

North London Muslim Housing Association

ANNUAL REPORT 2019-2020



Building homes, creating communities



Message from The Chair

Welcome to our annual report for 2019-20. The report explains how we have performed in maintaining and managing our homes, along with the work to acquire new homes and create sustainable communities.

This is my first year as Chair of NLMHA. During this time, I have seen the strong reputation and lasting relationships our housing association maintains. However, I know we can do more and have an even greater influence on the issues that matter to our residents, communities and organisation.

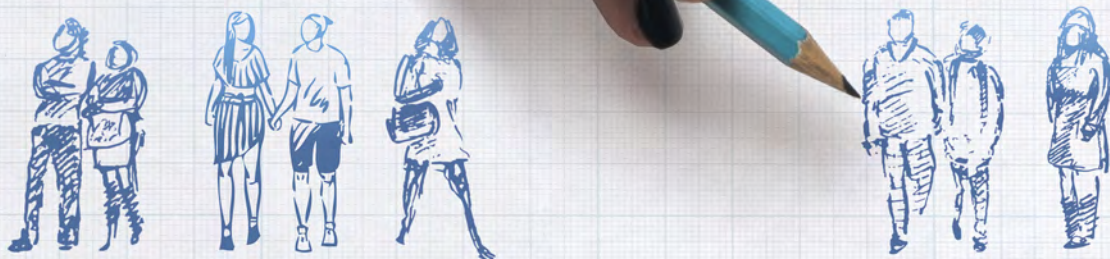
I am delighted to report that it has been another solid year for NLMHA. As one of the leading BME housing associations in London, we have strong foundations, robust finances and great people. We should, however, not be complacent, as there are further, significant, untapped opportunities and potential that should drive our ambitions going forward.

During 2019-20, we completed a much-needed staffing review and, with a new structure in place, we are in a much better position to meet future challenges as we move ever closer to the important milestone of managing 1,000 properties – which will bring greater scrutiny from our regulator in everything we do.

As Chair, it is therefore appropriate that I consider our governance and viability as a top priority.

I am pleased to report that we remain a financially strong and viable organisation.

Our net surplus for the year was £2.074m, compared with £1.9m in 2018-19. As part of our commitment to governance and regulation, I am working closely with my Board and the Chief Executive.



This year, we have seen a changing of guards, with a number of new Board members joining the organisation, including experts from the sector.

I would like to take this opportunity to thank all the Board members for their dedication and support to the association.

The outlook for the coming year is quite uncertain, especially with the potential impact of Covid-19 and Brexit. One thing is certain – there will continue to be a strong demand for new affordable homes in London. We are committed to helping to meet this need and we are confident that we have prudent plans in place, coupled with the skills and resources to continue delivering the new affordable homes Londoners need.

On behalf of the Board, I'd like to thank all our stakeholders, residents, shareholders and everyone who works for NLMHA for

their ongoing support and co-operation. They are fundamental to our success and make a difference in everything we do.

I'd also like to thank Ismail Yusuf, Munaf Zina, Nafisa Bhamji-Patel and David Booker, who retired from the Board last year after serving for nine years. They have made a huge impact during their tenure at NLMHA.

Finally, not least, the excellent work of our Chief Executive, Aziz Rahim, needs to be acknowledged. His reputation and networking within the housing sector have been instrumental in acquiring and increasing our housing stock. We have continued to secure some excellent schemes at very good value for money.

As I pass the first anniversary of serving as Chair, my overwhelming impression is of an organisation that is ready for the next exciting phase of its development. I am really looking forward to playing a role in its continuing transformation.

I hope that you enjoy reading this annual report and learning about all the great work undertaken by our organisation during the last year.

Yahya Hafesji

Chair

September 2020



AGM 2019

Message from The Chief Executive

I am writing with a heavy heart during this challenging time. The coronavirus pandemic has impacted and continues to affect the lives of everyone in the country, and across the world.

While nothing can, or should, detract from the tragic impact on so many, in the face of the very significant challenges brought by the pandemic and by lockdown, overall, we have responded with agility and focus. We have continued to provide services that meet the needs of our residents and the communities we serve.

We have revisited our business continuity and disaster recovery planning in response to this pandemic. We have implemented systems and procedures that are sufficiently flexible and reflect our size, complexity and business activities.



NLMHA performed well during 2019-20. We have added 58 newly developed homes to our property portfolio since our last AGM. Our new Business Plan takes into account an ambitious future development programme and all the other strategic challenges we will face over the next three years. It pays particular attention to continuing good governance, ensuring future financial viability, and maintaining the quality of service that our residents and other stakeholders should expect.

I would like to thank my Chair and the Board for their strategic leadership, support and wisdom in overseeing NLMHA's current performance and its future development.

I would also like to thank my colleagues for their ongoing support and dedication. We make things better when we work together. We are a great team. I firmly believe that, with residents at the heart of our organisation, we can step up and deliver outstanding performance.

We continue to strive to improve our engagement with residents and increase our accountability. We were very pleased with the results from the residents' satisfaction survey we undertook during 2019-20. It showed high satisfaction levels in virtually all categories.



We are proud that this year we have been able to continue to grow and invest in our business. Despite many challenges, our surplus for the year was £2.074 million. Every penny of that surplus and more was reinvested into building and maintaining our homes, delivering services and supporting our customers.

The introduction of the new Building Safety Regulator will be part of the biggest change in building safety for a generation throughout the sector. We are preparing to meet any challenge it poses.

Our track record demonstrates the significant value we create through the work that we do. We are strongly committed to delivering effective value for money. We always ensure that our work is underpinned by our undertaking to drive efficiency and effectiveness.

The current external environment demonstrates the importance of a commercial approach, and we will continue to work to ensure that this is reflected in all our decision-making processes, but we will always maintain our social purpose.

We find ourselves coming together in uncertain times during Covid-19 and Brexit. We have evaluated all the

risks and remain determined to serve our communities to the highest standard.

With our strong financial and operational foundations, NLMHA is in a great position to meet these challenges. The association is in good shape for the years ahead – developing new homes, maintaining and improving our existing homes, delivering excellent customer services and supporting our customers. There will be a lot of changes and challenges to navigate, but we have every confidence that NLMHA is robust, resilient and on a clear course to deliver on its strategic objectives.

We will be continuing to invest in transforming our services, while thinking about the IT platforms and technical infrastructure we need for today and tomorrow. To achieve our ambitions, we want to inspire our people too, giving them the tools to succeed and growing our reputation as a great place to work.

We cannot do all of this alone. We have received strong support and co-operation from our stakeholders. I would like to thank them for their ongoing support. I'm looking forward to working with the London Mayor, local authorities and other housing associations to find creative ways to provide more homes and to share good practice.

We have a vital role to play for the communities we serve and we will continue to fulfil our purpose through the difficult times ahead. We will develop homes for the people in housing need and will be the anchor of our communities.

Our resilience will help us to overcome all hurdles in our journey ahead.

Aziz Rahim
Chief Executive
September 2020



Aziz Rahim at BLP site

Building homes for communities

We want to build more homes for the community we serve.

We completed schemes at:

HOLTWHITES HILL

TUDOR CRESCENT

LAVENDER HILL

VALLANCE ROAD

We have an ambitious future development programme and, over the next three years, we will sweat our assets to build more new homes for the community. This is our humble contribution for people who are in desperate need of a 'permanent home'.

58 new homes added to our property portfolio since our last AGM

90 homes currently under construction

Current schemes on site:



31 New Homes



Electric Quarter – Enfield

The Electric Quarter site in Ponders End, Enfield, will provide 31 new homes for rent and shared ownership, with excellent local travel connections and smart contemporary interiors.



Church Road – Waltham Forest

Located in regenerating Leyton, Church Road will deliver ten highly-specified apartments. All apartments include a balcony or terrace, while landscaped courtyard gardens will be available for communal use.



10 Highly Specified Apartments



8 High Quality Apartments

Hunts Wharf – Hackney

Hunts Wharf will deliver eight high-quality apartments at a popular riverside location in east London, within walking distance of Clapton Station.



Stanway Street – Hackney

This site will deliver eight state-of-the-art apartments for our community, under the Hackney Living Rent scheme – which is aimed at middle-income households. Homes are being completed to a very high standard and are close to the City of London.

8 State-of-the-art Apartments



Seven Sisters Road – Hackney

This redevelopment site fronts Finsbury Park in the London Borough of Hackney. It is currently occupied by the Majestic Hotel. The proposal is to create a six-storey residential development. There will be eight new homes for our community to rent or purchase on shared ownership terms.

8 New Homes



16 contemporary apartments



Fox Lane – Enfield

This five-storey new build scheme will deliver 16 contemporary apartments, with a ground floor commercial unit let to PureGym and with a flexible function room. The apartments are arranged around a landscaped podium courtyard at first floor level.

9 New Homes



Jubilee Street – Tower Hamlets

This scheme is a short walking distance from Commercial Road in the London Borough of Tower Hamlets. We are developing nine new homes at this contemporary site.

We did what you said

You said:

Communicate more with us.

We did:

We carry out more resident engagement events to provide opportunities for residents to discuss matters that affect them.

You said:

Improve the cleaning in communal areas.

We did:

Changed the contractor and worked with residents to improve the service.

You said:

Improve the bin the area and deal with bulk rubbish when it is left unattended.

We did:

We have painted the interior of the bin rooms, improved the lighting, increased the number of bins and provided additional recycling facilities. We have also put in place a contract to remove bulk rubbish as it builds up.

You said:

Improve communication options to make it easier to get through to the right person.

We did:

- Set up text messaging service
- Set up a WhatsApp number so that residents can send images when required
- Set up generic email accounts for each department, so residents can report directly.

You said:

NLMHA rent letters were not clear.

We did:

We have reviewed generic letters with our Scrutiny Panel and made changes to the text and format.

You said:

NLMHA needs to help more on welfare reform changes.

We did:

- Door knocking to engage and update residents on the new welfare reforms
- Included a section in our newsletters to update on welfare reforms
- Provided training and consultation at residents' meetings
- Worked with external agencies to provide workshops for digital inclusion and welfare reform.

You said:

You would like more information about the repairs you report.

We did:

We Inform you of how long the job should take, the details of the contractor who will carry out the job and priority of the job.



Managing our business

We achieved a surplus of £2.07 million, from a turnover of around £8.36 million. This surplus was entirely reinvested to provide new homes and improve services.

Rent collection

Our rent collection was on target. We collected 100.3% of rent due, against a target of 100%. At year end, our rent arrears stood at 3.54%, beating our target of 4%.

Repairs

We continue to perform strongly on repairs, achieving:

100%
of emergency
repairs on
target

99%
of urgent
repairs on
target

99%
of routine
repairs on
target

100%
of gas safety
certificates
issued



Lettings

Our lettings service has been busy due to the increasing number of our properties.

We let 70 properties during the financial year. Of these, 56 were newly built affordable rent properties in Tower Hamlets and Enfield. The homes had one to four bedrooms.

Empty homes

Our average re-let time was 4.3 weeks – an improvement on the previous year. Our rent loss through properties becoming empty was 0.58%.

Complaints

We received 13 complaints during the year and answered and resolved 100% within our target timescale.

A Board for the community

NLMHA continues to thrive, led by a Board that aims to achieve more

The following members stepped down from the Board on 28 September 2019:

Ismail Yusuf
Munaf Zina
Nafisa Bhamji-Patel
David Booker



Yahya Hafesji
Chair



Mohammed Amejje
Vice Chair



Bilal Batha
Secretary



Sohail Balesaria
Treasurer



Fatima Gajia
Member
Appointed 28 Sep 2019



Sakina Hafesji
Member
Appointed 28 Sep 2019



Siraj Gajia
Member



Ed Farnsworth
Co-opted member



Anjum Bokhari
Co-opted Member



Ayodele Laleye
Co-opted Member
Appointed 5 Nov 2019



Clare Norton
Co-opted Member
Appointed 5 Nov 2019



Ebrahim Rawat
Co-opted Member
Appointed 28 Sep 2019

Nurturing our communities



Jobs and training

We have continued to work in partnership with local community centres across our area of operation, giving residents the opportunity to improve their job prospects.

We have worked in partnership with the WEA, who successfully ran workshops to engage with residents, and provided individual support with job searching, CV writing and applications.

Our residents benefited from courses to assist them into employment, which included support around childcare, interpreting and ESOL classes.

In addition, we have been running digital inclusion courses to teach residents basic IT skills. This has helped build confidence for those who have been unemployed, by allowing them to gain the skills they will need to support their new roles.

We have also guided residents to navigate the benefits system independently, so that they can understand changes and handle their own Universal Credit applications.



Tenancy sustainment and resident support

We actively supported residents to stay active to maintain their health and wellbeing.

We organised Thai Chi classes and Yoga in Hackney, Waltham Forest and Tower Hamlets. Following these sessions, we arranged successful community events to engage with different groups. We also carried out outreach work for potential future projects.

Residents took part in a multi-sports programme. This gave them experience of different types of sports and allowed them to build their strength and stimulate their minds through exercise.

We have built long-term relationships with local services and community centres, which has helped signpost residents to existing services for financial, debt management and tenancy sustainment support.

Together with Tower Hamlets Council and other local services, we took part in two 'homeseeker' events. These focused on allowing local people to explore their housing options and the various tenures open to them, while understanding the financial implications.



Tenant Scrutiny Panel

The Tenant Scrutiny Panel is a resident-led group that supports NLMHA by inspecting and scrutinising our work and policies. The Panel has continued to provide valuable feedback from a resident's viewpoint and, in turn, has helped us to continuously improve our service delivery.



A decorative background featuring a dark grey textured surface on the left and a white grid pattern on the right. A row of sharpened pencils in various colors (black, grey, pink, blue, yellow) is arranged diagonally across the top. Two small blue line drawings are visible: one of a person sitting and another of a person standing near a table.

Building satisfaction with services

During the year, we carry out a rolling programme of resident satisfaction surveys, asking questions from the industry-standard STAR survey, designed by the National Housing Federation (NHF).

The results for 2019-20 were:

87%
satisfied with
the overall
service we
provide

77%
satisfied
with overall
repairs
service

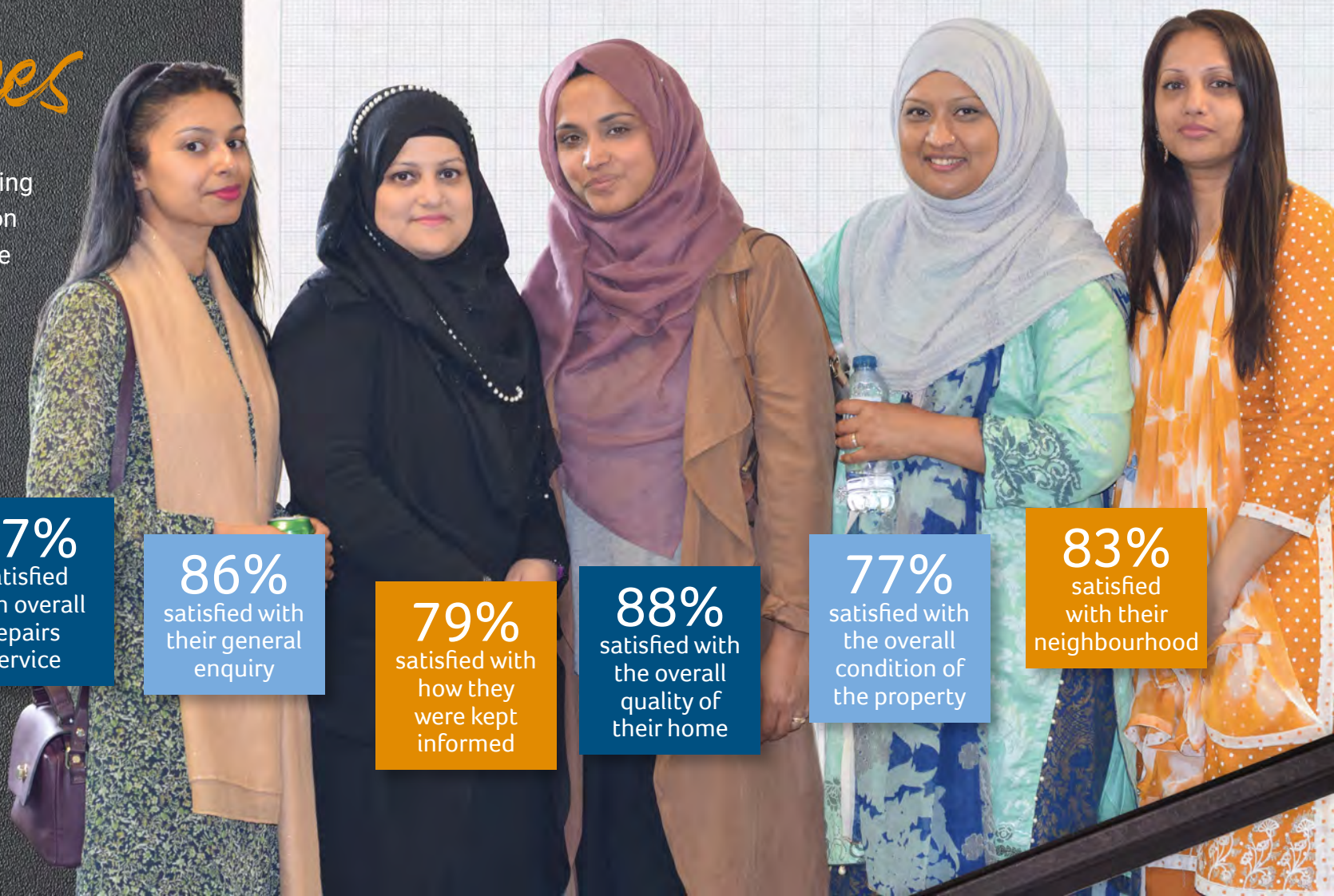
86%
satisfied with
their general
enquiry

79%
satisfied with
how they
were kept
informed

88%
satisfied with
the overall
quality of
their home

77%
satisfied with
the overall
condition of
the property

83%
satisfied
with their
neighbourhood



Inspiring young people



Following extensive outreach work, we focused on providing academic support for our younger generation. We provided supplementary tuition clubs for young people to help them exceed in their studies and engaged with them to assist with further skills.

In addition, we have actively worked with Elevate Success to run playschemes during holidays. This has supported our young people to build on their self-development and coaching skills.

Our youth group in Hackney successfully arranged a community event. The young people took the lead in facilitating and marketing the event, which gave them a sense of ownership and built community cohesion.



"I am very happy with the service and cannot thank you enough."

Margaret Owusu



Our finances

There has been another solid financial performance during the year.

The value of our housing stock at 31st March 2020 was £132m, an increase of £20m on the previous year. During the year we acquired / completed 81 general needs homes and 29 for shared ownership. We have four sites under development to deliver 47 homes for affordable and social rent; and shared ownership. Our housing stock stood at 855 general needs units, 48 shared ownership units, and 72 Managed Leaseholder.

The surplus for 2020 was £2.074m (2019 - £1,954m after depreciation). The finances were again well managed.

Moosa Bhamjee
Resources Director



Statement of comprehensive income for the year ended 31 March 2020

	2020 (£)	2019 (£)
TURNOVER	8,367,741	7,047,940
Operating costs	(5,237,313)	(4,006,116)
OPERATING SURPLUS	3,130,428	3,041,824
Gain on investment property	-	40,000
Interest receivable	29,979	13,003
Interest payable and similar charges	(1,168,738)	(1,018,365)
Surplus for the year	1,991,669	2,076,462
Other comprehensive income		
Actuarial loss on defined benefit pension liability for the year	83,000	(75,000)
Actuarial loss on defined benefit pension liability for change in accounting treatment	-	(47,000)
Total comprehensive income for the year	2,074,669	1,954,462

Turnover breakdown analysis

	2020	2019
Service charge costs	6.70%	6.76%
Management	12.81%	14.78%
Routine maintenance	6.59%	6.85%
Planned maintenance	1.76%	0.04%
Major repairs expenditure	3.32%	2.29%
Bad debts	0.40%	0.00%
Rent payable	0.48%	0.43%
Housing property depreciation	21.10%	22.69%
Loss on replacement of components	0.98%	0.56%
Interest	13.97%	14.26%
Cost of shared ownership sales	6.63%	1.90%
Other	0.47%	1.71%
Surplus for the year	24.79%	27.73%





Statement of financial position as at 31 March 2020	2020 (£)	2019 (£)
FIXED ASSETS		
Housing properties	132,415,359	111,677,520
Other fixed assets	795,551	790,301
Investment properties	440,000	440,000
	133,650,910	112,907,821
CURRENT ASSETS		
Debtors	427,076	10,552,951
Shared ownership property not sold	2,335,053	1,059,392
Cash and cash equivalents	1,805,341	484,895
	4,567,470	12,097,238
CREDITORS: Amounts falling due in less than one year	(4,285,622)	(3,808,111)
NET CURRENT ASSETS	281,848	8,289,127
TOTAL ASSETS LESS CURRENT LIABILITIES	133,932,758	121,196,948
FINANCED BY:		
CREDITORS: Amounts falling due after more than one year	110,728,191	99,954,049
Pension liabilities	239,000	352,000
	110,967,191	100,306,049
CAPITAL AND RESERVES		
Called-up non-equity share capital	136	136
Revenue reserves	22,744,905	20,670,237
Revaluation reserve	220,526	220,526
	22,965,567	20,890,899
	133,932,758	121,196,948

Value for money

The value for money metrics used by housing associations are as follows:	2020	2019
Metric 1 – Reinvestment %	17.15%	9.79%
Metric 2 – New supply delivered %	12.18%	1.20%
A. New supply delivered (social housing units) %	12.18%	1.20%
B. New supply delivered (non-social housing units) %	0.00%	0.00%
Metric 3 – Gearing %	39%	36%
Metric 4 – EBITDA MRI interest cover %	299.91%	386.74%
Metric 5 – Headline social housing cost per unit	£3,171	£3,324
Metric 6 – Operating margin %		
A. Operating margin (social housing lettings) %	37.02%	42.44%
B. Operating margin (overall) %	37.41%	42.88%
Metric 7 – Return on capital employed %	2.34%	2.49%

The metrics measures have been generally stable year on year.



Executive team

Aziz Rahim

Chief Executive

Moosa Bhamjee

Resources Director

External auditors

Nexia Smith & Williamson

25 Moorgate

London EC2R 6AY

Solicitors

Devonshires Solicitors

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Bankers

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