

# Financial & Operational Update

May 2015



At the end of March 2015, North East Wales Homes (NEW Homes) is projecting a profit before tax of £19,575 compared to the Business Plan profit before tax of £88,789, creating an adverse variance of £69,214.

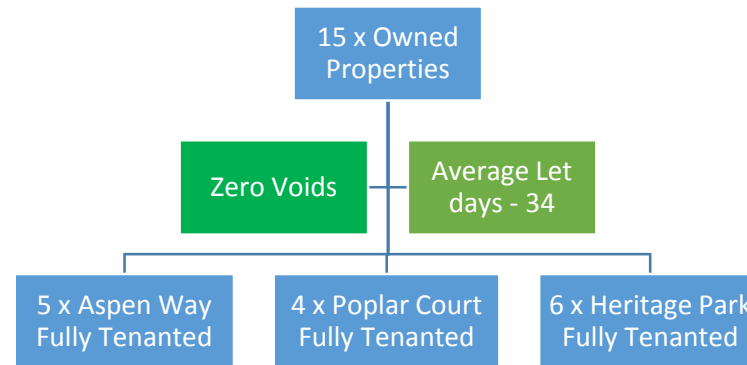
The variance can be explained as follows:

Gifted units	<ul style="list-style-type: none"><li>• Business Plan £112,920</li><li>• Actual £55,374</li><li>• Variance (£57,546)</li></ul>
Managed Units	<ul style="list-style-type: none"><li>• Business Plan £32,022</li><li>• Actual £4,074</li><li>• Variance (£27,948)</li></ul>
Fees	<ul style="list-style-type: none"><li>• Business Plan £8,775</li><li>• Actual £1,935</li><li>• Variance (£6,840)</li></ul>

The yearend financials have now been submitted to the external accountant, Sage & Co Business Advisors in St Asaph, for review and audit on the management of client monies. As soon as the report has been completed we will distribute.

### Gifted Properties

The Business Plan projected 19 gifted units for the full 12 months. Transfer of Heritage Park and Poplar Court took place on June 24th creating a maximum charging period of 9 months, transfer of Aspen Way took place on October 15<sup>th</sup> creating a maximum charging period of 5 months. The delays were due to Welsh Government transferring ownership from Flintshire County Council to NEW Homes, and have contributed an adverse variance of £57,546.



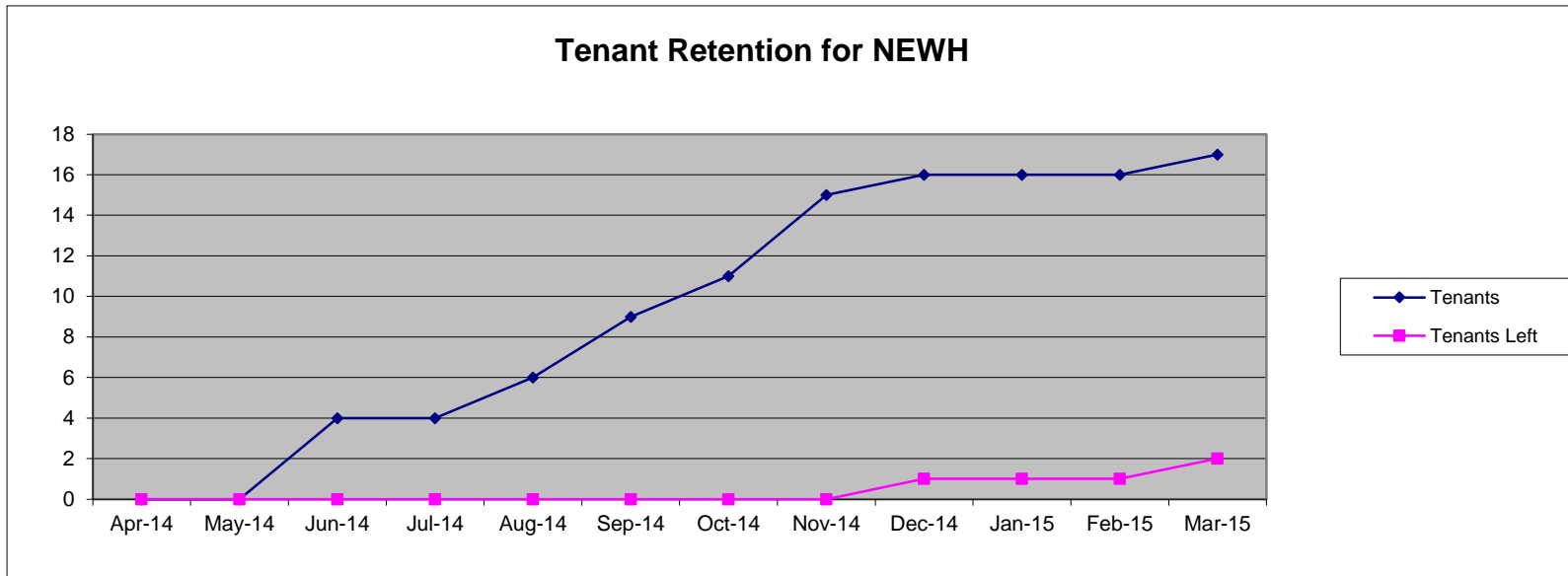
Average let days are at 34 days due to the handover from FCC to NEW Homes timescale. We have now changed the process and will be letting direct through NEW Homes therefore reducing let times for future developments.

### ARREARS

We currently have 1 former tenancy in arrears, this is due to the tenants circumstances changing and therefore not being able to afford the property any longer. A payment plan has been agreed with them and we are awaiting the first instalment.

Income	£55,374
Arrears	£299
%	0.54%

NEW Homes Tenant Retention rates are very positive ...



These numbers then convert to a % conversion rate as follows ...

Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15
0%	0%	100%	100%	100%	100%	100%	100%	94%	94%	94%	88%

One tenant has ended their tenancy due to a relationship breakdown and they found they could no longer afford the rent at the property. Since then we have had another tenant end their tenancy as they are now in a position to purchase their own home. We feel that this is a positive outcome as this is the purpose of intermediate rent.

We are in the process of creating a tenancy feedback form based on the tenants journey to date, we will be in a position to start collating this information for next board. Based on the feedback already received regarding the parking bays and lighting, we have now marked up the parking spaces for each property at Heritage Park and Poplar Court. Housing Maintenance are still looking into the lack of external lighting at Heritage Court, this may require planning, we are awaiting the options and costs.

## New Developments

During 2015/16 we are expecting the following properties to be transferred in to our stock. Dates are still to be finalised so that we can start to market and allocate to persons on the waiting list.



St Marys Drive, Northop Hall

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- 2 x 3 bed properties - expected in June 2015
- 3 x 2 bed properties



High Street, Saltney

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- 4 x 2 bed properties - expected Spring 2016



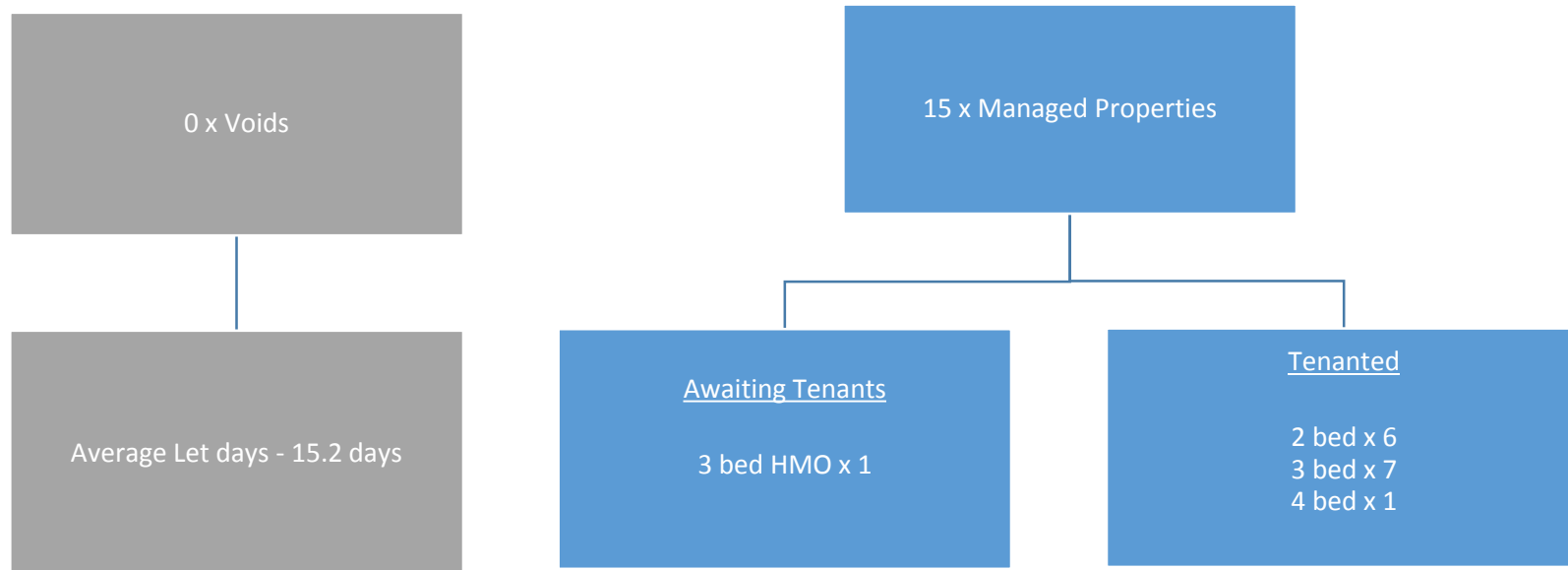
Overleigh Drive, Hawarden

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- 1 x 2 bed properties - expected in December 2015
- 3 x 3 bed properties - expected in December 2015

### Managed Properties – Signed up

The Business Plan projected 26 properties for the full 12 months. We currently have 15 properties signed up, of which 14 are tenanted. The remaining 1 is the HMO in Buckley which is currently being viewed by prospective tenants. We are hoping to have this fully occupied by early May 2015.



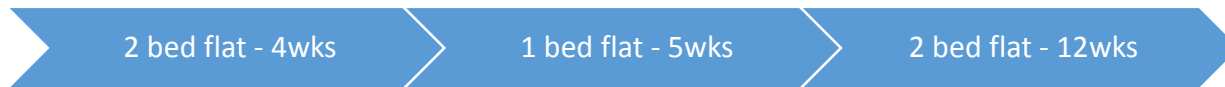
Average let days are at 15.2 days, this is due to some properties taking longer than anticipated, by NEW Homes staff and the landlords, for repair works to be completed at the properties.

## Managed Properties – Pipeline

Pipeline	
10 Houses into Homes Mix of 1-2 bed	Houses 1 x 2 bed 1 x 3 bed

### Houses into Homes

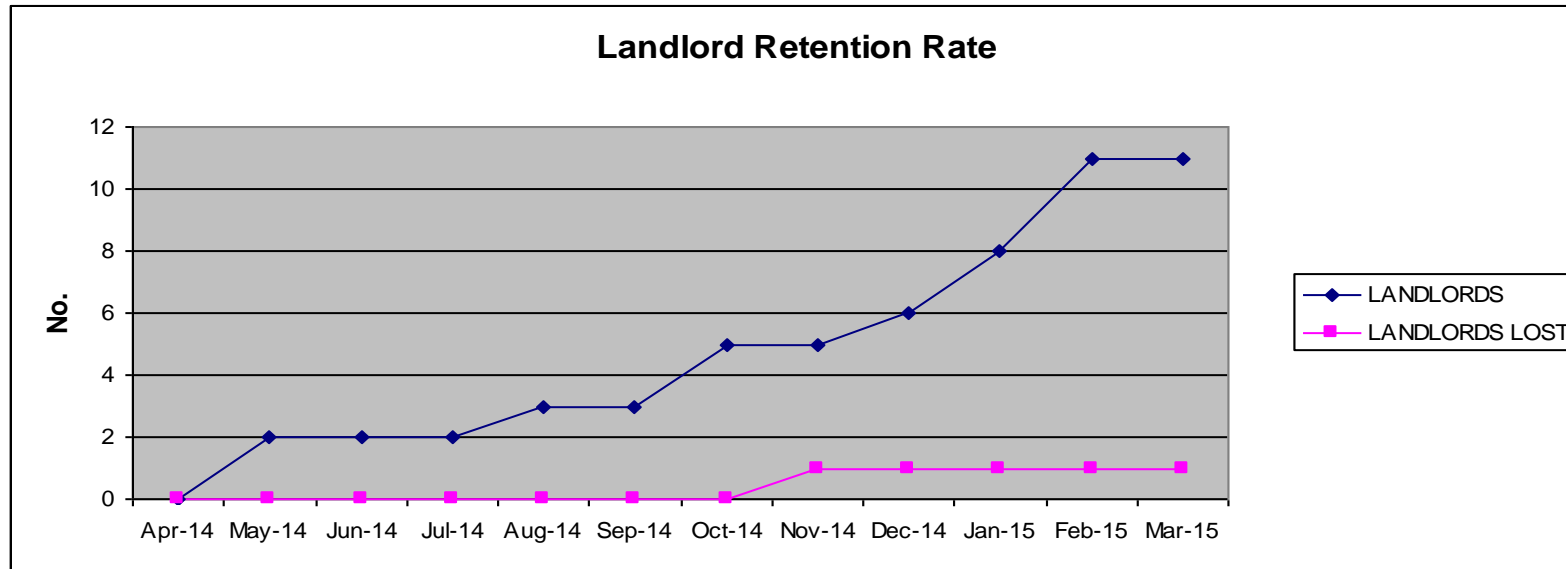
Houses into Homes units are situated above the shops in Deeside and will be a mix of 1 and 2 bed flats. We have been advised that there are 3 properties that are near completion and will be ready to tenant shortly.



### General Lets

We are hoping to convert the 2 and 3 bed houses into business in the next couple of months once the landlords have reviewed and signed the paperwork.

Landlord Retention rates are very positive ...



These numbers then convert to a % conversion rate as follows ...

Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15
0%	100%	100%	100%	100%	100%	100%	80%	83%	88%	91%	91%

The reason for the reduction of 1 landlord was due to him wanting us to let his property within a specific timescale, this could not be met as the criteria for tenanting the property changed within that time frame from the original agreement.



### Over 55's Choice

The Over 55's choice is generating interest from those individuals who wish to downsize and access the councils designated older persons properties. A lease agreement has been drawn up and we now have 1 person assigned to the scheme.

We also have met with further 4 home owners who have made enquiries for this service. They are currently reviewing the terms and we await further instructions.



The Business Plan projected 10 units for the full 12 months, however due to delays with the lease agreement and the amount of units that would be suitable for these home owners within Flintshire County Council we revised the projection to zero units for this financial year and now have 1 person signed up and the property to be tenanted in March.

These delays have contributed an adverse variance of £6,600 over the full 12 months.

GROWTH

- SHARP - Contract procurement underway, expect to award developer in June 2015

Portfolio Development

- Managed units - Target not met. Further marketing required if product is to continue
- Gifted Units - Slow handover and letting times, target not met
- Over 55's - Target not met due to delays on lease agreement

PEOPLE

- Time - Staff time falls within SLA projections
- Training - Courses are being reviewed and the HHSRS is to be booked

CUSTOMER

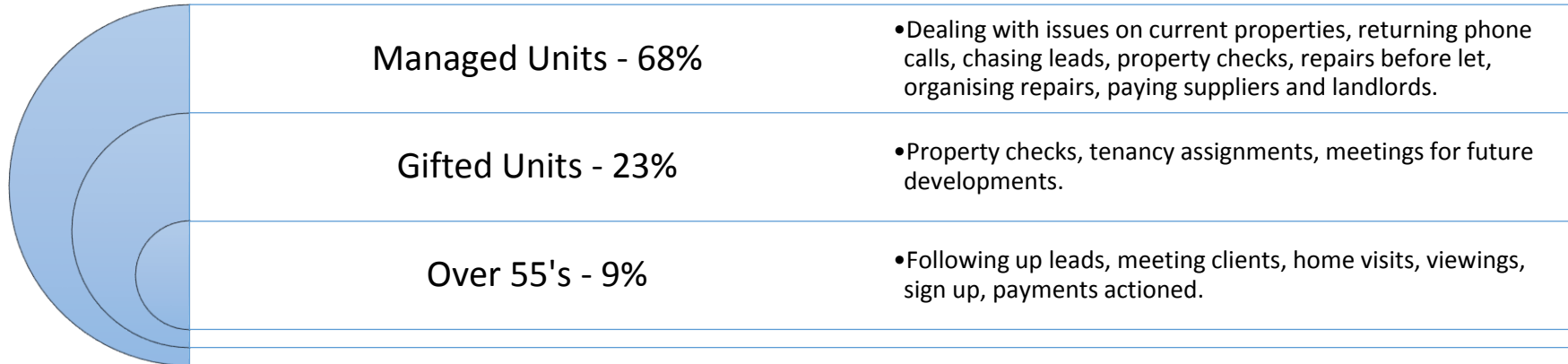
- Customer Satisfaction - developing a landlord and tenant satisfaction monitoring process
- Complaints - one complaint dealt with within timescales successfully

RESOURCES

- Performance - met targets for lettings, viewings and service quality but below for gifted lettings
- Insurance - In place
- Policies - Portfolio developed - further work as business grows

## STAFF TIME

The current split of time spent in each area of the business is as follows ...



## STAFF TRAINING

Staff have recently undergone some internal training on performance management. This has been a very effective course and very well put together.

We are in the process of booking on to a course to complete the HHSRS (Housing Health & Safety Rating System) course which is 2 days training. This course highlights any areas of concern with any properties we are viewing that would require attention before being let.

## **ADVERTISING**

Van advertising – we are in talks with Barbara Milne of Flintshire County Council to come up with an advert for the side of the Council stock. Two wording options have been supplied and we are awaiting draft designs and a costing. As soon as this become available we will email out for board agreement.

Website – The website template is now ready for content inclusion. This needs to be prepared and passed to the IT team when ready.

Pop ups – We would like to design new pop up displays to draw business in and place at the planning entrance in County Hall. This has been put on hold until any changes to the current offer/packages is decided on, at which point we can move it forward.

Facebook – Continued and increased use of the NEW Homes Facebook page.

Twitter – Continued and increased use of the NEW Homes Twitter account.

Inside Flintshire magazine – An advert is currently being designed with Barbara Milne and will be in the next issue of 'Inside Flintshire Magazine'. The magazine is a free magazine which has a monthly edition and is delivered to approximately 10,000 people a month in the County - see handout.

Rightmove – Costs have been obtained from Rightmove to advertise our properties on their website. Charges vary from £395+VAT per month to £620+VAT per month.