



## ANNUAL REPORT FOR RESIDENTS

APRIL 2016-MARCH 2017

### INTRODUCTION

This report is for our tenants and leaseholders. It reviews our performance over the year to 31st March 2017– highlighting areas where we have made progress and areas where we need to improve, comparing our performance to other landlords. The report reflects on the feedback we have received from our customers and how we want to respond to it.

*Our aim is to provide, support and promote, co-operative and community led housing*

CDS has a unique purpose. We were formed more than 40 years ago to provide, support and promote co-operative and community led housing. We do this as a social landlord, as a service provider for housing co-ops and by investing in things that help the sector to build more homes. This work is underpinned by our values of fairness, reliability and acting with integrity.



As existing residents, you will already know the value of having a secure home that you enjoy and can afford to live in. The properties that we own have benefitted from central government grants that help to keep our rents low - but there is a real shortage of this type of affordable housing in London and the South East.

Our aim is to become more efficient and effective as a landlord so that we grow our surplus and invest in the delivery of more homes.

Community led housing schemes, where people can use their skills and resources to commission, design develop or manage their own homes, can unlock opportunities that may not interest larger developers. It also offers a wealth of added value in establishing communities where people can really thrive.

Whilst we provide services to a large group of housing co-ops, this report is about our work as a social landlord to improve service and efficiency for tenants and leaseholders. All social landlords are under pressure to deliver more with less resources and we want to work with our customers to make the most of this challenge. This means making good decisions about where and how we spend money and prioritising the things that matter most to our residents.

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*We are striving to make our role as a collaborative landlord more meaningful*

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Our 2017 customer survey reflected significantly improved levels of satisfaction for tenants, but we recognise that there is much more to do – particularly for our leasehold customers. We will continue to focus on improving the basics – customer service, repairs and managing our income – to achieve services that compare favourably to other landlords.

We are also striving to make our role as a collaborative landlord more meaningful. In the year under review we worked with residents on our largest estate, Phoenix Place, to pilot a scheme to increase take up of essential welfare benefits and partnered with the Phoenix Co-op Housing Society to design and commission a new community hub which will open in 2017.

Feedback from our customer reference panel led us to carry out a survey to find out more about disability issues for customers and to provide all our staff with tailored training to help them to be more confident and proactive in working with customers who may face challenges.

Our tenants will be aware that housing association rents are reducing by 1% each year from 2016 to 2020. This makes rents more affordable, which we welcome – but also means that we need to save around £500k a year to make up the gap in our financial plans. Although our management costs compare favourably to other landlords in London and the South East, we have significant cost pressures due to the geography of our stock and the varied nature of our work. This will need creative and efficient solutions to deliver improved quality for less cost.

As we write this report, we are mindful of the terrible fire at Grenfell Tower and the dreadful loss of life that resulted from it. The tragedy has made us even more aware of our obligations in respect of safety and the need to work with our residents to be vigilant and fast to respond to risks and hazards. This will be a key focus in all our work in 2017/18 and beyond and is likely to be a growing area of investment as standards rise over coming years.

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*Safety will be a key focus in all our work in 2017/18 and beyond*

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We are publishing this report on our website and a summary of the key points will also be included in the next CDS newsletter.

*Linda Wallace*  
**Chief Executive**



## GOVERNANCE

### OUR BOARD

Our board comprises a mixture of independent members and members drawn from organisations or individuals who experience our service as clients, tenants or leaseholders.



Brigid Sutcliffe, Chair

For some years we have been recruiting new Board members to complete an overhaul of our governance in line with good practice. Although this meant replacing extremely experienced and long serving members, we have been fortunate to recruit a team of highly competent and committed Board Members, led by our Chair Brigid Sutcliffe.

Board Members bring a wide range of skills to bear on our work. We particularly sought to ensure that key areas such as finance, governance, strategy, development, customer service, co-operation and social impact were including in our recruitment round.

Our board members receive a small payment for their work with CDS and devote huge amounts of time, energy and expertise to help us to drive the organisation forward at a strategic level. They work alongside the senior team to ensure that we stay focused on our core purpose and work in line with our values and offer robust for supportive challenge to plans and performance.

During the year under review we thanked Paula Farrow, Mike Jeanes and Theresa Lyons as they left the Board after many years of dedicated service to CDS. We welcomed Nick Whitaker, Zohra Chiheb, Andrew Pakes, Ed Wallace and David King who bring a raft of new skills and enthusiasm to bear on our work.



#### *Our Board (as at 11<sup>th</sup> September 2017) are:*

🏠 Brigid Sutcliffe	Chair
🏠 Nick Whitaker	Treasurer
🏠 Craig Glasper	Ind. Member
🏠 Rafia Patel	Rep of Corporate Member
🏠 Martha Slade	Ind Member
🏠 Guillermo Justel	Rep of Corporate Member
🏠 Tony Watt	Rep of Corporate Member
🏠 Ed Wallace	Ind Member
🏠 Andrew Pakes	Ind Member
🏠 Zohra Chiheb	Ind Member
🏠 David King	Ind Member
🏠 Rebecca Southern	Co-opted Tenant Member
🏠 Lawrence Zollner	Ind Member

CDS shareholders elect the Board of Management. One third are members nominated by client organisations and one third are independent members, with the rest being any shareholder who is nominated and elected. To become a shareholder, you can apply to the Chair of the Board saying why you are interested and your application will be considered by the Board. Once you are a shareholder, you can vote at Annual General Meetings.



### *Joining our Board*

Board members can be individuals with an interest in our work, members nominated by client co-ops or tenants/leaseholders of CDS. In order to become a Board Member, you will normally need to be elected at our Annual General Meeting although a small number of places are filled on a co-opted basis by the Board. If you are interested in becoming a Board Member please contact Stephen Brown, our company secretary, in the first instance.

### *How we are regulated*

We are regulated by the Homes and Communities Agency who set standards that we must meet. The Board reviews progress against the standards each year to drive awareness of strengths and weaknesses and continuous improvement.

Standard	Compliance
Governance and Financial Viability	Full
Value for Money	Substantial
Rent Standard (New Statutory requirements in place)	Full
Tenant Involvement and Empowerment <ul style="list-style-type: none"> <li>⬆ Customer service, choice and complaints</li> <li>⬆ Involvement and empowerment</li> <li>⬆ Understanding and responding to the diverse needs of tenants</li> </ul>	Substantial Reasonable Good
Home <ul style="list-style-type: none"> <li>⬆ Quality of accommodation</li> <li>⬆ Repairs and maintenance</li> </ul>	Substantial Good
Tenancy <ul style="list-style-type: none"> <li>⬆ Allocations and mutual exchanges</li> <li>⬆ Tenure</li> </ul>	Substantial Full
Neighbourhood and Community <ul style="list-style-type: none"> <li>⬆ Neighbourhood management</li> <li>⬆ Local area co-operation</li> <li>⬆ Anti-social Behaviour</li> </ul>	Good Good Substantial

In 2016/17 we improved our compliance rating in several areas. In 2017/18, our focus will be on improving the rating for tenant involvement and empowerment.

## OUR VALUES

Our values underpin our decision making and approach and should be visible in the way we behave.

We strive to be trusted as a landlord because we are reliable, fair and act with integrity.



WE STRIVE TO BE	
<b>RELIABLE</b>	<ul style="list-style-type: none"> <li>🏠 We are clear about what we do and what we don't do</li> <li>🏠 We do what we say we will</li> <li>🏠 We are consistent</li> <li>🏠 We respond quickly when things go wrong</li> </ul>
<b>FAIR</b>	<ul style="list-style-type: none"> <li>🏠 We work collaboratively</li> <li>🏠 We look for win/win solutions which empower people</li> <li>🏠 We make decisions using evidence and facts</li> <li>🏠 We seek balance and equity</li> </ul>
<b>ACT WITH INTEGRITY</b>	<ul style="list-style-type: none"> <li>🏠 We are open and accountable</li> <li>🏠 We treat people with respect and kindness</li> <li>🏠 We are socially responsible</li> <li>🏠 We act in line with our values – even when it is tough or no-one is looking</li> </ul>

When you deal with us or with our agents, you should expect to be treated in line with our values. Let us know straight away if this is not the case. If you are unsure about who to contact, you can always email [talktous@cds.coop](mailto:talktous@cds.coop) or phone us on 03333 21 30 30 and ask to speak to any member of our team.

## OUR HOMES

### RENTED HOMES

We own just under 700 rented homes which are let on assured or secure tenancies.

Our stock is spread across a very wide geography with properties in London, Essex, Kent, Surrey and Hertfordshire.

Most of our housing is for families with 70% of our stock being 2 bedrooms or larger and 50% of our homes are houses.

Our largest estate is in Dartford in Kent (the Phoenix Estate) where we have 270 homes.



### INVESTING IN OUR STOCK

During 2016/17 we invested more than £1m in our homes. Most of this was for day to day and cyclical works with a big emphasis on safety including gas servicing, fire alarm and emergency lighting maintenance, electrical testing, lift maintenance, water tank servicing and asbestos removal.

### IMPROVEMENTS AT HOLLYMEADOW

The 51 households at our Hollymeadow Estate in Kent were delighted with the investment of nearly £1/4m to provide them with new windows, patio doors and entrance doors. The estate was built more than 20 years ago, and the previous doors and windows had fallen into disrepair. The new PVC-u installations undertaken by Niblock builders made homes warmer and more fuel efficient as well as looking great!

### RELETS AND MUTUAL EXCHANGES

We carried out works and relet 28 homes during the year with a further 13 moves occurring through mutual exchange. This represents just under 6% turnover in our stock

Letting homes efficiently is a key target and we fell short of our expected performance in the 16/17 year with a relet time well below the average for our peer group. Our average investment per void property was in line with our peers.

## INVOLVING OUR CUSTOMERS

We are committed to working with our tenants and leaseholders to improve our services and to drive efficiency and value for money.

To that end, we employed Acuity – an independent and specialist research company – to carry out a satisfaction survey. The survey is specifically designed to allow us to benchmark our services against other landlords and is similar to a survey we carried out in 2015.

### Tenant Satisfaction

We were delighted that tenants were 11% happier with the overall service than they were in 2015. Tenant satisfaction is now 82%.

Satisfaction increased in almost every area of the survey with the **biggest improvements** in value for money of our rents and service charges (up 19% on 2015) and in our repairs service (up 14% for satisfaction with the last repair, 9% for overall quality of work and 10% for condition of the property overall).



Our **highest satisfaction** scores were for attitude and performance in repairs, value for money, overall service delivery and the

Our tenants were less satisfied with our communication – feeling that we need to take more care in keeping people informed, taking views into account and in following up on

ASB problems.

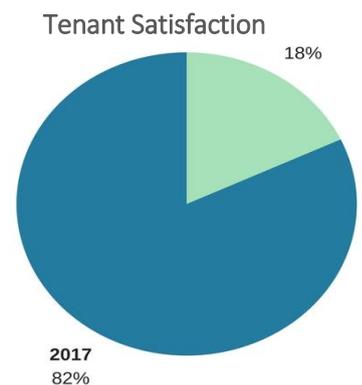
### Leaseholder Satisfaction

Leaseholder satisfaction with overall services fell by 4%. This was against a backdrop of every individual indicator of satisfaction having improved over the last two years and as overall satisfaction is low at 48% it is a high priority for improvement.

Satisfaction had **risen most** in our repairs service where scores radically improved across the board. Leaseholders gave our contractors a 100% satisfaction rating for the last repair and for attitude. Satisfaction with speed, quality and customer care more than doubled. We also saw big improvements in the experience of our staff being helpful and it being easier to contact the right person.

The highest satisfaction scores were in repairs (between 67% and 100% for all areas), neighbourhood (87%), and communal gardens (75%).

Our leaseholders were **least satisfied** with the reliability of our staff team and whether queries could be dealt with quickly and on a 'right first time' basis.



## *What will We do with Your Feedback?*

The feedback from customers has been discussed by our Board and our Services Committee. This influenced the structure of our plans for 2017 and beyond with a focus on ‘understanding first’ as a route to effective communication and making sure that we become better at planning our work, following up on promises and reviewing and learning from experience. Our repairs team will be seeking to keep customers better informed about the progress of works to their homes.



The priorities for specific service improvements is to manage all complaints – including anti-social Behaviour issues – more quickly and effectively and to improve our management of estate issues such as parking and cleaning We will carry out a further survey to assess improvements at the end of 2017/18.

## *Customer Feedback Forum*



Following an invitation in our newsletter, many customers kindly gave their time to consider the results of the resident survey and help us to identify priorities.

The forum members recommended several actions: -

- Support for a welfare benefits and advice service at the Phoenix estate to help customers deal with the major welfare changes;
- Training for all staff in relation to confidence with disability issues – reflecting the high proportion of CDS tenants and leaseholders who self-reported as being disabled in some way that affected daily life
- Follow up work with residents’ groups to identify how CDS could most effectively support residents who experience difficulty with disability in their own home or on their estate.

This work was taken forward with the ‘Community Unites Us’ project in Dartford and with training from Disability Rights UK. Further work will be progressed in 2017/18.

# VALUE FOR MONEY



## Rents

From 1 April 2016 we have been reducing our rents by 1% per annum, although service charges are still set to reflect our actual service costs.

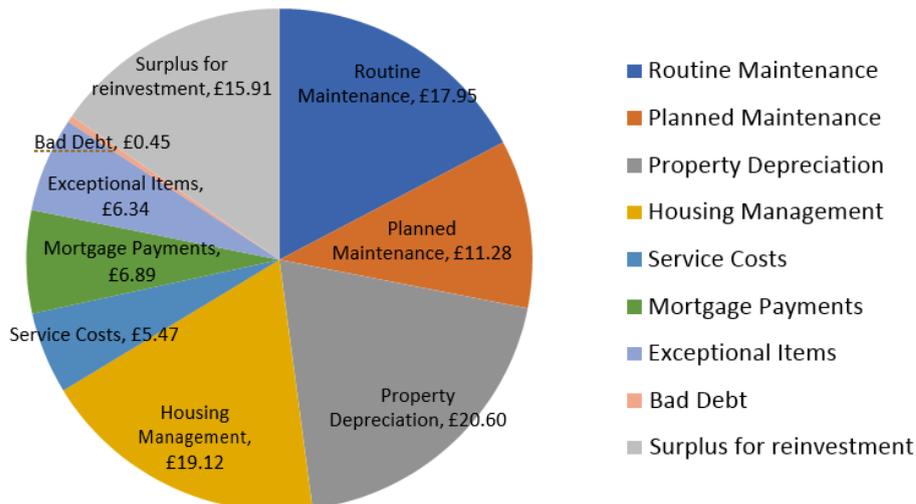
Our average weekly rent in March 2017 was £106.62 down from £107.99 the previous year. Our rents continue to offer very good value for money compared to other social landlords with social housing rents in London and the South East were £121.37 and £108.64 (03/15) and across our operational areas were £116 in March 2016.

Rents for shared ownership properties continue to rise in line with the provisions of the lease. Our service charges are reviewed each year and are increased or decreased

based on our expected costs of running the estate services such as cleaning, gardening and lifts.

## How your Rent is Spent (CDS-owned properties only)

During 2015/16 we received an average of £104 a week in rent and service charges per property. This money was spent in the following ways:

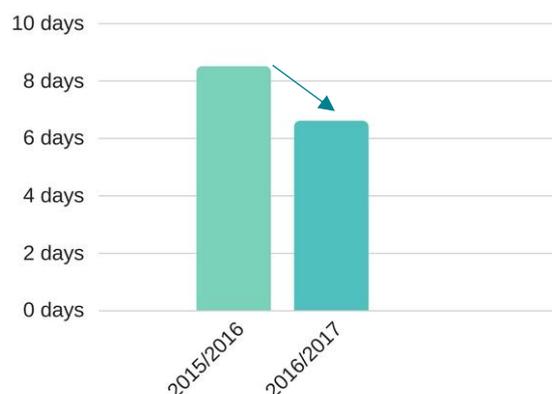


## Value for Money in 2016/17

We were pleased to improve value for money, either through reducing costs or improving services, in a number of ways during the year under review. Improvements included: -

- A 12% reduction in our average repairs cost with an overall saving of approximately £35k
- A reduction in the number of days taken to complete a repair from 8.5 days to 6.6 days
- Increased rent collection moving from 99.8% to 100.5%
- A reduction in tenant arrears from 3.25% to 2.8%
- A reduction in shared ownership arrears from £8,500 to £5,800

*Reduction in days to complete a repair*



There were three areas where we failed to achieve our targets in terms of value for money and these were: -

- It took us longer to let empty homes which incurred a cost of approximately £8,000
- We were less efficient at responding to complaints
- The actual costs of void works increased to £2,238 from £1,534 in the previous year

## Costs Compared to other Landlords

We have undertaken careful assessment of our costs of management compared to other landlords. Our benchmarking group has an average cost of £1203 per home.

At the end of March 2017, our average management cost per home benchmarked reasonably at £1300 per unit (inclusive of exceptional costs in this year) and very favourably at £1012 per home.

*Management costs per home*



Overall, we do lose money on our client co-op management activity and our Board has agreed a strategy to increase charges to reduce this loss

# Annual Accounts

## THE CO-OPERATIVE DEVELOPMENT SOCIETY LIMITED

### STATEMENT OF COMPREHENSIVE INCOME For the year ended 31 March 2017

		2017	2016
	Note	£	£
<b>TURNOVER</b>	3	5,796,547	5,939,959
Operating costs - normal	3	(4,974,573)	(4,553,512)
- exceptional	4	(227,300)	(673,000)
<b>OPERATING SURPLUS</b>	3	594,674	713,447
Surplus on sale of housing properties	5	1,047,573	484,018
Investment and other income	6	8,693	9,911
Interest payable and similar charges	7	(247,123)	(232,628)
<b>SURPLUS AFTER EXTRAORDINARY ACTIVITIES AND BEFORE TAXATION</b>		1,403,817	974,748
Tax on surplus on ordinary activities	11	(293,677)	(254,686)
<b>SURPLUS FOR THE FINANCIAL YEAR</b>		1,110,140	720,062
Total Comprehensive Income for the Year		1,110,140	720,062

All amounts relate to continuing activities.

These financial statements were approved by the Board of Management and signed on its behalf by:

**B. SUTCLIFFE**  
Chair

**N. WHITAKER**  
Hon Treasurer

**S. BROWN**  
Secretary

Date of approval: