



Your Homes  
Newcastle

Annual Report and Accounts 2007/08





# Languages

This information is about Your Homes Newcastle, who are responsible for managing council homes on behalf of Newcastle City Council, and how we are doing. If you need this in your language or a different language phone 0191 278 8633.

This information is also available in easy read, large print, Braille and audio tape. We can also arrange for you to see a British Sign Language interpreter.

## Bengali

এই তথ্য হল ইউর হোমস নিউক্যাসল সম্বন্ধে। এবং আমরা কিভাবে দায়িত্ব পালন করছি সে সম্বন্ধে। ইউর হোমস নিউক্যাসল, নিউক্যাসল সিটি কাউন্সিলের পক্ষে কাউন্সিলের ঘর বাড়ী ব্যবস্থাপনার দায়িত্বপ্রাপ্ত। এই তথ্য যদি <বাংলায়> অথবা অন্য কোন ভাষায় প্রয়োজন হয় তাহলে এই নম্বরে ফোন করুন- ০১৯১ ২৭৮ ৮৬৩৩

## Chinese (Simplified)

这是有关代表纽卡斯尔市政府（Newcastle City Council）负责管理市政房屋的 Your Homes Newcastle（您的纽卡斯尔住房）组织的信息，内容解释了我们是如何运作。如果您需要此信息的普通话版本或其它语言版本，请致电 0191 278 8633 索取。

## Chinese (Traditional)

這是關於 Your Homes Newcastle（您的紐卡素住房）機構的信息，內容解釋了我們代表紐卡素市政府（Newcastle City Council）負責管理市政房屋以及如何運作。如果您需要此信息的廣東話版本或其它語言版本，請致電 0191 278 8633 索取。

## Farsi

این اطلاعات درباره سازمان «خانه‌های شما در نیوکاسل» و عملکرد آن است. این سازمان از سوی شهرداری نیوکاسل، مسئولیت اداره خانه‌های دولتی را به عهده دارد. در صورت نیاز به این اطلاعات به زبان فارسی یا زبان‌های دیگر با شماره تلفن ۰۱۹۱۲۷۸۸۶۳۳ تماس بگیرید.

## French

Ces informations concernent Your Homes Newcastle : qui est chargé de gérer les logements sociaux au nom de la municipalité de Newcastle et comment nous procédons. Si vous avez besoin de ces informations en français ou dans une autre langue, téléphonez au : 0191 278 8633.

## Kurdish

ئەم زانیاریانە سەبارەت بە Your Homes Newcastle و چۆنیەتی کارکردنەکە بە لە لایەن شۆرای شاری نیوکاسلەوە ئەرکی ئەوەی پێدراوە کە خانووەکانی شۆرای شار بەرێوەبەرایەنی بکات. ئەگەر حەزتان لە وەرگرتنی ئەم زانیاریانە بە زمانی کوردی یا هەر زمانێکی دیكە هەیە بە زمارە تیلیفۆنی 0191 278 8633 پێوەندی بگرن.

## Portuguese

Esta informação refere-se à Your Homes Newcastle, a organização responsável pela gestão da habitação social em nome do Município de Newcastle, e a nossa situação actual. Se precisar desta informação em <português> ou noutra língua, queira ligar para o 0191 278 8633.

## Russian

Информация о Your Homes Newcastle, которая отвечает за управление делами муниципального жилья от имени Муниципалитета г. Ньюкасла и об общем состоянии дел. Если Вы нуждаетесь в этой информации <на русском> или другом языке звоните по тел. 0191 278 8633.

## Spanish

Ésta es información sobre Your Homes de Newcastle, que es la responsable de gestionar las viviendas municipales en nombre del Ayuntamiento de Newcastle, y sobre nuestra manera de hacerlo. Si necesita esta información en español o en otro idioma, llame al 0191 278 8633.

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## Year in pictures



Hands in the air from hands on staff

**“Your Homes Newcastle intends to be the best housing provider in the North East.”**

**In 2007/08 our Strategic Objectives were:**

- Support and care to communities
- Three star excellent services
- A quality workforce
- Refurbishing and building homes



## Turning inspection pressures into impetus

With some sadness this is my last foreword to a Your Homes Newcastle Annual Report as I will be standing down as Chair of Board in September. When I joined in April 2004 my first words went something like this; "Your Homes Newcastle is a great opportunity for Newcastle to be a front-runner and set an example for others to follow." Those four and a half years seem to have flown by and our recent 3\* rating by the Audit Commission has confirmed that we are achieving what we set out to do.

This Annual Report gives a snapshot of how, over the last year, our staff and Board recognised that the pressure of a planned Audit Commission inspection could actually

help us improve our service and make a more profound difference to our tenants' and leaseholders' quality of life. The pace of life has been even more frenetic than usual and the year has certainly been challenging. As with any other year, improvement has been achieved through big and small changes.

Revising our strategic objectives helped make it easier to focus on what we are about and what we are trying to achieve. Working closely with Communities and Local Government to secure a longer term funding allocation has allowed us to programme our Modern Homes work in a much better way and ensure success in bringing all the council homes in Newcastle to the Decent Homes Standard on schedule. Newcastle City Council showed great confidence in our ability to manage our own affairs when they extended our Management Agreement until 2014. Amending our Memorandum and Articles of Association has also meant that we can facilitate new areas of business and enable the future changes needed to meet customers' evolving needs in what is the fastest period of change to housing for many years.

On the smaller but nonetheless important human side of things, this has been a year when consolidating the developments we've made around services that support and care for communities has reaped dividends – and staff pride and morale has soared as we've made a big effort to recognise their achievements, encouraged them to share their stories and experiences with each other and to continue 'being brilliant' and 'going that extra mile'.

Make no mistake we are not perfect and we cannot get it right 100% of the time. But the Audit Commission's assessment of us shows that the service has come a long way from its humble beginnings.

We are no longer just a housing provider but an organisation that has begun to positively influence the life experiences of our customers. Much of our work, from tackling anti-social behaviour to our Stepping Stones project for young homeless people, has been praised by inspectors. The challenge now is for us to continue to improve so we can continue to justify our three star status. The stabilisers are off and many organisations across the country will be looking at our next move to see what example we set: a daunting prospect and not without its challenges but one that I know YHN will face with enthusiasm and innovation.

So, it feels like a good time for me to hand over the reins. Thanks for inviting me to be part of making Your Homes Newcastle's history and contributing to its goal of being the North East's best housing provider. Not that I wish to make a comparison with the great man himself or our hard work with a war but I leave you with my very best wishes and these words for the future.

*Now this is not the end.*

*It is not even the beginning of the end.*

*But it is, perhaps, the end of the beginning.*

*Sir Winston Churchill, 1942*



A handwritten signature in black ink that reads "Bill Midgley". The signature is written in a cursive style with a long, sweeping underline.

Bill Midgley  
Chair, Your Homes Newcastle

As we moved into the year 2007/08 we had some clear goals to achieve, not least the preparation for our Audit Commission inspection which had been scheduled to take place in April 2008.

Continued progress on the Modern Homes Programme and our focus on customer service ensured customers had the best possible experience with YHN.

Meanwhile it was business as usual and we worked hard to ensure that all our core services were still meeting customers' needs. This report merely touches on the many things our staff have achieved over the year.



*Everything you need to know about housing under one roof*

During the year, we stepped up our work on the Modern Homes Programme and an additional 6,113 homes now reach the government's Decent Homes Standard making a total of 9,795 homes since we started. Thousands more homes have received individual improvement packages.

Further progress was also made with our review of Housing Management services. Our two offices on St Anthony's Road merged as did the Newburn and West Denton offices. The Elswick and Avison Street offices closed and we opened two new offices in Throckley and Westgate.

This now means that there are much larger teams allowing staff to be out on the estates in line with tenants' priorities but that customers never live more than a mile away from their local housing office.

We also launched our out of hours telephone service and we now have a dedicated contact centre to deal with customer queries outside of normal office hours.

More Charter Mark awards for key services highlighted the level of service customers have come to expect from us. Housing Management, the Housing Anti-Social Behaviour and Enforcement Team (HASBET) and the Rent Recovery team were all commended by the assessors. HASBET and Rent Recovery were praised for their work in both the public and private sectors as they continued to tackle rent arrears and reduce crime and disorder on estates.

An existing partnership with Warmzone was extended to insulate more properties under the Modern Homes Programme. This partnership makes a great contribution towards reducing fuel poverty in Newcastle by reducing fuel bills and increasing tenants' disposable income. During 2007/08 2,145 properties were insulated by Warmzone.

And in April we introduced the 'End of Tenancy' scheme which gives tenants a financial incentive to leave their homes clean and tidy when their tenancy ends.

We held the first 'Your Homes, Your Stars' awards, recognising the outstanding contributions of the people



Knowledgeable, helpful  
friendly staff

of Newcastle to their neighbours and communities. The awards were presented by television personality Denise Robertson, Chair of the RVI Bubble Appeal, to which we made a £1,000 donation.



Stars in our eyes

Our young people's services developed significantly and we increased our work with local schools to engage with children across Newcastle. Stepping Stones' emergency hostel was refurbished to better meet the needs of its residents and the service now provides floating support to young people right across Newcastle, not just existing YHN clients, and has taken on six new staff.

Our Employment Initiatives team worked with local schools to educate young people about working life and to promote YHN as an employer of choice. During 2007/08 51 pupils did work experience at YHN and 60 young people were helped into apprenticeships.

And, staff across the organisation worked to develop our Respect initiative. Through watching the Newcastle Eagles basketball team young people learned about respect and discussed issues around anti-social behaviour.



Watching basketball respectfully

Pupils at St John's Primary School also took part in a workshop on sport and healthy eating, which was organised by local housing staff and led by members of the Newcastle Eagles. More on our initiatives with young people can be found later in the report.

The appointment of Bellway brought us one step closer to building 30 new affordable bungalows (17 of which will be rented) with work due to start in September 2008. Those 17 units will predominantly be for older or disabled people which should release other family accommodation across the city and reduce the number of adaptations required to existing properties.

A fairer leasehold management fee was introduced in April which means that leaseholders pay the true cost of the services they receive and are not subsidised by tenants.

And, by procuring a single contractor for lift repairs and maintenance, tenants and leaseholders should benefit from the significant efficiency and cost savings that we can reinvest in other services.

We published our first financial inclusion strategy in March 2008. It marked a significant shift towards a more focused and pro-active approach to promoting



Financial inclusion strategy encourages tenants to "look after the pennies"

financial inclusion, which has now become a central part of our day-to-day activities rather than being viewed as a specialist area of work - a timely development as public fears continue to rise around the related issues of personal debt and the rising cost of living in the UK.

As well as the many improvements to services throughout the year YHN's reputation, image and profile has been significantly enhanced not only regionally but nationally and internationally. We have continued to be outward focused and committed to learning from others as well as being prepared to share our experience. We have been able to contribute to the national housing agenda and debate as well as the development of better services through representation at a number of key conferences and forums. The Chief Executive has had a great opportunity to help East Durham Homes meet their ambitions by sitting on their Improvement Board.

After the success of their previous visits, Dutch government officials returned to discover more about our approach to community safety in Newcastle. A subsequent invitation to Rotterdam allowed us to share our successes with local politicians and policy makers, learn from their initiatives and see how their visits to Newcastle had led them to implement similar schemes.

These highlighted areas of activity and the many other significant improvements to customer services have resulted in an increase in customers' overall satisfaction. We are very proud of our staff and how they have helped YHN to take our commitment to customer service 'the extra mile'. Our view that 'every customer matters' will be at the heart of all our future work.

Young people from St Johns Primary School in Benwell had a great time playing host to guests from the Newcastle Eagles basketball team thanks to Housing Services Officer Jamie Jones.

Jamie invited the head coach and players along to the school to promote the Access2Basketball programme which includes the Eagles' own Hoops4Health initiative. This is aimed at pupils in years five and six and consists of a healthy lifestyle road show.



Respect can make you this tall



Access2Basketball is all about teaching young people respect for themselves and other people and aims to tackle anti-social behaviour on estates.

It ties into the Government's Respect agenda and Newcastle is one of forty Respect areas across the country.

The young people had lots of fun in a coaching session enjoying both the exercise and the message to play more sport and eat the right foods.

Jamie said: "It was a fantastic day and we're very grateful to the players and coach for coming along. It was a very successful visit.

"The Eagles really made it a day to remember and I am sure the lesson learned by the children will stay with them for a very long time."

## No job is too small for Community Caretaker Graeme Douglas.

Graeme is based at Scotswood Community Housing Office and spends his days doing everything from litter picking to changing light bulbs in the local community centre.

Graeme says: "Part of my job involves walking around the area spotting potential issues which I'll then act on. There's always something to be done, for example in the autumn I'll spend time bagging up dead leaves and in the winter I'll grit paths. I work very closely with the city council's rapid response unit who point out issues that I'll tackle like litter or graffiti.



"I also make sure the gardens of empty YHN properties are kept nice and tidy - people feel better about moving into a property if they get a good first impression. I've got an excellent manager and YHN has made sure that I've got the tools and the training to do my job well."

Graeme certainly went the extra mile when he took on the responsibility for maintaining tenants' gardens in the time



### Green fingered Graeme keeps Scotswood in bloom

between the old New Deal gardening scheme coming to an end and our new gardening scheme being launched. Graeme still helps those tenants in his area who can't afford the gardening scheme.

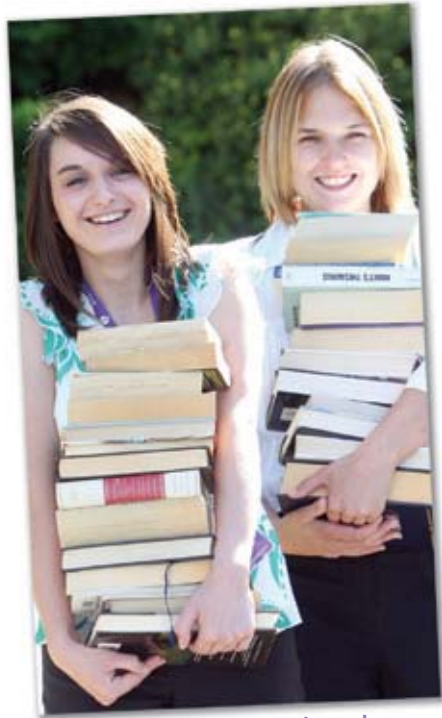
In the past, he's even delivered meals, prepared by volunteers in the local community centre, to older residents and he also volunteers for day trips with the Ferguson Lane Community Association helping older and frail residents enjoy a special day out.

If the weather takes a turn for the worse, Graeme, 41, heads indoors to a local community centre where he'll get down to general cleaning duties and small repair tasks.

Graeme adds: "I live in the area and I'm well known, so I often get residents coming up to ask me to do stuff out of hours. I don't mind, I like the job and I like making a difference. It is great to have a job where you can help people."

Sometimes we have to take difficult decisions to look after the best interests of our customers and the communities they live in.

For example, we recently had to persuade a 78-year-old Newcastle tenant to leave her home so Modern Homes work could take place.



Balancing the books

The house was in a terrible state, filled floor to ceiling in every room with belongings including hampers of rotting food. The tenant could not even sleep on her own bed because it was buried under piles of rubbish and she did not have access to a toilet.

She would not allow our staff to get in her home to begin bringing it up to the Modern Homes standard.

For her own health, we went to court to enforce a breach of tenancy to remove her from the property. We eventually helped her to leave although it was under protest. Our staff took her to a local housing office where they gave her something to eat and kept her warm and also took her to see a doctor.

The woman is now living in a care home while Modern Homes work is carried out to her home. We're making

sure that when she does return, the property is safe and fit to live in and that she gets support from care and social workers.

Staff from our Housing Anti-social Behaviour Enforcement Team (HASBET) visit the woman regularly to keep her up-to-date on developments at her home and we're making sure we support her during what has been a traumatic time.

Although she enjoys the care home, particularly the social side of living with other people, she's looking forward to moving back to her home. However, it is early days and she is still reluctant to give up some of the belongings she has hoarded for many years.

HASBET staff continue to support her and have even offered to drive her to Alnwick so she can donate some of her thousands of books to a local book exchange.



Young people going to school on the Rachel Maughan Estate in Benwell were asked for their ideas on how best to improve their area when staff from the Benwell Community Housing Office attended a school assembly and asked them about their estate.



Great oaks from little acorns grow

They arranged a special estate walkabout so the young people could say what they'd most like to change and how best to put the plans into practice. Staff contacted the school, organised the walkabout and paid special attention to the improvements suggested by the young people.

When a large overgrown area of shrubbery was earmarked for improvement the youngsters suggested that smaller plants that were easier to look after would be a better bet.

To this end, the young people were taken on a school trip to Jesmond Dene Nursery to choose the plants. The young people even went as far as taking their own cuttings to plant at a later stage.

Staff at the housing office said: "We thought it was worth making the extra effort to involve the school children as it will give them ownership of the improvements and will hopefully discourage anti-social behaviour and damage."



When a client's daughter approached us about wanting to help her mother stay in her own home it was clear we had a challenge on our hands as our current product range didn't offer the right solution for her.

With her daughter also saying that she wanted to support her mum, our staff started to look at ways to make this possible.

Our Telecare service already offers a comprehensive range of hi-tech equipment and alarms that let people stay in their own homes for longer, but the product that would have been the most suitable for the tenant, an alarm worn on the wrist that can monitor a tenant's health day and night, was not in our existing product portfolio.

Staff from our Community Care Alarm Service spent considerable time and effort researching into alternative solutions until they found the wristcare system.

This system solved the problem of providing peace of mind for both mother and daughter, and its diagnostic facilities also led to the tenant's doctors being able to diagnose a lack of sleep as being the main cause of her ill-health.

By offering the wrist monitor and adjusting her medication the tenant has made a significant improvement and continues to live independently in her own home.

Our client's daughter said "The problems I was experiencing trying to look after my mum have now

been solved. My mum doesn't feel like a prisoner in her own home and feels as though she still has her independence. I also know that my mum is safe. All in all it is a brilliant system."



Providing peace of mind for mother and daughter

# Performance

We collect a large amount of performance information to tell us and others how well we do, compared to what we set out to achieve. The information is used to celebrate success and to identify areas where we need to do better.

Some performance indicators are set by the government, while others are our own, designed to show whether we are doing what is right for our priorities.

In 2007/08 we exceeded targets including:

- Homes made decent
- Reduced rent arrears and improved collection rates
- Energy efficiency of our stock
- Complaints replied to within 15 working days

We were very close to achieving others including:

- Appointments made and kept for repairs
- Number of programme actions completed
- Investment packages delivered

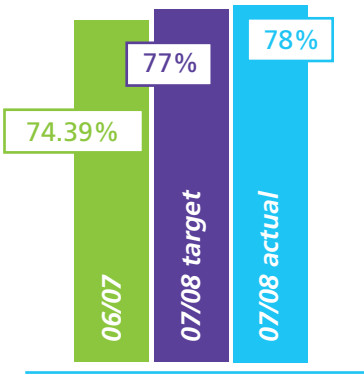
We need to improve in some areas including:

- Sickness levels
- Opportunities for participation in management and decision making
- The amount of service plan actions completed

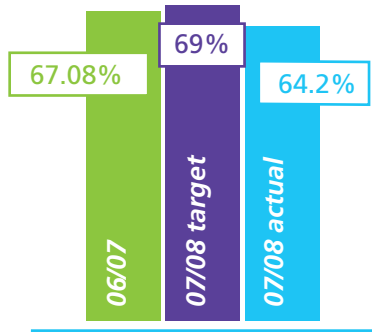
A snapshot of our performance in some key areas is opposite.

<b>Performance indicator</b>	<b>2006/07</b>	<b>2007/08 target</b>	<b>2007/08 actual</b>
Satisfaction with the overall housing service	74.39%	77%	78%
Satisfaction with opportunities for participation in management and decision making	67.08%	69%	64.2%
Satisfaction of ethnic minority tenants with the overall service provided by their landlord	71.05%	74%	78.4%
Satisfaction with the repairs and maintenance service	91%	92%	94%
Number of homes made decent	2,074	5,670	6,113
The number of sickness days per (fte) employee	13.78 days	10.20 days	12.23 days
Energy efficiency – the average SAP rating of local authority dwellings	62	63	64
Reduction in net rent arrears	£4,181,167	£3,500,000	£3,130,729

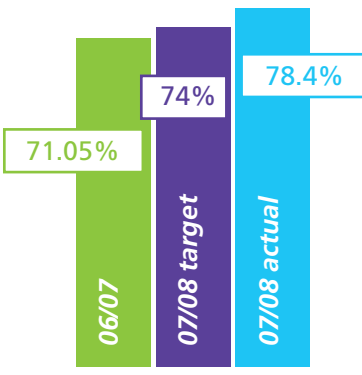
# Performance



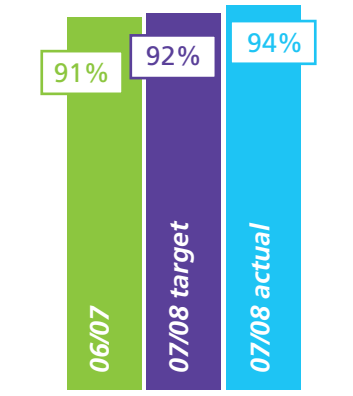
Satisfaction with the overall housing service



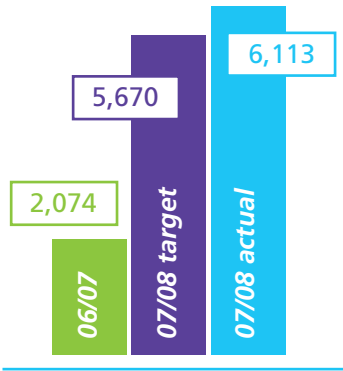
Satisfaction with opportunities for participation in management and decision making



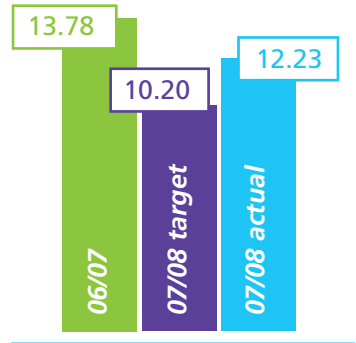
Satisfaction of ethnic minority tenants with the overall service provided by their landlord



Satisfaction with the repairs and maintenance service



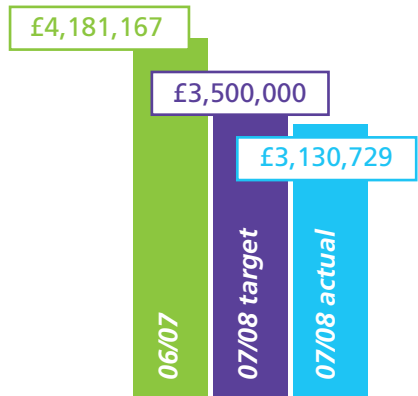
Number of homes made decent



The number of sickness days per (fte) employee



Energy efficiency – the average SAP rating of local authority dwellings



Reduction in net rent arrears

# How we run ourselves

Your Homes Newcastle is run by a board of 18 people: six tenants, six council nominees and six independent people.

The Board is responsible for:

- setting our vision and our strategic objectives
- agreeing how we deliver services
- setting the budget each year and making sure that we spend it wisely
- agreeing improvements to services and homes
- monitoring all of our work to make sure that we meet our objectives.

We also have three Area Boards across the City: East, Inner West and Outer West and North. These are made up of council nominees, tenants and leaseholders and independent people and are responsible for monitoring local service delivery, identifying local priorities and commenting on proposals that affect their areas.

The Board has set up four committees that meet regularly to look at particular issues in more depth and provide a less formal environment to develop work before it is presented to the Board for consideration.

During 2007/08 the committees were:

- Audit
- Finance
- Governance & Personnel
- Property

As required, the Board also sets up time limited committees to scrutinise and explore specific issues in more depth. During 2007/08 a Void Management Committee was set up to scrutinise areas of concern relating to void properties.

# Your Homes Newcastle Board 2007/08



Bill Midgley (Chair)



George Allison



Bill Bowman



John Cuthbertson



Patricia Delbridge



Bill Drury



Roger Harral



Rob Higgins



Joe Hughes



Gerry Keating



Gordon Knox



P J Morrissey



Pramod Nayak



Brian Neal



Margaret O'Callaghan



John James Reid



Bob Renton



David Slesenger

We would like to say thanks and acknowledge the work and contributions made by Doreen Huddart and Doreen James (council nominees) who left the Board during 2007/08. In June 2007 we welcomed Rob Higgins and PJ Morrissey (council nominees) and John James Reid (tenant member) to the Board.

# Area Board membership 2007/08

## **East Area Board - Tenant Members**

Ian Ferguson, Herby Warren, James McLaughlin, Kirsten Graham (appointed September 2007), Lydia Langley (resigned July 2007). **One vacancy**

## **Independent Members**

David Warman (Chair), Claire Harvey, Roger Harral (main board representative), Robert Bailey, Ian Johnson (appointed September 2007).

## **Council nominees**

Dave Besag, Gareth Kane, Veronica Dunn (appointed September 2007), John Stokel-Walker (Vice Chair), Gerry Keating (main board representative), Karen Robinson (left May 2007).

## **Inner West Area Board - Tenant Members**

Gwen Hind (appointed October 2007), Gordon Knox (Vice Chair) (main board representative). **Two vacancies**

## **Independent members**

Anthea Morris, Peter Stafford (Chair), Michael Adjei-Mensah (appointed September 2007), Farida Rehman (appointed October 2007).

## **Council nominees**

Dipu Ahad (appointed May 2007), Nick Forbes, Doreen James (appointed May 2007), Bob Renton (main board member), Sarjawal Khan (left May 2007), Rob Higgins (appointed to main board June 2007).

### **Outer West & North Area Board - Tenant members**

Michael Brennan (Vice Chair), Jack Foley,  
Elsie Lough, Michael Nelis,  
Norma Dial (appointed September 2007).

### **Independent members**

Bill Drury (main board representative),  
Kari Best, Lynn Stephenson (Vice Chair),  
Leonard Henry, Paul Mains (appointed September 2007).

### **Council nominees**

George Allison (main board member),  
Lawrence Hunter (appointed May 2007),  
Ian Laverick (Chair), Mike Lynch (appointed May 2007),  
Anne Whittaker, Dr Robert Ash (left April 2007),  
David Down (left May 2007).

# YHN Management Structure

John Lee

**CHIEF EXECUTIVE**

INCLUDING

Chief Executive's Office - Equality & Diversity  
Communications & Board Support

**Neil Scott**  
Director of  
Tenancy Services

Housing Management

Repairs &  
Maintenance

Citywide Services

**Sheila Breslin**  
Assistant Chief  
Executive &  
Director of Business

Business Strategy

New Business  
including New Build

Customer Service

Organisational  
Development

Assets & Programming

Investment Delivery

**Ross Atkinson**  
Director of Finance  
& Resources  
& Company Secretary

Finance

Procurement

Right to Buy

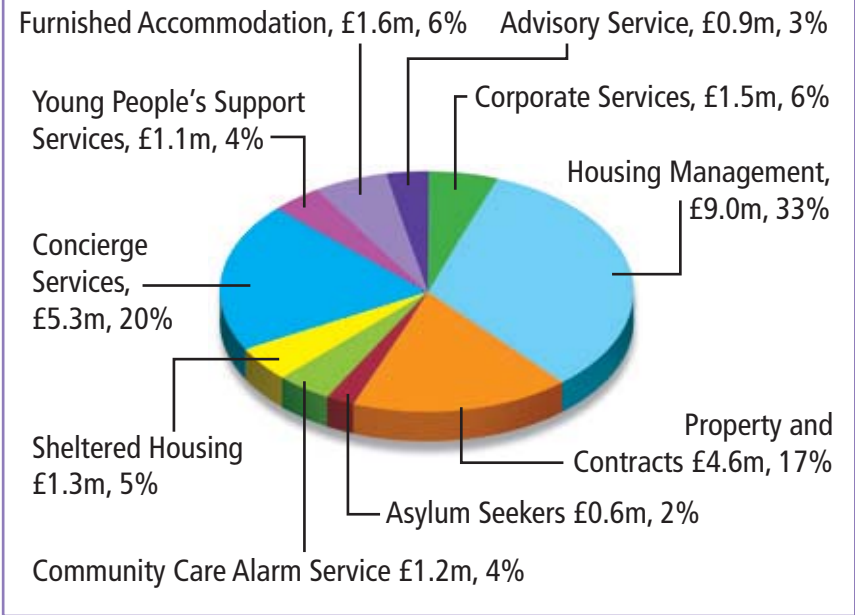
Information Technology

Administration

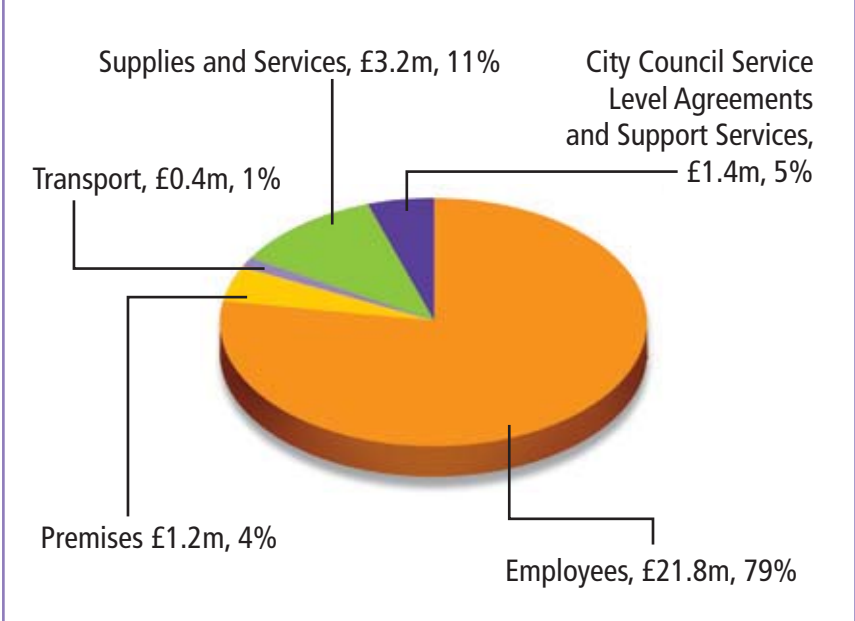
Human Resources

# Financial information

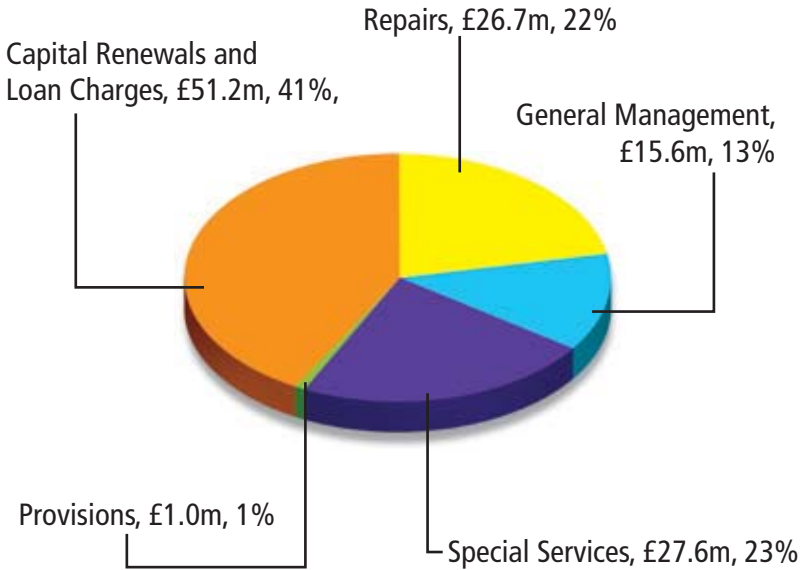
## Cost in 2007 - 08 of YHN services provided



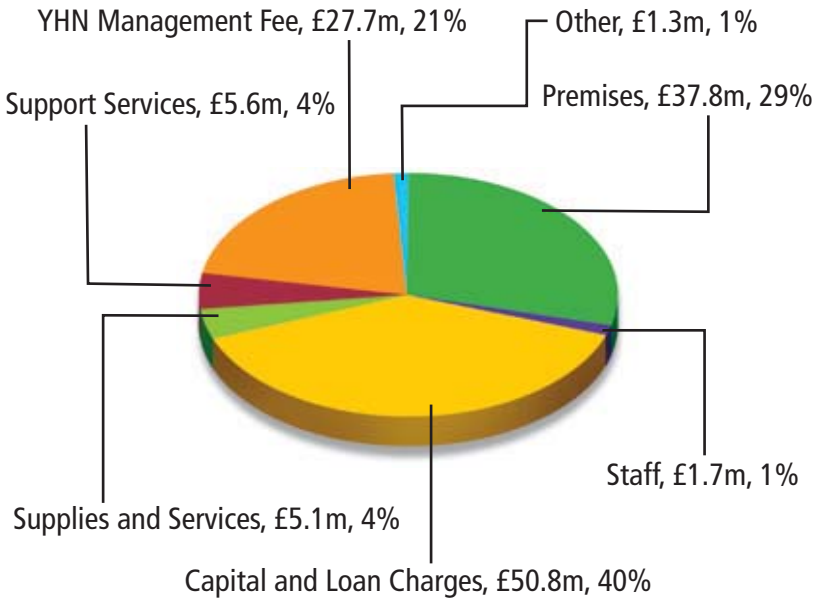
## How YHN spends its money



### Cost in 2007 - 08 of HRA services provided



### How the HRA spends its money



# Financial accounts

## Independent auditors' report to the members of Your Homes Newcastle Limited

We have audited the company's financial statements for the year ended 31 March 2008 which comprise the Income and Expenditure Account, Balance Sheet, Cash Flow Statement and the related notes 1 to 15. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the

information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Our Opinion**

#### **In our opinion:**

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its result for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

Ernst & Young LLP, Registered auditor  
Newcastle upon Tyne, 24 July 2008

# Income and expenditure account

For the year ended 31 March 2008

	Notes	2008 £'000	2007 £'000
<b>Turnover</b>	2	28,120	26,094
Operating costs	3	(28,090)	(26,097)
<b>Operating surplus/(deficit)</b>		30	(3)
Interest receivable and other income		-	4
Interest payable and similar charges	4	(30)	-
<b>Surplus on ordinary activities before taxation</b>	5	-	1
Taxation on surplus on ordinary activities	8	-	(1)
<b>Surplus on ordinary activities after taxation</b>	12	-	-

All amounts relate to continuing activities.

There have been no recognised gains and losses during the year, other than those shown in the income and expenditure account, therefore no Statement of Total Recognised Gains and Losses has been prepared.

# Balance Sheet

At 31 March 2008

	Notes	2008 £'000	2007 £'000
<b>Current assets</b>			
Debtors	9	1,692	1,779
Cash		3	3
		1,695	1,782
<b>Creditors:</b>			
Amounts falling due in one year	10	(1,695)	(1,782)
<b>Net assets</b>		-	-
<b>Capital and reserves</b>		-	-

These financial statements were approved by the Board and authorised for issue on 22 July 2008.



Signed on behalf of the Board Chairman 2008

# Cash Flow Statement

## For the year ended 31 March 2008

	Notes	2008 £'000	2007 £'000
Net cash flow from operating activities	12	31	(84)
Returns on investments and servicing of finance – interest (paid)/received		(30)	104
Taxation – Corporation tax paid		(1)	(20)
Increase in cash		-	-

# Notes to the financial statements

At 31 March 2008

## 1. Principal accounting policies

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards. A summary of the more important accounting policies is set out below.

### Basis of preparation

The financial statements have been prepared on the historical cost basis of accounting.

### Turnover

Turnover, which excludes VAT, primarily represents fee income received from Newcastle City Council for the management and maintenance of Newcastle City Council's housing stock. All turnover arises in the United Kingdom.

### Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is provided on timing differences that have arisen but not reversed by the balance sheet date, where the timing differences result in an obligation to pay more tax, or a right to pay less tax, in the future. Deferred tax assets and liabilities are recognised to the extent that is regarded as more likely than not that they will be recovered. Deferred tax is measured at the tax rates that are expected to apply in the periods when the timing differences are expected to reverse, based on tax rates and law enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

## Pension costs

The company participates in the Local Government Pension Scheme, through membership of the Tyne and Wear Pension Fund. The scheme is a final salary pension scheme and retirement benefits to employees of the company are funded by contributions from all participating employers and employees in the scheme. Payments are made in accordance with periodic calculations by consulting actuaries and are based on pension costs applicable to the various participating organisations.

Costs are charged to the income and expenditure account over the period benefiting from the employees' service and disclosures are given as required by FRS17.

<b>2. Analysis of turnover</b>	2008	2007
	£'000	£'000
Newcastle City Council Housing		
Revenue Account management fee	27,669	25,654
Other income	451	440
	28,120	26,094

<b>3. Analysis of Operating Costs</b>	2008	2007
	£'000	£'000
Employee costs	21,836	20,161
Premises	1,243	1,303
Transport	419	377
Supplies and services	4,592	4,256
	28,090	26,097

#### 4. Interest payable and similar charges

Interest payable of £30,315 was incurred during the year. This relates to in-year movements in notional cash balances, largely due to the profiling of management fee receipts.

#### 5. Surplus on ordinary activities before taxation

The surplus on ordinary activities before taxation is stated after charging:

	2008 £'000	2007 £'000
Audit Fees	10	10

#### 6. Employee information

The average number of persons employed during the year, expressed as equivalent of full time employees was:

	2008 No.	2007 No.
Housing management	593	539
Administration and clerical	178	197
	771	736

Costs for the above persons were:

	2008 £'000	2007 £'000
Wages and salaries	18,234	16,780
Employer's National Insurance contributions	1,289	1,216
Employer's pension costs	2,090	1,944
Training	223	221
	21,836	20,161

## 7. Directors' emoluments

The directors do not receive payment or any benefits in kind for their roles, although they are able to reclaim their expenses incurred in attending meetings.

The remuneration paid to the directors of the company was:

	2008 £'000	2007 £'000
Aggregate emoluments payable to directors (including pension contributions and benefits in kind)	-	-

## 8. Tax on surplus on ordinary activities

(a) Tax on surplus on ordinary activities

The tax charge is made up as follows:

	2008 £'000	2007 £'000
Current tax: UK Corporation Tax	-	1
Total current tax (note 7(b))	-	1
Deferred tax	-	-
Tax on surplus on ordinary activities	-	1

## (b) Factors affecting current tax charge

The tax assessed on the surplus on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 20%. The differences are reconciled below:

	2008 £'000	2007 £'000
Surplus on ordinary activities before tax	-	1
Surplus on ordinary activities multiplied by standard rate of Corporation Tax of 20% (2007 19%)	-	-
Expenses not deductible for tax purposes	5,624	4,959
Non-taxable income	(5,624)	(4,958)
Total current tax (7(a))	-	1

## 9. Debtors

	2008 £'000	2007 £'000
Amounts due from Newcastle City Council	1,653	1,760
Other debtors and prepayments	39	19
	1,692	1,779

## 10. Creditors

	2008 £'000	2007 £'000
Corporation Tax	-	1
VAT	725	521
Amounts due to Newcastle City Council	764	1,177
Accruals	206	83
	1,695	1,782

## 11. Constitution

Your Homes Newcastle Limited is a company limited by guarantee and does not have any share capital. There is only one "member" of the organisation. That "member" is Newcastle City Council and the company's Articles of Association state that no other person other than the Council Member shall be admitted to membership of the organisation.

## 12. Reconciliation of reserves and shareholders funds

Revenue Reserves	2008 £'000	2007 £'000
At beginning of year	-	-
Result for year	-	-
At end of year	-	-

## 13. Notes to the cash flow statement

a) Reconciliation of operating deficit to net cash flow from operating activities

	2008 £'000	2007 £'000
Operating surplus/(deficit)	30	(3)
Decrease/(increase) in debtors	87	1,118
(Decrease)/increase in creditors	(86)	(1,199)
	31	(84)

b) Reconciliation of net cash flow to movement in net funds

	2008 £'000	2007 £'000
Increase in cash in year	-	-
Change in net debt resulting from cash flows	-	-
Net funds at start of year	3	3
Net funds at end of year	3	3

### c) Analysis of changes in net funds

	At 31.3.07 £'000	Cash flows £'000	At 31.3.08 £'000
Cash	3	-	3
Net funds	3	-	3

### 14. Related party disclosures

Your Homes Newcastle Limited is a local authority controlled company of Newcastle City Council established with no share capital and limited by guarantee. The Council has delegated responsibility for overseeing the management and maintenance of its residential stock, and of Housing Revenue Account services provided to the City's housing tenants. £27.7m was earned from the Council in management fees in relation to these activities throughout the year (2007 £25.7m).

In addition, transactions totaling £3.4m took place with Newcastle City Council. This related to support services such as temporary staffing, general office supplies, legal services, human resources management, IT, exchequer services and other centrally administered services.

With the exception of petty cash transactions, all cash book payments and receipts are made via Newcastle City Council's banking intermediaries with the net balance owing to or from the City Council being disclosed as a current asset or liability as appropriate.

### 15. Pensions

The company participates in the Tyne and Wear Pension Fund, which is a funded defined benefit scheme where contributions payable are held in a trust separately from the company. The main results and assumptions of the most recent valuation of the Tyne and Wear Pension Fund are as follows:

Contributions to the scheme have been charged to the profit and loss account on a cash basis. A qualified actuary has determined contribution rates on the basis of triennial valuations using the projected unit method.

The actuaries determined that in order to meet the funding target, the contribution rate would be set at 13.8% for 2007/2008.

Major assumptions when calculating contribution rates were as follows:

	% per annum
Return on investments	7.0%
Increase in earnings	5.2%
Increase in pensions	3.7%

### Financial Reporting Standard No 17

Under the requirements of FRS 17, the company is required to account for and disclose further information on its share of assets and liabilities of the Tyne and Wear Pension Fund on a market value basis at the end of the accounting period. The valuation at 31 March 2007 has been updated by an independent qualified actuary on an FRS 17 basis as at 31 March 2008. As required by FRS 17 the defined benefit liabilities have been measured using the projected unit method. This information is set out below:

	2008 (% p.a)	2007 (% p.a)
Rate of inflation	3.7	3.2
Rate of long- term increase in salaries	5.2	4.7
Rate of increase to pensions in payment	3.7	3.2
Discount rate for scheme liabilities	3.7	3.2
Discount rate for pension cost over following year	6.8	5.3

## Value of Assets

	2008 Long-term rate of expected return (% p.a.)	2008 Estimated value (£m)	2007 Long-term rate of expected return (% p.a.)	2007 Estimated value (£m)
Equities	7.6	2,339.0	7.7	2,493.1
Property	6.7	388.5	6.7	373.7
Government Bonds	4.7	401.8	4.7	504.8
Corporate Bonds	5.3	327.7	5.3	281.9
Other	5.6	220.2	5.6	62.9
Total	7.0	3,677.1	7.0	3,716.4

## Funding Position

	31 March 2008 (£m)	31 March 2007 (£m)
Share of assets	51.15	47.93
Estimated funded liabilities	(47.66)	(47.61)
Surplus/(deficit)	3.49	0.32
Restriction of scheme (surplus)/deficit	(3.49)	(0.32)
Net assets including FRS 17 restricted pension liability	-	-

Newcastle City Council has confirmed that it will assume any current and future funding surpluses or deficits relating to the company. Accordingly, the scheme surplus has been restricted to nil and the pension cost is based on contributions payable.

<b>Analysis of amount that would be charged to operating deficit</b>	Year to 31.3.08 (£m)	Year to 31.3.07 (£m)
Current service cost	2.94	2.82
Past service costs	0.85	0.17
Total operating charge	3.79	2.99

<b>Analysis of amount that would be credited to other finance income</b>	Year to 31.3.08 (£m)	Year to 31.3.07 (£m)
Expected return on pension scheme assets	3.38	2.86
Interest on pension scheme liabilities	(2.61)	(2.18)
Net return	0.77	0.68

<b>Analysis of amount that would be recognised in statement of total recognised gains and losses (STRGL)</b>	Year to 31.3.08 (£m)	Year to 31.3.07 (£m)
Actual return less expected return on pension scheme assets	(2.50)	(0.28)
Experience gains arising on the scheme liabilities	(3.07)	-
Changes in assumptions underlying the present value of the scheme liabilities	9.54	0.89
Total actuarial gain	3.97	0.61

**Analysis of movement in deficit during the year**

	Year to 31.3.08 (£m)	Year to 31.3.07 (£m)
Surplus/(deficit) in scheme at beginning of year	0.32	(0.10)
Contributions	2.22	2.12
Current service cost	(2.94)	(2.82)
Past service costs	(0.85)	(0.17)
Other finance income	0.77	0.68
Actuarial gain	3.97	0.61
Surplus/(deficit) in scheme at end of year	3.49	0.32

<b>History of experience gains</b>	Year to 31.3.08	Year to 31.3.07
Difference between expected and actual return on scheme assets:		
• Amount (£m)	(2.50)	(0.28)
• % of scheme assets	(4.9%)	(0.6%)
Experiences gains (losses) on liabilities:		
• Amount (£m)	(3.07)	-
• % of the present value of scheme liabilities	(6.4%)	-
Changes in assumptions:		
• Amount (£m)	9.54	0.89
• % of the present value of scheme liabilities	20%	1.9%
Total amount recognised in STRGL:		
• Amount (£m)	3.97	0.61
• % of the present value of scheme liabilities	8.3%	1.3%

## **15. Parent Undertaking**

The company is a local authority controlled company within the meaning of Part V of the Local Government and Housing Act 1989, being a company under the control of Newcastle City Council. Copies of the financial statements for Your Homes Newcastle Limited can be obtained from the Company Secretary, Your Homes Newcastle Limited, YHN House, Benton Park Road, Newcastle upon Tyne NE7 7LX.

The Directors consider that Newcastle City Council is the ultimate controlling party.

# Your Homes Newcastle: Year in pictures



Dream kitchens  
at Milecastle House

Seasons greetings  
from our Christmas  
card competition  
winner (Right)



Street wardens head  
indoors to help give  
blocks in Throckley  
a lick of paint

Services are  
awarded for  
outstanding  
customer service



Young people's service are Seen and Heard at awards



Good payers are rewarded in quarterly rent prize draw



Michael Heppell shows us how to be brilliant!



Home sweet home at one of our sheltered schemes





Development days  
have helped young  
people build  
self-esteem

Stepping in the  
right direction  
with hostel  
refurbishment



It's good to  
get involved

Everybody needs  
good neighbours





Proving that our staff have star quality at local awards

Loyalty and commitment recognised at our first long service awards



 YHN Home Newcastle

**We want to hear from you if:**

-  You have a compliment
-  You have a complaint
- You have a comment

If you have a compliment, complaint or comment pick up a leaflet from any of our offices or e-mail [yhncomplaints@yhn.org.uk](mailto:yhncomplaints@yhn.org.uk)

We want to know if we get the thumbs up from customers

Taking Telecare into the mainstream



Understanding individuals' needs is getting us closer to our customers



The witches of Cruddas Park encourage customers to get involved



Staff get active for a day of sport and activity



YHN goes interactive with our sign up DVD on the website

Going 'Dutch' at the Byker Wall



Bill cooks up a storm at the Stepping Stones hostel

