



MOUNT GREEN

Annual Report 2010-11



Our Three Year Plan...

# Growing Up

# Chairman's Review

When I was asked to write my 2010/11 review, my immediate thought was 'what a year that was'. Two years ago our Board agreed an ambitious corporate plan and over the past 12 months we have gone a long way to achieving our objectives.

The Board and our Senior Management Team set demanding challenges to bring great benefits to Mount Green. In doing so we recognized that the world around us was changing dramatically both in terms of the economic environment and government strategy. To do nothing and stand still was considered unacceptable. So what were the challenges that we set ourselves?

- We sought to strengthen our reputation as a community focused Housing Association and seek economies of scale through acquisitions and a healthy development programme.
- To achieve this we needed to increase our borrowing. We did so at a time when it was very difficult to borrow long term and we are grateful to RBS with whom we now have a £47 million loan facility.
- We acquired 220 homes from Viridian in May 2010 which was a great achievement in its own right. The integration of these homes into Mount Green required detailed planning over several months prior to transfer and hard work and dedication after the transfer. Our staff involved did a marvellous job ensuring there was a smooth transition.
- The assessment and management of risk is high on our Board's agenda. Our Audit Committee was given the additional remit of monitoring risk and a new risk mapping process was developed.
- We implemented a review of our management processes and core functions. Importantly, staff on the front line were involved from day one in driving the resulting changes.
- We put the Association under scrutiny by its residents. More about this under 'residents and communities'.

We have achieved many successes in these and other areas and I would like to thank the Board and staff of Mount Green for their commitment to our corporate plan, for their hard work and for making things happen. I also welcome and value the continued support of our key partners.

During the year we were sorry to say goodbye to several Board members – Jane Bolton, Barbara Munden and Chris Clarke. Jane and Barbara resigned for personal reasons, and Chris had completed his term of office during which he helped steer Mount Green through many changes. Richard Chang joined the Board as our third resident Board member.

Like all of us, the housing association sector is moving into uncharted waters. Mount Green is well prepared for the fresh challenges to come, and I am confident that we will continue to succeed in our mission of providing 'housing solutions for local communities'.



1 Members of the Board



2 Our new development at Frenchlands



3 Residents at the AGM



## Chief Executive's Statement

It seems strange to talk about the future in a review of the past year, but a priority for 2010/11 was to try and assess what the next three to four years would mean for Mount Green. We put considerable effort into preparing our bid under the new Homes and Communities Agency Framework along with our partners in the Respond Development Consortium. We remain committed to delivering new homes at a time when demand for affordable housing is rising.

In looking forward we had to take a view on important issues such as future rents; the housing market; who our residents will be; the impact of changes to housing benefits; the types of tenancies we will offer; allocation strategies that are likely to be adopted by our local authority partners and much more.

At the time of writing this commentary I cannot pretend that there are clear answers to all the challenges ahead.

During the next six to nine months we will be reviewing our corporate and business plans to be clear about the priorities for Mount Green and its residents as well as to maintain, if not strengthen, our ability to adapt to a changing and challenging world.

## To involve our residents and communities

Mount Green residents are at the heart of our business and we constantly seek effective engagement to support core objectives of improving services and customer care. Engagement helps us to ensure that our services continue to meet the needs of our existing residents and those we will be housing in the future. We do this through a mixture of listening, learning, being flexible and sensitive but, most importantly, by involving our residents when we are planning new strategies and developing policies. The past 12 months were particularly exciting and we made real progress in involving residents both in the decision-making processes and scrutinising our performance. Some examples include:

- A residents' conference, held in October 2010. The key focus of the conference was improving communications, developing estate inspections and the introduction of mystery shopping by residents. The conference was lively, challenging and produced many constructive ideas from the residents who attended.
- The introduction of a residents led scrutiny panel which also focuses on improving the way we communicate with our residents.
- The first mystery shopping exercise completed by residents only. The outcomes and recommendations for improvements will be presented to our Board in summer 2011.
- Publishing our customer care standards and a guide to our estate services. The guide also encourages residents to get involved in improving the services.
- A further objective of the residents' conference was to seek volunteers to form an editorial panel. The aim of the panel is to ensure that we are communicating with our residents in a way that will be effective. Following the conference a panel was successfully established.
- Elections were held to revitalise our Residents' Forum.
- Newsletters were piloted on our larger estates to encourage interest in 'the local conversation'.

## To provide excellent housing management services

Ensuring residents receive high quality services is critical to the success of Mount Green. The Coalition Government has put localism at the heart of many of their strategies. We will need to spend time to ensure that local services meet local priorities. Our services also need to meet the requirements of the new HCA Framework and the standards expected.

During the year there were a number of initiatives reflecting this approach. These include:

- A wide-ranging consultation which was carried out on our estate service standards. Residents were invited to put forward suggestions to improve the appearance, cleanliness and the general environment of communal grounds and areas. Thanks to the contributions we received we were able to implement new standards in September 2010.
- Likewise we introduced a new partnering contract with our estate service contractor. On some of our larger estates, which are cared for by our own estates management team, our staff received training on the new standards.
- The acquisition and handover of 220 homes from Viridian in the late spring of 2010 was demanding but stimulating. Apart from the careful planning required, the acquisition was the driver to revisit the housing management services we provide. We will be looking to implement some of the lessons we learned through this analysis during 2011/12.



## Estate Services

- A review of our complaints handling policy and processes which led to the introduction of a new policy that went live in January 2011. The previous policy had been causing frustration to both residents and staff involved in resolving complaints. Complaints were taking too long to resolve and the definition of complaints was not always obvious. With input from the Residents' Forum a more streamlined and transparent policy has been implemented.
- An 'In Bloom' competition has been set up to encourage direct involvement by residents to make our estates and schemes really attractive. There are a range of categories from 'best garden' to the 'best garden for wildlife'. Judging will take place in summer 2011.
- The start of planning for a series of community events on our larger estates. These events will have a dual purpose. In keeping with the concept of the big society, the aim is to strengthen community cohesion and self help. The other objective will be to enable Mount Green staff to meet with residents and find out more about their priorities for services. Residents will be at the heart of organising our community events.



1 Children from Sidcup

A large consultation was carried out on our estate services standards. Residents had the opportunity to put forward suggestions to improve the appearance and cleanliness of their grounds. The new standards were implemented in September 2010 which coincided with a new partnering contract with our estate services contractor.

## Compliments and Complaints

We reviewed our compliments and complaints policy and introduced a new process for handling them to ensure that they are dealt with effectively. We now collect customer feedback on how well a complaint was dealt with.

61% of respondents to this survey told us they were satisfied with how we handled their complaint.

We launched a business review of our core processes to:

- Improve operational efficiency and deliver better value for money services to our residents.
- Enhance our residents' experience in their dealings with Mount Green.
- Increase the automation of our procedures to free up time so that our frontline staff can focus on customer services.

We also initiated an intensive ASB reduction programme as this was identified as a priority by our residents in surveys and consultations.



2 Gardening - Woking



3 St John's resident's garden

## To maintain and improve our homes

We continue to strive to improve our maintenance services. In consultations, our residents consistently identify response and cyclical maintenance as core functions for which demanding targets should be set. Over the past 12 months there was an improved performance across all indicators but not all targets were met. We will continue to address this. In summary:

- Overall customer satisfaction with our repairs service was 94% based on returns from our maintenance satisfaction survey.
- 100% of our homes have a valid gas safety certificate.
- 85% of respondents replied yes in 2010 when asked "was the repair completed right first time".

We have continued to support requests for minor aids and adaptations to homes. These small improvements made a big difference, helping residents to live more comfortably and safely in their homes.

The estate improvement fund provides grants or small environmental improvements suggested by residents or local community groups.

A number of successful handyman service days were held at our sheltered schemes. Working in partnership with our response maintenance contractor we ran a maintenance clinic at these schemes with minor repairs being carried out on the spot, as well as numerous small jobs to help out residents - hanging curtains being an example.



## To provide new homes

In these challenging economic times we continue and remain determined to be a developer of new sustainable and affordable homes. Mount Green operates in an area of high land and property values where the need for a range of affordable housing options for those on low and moderate incomes continues to grow. We are actively following up development opportunities from a wide variety of sources including our own development projects and acquisition. We have:

### 1 Our caretaker Paul



- Received planning permission for nine new schemes, developing our own sites and also successfully working in partnership with private developers (such as Berkeley Homes / Croudace Homes/ Linden Homes).
- Over 150 potential new homes in our development pipeline.

### 2 Members of the Customer Service team busy helping tenants



- New schemes include joint ventures with Surrey County Council for developing much needed housing for people with learning disabilities and providing accommodation for young people with autism.
- An exciting joint venture with Waverley Borough Council to redevelop a hostel for the homeless, in a building which has been vacant for some time, and achieve sustainability code level 4.

### 3 New development takes shape at Nork Way - Banstead



- Completed 15 attractive affordable new homes in Epsom & Ewell which are built to sustainability code level 3.
- Fourteen desirable new homes, a mixture of two and three bed flats including both shared ownership and rented, were completed in the beautiful village of East Horsley.
- Successfully sold the majority of our shared ownership properties, the remainder having been reserved off plan. We have an active marketing plan in progress for the new homes to be developed in Surrey for 2011/12.
- Finalised the negotiations for the acquisition of a site to deliver rented and shared ownership homes in a charming rural part of Dorking, Surrey.



## To be well governed

Our strong and highly skilled Board has continued to build upon and develop their strategic approach to the management of Mount Green. Over the past 12 months the Board has:

- Reviewed, agreed and implemented a Board and committee structure which reflects our business objectives and the challenging operating climate.
- Agreed to and formulated a comprehensive Board skills review as well as the introduction of performance management processes. This exercise will be completed in 2011/12.
- Undertaken a training programme to improve the skills and knowledge of the Board. The programme focused on core operational areas which include finance, development and complaints. The latter was also linked to the introduction of a new complaints policy which was introduced with considerable input from our Residents' Forum.
- Been actively involved in the development and production of our local offer to residents.
- Commenced the strategic planning process for the 2012/15 corporate plan.
- Commenced a review of our financial business plan which is due to be completed in autumn 2011. This is very much linked to the new HCA funding framework.
- Strengthen the knowledge of our existing and new homes through property tours. The Board was pleased to hold our AGM at Bartlett House, a sheltered scheme acquired from Viridian.
- Updated and introduced a new Governance Manual.

## To be an excellent employer and working in partnership

Our dedicated employees remain our key asset and they continue to work in close partnership with our local authority stakeholders, developers, contractors and suppliers to provide value for money quality affordable housing for our residents in the communities where they live.

Last year we:

- Further developed our organisation to meet our business challenges and have successfully recruited new staff in our Finance, Business Services and Development teams.
- Invested in both individual and corporate learning and development plans for our employees including Customer Care, Lone Worker and Health & Safety training supporting our Investors in People commitments.
- Upgraded our customer facing IT infrastructure and initiated an operational systems review in preparation for a systems upgrade in 2011/12 to improve services.



## Balance Sheet

	2011 £000	2010 £000
Housing properties at cost	72,782	53,425
Less; Social Housing and other grants	(27,434)	(21,096)
	<b>45,348</b>	<b>32,329</b>
Other fixed assets	214	251
Net current assets	2,045	3,362
	<b>47,607</b>	<b>35,942</b>
<b>FINANCED BY:-</b>		
Share capital & reserves	13,344	14,481
Long term loans	34,263	21,461
	<b>47,607</b>	<b>35,942</b>
<b>Income &amp; Expenditure</b>		
Turnover	6,760	4,657
Operating costs	(4,547)	(3,344)
Operating surplus	<b>2,213</b>	<b>1,313</b>
Surplus/(loss) on disposal of housing properties	733	4
Interest receivable and other income	21	34
Loss on disposal of fixed asset investments	0	(25)
Interest payable and similar charges	(1,805)	(812)
Surplus for year transferred to reserves	<b>1,162</b>	<b>514</b>

## To be financially strong and independent

The year to 31 March 2011 was a step-change for Mount Green in terms of its finances. Early in the financial year we completed two major transactions:

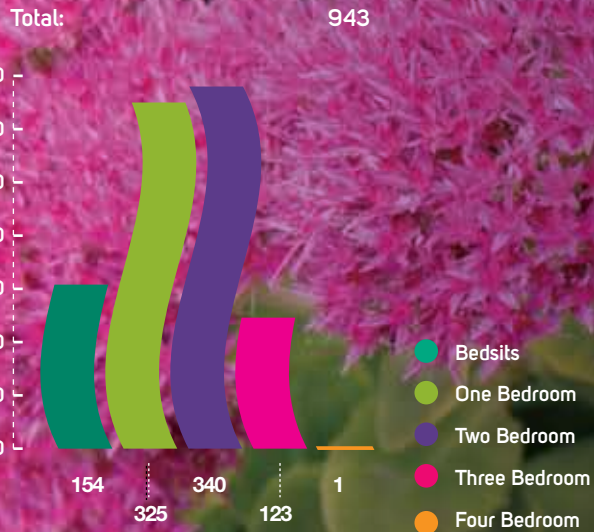
- Entering into a new 30 year loan agreement with The Royal Bank of Scotland giving us loan facilities of £47million, repaying our existing loan of £20million to Abbey at the same time.
- Using some of that new facility to purchase 220 properties from Servite Homes (now Viridian Housing Association).

As a result, our income is significantly higher than in 2009-10. Costs are also higher, of course, but we are still showing a surplus (before exceptional items) of £1,162k compared to £514k in 2009-10. The breakage costs relating to paying off the fixed term loans with Abbey in order to draw down the new funds from RBS were £2,299k resulting in a net deficit overall for the year and our retained reserves have therefore fallen from £14.481million to £13.344million. This is a one-off cost, however, and will not recur in future years. Our forecasts for 2011/12 and beyond are anticipating surpluses in all years.

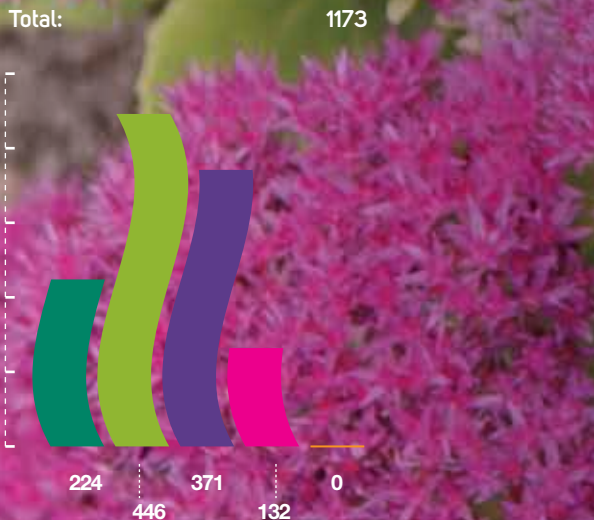
We have increased our housing stock in total by 230 units (from 943 to 1,173 units) and the net cost of our housing stock (after capital grants and depreciation) now stands at £45.348million which is £13.249million higher than the previous year.

At the year-end we had net bank borrowings of £30.799million. The net value of other assets (at cost) was £43.322million which gives a gearing ratio of 71% (increased from 56% at 31 March 2010).

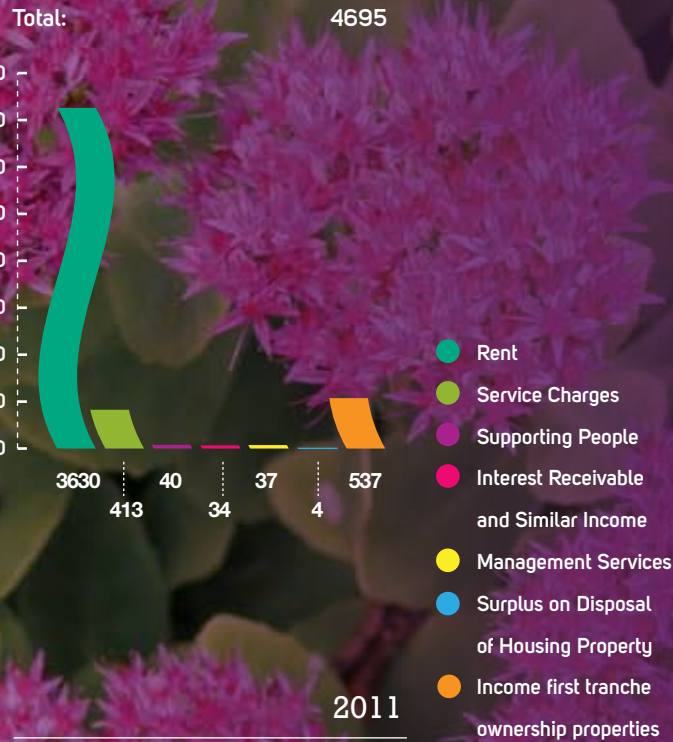
## Composition of Rented Stock 2010



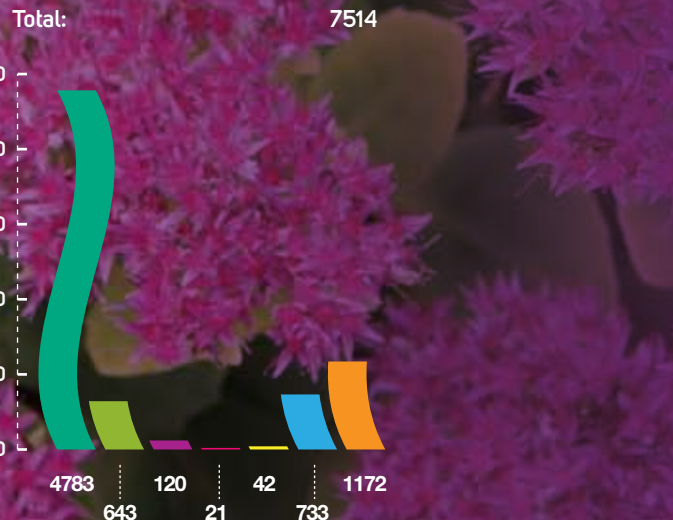
2011



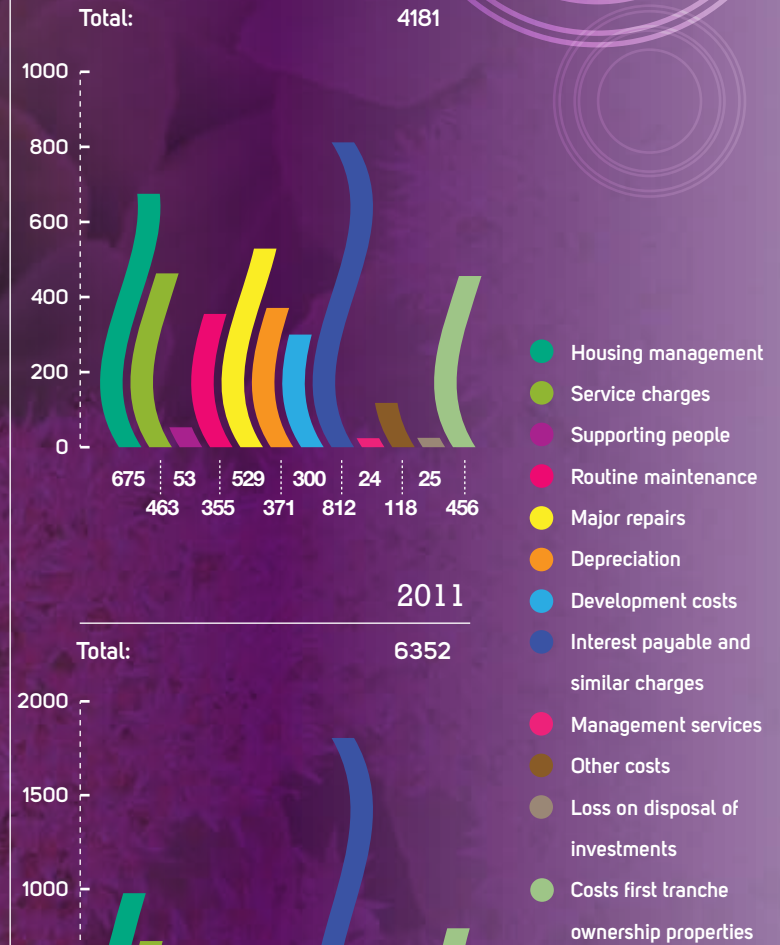
## Where Our Money Came From 2010



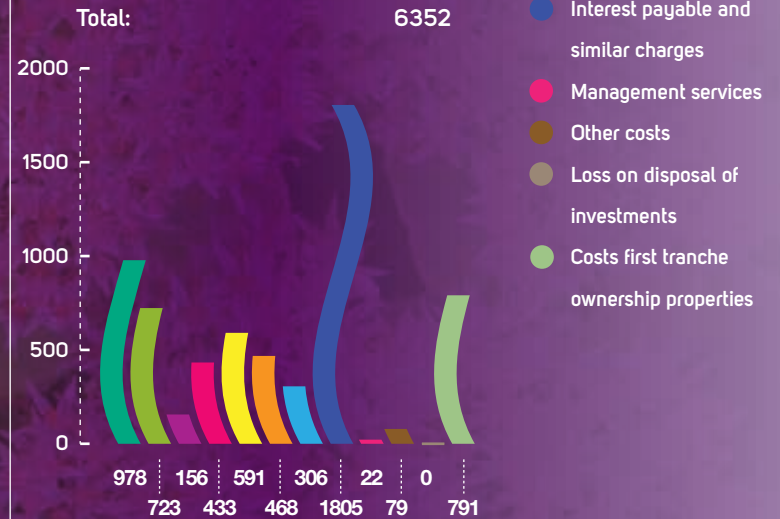
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## Where Our Money Went 2010



2011



	2010	2011
Surplus for the year	514	1162
Less exceptional item - breakage costs payable	0	(2299)
Net deficit/surplus after exceptional item	514	(1137)

## The Association's Board

<b>Richard Frost</b> Chairman BA Solicitor. Chairman of Swan Housing Group	6 years	<b>Paul Powici</b> Retired Head of Growth Areas, former Housing Corporation	2 years
<b>Jane Bolton</b> BA Hons, FCIH Managing Director, Elmbridge Housing Trust	2 years	<b>Barbara Richardson</b> Vice Chairman MCMI Director of Savills (L&P) Ltd Public sector property development	6 years
<b>Stephen Bromley</b> Independent ICT Consultant supporting social housing providers: Bromley Consultancy Services	2 years	<b>Barbara Munden</b> MCIH Business Services Group Manager, London Borough of Hounslow	6 years
<b>Richard Chang</b> Resident Representative Self employed Builder	1 year	<b>Ray Soanes</b> Resident Representative Retired Manager of Surgical Orthopaedic & Ophthalmic Services	7 years
<b>Christopher Clarke</b> B Com, CA Director of Finance, Hestia Housing & Support	10 years	<b>Ben Young</b> MA (Cantab), MCIH, DipSA CEO Retirement Lease Housing Association	2 years
<b>Frank Curtis</b> Resident Representative Part-time further education Lecturer in Engineering	4 years	<b>Senior Staff</b>	
<b>Jane Eyles</b> BA, MSc, MCIH Associate Consultant, Tenant Participation Advisory Service	2 years	<b>Nick Ronald</b> MCIH Chief Executive	11 years
<b>Kenneth Griffiths</b> ICIOB (Retired) Former Operational Department Head in Buildings & Maintenance sector	3 years	<b>Hugh Wagstaff</b> BA, MCIH Director of Operations	10 years
<b>Richard Harris</b> BSc Hons, MA, Dip TP, MRTPI Former Deputy Chief Executive of Epsom and Ewell Borough Council. Retired Town Planning Consultant	10 years	<b>Lesley Dunlop</b> BA Hons, FCIPD Director of Business Services	5 years
		<b>Claire Boyer</b> BSc Hons, ACA Director of Finance	2 years



**MOUNT GREEN**

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Other Solicitors: Manches LLP / Batchelors Solicitors  
Auditors: Grant Thornton UK LLP  
Internal Auditors: The Internal Audit Association (TIAA)  
Bankers: Barclays Bank plc  
Lenders: The Royal Bank of Scotland plc

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