



Annual Report 2017 - 2018



Contents

Page 3	Our Values
Page 4	Who We Are
Page 5	From the Chair/CE
Page 8	Our Performance
Page 10	Working With Our Residents
Page 12	Promoting Growth in CLH
Page 13	Governance: Our Board
Page 14	Working with Client Coops
Page 15	How We are Regulated
Page 17	Finances/Accounts

We strive to be trusted because...

We are **fair**

We value our **integrity**

We are **reliable**

Our Mission

We have a unique purpose, formed more than 40 years ago to provide, support and promote the development and management of co-operative and community led homes.

As a landlord, we **provide** homes and services for residents in London and the Home Counties. We are a regulated social housing provider and much of this report is concerned with our performance in this part of our business.

We also **support** more than 40 housing co-ops, providing them with a range of landlord and business services which enabling them to continue as independent and resident controlled landlords in their own right.

And finally, we **promote** growth in the development of co-op and community led housing so that more people can be directly involved in meeting their housing needs or those of their community. We seek to do this by enabling others to achieve their goals and their potential – using our skills, assets and networks to make things happen faster and more easily.

Key Tenant Satisfaction Statistics

- 89% Value for Money
- 86% Home and Neighbourhood
- 84% Overall Service
- 60% Taking Views Into Account
- 80% Repairs Service

The Way We Work...

We want to act with clear intention and to be mindful of the impact that our actions have on others. We choose to be collaborative, with kindness and careful listening as a foundation for great teamwork.

From the Chair and Chief Executive...



Health and Safety

2017-18 has been a challenging year for social landlords. The tragic fire at Grenfell Tower in June 2017 has rightly had a huge and lasting impact across the sector and has changed forever the way we look at safety. Although keeping people safe has always been our top priority, the process of reviewing our practices against this terrible backdrop has led to changes in the way we do things and significant additional investment in safety monitoring and measures in our housing stock.

During this year we have revisited every one of our housing schemes, carrying out a new fire risk assessment and implementing a 'zero tolerance' approach to things that could make a fire more dangerous. We continue to visit on a monthly or sometimes weekly basis to review any changes in the environment that could alter risk. We asked our residents to let us know about any fire or other safety concerns and have responded to every request with further inspection or changes where these were needed. We continue to want and need your help to make sure that everyone who lives in a CDS home is safe.

We are lucky to be in the position of having relatively strong finances, so cost has not been a barrier to us responding to safety issues. Nevertheless, making good decisions about safety can often be challenging, firstly in identifying the best technical solutions and then in finding suitably expert capacity at a time when both consultants and contractors are overwhelmed with demand. As a smaller provider, we have sometimes found ourselves to be a low priority for inspections, advice or contracts and we know that we are exposed to opportunistic companies in this market. We are working with others in the London G320 group to find solutions that improve the safety advice and service that we and our customers receive.

At a corporate level, we have reviewed our whole safety framework, setting up a Health & Safety advisory committee with representation from across the business, including a Board Member and a retained expert safety advisor.

Customer Service

Although safety has been a main focus for us this year, it has not been the only one. We have continued to improve the quality and value of our offer to existing residents both in what we do and the way that we do it. We have invested around £1.1m in our housing stock this year with a huge investment at the Hollymeadow estate in Kent where new doors and windows have been well received by residents. [suggested picture]

Our teams have focused on getting the basics of service right – with improved customer service across the board in answering phones, dealing with enquiries and responding to complaints openly and quickly. We have carried out repairs more quickly and have reduced the volume of repairs that are needed by doing more things right first time. We have also let homes more quickly and have dealt more effectively with anti-social behaviour. These are the building blocks of a good service and the Board – and particularly the Services Committee – continue to ensure that our staff pay attention to the day to day things that really concern residents.

We have done this whilst keeping our rents low – an average of £101 per week which is about half of the charge for private rental and lower than most of our peers (£108.50). We were pleased to see that our customers really value this also with 89% feeling that our rents offer good value for money. As a registered social landlord, we have an obligation to ensure that we do not ‘leak’ historic subsidy into other activities – but that our surpluses are maximised and used to provide more much needed housing.

In the 2017/18 year, we have done a lot of work to clarify our contracts with leasehold customers. We have a wide range of leases with varying levels of service and obligation and this has historically caused some confusion and dissatisfaction for both leaseholders and staff teams. As freeholder, we have a responsibility to manage services under the leases and to fully recharge all direct and management costs to leasehold customers. Unpicking this has sometimes meant increases in charges and we recognise that this has been difficult, albeit essential. As we move forward, we hope that this clarity will help leaseholders to plan more effectively for the costs involved in being a home owner.

In our role as a service **provider** for housing co-ops, we have also been working to ensure that we recover our proper costs. Historically, we have lost money on this element of our work and following a major review in the 16/17 year, the Board has overseen a strategy to bring this commercial aspect of our business back into profit. Through the global costs review, we know that our management costs are reasonable, and we now have a plan for all co-op customers to contribute fairly to meeting these costs based on the services they take. Again, we know that this change has not been an easy one for our clients and we have responded to this with a phased approach to increasing charges and a new management agreement that gives clients the ability to hold us fully to account for the service we promise.

Promoting the Growth of Community Led Housing

We were pleased to have made some tangible progress with our **promoter** strategy – working closely with the GLA to establish, staff and launch the London Community led Housing Hub which is hosted at our offices in Borough. The appointment of Lev Kerimol as Project Director, fresh from some great work at the GLA on the Small Sites programme, has set us up for some exciting work in 2018/19 and beyond.

We were also delighted to continue our work with the National CLT Network, UK Cohousing Network and CCH, particularly in ensuring that the Community Housing Fund is extended and used to best effect. The announcement of more than £160m investment into this sector is a real boost for the delivery of our mission and vision.

A Word of Thanks

Of course, we need to say a huge thank you to our great employee team whose individual and collective talent, effort and humanity is what makes our service personal for each one of our customers and clients. We never take this for granted and have been pleased to invest in more training, more team development and more employee engagement than ever before.

And finally, a word of thanks to our dedicated Board Members who devote their time, care and skill to overseeing the work of CDS and constantly driving for ‘more and better’ in all aspects of our business.

Brigid Sutcliffe
Chair of the Board

Linda Wallace
Chief Executive



Our Performance...

CDS Comparative Performance

2017/18

The table below shows our performance for the year relative to our peers and national benchmarks.

	CDS	London/SE SPBM	National SPBM	National H/Mark
Average Rent Charged	£101.00	£108.50		
Days taken to complete a repair	7.2	8.0	7.1	9.00
Lettings as % stock	4%	5%	8%	
Average Days to Complete a Letting	22.9	26.0	19.0	21.4
Income lost through Voids	0.46%	0.54%	0.82%	1.29%
Rent Collected as % Rent Due	100.80%	100.10%	100.02%	99.66%
Rent Arrears (Current Tenants)	2.60%	3.58%	3.00%	2.65%
Rent Arrears (Former Tenants)	1.69%	0.07%	0.11%	0.40%
Evictions as % of Homes	0.28%			0.29%
Average Repairs per Home	2.76	2.40	3.20	3.30
Headline Social Housing Cost per Home	£3,662	£4,176	£3,932	

We were particularly pleased to see improvements in things that we know really matter to our customers – such as getting repairs done quickly and well. We invested in some additional support for customers facing the challenge of universal credit as well as investing in specialist training for our

staff teams. This has been beneficial, with rent collection and arrears management performance sitting in the top quartile.

Our overall costs for providing and managing social housing compare favourably with our peers and we aim to keep our costs competitive whilst investing in appropriate ways. This includes planned investment in our housing stock and investment in information technology and staff skills.

We had a positive year financially, with an improvement in our operating surplus (before sales, tax, interest and exceptional items), despite significant increase in our investment in estate and safety costs. This was primarily achieved by reductions in our staffing and overhead costs.

The link to our financial statements is here [For the AGM members will have a copy of the financial statements, when published on our website the annual report will include a link to the full financial statements which will also be published on our website]

Our Performance...

Resident Satisfaction With Services

Tenant Satisfaction with...	CDS	London/SE SPBM	National SPBM	National H/Mark
Overall Service	84%	89%	93%	86%
Home & Neighbourhood	86%	89%	90%	85%
Repairs Service	80%	79%	86%	79%
Value for Money	89%	76%	81%	74%
Views Taken into Account	60%	64%	80%	73%

Our mid-year STAR survey showed a real increase in customer satisfaction, but this has reduced in the 18/19 start of year update. We recognise that there is more for us to do in improving core service – particularly in communicating effectively, engaging with residents to personalise services and dealing with enquiries and complaints quickly and openly.

Leaseholder satisfaction remained significantly lower than tenant satisfaction and we recognise that the increased costs of estate safety and the clarification of responsibilities under leases will make this challenging to reverse. Our focus in the coming year will be on improving our reliability and efficiency so that the customer service received by our leasehold customers is positively experienced.

Working with Our Residents

Image (Right): Client Relationship Officer, Nurain Abudu.
 Image (Below): Dartford Borough Councillor, David Mote.
 Image (Below): Lesley Chapman, Chair of the Residents' Committee at Phoenix Place.
 Image (Page 11): Linda Wallace, the Mayor, Cllr Rosanna Currans and Lesley Chapman open the Hub.



We want to ensure that our landlord business increasingly reflects our overall vision of making co-op and community led housing a more mainstream option. For us, this means working with customers to give them more opportunities to share in the design, management and monitoring of our services and homes. We also want to provide opportunities for new community-led housing groups to emerge from within our own resident communities.

This year we have worked closely with residents at our Phoenix Estate in Dartford to develop a plan for deepening resident leadership of services on the estate. Phoenix is our largest concentration of homes and is a multi-tenure scheme with an existing resident run co-operative. Working with the committee and with the support of Big Local, we have invested in a new community hub building – designed and developed in partnership with residents to provide a base for housing management, community events and community development. The hub was opened by three local mayors – past, present and future and is already being well-used.



The hub hosted a great Christmas party for local residents and offers a weekly surgery for housing management and rent issues.

We have also been investing in the local co-op committee, encouraging new membership and providing an external facilitator to develop scrutiny and monitoring skills. Over the coming year we hope to be able to move some service management to the co-op as part of a planned move to greater resident control.

Our very dispersed housing stock can make it difficult to establish community programmes in the more traditional way. Our housing staff pride themselves on knowing their customers well and using a combination of this knowledge and local surveys, will be developing customer involvement initiatives over the coming year.

Our customer feedback is carried out regularly as part of each service but is supplemented by independent customer surveys which give us an accurate sense of how our service is being experienced. We really value the time that customers put into this feedback and we use it actively to guide priorities and changes. This year, the main focus has been on improving our communication and responsiveness – especially when complaints or problems arise. We know that this is beginning to have some impact on how reliable tenants and leaseholders feel we are but recognise that there is more work still to do to embed and build confidence in this.

Promoting Growth in Community Led Housing



Our overarching aim is to see co-op and community led housing (CLH) as a mainstream option. For us this means being able to find a CLT home on Zoopla or seeing a co-op mortgage leaflet in your high street bank. We want the options for community led housing to be more commonplace and easier to get involved with.

We recognise that CLH is not always something that responds to the greatest need; it has a place in helping to make more affordable housing available across the whole housing market. For example, people in low paid employment who are not eligible for social housing or young people who want an alternative to expensive and poor-quality shared accommodation. CLH takes work and time to develop – but we believe it can help to create diversity in both the housing and the construction market – and fills an important gap.

Our approach to our promotion work is to work with others to make more homes available for more people more quickly. This may be supporting physical development of housing – particularly where homes are to be built in our core areas – but it will often be about helping someone else to move a scheme or an idea forward. For example, we have supported work with the National Community Land Trust Network (NCLTN) and the UK Cohousing Network (UKCN) to shape the new Community Housing Fund which will bring more than £600m of investment in to this sector. We have funded a research report on mortgage finance for CLH home ownership options – making it easier for funders and groups to develop approaches that work and can be repeated.

In London, we have worked with the GLA to establish a case for the London CLH Hub which has now received GLA start up funding of £250,000. The Hub will support the growth and development of a community led housing market in London, helping more people to be directly involved in solving their own housing issues. The Hub will work with groups, local authorities, landowners, funders and housing associations to promote the conditions for success. We are supporting the Hub with office space and management support in our London office with a view to it becoming an independent company.

Governance: Our Board

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

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 represented in our most recent 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 and supportive challenge to plans and performance.

During the year under review we thanked Jon Fitzmaurice as he left the Board after many years of dedicated service to CDS. We also recruited a new individual Board member, Nigel Wood, to replace Craig Glasper who had to stand down from the Board due to his own work commitments.

There is currently a vacancy on the Board for a representative of a client organisation (corporate member). We are actively seeking to recruit a new client representative as our rules currently require at least one third of the elected members to be representatives of client organisations.

Board Members (September 2018)

Chair: Brigid Sutcliffe

Treasurer: Nick Whitaker

Individual Member: Zohra Chiheb

Individual Member: David King

Individual Member: Andrew Pakes

Representative of Corporate Members:

Rafia Patel

Individual Member: Martha Slade

Co-opted Tenant Member: Rebecca Southern

Individual Member: Ed Wallace

Representative of Corporate Members:

Tony Watt

Co-opted Individual Member: Nigel Wood

Representative of Corporate Members:

Lawrence Zollner

Working With Our Client Co-ops

The largest part of our business is providing services as a managing agent for a wide range of housing co-ops across London and the South East. We offer landlord and business services that help some 40+ local management committees to run successful housing co-ops and provide homes for more than 2000 households.

During this year, our client services team focused on developing a new management agreement which will offer greater **transparency** and **accountability** for our services. We have also wanted to ensure that the way we work reflects our values and is empowering for clients. Most critically, we want to ensure that clients fully understand their legal and regulatory responsibilities as landlords and feel confident to make good and well-informed decisions about their policies and processes.

Our new client fee structure has been challenging to implement, requiring many of our clients to pay higher fees to cover the true cost of services. We appreciate how many of our co-ops have nevertheless renewed their management contract and we look forward to responding with even more and better services as we move into 18/19. We are particularly keen to encourage our clients to explore opportunities for new development and growth, working with the emerging community-led housing movement and the London CLH Hub.

During the year, several of our clients have carried out major works programmes and we have strengthened our approach and offer – with an expert programme manager and a series of established partnerships with consultants for technical project management. We know that



there is an important ‘translation’ element to help smaller landlords to get great quality, flexibility and value out of stock investment and this is an area where we will be continuing to improve our skill.

We have been continuing to seek feedback from client co-ops on our service so that we can invest in the things that are most valued. We are delighted that so many clients appreciate our financial services and that these have been found to be more reliable and responsive this year. We have also had great feedback about our co-op support service and our arrears teams. Co-ops have told us that the areas that need most attention are our repairs service and the timeliness of our payments. These are both priorities for improvement in the coming year.

How We Are Regulated

We are regulated by the Regulator of Social Housing (the new name for the Homes & Communities Agency). They set a range of performance standards that we must meet. They have a co-regulatory approach in managing regulation, which means that they focus their attention on how organisations are meeting the first three standards and they rely on the Board of a registered providers of social housing to ensure that they are meeting the standards that have been set in a way that is appropriate for the size of the organisation.

Our Board reviews progress against the standards each year to drive awareness of strengths and weaknesses and to ensure continuous improvement. This is vital to ensuring we remain self aware and continue to strive for better in all aspects of our service. A summary of the Board’s agreed self assessment of performance against the standards in the year to 30 June 2018 is shown in the table below. This showed further improvement on last year’s assessment with no areas now being rated as only “reasonable compliance” or “limited compliance”. Whilst there is space for continued progress in certain areas we are encouraged by the overall progress made over the past twelve months.

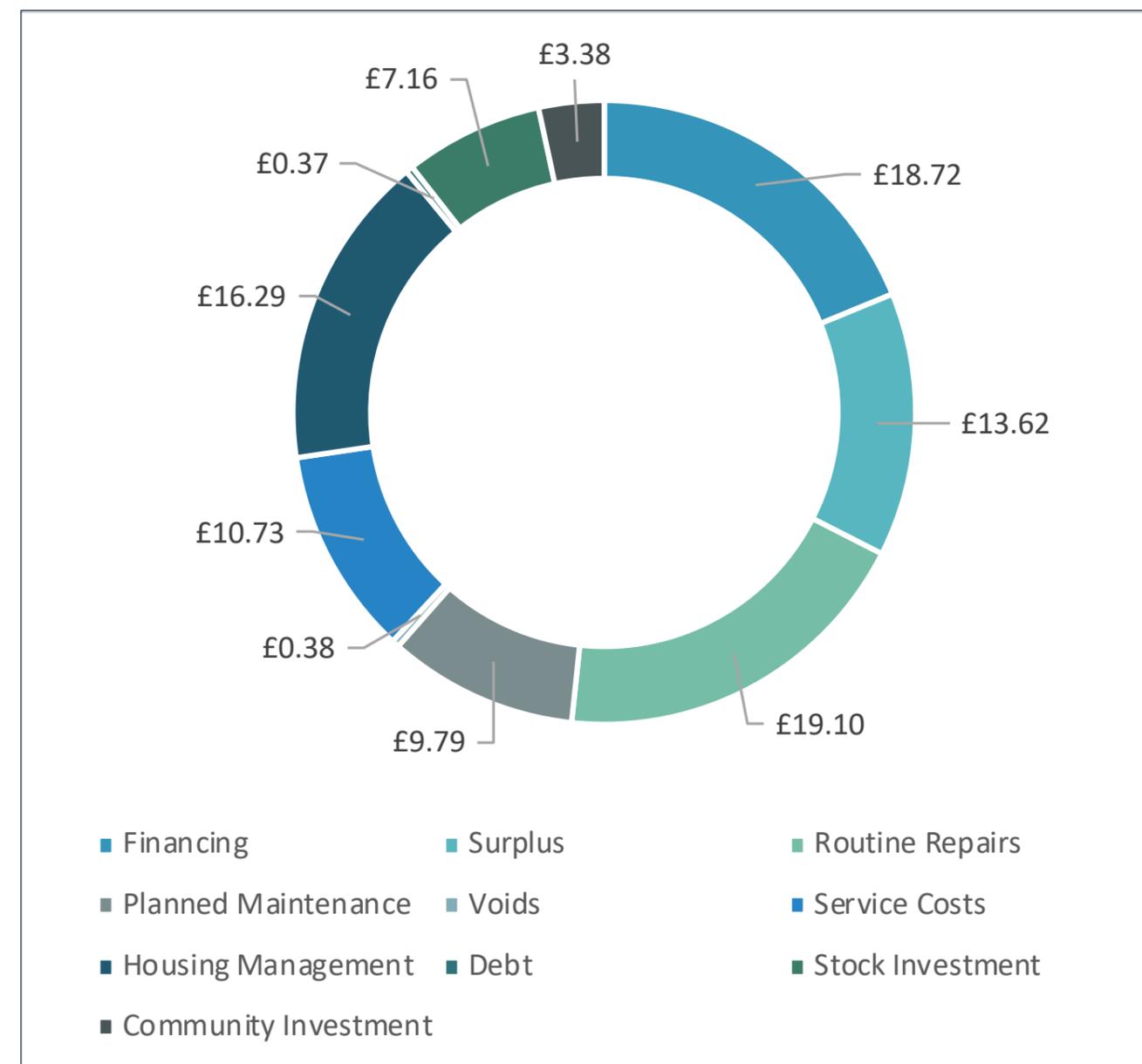


<i>Standard</i>	<i>This Year's Assessment</i>
1. Governance and Financial Viability	Full
2. Value for Money	Substantial
3. Rent (New statutory requirements in place)	Full
4.1 Tenant Involvement and Engagement (TIE): Customer Service, Choice and Complaints	Substantial
4.2 TIE: Involvement and Impowerment	Good
4.3 TIE: Understand and Responding to the Diverse Needs of Tenants	Good
5.1 Home: Quality of Accommodation	Substantial
5.2 Home: Repairs and Maintenance	Good
6.1 Tenancy: Allocations and Mutual Exchanges	Substantial
6.2 Tenancy: Tenure	Full
7.1 Neighbourhood and Community (NC): Neighbourhood Management	Good
7.2 NC: Neighbourhood Management	Good
7.3 NC: Antisocial Behaviour	Substantial

Finances...

How We Spent Our Money

In 2017/2018 for each £100 we received in rent, we spent:



Our Accounts

	2018	2017
	£	£
TURNOVER		
Operating costs – normal	5,751,387	5,796,547
Operating costs – exceptional	(4,914,241)	(4,974,573)
	-	(227,300)
OPERATING SURPLUS		
Surplus on sale of housing properties	837,146	594,674
Investment and other income	263,075	1,047,573
Interest payable and similar charges	3,967	8,693
	(211,983)	(247,123)
SURPLUS AFTER EXTRAORDINARY ACTIVITIES AND BEFORE TAXATION	892,205	1,403,817
Tax on surplus on ordinary activities	(243,153)	(293,677)
SURPLUS FOR THE FINANCIAL YEAR	649,052	1,110,140
Total Comprehensive Income for the Year	649,052	1,110,140