy and are moving towards what are called 'target rents'. This process will complete in 2012. The target rents increase or decrease each April by inflation as measured by the annual increase in the Retail Prices Index (RPI) for the previous September plus 0.5%. As RPI in September 2010 was 4.6% target rents increased by an average 5.1% in April 2011. Individual tenant's rents increased by more or less than this figure depending on whether the tenant's rent was above or below the policy rent at this time. The rents of self-build tenants are set differently; these increase each year in line with other CHISEL rents rather than being directly linked to RPI and increased by 5.1% this year.

CHISEL's rents are lower than those of most London housing associations. Our average 2 bed rent in 2010/11 was £16.69 per week lower than the average for the associations in the benchmarking group.

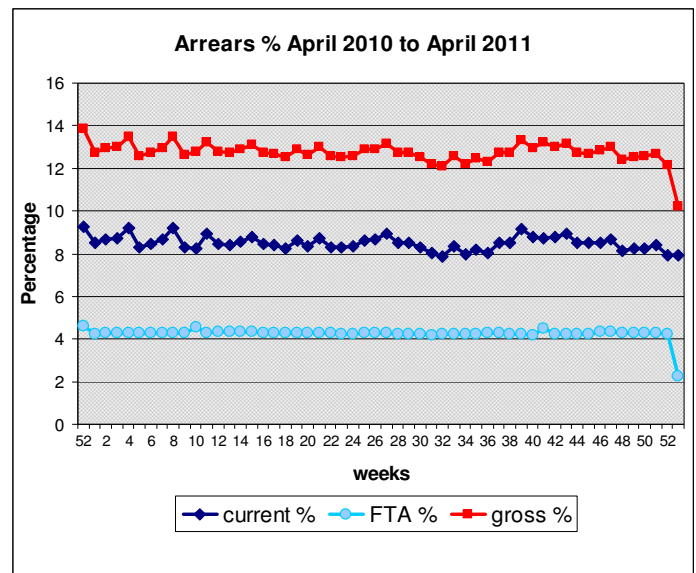
The table below shows CHISEL average net rents excluding service charges for all our homes including agency managed homes for 2010/11 and 2011/12.

Average Net Rents		
	CHISEL 2010/11	CHISEL 2011/12
Bedsit / shared	£55.95	£63.57
1 bed	£80.26	£83.60
2 bed	£88.78	£92.51
3 bed	£103.07	£109.65
4 bed plus	£110.51	£114.70
All homes	£87.71	£93.09

**We are reviewing our Rent Arrears Policy and are consulting tenants about possible changes including offering incentives for prompt payment.**

### Rent Collection

We continued to make good progress in collecting the rent due to us and in reducing rent arrears.



- We collected 101.6% of the rent due during the year. This was the second highest level of collection amongst the benchmarking group and 2.3% higher than the average for the group.

- Our level of current arrears (i.e. arrears owed by current tenants) fell by 1.35% over the year but still ended the year higher than any of the other associations amongst the benchmarking group and 3.4% above the group average of 4.5%.
- CHISEL has a policy to continue to pursue former tenants that owe us money after they have left their CHISEL homes. Although we collected over £1,000 of Former Tenant Arrears (FTAs), the amount owed by former tenants still totalled 4.24% of rent receivable at the year end. However, the Board agreed to write-off over £13,000 of FTAs where there was no prospect of recovery and this reduced the level of FTAs by almost half going in to the new financial year.

### Empty Properties

- Only 0.92% of rental income was lost through homes being empty, which was a reduction on the 1.17% recorded in 2010/11 and well below the benchmarking group average of 2.20%.
- It took an average of 50 days to re-let an empty home. This was a marked improvement compared with the 90 days recorded in 2010/11 but still longer than the benchmarking group average of 36 days.

## Lettings

We only ever have one or two self-contained homes to let each year; nearly all of the lettings we do make are to rooms in shared houses. Most of our lettings in shared housing are let to single applicants that approach us directly. In contrast, our self contained homes are let either to existing tenants that need to transfer or to nominees from the local councils with whom we work.

Out of 14 lettings in 2010/11:  
9 were of rooms in shared housing  
2 were let to transfers  
2 were mutual exchanges

**During the year new Lettings and Transfer policies were agreed after consultation with tenants.**

You can see how our lettings were distributed across various monitoring categories in this table

Lettings			
		2009/10	2010/11
<b>Economic status</b>	Working	8	8
	Not working	10	6
<b>Ethnic group</b>	White	14	11
	Non white	4	1
	Other/not known		2
<b>Disabled</b>	Disabled	1	0
<b>Income per week</b>	Over £200	6	7
	Under £200	7	5
	Not known	5	2
<b>Source</b>	Internal transfer	2	2
	Direct applicant	10	9
	LA nomination	3	0
	Mobility scheme/mutual exchange	1	2
	Other social landlord	1	1
	Other	1	0
<b>Total</b>		<b>18</b>	<b>14</b>

Responsive Repairs Directly Managed Stock					
	Emergency	Urgent	Short Term	Medium Term	Total
No. of jobs	12	114	95	24	245
Target (days)	1	7	14	28	
Average achieved	0.4	3.8	8.6	14.5	
No. within target	12	105	90	24	231
% within target 2010/11	100%	92.1%	94.7%	100%	94.3%
% within target 2009/10	100%	93.2%	87.7%	100%	91.8%
Average % G320 Benchmarking Group 2010/11	99.3%	94.1%	95.0%		95.4%

standard, providing comfortable and well maintained homes for our tenants to live in.

We spent £203,000 on cyclical and planned maintenance during the year. This was the amount spent on external painting and the programmed replacements and improvements that we knew needed to be undertaken from our forward maintenance planning.

In 2010/11 we:

- Carried out cyclical decorations to 30 homes
- Replaced/improved 21 kitchens
- Refitted 4 bathrooms
- Fitted double glazed windows at 5 properties
- Replaced 15 boilers with energy saving condensing boilers

## Repairs & Maintenance

We spend more money on repairs and maintenance than on anything else we do. And CHISEL spends a higher percentage of its rental income on maintenance than most other associations; 42% of our rental income was spent on maintaining our homes in 2010/11 compared to an average of only 26% for the benchmarking group as a whole. This was the highest percentage spend in the group.

We continue to invest heavily in our properties in order that they continue to meet the decent homes

- Spent over £15,000 on works identified during site visits by staff and Board members.

245 responsive repairs were carried out to CHISEL's 159 directly managed homes with more jobs being completed within target times than last year. The percentage of responsive repairs completed within their target times improved from 91.8% in 2009/10 to 94.3% in 2010/11. Although up on last year, this performance was still not quite as good as the average recorded by our benchmarking group and we are committed to trying to improve on this further.

# KEEPING COSTS DOWN

**We are constantly seeking ways to keep our management costs down and provide tenants with the best value service possible.**

**Management Costs:** cover all our costs for managing our homes excluding maintenance and service costs. We reduced our management costs per home compared to last year and are on course to achieve a further reduction during 2011/12.

**Investment Costs:** represent our total costs for repairing and maintaining our homes including responsive repairs, cyclical decorations and planned repairs and replacements. We are determined to keep our homes in good repair and have been spending more investing in our homes than most of the other associations in our benchmarking group. Our investment costs per home increased by 2.8% compared with the previous year – slightly less than inflation.

**Operating Costs:** represent our total costs for managing and maintaining all our homes. This figure includes the cost of service charge items and depreciation of our homes and our office and other equipment but excludes the cost of interest and capital

repayments on our loans. Our operating costs per home have fallen sharply and are now the fourth lowest in our benchmarking group and well below the average for the group. Partly this is because we have held down our management costs but mostly it is because we have no longer needed to pay lease charges

Costs per home per week			
	Management Costs	Investment Costs	Operating Costs
2010/11	£22.25	£31.98	£60.99
2009/10	£23.55	£31.11	£73.11
Benchmarking Group Average 2010/11	£25.05	£25.98	£73.20

(which count as operating costs) to AmicusHorizon Housing Group after we bought the freehold of the homes we had been leasing from them. However we had to borrow money to finance the purchase of these homes and the operating cost saving has mostly been offset by increased interest and loan repayments, which are costs that are not counted as operating costs.

**Please don't underestimate the importance of your involvement with your housing association. We literally can't function without tenants on the board and we are currently short of two.**



**Put off by the cost or commitment?** Don't be!! Travel expenses can be reimbursed and it's only 6 meetings a year— on average just one every two months. We hope you'll stay with us for around 3 years but there's no penalty if your circumstances change.

**Worried you don't know enough?** You'll get training for free, you will be part of a friendly team who will help and give you time to learn the ropes.

**Steep learning curve?** Sure, but isn't there always when it's something new and worthwhile?

**"I really did enjoy it ! – the board's very friendly and I learnt a lot" Louise Owen, Former Tenant Board**

Please consider joining the board and becoming a member of CHISEL. Call or email John for a chat, or ask to talk to a current tenant board member and find out more about what's involved and why it's a great idea!

## LOOKING FOR THE RIGHT PERSON FOR THE JOB? CALL 020 8692 5258

Director:	John Smith (4 days pw: Tuesday to Friday)	director@chisel.org.uk
Housing Manager	Clare Canning (4 days pw: Monday to Thursday)	housing@chisel.org.uk
Rents Officer	Flos Marriott (2 days pw: Tuesday & Thursday)	rents@chisel.org.uk
Maintenance Officer	Christopher Hatcher (4 days pw: Monday to Thursday)	maintenance@chisel.org.uk
Co-ops and Tenants Officer	Flos and Jane (1.5 days pw: Friday)	cto@chisel.org.uk
Finance Manager	Jane Brenan (1 day pw : Thursday)	mgrfin@chisel.org.uk
Finance Officer	Shuk-Ling Hou (2 days pw: Wednesday & Thursday)	finance@chisel.org.uk