

ANNUAL REPORT | 2011



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CHAIRMAN'S FOREWORD

I am very pleased to present the association's Annual Report for 2011. Last year was a very exciting and positive one for the association. We took some big decisions in 2011, not least that to re-organise, restructure and to change our name to Túath Housing. In modern Irish, its meaning is countryside, but in old Irish, it primarily means people, tribe or clan. In other old Irish contexts, Túath refers to place or territory. It's use in language was for a place as well as for the people who lived in the locality and for people who shared a common identity and allegiance. In modern terms its meaning is a community. All these meanings are central to our core values.



I am hugely grateful to the Board and staff team for their stamina and resolve in successfully steering the organisation through the year. I also wish to thank all the staff and elected members in the Local Authorities with whom we work collaboratively, who are coping with very difficult circumstances, as well as the staff at the DOECLG and the Housing Agency.

The continuing fallout from the economic collapse and the dysfunctional property and construction sectors has caused genuine hardship and distress to many people. It has however, helped us to refocus our efforts on doing what we can to help others in need. Today, with so many hard pressed families and people in need of affordable, good quality and well managed housing, our desire to help make a lasting and positive difference to their lives became the focus of our new Plans in 2011. In simple terms the overall aim of our plans is to provide long-term, safe, quality housing at best value whilst building mixed, sustainable communities. In seeking to deliver our plans we recognise that Túath is primarily a service organisation, housing people in need and managing homes whilst responding to, engaging with and involving people to make social housing work. Too many people today will readily tell you about the problems facing housing but offer little by way of solutions. We have strived to look for innovative solutions rather than problems. We need to think and do things differently in housing today.

We are about more than just bricks and mortar. We are about places and people. Our core business will continue to be about managing homes in a sustainable way, which

ELEVEN HIGHLIGHTS FROM 2011

ONE.

We changed our name, reorganised and restructured to position the association to better achieve our vision of **changing housing for the better.**



Clare Village, Dublin 17 – Dublin City Council

TWO.

We worked in **partnership** with the public, private and voluntary sectors securing value for money by using €10M in capital funding to acquire a variety of homes for social housing.

THREE.

We **re housed** in excess of 500 households and increased the number of homes in management to over 1,500 by December 2011



Clonmullion Retirement Village, Athy, Co. Kildare – Athy Town Council/ Kildare County Council

FOUR.

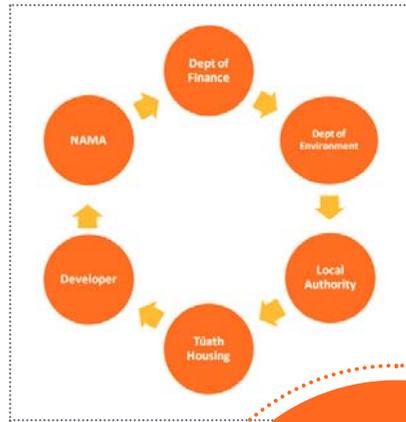
We won the Irish Council for Social Housing award for **financial**

Willie Penrose, T.D., Former Minister for Housing & Planning at opening of social housing, Knightsbridge, Trim, Co. Meath.



SIX.

We published medium and long term **plans** for the Association, including a Financial Plan to 2020 with the help of Grant Thornton Ltd and secured HFA 'approved borrower' status and **accreditation**.



SEVEN.

We worked with a builder in NAMA to deliver quality social housing at **best value** to the public purse, **getting more for less**.

EIGHT.

We **played our part** to boost **employment** and launched our 'salaried' Graduate Trainee Programme, increasing our workforce by over a third.



NINE.

We **invested** over €250,000 in housing maintenance during the last nine months of the year.

TEN.





Working for people
and places, not profit

VISION & VALUES

Our six point action plan encompasses and reflects our vision and values.

1. Working in **partnership** with stakeholders and communities to offer people an opportunity to find a good home they can afford.
2. Creating popular neighbourhoods of **choice**, where people want to live and settle in.
3. Getting **more for less** in everything we do by securing best value and by leveraging in private finance.
4. Reducing housing oversupply by **playing our part** in innovative ways to help tackle 'ghost estates' through the creation of new balanced, vibrant and popular places.
5. Conducting our not for profit business in accordance with our **socially responsible** vision and values.

HOUSING MANAGEMENT & CUSTOMER CARE

We view tenants as customers and last year we engaged with tenants to seek their views on how we were doing and committed to improving in areas which are less well received by our customers. In our last targeted, independent Tenant Survey, 87% of customers surveyed said they were satisfied with the property they lived in and our management service. Feedback from the survey threw up some matters customers were not so happy with. Some tenants said they had experienced repair defects in their new properties and some were unhappy with how long it took to rectify these defects once reported. We acted on this feedback to ensure that our pre-acquisition surveys are more thorough than ever and that our repairs warranties and guarantees from builders and developers are more robust. We will continue to market test opinions with small samples of our tenants as we realise that the people who really understand about social housing are the people living in it, and we will do our best to meet their expectations.



Housing Management Key Performance Indicators

Rent collected as percentage due: 97.3%

Rent arrears as a percentage of annual rent: 4.3%

Relet voids as percentage of stock: 0.47%

Average relet void period: 3 weeks

No. of repairs completed on time:

- Routine: 97%

Addressing Fuel Poverty

With the rising cost of energy, the Association is concerned about the increased number of households in fuel poverty. We manage various Local Authority stock which was designed and built to help alleviate this problem via energy efficient homes.



Bord na Móna district heating system
Honeypark, Dún Laoghaire Rathdown County Council



Group heating system
Holles Street, Dublin City Council



Wood pellet boilers
Garristown, Fingal County Council



Group heating system & solar hot water
Benamore, Dún Laoghaire Rathdown County Council

A theme we emphasised in 2011 was that good housing management is essential to effective place making. In order to help create neighbourhoods of choice we worked closely with local authorities, community organisations and the gardai. We adopted a low-tolerance approach to Anti-Social Behaviour. We recognised the blight that Anti-Social Behaviour can bring on communities. We took swift action in a small number of ASB cases to ensure

HOUSING DEVELOPMENT & TECHNICAL SERVICES

Despite the limitations in capital funding the year was very busy for the Association with Túath expanding our management services with existing partner authorities whilst also establishing new working partnerships with Nenagh Town Council, Waterford County Council, and Galway City. The Association now works with 22 Local Authorities and thank each of our partner authorities for their willingness and innovative approach to seeing all projects through to fruition.



1



We have used the economic downturn as an opportunity to utilise existing empty properties around the Country via private leasing directly with developers, management contracts with Local Authorities and through the purchase of homes. Innovation, flexibility and partnership were key drivers in our expansion last year, bringing over 500 social homes into management.

2



Our procurement strategy in 2011 was to acquire dwellings using available state grants and/or the maximum amount of loan finance that can be generated from the income stream / rent guarantee (Payment & Availability Agreement.) Each scheme acquisition stood on its own financial merits. One of these schemes involved the association piloting the first Capital Advance Leasing Facility (CALF) scheme in partnership with Meath County Council at Knightsbridge Retirement Village, Trim. We received CALF funding towards the acquisition of six homes with the Association providing the remainder of finance. This pilot also included the long-term leasing of four additional homes thereby 'getting more for less'.

3



4

The association received over €10M CAS funding in 2011 to

In 2011 we made significant progress in successfully modelling the use of partial grant funding from the state combined with private finance. This work will undoubtedly put us in good stead to purchase and build social housing in sizeable numbers at best value in partnership with Council's to help reduce their ever increasing waiting lists and to house the homeless. We also commenced discussions with NAMA and the Housing Agency on making use of private finance, CALF and leasing revenue to purchase and or lease units of accommodation for social housing. We see an ongoing opportunity to work with NAMA to gain access to good value property in locations that have a high demand for social housing as well as an opportunity to generate jobs, tax revenue, and outstanding levies to local authorities. It is a win-win economic model for government.

In the previous year, and in the full understanding of the perilous financial state of the country, we embraced changes to the funding of social housing without quibble. We were one of the first associations to receive Certified Status from the Housing Finance Agency and this, along with loans from banks will assist the association, working with our Council partners to acquire and produce much needed additional social homes in 2012 and beyond.

An internal restructuring of the association in 2011 saw the creation of a new Technical Services team within the Development Directorate. The re-organisation has greatly strengthened the team's ability to deal with an increase in both leasing and purchase opportunities whilst also providing technical advice and support to the Housing Services team. We also provided this service to Local Authorities at no charge where required to assist the speedy completion of projects and particularly in the surveying, snagging and handover of new vacant housing stock.



5



6



7



8

PHOTOGRAPHS

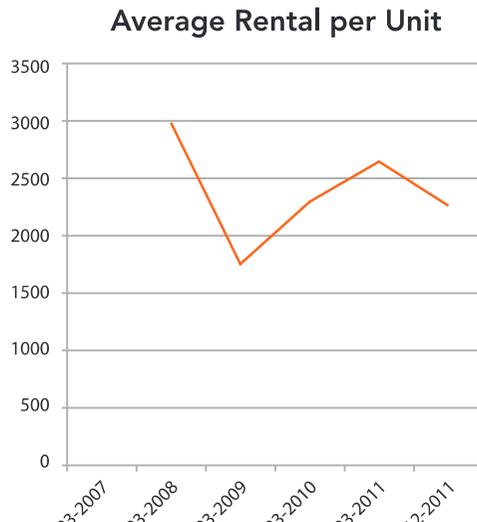
1. McCreanor's Terrace: Louth County Council
2. Ard na Dara: Westmeath County

FINANCIAL REPORT

The year was financially satisfactory as we continued to grow our services to meet the needs of partner local authorities, tenants and communities. The Association moved its accounting year end from April to March to year ending December 2011. The 2011 accounts herein are therefore based on a nine month period from 1st April 2011 to December 2011.



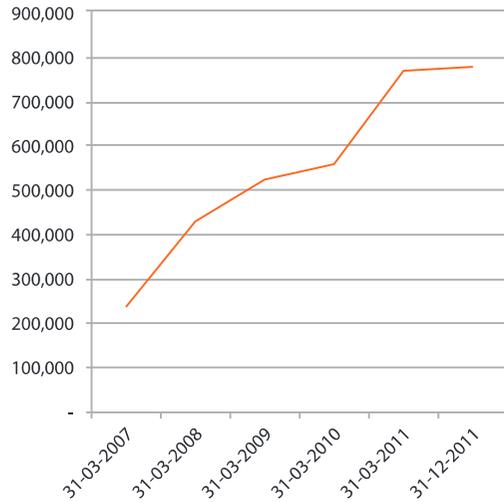
With the changes in the government's capital funding programme the financing of new social housing has become heavily reliant on private finance. The Association was successful in its application for Certified Body Status with the HFA, and this is an important step forward in sourcing funding for future development projects. The Association also participated in the ICSH working group on private finance with the specific task of enabling Housing Associations to gain access to HFA funding. The Board and Management Team have good, all round experience of accessing private finance to produce housing in both private and public sector settings and have done significant work with the Irish banks and the HFA in 2011 which will enable the Association to borrow for priority projects during 2012.



With the continuing increase in the demand for social housing, the association increased its homes in management by over 500 in 2011. The Association had 1535 units in management at end year. This was achieved by working closely with Local Authorities and represents an increase in the association's capacity of a third by the year end.

Overall the performance of the Association has been strong and despite the economic downturn a

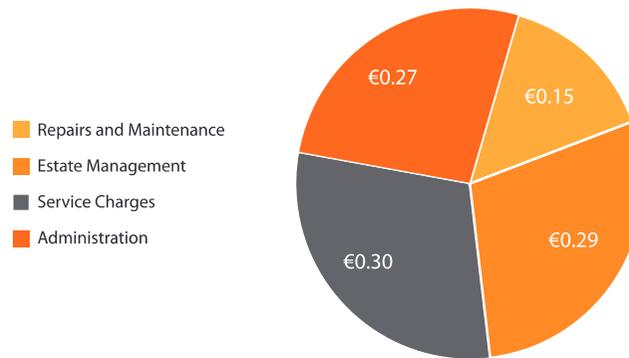
Operating Costs



the nine month period amounted to €1.36M compared to €1.28M during 2010/11 reflecting the increasing numbers of units in management. The estimated average unit cost for a full year, to include winter repairs and maintenance and all administrative charges, amounted to just over €1,600 per unit. We will continue to monitor our costs closely, seeking out better value wherever we can. In line with our social objectives, rents were primarily set on household income. A firm but fair approach was adopted to tenants in arrears.

The Association continues to grow in strength each year and this is reflected in the balance sheet. Effective financial management was crucial to the attainment of our goals and to implementing the Corporate Plan. In accordance with our short and long term objectives, consultants, Grant Thornton Ltd assisted the Association in producing a Financial Plan to 2020 with budgets derived on an annual, 5 and 10 year basis. Our financial projections assumed the provision of services to meet our strategic goals as well as the requirements of the DOECLG and partner Local Authorities.

How We Spent a Typical Euro in 2011



THE BOARD | Board Membership as at 31st December 2011



Ms Marian Jennings (Chairman)

Marian Jennings holds an LL.B from Trinity College, an LL.M from Queens University Belfast and a Diploma in Employment Law from University College Dublin. Marian is a Solicitor and has worked in both private practice and in-house roles, advising on a range of issues including contentious and non-contentious legal matters. Marian has also worked as the Law Agent and Compliance Adviser to a professional representative body and currently lectures in Law in the School of Management, Dublin Institute of Technology. She is also a regular speaker at conferences on employment law topics.

Marian has a long standing involvement in and commitment to matters of homelessness and housing, having been a soup run volunteer with Dublin Simon for six years, as well as having served as a member of the Dublin Simon Board, Governance Sub-Committee and Staff Sub-Committee. She has also delivered training to members of Boards regarding the legal role of directors and compliance issues. Marian regularly attends seminars and workshops on issues relating to social housing, company directors and employment law compliance.

Marian became Chairman of the T ath Housing Board of Directors in 2010.



Mr Rory McEvoy (Vice Chairman)

Rory McEvoy is a surveyor with Jones Lang LaSalle in Dublin. He joined Jones Lang LaSalle in 2003 and has considerable experience in property, facility and infrastructure management both in Ireland and abroad. He is responsible for delivery of commercial, retail and industrial property management services to a large portfolio which includes pension fund and insurance company investment properties.

Rory studied Building Surveying and also holds a Diploma in General Practice Surveying from the College of Estate Management in Reading. He is a member of both the IAVI and IPFMA. Prior to becoming involved in commercial property, Rory spent several years working in local authority housing, including three years on private sector leasing schemes designed to address homelessness and also in private sector housing improvement schemes.



Mr James Pike (Treasurer)

James Pike is an architect and was a founding partner in Delany Mac Veigh and Pike, which was set up in 1964. This practice evolved into O'Mahony Pike in 1992. He has played a major role over more than 40 years in urban planning and housing in Ireland, but has also been involved in major educational, office, retail, hotel and industrial projects, and in projects in the UK and North Africa.

He has played a continuing role in the RIAI since the 1960's culminating in the presidency for 2006–2007. He is currently Chairman of the Irish Architecture Foundation and a founding member of the Urban Forum.

He currently contributes to the many urban design projects in the practice, and a number of architectural projects, and has promoted a number of research projects with the Urban Forum and on sustainability issues with DIT and UCD since the 1980's.

He has played a major role in several publications including "Dublin City in Crisis", "New Housing" and "New



Mr David D'Arcy

David D'Arcy is a resident of County Meath but has worked for the last five years as New Business Manager at a large (20,000+ property) Housing Association in London, commuting on a weekly basis. David's role is to seek out and appraise new business opportunities for the Association. He has over 23 years experience of social housing private finance led housing association development. David has first class experience of risk assessment and good governance in practice. In connection with governance he was the first person from the Housing Association sector in the UK to be seconded to the Housing Corporation (the regulatory authority), managing a team of staff who oversaw the development activity of Housing Associations. He also has valuable experience of initiating and implementing an asset management strategy for another large Housing Association. David worked in Dublin in 2003 and 2004, initiating and managing a social economy enterprise in the North Inner City.



Ms Patricia Goan

Patricia Goan has over 20 years experience in the housing sector, working in senior positions with responsibility for major business functions including development, new business, partnerships and housing management. Patricia has worked within the statutory and voluntary housing sectors in both the UK and Ireland and is currently working with Atlantic Philanthropists in Dublin. She began her career within a London local authority, managing the private sector leasing portfolio and since then has worked on large scale voluntary stock transfers, regeneration, specialist housing and support, sales and shared ownership, private finance, leasehold management, consultation and resident participation. Since returning to Ireland, Patricia has worked as Director with a number of approved housing providers and has developed strong working relationships across the local authority and voluntary sector.



Ms Anita Conway

Anita Conway graduated from Hallam University with a Housing Degree in 1991 followed by a Masters Degree in Property Development from the University of Ulster in 2000. She has worked in housing and property since 1991. Anita started a career in housing management with a number of social housing organisations and moved into property development. She was the Director of Development with a leading social housing provider in Northern Ireland for several years and moved into the private sector as a Managing Director of a building and development company in 2006. Anita has expertise in project and fiscal management, housing development and sales and marketing in fast growing organisations.



Mr Daragh O'Sullivan

Daragh O'Sullivan is a Fellow of the Chartered Association of Certified Accountants and a Director of the Irish Property and Facility Management Association. He has an extensive financial and general management background spanning twenty years and a broad range of experience working in property management and manufacturing industries. He is the owner and managing partner of Lowes Legal Costs Accountants, a co-owner and part-time Director of Smith Property Management, a former Finance Director of Keeling's Fresh and the Finance Controller of the Keeling's Group.

ACCOUNTS SUMMARY

TÚATH HOUSING ASSOCIATION LTD.
STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD ENDED 31ST DECEMBER 2011

INCOME AND EXPENDITURE ACCOUNT

	9 mths ended 31/12/2011 €	Year Ended 31/03/2011 €
INCOME	3,624,408	3,194,942
EXPENSES	<u>(2,263,533)</u>	<u>(1,914,412)</u>
OPERATING SURPLUS	1,360,875	1,280,530
Interest receivable	19,943	5,802
Interest payable and similar charges	<u>0</u>	<u>(12,291)</u>
SURPLUS ON ORDINARY ACTIVITIES	1,380,818	1,274,041

	9 mths ended 31/12/2011 €	Year Ended 31/03/2011 €
FIXED ASSETS		
Tangible Assets	83,071,705	72,924,423
CURRENT ASSETS	306,149	463,103
Debtors	<u>3,331,222</u>	<u>9,367,672</u>
Cash at Bank and In Hand	3,637,371	9,830,775
CREDITORS: Amounts falling due within one year	<u>(763,541)</u>	<u>(7,884,789)</u>
NET CURRENT ASSETS	2,873,830	1,945,986

CLOSING STATEMENT

In 2011 we remained one of the fastest growing Housing Associations in Ireland. Our continuing growth story however, has not only been about quantity, it is just as importantly about quality and innovation. We were proud to have this aspect recognised last year with our winning of the ICSH's inaugural financial innovation award for our joint work with Meath County Council.



The year brought a general acceptance in the housing sector that by delivering social housing through not-for-profit making housing associations it will reduce the financial burden on the State. We intend to play our part and use private finance to acquire empty and unfurnished housing stock to provide social housing options to hard-pressed families. At a time when waiting lists for social and affordable housing are greatly increasing it is absurd to permit so many unsold properties to lie vacant and deteriorate. We were heartened by the preliminary work of the DOE/CLG and the Housing Agency to reduce the amount of empty housing and by their engagement with NAMA and we will endeavour to follow through on this initiative by delivering the required social housing.

Our main challenge in the immediate future will be how we finance the rising demand for social housing without significant state aid. It is our aim to borrow money to enable innovative and sustainable solutions via revenue-funded leasing mechanisms both building and refurbishing to lease and acquiring to lease options. We also intend to play a small part in the country's recovery process by not only providing social housing but also employment and training opportunities. We increased the number of people employed by the association by over a third last year and we launched our salaried Graduate Trainee Scheme, giving young qualified people a chance of meaningful and productive work experience allowing them to put their academic skills into practice.

I thank the many people, public, private and voluntary sector organisations who have helped Túath become the sustainable Housing Association it is today. We fully understand and appreciate that the ongoing success of the association is due to our tenants. Local

www.tuathhousing.ie







