

Delivering Service Success

Two Castles Housing Association
Annual Review 2009



Two Castles
Housing Association 

2009 Strategic Reviews

Two Castles Housing Association has successfully conducted a review of its development and asset management strategy this year, as well as implementing a new Service Improvement Plan. The Board has implemented the Governance Improvement Plan following our external review of governance.



Our management team has focused on continuing to improve service delivery to our residents and building excellent relationships with key partners throughout our regional North East and North West teams.

2009 has also seen us continue to both develop high quality, new homes and maintain existing stock in what we recognise are challenging times across the marketplace. We have also actively encouraged more involvement from our residents.

This annual review will focus on our strategic reviews, resident involvement programmes and outline our key financial information.

Chairman's statement

John Hughes

This is my second statement as Chairman of Two Castles, and I am pleased to report that, despite the difficult economic conditions under which we have operated this year, the Association continues to build upon strong foundations.

Key milestones in our growth this year have included:

- taking handover of 72 affordable homes, housing approximately 216 people
- 11 homes which we have built through recycling grant proceeds from shared ownership sales
- 108 homes on site in 2009/10
- competitively winning the opportunity to build 46 homes in the Carlisle City area.

We will continue to champion the cause of affordable housing across the North, particularly in the rural areas and National Parks where shortage of high quality affordable housing is a significant issue in sustaining the economic viability of these communities.

Maintaining our existing stock to a high standard continues to be a key priority for us and we invested £2.6million in that this year, an increase of £400k on the previous year. One of the benefits this brings to the Association is borne out in feedback from our Residents' Survey, where 87% of residents said they were happy



“We will continue to champion the cause of affordable housing across the North.”

with their home. Properly maintained stock has other benefits, not least of which is that our stock is attractive to potential customers and, therefore, easier to let. It provides a strong portfolio of properties on which the Association can secure its loans to enable continuation of development and consequential investment in communities.

The Association strives to continually improve its performance and services to residents. This year we set ourselves ambitious targets to meet the Government's efficiency drive and are pleased to report £546k in efficiency savings. Amongst other things, these savings have been used to fund two new posts, a Performance Improvement Officer and an Involvement and Equality Officer. Both of these posts will be crucial in helping us to deliver our key strategic aim of providing improved services to residents. In response to the economic difficulties faced by many of our residents we have also set aside £100k to fund energy saving initiatives and debt advice.

We continue to place emphasis on marketing and our good reputation, which are both important in continuing to keep Two Castles' name at the forefront of housing in the region. Analysis of published material demonstrates that we have been successful in this aim, with 135 positive press articles published across the North during the year.

Our regulators, the Tenant Services Authority, gave us a clean bill of health by confirming that we have retained the maximum four green traffic lights for governance, financial viability, management and development. We also continue to have a 'low risk' rating from the TSA which is an indicator of strong governance and management.

The economic climate throughout 2008/09 proved to be challenging for all sectors, including housing. However, we are pleased to report that we have been able to continue to deliver our development programme and all services to residents, avoiding the difficulties faced by many other organisations. As part of our management of risk, we have evaluated the possible impacts of the current economy on the organisation and its residents so that we can continue to respond and look to mitigate against the effects.

On a final point, the Board has just completed its external review of governance, demonstrating its commitment to continuous improvement and welcoming the opportunity for external scrutiny and benchmarking. A Governance Improvement Plan has been drawn up, highlighting four key areas where the Board has committed actions and resources to ensure it continues to have the skills and abilities to drive the governance standards of the organisation ever higher.

John Hughes
Chairman

Our Board

Two Castles Housing Association has its own Board, which agrees the posts of Chairman of the Board and committees annually. All of our chairmen have previously chaired other committees in the past, as well as sitting on the Board.



Alan Waistell

Alan joined Two Castles' Board in 2001 after spending 35 years in local government as a Councillor. He is a retired school teacher who was Chairman of housing for Sunderland City Council and served on Northumbria Police Authority.



Albert Toal

With an extensive background in local government and higher education teaching, Albert is a past Board Chairman who has also served, and chaired, various committees.



John Hughes, Chairman

Chairman John Hughes joined Two Castles' Board after an extensive career in local government, retiring as Director of Environmental Services for Teesdale District Council, where he was responsible for housing, planning, environmental health and building control.



Jennifer Carver, Deputy Chairman

Jennifer Carver is a previous Chairman of the North West Regional Committee and Audit Committee. Jennifer served on the Housing Committee of Copeland Borough Council in the 1980s and 1990s.



Dorothy Dalton

Joining Two Castles in 1993, Dorothy Dalton has been Chairman of the North West Regional Committee. Before retiring, she worked for Carlisle City Council in the architects' and housing departments.



Eddie Birkett

Former Chairman of the North East Regional Committee and current Chairman of the Finance Committee, Eddie has a wealth of industry experience. He previously worked as Director of Customer Services at Wansbeck District Council.



George Parr

Before retirement, George worked as Deputy Director of Housing for Sunderland City Council. A former Chairman of North East Regional Committee, he is currently Audit Committee Chairman.



Ian Arkley

Ian, a retired Engine Driver and Magistrate, joined the Association in 1982 and was previously Board Chairman. He has served, and chaired, a number of committees.



Merrick Young

Merrick, a former Board Chairman, has served on various committees and chaired the North East Regional Committee. Merrick previously worked as a Senior Manager in the gas industry.



Peter Glasspool

Peter, an Insurance Broker, is immediate past Chairman of the Board and now serves as North East Regional Committee Chairman. He was formerly a member of Northumberland County Council.



Ray Bloxham

Chairman of the North West Regional Committee, and former Chairman of Audit Committee, Ray has over 25 years of experience with local authorities and housing associations. He previously worked as Operations Director for Methodist Homes.



Ian Kitchen

Ian has always had an interest in social housing. He was Chief Executive of Cumberland Building Society before retiring. Ian has served on a number of committees.

Rob Brittain joined our team as Property Services Director, taking responsibility for the strategic development of the organisation.



Review of development

2009 has seen a number of new appointments across the Association, in line with our development review.

Rob Brittain joined our team as Property Services Director, taking responsibility for the strategic development of the organisation and overseeing both new developments and the asset management of existing properties.

New regional property teams in the North East and North West were also set up to support Rob. In the North East, Julie Cuthbert took up the role of Property Services Manager, responsible for the delivery of new developments and planned maintenance programmes to existing properties in the area. Project Manager Sue Dixon also came on board, supported by Project Assistant John Anderson.

Greg Denwood was appointed as Property Services Manager in the North West, working with Project Managers Paul Archibald and Lisa Hogarth and Project Assistant Justyna Chadzynska.

Our schemes

In 2009 we added 72 affordable homes to our portfolio of properties across the North East and North West, starting with Florence Street, in Blaydon, Gateshead.

Demand for three bedroom homes in this area is high and Two Castles Housing Association worked alongside Gateshead Council to identify people in housing need, offering four modern homes for rent, including three, three bedroom homes and one, two bedroom property.

Estelle Edgar, Housing Options Link Officer at Gateshead Council said: "We were pleased to support this high quality development, which meets an important need for affordable housing in the area. Both the Council and Two Castles are committed to ensuring local people are given the best opportunities available to find suitable homes. The properties on this development are particularly impressive and it is great to see such high quality affordable homes on offer."

Resident June Taggart recently moved into a home on Florence Street and values the additional space for her two teenage children as well as improved transport routes to her work at the MetroCentre.

"Moving into my new home has been a fantastic way to start 2009 and I look forward to living here for many years to come."



“These homes will provide much needed affordable housing for local people”



June said: “I am delighted with my new home as it gives me the additional living space I need for my teenage son and daughter. Living in a two bedroom property wasn’t practical as my son stays with me three nights of the week, which resulted in me sleeping on the sofa.

“It is great to be back in Blaydon as I previously lived in the area for over 20 years, before moving out of my marital home into a privately rented property in Crawcrook. I have also cut my commute to work down by half as the area has great bus links. Moving into my new home has been a fantastic way to start 2009 and I look forward to living here for many years to come.”

In early 2009, Two Castles Housing Association also joined forces with award winning housebuilder, Yuill Homes, to provide affordable new homes on Tyneside.

Together, we offered five, two bedroom homes for rent at the Balliol Mews development in Benton, near Newcastle city centre and also worked with North Tyneside Council on the scheme to identify suitable occupiers in housing need.

North Tyneside’s Elected Mayor, John Harrison, said: “Increasing the supply of affordable homes is one of our key commitments. We want to make sure that, as a borough, we can offer an excellent range of housing options that meet increasingly diverse needs. This will help meet our vision of quality homes, excellent services and strong communities.”

The North West also received a fantastic boost for affordable housing with Flookburgh, a development of modern homes at Winder Lane in the former fishing village. Working with South Lakeland District Council, we offered nine terraced homes for rent, including four, three bedroom houses and two, two bedroom properties. A further nine homes, to part purchase under the Homebuy Scheme, were also developed.

Our partnership with South Lakeland District Council also enabled us to create a further sixteen, high quality, affordable properties for rent in an 18th century church hall.

Highgate Hall, at New Inn Yard, Kendal, was most recently used as a school, gym and judo club. Originally built in 1844, the stone fronted, four storey building was transformed into twelve, one bedroom and four, two bedroom flats. Tony Whittaker, Principal Strategy Officer at South Lakeland District Council, said: "We are pleased to be supporting this important development by Two Castles. These homes will provide much needed affordable housing for local people".

Highgate Hall resident Andrew Charles lives in a one bedroom flat in the building. He said: "I am delighted with my new flat as it offers me the space and peaceful environment I need for both my home and an artist's studio. It is a pleasure to move into a historical building, as this former church hall is steeped in history, which is particularly inspirational for me and my work.

"I have been an artist my whole life and moved to Kendal six years ago to develop my art within the ambience and culture of the Lakes. Living in the Lakeland area is particularly expensive, but Two Castles has been extremely supportive throughout my move, helping me to stay in the inspirational place that has become my home."

Our new development of ten properties at the Old Hall in Egremont, near Whitehaven, highlighted our conversion work with listed buildings. Old Hall was a 150 year old listed building, previously used as a local nightclub before we converted it into one, three bedroom and four, two bedroom flats alongside a selection of five new build properties, which include four, two bedroom flats plus one, two bedroom house.

"Two Castles has been extremely supportive throughout my move, helping me to stay in the inspirational place that has become my home."





Councillor George Clements, Deputy Leader of Copeland Council, said: "We are delighted at the completion of this scheme by Two Castles Housing Association and their growing contribution towards meeting the affordable housing needs of our communities. We see this as a signal of our future intentions for the development of affordable housing throughout the borough in partnership with housing associations."

Stephanie Murphy, Chief Executive of Two Castles Housing Association, said: "Demand for affordable housing is increasing rapidly, especially in rural areas such as South Lakeland where local people often find it difficult to find suitable, yet affordable homes. We are proud to be helping to meet this need through the provision of much needed affordable, high standard properties in the area."

"Two Castles is committed to ensuring local people are given the best opportunities available to find suitable houses and I hope all of our new residents will be very happy in their new homes."

2010 will see us continue to work on a number of new and exciting developments across the North East and North West, including schemes in Carlisle, Brampton and Norham near Berwick.



Service Improvement

As part of our Service Improvement Plan, we identified a need for someone who could develop and support a performance management framework in line with the Association's strategic priorities and regulatory requirements. Andy Wickham, Performance Improvement Officer, is now responsible for promoting continuous quality, performance improvement and customer service.

At Two Castles Housing Association our residents are important to us and it is vital that we encourage their feedback and involvement to celebrate the services we provide. Our residents have a positive impact on the Association and it is imperative for us that we acknowledge the contribution they make.

This year, as part of our Service Improvement Plan - designed to continually improve our existing high quality services – we appointed Clare Galland as our Involvement and Equality Officer.

Clare works with residents across the North East and North West to collate information through surveys and focus groups and encourage residents to get involved in governance. She is also responsible for building a detailed profile of all of our residents, including gender, ethnic groups, age and specific disabilities, to ensure we're providing the services which meet our current and future residents' needs.



Our residents have a positive impact on the Association and it is imperative for us that we acknowledge the contribution they make.

Two Castles Housing Association partnered with the Tenant Services Authority in March so that residents were able to take part in the TSA National Conversation. We provided feedback questionnaires at tenant events and distributed letters to let everyone know when the National Conversation campervan was in their area.

May 2009 saw the return of the Two Castles Residents' Conference and we were keen to listen to feedback from previous attendees. After involving our Residents' Panel in discussions prior to the event, we together chose an over-arching theme of 'Your Home, Your Views'. Residents requested that the conference featured two topical presentations – one covering the current economic climate and one highlighting how to get involved with the Association.

We also asked residents at the conference to take part in an interactive survey poll about our services and found that 84 per cent were satisfied by the overall service provided by Two Castles Housing Association and 75 per cent of residents were satisfied with opportunities for getting involved. Quality of home, repairs and maintenance and anti social behaviour were also investigated for feedback, along with how our residents get in touch with us and our complaints process.



The survey results were very insightful and we will continue to assess resident satisfaction to quickly identify areas which may require improvement.

Stephanie Murphy, Chief Executive, said: "It is so important that our service is always first class and encouraging resident feedback and involvement is vital to help us shape our policies and strategies, both now and in the future. These survey results were very insightful and we will continue to assess resident satisfaction to quickly identify any areas which may require improvement. We will tell residents, through Fanfare magazine, what we have done to make those improvements."

A big initiative for 2010 will be the implementation of our committee restructuring process. This aims to have many of our residents involved in the scrutiny and monitoring of our services, to assist the Board in making sure that policies, procedures and focus on service improvements are shaped by residents who receive those services.

Two Castles Housing Association is also currently in the process of setting up a number of resident panels, enabling further involvement in areas including a review of our publications and our new website.

Focus on finance

To address the current challenging financial climate, Two Castles Housing Association has implemented a number of initiatives to provide our residents with valuable advice and information.

At our Residents' Conference, we arranged for a number of special guests, including Age Concern, an Independent Financial Advisor and the Energy Saving Trust, to provide financial advice and tips to enable residents to maximise their money.

We also extended our Rewards Card scheme for a further two years to help residents continue to make savings in the current economic climate and put together an energy savings leaflet which had top tips about managing money and cutting bills.

David Armstrong, Housing Services Director, said: "We pride ourselves on our services to residents and are always looking for ways to help them get through the recession, such as the Rewards Card. We hope they will see the benefit of these schemes."

How we performed

These pages contain financial information for 2008/09 for Two Castles Housing Association.

	Year End 2008/09	Year End 2007/08
Average rents and property types		
Rent collected as % of rent due	99.97%	99%
Guideline rent increase	5.5%	5.1%
Average rents of assured rent per week		
Bedsit	£50.63	£48.83
1 Bed	£58.80	£55.94
2 Bed	£69.84	£66.78
3 Bed	£78.33	£74.10
4 Bed and more	£77.72	£69.39
Where the money goes		
Finance charges	9%	11%
Total maintenance	31%	31%
Management costs	27%	26%
Service costs	13%	16%
Depreciation	3%	3%
Retained surpluses	13%	13%
Other	4%	-
Staff (expressed in full time equivalent)		
Office staff	62	61
Resident Managers, Caretakers and Cleaners	20	22
Employees in total	82	83
Formal Complaints		
Complaints received during the year	0	9
Complaints referred to Chief Executive	0	4
Complaints referred to Chairman/Appeal panel	0	1

	Year End 2008/09	Year End 2007/08
Turnover		
Turnover	10,859	10,128
Operating costs	(8,457)	(7,784)
Operating Surplus		
Operating Surplus	2,402	2,344
Surplus on sale of properties not developed for outright sale	21	53
Interest receivable after internal transfers	1	(32)
Interest payable and similar charges	(996)	(1,102)
Surplus on ordinary activities for the year after taxation		
Surplus on ordinary activities for the year after taxation	1,428	1,263
Tangible Fixed Assets		
Housing properties	123,495	114,968
Less SHG and other grants	(80,982)	(77,757)
Other	1,678	1,617
Total	44,191	38,828

How we performed

	Year End 2008/09 (£000s)	Year End 2007/08 (£000s)
Current Assets		
Home ownership	359	-
Debtors	1,593	1,250
Investments	700	1,590
Cash at bank and in hand	2,169	441
Total	4,821	3,281
Less Creditors		
Amounts falling due within one year	(5,147)	(4,214)
Net current assets/(liabilities)	(326)	(933)
Total assets less current liabilities	43,865	37,895
Creditors		
Amounts falling due after more than one year	22,307	17,765
Capital Reserves		
Designated reserves	9,955	9,417
Revenue reserves	11,603	10,713
Share capital	-	-
Total	43,865	37,895

	Year End 2008/09 %	Year End 2007/08 %
New lettings		
Number of lettings made	330	300
Total number of persons housed	531	487
% statutory homeless	11.5%	10.3%
% lettings nominated by local authorities	20.0%	19.3%
Number of housing applications received	3677	2655
Household composition		
Older people	121 37	130 43
Single adult	97 29	76 25
Multi-adult (no children)	32 10	22 7
Lone parent	48 15	41 14
Multi adult (with children)	31 9	26 9
Other	1 0	5 2
Total	330 100	300 100
Benefit dependency		
Fully dependent	120 36	116 39
Partly dependent	105 32	45 15
No benefits	73 22	94 31
No information available	32 10	45 15
Total	330 100	300 100

Looking forward to 2010

2010 will see us continue to place greater emphasis on the services we provide for our residents and build further on our excellent development portfolio. We will continue to invest in our Association and carry on going from strength to strength.

