**Radius Housing Association Limited**

**4th AGM Address by the Chairman**

**for the year ended 31 March 2021**

Special Guests, shareholders, colleagues, ladies and gentlemen, you are all very welcome to Radius’s 4th AGM, held in virtual format for your safety and convenience.

I am delighted to be speaking to you today as the new Chairman of Radius, having succeeded Diana Fitzsimons earlier this year. I look forward to paying tribute to Diana later in my address. However suffice to say that I am honoured to be chairing Radius and to be joining you all today in this most important of events, within the Radius calendar. When we not only get the chance to restate our mission, vision and values but to reflect on the last 12 months and to look forward to the new business year and beyond.

Radius’s purpose is to make a positive difference by providing housing, care and support, tackling homelessness and building neighbourhoods. All while empowering and enabling communities. We have a vision to become the most effective and efficient provider of housing, care and support, delivering high-quality services beyond the expectations of all our customers, through engaged and empowered staff.And to this end, we have four strategic priorities:

* Putting the Customer First
* Building more new homes amidst thriving communities
* Being efficient and well led,
* While being stronger together

Ladies and gentlemen, Covid originally presented in N.Ireland in March 2019 and went on to disrupt the lives of our tenants, residents and service users, indeed all of us, in a way none of us could have imagined. It necessitated a fundamental change in the way we delivered our core services. Very sadly we lost dear friends, tenants and residents to the virus and our thoughts are with their families and friends at this time. Some contracted the virus. Others experienced life-changing isolation, financial hardship and anxiety. However I am glad to say that in spite of a series of lock-downs and restrictions, a sense of community and togetherness prevailed. Our staff and business partners showed great resilience, flexibility and creativity in maintaining essential services and most importantly ensuring safety remained a priority. Our business continuity plans performed well throughout the pandemic and those extra and special governance measures we put in place, ensured we struck the right balance between agile responsiveness to our customers and effective risk management. In many ways we performed very well in areas such as repairs, compliance and inspection. However, in some areas such as allocations, development new-starts, completions and agency spend, performance was unavoidably below target. And as restrictions have lifted and we moved into the new business year, so we have brought renewed focus to restoring performance to pre-Covid levels and beyond. All whilst transforming our business.

In the early days of the pandemic 350 office staff relocated to home working, in less than a week. Years of investment in our IT infrastructure meant that teams were well placed to access core operating systems securely from their homes. This while remaining in contact with customers via a choice of communication channels. Our Connect24 service proved invaluable and provided a critical peace of mind for many. Radius launched its new digital Customer Service Centre which it is intended will deal with up to 80% of enquiries at the first point of contact. At the same time, we maintained all aspects of repairs, compliance and inspection checks in all but the severest phases of the pandemic. We put in place extra support measures specifically aimed at supporting our most vulnerable and isolated tenants. The lock-down presented a new challenge for Radius, a real test of our values and the people aspects of our business. A mid-year survey of those working from home gave a strong indicator that we were getting most things right:

* 91% of staff were in contact with their line manager at least once a week
* 94% were clear about their job requirements in a home setting
* 84% felt they had enough flexibility to balance work and home demands

If there was a shining example of ‘putting the customer first’ it had to be our Housing-with-Care Team, looking after our most vulnerable residents in a 24hr setting. Their compassion and professionalism shone through. We had reports of staff sleeping over, willing to give up family time and protect Radius residents. And on the exceptions the virus did penetrate the protective ring, truly uplifting accounts of how older people in their 90’s battled and overcame Covid in the care of our team. Throughout the year we were all struck by the generosity and dedication of community support groups, family, friends and local businesses who ‘went the extra mile,’ all the time respecting safety and security within our housing settings.

Despite the effects of the pandemic, we remain on track to grow our asset base to over £1billion, our revenues to over £115m and our operating surplus to £23m by the end of our corporate planning cycle in March 2025. Radius returned a very creditable asset growth of £67m to £914m while Operating Surplus at close to 20%, was on target and sits in line with our peers. Especially when one considers our significant care and support business whose margins are always much lower than in sheltered and general needs housing. However supported housing is part of our DNA and we remain committed to supporting the homeless, older people with dementia and those services supporting the marginalised and most vulnerable in our society. In many of these settings we have valued partners like Simon, De Paul, Praxis and Extern, to name but a few.

We were absolutely delighted this year to have retained our Moody’s A1-Stable credit rating. This despite Covid, Brexit and a challenging operating environment. I can confirm that all lending covenants and conditions continued to be met and in many cases significantly exceeded throughout the year.

Our new-start homes target for the corporate plan will be closer to 1,500, somewhat reduced by the effects of the pandemic and a more buoyant private housing market. In 2020 building sites were temporarily closed and supply chains disrupted giving rise to a lower level of completions than had been originally forecast for the year. We still managed to achieve a very creditable 112 completions and 279 new starts on site. This included 119 homes at Sean Dolan in Derry/Londonderry, a housing-led mixed-use scheme with leisure and community facilities. Radius isnow working on 712 new homes on 16 sites across N.Ireland with plans for 430 further new starts by March’22. We also expect to complete 375 new and additional homes by the end of the next financial year with our signature Black’s Gate project scheduled for its first handovers in August.

While our Operating Surplus came in on target, we did have to make a provision for £5.6m for impairments arising out of the Russell Court Site. An appraisal of this site in the year confirmed disposal as the preferred option. Although this decision will impact on the tenants living within Block A of the scheme, we will do all we practically can to relocate them to their area of choice and to more modern and sustainable homes. This over the next 18 months. Taking this decision now reaffirms our commitment to more family-friendly sustainable living while protecting future cashflow and optimising our return on investment. We are hopeful that the site will be designated for a major ‘City Deal’ investment and will go on to generate significant employment and societal benefits in the medium term.

In the interests of community sustainability, we remain committed to building shared future and mixed tenure developments where it is viable to do so. We will invest close to £25m in 2021/22 in our existing housing stock on cyclical and planned works, fire safety measures and in reducing our carbon emissions. This year we retendered our repairs service for all our stock – this represents upwards of £100m of investment over the length of the new contracts. It was great to see our tenants actively involved in several stages of this most critical procurement process. Their insight and ideas will doubtless enhance the customer experience and value for all.

As I have mentioned many of our tenants are facing increased financial hardship and the threat of homelessness at this time. We will continue to educate decision makers and politicians on ways of easing hardship and supporting tenants through improved wellbeing, a return to education and increased employment opportunities. The Assembly’s so-called ‘Bedroom Tax’ mitigation payments remain a critical intervention in the drive for wider tenancy sustainability. We were especially pleased this year to see our Benefits Advice Officers assist 650 clients access more than £1.6m of entitled benefits. A range of community investment activities are helping our tenants, protecting our business and enabling us to grow and expand our offering amidst the challenges of Covid, Brexit and welfare reforms. Radius’s very own Community Chest Grant Scheme funded 66 projects to the tune of £35,000 which coincidentally is the amount of money raised by tenants, residents and staff for our mental health Charity Partner – Aware NI.

One of our objectives last year was to maintain core services throughout the pandemic. This followed by raising performance standards where we could and transforming how we fundamentally delivered our services. As restrictions eased towards the end of the business year our staff focused on reinstating normal levels of service and recovering pre-Covid performance levels. For many months associations were unable to allocate homes causing our void levels to almost double. Planned and cyclical works had to be deferred to the final business quarter or in some cases into the new 2021/22 business year. We completed a dampness survey of all our properties and identified and prioritised those homes with rising and penetrative damp. Two remediation pilots in 2020 covering 30 properties will help inform our 4-year action plan for eliminating dampness across our stock. At the same time the pandemic accelerated many aspects of positive change, encouraging more flexibility and further connectivity across our business. Collaboration with communities and support groups flourished during this period. Staff worked with increased agility and were able to introduce more efficient and effective systems and processes. This included our new Customer Service Centre.

Our tenant survey by Perceptive Insight at the end of the year showed increased satisfaction in almost all areas. Some particularly important measures I note are:

* 85% stated that they trusted Radius Housing Association
* 90% believe Radius has friendly and approachable staff
* 84% felt their rent represented value for money
* 85% were satisfied with their neighbourhood as a place to live

We welcomed the return of our local NI Assembly and the decisive actions on reclassifying local housing associations as autonomous and independent bodies. This together with the continuation of mitigation payments for those tenants affected by the so called ‘bedroom tax’. We await confirmation of changes to the Housing Selection Scheme but fully support a revised approach to how cases of intimidation are prioritised. Our tenancy survey reveals that 52% of tenants are keeping up with their finances, 34% told us they struggled from time-to-time and 8% were in a constant struggle but just able to keep their head above water. In this year and the forthcoming year, we have been reviewing rents and service charges to ensure fairness and consistency. Similarly, service charges will be reviewed in time for next April. In light of economic challenges facing our tenants we took the opportunity to trial a new Tenant Hardship Fund which we will reflect on towards the end of 2021.

We are monitoring the impact of Brexit and the introduction of the NI Protocol on our tenants and our business. Unfortunately, we are seeing price increases across building materials and construction labor rates. And while it remains difficult to differentiate between the joint effects of Covid and Brexit it would appear that higher prices may be here for some time to come. We will continue to monitor for wage inflation and higher interest rates in the year ahead and will factor such effects when we come to perform our 2021 stress tests on our financial performance. It’s therefore all the more important that our community investment team continue to focus on educational, employment and wellbeing activities, building resilience across our communities and neighbourhoods. Their innovative and inclusive approach is sustaining tenancies and giving tenants a greater say in how we can best deliver our services. Together with a proactive and supportive approach to housing management we will be better placed to face the challenges which lie ahead.

In 2020/21 Radius engaged with tenants, staff and business partners on how our association could best contribute to society and protect the environment. For many years we have been building eco-friendly homes, reducing emissions from existing homes and positively impacting on the communities we serve. Together we prioritised a series of sustainability initiatives, the highlights of which include: the development of our first new build apartment scheme to NZEB design standards; retrofitting of an existing housing development; and committing to desig at least 50% of all new projects to EPC Level A. A detailed 5-year strategy will emerge in 2021.

Needless to say, our success and achievements are mainly down to the professionalism and dedication of our staff who have a high regard for customer safety, service and comfort. Throughout the last 12 months they have shown even greater levels of flexibility, dedication and agility than would normally be the case. In the latter part of the year, following our decision on Russell Court we reviewed a host of office options for Radius given our need to vacate the Belfast site in late 2022. Aided by Colliers, we found that our Holywood site by far presented the best combination of value, location and staff working and leisure facilities. We have therefore decided to modify the site, in a modest manner to serve as our new head office. The reworked facility will support blended working and incorporate sustainability features consistent with our vision.

The HR and Corporate Services team took the opportunity to revamp Radius’s intranet site ‘Our Place’ as well as the Radius website. These provided a conduit for guidance on home-working, mental wellbeing support and a constant flow of ‘boredom busters’ throughout the year. We launched our Mental Health Strategy to support staff in these unprecedented times. During the first lock-down in 2020/21 Radius placed a small cohort of staff on furlough. However, as we were permitted to reintroduce core services, so all staff were returned to normal duty levels albeit from a home setting.

As stated earlier Radius has been progressing a number of change projects aimed at modernising how and where we deliver customer services. The projects combine ‘root and branch’ process reviews with the latest technologies. In 2020/21 we launched our new Customer Service Centre. Plans are also underway to modernise our CRM system and to integrate our data systems. These will be accessible by staff from the office, a home setting or in the community. A further project is helping to develop and embed agile working, drawing on modern and SMARTER working practices. As Radius consolidates its two main office site to one on the Holywood site, we will reduce our overall office footprint and overheads. Our office staff have expressed their preference for a blended working arrangement which would see them work 2 days from the office and 3 days from home or vice versa. As our staff return to the offices under some degree of social distancing, we will evolve to new working arrangements which increase productivity and help achieve a better work-life balance.

In 2020/21 the Department for Communities published their regulatory judgement for Radius following the 2019/20 Regulatory Return. We are pleased to confirm that Radius was adjudged as continuing to meet the regulatory standards for governance, finance and consumer. Radius received 172 complaints across its customer base of around 33,000 direct service users, down from 216 in the previous year. Of these 41% were upheld and 92% were responded to within our targeted response time. We reflect on the learnings from complaints and these help improve our business by shaping our policies, procedures and staff training programmes.

Radius’s Health, Safety, Risk and Insurance Group continued to closely monitor safety across the association. Meanwhile we continue to roll out mandatory health and safety courses. In 2020/21 we recorded zero incidents under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations. IT system security and penetration tests were carried out during the year with findings being reported to the Board. The security checks considered home-working arrangements under Covid. Security and controls continue to be upgraded in line with an ever-changing fraud and cyber-crime environment.

In 2020/21 Diana Fitzsimons retired from the Board. Diana had been appointed as Radius’s first Chairperson having previously held the post with Fold Housing Association from 2015. We deeply valued her leadership and her contributions to the wider NI Social Housing Sector. She was and is a hard act to follow. Des Neill retired from the Board after many years of service to the Development and Communities Committees. John Leckey also resigned having served on the Care and Support and Audit Committees. We were delighted to welcome two new members, Robert Dunne and John Taggart onto the Board in September 2020. A further board recruitment process has just concluded, and I am delighted to see David Quinn and Stephen Dolan emerge to be voted onto the Board at today’s meeting. I have no doubt they will make excellent board members and wish them every success in their roles. During the year, Eileen Patterson, the Director of Communities retired after 16 years of service to Radius and Fold Housing Associations. She was succeeded by Loma Wilson who joined Radius from the NI Housing Executive. Loma has evidently settled in very well and already is providing great leadership to the Communities team.

In 2020/21 the Board moved quickly to establish virtual governance operating arrangements in response to the pandemic and restrictions. A special Covid Dashboard was developed to track the impact of the pandemic on customer, staff, finance and operational performance levels. And a Covid Risk Register was introduced and updated each month. Board and Committee meetings moved swiftly to a virtual format and members took the opportunity to avail of extensive training and awareness sessions and seminars, including workshops on: stress testing of the business plan and budget; development options for the Russell Court site; our new procurement strategy and policy; tenancy sustainability and Radius’s new Asset Management Strategy. The Board also reviewed Radius’s risk tolerance and appetite. We are now reviewing Radius’s Code of Governance and delegated powers against the recommendations of the latest NatFed Code of Governance 2020. And will hold our annual Strategy Workshop in November.

Ladies and gentlemen, it has been an exceptionally busy year for the association. Working with all our customers and partners we have managed to maintain services at levels very close to target in almost all areas. This while implementing change and enhancements and prioritising safety at all times. I know the Board would want to put on record our thanks to the Chief Executive, SMT, management and our extremely dedicated staff. Similarly I must thank the Board who were always there to support the staff and the organisation. And of course our service delivery partners, our regulators and our funders, without whose help we would have been much less effective. The last word I save for our esteemed customers, that’s our tenants, residents and all service users – thank you for your patience and understanding and for putting your trust in us. We do not take this for granted.

Thank you