

Annual Report

2021-22

Building homes. Building communities.

Based in North London, we provide and manage housing mainly in Islington, Hackney and Waltham Forest. With almost 2,500 quality social and affordable homes for rental and shared ownership, we're a small housing association that focuses on our residents before profits.

Driven by our social purpose, we believe everyone should have a quality, affordable and safe home.

To help people get off to a good start with their tenancy we make sure our homes are ready to live in. We now fit our rented properties with carpets and curtains at letting. For residents who come to us with very little, we provide beds and kitchen appliances where they're needed.

As part of the North River Alliance (NRA), a group of small housing associations in London, we build housing for other members as well as building our own.

We continue to work with residents to co-create homes and communities where everyone can flourish. Our standard is: 'Would we be happy for someone we love to move into and live in one of our homes?'

This is what is important to us. This is what makes us different.

Message from our Board Chair, Mervyn Jones

Serving our customers and being there when you need us is why we exist. This year, the Board has continued pushing to improve customer service and satisfaction, working on several new initiatives, including approving a new Customer Satisfaction Strategy and a Building Safety Resident Engagement Strategy.

Fire safety continued to be a key focus for us in 2021/22 and we've invested to remove unsafe building cladding and put right the mistakes and omissions of contractors. Even before legislation limited the amount building owners could charge leaseholders and shared owners, we covered the costs ourselves where we couldn't hold the builders to account; our view was that residents were never to blame for the problems and should not be the ones to pay to fix them.

The cost of taking these measures had a significant financial impact on our business, and we had to scale back on building new homes this financial year. We also made the difficult decision to sell a small number of empty properties to help pay for the work. This isn't our preferred approach, but we took the strategic decision that it was the most manageable way to balance the required safety works, and it also allowed us to consolidate our footprint in those boroughs where we have the biggest presence and opportunity to contribute.

In March 2022, we faced a serious IT security incident, which brought our IT systems down for several weeks and made it difficult for residents to contact us during that time. Because of the work the Board's Audit & Risk Committee had done in previous months, we recovered from this incident and used the opportunity to review our systems and providers and whether they offer the standard of service we require to deliver great customer service of our own. So, as well as bringing in extra security measures to ensure we can recover systems more quickly in the future, we have also made some changes to our customer service systems.

Despite the unplanned costs throughout the year, we're happy to still have welcomed residents into 54 new homes this year. We've also continued to invest in our homes, spending an average of £1,500 per property this year. The improvements we've made include replacing 84 boilers, 37 kitchens, 26 bathrooms as well as delivering cyclical decorations at several blocks. In 2022/23, four new lifts will be installed in our estates, and we will begin major works at St Mary's Path. We'll also be insulating 100 of our properties, reducing both carbon emissions and, residents' fuel usage. In the coming year, ISHA will be investing in new internal systems, redesigning its customer service processes and supporting staff to deliver our goal of brilliant customer service.

Offering good homes and good service continues to be our priority. But to serve our customers, we also need to be in good financial shape, with the highest levels of governance and we're pleased to have received a G1 V rating from the Regulator of Social Housing again this year. This is a testament to the sound fiscal oversight of both the ISHA leadership team and Board.

I want to thank the Board members and ISHA staff for all their hard work this year. We know there is more to be done, but I'm so proud of the efforts we've all made in challenging circumstances this year.

Mervyn Jones
Chair of the Board

Our vision, values and strategy

ISHA's vision:
Co-creating homes and communities
where everyone can flourish.

Our values

We believe everyone should have a quality, affordable and safe home.

We want to make sure our customer service is right every time, and that when we get it wrong, we fix it.



Pride in team ISHA



Respect for everyone



Trusted to make the
difference



Passionate commitment
to **customers**

Our Strategy

Our eight Strategic Pillars are our eight priorities. Developed in consultation with our residents and staff, these guide our work and ensure we are focused on making progress in key areas.

1



Safety first

Ensuring our homes are safe

2



Service & Satisfaction

Being a consistent & quality landlord, building service delivery that drives satisfaction in partnership with residents



3



Security and growth

Setting residents off on a secure footing & helping create the conditions for people to flourish in their homes

4



Somewhere

Anchoring ourselves in North London, especially Islington, Hackney and Waltham Forest

5



Supply

Building quality homes for social, London Affordable Rent and Shared Ownership

6



Sustainability

Building green and actively seeking to reduce the environmental harm caused by our stock, our building and business practices

Stewarding ISHA's assets and finances and taking the long view


7



Staff

Engaging with inspired, high performing staff

8



Systems

Maintaining robust IT and business systems that support the business and its ambitions

Performance against our service standards

Once residents are settled in their homes, contact with ISHA is usually focused on a few key areas: repairs, rent payments and sometimes, outreach support. Good service means responding quickly to your requests, then following through. We understand this is what makes the biggest difference to our residents and we're always working to improve our service.



Our Customer Service Team are the front-line, answering calls and emails throughout the year. We experienced an IT incident in early 2022 and our phone lines and email systems were affected for a period while this was resolved, with residents having some difficulty getting through to us during this time. And sometimes, we just didn't get it right. We regret that we couldn't provide our expected level of service during these times.

Following the IT incident, a new telephony system was put in place, which hugely improved call waiting time in the last month of the year. It is a trend that has continued in 2022/23.

Repairs

Tenants most frequently contact us about repairs, and we know it's a key part of the service that we must get right. We made several changes to our service this year, which, as we embed are helping us improve our service to you.

Under a new Head of Repairs and Maintenance, the team has been enhanced with a new Technical Officer, and a Planned Works and Voids Manager who manage our repairs and maintenance work. We also have an enhanced team of building surveyors, each one working in a particular area so they can develop expertise on the homes there.

We launched our new 'dynamic purchasing system', which allows us to work with different companies with the right expertise for a range of repair jobs, rather

than being tied into one big contractor who does everything. This has driven up satisfaction with repairs. The dynamic purchasing system also allows us to pause work with a contractor or stop using them all together based on the feedback of residents and staff, rather than being tied into a relationship. The system also means we can break work into smaller geographic lots or specialisms, ensuring local companies, rather than national organisations, can work with us. And residents are now involved in choosing contractors. Who we choose isn't just about money, with decisions based 30% on cost and 70% on the supplier's service and values, key criteria that residents told us were important to them.

We also have a new online contractor portal, so tracking repairs in progress, and giving contractors direct contact with the residents they're doing the work for, has been made much easier. Through the system, we can send group texts to groups of residents, telling them about repairs in their building. This system is in its early days, and we'll be working closely with our contractors to make sure their information is always up to date so we can make the most of it.

We want to ensure that the quality of service and work our contractors offer is at the high standard we expect on your behalf, so when repairs are finished, we obtain immediate feedback from residents. We ask if the resident is satisfied with the work and the contractors and, if they're not, the contractors are asked to return and resolve the concerns.

Repairs and maintenance budgets and performance

Repairs is a key area of expenditure for ISHA, as we work to keep our properties in great condition. The total spend on responsive day-to-day repairs in 2021-22 was £2.88m, with a further £0.85m spent on planned maintenance.

Planned maintenance expenditure included:

- 26 bathroom replacements
- 37 new kitchens
- 84 new boilers
- Insulation



26
Bathroom replacements



37
New kitchens



84
New boilers

Responsive repairs included:

- Number of repairs completed
- Time taken to complete repairs



557
Total number of emergency repairs completed year-to-date



3,312
Total number of non-emergency repairs completed year-to-date



27.45
Average number of calendar days taken to complete non-emergency repairs



Spotlight on building and fire safety

Bringing buildings up to the new government regulations on fire safety and building safety has been a huge task, not just for ISHA but for building owners across the UK. ISHA acted fast and early and has gained a reputation as a leading voice, recognised for our industry-leading approach. We've invested heavily to remove unsafe building cladding and bring in other new safety measures at no cost to our residents. We have always been very clear that none of these issues were the fault of residents, and you should not be required to pay.

The Building Safety Team, led by Jodie Elias, has been in place since 2019, and is now responsible for the safety work started by the Compliance and Development teams.

12 of our buildings now have EWS1 certificates but there's still much more to do.



With such a huge task, how do you know where to start?

We have to prioritise the buildings most at risk first and to do this, we look at:

- height: buildings over seven storeys or 18 metres are classed as the most high risk
- building materials: do they have Aluminium Composite Material (ACM) cladding or other flammable materials on the walls?
- cladding amounts: is the whole building covered in cladding, or just part of it?
- external wall systems: as well as the outer cladding, there can be other fire risks in the outside walls, such as flammable render, or flammable panels below the windows in some newer developments. We have to open up the walls to find out how they're built.

We've completed surveys on all our buildings to work out which are most at risk and what we need to do to make them safe for residents. Importantly, not all buildings need work. For example, the survey of Holland and Thurston Buildings confirmed they were safe already. And if there's still work to be done and they are high risk buildings, as with some of our other properties, we've got fire wardens on site 24 hours a day.

How do you make a building safe?

Every building is different, but the work we do can include:

- replacing cladding
- making external walls safe
- putting in fire doors
- replacing wooden balconies
- putting in fire detection and alarm systems.

How does the work affect residents?

We have set up a resident engagement programme to build strong relationships with residents and provide clear lines of communication while necessary works are undertaken.

While we're working on a block, we've been holding update meetings on Zoom to let residents know what's happening and giving them the chance to ask questions. We understand they're concerned about the disruption, and leaseholders want to know they'll be able to sell their homes if they want to, which is what the EWS1 certificates are for. And we've had plenty of positive feedback from residents about our approach.

What are the biggest challenges?

- Accessing the experts: Fire safety is such a big issue in the UK that the experts are in demand. We've built good relationships with fire engineers and other consultants so we've got a good team that we can call on.
- Changing guidance: The guidance is constantly being updated so we need to make sure we always know about the latest changes.
- Negotiating with developers: For some buildings, the developers who built them must pay for the repairs and it can take time to negotiate agreements with them. Sadly, for others, we are past the time we can claim under contracts.
- Covering costs: Housing associations can't get government funding for repairs where the residents are social residents, only leaseholders, and we must look at other ways to cover the costs
- Pandemic interruptions: Undertaking this safety work through the Covid pandemic has added extra difficulties.

How long will it take?

There's still a lot more to do and we're planning to finish in the next three to four years. That sounds a long time, but we've made very good progress and we're ahead of a lot of other organisations.

How does ISHA compare with other housing associations?

Ninety percent (90%) of housing blocks in UK need work to meet the new safety standards, so we're not alone. But we've made great progress and ISHA has become one of the leading organisations in the industry. We are working with other housing associations and housing providers to share our knowledge – we're all learning together. We've given talks about our work at the Housing Quality Network and we have been pushing for change at government level on behalf of the industry. It's still a huge challenge, but we're determined to make our buildings safe and continue to advocate for our residents.

Customer calls

Customer Service Team



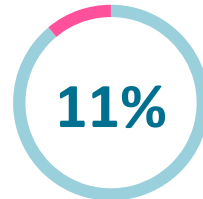
16880

Calls received between
1st April 2021 to
4th February 2022

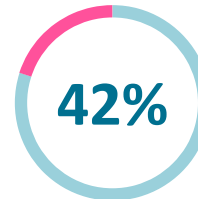


12681

Calls answered



Average
abandonment rate



The year before
(calls were going to OOH
Emergency team during
lockdown)

Repairs and Maintenance Team



10885

Calls received between
14th May 2021 to
4th February 2022

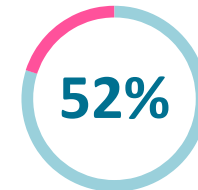


8484

Calls answered



Average
abandonment rate



The year before

Average call length has increased to encourage resolution on first contact.

Customer satisfaction

Monthly rolling satisfaction surveys have kept us informed about resident satisfaction levels overall and in various areas including repairs, communication, communal areas. In some areas we have performed well and based on feedback from our residents we have been able to implement improvements and update our practices.

For example, based on feedback that bin storage areas were not always kept nicely, our estate teams actioned a bin storage review and cleaning schedule, returning several times to areas where repeat rubbish dumping was a problem. To support residents, the team also engaged with local councils and, at resident request, installed CCTV cameras in some areas to encourage appropriate use of the bins.

In other areas, our performance has not been strong. The IT security incident had a significant impact on customer satisfaction towards the end of the financial year. Due to the incident, our phonelines and email access were very limited, and customers couldn't easily contact us for an extended period of time. We are very sorry for the impact this had on our levels of service and for our residents. We have worked hard to resolve these issues and put new protections in place to ensure it does not happen again.

Unfortunately, overall satisfaction with ISHA as your landlord' (all tenancy types) has moved from 60% to 49% during 2021/22, largely due to the drop in satisfaction for the final three months of the year. The drop is consistent with satisfaction rates experienced by other housing associations this year, but even taking the impacts of the IT security incident into account, it is very disappointing that we did not deliver the service you expect. We are pleased to say, that the start of 2022/23 has seen improved service and therefore satisfaction.



Quality of home



Home that is safe and secure



Communal cleaning



Gardening

Complaints

Complaints tell us where we can do better and offer us the opportunity to learn and improve. Our complaints policy is published on our website so you know what you should be able to expect from us. We aim to acknowledge your complaint within four days, investigate the issue and provide a response within 10 days.

In 2021-22, we acknowledged the majority of our complaints within four days but only closed a handful within the 10-day timeframe. We know this isn't good enough and we have implemented strict oversight for all new complaints so our response times improve.



Commitment to resident focus

Our properties, our residents and ISHA itself aren't just in these communities, they're part of them.

We want to contribute locally, to help to make our communities better for our residents and their neighbours. The areas we work in are diverse and vibrant and we want to make the most of this. This year, we've worked with residents to set up pilot projects within their communities, and we started by asking what residents want, then working with them to bring their ideas to life.

This year:

- Residents at Almond Close have been planning a day trip to a safari park
- Britannia Walk residents have held events and set up a WhatsApp group. ISHA has bought patio umbrellas and tables so residents can enjoy the outside space on their estate.
- At Canonbury Court, the football pitch has been cleared and painted and options for a new playground are being explored.
- We held an employability workshop at Almond Close, offering unemployed residents help to find jobs and, for those already working, help to develop their careers. As a direct result, one of the residents found a new job and another applied for a promotion.

Looking ahead

- We know living costs are rising, especially the price of gas and electricity. In the coming year, we'll have more support to help residents who may be struggling financially.
- If residents fall behind with their rent, we are here to help and we want you to feel comfortable approaching us for support. We'll be employing a member of staff dedicated to helping residents claim benefits including Discretionary Housing Payment (DHP) and Universal Credit as well giving as other advice and support on finances.
- ecoACTIVE is working with residents to improve the garden areas at our two housing with care schemes at Penn Street and Liz McKeon House.
- Residents at Well Street have a small communal area and have requested a green space. ISHA's contractors are delivering plants and planters to create this space.



ISHA has been working with local environmental education charity ecoACTIVE since 2019. Together, we've developed two community gardens in Hackney this year.

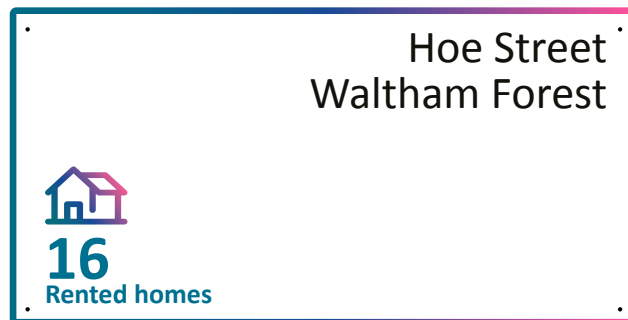
With help from our gas contractor, FDH, the garden at **Shoreditch Court** is almost finished. We've held regular activities in the garden for residents and families, and we have more planned.

Upcott House has a large green space, which residents in Shakespeare House, Lyme Grove and Protea Place can also use. Tenants of all ages came to our gardening and construction sessions, and together we've built raised vegetable beds, and have more activities planned later in the year. We're also developing more environmentally sensitive ways of managing the green space, working with our grounds maintenance contractor and Hackney Council. As the project grows, we'll be encouraging more residents to join the gardening group.

Development

Building quality homes for social rent, London Affordable Rent and Shared Ownership

We completed 42 new homes this year and completed 51 homes for other housing associations via the North River Alliance.

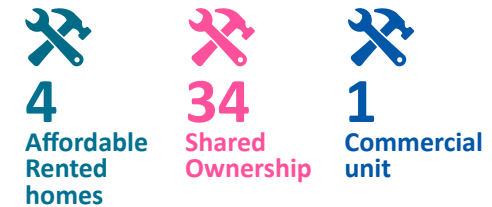


Looking ahead

We're currently building or planning 137 more homes, a mixture of ISHA schemes and North River Alliance projects. These include:

- 38 homes at 400 Hoe Street in Waltham Forest (4 Affordable rented homes, 34 Shared Ownership homes and one commercial unit). Due to complete in 2022.
- 59 homes at Parkhurst Road in Islington (41 Social rented homes and 18 Shared Ownership homes). Due to complete in January 2023.
- 15 London Affordable rented homes and a commercial unit at Alexandra Court in Hackney. Currently at the planning stage, expected to complete in 2024.
- 21 London Affordable rented and 4 Shared Ownership homes at Barrett's Grove in Hackney. Currently at the planning stage, expected to complete in 2024.

400 Hoe Street, Waltham Forest



Parkhurst Road, Islington



Alexandra Court, Hackney



Barrett's Grove, Hackney



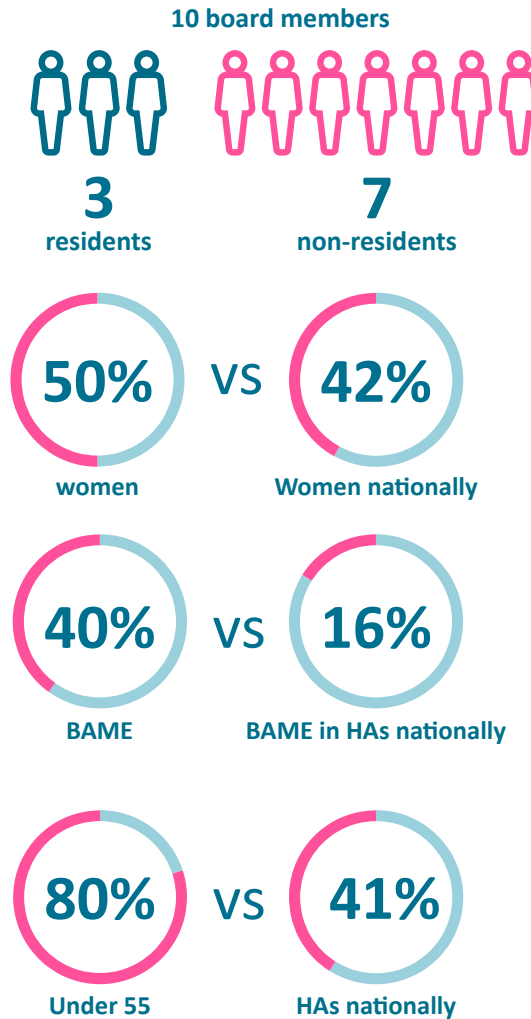
Equality, Diversity and Inclusion

Equality, Diversity and Inclusion (EDI)

Increasing and promoting diversity, inclusion and equality in our organisation means we can offer the best service to our customers, understanding their needs and treating them with respect and fairness.

The new Equality, Diversity and Inclusion staff council formed this year to encourage diversity and awareness in ISHA, and to understand and tackle the issues and barriers that staff, residents and other stakeholders can face. The Council has been developing our new EDI Strategy and objectives, setting out how we're going to do this. The strategy also considers our customers, so we can be confident we are providing supportive and inclusive services to residents.

Because the strategy isn't published yet, ISHA hasn't met the EDI requirement in the NHF Code of Governance, but it has met all the other requirements this year.



Value for money

Our residents and stakeholders need to know we're achieving value for money from our work and investments.

ISHA's Value for Money strategy statement shows our track record on value for money against the eight pillars of the Strategic Plan. It also highlights the plans and targets we've put in place to continue improving value for money in the future.

We aim to:

- achieve the best results for residents and our community by operating as efficiently, effectively, economically and equitably as possible
- maintain and improve the quality of our homes by making the right decisions on where to invest our resources
- Ensure that any investment in non-social housing activity generates a level of return appropriate to the scale of the risk involved.
- invest in more affordable homes and improvements to services, existing homes and places, using the money we make
- help solve the housing shortage in North and North East London by delivering as many new homes as we can
- build new homes and make the best use of our existing homes

How do we compare?

We compare ourselves against our peer group of other small housing associations in London with between 500 and 10,000 homes. This table shows how we've performed this year and how we compare.

	ISHA 2022*	ISHA 2021	Peer group average 2021	ISHA 2020	Peer group average 2020
Total social housing units we own and manage	2349	2351		2349	
1 Reinvestment	4.1%	7.9%	5.1%	6.0%	6.2%
2 New homes we've delivered					
Social housing	1.7%	0.8%	1.5%	3.2%	2.6%
Non-social housing	0.00%	0.00%	0.25%	0.00%	0.73%
3 Gearing (ratio of debts : assets)	30.4%	32.9%	44.3%	29.1%	43.5%
4 EBITDA-MRI (ratio of surplus : interest paid)	87.7%				137.8%
5 Headline social housing cost per unit	£6,951	£6,984	£7,117	£6,357	£6,907
6 Operating margin					
Social housing lettings	4.5%	-2.2%	21.2%	8.1%	26.1%
Overall	8.5%	5.3%	14.8%	14.8%	
7 Return on capital employed*	2.5%	0.8%	2.7%	2.3%	
Other					
Management costs per unit	£1,651	£1,405	£1,652	£1,204	£1,556
Service charge costs per unit	£1,985	£1,510	£1,510	£1,779	£1,364
Maintenance costs per unit	£2,685	£3,212	£1,538	£2,387	£1,475
Major repairs costs per unit	£463	£364	£1,013	£527	£1,080
Other social housing costs per unit	£167	£494	£1,404	£459	£1,432

*Peer group data is not yet available for 2022

Read more about our Value for Money approach in ISHA's financial report for 2021/22.

Governance

ISHA Board

What the Board does

The Board sets ISHA's strategy and monitors how the association is doing towards achieving its goals. It makes sure ISHA is in good shape financially and manages the organisation's risks to protect our social housing properties.

Keeping up to date with changes in legislation, especially fire safety regulations, continues to be a major focus for the Board, as the association works to reduce risks and keep residents safe.

The Board has also worked with treasury advisers to get better loan arrangements that will help cover the cost of the building safety work.

The Board members met seven times during 2021-22 and held two away days to work on strategy. The Board also has two committees which met regularly:

- Audit & Risk Committee
- Remuneration Committee

Our ratings

In August, ISHA received the highest rating for governance again, the G1 rating from the Regulator of Social Housing.

We also received the V2 financial viability standard rating again. This is not the highest rating but shows that we are meeting the required standard. The rating reflects the high level of spending we have been putting into building safety.

The Board also undertook its three-yearly External Effectiveness Review, run by independent consultants who confirmed that its governance arrangements were effective.

Who's on the Board?

Including our Chief Executive, Ruth Davison, ISHA's Board has 10 members. One new member joined this year, with treasury and finance skills. Three of our board members are ISHA residents and we always welcome more to join.

You can see Board member profiles on our website, www.isha.co.uk,

- **Mervyn Jones** (Chair)
- **Alice Powell** (Vice-Chair & Senior Independent Director, Remuneration Committee Chair)
- **Heather Topel** (Audit & Risk Committee Chair)
- **Ben Newton**
- **Daven Masri**
- **June Riley**
- **Justin Fisher**
- **Mohammed Baporja**
- **Yasmin Khan**
- **Ruth Davison** (Chief Executive)