

Where Tenants Matter Most



Annual Report
2012 - 2013



Supporting BME Communities
and Multi-Cultural Neighbourhoods

Where Tenants Matter Most

Forgive us for stating the obvious. After all, we are a housing association and caring for our tenants is what

we do! But these are tough times for so many people. Jobs are hard to find; welfare reform changes are about to bite. And, for businesses, the going is far from easy. That's why, over the past year, our focus at Unity has been on finding even more ways to care for our tenants.

Contents

Page

4	Unity Matters
6	History Matters
8	Providing Services That Matter
10	Development Matters
12	Business Matters
14	Tenants' Matters
16	Money Matters
18	Board Matters
19	Performance Matters



Unity Matters

We've weathered the storm - but new challenges lie ahead.

It's always good to start an Annual Report on a positive note. And that's certainly the case at Unity Homes and Enterprise. As a business we've worked through the economic recession well. Indeed, there's increasing demand for our services.

As you'll find out in this year's report, Unity delivered an excellent performance in 2012/13. Our income increased by 12%, we added new units to our growing property portfolio and, feedback from our customers showed that we deliver a housing management service that is second to none.

Whilst continuing with our day-to-day work, we've had an increased focus on helping our tenants – making it the theme for this year's annual report. In these tough times, that means doing more than simply being a housing provider. So, we've been pro-active in preparing tenants for the changes in welfare benefits and helping them through the aftermath. That's why we've appointed a Financial Inclusion Officer whose role is to support tenants with money management issues. We also introduced an in-house exchange scheme to help tenants affected by the 'bedroom tax' find a Unity home more suited to their current needs.

Of course, sustainable communities are ones that are economically viable. That means having people in work. We continue to meet this challenge through Unity Enterprise which provides affordable workspace for a whole host of local businesses, through our Employment Services team we also run programmes to help the unemployed back into work.

The care and focus we place on the communities in which we work is also reflected in our highly successful development programme. Unity builds where there is a clear local requirement. One that will meet the needs of the communities we work with. Despite reduced grant and tighter financial constraints, Unity is delivering on that promise, building those all important new properties to meet the shortfall in affordable homes in Leeds.

We're also pleased to report continued investment in our existing property portfolio. Our five year improvement programme is all about what our tenants want. That's why we ask them what improvements they consider are the most important in their home.

Shared ownership plays an ever increasing role in affordable housing provision. There is strong demand for home ownership. So, alongside our rented properties, it is only right that Unity provides the opportunity for people to fulfill their dream of owning their own home.

Unity doesn't work in isolation. Our longstanding partners are Leeds City Council and the Homes and Communities Association (HCA). We also work with other housing providers through the 'Alliance', a collaborative partnership of Leeds social housing providers which, along with Unity, includes Connect, Leeds Federated, Leeds Jewish, Leeds & Yorkshire and St Anne's.

A study commissioned by the 'Alliance' shows that since the introduction of 'affordable rent', housing is becoming increasingly unaffordable for those on the lowest incomes. All of which amplifies the importance of the work of our Financial Inclusion Officer.

Finally we'd like to offer our thanks for another successful year to our partners and our devoted staff and Board. Unity continues to appraise and review its governance arrangements and board membership to ensure that people with the right skills and background are at the helm of the organisation.

Looking ahead, we're certain that the need for our services is going to be greater than ever. So, over the next 12 months, we'll harness our resources to continue that work and meet the challenges that face both us and our tenants.

Ali Akbor - Chief Executive
Karen Morley - Chair of the Board



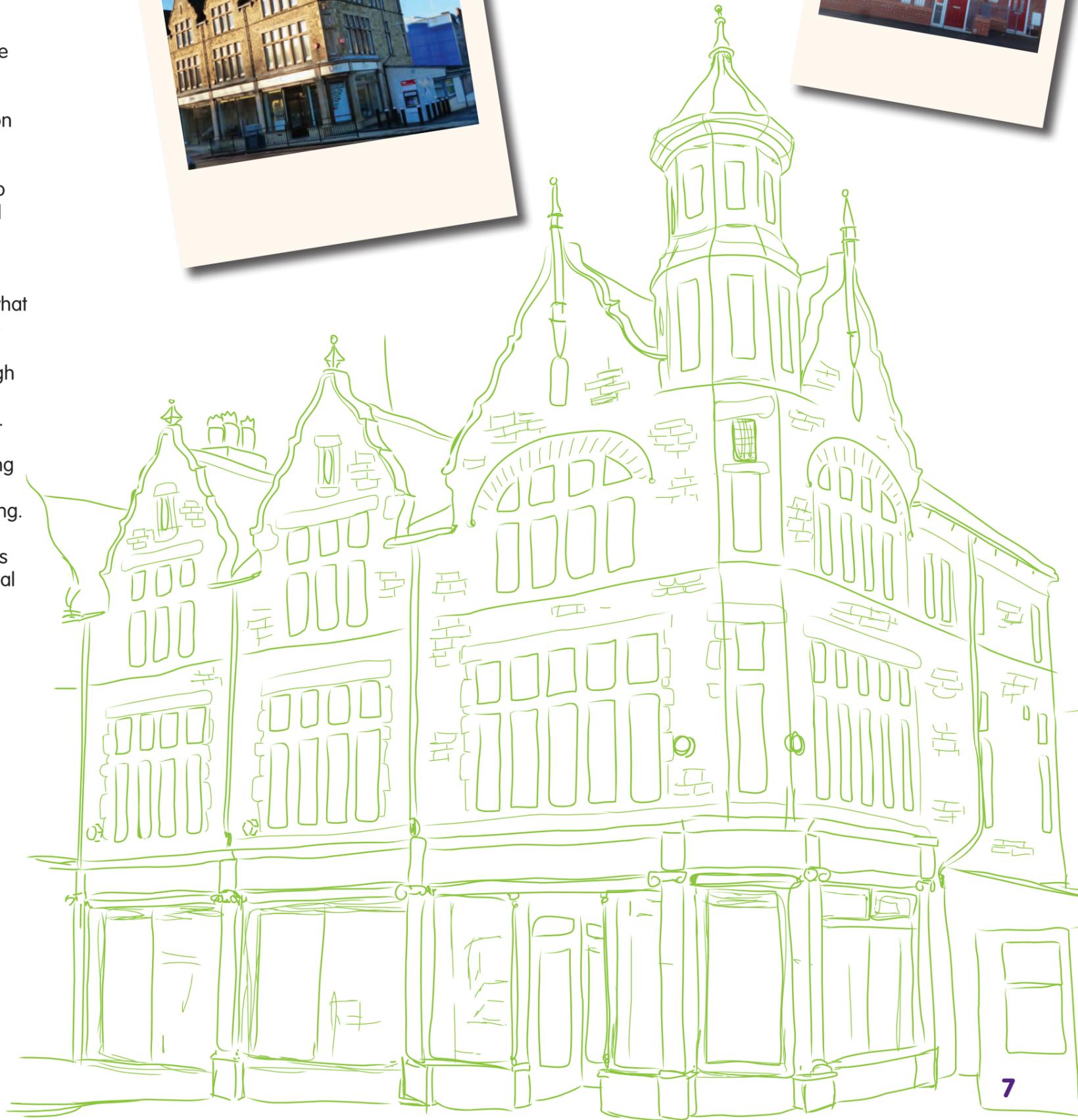
History Matters

Established for over a quarter of a century – we celebrated our silver jubilee last year – Unity Housing is a leading BME housing association.

Based in Chapeltown, Leeds we now manage over 1,200 properties, providing homes for families, singles, the older generation and those with special needs. Our work focuses on Chapeltown, Harehills, Beeston and Holbeck. Whilst the provision of quality homes at an affordable rent is our main business, we also include properties for shared ownership in all our developments.

Tenant care, primarily through the delivery of first rate housing services, is at the heart of what we do. However we also look to help tenants in other ways too. That's why we now have a Financial Inclusion Officer to help them through the maze of welfare reform. Unity also has a highly successful tenant involvement strategy.

Early in our history we recognised that creating sustainable neighbourhoods requires more than the provision of affordable quality housing. So we added Unity Enterprise to our remit. Comprising three business centres, it provides affordable workspace for a wide range of local businesses.



Providing Services That Matter

"I love living in a Unity property!" That was the response from one of our tenants to our community consultation exercise. Achieving similar levels of satisfaction from all our tenants is our housing management aim.

Judging by the results from tenant satisfaction surveys, we're already well on the way. Take our repairs service; 98% of respondents said it was good or satisfactory. Commenting on our overall level of service, a similar 98% gave it the thumbs up. Equally impressive was the 87% of tenants moving on elsewhere who commented that they would certainly recommend Unity to friends or family.

Home improvements

The quality of their home is what matters most to many tenants. Figures from our tenants' survey show that's something we're clearly getting right; 99% of respondents told us they are happy with their Unity property.

Whilst this is great news, we can't rest on our laurels. That's why, over the past year, our rolling programme of planned improvements saw us invest a further £1.43m in tenants' homes.

When it comes to improvements and repairs, tenants are fully involved in the decision making process, helping us to prioritise improvements to their home. To assist with this, we've spent time with Tenants' Panels explaining how we make decisions on what to replace and when. During the year we conducted a major consultation exercise on bathroom improvements. The upshot is that our tenants' priority is to have a shower. We'll be moving forward with this project during 2013/14.

Ain't misbehavin'

Unity Housing takes firm action on any reports of anti-social behaviour. It's a policy that is plainly working for us. Over the past year, with one exception – which led to an eviction – all ASB issues have been minor, mainly relating to noise nuisance. A successful partnership between ourselves, Leeds Federated Housing and the police to tackle ASB issues on the Stonegate estate has put us in line for a national 'Excel Award'.

Warmth without the worry

The ever spiralling cost of heating our homes is a worry for many of us. Winters seem to be getting harsher and we've just endured one of the coldest springs on record. However, Unity tenants have a little less to worry about when it comes to heating bills, because their homes are highly energy efficient. Our affordable warmth programme – delivered in conjunction with the Groundwork Trust and Chapeltown Development Trust – offers advice on how to use heating equipment most efficiently and how to choose the best tariff to suit your circumstances. To continue our green, energy efficient theme, we're now looking at ways of harnessing renewable technologies.

Paying dividends

The role of our Financial Inclusion Officer is twofold. Firstly it's to support tenants in financial difficulty and help them with money management issues. Secondly it's to work with tenants, analysing their circumstances, to see if they are claiming all the benefits to which they are justly entitled. This appointment is already paying dividends, with Unity tenants £17,000 better off than they were.

Case Study

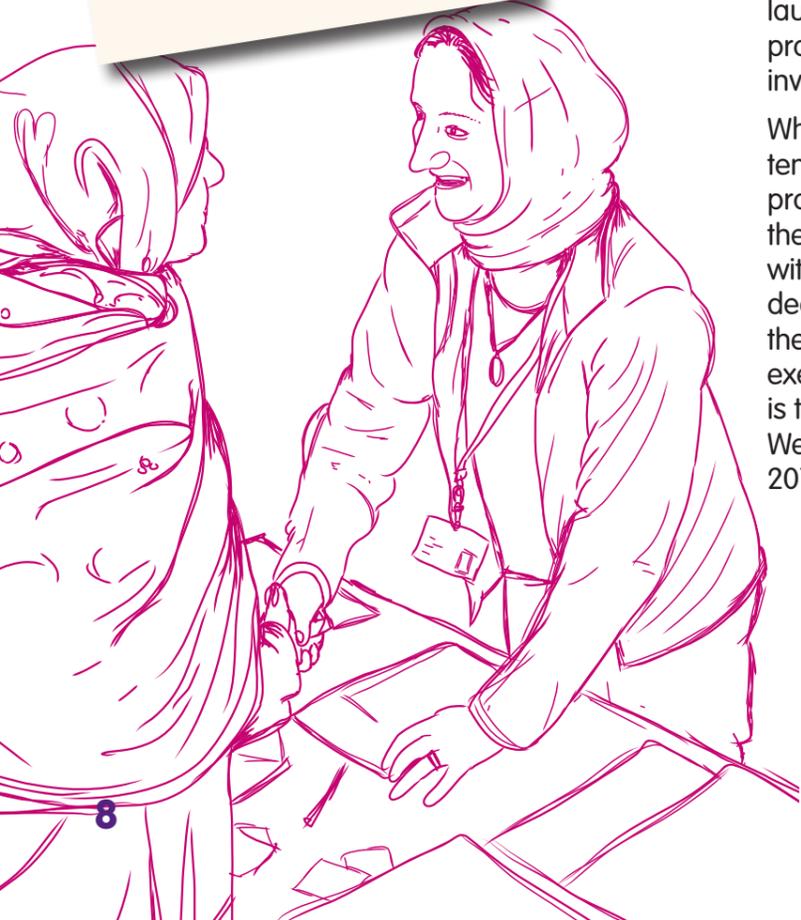
Andy (not his real name) has been a Unity tenant for nine years. Andy has problems with spinal curvature, he has a spare room in his flat in which he keeps his exercise equipment used to negate the effects of his condition. Unity identified Andy as a tenant who would definitely fall into the under-occupancy net.

"This was all part of a check done on all our properties in late 2012 before the new legislation came into force," says Clive Greenwood, Unity's Financial Inclusion Officer. "We identified tenants on housing benefit, with a spare bedroom and then narrowed it down to properties which had had modifications to assist people with disabilities."

As a result, a Discretionary Housing Payment Application was submitted in April. However this was declined because Andy's financial circumstances didn't appear to warrant it. During May, a judicial review test case was submitted in another authority challenging the under-occupation rules. An application to Leeds Benefit Service was made pending the successful outcome of that review, as it was believed Andy's situation would also fit the criteria of that case. Furthermore in July a second DHP application was submitted, this time with more detailed information on Andy's weekly outgoings as his financial situation was worsening.

Our interviews with Andy had caused us to question his general well-being. We felt his condition was making him isolated, unmotivated and unwilling to venture out. So we offered him additional tenancy support to visit his GP.

The good news is that, after several promptings, his application has now been approved and Andy is able to afford to stay in his own home. Our tenancy support has also had a positive personal impact. Andy is now in the process of starting his own web design business. He's also getting out more. Indeed, when our handyman called for an informal discussion about further modifications to his flat, Andy wasn't there!



Development Matters

At a time when there's a crying need for affordable new homes, Unity's carefully targeted regeneration and development programme delivers where it matters most.

Our key areas of operation are Chapeltown & Harehills and Beeston & Holbeck. Unity properties are well designed and built to the highest specifications that both meet and exceed the government decent home standards. Needless to say, demand for Unity houses is high and most of them are let or - in the case of our shared ownership offering - sold, before they've even come off the production line!



Scott Hall Square

During the year we completed our £2.4m project at Scott Hall Square. It comprises 13 properties for rent and 11 for shared ownership, all of which are now occupied by local people. A mix of 2/3 and 4 bedroom homes, this attractive development has plenty of open space and complements existing Unity homes at Scott Hall Green.

The Beverleys

In Beeston we completed our £5.5m project at the Beverleys. Working in partnership with Chevin Housing Association, grant funded by the Homes and Community Agency (HCA) it comprises 55 homes, some of which are for rent and some for shared ownership. Out of these, Unity is managing 21 properties. Again all are now sold or have tenants in them.

Umoja House

Also in Chapeltown, work started on a property formerly known as Sholebroke Court. Located next to Unity's Olrika Court scheme, it was formerly a hostel owned by Leeds Federated. Built in the 1980s, it had been empty for some time. When the refurbishment is complete it will offer 6 quality one and two bedroom flats. As well as a new lease of life, we also decided to give it a new name, Umoja House. 'Umoja' is the Swaheli word for 'unity'.

Brown Lane East

This is a brownfield site, formerly used for a mix of private and local authority housing. The site was acquired from Leeds City Council and is part of our 'Affordable Homes' programme. Unity is developing 41 units for rent, 16 of which will be for shared ownership. This area is the first in the inner-city to receive funding for a comprehensive Neighbourhood Plan prepared by people who live and work in Holbeck. As a result, the Holbeck Neighbourhood Forum have had been involved in the design of this development.

Stratford Court

Unity is a member of Chapeltown and Harehills Investment Project (CHIP), a collective of local social housing providers. Through the sharing of information on housing stock, future development proposals and other local housing 'news', its aim is to provide a clearer picture of housing needs in the area. Funded by Unity, Leeds City Council and the HCA, Stratford Court provides a perfect example of CHIP putting its strategy to work. Originally a mix of bedsits and shared facility accommodation, when completed this £3m redevelopment will offer 30 two bedroom units for rent or low-cost sale. This attractive addition to local housing stock caters specifically for older people. It eases over-occupation in the area by enabling those living in larger under-occupied family homes to move to smaller, lower cost and more suitable accommodation.

Doing a great job

Regeneration isn't just about shiny new buildings. It's the people that live in them that matter. That's why, alongside, our development projects, Unity Employment Services (UES) is working to find employment opportunities for job seekers living in Unity properties. The team has had a successful year. They've helped 35 people find work, delivered skills training to 36 people and enabled 14 people to gain work experience through voluntary placements. Four Unity tenants were employed on the Umoja House redevelopment project.

UES works closely with the National Careers Service and Igen, a careers advice company. It also supports the Uhuru Real Chance Project which works with ex-offenders and those who've dropped out of the system, helping them to develop new skills that will lead them into employment.

A number of our tenants were involved in the 'Passion4Fashion' initiative. Using recycled clothes, it encouraged people with a flair for fashion and design to showcase their skills. A huge success, it attracted much media attention.

Business Matters

At Unity, we know that thriving local communities need a thriving local economy to fuel them.

As we prepare this report, green shoots of recovery are at last starting to show through. But it's still been a tough old year for many businesses. So how has Unity Enterprise fared over the past twelve months? Spread across three sites in Chapeltown and Harehills, Unity Enterprise comprises: Unity Business Centre (UBC), Chapeltown Enterprise Centre (CEC) and the Leeds Media Centre (LMC). Very much part of the Leeds business community, Enterprise is an important element in Unity's business plan.

Chapeltown Enterprise Centre (CEC)

The CEC continues to punch above its weight. In a depressed market place our competitive rents have enabled us to maintain a leading edge over the competition. With a vibrant business mix that includes artists, a training company, a number of community-based organisations, it also has two retail shops fronting the building, CEC has had a 100% occupancy rate for the last two years.

Leeds Media Centre (LMC)

It's been another good year with occupancy rates at 97%. The LMC is in direct competition with city centre office accommodation. However the availability of plentiful free parking – and our excellent product offer – ensures we win new tenants. The business mix is more toward professional and commercial operations. During the year we improved data and communications so we can now offer a fully managed 'plug and go' service in a building which operates 24/7. We also had to create extra space to accommodate the new local TV centre which will be based at the LMC. This exciting £300m investment will create 42 jobs and dovetails nicely with our existing tenants.

Unity Business Centre (UBC)

The UBC's value for money offering continues to be extremely popular with 85% occupancy over the past year. Our flexible short-term lets use an easy to understand one page tenant agreement, removing the need for a solicitor, which has obvious cost saving advantages. The UBC is home to a wide variety of businesses. Current occupants include craft manufacturers, a seamstress, Leeds Advocacy, Leeds Women's Dignity, Leep1 who support adults with learning disabilities and Leeds Independant Health Complaints Advocacy.

Looking ahead

During the year we finalised our funding element for the £1.4m refurbishment project for UBC and CEC. Our plans for refurbishment include a complete internal and external remodelling of the Business Centre with a new reception area, circulation space and improved IT and telecoms network. A £500,000 facelift at the CEC will include a lift and solar panels on the roof. We are now in final negotiations with the European Development Fund from whom we are seeking £700,000 of match funding to enable the work to commence.



Tenants' Matters

Tenant involvement is a key strategy at Unity Housing. Our close working relationship with our tenants is undoubtedly one of the reasons why we continue to get such high levels of customer satisfaction.

Tenant members of our Scrutiny Panel look at Unity's performance and report to the Board. We're involved with Leeds Collaborative – a group of active tenants from six local housing providers supported by tenant involvement managers. Meanwhile, back at Unity, whether it's routine maintenance, local offers, arranging a street party or suggestions for improvement to any of our services, our Officers listen to feedback from residents' groups and act on it.

Local choice

'Local offers' enable us to provide a more flexible service – one that's shaped to meet the wishes of our tenants. After all, tenants are the end-users, so they can often see a better way of doing things. At Ashton Court in Harehills, when tenants told us they'd prefer individual gardens rather than a communal one because this would save on maintenance, we were more than happy to agree. It was a similar story in Armley where residents chose to maintain a hedgerow themselves rather than face an increase in their annual service charge.

Pat on the back

It's always nice to get a pat on the back for a job well done. That's what a lot of our tenants did when they responded to Unity's 'Your views' community consultation exercise. Here's just a sample of what they said:

"Repairs are on time, done quickly – and well!"

"You always do your best to help; your staff are friendly and non-condescending."

"Unity are a fantastic housing association!"

Of course, along with the plaudits, the consultation also highlighted plenty of issues that needed our attention and plenty of suggestions for future community events.

Great Scott!

Unity is a keen advocate of residents' associations, providing them with support and encouragement. However, our support doesn't always ensure that they agree with everything we do! That was the case with our Scott Hall Square development, where the residents' association had campaigned against it. We worked closely with them throughout the planning and building of this development; the finished result won them over. Indeed, new residents from the Square have rapidly become enthusiastic members of the association. We're now working with them on plans to utilise the green space at the entrance to the Square for the benefit of the whole community.

Panel progress

Unity's Tenants' Panel has had a busy year. Its 20 members meet once a month to hear reports from Unity's staff, inspect services and are involved in project work. During the past twelve months the Panel helped set the new five-year maintenance programme and completed an estate inspection at Fielding Gate in Armley. The latter resulted in the installation of new fencing and an estate 'tidy up'. The Panel also interviewed Unity's repairs, gas, gardening, lift and cleaning contractors on their performance over the year.

The Scrutiny Panel looked at Unity's overall performance including complaints, how money is spent and rent arrears.

Beeston in focus

During the next twelve months, following a tenant consultation exercise, we'll be upping the ante on tenant involvement work in Beeston. This will include: agreeing priorities for renewals and improvements, help from our Financial Inclusion Officer and support where required from our employment team.



Money Matters

Our strong financial performance enabled us to stay within our banking covenants and increase our level of interest cover. We also agreed a new £7m borrowing facility to cover us for the next five years.

Financial performance

Unity Homes and Enterprise has delivered another outstanding financial performance in a very challenging economic environment. Turnover increased by 12% to £6.2m; more than half of this increase is attributable to sales of shared ownership properties. Overall Group surplus was £857,000. During the year our tenants benefited from a £1.43m investment in improvements and repairs to our property portfolio.

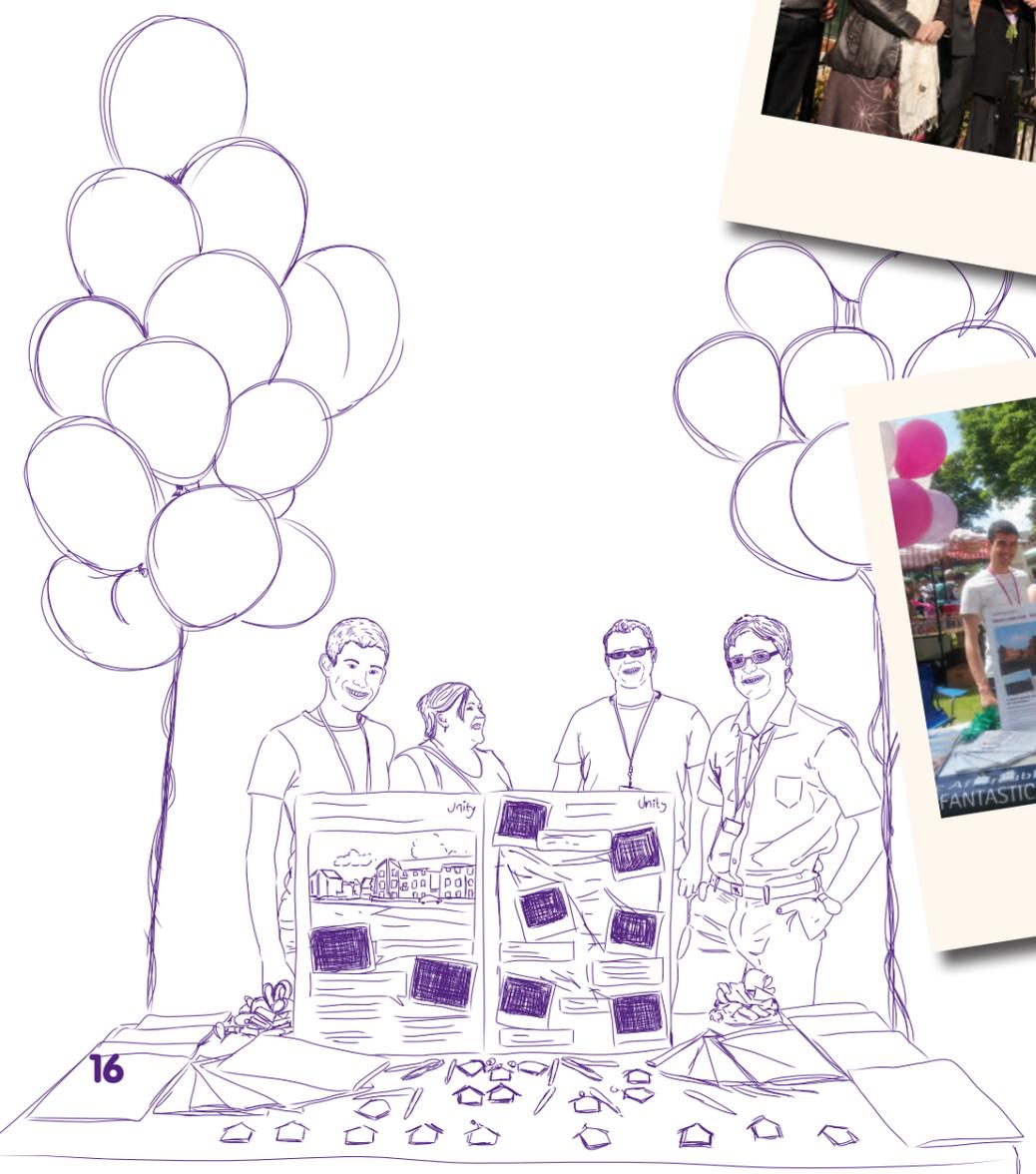


Group Balance Sheet AS AT 31ST MARCH

	2013 £'000	2012 £'000
Tangible fixed assets		
Housing properties	55,689	55,370
Social Housing Grant	(34,047)	(32,883)
Other grants	(3,504)	(3,622)
	18,138	18,865
Investment		5
Non-housing freehold properties	946	845
Other tangible fixed assets	83	89
	19,167	19,804
Current assets		
Debtors due within one year	278	409
Properties for sale	88	0
Cash at bank and in hand	3,477	2,478
Long term debtors	10	10
	3,853	2,897
Creditors, amounts falling due within one year	(1,738)	(1,605)
Net current assets	2,115	1,292
Total assets less current liabilities	21,282	21,096
Creditors, amounts falling due after more than one year	13,564	14,235
Capital and reserves		
Designated reserves	262	275
Revenue reserves	7,456	6,586
Group funds	7,718	6,861
	21,282	21,096

Group Income and Expenditure Accounts FOR THE YEAR ENDED 31ST MARCH

	2013 £'000	2012 £'000
Turnover	6,196	5,542
Operating costs	(4,935)	(4,644)
Operating surplus	1,261	898
Interest receivable & other income	27	42
Interest payable & similar charges	(431)	(516)
Surplus for the financial year	857	424



Board Matters

Performance Matters



Senior management

Ali Akbor Chief Executive
 Parveen Sidhu Operations' Director & Deputy Chief Executive
 Wayne Noteman Regeneration & Development Director

The Board

Karen Morley Chair
 David Heels Chair of Audit & Risk Management Committee
 Michelle Anderson Chair of Operations Committee

Waheed Butt
 Tom English
 Shazia Khan
 Andrea Tara Chand
 Richard Walker
 Tim Yeardley



Performance Results

Year End
2012/13

Current stock profile at 31/3/13

1 Bed	232
2 Beds	374
3 Beds	320
4+ Beds	211
Total	1137

REPAIRS

Emergency repairs completed in target time	99.2%	UHA TARGET 99%
Urgent repairs completed in target time	98.6%	98%
Routine repairs completed in target time	98.2%	98%
First time fix	92.9%	85%
Appointments made that were kept	99.7%	99%
Gas Service % completed	100%	100%
Failing decent homes standard	0%	0%
Average SAP rating of self-contained GN dwellings	73%	65%

Lettings by ethnic origin for 2012/13

Asian/Asian British	20%
Black/Black British	29%
Dual Ethnic Heritage	9%
White British	38%
White Other	4%

VOIDS

% turnover of stock	7.76%	Less than 10%
GN Re-let times	31.5 days	21 days
Rent loss due to GN voids	1.27%	1%
% of lets to nominations	79.2%	50%
GN lettings to BME tenants	65.3%	50%

TENANT SATISFACTION

Satisfied with landlord services	87.8%
Satisfied with repairs & maintenance	86.3%

COMPLAINTS

Total number of complaints received	24
% responded to on time	100%

Average gross rents by property type at 31/3/13

1 Bed	£70 per week
2 Beds	£84 per week
3 Beds	£92 per week
4+ Beds	£95 per week

RENTS

Rent arrears	6.35%	5.5%
Rent collection	100.25%	

Our Mission:

Provide housing choice, improve life opportunities and address inequalities.

Our Objectives:

1. Provide and continue to develop good quality mixed tenure housing which reflects needs and aspirations.
2. Provide high quality affordable housing services.
3. Involve and work with our tenants and the communities we serve to inform and improve services.
4. Provide training and employment opportunities and promote financial inclusion.
5. Provide business support services and encourage local enterprise.
6. Work with partners to encourage the regeneration of our target neighbourhoods.
7. Be a progressive and expanding business with a sound resource base.

Our Values:

Integrity

- being honest, transparent and sincere with strong principles

Respect

- in the way we treat people, service users and each other

Flexible

- in how we work for the benefit of our tenants, other people, the organisation and each other

Equality

- in the way we work and deliver our services

Commitment

- to provide services to meet the needs of our tenants, local people and local neighbourhoods



Unity Housing Association Ltd,
113-117 Chapeltown Road, Leeds LS7 3HY
T. 0113 200 7700 **E.** uha@unityha.co.uk
F. 0113 200 7701 **www.unityha.co.uk**

Auditors
Grant Thornton UK LLP
No 1 Whitehall Riverside
Leeds
LS1 4BN

Bankers
Yorkshire Bank Plc
329 Harehills Lane
Leeds
LS9 6AX

Solicitors
DWF
Bridgewater Place
Water Lane
LS11 5DY

A charitable Housing Association registered with the Homes and Communities Agency LH3737
Registered under the Industrial & Provident Societies Act 25616R
Affiliated to the NHF VAT Registration no. 734 5524 34

