



Helping London Co-ops work together

London Federation of Housing Co-ops
Report for the Annual General Meeting

Saturday 21st June 2014

(Including the financial accounts for 2013)

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London federation of Housing Cooperatives

Chairs Report 2014

Introduction

This year has been a busy and a dramatic year for both the Housing Cooperative sector and the wider co-operative movement. It has been a busy year for the LFHC LFHC's Secretary's report maps in detail our activities this year- so I don't intend to duplicate it in this report. Instead I will concentrate on a few of the years highlights and low points

CCH Offer

WE have having a dialogue with CCH over its new offer to members and its implications for London. How we can work closer with CCH in the future and how we can pursue a unified voice for the Housing Cooperative and Tenant Controlled Housing movement in the future.

Mayors Housing Strategy

The Mayors plan has been published and I have attended several sessions on it hosted by the London Tenants Federation. The plan itself is unambitious -basically 42,000 new housing units per annum for London and some token resources towards selfbuild. But like everything the devil is in the detail. The section of the strategy of particular interest for the Housing Cooperative movement was the section encouraging smaller registered providers to sweat their assets more i.e. borrow in order to provide more affordable housing. The crux of the matter is whether this will be achieved by enabling the smaller organisations to access finance, participate in Social Housing Development or by forcing small organisations to merge into or with bigger entities. The first one I would welcome but the second one is a positive threat to the survival of the housing Co-operative movement in London. Of major concern for our members is that the Mayors Housing Strategy is the concept of affordable tenancies which at 70% market rates is nearly twice the level of existing social rents most Housing Cooperative members now pay.

Forums

Our popular and successful forums continued our themes of promoting the strengths of housing Cooperatives and the self help ethos and hands on approach that enables us to outperform other types of housing organisations in terms of overall management and tenant satisfaction. We had a very successful all day forum in November and we hope to continue with this next Autumn. Our Saturday morning forums go from strength to strength. People from different cooperatives sharing knowledge and experience is one of our major competitive advantages. One of the highlights for me was the presentation on energy co-operatives in Lambeth by Agamemnon Otero. Energy cooperative and Housing Cooperatives seem to be a match made in heaven. Hopefully more will come out of this.

On this theme I also contributed to Localities 'diseconomies of scale' project looking into how smaller organisation can deliver better value for money in the voluntary sector. (Locality is a

nationwide network of development trusts, community enterprises, settlements and social action centres.)

The Wider Co-operative Movement

In the wider Cooperative movement the demise of the Cooperative Bank has been the main news, threatening to bring down Coops UK with it. It is not only small organisations that can suffer from Governance problems but large ones as well. However the adverse publicity attending the collapse of the Cooperative Bank has reflected badly on the cooperative movement generally and reinforced the prejudices of those opponents of the Housing Cooperative movement, who continue to argue that Social Housing Tenants lack the skills and ability to manage themselves. However it is wise to note that the demise of the Co-operative Bank was triggered by the over-ambition and hubris professional bankers employed by the bank and not by its lay board members. Most other banks ran into similar problems.

I spoke on Housing cooperatives at the Co-operative Party AGM in Edinburgh in September. It is amazing how little is known about Housing Co-operatives in the Housing Cooperative Movement. They were impressed with how successful our little co-operative businesses are. Their next conference is in London and I hope to build on the work done at the last one.

Greg Robbins our Secretary and myself regularly attend meetings of Co-operatives London to promote the movement to a wider audience.

Challenges and Opportunities for the future

The Beresford V Mexfield case is still reverberating through the movement. The LFHC will keep its members informed of developments as and when they happen.

The London Federation of Housing Cooperatives will continue to work with CCH on its Membership offer.

We will continue to make submissions to the mayor and the GLA about Tenant empowerment.

The LFHC will continue to support national initiatives spearheaded by sister organisations like CCH and the NFTMO.

We will continue to seek opportunities to cooperate with like minded organisations and individuals in the London region.

We will look at ways our members can get involved in Government initiatives like the Neighbourhood planning initiative.

We will continue to facilitate local co-operation amongst our members.

Finally

I would like to thank our member organisations who have contributed resources and time to helping the London Federation this year, especially CDS, CHS and Bemerton TMO. And finally I would like to say thanks to the executive members for all their hard work over the year, without which the

London Federation would not function. As always our administrator Hilary Ellwood has been exceptional in her commitment and work for the Federation.

Mick O'Sullivan (Chair)

Secretary's Annual Report 2014 – LFHC

1) Regular Forums

LFHC has arranged successful forums and general meetings during the year.

a) All-Day Conference In November

This was our first all day conference – well from 10am-3pm anyway. It was well attended with about 30 co-ops represented. Elinor Savage from the GLA spoke about the support they can give to co-ops and other community groups who want to develop land in London. Andy Bates from Leathermarket JMB then explained how they were doing exactly that in developing an under-used site on the land they manage. Other co-ops talked about how they have collaborated financially to develop in the past. In the afternoon we learnt about a range of ways in which co-ops can save money on fuel bills, either by retrofitting properties to improve energy efficiency or buying into energy co-ops.

Much fuller information is available via the presentations preserved on the website.

b) Special General Meeting in February

This was an additional meeting to discuss LFHC's relations with the Confederation of Co-operative Housing and how co-ops in London will be best represented. There will be an update on this at the AGM.

c) Afternoon Seminars

Our first joint event with NFTMO was held on 7th February 2014 at the Tate Gallery. It addressed many of the challenges that face residents' groups and those who try to organise people to achieve common ends. It was different to our usual events in that it spoke to us as a movement, rather than setting out ways to resolve specific day-day problems.

d) Joint Events with LTF

LFHC is a member of London Tenant's Federation and this partnership is useful in helping us to speak as part of a much larger group when it comes to lobbying the GLA and the Mayor's office. We have therefore supported a number of LTF events which have been based on housing issues and developing joint responses (which have informed our own) to a number of public consultations.

2) Blue Sky

During the year this group has met to develop ideas around building new co-operative housing in London. It has sought suitable sites on which a pilot project could be begun, gained access to professional financial modelling tools, looked at how the model works elsewhere, visited sites and begun canvassing for support from co-ops with under-used financial assets. Much of this fed into the conference in November and it is hoped that work will continue.

3) Guidance

A number of co-ops have been in touch, either for guidance on how to resolve particular issues or to share their experience of current affairs.

4) Responding to Consultation

LFHC responds to a number of public consultations each year. Some of these it does on its own account and some it does jointly with others.

a) London Plan

This is the biggest consultation item and takes a number of forms. We have to respond to the original plan proposals and then as the plan is amended, to the proposed changes. This then allows us to participate in the 'examination in public' of the amendments to the plan. It is doubly useful in giving us input to the plan itself as well as introducing us to key policy makers and raising our profile. It also informs us of other public policy documents that affect how we operate in London.

We worked with about a dozen other groups to develop joint responses at different stages of this consultation and these informed our individual response.

b) Right to Transfer/Right to Manage

LFHC made submissions as to what the key obstacles to tenants managing their properties or indeed to transferring the freehold to another social landlord or to themselves. A number of London co-ops are attempting to follow this model, as are others around the country.

c) Evidence Gathering Exercises

LFHC responds to these evidence gathering exercises carried out by the GLA and others to keep reminding them that co-operative housing provides solutions to housing problems that other providers just cannot match.

5) Communication

LFHC has continued to maintain a website with information on upcoming events and presentations from past ones, while sharing information on discussions, consultations and current events through a FaceBook page. The online discussion forum was relaunched during the year with a focus on sharing information on vacant properties and helping mutual exchanges, though take-up has been disappointing.

6) Working with partners –

a) London Tenants Federation

LFHC is a member of LTF and the Secretary is one of their directors. A close working relationship allows us to benefit from the effective research that LTF does on housing issues in London. It has also allowed other resident activists to see resident control as a viable option for estates when it is led by tenants and not perceived as a top-down imposition.

b) Co-ops London

LFHC is now a member of Co-ops London and the Secretary is one of their directors. This forum allows better links between the housing co-operative movement and the rest of the co-operative movement. It meets monthly and the AGM will be later in the day after ours, following a number of events for Co-ops Fortnight.

c) **CCH**

LFHC has been a federation member of CCH since its inception and a number of the council members from London are on the LFHC executive. During the past two years CCH has been revising its governance in an attempt to separate its governance from its service delivery. From this Summer LFHC will be an individual member and so has been discussing with CCH exactly how the new relationship will work. One thing that we are clear on is that as co-operative groups we must work together, not in competition, and that members need to know that their voices are heard.

d) **NFTMO**

NFTMO is another national body, but with a much greater emphasis on co-ops which manage properties that are owned by councils. We do not currently have a formal relationship with them, but have members who have sat on the board of the other during the year and some events have been organised jointly. We have very close relations with them.

e) **Just Space, Locality, LVSC and Others**

There are a number of other groups that we work with, without any formal links. Close working with them widens the range of ‘intelligence’ that we have on the housing scene in London. It also keeps housing co-operatives at the heart of thinking of those who organise within their communities.

7) Plans for the Future

a) **Aims**

- Canvas support for joint developments and seek a pilot project to build new housing
- Have an impact on the Mayor’s policy on housing in London
- (Provide opportunity for exchanges for those that wish)
- Increase the range of training and networking opportunities
- Promote good governance in the housing co-op movement locally and nationally

b) **We will do this through:**

- Working with partners across London and the rest of the country
- Organising regular forums, including a whole day event in October/November
- Promote the lunchtime training option jointly with NFTMO
- Participating in the Blue Sky Group
- Continuing the allocations online forum and arranging a venue for mutual exchanges
- Agreeing new standing orders for LFHC and agreeing a code of conduct, plus other documents that may be of use to housing co-operatives

Annual Report for the year ended 31 December 2013
LONDON FEDERATION OF HOUSING CO-OPERATIVES

This report sets out the financial performance against budget for 2013 and sets out the proposals for the 2014 budget.

The annual general meeting is recommended to:

1. Note the budget report for 2013.
2. Approve the proposed budget for 2014

Budget report for 2013

KA Johnson Chartered Accountants examined and reported on the Unaudited Accounts. of The London Federation of Housing Co-operatives Ltd for the year ended 31 December 2013.

These accounts are available for inspection. I would now like to take you through some of the key income and expenditure figures.

Turnover in 2013

The money that has come in since the last annual general meeting comes mainly from members' share purchases and members' annual subscription. In 2013 the income of the Federation increased to £8,411 in 2013.

Expenditure in 2013

The overall money which has been paid out since the last annual general meeting has also been lower than the expected expenditure in the budget. The main expenditures of the Federation are the salaries of employed staff, administration costs, and the hire of premises for Forums, subscriptions to other bodies, publications of its own and expenses for Executive Committee members. The increased attendance at conferences has resulted in an increase in travel expense costs and an increase in some areas of administrative expenses. However the overall operating costs have remained within budget in 2013.

Staff costs remain our biggest expenditure item. This was expected and was within budget. I would like to take this chance to thank Hilary for the hard work and flexibility shown last year.

There has been no additional Capital Items Purchased in 2013.

The existing fixed assets (office equipment) have reduced in value due to depreciation of 25% over the year.

Current assets in 2013

The Federation achieved a surplus for the year of £1,967

Treasurer's comments on Accounts for 2013

Overall the financial management performance is good .As you can see from the Accounts the Federation ended the year in a strong financial position with investment throughout the year in the various training and information events held for the benefit of the individual coops.

The main sources of income appears to have stabilised while costs remain under control.

The executive committee is entrusted with the responsibility to manage the finances prudently. Quarterly management accounts (include an analysis of variances against budget) are presented to the Executive Committee. Any variations to the annual budget are approved at the Executive Committee meeting following the half year.

Proposed Budget for 2014

The Executive Committee board have considered options on how to utilise some of the reserves for the benefit of members. This will continue to be on the agenda for future Executive Committee meetings.

The Executive Committee board drafted a proposed budget based on the projected income and expenditure for the financial year (January -December) for the year and the Annual General Meeting members are asked to approve the budget proposed for 2014 attached.

That concludes the annual treasurer's report.

Lorna O` Hara
Treasurers LFHC
June 2014