



# in tune

Longhurst Group Business Briefing

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# Crunch Time

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Bob Walder  
Chief Executive - Longhurst Group

The "credit crunch" and world economy seem to have dominated the news and our business environment this year. Most serious of all, our customers have to face some very difficult conditions: those who want to buy a home must handle market uncertainty, pressure on mortgage availability and high borrowing costs.

Others on low incomes have seen rapid rises in the cost of living and essentials, like food and heating costs, zooming up in price.

At Longhurst Group, we're doing all we can to help our customers and to control our own costs. That way we can continue to provide high-quality services and new homes even in these difficult times.

This briefing outlines our group's ability to meet the challenges ahead and showcases examples of work that is transforming people's lives across the region – such as:

- A Friendship Care and Housing project which supports victims of loan sharks
- Community partnership initiatives in East Northamptonshire, in which Spire Homes plays a key role
- Our founder role within the Blue Skies Consortium, which has secured the tenth largest funding allocation nationally.

At times like this, it's reassuring to know that our staff and Boards are highly skilled, well trained and have considerable experience to draw upon. Given the size of our Group, we cover a broad spectrum of specialisms – covering everything from homes for sale, right through to detailed care and support services. We even provide management consultancy support to local authorities, other housing associations and private developers. As a result, we haven't got all our eggs in one basket; we can rely on each other's strengths and resources to mutual benefit.

We know the Midlands inside out and are completely focused on developing within it. We want to continue to be seen as positive partners, working in areas where people

trust us and we can guarantee to keep delivering what we promise.

The current situation means that high-quality financial services and reputation, good systems and credibility will be critical success indicators. Financially, we have always put a premium on our relationships with regulators and auditors. Where, in future years, facilities are due to run out, we're already in negotiations to replace them so we know very well we can withstand the financial storm. Most importantly, we know that we have a credible relationship – we work very closely with our funders and value them highly.

We've also been running a Group structure to autonomous companies for years. As such, our work has been open to thorough internal challenge and we can demonstrate that it has been tested in a robust way. Not that we will ever rest on our laurels – but it's a good basis for further growth and success.

With good systems, strong business plans and good support from our funders underpinning our work, we can face the future with confidence. We're determined to continue providing high-quality, value-for-money service to our customers – managing the financial storms ahead and seizing any opportunities which such times inevitably bring.

# Putting pizzazz into Partnerships



Julie Doyle  
Managing Director - Spire Homes and  
Deputy Chief Executive -  
Longhurst Group

Ella Fitzgerald once declared that “T’ain’t what you do, it’s the way that you do it – that’s what gets results”.

For many local strategic partnerships, achieving and delivering shared priorities is a tricky task. So how can they achieve the right outcomes for communities?

## Time to talk

Communication is the key, according to Julie Doyle - chair of the ENable partnership in East Northamptonshire and managing director of Spire Homes, a Longhurst Group member.

She says: “It’s partly about joining up existing strategies – health, policing, housing and so on. Initially ENable explored ways of improving communication across agencies, keeping everyone informed of each other’s priorities. Since then, we’ve become much

smarter about our joint working – and are now changing our plans and strategies to create shared district priorities.”

These priorities include two Northamptonshire estates where perceptions of crime were high. The police were starting to tackle anti-social behaviour problems but others hadn’t registered the estates as priorities.

Julie said: “Through ENable, we recognised the opportunity to make a bigger collective impact. Several agencies agreed to invest in the areas concerned, and complement the work being done by the police.”

Spire Homes introduced an ‘estate walkabout’ programme with residents, tackling concerns such as graffiti, overgrown landscaping and fly tipping. The association also funded new fencing and environmental improvements, to enhance the areas. Partner agencies chipped in too – for example, the youth service provided football training sessions. So collectively, ENable members achieved much more than the individual organisations could by working in isolation.

Julie believes that partnership working makes community engagement easier. She said: “It’s critical to listen to residents’ concerns and identify what’s happening. Through ENable, we’ve got a wider range of contacts out and about, so we can respond more quickly to any concerns raised. Then

through collective action, residents see the results more quickly and have greater ownership of the situation. So the hard work also stands a better chance of being sustained.”

To keep track of its impacts, the partnership measures resident perceptions of projects before, and after, intervention.

## Significant others?

Traditional perceptions of housing organisations are all about the bricks and mortar – in which case, exactly how significant are these joint initiatives?

For Julie, the answer is clear. “It’s critical that we’re involved in local strategic partnerships and local area agreements. “At Spire Homes, we’re a major landlord and provider of services. To get the best for our residents, we need to be at the table, influencing debate. So I’m grateful for the opportunity and the recognition that the council has given us to support local partnership development.”

## Further information

For further information about the ENable partnership, please contact Julie Doyle on 01933 415321 or e-mail [julie.doyle@longhurst-group.org.uk](mailto:julie.doyle@longhurst-group.org.uk)



# Money's too tight to mention

Imagine a world where you didn't have a bank account. Where you were constantly behind with your bills. Where you needed a loan to buy your child's school uniform, get Christmas presents, or fix the washing machine.

Then imagine if the only way you could get this money was to pay up to 400 per cent interest to the lender.

It sounds far-fetched, but falling into debt is an everyday occurrence for many social housing tenants. Just look at the facts.

## The facts

- Around one in six social housing tenants doesn't have a bank account
- Approximately 45 per cent of tenants earn less than £200 (gross) per week
- Around 253,000 housing association tenants borrowed £165 million from one doorstep lender in 2006.

## The solution

Friendship Care and Housing is taking action to prevent poverty, get people out of debt and help them to manage their finances for life.

Through its financial exclusion strategy, the association is supporting residents in four key ways:

- Providing free money advice, in partnership with expert agencies

- Helping vulnerable people to develop their financial skills
- Increasing access to regulated financial services, to help people reduce their outgoings
- Providing emergency accommodation and support to assist people in financial difficulty and experiencing related problems.

A wide range of projects and initiatives underpin the strategy. Friendship provides debt advice and credit union facilities; it promotes bank accounts and affordable home contents insurance; and is helping to develop employment opportunities.

The association also grabbed news headlines recently through its work with Birmingham City Council, providing emergency accommodation to victims of loan sharks. In one high-profile case, the association organised housing, confidential support and even food parcels to help a prosecution witness that had been kidnapped and attacked with a machete.

Friendship Care and Housing Quality Manager Sophie Hall said: "It's expensive being poor. The sad fact is that many people get into debt without understanding the implications of what they're signing up to.

"And debt affects everyone; it's not just about elderly and vulnerable people, but university students and families too. We know people who have borrowed £400 from doorstep lenders for a school uniform, but then paid back over £1,000 due to sky-high loan charges.

"We're supporting people in many ways, from community initiatives through to major policies that will roll-out across the Longhurst Group. Whether we're providing money advice booklets or negotiating pre-payment gas and electricity meters for the same price as standard supplies, it all makes a difference."

Over the next few months, the association will focus on how people can save money through comparing the costs of products and services. The aim is to help customers keep the pounds in their pockets, rather than lose out because they don't understand how interest rates and lenders work.

## Further information

For further information about the Group's financial inclusion work, please contact Sophie Hall on 0121 233 8651 or e-mail [sophie.hall@fch.org.uk](mailto:sophie.hall@fch.org.uk)



Sophie Hall  
Quality Manager - Friendship Care and Housing

# Local and Vocal

A new community involvement strategy being developed by one Lincolnshire housing association has found the key to unlocking potential in neighbourhoods.

Havelok Homes wants to get residents active and positive about their neighbourhoods. This focuses on encouraging whole communities to get involved, rather than just tenants – so that everyone can have a say and feel included.

## Great results in Grimsby

The new approach is already transforming lives on one area of Grimsby, thanks to the hard work of Havelok Homes and its partners.

The Quanbeck Centre had been underused for years. Bouts of youth vandalism at the centre were also proving costly to repair. And tensions between supported housing tenants and wider residents were starting to create barriers within the community.

So Havelok Homes staff piloted a drop-in facility at the centre, where people could get advice and meet other residents in a relaxed, informal setting. Opened in January 2008, the centre is now a popular meeting place – as well as providing confidential advice, a lending library and acting as a hub for community projects and social events.

Partnership working is vital to the mix. Agencies have offered input and support ranging from a home security talk, to a Nintendo Wii fun evening. Community feedback has been really positive - both about having services on the doorstep, and being able to make new

friends. And for Havelok Homes, there have been interesting results from a landlord viewpoint; residents who previously complained about each other have got to know each other better through the centre, serving as an 'informal mediation' process.

## Future plans

This is just the beginning for Havelok Homes. Yvonne Lowe, director of housing, maintenance and business support, said: "In future, we hope to provide regular outreach work from other community bases, such as doctors' surgeries and community centres – sharing resources is definitely the way forward."



"With the advent of the Tenant Services Authority, increased customer expectations and the need to support vulnerable residents, strong resident networks will be hugely important. It's also good business practice – the more people shape our services over time, the better the quality of our work will become."

## Further information

For further information about the Havelok Homes approach to community involvement, please contact Yvonne Lowe on 01472 505968 or e-mail [yvonne.lowe@havelokhomes.org.uk](mailto:yvonne.lowe@havelokhomes.org.uk)

# News in brief

## STEPS to success

A Humberside Police representative recently congratulated Havelok Homes on the quality of the housing association's STEPS project.

Detective Superintendent Mark Smith commented on Havelok's "exceptional work" in housing and supporting a high-risk sex offender over an 18-month period. The association's contribution to partnership working meant that "the people of north-east Lincolnshire have been provided with an enhanced level of public protection", he said.



## Corporation kudos

An innovative Havelok Homes supported accommodation scheme has been praised in a recent Housing Corporation publication.

The story relates how resident John Hazlewood had battled alcohol problems. But support from Havelok, and a commitment to tenant involvement, helped him to learn new skills, build confidence and get through a difficult period in his life.

John now lives independently, and has a partner with whom he shortly hopes to set up home.

# Treasury talk

The challenging financial markets are causing sleepless nights for many people. With daily announcements emerging about the volatile conditions, what are the implications for housing organisations?

Rob Griffiths, group executive director – financial services, explained: “The Group’s total debt portfolio now exceeds £200 million and any changes in the cost of borrowing can have a significant impact on our business. However Longhurst has always invested a significant amount of time and resource in ensuring an appropriate Treasury structure is in place for the Group.”

This investment is proving its worth in light of the challenging market conditions – for example, the average cost of Group borrowing actually decreased by 0.04% in the last 12 months resulting in savings of approximately £83,000.

The strong financial controls in place are further highlighted by the way that the Group manages new development projects. Examples of these controls include:

- A detailed weekly and monthly cashflow that projects new development funding requirements over a 24-month period
- Detailed appraisals for any committed development schemes, including robust internal challenge from the finance, housing and sales teams.

Rob added: “These controls have been in place for years and in a highly volatile market, the approach will stand us in good stead. It’s also what funders expect as a matter of course.”

Longhurst Group is set to maintain its cautious, balanced approach to business planning in the months ahead, taking full account of the market. Independent treasury advice from sector specialists Sector Weedon Grant will also continue to influence the Group’s work.

## Further information

For further information about Group finances and treasury management, please contact Rob Griffiths on 01205 319664 or e-mail [robert.griffiths@longhurst-group.org.uk](mailto:robert.griffiths@longhurst-group.org.uk)



Rob Griffiths  
Group Executive Director,  
Financial Services

## News in brief

### Ballot bound

Rutland County Council has unanimously agreed to go to a transfer ballot with Spire Homes as its partner.

The council’s housing service, currently being managed by Spire, has also been re-inspected recently. The service achieved a one-star rating with excellent prospects for improvement.

### Lease of life

A new car leasing scheme being introduced across the Longhurst Group has led to a capital injection, lower annual costs and staff incentives to drive greener cars.

By moving from purchasing to leasing, monthly outgoings are fairly constant and running costs have reduced. The new leasing system has also cut down on internal administration, and has a reporting system which includes online driver training for company car drivers.

Where staff opt for environmentally-friendly cars, there is an option to receive their monthly lease allowance and the car cost as a salary top-up. This means more money for staff and a lower carbon footprint for the Group.

# Shared ownership – buy or goodbye?



Sharon Leivers  
Director of Leasehold and Sales -  
Longhurst Homes

Do current housing market conditions mean the end of the road for shared ownership? Sharon Leivers, director of leasehold and sales at Longhurst Homes, answers the questions on everybody's lips.

**Q** *Is lender nervousness affecting shared ownership?*

**A** "Yes, it's not all plain sailing. Until recently, 100 per cent mortgages were available for shared ownership but with lenders withdrawing more products, it's harder to get mortgages on certain properties.

"Realistically though, shared ownership is a much lower-risk option for lenders, so we expect continued demand. And we're selling high-quality products, based on robust housing needs information – so we've always got people waiting for properties.

"Also, customers who would previously have bought a brand-new

house and not considered shared ownership are now looking at it as a viable option. It's a way of minimising long-term risk."

**Q** *What's Longhurst Group doing to keep schemes viable?*

**A** "We're focusing on family homes in the current market. Most of our properties are two and three bedroom family houses with gardens, which are consistently in high demand; they retain their appeal because people can buy into them and stay long-term. And with first time buyers, mortgage availability is stronger for houses than flats."

"As the credit crunch bites harder, we've taken a more flexible approach. We've reduced the minimum share to 25 per cent, so customers can buy a smaller portion of a property to get on the first rung on the housing ladder."

**Q** *Is shared ownership a good option for buyers right now?*

**A** "Well, they'll get a lot more for their money than on the open market. Then over time, they can gradually buy more shares if they want to. With rising household costs, those few extra pounds in people's pockets make a big difference."

## Example

An applicant wants to buy a house worth £140,000.

### Open market option

5% deposit x £140,000 = £7,000 deposit

### Shared ownership option

25% stake x £140,000 = £35,000 mortgage

5% deposit x £35,000 = £1,750

Customer takes out mortgage for £33,250 and pays rent on the remaining 75% share

**Q** *What if people can't afford a deposit?*

**A** "We help every applicant work out how much they can afford based on their household income. If we're satisfied a buyer can realistically afford home ownership, we'll do our best to help. For example, our homebuyer package offers things like support with legal costs, or providing fitted carpets. Sometimes it's the little things that make all the difference."

## Further information

For further information about Longhurst Homes shared ownership schemes, please contact Sharon Leivers on 0115 964 30 72 or email [sharon.leivers@longhurst-group.org.uk](mailto:sharon.leivers@longhurst-group.org.uk).



# Blue Skies, bright future



Alan Whyte  
Partnerships Director - Longhurst Group

To describe the current housing market as volatile is something of an understatement. With several major housebuilders weathering the storm and new developments being frozen out in some areas, you might well perceive that the outlook is gloomy.

But for the Blue Skies Consortium, the prospects are surprisingly bright.

The consortium was founded by Longhurst Group and Nottingham Community Housing Association in 2005. The alliance provided an opportunity to share costs and regional expertise, and compete with larger organisations for development funding.

Three years on, Blue Skies is out-performing much larger competitors – having secured the tenth largest affordable housing allocation nationally. The consortium supports member organisations and, through their development services company POD, Longhurst and Nottingham Community provide consultancy to consortium members, as well as to the local authority, private developer and ALMO sectors.

## How it works

- \* Consortium members identify and submit potential development opportunities
- \* Each potential project is reviewed to check deliverability and financial and technical viability
- \* 17 organisations bid for collective funding from the Housing Corporation
- \* Bidding programmes and targets are agreed over a three-year period
- \* The POD team work up scheme ideas, advise how best to target funding priorities and submit the final bids

## Membership benefits

Blue Skies gives smaller and specialist organisations the chance to develop homes. Everyone brings different skills and experience to the table – from stock transfers, to supported housing or community specialisms.

Opportunities are distributed fairly, based on needs and business plans – it's not about bigger members carving out larger portions of the pie. As Longhurst Group partnerships director Alan Whyte explained: "We're genuinely interested in helping clients to

develop their business, because it makes the consortium stronger."

Longhurst and NCHA also have a consultancy arm, called POD, that works with organisations awarded separate investment partner status. POD provides services such as financial appraisals, audit compliance checks and technical development advice. As Alan said: "Through POD, we offer the same services as many private companies – but our understanding of housing needs, regulatory requirements and the housing environment is much deeper. After all, we've been developing in this region for over 20 years, so we know which projects will meet key priorities and can bring them forward."

In the current financial climate, the scale and scope of opportunities handled by the consortium gives added flexibility to adapt to changing circumstances. So if demand for a particular house type or location shifts, or a developer threatens to pull out of a project, the consortium can bring in replacement schemes. It's all about managing risk effectively for partners' mutual benefit.

## Further information

For further information about the Blue Skies Consortium, please contact Alan Whyte on 01205 319640 or e-mail [alan.whyte@longhurst-group.org.uk](mailto:alan.whyte@longhurst-group.org.uk)



# Ready, steady, build



Ian Jackson  
Development Director - Longhurst Group

Over the next three years, Longhurst Group is set to build more than 1,000 homes. Ian Jackson, director of development, explains why this target is achievable despite current market fluctuations.

## Managing risks

“By providing group-wide development services, we’ve got a picture of market demand and need across the region.

“At times like this we need to manage the programme carefully. Getting the right mix of rented, shared ownership and outright sale properties is important. We’ve slightly reduced our sale programme, although we’re still confident in the product and continuing demand; it’s just about getting the balance right.

“We’re also working with partners to identify and manage potential risks.

For example, shared ownership on rural ‘exceptions sites’ is currently tricky, as lenders want to focus on straightforward lending products. But that can jeopardise entire schemes so we’ll always look for a workable solution.”

## Finding opportunities

“With several major housebuilders scaling back services, we’re not getting the same number of sites coming forward for development – in particular, ‘section 106 sites’ (secured through the planning system) have dropped off.

“But on the bright side, we’re finding opportunities that probably wouldn’t have been available to us a year ago. And our in-house development expertise and land contacts mean we can take advantage of this.

“Increasingly, we’re becoming more ‘hands-on’ again – where we buy the land, employ the architects and tailor the schemes (often to very specific client needs). This is a very satisfying way of working, although it isn’t cheap.



“But then, this is all about long-term investment. As affordable housing providers, we care about the impact that we have on the community. So we don’t walk away when a scheme is completed; instead, we work hard to support tenants and residents living in our schemes.”

“Ultimately all of our companies have good finance facilities, we’ve got a healthy pipeline of funding and there are plenty of schemes coming forward. So as long as we build sensibly and to our business plans, we’ll be fine.”

## Further information

For further information about development and partnership opportunities, please contact Ian Jackson on 01205 319664 or e-mail [ian.jackson@longhurst-group.org.uk](mailto:ian.jackson@longhurst-group.org.uk)

## So far so good?

We hope you've enjoyed our first business newsletter. We'd really welcome your feedback on what articles worked for you (and any that didn't), so that we can tailor future content to your needs.

Please e-mail [janet.matthews@longhurst-group.co.uk](mailto:janet.matthews@longhurst-group.co.uk) with your views. If you've got comments on particular articles we'd love to hear them. Or if you're pushed for time, just fill in the header line with an overall mark out of 10 or simple comment - anything you tell us will be appreciated.