



Radius Housing Association

AGM
Chairperson's Report

26th June 2019

2018-19 Radius Annual Report

Introduction

Shareholders, fellow board members, business partners and staff of Radius, you are all very welcome to Radius' first Annual General Meeting.

The AGM is a key date in the business diary. While most of our time is spent looking forward, contemplating and planning for the future, and rightly so, it is equally important we take stock of what we have achieved together; to reflect on how we are positively impacting people's lives, reducing housing stress, enabling the most vulnerable people to live fulfilled lives with dignity while championing people's rights. Many housing associations are operating well outside their comfort zones and at Radius, in addition to our normal activities, we are now helping people into work, into education and helping people access benefits to which they are entitled. As you are about to hear, we can all be justifiably proud of our achievements.

I believe that 2018/19 was a key year in progressing Radius towards the full and effective integration of people, processes and systems. Much was achieved amidst the uncertainty of Brexit, the absence of local government and the rolling out of Universal Credit. In 2019/20, we will complete the outstanding process improvements within Finance and Asset Management while identifying tangible cost reductions and efficiencies across our business.

If you can bear with me, let me summarise how we fared during the year.

1.0 Radius Finances

Starting with finances we achieved an operating surplus of £17.4m, up £1m from the previous year. Our revenues rose to £89m, up from £82m in the previous year. Despite this, our overall surplus was £900k below target due to higher than budgeted levels of repairs.

As we pursue development opportunities over the remainder of the five year Corporate Plan, we require more private finance thus we are now planning to access new and more cost-effective funding sources. On

Monday 24 June, we were visited by the rating agency Moody's and we expect to receive a rating in early summer. This rating will pave the way for a private placement in the autumn. As the prospect of low-cost EU loans fade with Brexit, our scale now opens up new and equally competitive funding sources.

I am pleased to report that Radius remains in excellent financial health. Our loan covenants and key financial ratios have extensive headroom, enabling us to keep investing in our housing stock while pursuing our goal of 2,000 new starts by 2023.

I must commend Alan and the Finance team for all their hard work in keeping financial transactions like supplier payments, pay and financial reporting all moving forward. We know the team still have work to do in achieving fully integrated core processes. However, the fact that we were able to present year-end accounts in June, despite all the preparations for Moody's, demonstrates the resolve of our Finance colleagues.

While mentioning the Finance directorate, I would also like to thank the entire ICT team for their hard work during the year in progressing our new ICT Strategy. They have had a challenging time and have had to move from their top floor suite to smaller offices in Holywood and Lisburn. Simon Reay, who has been leading the team, has returned to Durham though I understand he still does some consultancy. We are currently recruiting for Simon's replacement.

2.0 Development & Assets

During the year, 363 new properties across 19 schemes were completed on site and successfully allocated to tenants. At the same time, 136 new homes were started on sites across Northern Ireland. While completions achieved a record outturn for the year, new starts were lower than expected. Planning delays pushed start dates into 2019/20 while some D&B competitions failed to produce viable schemes. Two projects, Fort Green in Bangor and Earls Court in Dungannon, included 'affordable for sale' properties for the first time and with great success.

We commenced our signature Visteon project on site in West Belfast following a successful appeal of a planning condition. We also progressed major regeneration projects at Hope Street, Belfast and the

former St. Patrick's Barracks in Ballymena. I must commend Anita and her team in managing our largest build programme on site while, at times, dealing with very contentious issues.

It is important we realise the current challenges around obtaining suitable sites for developing social housing. We may typically consider up to 150 site prospects in a year, with only 5% to 8% likely to yield developable projects in areas of need.

We must maximise our influence, both directly and through NIFHA, so that council development plans have a tangible commitment to the development of new social rented homes in addition to other forms of affordable housing.

As you know, I have a particular passion for design quality and well-planned projects and I am pleased at the efforts of our Development team in this regard, particularly their work on a Radius Design Guide and in running several design competitions.

This year we invested close to £18.4m in our existing housing stock, spending £5m of this on planned works. We were especially pleased to complete the refurbishment works of some of our oldest housing stock in Donaghcloney. Tenant safety remains our priority and we carried out £10.8m of repairs tackling dampness in our stock as well as fast-tracking fire protection and safety works. Fire risk assessments were all completed in-year, with critical work being prioritised. We also approved a new Fire Safety and Protection Policy. The Board was pleased to see the servicing team achieve 100% of gas checks on time, aided by our new Compliance Dashboard.

The Assets team has faced some obstacles this year. Performance targets were disappointing in some cases, such as in re-let repairs and customer complaints. I was pleased to see a specially commissioned Rapid Action Team lend a hand in steering the response team back in the right direction. Aisling and her team are focused on making these improvements stick through 2019/20. From this firm bedrock Aisling intends to refine and modernise core processes, starting with the Response Repairs Desk.

We can all recall how a detailed invasive survey of Block B of our Russell Court Development confirmed a number of severe design risks. After

careful consideration and consultation with the NI Fire and Rescue Service, we took the serious decision to vacate the building. This phased vacation was managed with great care and sensitivity and I am pleased to report that almost all residents were housed in their area of preference. Some tenants had been living in Russell Court for over 30 years and make no mistake this was a terribly difficult task to undertake. Our staff came together as one and placed the customer at the centre of the picture. We did not do this alone and we are grateful to the Housing Executive, the Northern Ireland Fire and Rescue Service, Housing Rights and Advice NI who all excelled in their support of our tenants and staff. We expect to be in a position to make a decision on the future of Russell Court before the end of 2019.

3.0 Housing and Community Investment

Our Communities team manages 11,745 houses and apartments. Eileen's team achieved credible arrears and voids performance of 8.8% and 2.4% respectively. Radius' housing KPIs continue to rank highly in the sector. We completed over 10% tenancy fraud visits. Meanwhile, our Floating Support service assisted 600 vulnerable people living within the local community.

We carried out our first Tenant Survey and were encouraged by results, including:

- 84% believed Radius had friendly and approachable staff
- 79% felt Radius treated its tenants fairly
- 82% were pleased with the overall condition of their home
- 73% believed Radius' rent represented value for money

We also launched our Community Investment Strategy. Highlights included:

- Job Assist programmes helping tenants back into training and employment
- Signposting of tenants to advice agencies so that they can access the full range of benefits to which they are entitled
- Parenting classes in collaboration with Sure Start for young families
- Healthy growing and eating projects
- Cross community projects celebrating diversity as well as raising awareness of other cultures

Our new Welfare Advice Officers assisted 160 tenants with benefit and money management matters. We are one of four associations taking part in the Housing Association Integration Project (HAIP) in partnership with NIFHA, the Irish Council of Social Housing and the training provider, TIDES. Ten Radius communities benefitted from this EU Peace IV programme.

Through a partnership with Business in the Community (BITC), 120 tenants completed digital awareness workshops supported by volunteers from Lloyds, Citibank and Barclays which I think is a brilliant example of a private and third sector partnership. As you know, we launched our Community Chest Fund in 2017/18 and last year Radius supported £8,000 worth of community projects put forward by our tenants.

New tenant engagement structures were established last year, and four Area panels were set up to scrutinise and inform on customer service and contractor standards. Our Tenant Executive Committee helped shape the Association's first Tenant Engagement Conference, with 50 tenants in attendance. We also held four regional forums for tenants, with over 500 attendees.

Our first Community Hub was introduced in the Skeoge Road development in Derry/Londonderry for the benefit of over 350 households living in this housing scheme. An incentivised saving scheme was also launched in the area in partnership with the local Credit Union. Meanwhile, we continued to support four Shared Future schemes under the Together Building United Communities (T:BUC) initiative. Each project is making a positive impact on local communities while helping to educate and promote tolerance and respect. We will continue to identify additional Shared Future schemes in the future.

As you can see, we are enabling our communities to become more resilient. However, more than 600 Radius tenants have transitioned to Universal Credit in the last 18 months and their average arrears are 250% of the level of those in arrears on traditional housing benefit. We learned during the year that the ending of bedroom tax mitigation may leave our tenants with a shortfall of £1.5m. For the NI social housing sector, the figure is over £6m. Radius, along with other local associations, is part of the 'Cliff Edge Coalition'. In collaboration with NICVA, NIFHA, Housing Rights, the Law Society and many others, we are informing politicians and decision makers. Eileen Patterson, in her joint roles as Radius'

Director of Communities and Chair of CIH NI, is shaping communications while lobbying key decision makers.

4.0 Care and Support

Our Care and Support team also completed a positive year. As you know we provide a key landlord service to a multitude of partners, each with a critical connection to complex needs groups. They include PRAXIS, Simon Community, Salvation Army, Extern, FHASS, De Paul and MACS plus the Belfast, Southern and Western Health and Social Care trusts. We are supporting vulnerable and marginalised people in Northern Ireland including the homeless, those with poor mental health, people with substance and alcohol dependency and ex-offenders rehabilitating into society.

Our directly managed Housing with Care schemes cater for people with dementia and learning disabilities. We employ around 450 staff in this area of our business. We received positive inspection reports from the RQIA regulator during the year. It is clear our care staff and management go to exceptional lengths to ensure our residents live dignified and fulfilled lives. Independence is not only encouraged, but fully facilitated. The CEO has shared with me some heart-warming complimentary letters from friends and family – evidence that we are making a real difference to people's lives, and indeed a much wider impact. Think of the peace of mind it brings to families and friends when their loved ones are being well cared for and enjoying life to the full.

We manage 1,107 supported units. For those units under our control, we achieved very good performance in the management of voids and arrears at 2.9% and 2.8% respectively. We also successfully extended our catering partnership with Mount Charles to cover all directly managed schemes.

Within our Housing with Care schemes, businesses and volunteers are engaging with scheme staff and providing programmes of entertainment including memory cafes; chair-based exercises; intergenerational events supported by school children; shopping, theatre and concert outings; flower arranging, crafts and artwork; poetry and history events; and tea dances. I must pay tribute to the multitude of partners who volunteer their services, and in many cases their monies to improve our tenants' lives. It is often said that you judge the strength of a society by the way it looks

after its most vulnerable people, especially its young people. I can assure you Radius gives a great service to the communities in which we operate. The Care and Support team were delighted to receive four awards at the Independent Healthcare Providers Awards in the year, with Knockeden Housing with Care winning the overall Care Home of the Year Award.

Our Staying Put service performed well over the 12 months against targets set by the NI Housing Executive. We assisted more than 400 families, completed much-needed adaptations and also received 398 approvals while achieving first time customer visits in 85% of cases. I was so pleased to see Staying Put receive its highest level of referrals in four years. That's really positive news, Richard.

This now brings me to Connect 24 and what an eventful year it has been for the team. We started the year as Fold Telecare and ended as Connect 24 after a very successful relaunch, complete with rebranding in February 2019. We also refurbished and reorganised the offices. This rebrand allows us to reposition ourselves as a digital and telecom provider, reflecting changes in consumer choice.

Connect 24's overall connections held at 21,227. This included 2,900 patients across the Health and Social Care trusts on the Remote Telemonitoring Northern Ireland (RTNI) Service. The RTNI contract will be retendered in 2019/20 for which I know Kevin and his team will be putting their best foot forward to try and retain this vital segment of business. From an operational perspective, 96% of calls were responded to within 60 seconds against the 97.5% target. The team managed to renew their ISO27001 and ISO20000 quality standards. Radius Connect 24 is monitored and annually assessed by the Telecare Service Users Association (TSA) and again we received a positive exit report.

Connect 24 is a close-knit team with many of the staff having worked together for many years. It was with great sadness that our friend and colleague Soobash Chand, known to us all as Sebastian, passed away. Sebastian was a very popular call adviser and our thoughts are with his family and the Connect 24 team.

In summary, Fiona and her management team are setting the highest standards of care and support with care assistants, call advisers, Staying Put officers and partners all delivering on their objectives.

5.0 Human Resources

Radius has over 1,000 staff and our success and achievements are down to their professionalism and dedication, and how they have demonstrated innovation and resilience in the face of change. Sickness and absence levels for the year reduced to 2.4% - a record low level. Staff turnover held at 15.2%. We committed to reviewing staff terms, conditions and remuneration, following merger, to ensure staff were paid fairly and competitively in terms of the sector. This review was completed on time in 2018/19.

Our 'Future is ... Us' programme commenced after merger with the objective of uniting staff and creating a new and shared vision. Key events held during the year included a staff awards night; a Gala Ball for dementia fundraising; a summer BBQ for all staff; a Leadership Conference; and the launch of Radius' Value Awards for staff.

We completed our first Staff Survey since merger, receiving very encouraging feedback. These are results to build upon as we go forward, namely:

- 80% were proud to work for Radius
- 85% felt motivated to do a good job
- 71% felt valued at Radius
- 80% were satisfied with staff engagement at Radius

6.0 Corporate Services

In 2018/19, the Department for Communities published its regulatory judgment for Radius following a review of our 2017/18 Regulatory Return. Radius was confirmed as having met the regulatory standards for governance, finance and consumer with the Department citing our robust approach to assessing and managing risk, with effective governance arrangements in place. Their team said that we managed our resources effectively, ensured viability, and had a comprehensive and strategic approach to achieving value for money. We were also recognised for our work in supporting vibrant communities, encouraging tenant opportunities and promoting well-being. I can't think of a stronger endorsement of all that we are doing.

We were also re-accredited with Customer Service Excellence, ISO9001 and Telecare TSA quality awards. Our Health, Safety, Risk and Insurance Group met regularly and monitored safety across Radius. We recorded one Riddor. Like many businesses we prepared for the new GDPR regulations during 2018/19, training over 1,000 staff in the application of the guidelines.

We remain committed to our CSR strategy having finished our two-year partnership with the NI Hospice. The staff, tenants, residents and friends of Radius raised £56,000 from a large number of activities including marathons, tea parties, sponsored walks and dinners. In 2019 the staff selected our new charity partner, AWARE NI. I want to commend Gillian and her team for their thorough performance.

7.0 The Radius Board

Three board members resigned during the year who each gave very generously of their counsel and time. New members were appointed to the board in September. We are so well served by the strength in knowledge, values and character within the Radius Housing Board and its subsidiary boards. Board recruitment is now continuing as more members complete their terms of office. On top of preparation and attendance at board and committee meetings, board members support many corporate events, scheme openings, training sessions, seminars and conferences. We are very grateful for the dedication and direction given by our voluntary board members.

8.0 The CEO and his PA

On behalf of the Board I would like to say a special thank you to John for his leadership throughout this year of change and for his forward-looking plans to transform the Association. In his role as Company Secretary, he gives the Board a great service and really listens and responds to what we have to say.

Thank you to John and thank you to Eleanor, who also looks after the Board and me. Where would we be without Eleanor's smiling can-do attitude, her efficiency and her patience? Thank you.

9.0 Looking forward to 2019/20

Looking forward, we have plans to grow our business further. We will develop an efficiency plan on the back of process improvements, waste reduction and improved procurement. We intend to start 470 new homes on site, along with 156 completions. Our development plans will be underpinned by progress on the key signature projects at Visteon and Hope Street in Belfast, St. Patrick's in Ballymena and Seán Dolan GAC in Derry/Londonderry.

We are working with partners, in and outside the social housing sector, to illustrate to politicians and decision makers the full impact of welfare reforms on tenants and housing association businesses. Meanwhile, our community investment initiatives will help sustain tenancies while supporting tenants into work and education. We remain committed to creating more shared neighborhoods and communities which celebrate diversity.

This coming year we will invest upwards of £23m in the protection, regeneration and servicing of our housing stock, while enhancing our governance, corporate responsibility and sustainability footprint.

We will continue to invest in and empower our staff so they can fully support our customers. Their hard work, dedication and creativity, under the direction of the Board, will ensure Radius goes from strength to strength and our customers are better able to meet the challenges which lie ahead.

Diana Fitzsimons
Chairperson
Radius Housing Association
2018-19 Year End Report