



Fold Housing Association

40th AGM
Chairperson's Report

29th June 2017

Welcome to Fold's 40th AGM which marks the final business year of the Association prior to its merger with Helm Housing and the formation of Radius Housing Association. The last duty of Fold's shareholders is the approval of accounts and this year-end report. Today is tinged with sadness as we complete these last formalities on behalf of Fold, an organisation that Board members, staff and customers are rightly proud of. However today is equally about celebrating the successful merger with Helm Housing, a process whereby two progressive organisations took the bold decision to come together, to combine their strengths in order to make them better able to deal with challenges and to grasp opportunities. If Radius's first few months appear to have gone well it's because of the planning and organisation that took place in 2016/17, and the cooperation and leadership of both Boards and senior management teams.

Business Context

2016/17 turned out to be a year of significant political uncertainty. Commencing in June we had the unexpected Brexit vote followed by the collapse of the Assembly and the failure of the local parties to form a government and agree a way forward. Brexit threatens to increase the cost of private borrowing, to push up pension costs in the short term, and to limit the availability of construction and care workers who enable us to achieve our goals. The local political vacuum has left us with no development programme and with cuts to capital and revenue funding. We have already seen delays in key decisions, such as the retendering of the Telehealth contract, which are impacting on vulnerable people, our business and our staff. We hope that the recent general election gives our politicians a new impetus to find agreement and to return as quickly as possible to a functioning Assembly.

It is hard to imagine a more dreadful event in recent times than the Grenfell Tower Fire which has had such political and social ramifications. Our thoughts and prayers are with the victims, their families and friends, as well as the community affected by this tragic but possibly avoidable accident. Grenfell serves to remind us all of the massive responsibility we carry, from planning, to financing, to constructing, to maintaining and managing homes for tenants, residents and communities. There can be no compromises in the safety and security of all. It is inevitable that significant changes will come in our sector as a result of the Grenfell fire. An incident of this nature cannot happen again.

Looking to the immediate future and Northern Ireland specifically: welfare reforms, reclassification of our sector; cuts in Supporting People Funding; and cost pressures on new development, present the biggest challenges to our tenants and our business. By combining Fold and Helm under a new "Radius Housing" banner we believe we are best equipped to deal with these challenges.

Sound Financial Management

I am pleased to report that Fold's finances continued to be carefully managed in 2016/17. A growth in turnover of £4m to £49m was coupled with a growth in operating surplus of £2.7m to £10.9m for the year. However, the latest actuarial valuation reports an increased Fold pension liability of £7.1m and as a result Fold's total comprehensive income for the year was actually £338k. The value of our assets in the same period rose 6.6% to £424m. Fold's loan covenants remain well covered whilst our External and Internal Auditors confirm the association to be in good health.

Growth and Innovation

During the year we commenced 141 new homes on site and completed a further 339 new energy efficient homes. We drew down £16.6m of Housing Association Grant. We continued to progress our signature Visteon project and successfully appealed onerous planning conditions which were discouraging interest from partners interested in the employment elements of the project. At the end of March 2017 we had 550 new homes in varying stages of construction across 20 local building sites.

Elsewhere, the Accord Group completed its eighth year of collaborative working. The Accord Group comprising Alpha, Fold, Habinteg and Triangle housing associations jointly procured consultant frameworks, boiler servicing and other goods and services. Development and maintenance staff actively shared knowledge and best practice.

During the year we continued to employ our innovative competitive design and build offering while developing a whole new Joint Venture proposition for developers and landowners. The current political impasse has impacted on development insofar as we still await confirmation of the 2017/18 Social Housing Development Programme. However, we continue to work with partners in the NI Housing Executive's DPG Group and with the Department for Communities (DfC) to meet housing need.

Maintaining our homes to the highest standards

Our Property Services team delivered around £7m of works and services across our 6,763 homes, with response performance above DfC targets in most cases. Fold commenced its most ambitious regeneration project to date with the refurbishment of the former Donacloney general needs properties, inherited through merger with Gosford Housing Association 4 years ago. Over a 2 year period we will invest over £2.5m in the refurbishment and modernisation of these homes.

We completed the installation of solar PV panels on 85 sheltered and supported housing schemes. Tenants and residents will benefit from solar energy savings and income from renewable obligations certificates in the form of reduced energy bills. The PV solar panels will also improve Radius's carbon footprint. A further PV solar panel offering was made available to around 300 general needs homes. The tenants will be able to cut energy and their overall household bills which may help to offset the impact of welfare reforms and the introduction of universal credit later in 2017.

Excellent Housing Management

Welfare reforms have already impacted on revenues, however we still managed to keep rental arrears in general needs and sheltered housing at 4.4%. Occupancy levels remained high with voids remaining at 1.1%. Rental arrears were marginally higher for supported housing at 4.6% whereas voids held at 2.1%. Our staff continue to work with tenants on interventions aimed at preventing the build-up of personal debt and signposting tenants to third sector support services. Our housing management service delivers upper quartile performance in most areas, as evidenced through benchmarking by Housemark.

In recent years we have expanded our housing offering through shared future schemes in Ravenhill and Cookstown under the Together Building United Communities (or TBUC) Programme. We have recruited community support officers who are helping tenants and their families access a whole range of established community support services. We are also working on a Credit Union pilot project to assist tenants to build a credit history and to access affordable borrowing.

We are pleased to see tenants have a genuine say in the way we deliver our services. We applaud the work of our Tenant Panels and the contributions made by our Tenant Representatives

who sat on Fold's Housing Committee. The feedback of all the tenant committee members who attended the 3 Housing Forums was also very positive.

Dementia Friendly Communities

Our Housing-with-Care team continue to provide an excellent level of service as evidenced by consistently high quality RQIA exit reports following announced and unannounced inspections. We receive many compliments from families highlighting the 'extra mile' our staff consistently choose to go for residents.

We are delighted with the response to our Dementia Friendly Communities initiative, a partnership with the Alzheimer's Society and Dementia NI. Our intention is to raise awareness of dementia in all the communities which serve our Housing-with-Care schemes. We started this year with the businesses and restaurants of Holywood which serve Loughview Housing-with-Care and intend to move the initiative on to other towns.

We continue to operate in a very challenging business environment where the HSCB's regional care rate falls well short of the true cost of care for people with dementia and where the NIHE recently cut Supporting People funding despite providers operating with deficits. Against this backdrop we must plan for a living wage for our staff as this goes some way towards recognising the professionalism and dedication of our care staff. The Regional Care Rate and Supporting People funding must increase pro-rata as these vital and high demand services cannot operate indefinitely in deficit.

We were pleased to see our legal challenge on the withdrawal of Special Management Needs Allowance (SNMA) by DfC (formerly DSD) succeed during the year. Fold had fought a long campaign over many years on behalf of the residents of Housing-with-Care and their families. The DfC has agreed to review schemes in receipt of SNMA prior to deciding whether or not to remove funding. We welcome this commitment and the part re-instatement of SNMA funding.

Independent living in the community

The operating environment for Telecare and Telehealth remains challenging despite the excellent customer service and professionalism of staff. Customer connections closed the year at 21,417 marginally down on 2015/16. This included 3,449 patients on various tele-monitoring support packages with the Health and Social Care Trusts. In the six years of the RTNI Telehealth Contract we have delivered 1,196,303 monitored days for people with chronic diseases such as COPD, diabetes and heart disease. Unfortunately in the midst of the political impasse at Stormont we have no clarity on the future of Telehealth and whether the service will be retendered in its current form. In the meantime we continue to engage with the Department and the main parties and to highlight the proven benefits of Telehealth. During the year we expanded our Telehealth customer base, having established a pilot scheme in the Republic of Ireland with the HSE.

The Telecare team provides an invaluable support service for Fold and the social housing sector outside normal working hours, at weekends and during holiday periods. The staff are the first line of support in times of emergency and the vital link to contractors for out of hours emergency repair requests. The Board acknowledges their professionalism and their pivotal role in providing a 24-7 service for the association.

Our Floating Support service goes from strength to strength, enabling nearly 600 people to live independently, to interact and contribute to their community. Elsewhere we continue to provide day-care places at our three centres at Millbrook, Seven Oaks and Manor Court.

Fold's Staying Put service continued to perform well during 2016/17 exceeding most NIHE targets and helping 373 families to complete disabled facility grants (DFG's). At the same time we received a further 541 referrals from NIHE. Our private pay service received 44 enquiries with 18 projects proceeding to contract. Overall, some 79% of major cases were completed within 12 months. As with other vital support services for vulnerable people funded through Supporting People, the Staying Put service has seen its income cut by 5% for 2017/18.

The Employer of Choice

Fold employed 818 staff across 110 locations in Northern Ireland. During the year our HR team delivered an extensive training and development programme, a large proportion by way of e-learning. Staff absence finished the year at 3.6% whilst turnover reduced to 15%. We see the engagement and empowerment of staff as critical enablers to the success of Radius, with the HR team tasked to progress a number of integration initiatives in 2017/18 under our 'Future is Us' programme.

The Health and Safety Committee is focussed on measures aimed at making our homes and office accommodation safe for all. We recorded 6 Riddor incidents during the year and will endeavour to work towards an accident free working and living environment in 2017/18.

We were re-accredited under Customer Service Excellence (CSE), with the assessor again highlighting best practice in customer care consistently across the various business streams. This was followed up by further re-accreditations under ISO9001, ISO20000 and ISO 27001. We also retained our TSA Code of Practice for our Telecare and Telehealth services. On the complaints front we received 101 complaints over the 12 months across a 28,000 customer base. This compares with 82 complaints in the previous 12 month period.

We rolled out a diverse marketing strategy across a number of communication channels. We have observed a marked rise in hits to our website as well as social media activity in and around our homes, communities and services. Fold's 40th Year Celebrations proved to be our largest marketing initiative in recent years. We had separate themed events across general needs, sheltered and supported housing including coffee mornings, tea dances and dinners involving tenants, residents, families, friends and local businesses. We were delighted from the support of local elected representatives who attended, ranging from Councillors to the First Minister. The 40th celebrations culminated in a special dinner at Cultra Manor in May 2016 at which tenants, residents, staff and Board members were joined by business partners. Our final Fold marketing event was a combined staff, tenant, resident and Board member conference at the La Mon Hotel in Ballygowan at the end of February at which time we marked the next chapter for Fold in its progression into Radius Housing. Amazingly over the last two years and through the 40th celebrations we managed to raise £70,000 for our corporate charity partner the NI Alzheimer's Society.

Fold Ireland

We are indebted to the directors, managers and Board members who support Fold Ireland under a service level agreement. Fold Ireland is a standalone independent approved housing body with no financial ties to Fold NI. We have plans in 2017/18 to establish an autonomous financial function in Dublin as well as standalone core IT systems.

Fold Board

This year we bid farewell to Alice Quinn, David Crothers and Norma Evans who resigned from the Board having completed their membership terms. In normal circumstances losing one such member would be a challenge given their experience, ability and passion for all that is Fold. You can therefore imagine the challenge of losing three such Board members in the one go. Their contribution as Fold Board members stretches back 10 years and their legacies relate to excellent governance, sound decision making, sector leading performance and the highest recorded customer and staff satisfaction levels. Thank you to Alice, David and Norma.

Most recently we received the very sad news that my predecessor Billy Cameron had passed away after a short illness. Billy had served the housing sector for over 50 years reaching Acting CEO for the Housing Executive before joining Fold in 1998. In his time with the association it grew its turnover from £10m to £40m and its asset base from £90m to £0.5bn. Billy would be the first to say it was the work of others but the truth is, he had a key part to play. As you may know Billy was pleased to endorse the Fold-Helm merger believing it to be the next logical step for both leading associations. Our thoughts are with Jean his wife and her family. I was pleased that Billy and Jean responded positively to our proposal to rename Fold House as Cameron House - something which we will do later in the year when the time is right.

Summary

In summary Fold's last year ended with the association achieving very good results and a strong financial performance. I know the Board would wish me to place on record our thanks to the Chief Executive, the senior management team, and all our staff for their hard work. Thanks again to the Fold Board members for their support during the year, especially all the extra meetings relating to merger. You made an invaluable contribution to Fold, to the merger process and to the wider social housing sector.

Concluding Remarks

Finally I would like to say something about the successful merger between Helm and Fold. From our Board meeting today and in terms of the soundings we have taken since April, it is clear that Board members, managers and staff have managed to achieve a successful merger. That's not to say there have not been challenges along the way or that obstacles will not still need to be overcome. Indeed when we approved the Detailed Business Case back in October we anticipated challenges but the hard work, creativity and tenacity of all involved have meant that disruptions to tenants and to all customers have been kept at a minimum. Meanwhile enhancements to processes, core systems and working practices have already been achieved and in a relatively short timeframe. The challenge is to maintain this momentum and to achieve full and meaningful integration before the end of 2017/18.

I want to pay tribute to the senior management team who have put in exceptional hours and effort to take us thus far. I want to thank John McPeake who will soon leave us to no doubt take on another challenge but who has provided excellent leadership and cooperation on the Helm staff side throughout the due diligence and merger integration. I also want to thank Patrick Morgan who stayed on to see Helm's finances safely over the line. In particular I want to pay tribute to my counterpart Liz Cuddy, Helm's former Chair. Sometimes mergers fail because associations are said not be culturally aligned – that's usually code for 'the Chairs don't get on'. I can say from day one that Liz and I were of like mind and most certainly did get on.

Equally so from the first workshop held around the ill-fated Brexit vote date of the 20th June last year we both remarked how Helm and Fold Board Members were on the same wavelength from the outset and both committed to achieving a merger of equals. I know Liz would want me to thank all our Board members, those who transferred to Radius and also those who thought the time was right to step down, for all their efforts in seeing the merger safely over the line. That

brings me to the shareholders, especially those in addition to the present members of the Radius Board. We cannot thank you enough for making yourself available to vote on resolutions and for believing in us and our vision for Radius Housing. Radius is very fortunate to have such well informed and good intentioned experts protecting the interests of tenants and service users now and into the future.

Thankyou

Diana Fitzsimons
Chairperson
Radius Housing Association