



# FORTUNEGATE'S *Future*

Seeking your views on Fortunegate Community Housing's future

December 2005



## Fortunegate's future - What next?

Last year, Fortunegate became an equal member of the Catalyst Housing Group – in other words, it stopped being a subsidiary of Ealing Family Housing Association and became a direct subsidiary of Catalyst Housing Group.

One of the benefits of this is that Fortunegate now receives a donation of £50,000 every year from the group to support its community development activities.

Fortunegate also has an equal say in decisions at Group Board and at Group Management Team.

Another potential benefit of the new structure is the transfer to Fortunegate of properties owned by Ealing Family Housing Association in Brent, and the development of new schemes in the borough. The idea was that Fortunegate would be given a way of growing larger and would eventually represent Catalyst Housing Group in Brent.

It now looks as though this transfer of properties will be possible as early as next year. This would mean that Fortunegate would operate right across Brent and not just in Church End and Roundwood. The Fortunegate Board is in favour of this change – subject to the views of residents and the agreement of Brent Council.



## Introduction

Fortunegate Community Housing was set up just over 7 years ago as a partnership between Brent Council, the residents of Church End and Roundwood, and Ealing Family Housing Association, which was our parent company.

Our main task was to refurbish the Church End Traditional and Roundwood estates and rebuild the Church End Resiform estate.

This work is now well on the way to completion: the final refurbishment contract will finish at the end of 2005 and the final phase of the new build scheme should be built by April 2008.

We started out with about 1,400 tenancies and nearly 80 leasehold properties. We currently have only about 1,100 tenancies, but the number of leaseholds has increased to over 170. The number of homes that we own has reduced, partly because we have sold quite a lot to tenants through the Right to Buy, but also because we have demolished a good deal of the Church End estate and are not replacing all the old properties with new ones.

It is very probable that more properties will be sold under the Right to Buy in the next few years, reducing our total rented stock even more.

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**In this leaflet you will find some further information about this proposal, and answers to the questions you may have. Please let us know what you think, either by writing to us or by coming along to one of the public meetings to be held in January (details on back page).**

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## How will this affect Fortunegate?

As Fortunegate continues to get smaller, it will become increasingly difficult to attract and retain good staff, since most people are more interested in working for a growing organization, rather than one which is shrinking. There is a lot of competition for skilled and experienced staff in the housing sector and we have found it difficult to fill some posts in the past. If we can't get and keep good staff, it will be more and more difficult to provide residents with good services.

It may also become uneconomic to maintain a fully staffed local office. This may mean limiting the services we provide or outsourcing parts of the service to other organizations or to our parent company, Catalyst Housing Group. This could mean a less personalized service to residents. We could, of course, raise rents to cover the costs, but the Government will not allow us to do this – and we would not want to increase the financial burden on tenants.

## Why can't Fortunegate develop new homes in the area and become larger that way?

On its own, Fortunegate is not in a position to purchase land and build new homes. This is because our business plan is fully committed for a number of years to come. In other words, we do not have sufficient assets to enable us to borrow the money that would be required.

## Is there any way round this problem?

Catalyst Housing Group has been looking to see if there might be a way for Ealing Family's current stock in Brent to be transferred to Fortunegate, along with any new homes built in the future. This would mean that Ealing Family Housing Association would no longer operate in the borough and Fortunegate would become Catalyst Housing Group's "arm" in Brent. A way of pooling the assets of all the member companies has been proposed, which would enable Fortunegate to take on this housing stock, without jeopardizing its own business plan.

The result would be that Fortunegate could acquire around 500 more units across Brent over the next few years, which would give it a foundation for future growth.

## How would Fortunegate change as an organisation?

The main change would be that Fortunegate would no longer be focused simply on Church End and Roundwood, although the vast majority of our stock would still be in this area. We would in future operate on a borough-wide basis, like other housing associations in Brent such as Paddington Churches Housing Association and Network Housing Association. However, we would not own any stock outside the borough: Fortunegate's constitution prevents this.

## How would this affect present Fortunegate residents?

In practical terms, on a day-to-day basis, residents would notice very little change. We have no plans to move the Fortunegate office from its present home and Fortunegate would still be run by its own board of management as it is now. Central services, such as finance and development would continue to be provided by Catalyst Housing Group.

However, as Fortunegate grew in size, it would have more resources and this should make it easier to provide better services to tenants, including more community activities.

## Would there be any changes to Fortunegate's constitution?

Although Fortunegate would continue to operate as a separate company, with its own board of management as at present, we would have to look at the way in which the Board is set up. At present the Board is very large by comparison with most housing association boards: it has 18 places, whereas the board of Ealing Family Housing Association only has 12. There are also quite complicated rules about how meetings should be run. These measures were designed originally to ensure that Fortunegate's original promises to residents were kept. Now that we have delivered on all our promises and have nearly finished our development schemes, it is no longer necessary to have such arrangements in place.

## Who would be on the Board of Fortunegate in the future?

This would be for the Board and the Council to decide, but at least one third of the Board would still be residents. However residents from other parts of the borough would also have the right to places. Other members would come from a variety of backgrounds, including the Council.

## How will these changes come about?

We have written to the Council to seek their agreement to the proposal for Fortunegate to become a “borough-wide” housing association. It’s likely that we shall have their response in January. We shall report back to the Fortunegate Board on this, and on our consultation with residents, at the next board meeting in early February. Ealing Family Housing Association and Keystart Housing Association will also consult with their residents in Brent. Once we have “in principle” agreement, we shall consult with all parties on the composition of the new board and any other changes to the constitution, with a view to achieving the transfer of properties to Fortunegate by 1st April 2006.

## Conclusion

We are confident that this change is the right one for Fortunegate. It will safeguard our future and give us the resources to continue to improve services for residents. We will also be in a much better position to work with Brent and local residents to continue the regeneration of the Church End and Roundwood area – as well as use our experience to work in other areas of the borough in the future.



### Your views

*If you have any comments or questions about this proposal, please come along to one of the following meetings in January:*

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| <b>Thursday, 5th January</b>  | <b>from</b> 7 - 8 pm<br><b>at</b> Church End Meeting Room , Garnet Road                             |
| <b>Tuesday, 10th January</b>  | <b>from</b> 7 - 8 pm<br><b>at</b> Bishop Way Community Facility                                     |
| <b>Thursday, 12th January</b> | <b>from</b> 7 - 8 pm<br><b>at</b> Residents’ Meeting Room,<br>Hugh Gaitskell House, Curzon Crescent |

If you cannot come to the meeting but would like to comment on the proposals, please write to Mary Sarantis, Managing Director, Fortunegate Community Housing, 223 Church Road, London, NW10 9EP or call her on 020 8438 1807 by Friday, 13th January 2006.

***Residents’ comments will be reported back to the Fortunegate Board and will be taken into account in the final decision.***

