



Radius Housing Association

AGM

Chairperson's Report

30th June 2020

Radius Housing Annual General Report 30th June 2020

It is my pleasure to welcome everyone to Radius's 3rd Annual General meeting.

Although it is not possible to bring us all safely together amid the corona virus pandemic to celebrate this notable year for the association, we are proceeding with today's AGM according to schedule. Indeed, delivering this virtual AGM is a historic first for Radius and something I am particularly pleased about because we are presenting our year-end report in the presence of business partners, shareholders and staff. That shows our resilience and our commitment to delivering against targets, whatever the challenges. The events of recent times are evidence of the state of flux in which we all live and the need for people and businesses to be able to adapt, recognise and mitigate against risk and to be agile - two particular matters that I want to focus on.

The corona virus pandemic struck the UK in earnest in mid-March. Officially we have lost over 43,000 people in the UK, some 800 of which deaths relate to N Ireland. Unfortunately, we expect these figures to rise as the true extent of the pandemic is known. Radius tragically lost 11 of our finest tenants, residents and service users. Our thoughts are with their families, friends and the Radius staff who came to know and serve them. I think it would be fitting to pause briefly to remember them now.

I will talk later of the corona virus and how we have managed throughout the pandemic. First on another matter, we were all shocked by the recent appalling death of George Floyd in Minneapolis. The protests which started as a local condemnation of racism have spread across the globe. Thousands of people of all generations and ethnicity are demanding change, equality and an end to prejudice. The question is whether individually and collectively we can do more to address the imbalances in our own society. As a housing provider serving all citizens, we must ensure equality prevails in all that we do. Diversity should not only be tolerated but celebrated. Events such as our very successful Cultural Parade at Ormeau Park, Belfast last August will doubtless spur us on towards new inclusive goals in the years ahead.

We were delighted to see the Northern Ireland Assembly return this year and begin to address a backlog of local issues. We welcomed the extension of bedroom tax mitigation and the move to close the house sales scheme. We were also pleased to see a real commitment by government to address years of underspend in water infrastructure, which has been impacting our development programme. These commitments will help sustain tenancies, reduce waiting lists and enable us to borrow more private finance for new social housing for years to come. If we cast our minds back 3 months ago, macro issues such as Brexit and the Climate Emergency were dominating agendas. In early 2020 we took the opportunity to align our own 5yr corporate plan with these and other global issues. It's so important that our public representatives are back and in a position to shape policies and

agreements which will certainly impact on all our communities, not to mention future generations of tenants.

Ladies and Gentlemen as Chair of Radius, I am keen to highlight our achievements in the last 12 months; my main concern and focus is for shareholders, staff and business partners to see the value of belonging to and partnering with this organisation. So let's take a quick look back at what has been achieved over the last year.

Our Board in consultation with its stakeholders set itself 4 key priorities during the current corporate planning cycle:

- To positively impact on our customers lives and deliver high quality standards
- To build more new homes and support our communities
- To be financially resilient and carefully manage our risks
- To settle down our organisation and empower our people

Undoubtedly, our customers are at the heart of what we do and their safety, security and comfort is a priority. Through effective housing management we allocate our properties promptly and fairly. We proactively aim to ward off rent arrears and to provide an assets wrap-around service for day to day repairs and longer term investment needs. Value for money is key. Across our stakeholder base that means: positive customer engagement; community safety and regulatory compliance; high performance; social value; efficiencies and innovation.

Our performance and satisfaction levels are periodically inspected and measured by third parties and regulators. So we were pleased to see Radius receive a clean bill of health from the Department for Communities, through its annual assessment of our governance, finance, development and customer functions. At the same time we received excellent reports from the RQIA in relation to our Housing-with-Care schemes. These when added to very positive assessments under Customer Service Excellence, ISO, Spot Check NI and the TSA, give the Board added comfort that what we were able to see is indicative of our full service offering across the wider organisation.

But perhaps the most notable assurance achievement in the past year was the A1 Stable rating by Moody's. This is the highest rating they have given to a UK based housing association this year. While we are extremely proud of this achievement, in what was our 3rd year after merger, this should be seen as an endorsement of our total sector as well as our supportive NI regulatory environment. It turned out we would see the true value of this rating when we travelled to London and America in search of private investment monies.

We achieved a number of notable milestones during the year. We developed a singular Radius rental policy; we strengthened our tenant engagement framework; and, with our colleagues in the housing movement, we helped to achieve an extended delay to bedroom tax. This fended off extreme financial hardship for many. Our Community Investment team

continued to expand their reach. Our benefits advisers helped tenants claim £2m of entitlements and we continued to expand our number of shared housing schemes. These schemes not only tackle orange and green issues but ethnicity and all aspects of diversity. We were absolutely delighted with our latest customer survey which covers Housing with Care and our Staying Put service for people seeking adaptations:

- 91% were satisfied or very satisfied with our customer service
- 94% felt our staff always treated them with respect.

Which brings me to the final business quarter when corona virus first presented. I know this has been a very difficult time for all our customers and I want to pay tribute to them. It's clear that many sacrifices have been made to prevent the spread of infection. I also want to pay tribute to the multitude of community groups, businesses and volunteers who supported our tenants with grocery and medicine deliveries. The Board through its weekly report was kept informed of the many acts of kindness. On behalf of our tenants a big thank you to all those good Samaritans who came forward. We were also conscious that tenants would feel lonely through lock-down particularly those self-isolating. For this reason, staff took on new and added duties ringing our most vulnerable tenants and in some cases distributing food parcels funded through Radius's Community Chest grant system.

I noted the extensive and innovative use of Zoom throughout Radius during lockdown. Who would have thought our tenants up and down the country would be engaged in virtual coffee pot meetings and our care residents would be communicating virtually with their friends and family.

The pandemic tested Radius, our values and our resilience. I believe our staff showed terrific resolve, professionalism and flexibility throughout. I know the Board would want me to express our gratitude for all their hard work. Obviously we have some way to go before we get back to anything resembling normality. However thus far we have managed to navigate and balance public health safety guidelines, customer and staff needs and commercial priorities.

We are committed to developing well planned, quality designed housing schemes through close collaboration with the communities we serve. Where possible we push for mixed and shared tenures. More and more, we are working the concepts of sustainability and life-time costing into our design briefs for architects. Our developing aspirations were regrettably curtailed this year through the impact of the pandemic plus delays in decision making around planning, site valuations and water network capacity. Despite these challenges we commenced 157 new homes on 6 sites while taking handover of a further 81. We are pleased at the progress on our Visteon project in Belfast, albeit work on it and all sites was temporarily halted during the initial lock-down period. It remains to be seen how new social distancing guidelines will impact on costs but we enter the new business year with fresh ambitions to develop over 450 social rented and affordable homes. We were buoyed by our

private placement of £105m from US and UK investors, the first of its kind by a social enterprise on the island of Ireland. This together with housing association grant monies will enable us to deliver 2,000 more new homes, much needed community infrastructure plus construction jobs in the years ahead.

Over the last year we saw our organisation settle down as new systems embed and staff productivity increased. Some areas such as in asset management have taken longer than expected due to complexity and differences in legacy core operations. However we welcomed an increase in performance across practically all KPI's. Finance reporting was even more assured. Meanwhile our staff were able to progress transformational projects relating to private finance, a new customer call centre and SMARTER working. The Board was particularly keen to review our approach to risk management and under the leadership of Martin Pitt, our Finance Chair, we did so. I believe we now have a risk management framework in keeping with the complexity of our business and appropriate for our current 'flux environment'. Via a series of zoom meetings we have just closed off a very useful debate on board member risk appetite and tolerance. In recent months we benefitted from extra oversight throughout Covid-19 in the form of a Covid-19 Risk Register, a Covid-19 Scorecard and a weekly progress report, detailing both good and bad stories.

In terms of finances, Radius is now a significant SME of £88m turnover. Our operating margin moved very positively from 19% to 21.75%, as we confirmed £424k of efficiencies during the year, while still investing £23m in our existing housing stock. I am pleased to report that all loan covenants and ratios are well within their agreed limits. Furthermore the initial stress-testing of our 2020/21 Business Plan, in the midst of the pandemic, confirmed high levels of resilience across our core activities.

Amazingly I find our staff keep discovering new ways to make us all extremely proud. If it's not our shared future champions standing up for and supporting vulnerable people; our care staff sleeping over to minimise the risk of passing on Covid-19; or 350 staff successfully relocating to home working in little over 5 days; or the HR and floating support staff making wellbeing calls to older lonely tenants. I could go on. We clearly have an effective recruitment, training and empowerment programme drawing out the very best of our people.

In a similar vein I want to highlight the sterling work of our Board. Remember these are volunteers, generously sharing their skills and expertise. Day after day they guide, support but ultimately challenge the senior team. Throughout the pandemic they have been even more available under our new and added Covid-19 governance arrangements.

In the past year we tragically lost our friend and fellow member Gerry Hughes. Gerry had only been with us a matter of months and I know he enjoyed it and would have made a very valued member. Our thoughts are with his family. Sadly Hilary Kinney and Peter Ewing resigned due to work commitments after each making major contributions at merger time

and beyond. However on a very positive note we were delighted to welcome Helen Walker, Martin Pitt and Peter McGuinness onto the Board. Throughout the year we benefitted from training and awareness events covering core activities such as finance, asset management and risk plus complex business areas such as legal and tax subsidiary matters and rent setting. I am grateful to all the Board for their availability and their enthusiastic participation. We regularly review our skills and are currently amidst a virtual recruitment exercise for two new Board members. My thanks to Des Neil and Peter Gibson for agreeing to extend their terms while we find suitable replacements.

An organisation such as Radius needs firm leadership and evidently throughout the highs and challenges of the year, our senior team members have been stellar.

I do want to pay tribute to one director in particular for whom this is her 15th and last AGM. Eileen has informed us of her intention to step down later in the year and I wanted to pay tribute to her for the excellent 15 years of service she has given Fold and then Radius. Eileen, with her 38 years of social housing experience has been a font of housing knowledge, always able to give us the latest and most up to date perspective on policy and procedure. She is also a tough but fair manager setting the pace from the front and respected by all. I am conscious of a cohort of Board members and committee chairs stretching back over the years who have benefitted from her counsel, not to mention the 1000's of tenants whose welfare she has consistently looked after and defended. Eileen I know we are some months off your departure from Radius but it's fitting that we recognise your contribution and hard work here and now. Yours will be hard shoes to fill, but I know you are pleased that the Board has already commenced a recruitment process for this very important role within the organisation.

Finally I want to thank all our shareholders, staff and business partners for their endeavours over the last year. We are responsible for nearly 33,000 households and the communities in which they live. Together we have demonstrated great stewardship, especially in the face of the Covid 19 pandemic and I have no doubt we will continue to serve all our customers as best we can into the future.

Thank you

Diana Fitzsimons

Chairperson

Radius Housing Association

