

Corporate Plan

2014 - 19



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end  HOMES



CORPORATE PLAN 2014/19

updated March 2016

EastendHomes

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1. Executive Summary

EastendHomes is a community based Registered Provider set up in 2005 as part of the Tower Hamlets Housing Choice Programme of estate transfers. EastendHomes currently has 2229 tenanted homes in management, with a further 1431 leasehold properties on estates. The estates comprise several clusters across the borough, from the southern part of the Isle of Dogs through to the fringe of the City of London.

EastendHomes provides a comprehensive housing management service from local estate based offices. Tenant and leaseholder involvement has been and continues to be fundamental to developing and shaping housing services in order to meet the needs, priorities and aspirations of residents.

To date, EastendHomes has invested over £120m in the improvement and regeneration of our estates and in building new affordable homes for local residents. We aim to complete all our estate regeneration programmes by 2017. The overall intended investment programme will be around £145m, which is funded from a combination of Government gap funding, Social Housing grant, our loan facility with Barclays and the remainder from income generated through EastendHomes business plan.

EastendHomes Corporate Plan 2014-2019 focusses on developing and extending the work of the organisation by focussing on five key aspects of service provision and business activity. These comprise the following:

1. Delivering excellent housing services
2. Growth
3. Regenerating neighbourhoods
4. Maximising the social and financial return on investment
5. Empowering and involving residents in our work

These core corporate objectives will be used to shape and develop team plans across the organisation, with targets and actions set which will support and enable the achievement of the corporate objectives over the period 2014-2019 set by the Board of EastendHomes.

2. Chair's Foreword

I am delighted to present EastendHomes Corporate Plan 2014-2019.

The Plan sets out our strategy and objectives over the next 5 years and provides a wealth of information about what EastendHomes has achieved, our current performance and plans to continue developing service provision, estate improvements and new affordable homes for local people.

It has been a privilege to chair the Board of EastendHomes during this exciting period of growth and development of the organisation. With my fellow Board Members, it has been immensely rewarding to have contributed to the success of the organisation and to have helped shape and oversee the work that has been carried out to regenerate the estates and improve and develop the provision of local housing services in a way which meets the needs and aspirations of our residents.

Every member of EastendHomes staff has an important role to play in helping us to achieve our objectives and in providing excellent housing services. This Corporate Plan provides a framework to support and guide staff in terms of both operational activity and organisational direction, setting the scene for the professional, innovative and excellent organisation that we are. The Senior Management Team is committed to ensuring that all members of staff have the necessary support to enable them play their role in fulfilling our key objectives. Our aim is to ensure that in the next 5 years all our staff have the skills, knowledge and motivation needed to continue to provide consistently high quality services, which meet residents' needs and aspirations and provide good value for money.

Finally, and above all, I want to thank the many residents who contribute their time, expertise and local knowledge to supporting and helping EastendHomes to fulfil its key objectives and priorities. These will continue to be focussed on providing the best possible housing service in a way which reflects the needs and aspirations of residents on our estates and to ensure that our investment and regeneration of our estates represents the best possible use of our assets and value for money.

3. Vision, Mission and Values

The vision, mission and values of the organisation are as follows:

EastendHomes Vision

“To achieve the comprehensive regeneration of our estates and to bring about a sustained improvement in the homes and quality of life for residents”

EastendHomes Mission

“To provide a local housing service which is efficient, gives value for money and meet the needs, priorities and aspirations of all residents.”

EastendHomes Values

- We value and support resident involvement
- We recognise and value the commitment and hard work by our staff.
- We will always strive to provide the best possible service.
- We welcome and support diversity and we are committed to equality.
- We want to improve and succeed in all aspects of our work.

4. EastendHomes - A brief review from 2005 onwards

EastendHomes has been in operation for almost ten years. In that time, we have invested over £120m in the improvement and refurbishment of its estates; rehoused 92 overcrowded families through our overcrowding reduction initiative; developed 229 homes for social rent; 29 private rented homes; and facilitated the provision of 800 homes for sale.

Since transfer, EastendHomes has focussed on delivering the transfer promises it made before the transfers of the estates from the London Borough of Tower Hamlets, and developed and provided high quality, localised services. Strategically located housing centres on our estates provide a presence on the ground to respond to the needs of our communities. Alongside refurbishing our properties and creating more affordable homes, EastendHomes has built or is developing community centres on all of its estates. These centres create a hub and a resource for the community and they help attract partners and activities that assist in meeting the needs of the community.

The organisation has supported the delivery of the London Borough of Tower Hamlets Community Plan during this time and the key objectives of the previous Corporate Plan were developed around the framework and aspirations of the borough Community Plan.

- A great place to live
- A healthy and supportive community
- A safe and cohesive community
- A prosperous community.

EastendHomes excelled in its Audit Commission inspection in 2008, being rated as providing good services with promising prospects for improvement, an excellent result at the time for such a new and comparatively small housing association.

The needs and aspirations of the organisation have evolved over time and, in February 2014, the EastendHomes Board undertook a review of the objectives of the organisation with reference to the evolving key priorities. It was acknowledged that these would continue to contribute to supporting the wider aims of the Council, but it was also recognised that as a Registered Provider of social housing, EastendHomes' sphere of activity was more focussed than that of the local authority. It was also acknowledged that as part of planning for the future, EastendHomes does not necessarily need to remain exclusively focussed in Tower Hamlets, and may wish to consider sensible investment opportunities elsewhere which support business growth.

In its early years, EastendHomes deployed significant time and resources in establishing ways of working that deliver high quality services. This organisational gestation has meant that focus has been on delivering rapid improvements to the quality of services, which together with the localised delivery structure adopted has meant that costs per unit have been relatively high. As the organisation continues to develop, it is increasingly important to place a greater focus on value for money through planned review of key cost areas like repairs, and through unit cost reduction (i.e. managing more properties with existing levels of resources). The ethos and commitment of the organisation to deliver localised services means that EastendHomes may remain above the peer

group median but there is evidence that providing services within this framework is viable, affordable and that those services have continually improved across the life of the business.

In the period covered by the previous Corporate Plan for 2009/14, EastendHomes achieved a range of noteworthy achievements across a number of areas. These are summarised in the Appendix A of this Plan.

Homes in Management

2013/14	№ at 1 April 2009	№ at 1 April 2010	№ at 1 April 2011	№ at 1 April 2012	№ at 1 April 2013	№ at 1 April 2014	№ at 1 April 2015
General Needs	2,106	2,105	2,127	2,208	2,226	2,229	2,210
Leasehold	1,430	1,427	1,429	1,427	1,416	1,431	1,446
Private Rent	0	0	0	0	1	29	31
Total	3,536	3,532	3,556	3,635	3,643	3,689	3,687

The introduction of new build properties through EastendHomes estate regeneration schemes saw a continued increase in the number of properties managed during the period of our previous Corporate Plan (2009-14). Although some old properties were demolished to facilitate the redevelopment of estates, significantly more new homes for social rent have been created (229 in total). The regeneration programmes have also made particular impact in increasing our provision of much-needed family sized accommodation. The number of tenanted homes with four bedrooms or more has increased from 82 in 2009 to 135 in 2014. There have also been a small number of properties sold to tenants who choose to exercise their Right to Buy, with this figure increasing since the maximum available discount was increased in 2013.

As well as renovating and improving the quality of the homes we manage, EastendHomes continues to explore opportunities for growth, and this is set out in the strategic objectives identified in this plan. Housing need continues to significantly outstrip affordable housing supply in Tower Hamlets and EastendHomes is committed to pursuing all prudent opportunities to develop new homes and tackle local housing need.

Satisfaction with EastendHomes services

Performance Indicator	2015/16 Perf.	2014/15 Perf.	2013/14 Perf.	2012/13 Perf.	2011/12 Perf.	2010/11 Perf.
Tenant satisfaction with overall service provided by EeH	82.88%	N/A	84.03%	82.43%	74.60%	69.00%
Tenant satisfaction that EeH listens to views and acts upon them	60.59%	N/A	65.76%	63.39%	57.64%	53.00%
Tenants satisfied with the quality of their home	77.90%	N/A	78.55%	79.22%	74.60%	68.88%
Tenant satisfied that rent payments represent value for money	68.74%	N/A	68.59%	66.95%	66.13%	61.47%
Tenants satisfied with their neighbourhood as a place to live	78.95%	N/A	80.83%	80.82%	74.07%	67.62%
Tenants satisfied with the way EeH deals with repairs and maintenance	76.34%	N/A	78.30%	76.32%	76.53%	68.59%
Tenants satisfied with estate services*	74.42%	N/A	79.21%*	77.37%*	78.48%*	78.22%*
New tenant Satisfaction with condition of home	TBC	86.96%	82.10%	82.00%	87.00%	84.00%
Satisfaction with quality of last completed repair	TBC	97.63%	94.93%	N/A	87.00%	77.98%
Lettings Satisfaction with lettings service (transfer list only)	TBC	93.75%	72.72%	65.00%	54.00%	73.00%
Homeowner satisfaction with overall service provided by EeH	60.69%	N/A	54.84%	56.49%	46.02%	43.00%
Homeowner satisfaction that EeH listens to views and acts upon them	31.73%	N/A	43.06%	39.42%	29.82%	27.67%
Homeowners satisfied with the quality of their home	75.19%	N/A	75.81%	79.85%	67.27%	59.43%
Homeowners satisfied that service charge payments represent value for money	30.74%	N/A	26.15%	26.52%	15.79%	22.00%
Homeowners satisfied with their neighbourhood as a place to live	67.84%	N/A	66.67%	61.48%	58.56%	61.84%
Homeowners satisfied with estate services*	53.96%	N/A	51.58%	51.85%*	49.12%*	48.53%*

*Tenants prior to 2015/16 and homeowners prior to 2013/14 were asked for satisfaction with the cleaning and upkeep of communal areas, before a standardised 'estate services' question (including horticulture) was adopted.

EastendHomes regularly monitors our residents' satisfaction with a number of services. Every time a resident interacts with us on a number of key services, for example reporting a repair, making a complaint, moving into a new home, or reporting an incident of anti-social behaviour, we will ask

that resident for their feedback. These 'on-the-spot' or reactive surveys give us immediate feedback on how our residents perceive the service they have received from EastendHomes.

Additionally, EastendHomes carries out an annual comprehensive survey asking for opinions and impressions across a wide range of service areas. Since 2010/11 these have been completed approximately every eighteen months, and sent to all of our tenants and leaseholders. The table above summarises the results of these surveys between 2010/11 and 2015/16, including some reactive satisfaction figures. The headline trend in resident satisfaction over this period has been an increase in satisfaction with EastendHomes services, with significant increases in both tenant and leaseholder satisfaction with the overall service provided. Satisfaction with key services including the local neighbourhood, the repairs service, and the quality of their home has also increased over this period.

Business Performance

	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10
Current tenant rent arrears	814,625	821,269	705,669	606,431	556,041	605,665
Former tenant rent arrears	400,164	376,457	327,084	314,681	324,703	322,822
Proportion of rent collected	100.06%	99.49%	98.30%	99.35%	99.43%	97.43%
Rent loss on empty homes	82,127	50,026	60,777	132,720	142,537	139,115
Rent loss due to voids as % of debit	0.53%	0.34%	0.43%	1.07%	1.26%	1.24%
Total arrears as % of debit	7.83%	8.02%	7.31%	7.42%	7.77%	8.25%
Current tenant arrears as % of debit	5.23%	5.50%	5.00%	4.88%	4.91%	5.38%
Current tenant arrears as % of debit (week 50 – last HB week)	2.71%	2.95%	3.16%	2.81%	2.96%	3.55%
Tenant satisfaction with repairs service (STAR/STATUS)	N/A	78.30%	76.35%	73.53%	68.59%	N/A
Tenant satisfaction that staff can deal with their query (STAR/STATUS)	N/A	78.98%	75.55%	80.90%	67.33%	N/A
Staff Absence (ave. no. days lost)	11.6	6.74	6.38	4.61	5.02	11.61
Decent Homes Standard	95.75%	91.80%	90.90%	85.20%	82.40%	80.05%

The table above summarises key elements of business performance in the period 2009-14. The proportion of rental income lost due to homes being empty between tenancies fell notably in this period, from 1.24% of available income in 2009/10 to 0.34% in 2013/14 in line with our improved void turnaround performance. The level of rent arrears in 2013/14 was affected by an additional week of rent payments in the financial year, which meant that the four-weekly schedule of Housing Benefit payments did not match to the payment schedule of previous years. The underlying trend is of strong rent collection, with 98-99% of rent being collected and around 3% in current tenant arrears once Housing Benefit is accounted for.

5. Strategic Objectives

Over the period of this 2014-2019 Corporate Plan, EastendHomes will complete the remainder of its regeneration work on a small number of estates, and thereafter, from 2017 onwards, EastendHomes will focus on a programme of planned estate maintenance and capital improvement works.

The Corporate Plan 2014-2019 is focussed on five key aspects of EastendHomes business activity.

These are:

- delivering an excellent housing service
- business growth
- regenerating neighbourhoods
- maximising social and financial return on investment
- empowering and involving residents in our work.

The overall ambitions of the company remain the same as that set out in earlier Corporate Plans with an emphasis on service development, value for money, effective asset management and the development of innovative ways to improve and increase the housing opportunities of our residents through the provision of new affordable homes. This ambition has been underpinned by EastendHomes' success in attracting significant additional investment to assist in the regeneration of our estates.

Framework and Key Themes:

1. Deliver excellent housing services

- Maintain a sustained focus on improving how we work as an organisation
- Provide an accessible local housing service
- Maintain our properties to a high standard
- Provide support for residents in difficulty, including by signposting them to specialist agencies
- Let properties in a timely and efficient manner
- Collect rent due, balancing support for tenants with appropriate enforcement
- Offer support and intervention to prevent anti-social behaviour occurring or recurring, working with appropriate partners
- Ensure our cleaning and horticultural maintenance create a pleasant environment in which to live
- Provide a safe environment for residents and staff

2. Business growth

- Build more high quality homes to address local housing needs and demand
- Develop and implement strategy for acquisition of new homes that meet the diverse range of housing needs
- Explore new opportunities for business growth whether they be in or out of the borough
- Be aware of emerging housing needs, create choices and respond to future demands
- Consider new areas of business which complement our existing skills, asset base and services

- Continue to identify opportunities to increase the number of intermediate/sub market rented homes where such investment will produce a surplus for re-investment in the core charitable business of EeH
- Ensure that EastendHomes develops its staff and Board members' skills to deliver the evolving ambitions of the Board
- Explore opportunities for extending EeH leasehold management services including the full management of private blocks where the freehold is owned by EastendHomes and the management of intermediate/sub- market rent blocks.

3. Regenerate neighbourhoods

- Ensure EastendHomes continues to fulfil the requirements for meeting the Decent Homes Standard
- Complete our estate improvement and regeneration programmes
- Continue with the provision and improvement of community facilities and promote their use by all sections of the community
- Design out areas of crime
- Increase and promote energy efficiency
- Attract investment into areas in which EastendHomes operates
- Ensure the effective integration of regeneration strategies by working with stakeholders and the voluntary, public and private sectors

4. Maximise social and financial return on investment

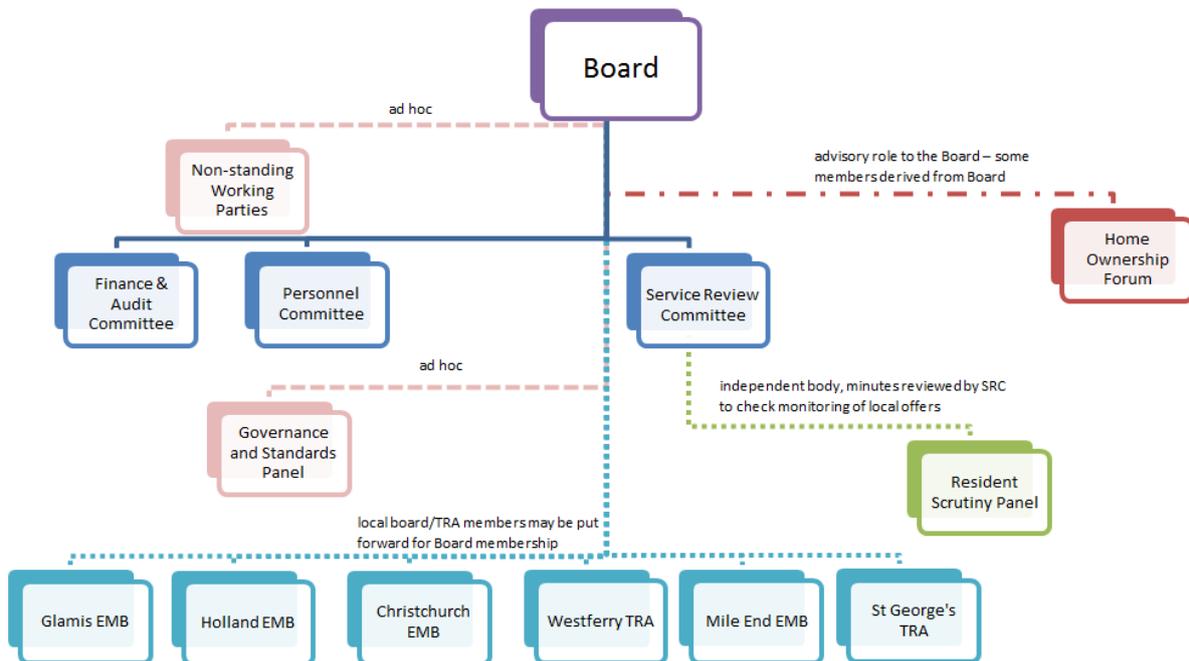
- Make the most effective use of available resources and assets
- Understand our assets and how they can best deliver social or financial value
- Develop ways of responding to the changing needs of our residents and communities
- Work with specialist employment agencies to reduce worklessness on our estates
- Work with our partners to support vocational training and language skills development amongst our residents
- Maximise income to pay for services
- Identify the most efficient ways of procuring and providing services

5. Empower and involve residents in our work

- Consult and work with residents on how to improve the provision of services
- Communicate with our residents in ways they want us to
- Help residents to develop their skills to play a greater role within EastendHomes
- Work to ensure that the voices of all residents are heard, including hard-to-reach groups
- Understand through our engagement processes the services which matter to residents and can improve their quality of life
- Support community groups on EastendHomes estates

These core corporate objectives will form the basis for developing team plans across the organisation, which will translate the objectives in to the actions required to achieve them. Board reports, strategies and policies will be assessed for their contribution to and compatibility with these corporate objectives as part of the process of asking the Board to reach decisions.

6. Governance Structure



In compliance and recognition of good governance guidelines and the National Housing Federation (NHF) Code of Governance, EastendHomes took the decision in 2014 to reduce the size of the Board from 18 to 12 members.

With a Board which includes five tenant and leaseholder members, EastendHomes continues to facilitate and support the substantial involvement of our residents in how the organisation is run. The effective governance of the organisation is achieved through meetings of the Board (at least quarterly), and delegation of a range of responsibilities to three standing sub-committees, with further bodies set up on an *ad hoc* basis. The allocation of responsibilities is as follows:

Board: The Board takes ultimate responsibility for all decisions, including service provision, business, financial and strategic planning, and company policy. It is composed of a mixture of residents, independent members and Council nominees.

The Board structure of 12 members comprises the following:

- 5 Resident Board members
- 5 Independent Board members
- 2 Board members nominated on an annual basis by Tower Hamlets Council.

The names and a short biography of current Board members can be found on the EastendHomes website: www.eastendhomes.net

Board policy is to ensure that the tenure of the Resident Board members should reflect the tenure balance within EastendHomes stock overall. This means that the 5 Resident Board members should

comprise 3 tenants and 2 leaseholders. Nominations for Resident Board members can be made by the estate boards or from tenants and leaseholders living in EastendHomes housing estates.

Appointment is made following consideration of the nominations/applications and a selection process which includes an interview.

Applications for Independent Board members are sought through advertisement in local newspapers and housing journals and appointment is made following a selection process, including interview.

Council nominees for Board members are provided on an annual basis by Tower Hamlets Council and serve for a year on the Board.

Resident and Independent Board members may serve on the Board up to a maximum of 9 years. Initial appointment is for a 3 year term. If reappointed, the Board member may serve for a further 3 years followed by annual reappointment up to the maximum overall term of 9 years.

F&A: The Finance & Audit Committee receives detailed reports on the financial performance of the organisation, and monitors whether adequate action is being taken to meet our business plan and deliver the finances necessary to achieve our goals. The committee also considers the findings of independent audits carried out on EastendHomes services and assesses the actions taken to follow up on any recommendations arising from these audits.

Personnel: The Personnel Committee considers matters relating to human resources for EastendHomes, as an employer of over 130 staff. Its responsibilities include Personnel policies, employment issues, monitoring sickness levels and how these are being managed, remuneration levels, and considering reports comprising a range of HR data.

SRC: The Service Review Committee is the body which review most of EastendHomes policies, those relating to housing services. It also considers the findings of service reviews which are conducted, receives reports on accreditations or similar external assessments, and analyses in detail the Key Performance Indicators for the organisation, setting annual targets for performance improvement.

The Board also receives input from other bodies.

Board members participate on the *Home Ownership Forum*, along with leaseholders from EastendHomes estates. The forum is an advisory body to the Board which helps to ensure that leaseholder input and perspectives are considered in the decisions the Board makes about how to deliver home ownership services and associated matters such as service charges and major works recharges.

The *Resident Scrutiny Panel* was set up as part of the 'co-regulation' regime which was introduced by the Tenant Services Authority in 2010, and exists as an independent body which scrutinises EastendHomes' activity. The panel choose for themselves the areas they want to look at, and their findings are reported back to the Board through the Service Review Committee.

Separately to its governance structures, EastendHomes has a wholly-owned subsidiary known as EastendHomes (Community Development) Ltd. This arrangement largely supports the tax-efficient receipts of income generated through development partnerships and allows for holdings in non-regulated areas. These arrangements support the corporate objectives of completing our estate

regeneration programmes and attracting additional investment into the areas in which we work. The work of the subsidiary forms a relatively small part of the overall business activity of EastendHomes.

7. Strengths; Weaknesses; Opportunities and Threats (SWOT Analysis)

Strengths	Weaknesses
<ul style="list-style-type: none"> • Continued performance improvement • Good resident satisfaction levels • Committed board members who actively provide strategic direction. • Effective governance and management structure • Localised services achieving clean, well managed estates • Land values have supported estate regeneration • Tight financial management of resources and realistic application of market forces to business plan projections • Major works schemes are robustly aligned to funding available • Robust delivery of high quality new housing, both social and private • Experienced and committed staff • Good resident consultation and involvement framework • Ability to assemble and deliver complex estate regeneration projects • Focussed geographical base • Stable senior management team • Positive regulatory engagement and judgements from the HCA • Engaged with wide range of partners undertaking innovative work • Value for Money imbedded within the organisation 	<ul style="list-style-type: none"> • Some service areas are high cost • Cash reserves still subject to careful management to fund programme • Organisation subject to volatile political climate which could impact on achievement of corporate objectives and the efficient deployment of resources • Not fully utilising IT functionality to deliver all services • Residual blocks on some estates still require improvement • Some functions out-sourced because of limited in-house capacity • Have found it difficult to manage all aspects of regeneration schemes including management arrangements for some blocks freeholded back to us • Inability to mitigate against the financial impact of the rejuvenated Right to Buy • Need to develop granular analysis of our property portfolio costs
Opportunities	Threats
<ul style="list-style-type: none"> • Capacity to continue development of the organisation through new stock acquisition • Rising land values increasing overage • Opportunity to get more resident and professional involvement through opening up of co-opting to Committees • Harnessing LGA grant to investment partner • Innovation in service based on local residents priorities and involvement • Excellent re-development potential at Holland through proximity to city • Opportunities to partner with other developers to produce additional social housing through in-fills and add-ons • Ancillary community benefits arising out of regeneration schemes, e.g. increase in nurseries, dentists etc. within our estate • Opportunity to improve employment within local estates through regeneration and/or procurement • Staff taking on multi-tenure management • Potential to expand business by taking on portfolios within the traditional private market 	<ul style="list-style-type: none"> • Decrease in/ abolition of government support for social housing provision • Failure to meet decent homes standard within agreed timescale because of defective structural housing • On-going disruption to effective engagement with the council • Increased interest payments as a result of rollover of fixed term loans • Impact of loss of rental stream of additional Right to Buy properties on Business Plan • Failure to address the priorities of the majority by focussing on the needs of the most vocal • Inability to reduce service costs • Poor performance in collection of major works service charges impacting on Business Plan • Impact of Welfare Reform on income

8. Service Provision

The core operational business of EastendHomes is the provision of effective and efficient housing management services. The provision of good customer service to residents is a central element of this and feedback from our service users influences how our services are developed and delivered. EastendHomes aims to provide services that are:

- Responsive and flexible to the diverse and changing needs of residents
- Delivered consistently over time and to all users, and right first time wherever possible
- Easy to access by a range of means
- Provided in a cost-effective manner.

Consistent and continuous improvement in all aspects of our core housing business, particularly customer service, is of the highest importance for EastendHomes. We will work towards achieving this by:

- Developing our understanding of the diverse needs of different communities and customers and providing services that respond to their requirements
- Inculcating an organisational culture of always trying to find ways to improve
- Communicating our customer service standards effectively so that residents know what they can expect from us
- Ensuring that staff are equipped to provide this customer focused service
- Seeking feedback from residents, acting on feedback and reporting outcomes to residents
- Increasing the range of ways in which we seek residents views and perceptions of service provision
- Supporting the development of customer-facing staff, and recruiting, encouraging, and rewarding staff who perform well
- Ensuring that our systems and procedures are customer focused, including review by our involved residents.

The EastendHomes management structure is designed to ensure strong corporate management focus and overall strategic direction for the organisation, whilst providing local housing offices with a devolved framework of responsibilities within which to deliver high quality customer focussed services.

Our commitment to good service provision entails a determination to develop the skills and knowledge of staff across the organisation. EastendHomes recognises that the ability to respond to changing circumstances requires a proactive approach to empowering staff to tackle a wide and evolving range of tasks in a consistent manner and in keeping with our service aims, objectives and targets.

Over the 5 year period of the 2009-2014 Corporate Plan, EastendHomes has focussed significant time and resources on developing and sustaining the improvements in service provision that have been achieved since the transfer of the estates. This can be evidenced by the year on year increase

in resident satisfaction with the services provided by EastendHomes as demonstrated in Chapter 4 of this Plan.

9. Asset Management and Regeneration

The EastendHomes regeneration programme has ensured that 96% (as at November 2014) tenanted homes have been made decent, estate facilities upgraded, and external environment areas improved. In addition, a number of new affordable homes for social rent have been provided and this programme will continue under the new plan with completion scheduled for 2016.

To date EastendHomes has invested over £120m in estate regeneration, improvement and new homes. The total planned investment over the lifetime of the programme is currently around £145m but this may increase as and when additional resources are identified support additional investment.

In terms of estate regeneration and improvement, work has been completed on the British Street estate in Mile End and further schemes are progressing well at the St Georges, Bede and Eric/Treby estates. In addition to modernisation and improvements to EastendHomes stock on these estates, 229 new affordable homes for social rent have been completed and let to tenants.

The new build scheme on the Isle of Dogs (Island gardens) and the Holland estates are well advanced and we have started on building new homes on the Glamis Estate. In principle planning permission for the redevelopment of the Calder's Wharf (Isle of Dogs) community facility has also been granted.

Alongside the ongoing works to our existing stock the EastendHomes new build programme will continue to progress. This consists of 293 new affordable social rented homes as detailed below.

- 229 new homes completed and let to date:
 - 24 British Estate
 - 82 Bede Estate
 - 54 St. Georges Estate
 - 50 Eric/Treby Estates
 - 19 Holland Estate

- 62 new homes currently on site:
 - 33 Holland Estate
 - 10 Glamis Estate
 - 19 Island Gardens

2 further social rent units are included in the Calder's Wharf Community Centre redevelopment.

10. Estate Regeneration and Development: By Estate

MILE END EAST ESTATES

British Estate

The scheme includes:

- Complete internal and external refurbishment of all blocks
- Development partnership generated nearly £11m in land value
- Receipts recycled into the refurbishment of the estates
- 185 new homes
- 24 new rented homes
- 10% of new sale homes for family accommodation
- New purpose built Community/Cultural facilities
- New shopping facilities

Bede Estate

The regeneration scheme is virtually complete and includes:

- Construction of 236 new homes
- Cross subsidy of £11.4m
- 82 new affordable homes for social rental - all let
- New shop/Commercial units
- New children's play facilities
- Removal of unpopular staircases with new
- Disused car park brought back into use
- Extensive environmental enhancement work
- Provision of 18 units of intermediate/private rent units
- New Community facility built in partnership with the Local Authority

Eric and Treby Estates

The regeneration scheme is well underway with the remaining works contracts to be let in 2014 and includes:

- Construction of 179 new homes
- £11.1m of cross subsidy generated for reinvestment
- Large units to combat overcrowding
- Extensive environmental enhancement work has been completed
- New Community facilities are completed and open
- A new housing centre completed using disused existing space
- The old housing centre site has been made available for house building
- Potential partnership pilot to provide new homes on top of existing blocks
- 27 units for private rent on the estate providing 'added value' cross subsidy
- Award winning environmental works
- New commercial units

ISLAND GARDENS

The regeneration scheme is progressing well and includes:

- Construction of 127 new homes
- £4m of cross subsidy will be generated for reinvestment
- Building new community facilities at Calder's Wharf should start in 2015
- 21 new homes for social rent
- 7 new properties for shared ownership
- New commercial unit
- New and improved landscaped public open space
- Window replacement programme at Grosvenor Wharf Road and Empire Wharf Road.

ST GEORGES ESTATE

The regeneration scheme is all but complete and includes:

- Refurbishment works to all blocks on the estate
- Radical redesign including removal of access ways and concrete stair towers
- Construction of 193 new homes primarily replacing concrete stair towers
- £11m of cross subsidy has been generated for reinvestment
- Construction of new community facility is complete
- 54 new homes for social rent
- Refurbishment of unused underground garage
- Award winning and improved landscaped public open space.

GLAMIS ESTATE

The first phases of the regeneration scheme has been completed including:

- Internal refurbishment
- Upgrading of the heating and hot water system (phase 1)
- Window renewals
- Environmental enhancement works as part of a corporate volunteer programme.

Work has started on:

- New build has started on 39 new homes
- 10 new social housing units
- Will generate approximately £2m for reinvestment on the estate.

Other works are scheduled up to 2017 including lift replacement; and cladding for Gordon House subject to further resident consultation.

HOLLAND ESTATE

The major redevelopment works around Denning Point are largely complete. The rest of the estate consisting of brick-built blocks built between 1927 and 1937 have been refurbished internally and two of the blocks are currently having external enveloping works undertaken and the installation of lifts. The majority of the blocks are currently subject to a development feasibility study based on their high-value location; ongoing maintenance costs; and resident consultation. It is anticipated the feasibility study will be completed in 2015.

The area around Denning Point is currently part of an important regeneration scheme scheduled to complete in March 2015 and will:

- Build 209 new homes
- 68 for social rent
- 13 shared ownership units
- Provide a new head office for EastendHomes
- Transform an existing 81 unit tower block
- Provide new commercial and retail units
- Generate around £17m cross subsidy.

2014-2019 – Regeneration and Investment Framework

The key elements of the work over the next 5 years are as follows:

- Completing the remaining decent homes programme
- Finishing the regeneration programme
- Provide and improve community facilities
- Expanding the intermediate housing offer
- Development and options appraisals on estate redevelopment
- Options for estate densification
- Ensure energy efficiency measures are integral to estate improvement programme.

Decent Homes

Currently 96% of EastendHomes meet the Decent Homes Standard and the majority of the remaining properties will have works contracts let to deal with this before the end of 2014. There are some properties requiring further granular appraisal of the cost effectiveness of undertaking works given the high cost of refurbishment and the existing high property values of such properties. A measured assessment of potential high value property disposal linked to stock acquisition is being undertaken.

Completing the Regeneration Programme

The current programme is scheduled to commit investment of around £22m up to 2016/17. This is primarily focused on completing existing work programmes, including the decent homes work to a number of blocks at Mile End; completing the new build programme; the refurbishment of Herbert and Jacobson Houses on the Holland estate; renewing lifts on the Glamis estate; and working on the environmental enhancement programme across all our estates.

Intermediate Housing

EastendHomes has undertaken a limited programme of expansion of our intermediate/private rent portfolio. This has included the 'off-the shelf' purchase of a 27 unit block (The Browning Apartments) on the Eric estate in Mile End alongside the separate re-purchase of two ex-Right to Buy properties within our existing estates. EastendHomes has also committed to purchasing another small block of 18 units currently being built on the Bede estate which is scheduled for completion in 2016. This modest programme is forecast to produce a long term revenue stream to help fund EastendHomes core charitable activities. It is our intention to seek further prudent opportunities for limited expansion in this way, concentrating this expansion on our existing estates which will ensure any increase in management costs is minimised.

Development and Options Appraisals – Estate Redevelopment

Working with residents and the Council EastendHomes has begun examining the redevelopment potential of five blocks on the Holland estate in Spitalfields. The blocks concerned comprise 192 homes and were built between 77 and 87 years ago. They currently have no lift access, the space standards reflect the housing needs of a different century, maintenance costs are steadily rising and the blocks now require significant investment to bring them up to a reasonable condition including major repairs to the external envelope of the buildings.

The high land and property values of the estate produced by the location of the estate and proximity to the City of London provides EastendHomes with an opportunity to reprovide social housing to a higher level than the existing dwellings while benefitting from the cross subsidy produced by high market values.

An architectural and financial feasibility study has been commissioned and this exercise will be completed next year, following resident consultation. If the funding and planning issues identified in the feasibility study can be addressed, and there is resident support for the development of the site, EastendHomes will commission further work on progressing this opportunity.

Estate Densification

Part of a master planning exercise undertaken at the time of the estate transfers identified the potential for some additional 'infill' units to be constructed on the Bede and Eric estates. This primarily focussed on the conversion of underused garages and access stair towers, where significant anti-social behaviour problems had occurred. It is proposed that further feasibility work should be undertaken to develop a new build scheme for these areas. This work will be undertaken in partnership with a local developer.

Initial appraisal work suggests that a pilot scheme consisting of 45 units with 14 social housing units (31% by social housing by unit and 35% by habitable room) could be developed.

This would include the conversion of Windermere House garages and central staircase; Wentworth Mews garages; the development of a small site on Bow Common Lane and adding additional storeys to the roof of Windermere House providing 20 new units. It is anticipated that if agreed all properties would be built under licence with the freehold remaining with EastendHomes.

If this initial scheme progresses successfully it would provide a potential model for increasing densities and supply throughout EastendHomes stock.

11. Communications

Effective communication will play an important role in the planning and provision of services and in running the organisation.

Board members need good information of the right quality, detail and length to enable them to make informed decisions, and to monitor and review the implementation of those decisions.

Management must have access to clear performance information to enable them to make sound judgements about the deployment of resources, and effective mechanisms to communicate decisions to staff.

Staff need clear information about what the organisation expects of them, together with opportunities to contribute to operational effectiveness.

Tenants and leaseholders need to be provided with clear and concise information about the services we provide, and to be provided with the support and training to make an effective contribution to the development and delivery of services.

Current and prospective external partners need clear information about EastendHomes as a social business in order to help determine the best way in which mutually beneficial partnership working can be developed.

In the context of the above principles, EastendHomes will continue to develop and increase its effectiveness in these areas. We will concentrate on the following core elements of our communications strategy:

- Production of the quarterly newsletter delivered to all tenants and leaseholders on all EastendHomes estates, supplemented by locally produced estate newsletters focussing on regeneration and local issues
- The production of a range of supplementary consultation and communication publications geared to specific issues e.g. major repairs and regeneration schemes, service initiatives, leaseholder issues, etc.
- The ongoing review and revision of all information material to ensure that our communications with residents are jargon free and clear as possible
- Production of the quarterly e-newsletter for all staff
- The development of a new EastendHomes website which will go live in 2015
- Achievement of key organisational objectives through an effective Staff Appraisal Scheme
- Working with an external media and communications professional in order to highlight and showcase EastendHomes achievements and to help shape EastendHomes communications strategy.

12. Financial Review and Value for Money (VFM)

EastendHomes has a Group Financial Plan which sets out the budgets, financial projections and performance over a rolling 30 year period. This assists the Board in reviewing how EastendHomes is managing its finances and investment strategy and provides a context for Board decisions.

EastendHomes currently has an agreed loan facility of £60m with Barclay's, of which £44.5m had been drawn down at 31st March 2014. This loan is secured against EastendHomes housing stock.

Under the current plan, a peak debt of £52.5m is forecast to be reached during 2014/15. The Finance & Audit Committee and the Board regularly review the loan covenants EastendHomes has in place, to ensure compliance with the requirements of the lending facility.

Value for Money (VFM)

A key aspect of service provision is EastendHomes determination to operate in the most efficient and cost effective manner possible. EastendHomes operates a Value for Money strategy to coordinate our approach to improving the efficiency with which we deliver services.

Our approach to VFM

In 2012 EastendHomes Board reviewed its VFM Strategy as part of its continuous cycle of policy reviews, in the context of the new regulatory standards and good practice.

EastendHomes' Value for Money Strategy has been developed with reference to the Corporate Plan, with a focus on improving the transferred housing stock and regenerating estates. It is driven by our commitment to achieve the Vision and Mission of the organisation and uses performance information to deliver improvements in cost and quality.

EastendHomes' business plan is prepared on prudent assumptions. To ensure continuing compliance with the company's loan covenants, EastendHomes conducts monthly budget performance monitoring and cash flow monitoring. The Board's Finance & Audit Committee annually reviews and approves the business plan, and scrutinises the management accounts quarterly.

What VFM means to EastendHomes

EastendHomes' overarching definition of VFM is optimising sustainable performance of all its assets, including financial, social and environmental returns. EastendHomes approach to VFM includes three key elements:

Strategic Delivery

- Delivering EastendHomes' Vision, Mission and "One Tower Hamlets" ambitions by providing homes and services at the right cost, which are fit for purpose and of the right quality for the needs and aspirations of our residents and stakeholders
- Reflecting priorities stated in the Corporate Plan
- Delivering neighborhood regeneration and investment

Return on Assets

- Making the best use of physical and human resources and considering alternative approaches of service delivery
- Maintaining financial viability and adhering to the banking covenants
- Maximizing borrowing capacity to deliver EastendHomes' ambitions

Social Value

- Facilitating social, economic and environmental benefits for stakeholders
- Reality checking to confirm positive impacts
- Reporting back to stakeholders, including producing the Annual Report to residents

EastendHomes sets and determines areas for review annually based on cost and performance, through our continuous improvement strategy. To encourage innovative thinking in pursuing VFM opportunities, staff members are regularly asked to contribute their VFM suggestions and initiatives.

Delivering VFM

The Board monitors delivery of the VFM Strategy through regular review of the VFM Action Plan, and has appointed a VFM Champion from within its membership to scrutinise all Board decisions for VFM implications.

Up to and including the 2013/14 financial year, EastendHomes excluded income sources such as anticipated overage income receipts, Right to Buy sales receipts, and rechargeable Major Works to leasehold properties from income projections in the business plan. In 2013/14 there was circa £5m of income from these sources, contributing to a significant outperformance of the business plan projections. In February 2014, at a strategic planning session, Board members considered the impact of a number of variables on the company's long term liquidity position and gained assurance of EastendHomes' ability to repay loan debts as they fall due. The Board also decided to include some prudent amounts of anticipated income from previously excluded sources into the business plan from 2014/15 onwards.

2014/15 to 2018/19 – Business Plan Projections

Income & Expenditure					
Figures in £'000s	2014/15	2015/16	2016/17	2017/18	2018/19
Turnover	22,624	29,751	23,020	23,855	24,710
Operating Costs	(14,178)	(15,179)	(15,785)	(16,239)	(16,699)
Operating Surplus	8,446	14,572	7,235	7,616	8,011
Interest Payable	(2,427)	(2,510)	(2,307)	(2,037)	(1,720)
Investing Activities					
Figures in £'000s	2014/15	2015/16	2016/17	2017/18	2018/19
Refurbishment/Planned maintenance/New social housing build programme	(21,022)	(6,491)	(2,925)	(2,990)	(3,057)
Right to buy buyback Programme	(1,250)	(1,281)	(1,313)	(1,346)	(1,380)
Private Rent Programme	(1,586)	(2,114)	-	-	-
Number of Managed Properties					
	2014/15	2015/16	2016/17	2017/18	2018/19
General Needs Properties					
Opening units	2,229	2,214	2,251	2,248	2,233
Right to buy sales	(15)	(15)	(15)	(15)	(15)
New build	-	52	12	-	-
Closing units	2,214	2,251	2,248	2,233	2,218
Private Rent Properties					
Opening units	29	34	39	62	67
Right to buy buybacks	5	5	5	5	5
New build	-	-	18	-	-
Closing units	34	39	62	67	72
Leasehold Properties					
Opening units	1,431	1,446	1,461	1,476	1,491
Right to buy sales	15	15	15	15	15
Closing units	1,446	1,461	1,476	1,491	1,506
Total number of managed	3,694	3,751	3,786	3,791	3,796

Financial Summary

- The five financial forecasts figures are extracted from the approved EastendHomes 30 year Business plan which is fully funded through year on year surpluses generated from operating activities, land sale and overage income receipts and loan drawdown from the agreed facility

with Barclays. The Plan indicates a peak debt of £52.5m in 2014/15 and a final payback year in 2029/30.

2. The overall plan is prepared on prudent assumptions and takes cognizance of the need to comply with our lenders' covenants whilst seeking to achieve our corporate objectives. To provide this assurance, EastendHomes has undertaken a multi-variant stress testing of the business plan against a range of scenarios to ensure that the plan is sufficiently robust to meet all loan covenants and support the on-going stock refurbishment, social housing new build and stock expansion programmes.
3. A principal objective of the plan is that EastendHomes will seek to minimise future exposures to variable interest rate fluctuations by seeking where possible to repay fixed rate loan debts as they fall due. The Board has reviewed projected cashflows going forward and is assured that the full value of fixed rate loans can be repaid when they fall due, rather than looking at any other re-financing options.
4. The plan is based on a starting 3,689 homes in management in 2014/15, comprising 2,229 social rented properties, 29 private rented properties and 1,431 leasehold properties.
5. Over the next 5 years, EastendHomes plans to invest a further £46.8m in the existing stock and new homes as follows;
 - (i) £36.5m to complete the estate regeneration and new social housing build programme which started in 2005 with works due to complete by 2017. A detailed planned maintenance programme will commence from 2017 onwards.
 - (ii) £6.6m to undertake the purchase of 25 ex-Right to Buy properties on existing EastendHomes estates to take advantage of generally lower prices compared to properties built for private sale and also minimal additional management costs due to the properties being managed within existing EastendHomes housing management arrangements.
 - (iii) £3.7m investment in 18 new units for private rent on the old Mile End Housing Centre site, scheduled to complete in 2015.
6. By 2019 the total number of properties managed by EastendHomes is projected to be 3,796, increasing by 107 new homes following investments in 64 new social housing units and 43 new units for private rent.
7. EastendHomes policy towards financial management will continue to be prudent. The continuing financial viability of the business is regularly monitored through the annual business plan update and approval process which is stress tested against a range of scenarios, the annual budget setting process and approval process which takes cognizance of covenant compliance, monthly review of management accounts and 24-month cashflow forecast by the Senior Management Team and quarterly reporting to EastendHomes Finance & Audit Committee and Board.
8. The Board of EastendHomes will ensure that resources will be available to deliver the key service objectives set out in the Corporate Plan 2014/19.

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east
end**HOMES**

The logo for EastendHomes features the word "east" in a light blue, lowercase sans-serif font. Below it, the word "end" is also in the same font and color. To the right of "end", the word "HOMES" is written in a bold, dark blue, uppercase sans-serif font. A dark blue silhouette of a house roof is positioned above the "HOMES" text, partially overlapping the "end" text.