



The Industrial Dwellings Society (1885) Limited

Annual Report 2015–2016



The Industrial Dwellings Society (1885) Limited

President

Sir Evelyn de Rothschild

Board

Jonathan Davies (Chairman)
 Robin Ellison (Vice Chairman)
 Maggie Cooke (Tenant Member)*
 Alan Fell* (from 2 December 2015)
 Michael Firman
 Janis Goodkind
 Bernard Myers
 Leon Newmark (Tenant Member)*
 Ray Peacock (from 3 November 2015)
 Michael Rabinowitz (from 3 November 2015)
 Julian Romain (retired 3 November 2015)
 Nicola Solomons
 Joseph Stauber * co-opted

London Borough of Hackney Representative

Cllr Susan Fajana-Thomas

Solicitors

Devonshires
 OGR Stock Denton
 Perrin Myddleton

Bankers

National Westminster Bank Plc
 Dexia Credit Local

External Auditors

Nexia Smith & Williamson

Internal Auditors

Crowe Clark Whitehill

Registered by the Homes and Communities Agency

Number L0266

Registered by the Financial Conduct Authority

Number 14044

Registered Office

1st Floor, Anna House,
 214-218 High Road,
 London, N15 4NP

Telephone: 020 8800 9606

Facsimile: 020 8800 5990

Email: housing@ids.org.uk

Website: www.ids.org.uk

IDS has adopted the principles of the National Housing Federation Code of Governance. However, when the Board resolves that members with specific skills and expertise essential to the Board, having served nine years, continue to make a significant and vital contribution then up to three such members can be re-elected but subject to annual review. These measures are designed to ensure the introduction of new Board members continues whilst maintaining an element of continuity and the participation of highly valued and skilled members.

Central Staff

Chief Executive	Paul Westbrook
Secretary to the Chief Executive	Madge Raymond
Receptionist / Administrator	Munni Begum

Technical Services

Director of Technical Services	Melvin Dawson
Senior Surveyor	Sean Kelly
Project & Building Surveyor	Amir Zarrinkhat
Technical Services Administrators	Jane Harper Jane Patterson

In-house Team

Technical Services Co-ordinator	Marsha Allen
Gas Engineers	Anthony Smith Kim Wiltshire
Decorator	Michael McFarlane
Electrician	James Green
Multi-tradespersons	Michal Fibor Yanko Smilenov Michael Harvey

Finance

Director of Finance	Omar Mapara
Finance Manager	Tajul Islam
Finance Officers	Phuong Le Gillian Young
Finance Assistant	Hussain Sofiean

Housing Management

Director of Housing Services	Richard Hawkins
Housing Manager	Alan Finkel
Supported Housing Manager	Annette Henry
Rental Income Manager	Adnan Wadud
Allocations & Lettings Manager	Kevin Coleman
Tenant Participation & Community Development Officer	Ernest Lee
Housing & Tenancy Enforcement Officer	Stefan Hartman
Housing Administrator	Florence Hines
Housing Welfare & Support Officer	Robert Davenport
Housing Services Administrator	Kevin McLaughlin
Estate Managers	Richard Cousins David Donovan Catherine Gibson Ricky Kasabi
Sheltered Scheme Managers	Janice Dalziel Merle Donovan Margaret Hartley Lyudmila Khachatryan

Caretakers

Mohamed Bouyahiaoui	Val McLoughlin
Andrew Brookes	Darren Pemble
John Caruana	Michael Rowan
Omar Funes	Darell Thompson
Shuzna Khatum	Neil Thompson
Rafael Larce	Dean Walsh

Cleaner

Gloria Francis-Uzoemyi

Front cover: Retiring Chief Executive Paul Westbrook at the new IDS development in Bushey Heath (see page 5).



INVESTOR IN PEOPLE

Chairman's report 2016

Despite the challenging environment in which we operate, 2015-16 was a good year for IDS. Whilst progress on the two schemes we have on site – Windmill Street, Bushey Heath and Phase 3A Millbrook Park, Mill Hill – has not been as rapid as we would have hoped, both projects are nearing completion. The seven houses in Bushey Heath will be the first directly managed scheme we own in Hertsmere and the ten flats and four houses in Mill Hill will provide a welcome increase to our housing stock in the London Borough of Barnet.

Last year, following the Government's announcement of a four-year period of mandatory rent reductions, we had to scale back dramatically from new housing developments. We have now had the opportunity to re-assess the situation and are able to plan a modest expansion to our programme. The introduction of the Right to Buy scheme for housing associations and the roll out of Universal Credit to replace Housing Benefit have both been delayed and have not as yet impacted significantly on our operation.

We have successfully introduced a group structure to bring Otto Schiff Housing Association (OSHA) under the ultimate control of IDS. Currently OSHA has a leasehold interest in 12 flats only. Eight of these are in Selig Court in Golders Green and the remaining four flats are in Edgware. These schemes are managed by Jewish Care and the Langdon Foundation respectively. OSHA rules have the specific aim of providing homes for Jewish people and our aim is to increase the housing stock of OSHA as opportunities arise.

At a time of sustained pressure on the availability of welfare benefits, it is a mark of success that we have been able to reduce the overall level of rent arrears. The figure, adjusted for late payment of Housing Benefit, is the lowest for several years. We have also significantly reduced the "void turnaround period" the period between properties being vacated and re-let.

In August 2015 our long serving Chief Executive, Paul Westbrook, announced his intention to retire in the following year. The advance notice enabled us to recruit a new Chief Executive in a timely manner. With the assistance of external consultants we carried out a full recruitment process and I am delighted that we were able to appoint Richard Hawkins to take up the position from September 2016. Richard has provided a first-rate service to IDS for many years as Director of Housing.

Paul has been our Chief Executive since 1988 and has successfully



IDS Chairman Jonathan Davies (left) with retiring Chief Executive Paul Westbrook

steered IDS through enormous changes in Government policy and regulation. He has steadily expanded the housing stock and carefully avoided the pitfalls to achieve for us our top rating as a well-run housing association. He leaves IDS in very good shape. We are grateful to him for all his hard work over the years and wish him a long and happy retirement.

We were also able to recruit two excellent new Board members Michael Rabinowitz and Alan Fell. They have experience at senior level in IT and HR respectively, areas where we sought to enhance the Board's expertise. Both have made significant contributions from the start. I thank them and the other Board members who all continue to undertake their voluntary roles in a highly professional, effective and dedicated manner.

Jonathan Davies, Chairman
September 2016.

Housing management

Lettings

During the year we carried out 91 lettings, compared to our Lettings Plan of 104. The main reason for the shortfall was the delay in a new build scheme of seven houses which will now be completed in July 2016. There were also three lettings carried out for Hackney Housing Co-Operative this year, one more than last year.

Sheltered lettings accounted for 27% of all lettings, a reduction from 32% last year. The year before the figure was also 27%, so the proportion of lettings at our sheltered schemes was in line with the expected level.

Over the last three years there has been a steady reduction in the void turnaround period for vacancies within our sheltered schemes. In 2013-2014 it took 64 days to let sheltered properties. This fell to 59 days in 2014-2015 and 49 days in 2015-2016, a reduction of 17%.

82% of the new tenants completed the lettings satisfaction questionnaire this year. 100% of the respondents were either very, or fairly satisfied with the accommodation.

“Over the last three years there has been a steady reduction in the void turnaround for vacancies within our sheltered schemes.”

Lettings: categories source shown as %

LA Nominations	40	44%
Transfers	23	26%
Referral Agencies	4	4%
Direct Applicants Sheltered	12	14%
Direct Applicants Evelyn Court	3	3%
Community Worker	5	5%
Community Letting	3	3%
Miscellaneous	1	1%

Rent collection

Arrears at the end of the financial year were £377,848 which was 4.3% of receivable rent. This figure is significantly higher than previous years due to the four-weekly Hackney Housing Benefit payment being delayed beyond the year end.

Our target was to maintain the level of arrears at or below 3.0%, adjusted for outstanding Housing Benefit. £213,105 was outstanding at the year end, so net arrears were £165,173 equivalent to 1.9% of receivable rent.

The gross rent due for the year was £8,567,489 with £8,469,354 being collected. This was 98.85% of rent due. Rent due excludes void losses of £85,100. The rent collected was also affected by the delay in the Hackney Housing Benefit payment.

During the year, 142 Notices of Seeking Possession were served. 54 cases proceeded to Court of which 28 were adjourned either generally or on terms. 26 Possession Orders were obtained.

We presented 10 cases to the Housing Committee seeking permission to evict. All cases were approved; some subject to further action or information prior to the eviction taking place. Five tenants were evicted.

The budget provision for bad debts was £50,000. We actually wrote off bad debts to the value of £41,159.62.

Diversity monitoring

The Ethnic Monitoring Statistics for lettings during 2015/16 showed an improved response rate compared to the previous year. All new tenants completed the questionnaire.

The proportion of lettings to white households was 59%, increased from 44%. Lettings to Asian households decreased to 9% from 12% in the previous year.

The proportion of lettings to black households decreased to 28%, compared to 33% in the previous year. The proportion of mixed race cases decreased to 4% from 8%.

Lettings to BME households represent 41% of all lettings, down from 55% last year.

The overall share of lettings across the ethnic groups is in line with the ethnic mix of the boroughs in which we operate.

Our customer survey indicates continuing high levels of satisfaction across all ethnic groups, with 100% of new tenants satisfied with their new homes.

Satisfaction with new home

	Very Satisfied	Fairly Satisfied	Not Satisfied
White	82%	18%	-
Mixed	34%	66%	-
Asian	56%	44%	-
Black	83%	17%	-
Other	100%	-	-

We let 91 properties during the year and all new tenants were satisfied with their home.

Lettings by ethnicity:

White British	32%
Black African	15%
Black Caribbean	13%
White Other	24%
Mixed White & Black Caribbean	2%
Asian Bangladeshi	5%
Mixed Other	1%
Mixed White & Black African	1%
Asian Other	4%
White Irish	3%

“... 100% of new tenants satisfied with their new homes.”



A “Meet your Neighbour” event was held at Stepney Green Court

Tenant participation

Arsenal continue successfully to deliver the youth programme on Evelyn Court. Their twice weekly sessions are well attended and are extremely popular. They re-established the online Double Club educational workshop, which runs during one of their sessions.



“All the events were well attended and residents are keen to organise similar events this year.”

The Friday evening youth club sessions on the Beckers Estate have continued to provide an outlet for some of the older youths to engage. This session is well attended and provides an additional activity for our young people.

Star Academy Solutions, the IT providers at bay 6 on Evelyn Court estate, have a variety of IT classes and workshops running every day. They have recently been awarded training contracts by the Learning trust in Hackney to deliver ESOL and other training activities at Evelyn Court.

For the first time, we organised three Family Fun Days in August. The traditional event was held on Evelyn Court but, by popular demand from residents, events were also held at Stoke Newington and Navarino Mansions.

Activities within our sheltered schemes continued with keep fit and IT classes taking place at several schemes. Trips to the seaside and variety shows were organised and, as usual numerous coffee mornings and afternoon cream teas were enjoyed.

All the events were well attended and residents are keen to organise similar events this year.



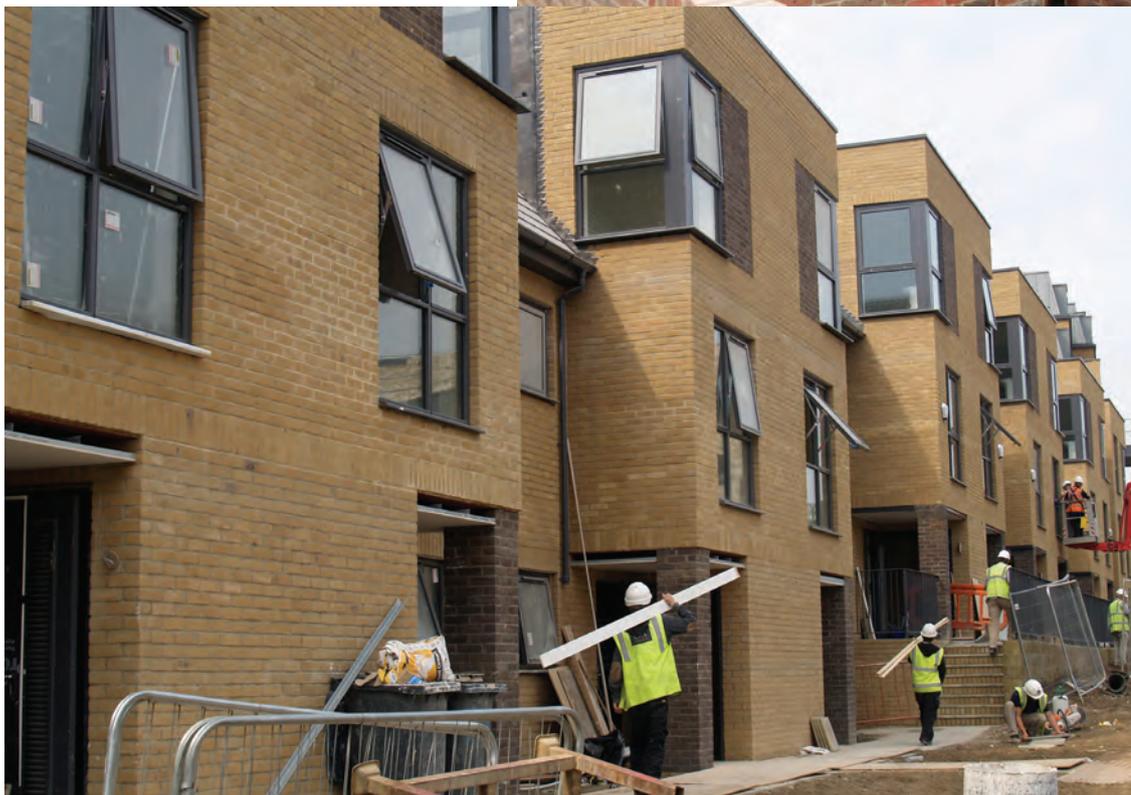
Young residents learning to kayak on the City Road Basin



IDS Tenant Participation and Community Development Officer, Ernest Lee (left) receiving an award from Arsenal for our work with the community in Hackney.

Development

Two new IDS developments are nearing completion. Seven houses in Bushey Heath (right) have been allocated to new tenants. Fourteen homes at Millbrook Park (below) will include flats for rent and shared ownership sale and houses for rent.



Looking back over 28 years



Paul Westbrook in 1988 on appointment as IDS Chief Executive

“One of my greatest pleasures has been working with such a wonderful team of staff here at IDS.”

I joined IDS at the end of March 1988. I was told at my interview that I was only the fifth Chief Executive for the organisation in its then 103 year history. When I confirmed that my intention would be to remain for a considerable period of time, I did not realise it would cover the next 28 years.

The Housing Corporation, then responsible for regulation, had just issued a highly critical report about the organisation and its practices. I inherited a system in which every single member of staff reported directly to the Chief Executive. This was entirely impractical and we soon reorganised into three main departments of Housing, Finance and Development which still remain today.

By the next January we no longer had a development manager but instead employed our first head of maintenance who, of course, is still in post. The modernisation project for Navarino Mansions had been set in motion but no funding obtained from the Housing Corporation. This was one of my first tasks. The approach to regulation has changed several times in the intervening period but I am proud that since those early days we have established and maintained the approval of our Regulators under the various systems operated.

We have consistently achieved the highest standard for both governance and viability. It was with great satisfaction that following our one and only inspection by the Audit Commission we were selected for a performance award.

With the successful modernisation of Navarino Mansions we embarked on a development and acquisitions programme, including the purchase of Ajex House and Hilary Dennis Court. Initially we carried out

development ourselves but subsequently have mostly worked in partnership with larger associations. This has included the development of our first family housing scheme in the London Borough of Barnet and the purchase of a site for future housing development in Borehamwood.

It had become increasingly difficult to provide housing for the Jewish community, the *raison d'être* of the organisation. After a painfully difficult and bureaucratic process we have recently taken control of the Otto Schiff Housing Association within a group structure. I sincerely hope that through this vehicle my successors will be able to fulfil this aim.

In my period at IDS I have worked under four Chairmen. Each had a highly distinctive approach to their leadership role but all were focussed on the main aim of IDS to provide affordable decent housing for people with limited means. In this they have all been supported by Board members with exceptional dedication and skill.

One of my greatest pleasures has been working with such a wonderful team of staff here at IDS. Of course there have been exceptions, but the organisation has been extremely fortunate to recruit and retain such a dedicated and loyal group of people. I will truly miss them when I leave these shores for my new life in Israel.

The housing world is facing a difficult time. Rent reductions together with pressures to reduce costs and the introduction of the Right to Buy pose significant challenges. Many of our tenants are experiencing reductions in the welfare benefits essential for them to provide for their families and to maintain their tenancies.

I am confident that under the leadership of the Board and our new Chief Executive IDS will be able to meet and overcome the challenges ahead.

Progress report

Achievements and challenges since 1988 are reflected in IDS annual reports



Housing maintenance



Repairs to the roofs at Stepy Green Court



During the year we undertook the following projects:

Ajex House

- ▶ Replaced 7 kitchens, redecorated communal areas and replaced the warden call / door entry system.

Charlotte Court

- ▶ Replaced 23 kitchens, renewed communal lighting using low energy fittings, rewired all 24 flats and redecorated communal areas.

Evelyn Court

- ▶ Replaced 13 gas central heating systems, replaced 2 kitchens and 4 bathrooms and replaced the external communal lighting with low-energy fittings.

Hilary Dennis Court

- ▶ Redecorated communal areas.

Nathaniel Court

- ▶ Replaced the external communal lighting with low-energy fittings.

Navarino Mansions

- ▶ Replaced 40 central heating boilers, replaced 23 kitchens, replaced the external communal lighting with low-energy fittings and redecorated communal areas.

Stoke Newington Estate

- ▶ Replaced 11 kitchens, laid vinyl floor covering to the communal staircases and refitted shop unit to provide office accommodation for two staff members transferring from Ockway House.

Miscellaneous

- ▶ Fitted out of the new Head office at Anna House.
- ▶ Replaced the windows and external doors to a street property
- ▶ Replaced 11 bathrooms, 17 central heating boilers, and 7 kitchens at various properties and rewired 2 properties

Value for Money

As part of our Value for Money action plan we are examining the cost of delivering our major repairs programme. The re-tendering of contracts and the use of our in-house team has provided savings.

Targets

This year we have fell short of our target in two out of four categories. The target is 97%.

Work completed on time shown as %





Above: One of the new kitchens at Charlotte Court.
Below replacement of a retaining wall at Ajax House



In November 2015 at the Plaisters' Hall in London, the in-house team was presented with a Bronze Award for outstanding workmanship across all projects.

Replacement of the external lighting at Navarino Mansions. The ducting was laid by one of our contractors while the wiring and installation of lighting was undertaken by the in-house team



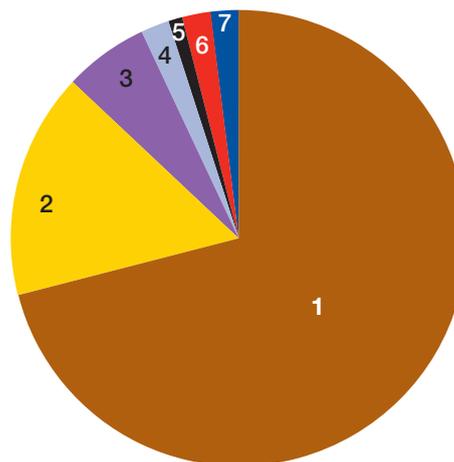
Finance

Financial summary 2015–2016

IDS has maintained its strong financial position and has operated well within its budget. The surplus for the year was £2,447,000 which exceeded the forecast by £881,000. This has been further increased by an actuarial gain on the Pension Fund of £1,209,000. Turnover has increased from £9,392,000 to £9,726,000. Operating costs decreased to £6,585,000 from £7,725,000 last year. We spent £2,397,000 compared to £3,307,000 last year on maintaining our properties. The financial statements have been produced using the new Financial Reporting Standard 102.

The strong asset base at IDS includes housing properties costing £79,250,000 with loans of only £9,719,000 charged against some of these properties and substantial unencumbered assets. We spent a further £951,000 on capitalised major works this year and paid £3,505,000 on developing new schemes. Our liquidity position is very strong with a cash balance of £2,477,000.

The 30 year Business Plan indicates that IDS is financially viable and has adequate resources for the future, including an undrawn loan facility of £5 million with the Royal Bank of Scotland to fund future development. We continue to meet the expectations of the Homes and Communities Agency, lenders, internal and external auditors and maintain our G1V1 status for governance and viability.

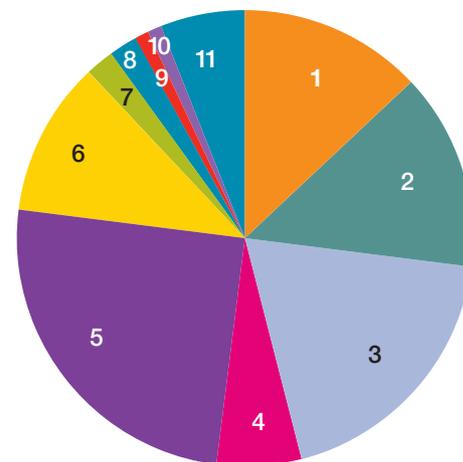


Where the money comes from (£000's)

1 Rents	7,148
2 Service charges	1,621
3 Amortised government grants	634
4 Commercial properties	166
5 Interest received	13
6 Profit on fixed asset disposals	188
7 Other income	157
Total	9,927

How we spent it (£000's)

1 Management	1,298
2 Service cost	1,434
3 Routine maintenance	1,827
4 Planned maintenance	570
5 Surplus	2,447
6 Depreciation	1,135
7 Development administration	196
8 Tenant welfare services	177
9 Loss on revaluation of investment properties	70
10 Other	136
11 Loan interest	637
Total	9,927



Accounts

Statement of comprehensive income year ended 31 March 2016

	2016 £000	as restated 2015 £000
Turnover	9,726	9,392
Operating expenditure	(6,585)	(7,725)
(Loss)/gain on revaluation of investment properties	(70)	5
Operating surplus	3,071	1,672
Interest receivable and finance income	13	27
Interest payable	(637)	(625)
Surplus for the financial year	2,447	1,074
Other income		
Actuarial gain/(loss) in respect of pension schemes	1,209	(592)
Total income for the year	3,656	482

Statement of financial position 31 March 2016

Fixed assets	Property, plant and equipment		
	Housing properties	61,750	58,699
	Other property, plant and equipment	436	164
	Investment properties	2,395	2,465
	Post employment benefits	441	-
		<u>65,022</u>	<u>61,328</u>
Current assets	Trade and other debtors	489	662
	Investments	1,000	3,000
	Cash at bank and in hand	1,477	970
		2,966	4,632
	Creditors: amounts falling due within one year	(1,867)	(1,880)
	Net current assets	1,099	2,752
	Total assets less current liabilities	66,121	64,080
	Creditors: amounts falling due after more than one year	(40,030)	(40,803)
	Post employment benefits	-	(842)
	Net assets	26,091	22,435
Capital and reserves	Share capital (non-equity)	-	-
	Income and expenditure reserve	26,091	22,435
	Total capital and reserves	26,091	22,435

A full set of audited accounts is available on request from IDS head office.

Property Managed

Scheme	Borough	Built	Homes
Abraham Cohen Court	Redbridge	2003	11
Ajex House	Hackney		45
Cardinal Avenue ⁵	Hertsmere		5
Charlotte Court	Redbridge	1984	24
Clifford Lawton House	Hackney	1988	24
Cross Keys Court	Redbridge	2009	8
Evelina Mansions	Southwark	1901	72
Evelyn Court	Hackney	1934	317
Finchley Road	Camden	2015	4
Gabriel House ⁴	Hackney	2010	8
Genas Close ⁴	Redbridge	2007	4
Hackney Housing Co-op ¹	Hackney		86
Hilary Dennis Court ²	Redbridge	1997	35
John Golding House ³	Barnet		5
Koban Court ⁴	Barnet	2007	8
Laurel Court	Hackney	2009	10
Leslie Prince Court	Southwark	1979	11
Mocatta House	Tower Hamlets	1905	20
Mountside Walk ⁴	Hackney	2010	15
Nathaniel Court	Hackney	1968	24
Navarino Mansions	Hackney	1905	250
Olive Court	Hackney	2009	5
Rebecca House	Tower Hamlets	1933	32
Shared Ownership	Various		26
Somers Court ⁵	Barnet		8
Stepney Green Court	Tower Hamlets	1896	115
Stoke Newington	Hackney	1903	277
Street Properties	Various		37
Total			1486

1 Managed by IDS on behalf of Hackney Housing Co-op.

2 Hilary Dennis Court is owned by IDS and managed in conjunction with Jewish Blind and Disabled.

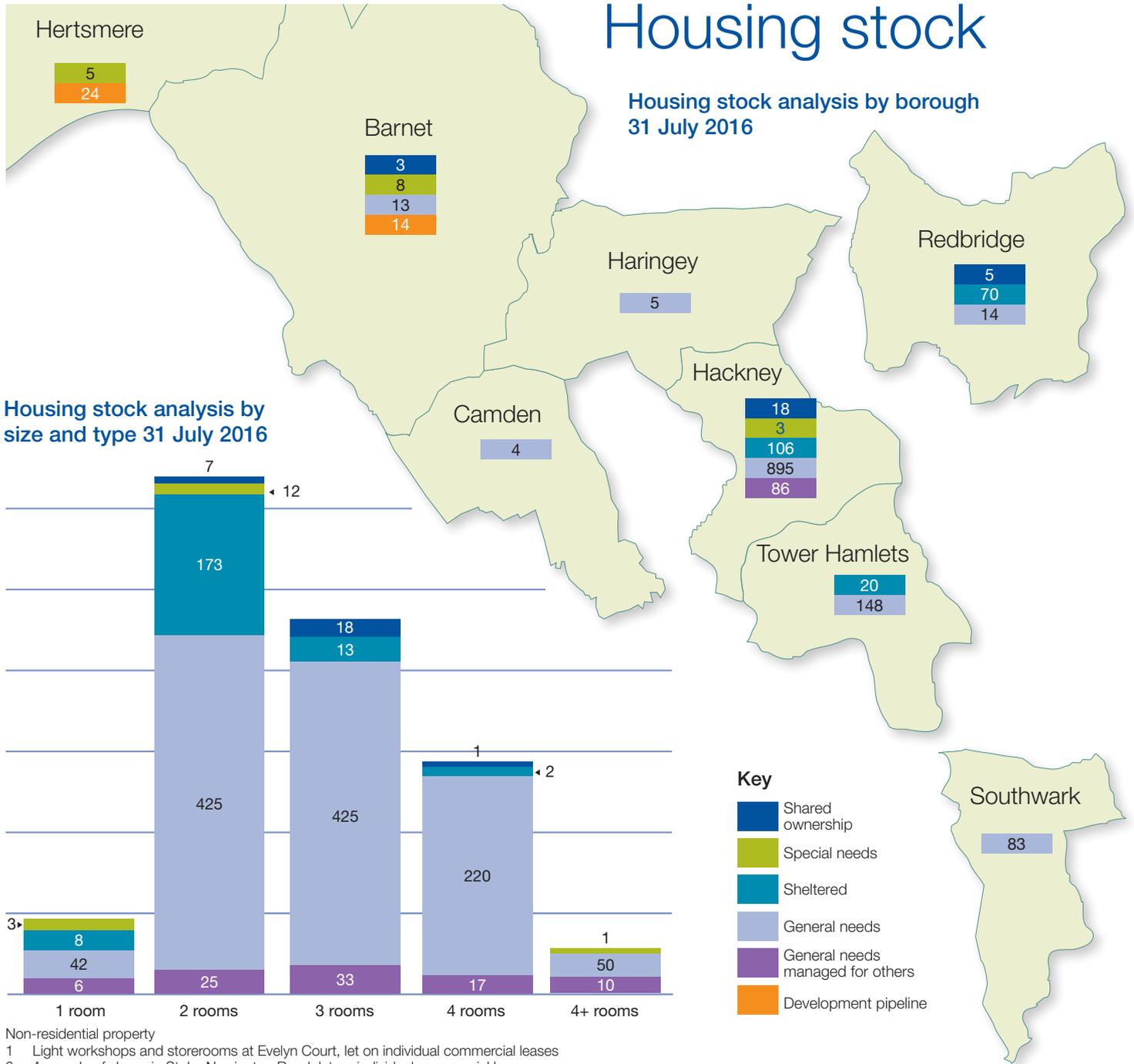
3 John Golding House is managed by IDS on behalf of the John Golding Trust.

4 Excludes shared ownership.

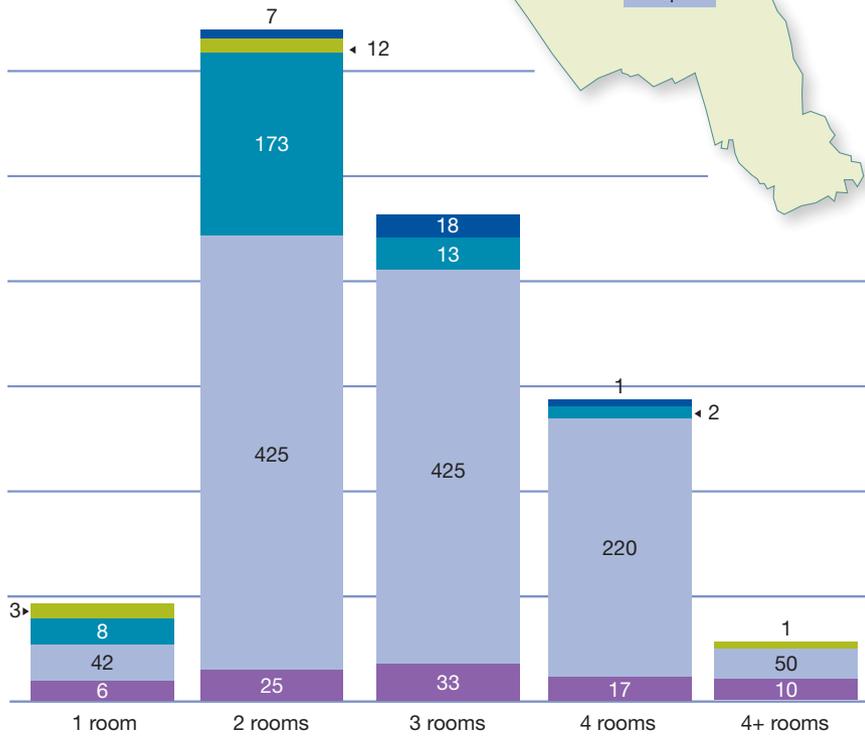
5 Cardinal Avenue and Somers Court leased to Norwood for a term of 30 years.

Housing stock

Housing stock analysis by borough
31 July 2016



Housing stock analysis by size and type 31 July 2016



Key

- Shared ownership
- Special needs
- Sheltered
- General needs
- General needs managed for others
- Development pipeline

Non-residential property

- 1 Light workshops and storerooms at Evelyn Court, let on individual commercial leases
- 2 A parade of shops in Stoke Newington Road, let on individual commercial leases
- 3 Three workshops at Glenhaven Avenue, Borehamwood



About us

The Industrial Dwellings Society was established in 1885 as the Four Per Cent Dwellings Company by a group of Jewish philanthropists who hoped to relieve the overcrowding in homes in the East End of London. In 1952, it became the Industrial Dwellings Society (1885) Ltd.

Today IDS manages over 1,400 properties in Hackney, Tower Hamlets, Southwark, Redbridge, Barnet and Hertsmere. The housing stock includes flats, houses, sheltered housing, accommodation for people with special needs, as well as a number of shared ownership properties. We currently employ over fifty staff, including residentially-based teams. We have an on-going development programme, and enjoy enviable performance statistics in housing management and tenant satisfaction.



INVESTOR IN PEOPLE



A reception to mark Paul Westbrook's retirement was held at the Rothschilds headquarters in August 2016. (The Industrial Dwellings Society was founded by the first Lord Rothschild in 1885 to improve the housing conditions of recent Jewish migrants.)

The Industrial Dwellings Society (1885) Limited

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