

# Clanmil Communiqué



## £31 million boost for homes and jobs

Social housing and the construction industry in Northern Ireland is set to benefit from a £31m boost as a result of a funding partnership between Clanmil Housing Group and The Housing Finance Corporation (THFC).

A £17m loan from THFC will help Clanmil Housing access some £14m in statutory grant funding from the Department for Social Development, stretching public money with private finance to facilitate the construction of 300 much needed new social homes across Northern Ireland over the next eighteen months.

The funding has been provided by THFC through an aggregated bond issue of £55m funding 10 social housing borrowers, of which Clanmil is the largest participant and the only one from Northern Ireland. At

4.31% for 30 years, this is one of the lower rates for long-term borrowing achieved by UK Housing Associations.

Northern Ireland's struggling construction industry will also benefit, as the construction of these new homes will secure around 300 on-site jobs as well as supporting many more associated jobs throughout the supply chain.

Jonathan Boggs, Clanmil Group Finance Director, said; "This funding is very cost effective and really good news in a very tough lending market. Faced with growing demand for social housing and increasing

constraints on statutory funding, our challenge is to find new funding sources that will support continued investment in social housing and make the public money available go further.

"Last year Clanmil delivered the largest portion of Northern Ireland's social housing building programme, 354 homes, and this funding leaves us well placed to continue to play a major role in the provision of good affordable homes for people in housing need."

John Armstrong, Managing Director of the Construction Employer's Federation

welcomed the funding and the new construction jobs it will create. He said;

"This is great news. Not only will it help in the provision of much needed social housing but it will also provide a real boost to the local construction industry. It is too early to say with certainty how many jobs will be created. However the unique multiplier effect of construction activity will provide significant benefits to the local economy".

ABOVE: Jonathan Boggs, Clanmil Group Finance Director, was joined by John Armstrong, Managing Director of the Construction Employer's Federation, to announce the new funding.



## Summer fun at new £26 million Caffrey Hill development

In May, Caffrey Hill, the largest housing development to be completed in Northern Ireland this year, was officially opened by Social Development Minister Nelson McCausland.

The £26 million development was built by Clannmil on the site of the former Bass Brewery on the Glen Road in West Belfast and was part funded by the Department for Social Development. 165 new family homes

now occupy the site, bringing vibrancy and life back into this area of West Belfast.

The success of the scheme is the result of close community engagement and the provision of a children's play park and retail space, to encourage local business, reflects Clannmil's

desire to invest in more than just houses. In addition, a bus lay-by has been provided to help address traffic congestion on the Glen Road, a key arterial route into the city.

The new homes have been built to high energy-efficiency standards with solar panels,

triple glazing and high levels of insulation fitted to help reduce heating and energy bills for the families who live there.

ABOVE: Social Development Minister, Nelson McCausland MLA, joined Clannmil Group Chief Executive, Clare McCarty, and young tenants Jack and Che to officially open the new scheme.

## Welfare Reform – Damien's Story

Like many people in Northern Ireland, Damien, a Clannmil tenant, is very concerned about the impact the proposed welfare reforms will have on him and his family.

Damien, 44, has been out of work for just over a year and relies on Housing Benefit to pay the rent on his two bedroom apartment in Belfast while he's looking for work. His background is in sales and, despite his efforts, he's struggling to find a job.

Damien has a 15 year old son who lives with him for four days on alternate weeks. This time together is very important to Damien and his son. He explains; "It's not easy on either of us only seeing each other for a few days at a time. Now that he's growing up I feel he needs me more than ever and it's so important that he thinks of my flat as his home."

Under the proposed new Bedroom Tax rules Damien

would no longer receive Housing Benefit for his son's bedroom and would either have to pay the shortfall in rent himself or move to a one bedroom property, if one was available.

With money already tight, Damien is worried about how he will afford to stay in his home which is close to his family and, most importantly, his son.

"If these changes go ahead I'm going to have to find an extra £11.87 a week towards my rent. It's already a struggle to pay my bills and contribute towards my son's keep so I've no idea where the money will come from. I'm told there's a shortage of one bedroom flats and even if I could get one, where will my son sleep when he stays with

me? I'm really worried that if I don't have anywhere for him to stay, he'll stop coming and our relationship will definitely suffer," said Damien.

At Clannmil, we estimate that 500 of our households will be affected by the Bedroom Tax. Like Damien these households will face the dilemma of deciding on accommodation they can afford instead of the accommodation they require. If they choose to stay in their home they too will face paying the rent shortfall.

We are concerned about the level of debt that the Bedroom Tax is likely to cause - not just for Clannmil but for those tenants where a cut in housing benefit would lead to arrears and possibly the loss of their home.

Our tenants feel that people have a right to be settled and that forcing them to move home due to welfare reform would mean losing everything that a good home and a settled community brings.

Where people are willing to downsize, there is a very limited supply of one bedroom accommodation available.

To facilitate exchanges tenants are being encouraged to use Home Swapper, an online swap service for social housing tenants ([www.homeswapper.co.uk](http://www.homeswapper.co.uk)).

Clannmil is committed to working with the Department for Social Development, the Housing Executive and our tenants to mitigate the impact of this legislation on some of the most vulnerable in our society.

# Housing Association Reserves – the Facts

The widely held misconception that reserves represent cash has led to questions about why housing associations need Housing Association Grant to develop schemes. In fact housing association reserves are only partly held in cash or investments, with the remainder invested in property assets.

There is a danger that some readers of accounts assume that, because there are reserves shown, there must be money available to spend. In reality the money has already been spent in acquiring fixed assets and therefore has turned into something much less liquid than cash.

Reserves are also an important factor in housing associations' ability to borrow private finance to help sustain

their new home development programmes and to maintain their homes over the longer term. From the perspective of lenders, reserves are a critical indicator of business strength.

For Clanmil Housing total reserves as at 31 March 2013 are £24 million, of which £12.5 million are designated reserves. Total cash held in the business is £2 million held short term and to be utilised within one month. Clearly, our reserves are not cash backed.

In order to ensure that we can continue to provide high quality affordable homes for those in housing need throughout Northern Ireland by maximising the number of new social homes we can build, Clanmil is gearing up for additional growth by using our assets to leverage in further private funding.

It is this building of capacity, through robust Treasury Management, and the effective use of the existing asset

base, that we believe should be the focus with regard to housing associations rather than the underlying levels of reserves in isolation.

The level of Housing Association Grant is one of the primary drivers of the business model that associations operate and it is critical that the level of grant for future social housing development remains adequate in the context of debt servicing commitments and rental income.

# Top awards for Clanmil homes and services

In recent months Clanmil has scooped three top awards for the homes and services we provide.

Eros, the national consortium for older people's housing and support providers, presented Clanmil with an Innovation and Good Practice award for the Record, Recall, Relive project at our Mullan Mews and Sydenham Court supported housing schemes for older people with dementia.

The project involves the schemes teaming up with Northern Visions, a multi-media arts centre, and Flaxart Studios contemporary artists to deliver activities that stimulate memories, increase well-being, address social isolation and help the tenants to live meaningful,

active lives and contribute to their community through engagement with the arts.

Clanmil's Ardilea Close family housing scheme in Downpatrick was named best housing association scheme constructed within the past three years at annual awards organised by the Northern Ireland Housing Council.

The scheme, which was completed by Clanmil in October 2011, provides 13 houses and six apartments all of which have been built to high energy efficiency levels.

The award recognises Clanmil's success in developing a difficult hill top site and in delivering homes to a very

high environmental standard, making them up to 40% more energy efficient than standard houses and considerably cheaper for tenants to run.

In addition, our development of 46 new homes at Sunningdale Gardens in North Belfast has received a national Excellence Award from Premier Guarantee, one of the UK's leading providers of structural warranty and insurance services.

Neal Doggett, Business Account Manager at Premier Guarantee, congratulated both Clanmil and our contractor Hugh J O'Boyle Ltd. He said:

"The judges were very impressed with the high



standard of design, build and site management at Sunningdale Gardens. Clanmil and Hugh J O'Boyle are well deserving winners in a highly competitive competition."

ABOVE: Tenants enjoy art workshop as part of the Record, Recall, Relive project.

# New homes update

Clanmil is single-handedly delivering over 25% of Northern Ireland's social housing new build programme for 2012/13 – a total of 354 homes for people in housing need throughout Northern Ireland.

These schemes include:

**Felden, Newtownabbey**

new build development of 97 homes for families and single people

**Ballydonaghy Road,**

**Crumlin** new build development of 38 homes for families and single people

**Farnham Street,**

**Belfast** 1 five person, three bedroom house

**English Street,**

**Downpatrick** refurbishment of an existing property

working in partnership with MACS to provide 8 supported housing units for young people leaving care

**West Green Holywood**

new build development of 37 homes for families and single people

**Dog Kennel Close,**

**Lisburn** refurbishment of 20 existing homes for families and single people

**Brucevale Park, Belfast**

new build development of 12 homes for families

and older people

**Brokerstown Road,**

**Lisburn** new build development of 18 homes for families and older people

**Lower Oldpark, Belfast**

refurbishment of 26 existing homes for families and single people

**Demense, Newry**

purchase of 18 homes for families and older people

**Templemore Avenue,**

**Belfast** new build development of 2 family homes

**Father Cullan Park,**

**Bessbrook** new build development of 62 homes for families, single people and Irish Travellers

**Ballaghmore, Enniskillen**

new build development of 14 homes for families and single people

We are working with all local community and political representatives in these areas to ensure that the housing solutions we deliver will help build, empower and sustain their communities.

## Repairs – who is responsible?

Clanmil's aim is to provide a comfortable, secure and safe living environment for all of our tenants.

**W**e are committed to working in partnership with our tenants, to ensure that their homes are kept in good repair. With this aim in mind, both Clanmil and our tenants have repair responsibilities.

Whilst we include a full schedule of repair responsibilities in our Tenant Handbook, below is a list of the most common repairs reported, with a reminder of who is responsible.

**Clanmil Responsibility:**

- External repair work to the

main building, e.g. external walls, external windows and doors, roofs, chimneys, guttering and drains.

- Maintaining communal landscaping.
- Redecoration of external paintwork normally on a 6 year cycle.
- Repair and maintenance of installations associated with the supply of water, gas and electricity.

**Tenant Responsibility:**

- Clearing blocked sinks, toilets and waste pipes within the home.

- Repair and maintenance of all kitchen units including doors, hinges, handles and drawers.
- Bleeding radiators and topping up boiler pressure in relation to the heating system.
- Internal door hinges, locks and handles.
- Replacing locks if they lose their keys and providing any additional locks or security fittings they may require.

It is important that we all accept our responsibilities to ensure the effective use of

public funds. Therefore we urge our tenants and elected representatives who work with them, to establish who is responsible by checking the Tenant Handbook before they request a repair.

All Clanmil staff work to these principles and will not carry out repairs where the tenant is responsible.

If you would like further guidance, please call our Maintenance Team on 028 9087 6019.