

ANNUAL REVIEW 2008

We began 2008 welcoming tenants to our first newly built homes in many years, upstairs from our new offices. We ended the year poised to submit for planning permission proposals that will vastly improve over half our homes and build another 44 for rent by local key workers



'We loved our flat and go with happy memories of our 2½ years here.' **Seyed Seyedin,** health management student



'It's very handy being across the road from my job. I can spend more time with my baby and there's no travel time or expense.' **Maxine Cabrera,** nephrology nurse

Loans secured

The cost of the £12 million Du Cane Road project will be covered by a £3m grant from the new Homes and Communities Agency and by loans secured from The Housing Finance Corporation and Lloyds Bank, and the sale of our street properties.

Though agreed in a difficult year, all the loan terms are very favourable. The work will significantly improve 112 homes we own along the road and build 44 new homes, some on sites between blocks and the rest on an extra floor we propose adding to all five blocks.

Better homes

Most of our Du Cane Road flats were built in the 1970s. They have the generous internal spaces of that period but otherwise need improving.

Our plans to improve them are substantial and they will be expensive. The reconditioned flats will incur higher rents. But our rents have been steadily falling behind those charged by private landlords. Now at just 33% of the local market rate, even with an increase they will remain affordable and will continue to offer good value.

The higher rents will also be offset by much lower heating bills. There will be insulating cladding to outside walls and new windows will improve heat and sound insulation. Flats will get new kitchens and bathrooms and fuel efficient space heating. They will meet or exceed the Decent Homes standard.

The 44 new one and two bedroom flats will achieve Code for Sustainable Homes level three standard, with excellent insulation and air source heat pumps minimising the need for any extra heating.

We will also be installing lifts – a particular benefit for families with young children or a disabled person. If all goes to plan, the works should start in November 2009.

Perhaps the most complex aspect will be minimising disruption for our tenants. Most of our tenants stay with us for two to three years. Some of those now living on Du Cane Road will leave before the improvements are complete but they will have to live nearby throughout the construction period. ►►



◀◀ Phase one will affect tenants of two blocks. All have been matched to new homes that will be ready for them when the work begins. A rolling programme will see tenants moving back to their newly improved flats once the works finish, floor by floor.

Not surprisingly tenants have shown a lot of interest in our plans. We hold regular and well attended focus group meetings for tenants and their response to our plans, including the prospect of a higher rent, has been encouraging.

Service standards

But it is our day to day operation that has brought the consistent successes that make us most proud. For the first time this year we can show our standards compared with the g320 benchmarking group of small London housing associations (see separate sheet *Performance 2008*).

Our strengths over the past 12 months were shown to be the low cost of managing each home, our good rent collection and low arrears, prompt re-let times and good overall satisfaction with our services.

As a member of the g320 group we are able to share some resources and in a number of areas enjoy better economies of scale. In the last year, aided by solicitors, we have also set up a confidential 'marriage' broking service for

housing associations interested in working more closely with each other.

Managing agent

We offer our skills in housing management to other property owners through Ducane Commercial Services, a limited company. We currently have two ongoing contracts.

Under one contract we manage Perryn House, a block of 36 leasehold flats in west London. In north London, we manage rented accommodation for 29 business students in a building owned by Parsifal College. We were awarded bonuses for our handling of both contracts this year.



'There's always been a lovely sense of neighbourliness but in the last few months I have met more of my neighbours, with the neighbourhood watch, working with the management company and seeing people in and around the block.' **Emily Orme, elected director at Perryn House**

We **cut running costs** by:

- taking all the decorating contracts in-house
- giving the job of cleaning Perryn and Vellacott houses and Ducane's office to our own cleaners
- getting vacated flats redecorated and let much faster
- cutting a maintenance team of six to four workers, now largely responsible for planning their own workload
- persuading 76% of tenants to pay rent by direct debit, reducing risks linked to handling cash in the office.

We **generated income** by

- collecting 99.1% of all rent owed during the year. Most tenants paid their rent on time. One persistent non-payer was evicted and is being pursued through the courts for the arrears
- selling spare car parking spaces under the Du Cane Road flats to medical staff from the hospital opposite. Tenants get priority for spaces.