



Helping London Co-ops work together

**London Federation of Housing Co-ops
Report for the Annual General Meeting
Saturday 27th June 2015 at 10:30am**

(Including the financial accounts for 2014)

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London Federation of Housing Cooperatives

Chairs Report 2015

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 (Confederation of Co-operative Housing) Offer

We have been in dialogue with CCH on how best to provide services to our respective members in London. Thanks to Lorna O'Hara our treasurer for all her hard work in liaising with CCH during the year.

The mutual exchange event where Housing Co-operative tenants could move and swap properties, and held jointly with CCH and CDS was a success. More of the same type of event is planned.

Mayors Housing Strategy

We have now entered the final year of Mayor Boris's reign. We can expect little in the way of new initiatives until after May 2016. Aside from very expensive house prices, London is unique in that the Mayor rather than the HCA who controls whatever grant is available for new developments. The caveat is that to get subsidy a registered provider must agree to charge 'affordable rents' – double social rents in London – which most housing Cooperatives are not prepared to do.

But whoever is Mayor building new homes will be top of their agenda it is important that the Housing Co-operative movement lays out its case for more resident controlled Housing.

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 recent forum on the allegedly boring, but vital, themes of business plans and asset management. All Registered Providers are expected to have such plans in place.

The Wider Co-operative Movement

We welcome the decision of the Cooperatives UK to continue its support of the Cooperative party. The Cooperative Party gives the Cooperative movement a voice in Westminster and many Local Authorities and a lack of Cooperatives UK support would have severely curtailed its ability to do so.

I have spoken several times at Cooperative Party meetings advocating more resident control for Housing Association. I also gave evidence about Housing Co-operatives at the Barnet Housing Commission and at just space events.

Challenges and Opportunities for the future

The big issue for the foreseeable future is the proposed extension of the right to buy and associated discounts to 'Registered providers'. As of now this has profound implications for the viability of many of our co-operatives. Many fully mutual cooperatives do not have the right to buy. It will be interesting to see whether the government legislation will attempt to extend the right to buy to fully mutual Housing Cooperatives. We intend to run a number of forums on this matter during the Autumn when things are clearer. One on whether or not it is worthwhile to deregister from the HCA to remove this risk and another on the effects of the new Housing policy. Meanwhile if anyone is interested in opposing these changes check out this Website 'www.ourhomes.london'.

Another theme emerging is the concept of sharing services amongst Housing co-operatives. In London finding and keeping good builders is nearly impossible and this applies to other services as well. This will only get worse over time. So a debate has started on how Co-op can support each other locally sharing good builders or even setting up their own maintenance Co-operative! The London Fed will be exploring the concept of locally connected Co-operatives and how they can support each other.

Meanwhile 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 Report to the 2015 AGM of London Federation of Housing Co-ops

1) Overall Activity

During the year, although LFHC remained very active, not all the events that were planned took place because other commitments took up much more time than was anticipated. We also put considerable time into working with our partners.

2) Regular Forums

During the year LFHC held a number of successful events, though it did not hold all the events that were intended. The whole day conference planned for October/November was first postponed and then cancelled to make way for a mutual exchange 'Homeswap' event for co-op tenants, attended by over 50 co-op members. On June 6th 2015 we held a forum on planning to use manage a co-op's assets to ensure that the risks of the future are addressed and following the AGM we will have a number of speakers regarding how housing co-ops relate to each other and other parts of the co-operative and mutual movement.

3) Networking Meetings

A group has been set up for co-op's to meet and network in north-east London to share resources, discuss items of interest and provide mutual support. This is primarily, though not exclusively, for co-op staff, many of whom work alone for their co-ops. So far the list of those invited is fairly small, but this will be expanded, but already there is an agreed pro-forma for sharing approved co-op contractors. LFHC is working with this group, but in parallel NFTMO have also set up a networking group, so we will attend their next meeting to see how closely the two agendas match and what could be done jointly.

4) Blue Sky

The informal group that was formed to consider possibilities and options for the development of new co-operative housing has met less often this year, though it has still made progress. It has a site on which a pilot model can be developed and the financial tools to proceed. It is also in touch with other groups who are bidding to build property on council land.

The demand for co-operative solutions to housing problems means that other groups are seeking to form housing co-ops on the open market, so there should be opportunities where we can move forward.

5) 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.

6) 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.

During 2014 the biggest of these consultations was on the 'further alterations to the London Plan' in which LFHC made presentations at the examination in public at City Hall. More recently we considered the 'MALP' – minor alterations to the London Plan, but decided no response was needed.

7) Working with Partners

a) London Tenants Federation

LFHC is a member of LTF. We work closely with them on policy matters around London development. They also have a project supporting communities in specific development areas to respond effectively to planning questions during extended 'regeneration' projects.

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. One recent project has been a series of networking meetings for people working in social and co-operative enterprises to find contacts who can help build their businesses. This is based on the sixth co-operative principle and is called "Making Good Contracts through Good Contacts."

c) CCH

Discussions have continued with CCH about how we and they relate to each other. The response from members has been that both organisations are valued, but that each have different roles and provide different services. CCH operates on a national level and LFHC provides services to all forms of tenant controlled housing in London.

d) 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.

8) Progress Against Targets Set Last Year

a) Canvas support for joint developments and seek a pilot project to build new housing

We have maintained links with a number of partners and attended a number of trade shows to remain aware of building methods. We have continued to communicate closely with possible partners and have a site on which we can base our plans.

We have liaised with community groups and community land trusts to see where we can provide support through the Blue Sky group..

b) Have an impact on the Mayor's policy on housing in London

Through working with partners and direct active participation we engaged with the mayor's office over the London Plan, focussing on an expectation that community groups would be involved in developments in the area and preferably leading them.

c) Provide opportunity for exchanges for those that wish

We held a well attended mutual exchange event in February. There was not a good take-up of the online exchange and allocations forum and this has not been pursued further.

d) Increase the range of training and networking opportunities

We have maintained, rather than extended the range of training opportunities, listing the training courses available and holding forums, but not increasing the range.

e) Promote good governance in the housing co-op movement locally and nationally

We agreed and adopted a code of conduct for LFHC that might be of use to other co-ops, but

have not produced further policies.

9) Targets for Next Year

- a) Develop useful documents to support good co-op governance.
Share and promote examples of good practice.
- b) Promote and formalise good working with other partners, such as NFTMO.
Agree more formal relations, possibly including named contacts who may attend meetings.
- c) Continue to influence planning and development guidance in London through the London Plan and London Housing Strategy.
- d) Develop a feasibility plan for at least one potential co-op housing development and support others doing the same.
Continue working with the Blue Sky group, liaise with others doing the same and invite stakeholders to speak to members at LFHC forums.
- e) Hold regular events throughout the year with a calendar set well in advance.
Saturday 24th October 2015 – whole day conference
Mutual exchange event – tbc
Saturday 13th February 2016 – forum
Saturday 4th June 2016 - AGM

CODE OF CONDUCT FOR EXECUTIVE MEMBERS AND OTHER LFHC SUPPORTER

MAIN PRINCIPLES (Approved 26th May 2015)

1. General Responsibilities

You must fulfil your duties and obligations responsibly, acting at all times in good faith and in the best interests of the London Federation and its members. This includes attending meetings and sending apologies if you are unable to attend.

2. Conflicts of Interest

You must take all reasonable steps to ensure that no undeclared conflict arises, or could reasonably be perceived to arise, between your duties and your personal interests, financial or otherwise.

3. Bribery, Gifts and Hospitality

You must not offer, seek or accept bribes or inducements to act improperly or corruptly. You must not seek or accept gifts, hospitality or other benefits from individuals or organisations that might reasonably be seen to compromise your judgement or integrity or place you under an obligation to those individuals or organisations.

4. Funds and Resources

You must not misuse the London Federation's funds or resources.

5. Confidentiality

You must handle information in accordance with the law and the London Federation's policies and procedures.

6. Relationship Between Executive Members, Members and Other Supporters

Executive members, other members and other supporters must maintain a constructive, professional relationship based on a sound understanding of their respective roles. High standards of respect, fairness and courtesy must be maintained.

7. Health, Safety and Security

Your conduct must not endanger the health, safety or security of yourself or others.

8. Conduct of Meetings

Your conduct at Executive and other meetings must meet a high standard of integrity, commitment and courtesy.

9. Exercise Independent Judgement

You must use your own judgement in reaching decisions and not be bound by commitments entered into elsewhere.

10. Representing the London Federation

When representing the London Federation at external events, and in dealings with outside bodies, you must uphold the federation's values, objectives and policies.

11. Learning and Development

In partnership with the London Federation, you must take responsibility for your own learning and development, updating your skills and knowledge regularly.

12. Reporting Concerns

You must report any reasonable and honest suspicions you may have about possible wrongdoing.

13. Consequences of Breach

You must adhere to this code and be aware of the consequences of breaching it.

Treasurer's Annual Report for the year ended 31 December 2014
LONDON FEDERATION OF HOUSING CO-OPERATIVES

This report sets out the financial performance for 2014 and the proposals for the 2015 budget.

The annual general meeting is recommended to:

1. Adopt the report and Unaudited Accounts for year ending 31 December 2014.
2. Approve the proposed budget for 2015

Budget report for 2014

KA Johnson Chartered Accountants received and reported on the Unaudited Accounts of The London Federation of Housing Co-operatives Ltd for the year ended 31 December 2014.

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

Turnover in 2014

.In 2014 the income of the Federation increased to £8,840 in 2014 .

Expenditure in 2014

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 overall operating costs have remained within budget in 2014.

Staff costs remain out 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 2014.

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

Surplus in 2014

The Federation achieved a surplus for the year of £2,034.

Balance Sheet

The Federation had a strong financial position at 31 December 2014, with cash at the bank of £22,713 and reserves of £20,748.

Treasurer's comments on Accounts for 2014

Overall the financial management performance is good. As you can see from the Accounts the Federation ended the year in a strong financial position.

The main sources of income is stabilise 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 2015

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 budget for 2015 includes some increases in expenditure for £100 contribution to LTF and Co-ops London and potentially £300 membership for Locality.

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 2015 attached.

That concludes the annual treasurer's report.

Lorna O` Hara
Treasurer LFHC
June 2015

LFHC - UPDATED

2015 DRAFT INCOME AND EXPENDITURE BUDGET

	2014 Actual £	2015 Budget £
INCOME		
Subscriptions	8,840	9,150
Bank interest	11	15
Total	8,851	9,165
EXPENDITURE		
PAID SUPPORT		
Wages and Salaries	3,720	3,844
Employers NI Contribution	0	0
Expenses	0	50
MEETING EXPENSES		
Exec		
travel	81	150
room hire	0	0
refreshments	0	125
Forum		
room hire	0	300
refreshments	30	150
Joint event contribution	0	100
Conference		
fee	0	600
travel	0	100
ADMINISTRATION EXPENSES		
insurance	133	145
telephone/fax	0	0
postage	366	375
stationery and printing	234	250
Affiliation fees	1,742	575
Bank charges	61	70
Equipment expenses	0	75
Miscellaneous	0	75
LEGAL AND PROFESSIONAL FEES		
Audit and accountancy	380	390
Total	6,747	7,374
Surplus for the year	2,103	1,791

LFHC Draft 2015 Cash Flow Budget	£
Surplus for the year	1,791
<u>Adjustment for non-cash items</u>	
None	0
Capital expenditure	0
Cash inflow for the year	1,791
Cash, beginning of the year	22,653
Cash, end of year	24,444

Registered Society Number:
IP27801R

The London Federation of Housing Co-operatives Ltd

Report and Unaudited Accounts

31 December 2014

The London Federation of Housing Co-operatives Ltd
Financial statements
for the year ended 31 December 2014

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The London Federation of Housing Co-operatives Ltd Society Information

Committee of Management

S Mallaburn
C Murrell
L O'Hara
M O'Sullivan
C Penn
S Philpott
M Prigent
W Rimensberger
G Robbins

Accountants

K A Johnson
Chartered Accountants
Norfolk House
Norfolk Road
Rickmansworth
Hertfordshire
WD3 1RD

Bankers

Co-operative Bank plc
Ealing
14 New Broadway
London
W5 2XA

Management Services Provided by

Co-op Homes (South) Ltd

Registered office

8 Waldegrave Road
Teddington
Middlesex
TW11 8GT

Status

The society is a Registered Society
Registered number
IP27801R

The London Federation of Housing Co-operatives Ltd

Registered number: IP27801R

Board's Report for the year ended 31 December 2014

Principal activities

The London Federation of Housing Co-operatives Ltd is a Housing Co-operative representing and promoting Co-operatives in London and the South East.

Review of the year

The Co-operative had a surplus for the year of £ 2024

Committee of Management

The following persons served as Members of the Committee of Management during the year:

S Mallaburn
C Murrell
L O'Hara
M O'Sullivan
C Penn
S Philpott
M Prigent
W Rimensberger
G Robbins

Signed on behalf of the Board on 27 June 2015

.....
M O'Sullivan
Member of the Board

The London Federation of Housing Co-operatives Ltd

Accountant's report to the members on the unaudited accounts of The London Federation of Housing Co-operatives Ltd

We report on the accounts for the year ended 31 December 2014 set out on pages 2-9.

Respective responsibilities of the committee of management and reporting accountant

The society's Committee of Management is responsible for the preparation of the accounts, and they consider that the society is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our procedures consisted of comparing the accounts with the books of account kept by the society and making such limited enquiries of the officers of the society as we considered necessary for the purpose of this report. These procedures provide the only assurance expressed in our opinion.

Opinion

In our opinion:

- the revenue account and balance sheet for the year ended 31 December 2014 are in agreement with the books of account kept by the society under section 75 of the Co-operative and Community Benefit Societies Act 2014;
- having regard only to, and on the basis of the information contained in the books of account, the revenue account and balance sheet comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- the society has satisfied the conditions for exemption from an audit of the accounts for the year ended 31 December 2014 specified in section 84 of the Co-operative and Community Benefit Societies Act 2014 and did not at any time within the year fall within any of the categories of society not entitled to such exemption.

K A Johnson
Chartered Accountants
Norfolk House
Norfolk Road
Rickmansworth
Hertfordshire
WD3 1RD

27 June 2015

The London Federation of Housing Co-operatives Ltd
Income and Expenditure Account
for the year ended 31 December 2014

	Notes	2014 £	2013 £
Turnover	2	8,840	8,400
Less: Operating costs	3	(6,831)	(6,329)
Operating surplus	3	2,009	2,071
Interest receivable and similar income	6	15	8
Surplus on ordinary activities before taxation		2,024	2,079
Tax on surplus on ordinary activities		-	-
Surplus for the year	11	2,024	2,079

The only recognised gain is the surplus for the year of £ 2024

There is no difference between the reported surplus for the year and historical cost surpluses or deficits.

The results relate wholly to continuing activities.

The annexed notes form part of these financial statements.

The London Federation of Housing Co-operatives Ltd
Balance Sheet
as at 31 December 2014

	Notes	2014 £	2013 £
Fixed assets			
Tangible assets	7	127	169
Current assets			
Debtors	8	780	2,090
Cash at bank		22,713	19,037
		<u>23,493</u>	<u>21,127</u>
Creditors: amounts falling due within one year			
	9	(1,452)	(1,152)
Net current assets		22,041	19,975
Net assets		<u>22,168</u>	<u>20,144</u>
Capital and reserves			
Share capital	10	1,420	1,420
Revenue reserves	11	20,748	18,724
Shareholders' funds		<u>22,168</u>	<u>20,144</u>

The directors are satisfied that the company is entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006.

Members have not required the company to obtain an audit in accordance with section 476 of the Act.

These financial statements were approved and authorised for issue by the Board.

On behalf of the Board

.....
M O'Sullivan
Member of the Board

.....
Name
Member of the Board

.....
Name
Secretary

Approved by the board on 27 June 2015

The annexed notes form part of these financial statements.

The London Federation of Housing Co-operatives Ltd
Notes to the Accounts
for the year ended 31 December 2014

1 Accounting policies

The Co-operative is incorporated under the Co-operative and Community Benefit Societies Act 2014.

Basis of accounting

The financial statements have been prepared in accordance with applicable United Kingdom financial reporting standards. The accounts are prepared in accordance with the historical cost basis of accounting.

Turnover

Turnover represents subscriptions.

Fixed assets and depreciation

Tangible fixed assets are stated at cost, less accumulated depreciation.

Depreciation is charged on a reducing balance basis at the following annual rates:

Office equipment	25%
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Taxation

The Committee members are of the opinion that, as a housing co-operative, the company is not liable to corporation tax on its trading surpluses. Corporation tax is however due on its investment income received.

Current taxation

Current tax is recognised in the income and expenditure account for the year, except to the extent that it is attributable to a gain or loss that has been recognised in the statement of total recognised surpluses and deficits in which case it is recognised in that statement.

Current tax is measured at the amounts expected to be paid (or recovered) and is only payable on interest received.

Deferred taxation

Deferred taxation is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences.

The London Federation of Housing Co-operatives Ltd
Notes to the Accounts
for the year ended 31 December 2014

2 Turnover	2014	2013
	£	£
Subscriptions	<u>8,840</u>	<u>8,400</u>

3 Operating surplus	2014	2013
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	<u>42</u>	<u>56</u>

4 Directors' emoluments

The Board of Management received no expenses or remunerations in the year.

5 Employee information	2014	2013
	£	£
The average number of persons employed during the year expressed in full time equivalents was:		
Admin staff	1	1
Staff costs (for the above person)		
Wages and salaries	<u>3,120</u>	<u>3,120</u>
	<u>3,120</u>	<u>3,120</u>

6 Interest receivable and similar income	2014	2013
	£	£
Interest receivable	15	8
	<u>15</u>	<u>8</u>

The London Federation of Housing Co-operatives Ltd
Notes to the Accounts
for the year ended 31 December 2014

7 Tangible fixed assets

	Office equipment £
Cost	
At 1 January 2014	4,934
At 31 December 2014	<u>4,934</u>
Depreciation	
At 1 January 2014	4,765
Charge for the year	<u>42</u>
At 31 December 2014	<u>4,807</u>
Net book value	
At 31 December 2014	<u>127</u>
At 31 December 2013	<u>169</u>

8 Debtors

	2014 £	2013 £
All receivable within one year		
Prepayments and accrued income	-	1,310
Other debtors	780	780
	<u>780</u>	<u>2,090</u>

9 Creditors: amounts falling due within one year

	2014 £	2013 £
Trade creditors	780	780
Accruals and other creditors	672	372
	<u>1,452</u>	<u>1,152</u>

The London Federation of Housing Co-operatives Ltd
Notes to the Accounts
for the year ended 31 December 2014

10 Share capital	Nominal value	2014 Number	2014 £	2013 £
Ordinary shares	£10 each	142	<u>1,420</u>	<u>1,420</u>
	Nominal value	Number	£	
At 1 January 2014	£10 each	142	1,420	
Shares issued during the period:	£10 each	-	-	
Shares cancelled during the period:	£10 each	-	-	
At 31 December 2014	£10 each	142	<u>1,420</u>	

The shares have limited rights, membership only confers voting rights at general meetings, no entitlement to a dividend, not repayable and no participation in a winding up.

11 Reserves	2014 £
Income and Expenditure account	
At 1 January 2014	18,724
Surplus for the year	2,024
At 31 December 2014	<u>20,748</u>

12 Legislative provisions

The Co-operative is incorporated under the Co-operative and Community Benefit Societies Act 2014

The London Federation of Housing Co-operatives Ltd
Schedule to the Income and Expenditure Account
for the year ended 31 December 2014

	2014	2013
	£	£
Income		
Subscriptions	<u>8,840</u>	<u>8,400</u>
 Administrative expenses		
Employee Costs		
Wages and salaries	3,120	3,120
Other staff costs	<u>733</u>	<u>132</u>
	<u>3,853</u>	<u>3,252</u>
 General administrative expenses		
Conference and subscriptions	1,865	1,723
Room Hire	30	519
Bank & Giro charges	61	88
Depreciation	42	56
Office supplies	234	72
Postage	<u>366</u>	<u>247</u>
	<u>2,598</u>	<u>2,705</u>
 Legal and professional costs		
Accountancy fees	<u>380</u>	<u>372</u>
	<u>380</u>	<u>372</u>
	<u>6,831</u>	<u>6,329</u>