



COTMAN
Housing Association

ANNUAL REPORT 2006

Contents

- 3. Mission Statement
- 4. Chairman's Forward
- 5. Management Team. Key Statistics & Performance Indicators
- 6-7. Chief Executive's Review
- 8-9. Summary of Financial Statements. Regulation & Control
- 10. Board of Management Details
- 11. About Cotman Housing



“Cotman Housing Association exists to give people with housing needs the best possible choices.

We strive to provide our residents with appropriate homes, all designed, built and maintained to the highest possible standard.

And we make sure that residents who need specialist housing care and support receive it effectively.”

Chairman's Forward

2006 has proven to be another significant year for Cotman Housing Association, during which we have both built on the solid foundations of the past and developed exciting new working relationships.

The year has seen the opening of Duke's Palace Wharf, an impressive development of flats in central Norwich built in partnership with Norwich City Council. In addition, work has commenced on our Greater Norwich Development Partnership scheme at Paine Road, Norwich, and continues on the Great Yarmouth Refuge, both due for completion in 2007. There are also many more exciting schemes in the pipeline.

Our active role in development is due in no small part to our membership of the Key Communities development partnership, led by BPHA. The first Key Communities Board Member conference was held in September. A great success, the conference helped cement the partnership and pave the way for future work, and we hope this will become an annual event.

Cotman's performance in property management and maintenance remains impressive, with a generous programme of planned maintenance, and new computer systems have further improved customer service. Total reserves have risen to £8,995,000 aided by the Transfer of Engagements with the Spiritualists' Housing Association.

The Board has continued with its restructuring and has introduced both Board appraisal and individual Member development reviews which have proven to be a positive experience for all.

The Board was sorry to lose the valuable services of Ian Batchelor, who retired in May, and we would like to thank him for all his hard work and commitment over the past 10 years. We were pleased to welcome Chartered Accountant Neil White, who replaces Ian as our finance specialist on the Board.

I would like to thank all my fellow Board members for their active contribution and support and my thanks also go to Chief Executive Vivien Farrow and her staff, for their hard work and continuing commitment during this challenging and very rewarding year.



A handwritten signature in black ink that reads "Sarah Dixon". The signature is fluid and cursive.

Sarah Dixon. Chairman

Management Team

Chief Executive

Vivien Farrow MBA MSc ACIAT

Finance Director

Quinto Gavita FMAAT

Development Director

Stuart Thomas MRTPI

Housing Services Director

Wayne Tatlow BA (Hons) DipH MCIH



Stuart Thomas, Vivien Farrow, Wayne Tatlow, Quinto Gavita

Key Statistics & Performance Indicators

PROPERTIES IN MANAGEMENT AT END OF YEAR	2006	2005
General needs rented	1046	1030
Sheltered rented	101	101
Supported rented	26	26
Shared ownership	36	37
Leasehold for the elderly	62	62
Managed on behalf of others	41	41
TOTAL IN MANAGEMENT	1312	1297
TENANTED ACCOMMODATION (General needs & supported)	2006	2005
RENTS		
Average weekly rent	£58.19	£56.19
Average increase in rent	3.55%	6.99%
Rent collection	98.66%	99.36%
Rent arrears (current)	5.29%	5.17%
Rent written off	0.83%	1.3%
Rent lost to vacant dwellings	0.64%	0.74%
LETTINGS		
Lettings	137	170
Re-let time (weeks)	3.5	2.7
Tenancy turnover (excluding mutual exchanges)	9.3%	11.2%
Letting to BME households	4.5%	1.8%
MANAGEMENT COSTS		
Management costs per property	£462	£471
Maintenance cost per property	£295	£266
STOCK CONDITION & REPAIRS	2006	2005
Repairs notified	3653	3446
Emergency repairs completed within target	100%	100%
Urgent repairs completed within target	96%	98%
Routine repairs completed within target	94%	96%

Chief Executive's Review

Board of Management

Sarah Dixon was re-elected as Chairman of the Board of Management at the Annual General Meeting in May, with David Hunt taking over the role of Vice-Chairman from Antoinette Faulkner.

Peter Shields was re-elected as Chairman of the Audit Committee, supported by Judith Tait as Vice-Chairman.

Ian Batchelor retired from the Board of Management at the AGM and was replaced as Board finance specialist later in the year by Chartered Accountant Neil White, who was co-opted to the Board in October.

Formal Board self-appraisal and individual Member reviews were introduced during the year, with each Board Member agreeing individual development targets.

Several successful Board training events were held during the year, including sessions on Housing Finance, Employment Law and Equality and Diversity.

Transfer of Engagements from the Spiritualists' Housing Association

An approach had been received in 2005 from the Spiritualists' Housing Association to acquire its assets, primarily consisting of a 2 bedroom flat in Southsea, by way of a Transfer of Engagements.

The offer came about because two members of the Spiritualists' Housing Association were now resident at Cotman's Ashby Court sheltered scheme and were impressed with the management service they received; a compliment in particular to the Ashby Court Housing Officer and Scheme Manager.

The Association was pleased to accept, and the Transfer of Engagements was completed in September.



Costessey estate



Top: Board training
Above: Iceni 2nd birthday celebrations

Resident Participation

The Residents Forum met regularly through the year, with input into key policy issues. Resident Board Members also played an active part in a number of Special Interest Groups, including Equality and Diversity and Anti-social Behaviour, and in a Best Value review of Resident Involvement.

A successful Residents' Conference was held in October.

Joint Development Working Through Iceni Homes



Together with Colne and Suffolk Housing Societies, based in Colchester and Bury St Edmunds respectively, Cotman has established a joint venture development company, Iceni Homes Limited, through which the three associations' development programmes are delivered.

The company is wholly and equally owned by its three partner associations, with the Chief Executive and a nominated Board Member of each association serving as Directors.

Iceni Homes has proved immensely successful in delivering the three associations' development objectives, and celebrated its second birthday in July.



Key Communities Development Partnering with BPHA

Key Communities is a development partnership led by BPHA as a Housing Corporation development partner association, and consisting of the three Iceni partner associations, together with Cambridgeshire based Papworth Housing Trust, Howard Cottages Housing Association from Letchworth and King Street Housing Society from Cambridge.

The Key Communities associations between them cover all the Eastern Counties, with Cotman the only association active in Norfolk.

Through its participation in Key Communities Cotman secured Housing Corporation development funding for general needs schemes at Paine Road, Norwich and Audley Close, Burston. Later in the year our bids in the supported housing mini-bidding round were all successful, with the Housing Corporation agreeing to fund two further Domestic Violence Refuges, one in Norwich and one in the Breckland area, and a scheme to accommodate people with learning difficulties in Norwich.

Although Key Communities was originally formed as a development partnership, the member associations recognise that there are potential benefits of joint working in a number of areas. A very successful conference was held in September for Board and senior staff, which will become an annual event.

Development

May saw the completion of Duke's Palace Wharf in Norwich. These 15 flats form the Section 106 social housing element of the re-development of the St Andrew's car park site, and were part-funded with a £225,000 grant from Norwich City Council.

Rapid progress is being made on the Domestic Violence Refuge now under construction at Great Yarmouth, and the scheme, comprising 12 self-contained flats and extensive communal facilities, is due for completion in early summer 2007.

Following receipt of grant confirmation from the Housing Corporation, our contractor, Lovell, began work at the end of June on 27 bungalows and houses at Paine Road, Norwich. Completion is due in the autumn of 2007.

The scheme is being developed on land acquired from Norwich City Council. It is one of several sites the City Council is making available to Cotman and other members of the Greater Norwich Housing Development Partnership for social housing development, in a partnership arrangement that maximises grant funding by the City returning the land cost to the partner associations as local authority grant.

The Greater Norwich Housing Development Partnership was formally launched in November.

Housing Management

The total number of properties owned by the Association at 31st December 2006 was 1271.

General needs housing stock increased to 1046 with the summer completion of 15 flats at Duke's Palace Wharf, Norwich, and the acquisition of a flat in Southsea through the Transfer of Engagements with the Spiritualists' Housing Association in September.

Shared ownership stock at the end of 2006 reduced by one to 36. Leasehold Scheme for the Elderly stock remained at 62, with 4 assignments taking place during the year, and sheltered and supported housing units also remained static at 127.

Fifteen new properties were let, and 122 existing properties were re-let during the year, with an average re-let time of 3.5 weeks. 73% of these lettings were to local authority nominees.

The Association's performance in rent collection for general needs, sheltered and supported housing was extremely good, with 98.7% of rent due being collected. Rental income lost through voids was £25,293, this being 0.62% of the total receivable during the year, a further improvement on performance from 2005.

Management costs per unit decreased by 1.95%, reflecting efficiencies through the increased number of properties in management.

Development under construction



Property Maintenance & Major Repairs Programme

The maintenance team received 3653 repairs requests during the year. Of these, 100% of emergency repairs and 96% of urgent repairs were completed within the target times. 97% of tenants responding to our survey confirmed that the work had been completed to their satisfaction.

The Association continued its ongoing programme of planned maintenance and property refurbishment work, including replacement windows at Wymondham and new central heating systems at St Margaret's Gardens Leasehold Scheme for the Elderly.

Cotman has budgeted to spend in the order of £9,000,000 on programmed work over the next 10 years, to ensure its housing stock complies with the requirements of the Government's Decent Homes Standard.



Greater Norwich Housing Development Partnership launch

Summary of Financial Statements

For the year ended 31st December 2006 (from the Audited Annual Accounts)

Balance sheet as at 31st December 2006

	2006	2005
	£'000	£'000
FIXED ASSETS		
Housing properties - gross cost less depreciation	50,896	47,889
Less: Social Housing Grants	<u>(28,514)</u>	<u>(26,420)</u>
Net book value of housing properties	22,382	21,469
Other tangible fixed assets	<u>811</u>	<u>836</u>
	23,193	22,305
CURRENT ASSETS		
Stock	1	1
Debtors and prepayments	403	486
Cash at bank and in hand	<u>1,456</u>	<u>1,561</u>
	1,860	2,048
CREDITORS: Amounts falling due within one year	<u>(1,396)</u>	<u>(841)</u>
NET CURRENT ASSETS	464	1,207
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>23,657</u>	<u>23,512</u>
CREDITORS: Amounts falling due after more than one year	14,662	14,979
CAPITAL AND RESERVES		
Negative goodwill	127	-
Revenue reserve	6,673	6,188
Designated reserve	<u>2,195</u>	<u>2,345</u>
	<u>8,995</u>	<u>8,533</u>
	<u>23,657</u>	<u>23,512</u>



Duke's Palace Wharf, Norwich

Board members' & senior executives' emoluments

The Members of the Board received no remuneration during the year.

The remuneration package received by the highest paid executive of the Association, excluding pension contributions, was £70,676. Three further staff members received remuneration packages excluding pension contributions, totalling £140,227.

Income & expenditure account for the year ended 31st December 2006

	2006 £'000	2005 £'000
TURNOVER	4,168	3,908
Operating costs	(2,928)	(2,485)
OPERATING SURPLUS	1,240	1,423
Surplus on property sales	31	-
Interest receivable	64	51
Interest payable and similar charges	(1,000)	(965)
SURPLUS FOR THE YEAR	335	509

Ashby Court, Norwich

Regulation & Control

Adoption of New Rules

The Association's shareholders had agreed at an Extraordinary General Meeting held late in 2005 to adopt the NHF Model Rules 2005. The Rule change took effect from March, following approval by the Housing Corporation and the Financial Services Authority. The new Rules allow for Board Member payment, which was under active discussion during 2006.

Housing Corporation Assessment

The Housing Corporation confirmed that the Association continues to have green light status in all four areas of Housing Corporation assessment. In addition, the Lead Regulator confirmed he was satisfied with the Association's self-assessment of compliance with the Regulatory Code for the year 2005/2006, and with the Association's Annual Efficiency Statement.

Internal Audit

A new Internal Auditor was appointed for 2006, bringing a fresh approach. Audits undertaken included Governance and Strategic Control, Development and New Business and Gas Servicing.



Summary

In summary 2006 was an exciting and successful year for the Association.

Our development partnership through Key Communities with BPHA has provided exciting development opportunities that otherwise would not have been open to us, and further opportunities seem likely in the future.

We look forward to the future with confidence that we will continue to play an important and active part in the provision of social housing in the years to come.

Board of Management Details



Neil White, Bett Barrett, Paul Watkinson, Ray Thompson, Sarah Dixon, David Hunt, Antoinette Faulkner, Judith Tait, Dawn Henry

	Occupation	Joined Board
Chairman Mrs S Dixon MRICS	Chartered Quantity Surveyor	2001
Vice-Chairman Mr David Hunt ARIBA MBA	Chartered Architect	2005
Audit Committee Chairman Mrs A Faulkner BA (Hons)	Journalist/Company Director	1993
Audit Committee Vice Chairman Mrs J Tait	Relocation Agent	1996
Mr R Thompson RIBA	Retired Chartered Architect	1994
Mrs E Barrett MSc, BA (Hons), RGN, RHV, DNCert, CertEd	Health Research Co-Ordinator	2004
Mrs C Delsaint SEN (co-opted)	Tenant Representative	2003
Ms D Henry SEN	Chief Executive, Young Persons' Charity	2000
Mr P Shields ACIB	Investment Banker	2004
Mr P Watkinson MIME (co-opted)	Tenant Representative	2002
Mr N White FCA	Chartered Accountant	2006

Board Review & Recruitment

The Board conducts an annual review of its own strengths and weaknesses, to identify any areas of expertise that are under-represented. In addition, the Board appraises its overall effectiveness and the added value it brings to the Association.

Board recruitment is primarily through advertising campaigns, specifically targeted towards recruiting any particular person profiles identified by the Board's review.

Resident Representation

The Residents' Forum is structured to allow residents the opportunity of participating in the consultation process in a number of ways.

The wider membership of the Forum mainly participates through written consultation. In addition, an inner core of members makes up the Residents Forum Panel, which meets quarterly.

There are seats on the Board for two Forum Panel Members, usually held by the Chairman and Vice-Chairman.

Governance

The Association has adopted the National Housing Federation's code of practice on governance "Governance and Accountability 2004" and aims to comply with it fully.

Further details of any information that the Association is required by the code to disclose that is not given fully in this report can be obtained on written application to the Chief Executive.

Board Membership Policy

There are twelve seats on the Association's Board of Management, two of which are reserved for tenant members.

Full members of the Board are elected in Annual General Meeting, and must be shareholders of the Association.

There are limits both on the length of time any individuals may serve as Chairman of the Board or its Audit Committee, and the period they may remain on the Board of Management without re-election.

Shareholding Membership Policy

The Board of Management considers applications for shareholding membership from individuals and organisations on the basis of the potential value the applicant's skills, knowledge or experiences may bring to the Association.

Officially recognised Residents' Associations from Cotman Estates are actively encouraged to become corporate shareholding members of the Association. Tenant groups or individual Cotman residents may hold up to 25% of the active shares in the Association.

Further details of shareholding membership can be obtained on written application to the Chief Executive.

About Cotman Housing

Registered office

Cotman House
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Telephone: (01603) 612927
Fax: (01603) 766963
Email: office@cotman-housing.org.uk
Web: www.cotman-housing.org.uk

Registered by

The Housing Corporation
No. LO284
The Registrar of Friendly Societies
No. 19473R

Details & Aims

Cotman Housing Association is a non-profit making housing association, registered by the Housing Corporation and having charitable status.

Member of

The National Housing Federation

Solicitors

Mills and Reeve, Norwich

Auditors

Stephenson Smart & Co, Peterborough

Internal Auditors

The Internal Audit Association (TIAA),
Gosport

Bankers

Barclays Bank PLC

Design & Art Direction

Simon Middleton Company
www.simonmiddleton.com

Portrait Photography

Bob Hobbs

Print

Micropress, Suffolk
www.micropress.co.uk



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