

Annual Report

2014/15



east
end **HOMES**



Annual Report 2014/15

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Foreword



It is a pleasure to introduce you to the EastendHomes Annual Report for 2014-15, marking ten years since we started work on improving the conditions and management of our estates. The country and the environment in which we operate continues to change but the central vision of EastendHomes remains the same: “to achieve the comprehensive regeneration of our estates and to bring about a sustained improvement in the homes and quality of life for residents”.

We have now invested a total of £135.9 million in refurbishing the estates that were transferred from Tower Hamlets Council, and building 229 new homes for social rent. We think that this investment has made real improvements to our neighbourhoods and I am pleased to say that the majority of residents agree with us. We won't however be resting on our laurels, and we will continue to work with residents to improve estates, including completing the final elements of Decent Homes Standard works, and creating attractive, pleasant, and environmentally-friendly communal areas and gardens.

The world of housing associations is fast-changing and the Board spends much time considering how we can continue to work towards our goals in the face of new challenges, but also new opportunities. Although we are open to new approaches and innovations, the Board is clear that the core objective of EastendHomes should be to continue to provide genuinely affordable housing, helping to tackle challenges such as overcrowding, and creating better living environments and life opportunities for our residents.

The Government has introduced further legislation and measures to reduce welfare payments, which we know are affecting a number of our residents. In addition, some residents are starting to move to the new Universal Credit system, which means a monthly rather than weekly benefit payment and that tenants must pay their rent directly to EastendHomes, rather than having a payment made on their behalf. If you have any worries about these reforms, or would like support with adjusting to new arrangements, please get in touch with us as soon as possible. We can provide you with information and make referrals to free, independent specialist support advisors who will give help and assistance.

The Board maintains a clear focus on our finances and EastendHomes aims to achieve 'Value for Money' in all of our activities. A list of target efficiency savings has been agreed with a goal of saving almost £350,000 in 2015/16. We know that with rents being reduced and other challenges on the horizon, it will be ever more important for us to maintain careful control of the company finances and to find ways of delivering quality services at a competitive cost. You can find the Board's self-assessment of how we manage Value for Money in our Financial Statements which are published on our website. And we know that some of the best ideas come from residents as well as staff, and would love to hear from you on any ideas you have.

Although our goals are simple, running a housing association can be a complicated business and I am grateful for the input, expertise, and commitment of all my fellow Board members. I would like to pay particular tribute to Martin Young, who left the Board in 2014 after being Chair for the first nine years of EastendHomes, and helped to create the organisation as it is today. All Board members serve as volunteers, and we think that the mix of residents and independent members helps to create an organisation which stays true to its roots in delivering what local residents want, whilst leading a large and sometimes complicated business. We are always keen to hear from residents who are looking to get involved, at any level of the business, and if you would like to contribute please let us know.

Neil McAree
Chair

Introduction

EastendHomes has been managing properties in Tower Hamlets since 2005, completing a series of five stock transfers between April 2005 and October 2007. In the past ten years we have invested almost £136 million in refurbishing homes, regenerating estates, and creating new social housing.

Our Vision is:

“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 also remains committed to delivering housing management services from our local offices, and resident satisfaction with our services has consistently increased.

Our Mission is:

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

We also have five Values which explain what EastendHomes stands for.

Our Values are:

- 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

EastendHomes' Board has agreed a new Corporate Plan for the period of 2014 to 2019. You can find out more on our website www.eastendhomes.net.

At 31st March 2015, EastendHomes managed a total of **3,687** homes across the borough, with **2,210** homes let at social rents, **1,446** homes owned by leaseholders, and **31** homes let to private tenants.

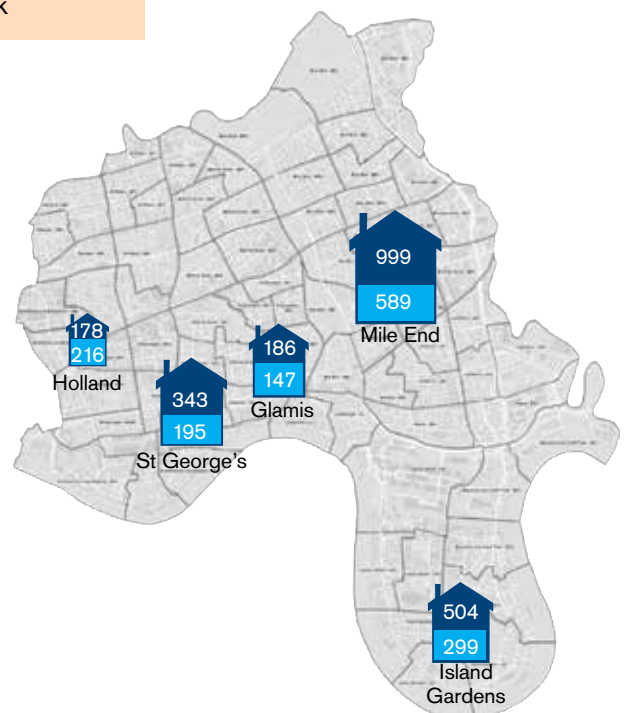
| | Social Rented | Leasehold | Private Rented |
|----------------|---------------|-------------|----------------|
| Glamis | 186 | 147 | 1 |
| Holland | 178 | 216 | 0 |
| Island Gardens | 504 | 299 | 1 |
| Mile End | 999 | 589 | 29 |
| St George's | 343 | 195 | 0 |
| Total | 2210 | 1446 | 31 |

Did You Know?

Just over 40% of our tenants have been living in their current homes since the transfer from the Council to EEH.



Two-thirds of our properties with two bedrooms or fewer have tenants, but more than half of three- or four-bedroom properties are owned by leaseholders



Resident Involvement Calendar



July '14: Hopscotch event in Mile End



July '14: Hopscotch event



Apr '14: Community Orchard (St George's)



Aug '14: Resident Open Day



Feb '15: Bernie's Garden opening



Aug '14: Resident Open Day



Aug '14: Garden party at Westfery

Did You Know?

The average age of an EastendHomes tenant is 48, although none of our tenants is average!



Images from some of the many events held with and for residents in 2014/15:



Dec '14: Xmas party at St George's



Mar '15: Scything of community orchard



Mar '15: St George's Trees for Cities day



Dec '14: Xmas kids' party at Southern Grove



May '14: Yale alumni volunteering in Mile End



Oct '14: Hallowe'en party at Southern Grove



Nov '14: Star in the Community Awards



Local Offers

This new set of nine 'local offers' was agreed by the Resident Scrutiny Panel in late 2014, following a consultation exercise, and this is the first time we have reported back our progress against them. These offers are a set of specific commitments we make to our residents and for which the Panel hold us accountable. They are in addition to our published service standards, which explain things such as the time you can expect to wait for us to respond to your questions.

The Panel will be reviewing our progress after the first twelve months, in the autumn of 2015.

Here is how we think we have got on during the first year:

Our offer

We will open up the opportunity for any resident to put themselves forward to serve as a **Resident Member of the EastendHomes Board**

We will seek to ensure that **70% of repairs are completed** on the first and only visit to your home

We will provide leaseholders with an **annual estimate** of all of the service charges they are expected to be liable to pay in a year; and provide quarterly service charge statements

We will make sure that you know the name of the person within EastendHomes who you can contact to **discuss works in your home** or on your estate

If you get into arrears, we will offer you **financial support** to resolve your problems before we serve a notice of seeking possession

We will let you know in our Annual Report **where our money comes from** and how we spend it

We will introduce a **wide range of activities** across our new and existing community centres

We will make it easier for you to make rent payments online or by **Direct Debit**

We will hold at least **one lettings open day** in each area over the year to discuss rehousing opportunities for tenants

How we are doing

The EastendHomes Board **agreed new rules** that any resident could be nominated to fill Resident Board Member places, in addition to nominations from Estate Management Boards

In 2014/15, **67.61%** of repairs were completed on the first visit. This means we didn't quite meet our offer but did increase performance from 50% the year before. **We are working with our contractors** to make sure that they have the necessary information and resources to complete a repair on that visit.

Following consultation with the Home Ownership Forum, in April 2015 **all leaseholders have been provided with statements** for all anticipated charges for the coming year, including a letter explaining the new system. Quarterly statements continue to be issued.

Name and phone number for project managers of each area are on the EastendHomes website, and are included in regeneration newsletters.

Referral to a specialist welfare advisor has been built into our rent arrears procedure.

78 tenants were referred by our Rents Team and booked in at one of **109** appointments in 2014/15.

This Annual Report includes a 'pound chart' showing where each £ of our money comes from, and how we spend it

A new community centre has been opened on the Bede estate. It is run in partnership with Sure Start, making a total of three newly built centres in Mile End. New centres are due to open in 2015/16 on the Holland and St George's estates.

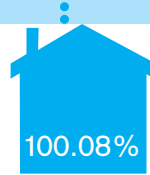
Direct Debits payments can now be set up with just one phone call. We will soon be introducing on-line access, via our website, to view and to print rent statements, among other things!

A local event for St George's / Glamis was held in October 2014. Open days in other areas have been postponed due to preparation for new build handovers and difficulty in finding suitable venues. The plan is to use the next lettings drop-ins to promote, in particular, online mutual exchange schemes.

Performance - Summary

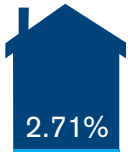


100.08% of collectable rent as at last Housing Benefit week (99.5% in 2013/14)



Did You Know?

Free appointments are available each week for any resident wanting financial or welfare benefit advice.



2.71% rent arrears for current tenants at the last Housing Benefit week (2.95% in 2013/14)

179 residents engaged with our welfare and benefits advisor at **392** appointments.



3

3 evictions in 2014/15, all of which were for rent arrears. (4 in 2013/14)



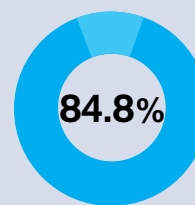
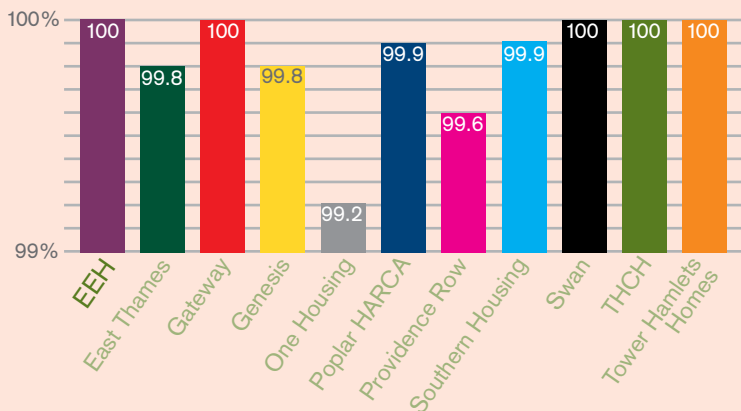
1726 gas safety inspections completed in 2014/15 (1755 in 2013/14)



100% of properties held a valid gas safety certificate at 31st March 2015 (100% in 2013/14)

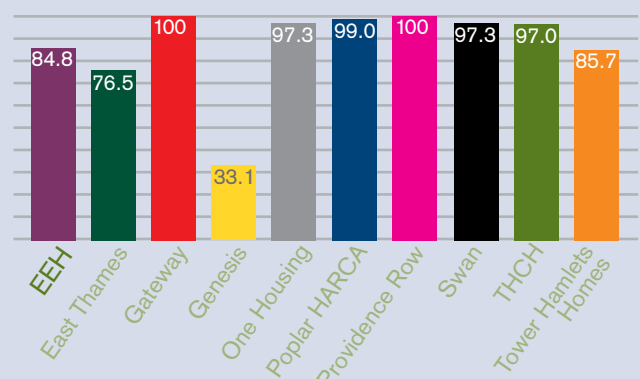


Properties with a valid gas safety certificate (%)



105 complaints were responded to in target – **84.8%** (92.9% in 2013/14)

Complaints response comparison (%)



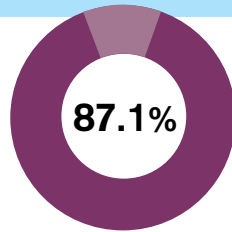
121 complaints responded to in full in the year (140 in 2013/14); of which **20** were Stage 2 complaints (24) and **7** were Stage 3 complaints (5)



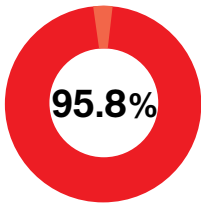


Performance - Summary

87.1% of new tenants were satisfied with the condition of their property (81.7% in 2014/15)



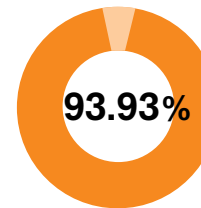
88 properties let (118 in 2013/14)



95.8% of residents satisfied with how minor adaptation works were carried out or serviced (73 responses)



33 adaptations carried out to EEH properties



93.93% of adaptations completed in target

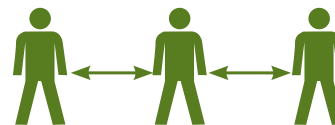


115 fire risk assessments were completed for blocks and areas managed by EastendHomes.



6 compliments recorded (18 in 2013/14)

14 EEH tenants were rehoused through the Overcrowding Reduction Initiative



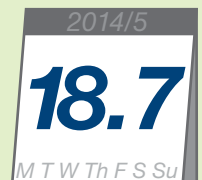
86 instances of anti-social behaviour investigated by EEH in 2014/15 (122 in 2013/14)



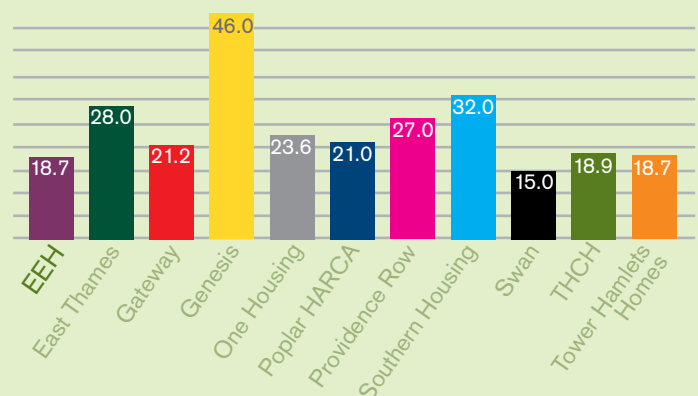
Type of ASB investigated *no of complaints*

| | |
|--|----|
| Noise | 27 |
| Verbal Harassment / Intimidating Behaviour | 8 |
| Hate-Related Incidents | 3 |
| Vandalism / Damage to Property | 4 |
| Pet and Animal Nuisance | 1 |
| Nuisance from Vehicles | 0 |
| Drug Use / Supply | 5 |
| Alcohol-Related Crime | 0 |
| Domestic Violence | 3 |
| Physical Violence | 2 |
| Litter / Rubbish / Fly-Tipping | 7 |
| Garden Nuisance | 0 |
| Misuse of Communal Areas / Loitering | 23 |
| Prostitution / Kerb-Crawling | 1 |
| Other Criminal Behaviour | 2 |

18.7 days to re-let an empty property not requiring major refurbishment (15.3 days in 2013/14)



Re-let Time Comparison (Days)



Performance Regeneration



In the past ten years EastendHomes has invested **£135.9 million** into refurbishing our properties, improving communal areas, and building new homes for social rent. We plan to invest another **£36 million** to complete our programme. If finances allow, there are further investments on the estates we would like to make.

95.75% of EastendHomes tenanted properties met the Decent Homes Standard at 31st March 2015 - up from 91.8% a year previously. A target and plan has been agreed with the HCA, our regulator, to achieve 100% by April 2016.

In the past ten years EastendHomes has:

- installed **1,980** new kitchens
- installed **1,992** new bathrooms
- installed **970** new heating systems
- installed **1,682** new front doors
- rewired **962** properties

The average energy efficiency (SAP) rating of our properties is now **73**. In 2010 it was 61. The works completed to improve the energy efficiency of our blocks help to protect both the environment and our residents' cost of living by reducing the amount of fuel needed to keep homes warm. The average rating in the social sector in 2012 was 65 (the most recent data available – Office for National Statistics).



The timing of EastendHomes' development programme meant that no new build properties were let in 2014/15, although over fifty properties for social rent are scheduled to be let in spring/summer 2015.

Did You Know?

In the past ten years, we have developed and let 229 brand new homes.



1980
kitchens



1992
bathrooms



970
heating
systems

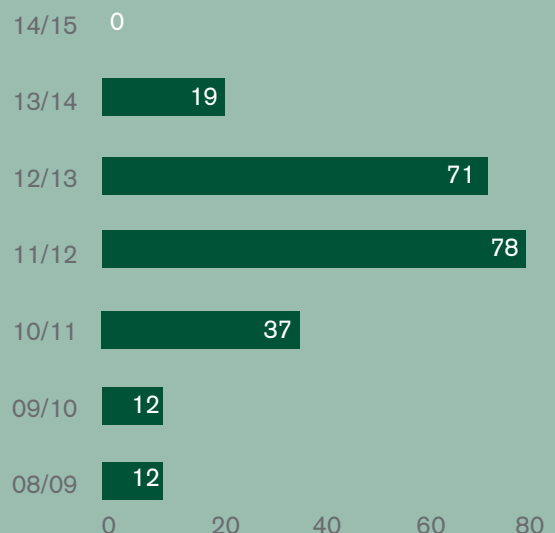


1682
front
doors



962
rewires

New social rented homes



Performance Repairs



EastendHomes' responsive repairs service is carried out through a combination of external contractors and our in-house handyperson service. Repairs are issued with one of three priorities:

| Priority | Target Time |
|-----------|------------------|
| Emergency | 24 hours |
| Urgent | 7 calendar days |
| Routine | 28 calendar days |

For more information on how our repairs service works, including which priorities will be allocated to different types of repairs, see our Repairs leaflet or ask in your local housing office.

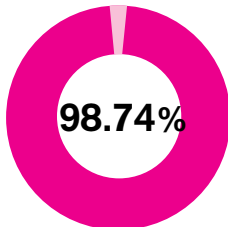
EastendHomes meets regularly with our contractors to review performance, quality of the work carried out, and the satisfaction of our residents. Whenever there is dissatisfaction, we will find out what has gone wrong.



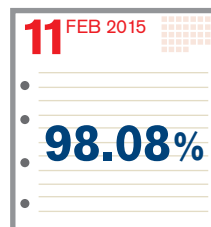
repairs completed in 2014/15
(12,337 in 2013/14)



spent on routine maintenance in 2014/15
(£3.695m in 2013/14)



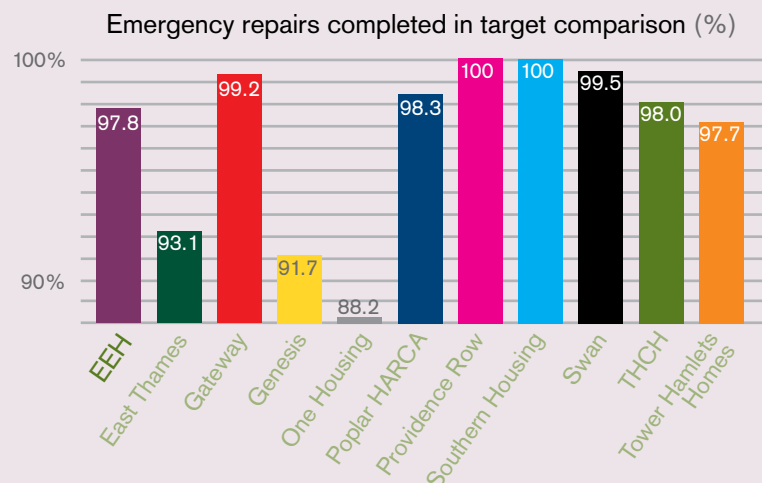
98.74% satisfaction with the repairs service when asked at the completion of a repair (97.07% in 2013/14)



98.08% of repairs appointments kept in 2014/15
(96.59% in 2013/14)

97.8%

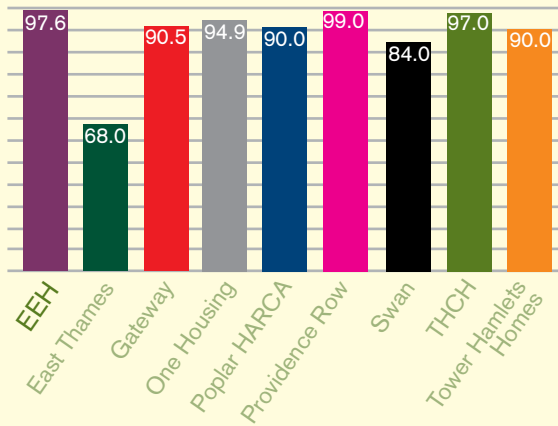
of emergency repairs completed in target in 2014/15 (96.09% in 2013/14)



Performance Repairs



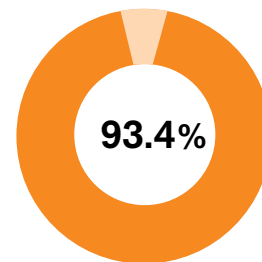
Repair Satisfaction Comparison (%)



97.63% satisfaction with the last completed repair (94.93% in 2013/14)



93.4% of repairs completed in target in 2014/15 (94.58% in 2013/14)



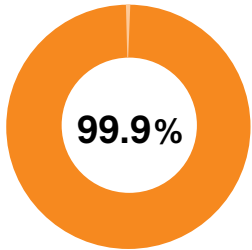
Did You Know?

Our 3 directly-employed handypersons completed 2,181 repairs in 2014/15

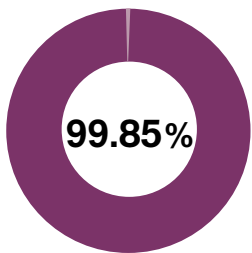


Performance

Keeping Estates Clean



99.98% of **external areas** graded A-B in 2014/15
(100% in 2013/14)



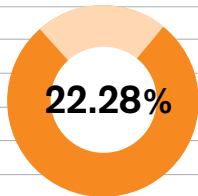
99.85% of **internal areas** graded A-B in 2014/15
(99.97% in 2013/14)



193 estate inspections

18,186 areas inspected in 193 estate inspections in 2014/15

| |
|---|
| 22.28% of inspections had a resident inspector in attendance in 2014/15 (22.7% in 2013/14) |
| |
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| |



Did You Know?

In 2014/15 EastendHomes supported the creation of no fewer than **six** new wildlife-friendly gardens on our estates: at Derwent House; Ennerdale House; Buttermere House; Beckley House; Tracy House; and Cable Gardens on the St George's estate. Working with our expert partners from the Friends of Tower Hamlets Cemetery Park, and with help from Trees for Cities, the gardens have been planted with nectar-rich plants which are friendly to pollinating insects such as bees.

EastendHomes invested **£5,000** of efficiency savings we had made in the Cable Gardens project, and brought in volunteers from Investec to help residents with the planting. Jim Fitzpatrick MP attended to admire the work of residents and helpers in creating this new area.



Photo: Kelly Laws

Governance & Viability

The EastendHomes Board in 2014/15

Resident Members

| | | | |
|-------------------------------|-------------|------------------------|------------------------------|
| Colin Antoine | Leaseholder | Mile End Estates | |
| Bernard Cameron | Tenant | Mile End Estates | until 25th September 2014 |
| Les Eldon (Vice Chair) | Tenant | Holland Estate | |
| Helen Goody | Tenant | Mile End Estates | appointed 14th November 2014 |
| Margaret Higgins | Leaseholder | Island Gardens Estates | |
| Thomas Madden | Tenant | Island Gardens Estates | until 25th September 2014 |
| Muhammed Miah | Leaseholder | Mile End Estates | until 25th September 2014 |
| Mary Nepstad | Tenant | St George's Estate | until 25th September 2014 |

Independent Members

| | | | |
|-------------------------|---------|--|------------------------------|
| Jamir Chowdhury | | | |
| John Kettlewell | | | appointed 14th November 2014 |
| Tuuli Lindberg | | | until 25th September 2014 |
| Neil McAree | Chair | | since 4th December 2014 |
| Maureen McEleney | | | |
| Amjad Rahi | | | |
| Janet Seward | | | |
| Martin Young | (Chair) | | until 4th December 2014 |

Council Members

| | |
|---------------------------------|-----------------------------|
| Councillor Suluk Ahmed | appointed 4th December 2014 |
| Councillor Gulam Robbani | |
| Councillor Helal Uddin | until 25th September 2014 |

Audits completed

| <i>Internal Audit</i> | Level of Assurance | | | |
|--|---------------------------|-------------------|----------------|-------------|
| | <i>Substantial</i> | <i>Reasonable</i> | <i>Limited</i> | <i>None</i> |
| ICT Review of Disaster Recovery Arrangements | | ✓ | | |
| Compliance Review of the Duty of Care Arrangements | | ✓ | | |
| Leasehold Recovery – Major Works Arrangements | | ✓ | | |
| External Audit | | | | |
| Interim – Feb 2015 | ✓ | | | |
| Final – May 2015 | ✓ | | | |

Our internal audits are completed by TIAA and our external audits are completed by Beever & Struthers, who are both independent firms of specialist auditors. The assessments are made based on the following gradings:

| | |
|-----------------------|--|
| Substantial Assurance | Robust series of internal controls in place designed to achieve the system objectives and which are being consistently applied |
| Reasonable Assurance | Series of internal controls in place, however there are some control improvements that would assist in ensuring the continuous and effective achievement of the system objectives. |
| Limited Assurance | The controls in place are not sufficient to ensure the continuous and effective achievement of the system objectives. |
| No Assurance | Fundamental breakdown or absence of core internal controls. |

Value for Money

Did You Know?

In 2013/14 EastendHomes made savings of £190,000 through our Value for Money Strategy. The Finance & Audit Committee of the Board agreed that £30,000 of this should be reinvested into projects on our estates.

One of the projects agreed by the Service Review Committee was to fund additional Police patrols in certain areas, working jointly with fellow local landlord Poplar HARCA.

Other projects to benefit included employment advice sessions based in Mile End, and a flower bed on the St George's estate.

EastendHomes' Board publishes a self-assessment of how the organisation achieves Value for Money each year. You can find this on the website within the Financial Statements for 2014/15.

The self-assessment found that in 2014/15 EastendHomes made efficiency savings of £684,000, against a target of £250,000. A target to make at least £345,000 of further savings in 2015/16 has been set. During 2014/15, EastendHomes reinvested some of the savings made in 2013/14 into projects on our estates (see box).

EastendHomes is a non-profit organisation which means that any 'surplus' we make is reinvested into more and better homes and services. Our performance and the costs are compared to other local providers and you can read some of these comparisons in the self-assessment.

Income

Where each £1 comes from

| | | |
|-----------------------------------|-----|-------|
| Other income | 12p | |
| Leaseholder Major Works Recharges | 8p | |
| Leaseholder Service Charges | 8p | |
| Commercial Properties | 3p | |
| Private Rented Properties | 2p | |
| Miscellaneous Lets | 1p | |
| Tenant rents and service charges | 66p | |



Expenditure

How each £1 is spent

| | |
|-----|-----------------------------------|
| 12p | Routine Maintenance |
| 5p | Deprecation of Housing Properties |
| 7p | Net Interest Payable |
| 2p | Other Expenses |
| 2p | Fixed Assets |
| 2p | Planned Maintenance |
| 7p | Management |
| 14p | Services |
| 49p | Major Repairs |



Summary Accounts to 31 March 2015

| | 2015 £'000 | 2014 £'000 |
|--|---------------|---------------|
| Turnover | 23,665 | 20,585 |
| Operating costs | (14,150) | (13,451) |
| Operating surplus | 9,515 | 7,134 |
| Surplus on the sale of properties | 1,502 | 1,275 |
| Interest receivable and similar income | 22 | 20 |
| Interest payable and similar charges | (2,243) | (2,072) |
| Surplus for the year before taxation | 8,796 | 6,357 |
| Taxation | - | - |
| Surplus for the year | 8,796 | 6,357 |
| Income and Expenditure Account brought forward | 26,813 | 20,456 |
| Income and Expenditure Account carried forward | 35,609 | 26,813 |

| | 2015 £'000 | 2014 £'000 |
|------------------------------|---------------|---------------|
| Tangible fixed assets | | |
| Housing properties | 144,461 | 133,259 |
| Less: Capital grant | (52,568) | (52,706) |
| Other grant | (7,624) | (7,624) |
| Depreciation | (8,441) | (6,840) |
| | 75,828 | 66,089 |
| Investment Properties | 5,944 | 5,436 |
| Other tangible fixed assets | 1,630 | 1,258 |
| | 83,402 | 72,783 |

| | | |
|---------------------------------------|---------|---------|
| Current assets | | |
| Debtors | | |
| - due within one year | 3,842 | 3,084 |
| - due after one year | 934 | 952 |
| Cash at bank and in hand | 2,577 | 4,180 |
| | 7,353 | 8,216 |
| Creditors | | |
| Amounts falling due within one year | (6,205) | (5,891) |
| Net current assets | 1,148 | 2,325 |
| Total assets less current liabilities | 84,550 | 75,108 |

| | | |
|--|--------|--------|
| Creditors | | |
| Amounts falling due after more than one year | 47,419 | 47,281 |
| Provision for liabilities and Charges | 5,771 | 3,150 |
| Capital and reserves | | |
| Non equity share capital | | |
| Income and expenditure account | 30,449 | 24,274 |
| Revaluation Reserve | 911 | 403 |
| | 84,550 | 75,108 |

Notes to the accounts

During 2014/15 EastendHomes invested a further £15.6 million (2013/14: £12.8 million) in our existing homes and in new build properties as part of our comprehensive estate regeneration programme. To date EastendHomes has invested £135.9 million out of a planned £172 million programme, funded by borrowing from Barclays Bank, property sale receipts and internally-generated resources.

EastendHomes has delivered a strong financial performance, exceeding overall business plan projections. In the year to 31 March 2015, the group achieved a surplus of £8.8 million, an increase of £2.4 million from £6.4 million achieved in 2013/14. All of this surplus is reinvested into the business.

To ensure that sufficient funds are always available to finance the future elements of the promised Major Works programme, EastendHomes will continue to apply its policy to collect rents and service charges as they fall due, and to minimise arrears.



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