



Radius Housing Association

1st AGM
Chairperson's Report

26th September 2018

Introduction

Welcome to our 1st AGM, marking the completion of the first business year for Radius Housing Association. On behalf of the Radius Board may I extend a warm welcome to all our business partners here today as well as to our management team. You have all played a vital role in this inaugural year.

As we set Radius on its way and agreed our first 5 year Corporate Strategy we recognised that bringing two substantial SMEs together required careful planning beforehand and thereafter robust project management to ensure that we delivered a successful and effective merger.

We determined that in Radius' first two years we would integrate the legacy associations and create a firm foundation for realising our vision for the new business. Our first year included relocating staff across the new business to achieve meaningful integration. We modernised and upgraded our core IT systems and introduced new operational processes throughout Radius. In doing so we not only considered the best of Helm and Fold practices but we tried to identify best practice locally and across the UK. As we progress now through year 2, so our focus has moved to embedding what we created in year 1, making sure our staff have the necessary skills, knowledge and leadership to use the systems and processes created in year 1.

As would be expected with such a significant merger we have had our challenges and not everything has gone according to plan. Indeed in this our first year we had more than our fair share of unplanned events, which thankfully the Board and the management team were more than able for. Challenges build character and I believe as we look back at 2017/18, our first year, we can see the vision, the values and the purpose of Radius firmly taking shape.

Business Context

Politically we are in very uncertain times. The legislative and policy vacuum created by our local assembly's failure to reach agreement has now reached a record length of time. The events of the last week strongly point towards a hard Brexit and while politicians and the media have been living on a diet of Brexit-mania, key issues such as the impact of universal credit; the crisis in the health service; increased financial hardship and homelessness have not received the coverage they deserve.

The absence of a local government is impacting on our sector. By way of example we are the only UK region not to have the ONS's reclassification reversed and we are now told that this will lead to a removal of funding for affordable housing.

Today we heard from Adrian Doran, local CEO with our banking partner Barclays, about the possible impact of Brexit on Northern Ireland and the local social housing sector. The Board also heard of our own Brexit plan, developed to help us cope with the challenges and uncertainty that lie ahead. We are grateful for the professionalism and dedication of all our staff and want to ensure those valued EU citizens who are part of the Radius team feel safe and secure and able to play their part in Radius's future.

I am pleased we are joined here today by our partners from the Department for Communities and our local federation NIFHA. Through working together we will have the best chance to support our tenants, residents and all vulnerable people in these difficult times.

Sound Financial Management

One of our key achievements in the year was the development of a financial system for Radius. Our turnover for the 12 months rose by just over £4m to £82.2m and our operating surplus for the

year stood at £16.4m. We reviewed our housing stock for impairments in the first year after merger and identified £1.9m of exceptional costs within the accounts. The value of our assets in the same period rose by £16m to £833m. We complied with all our loan covenants whilst our External and Internal Auditors recently confirmed that Radius is in good health.

During the year we were delighted to agree a Revolving Credit Facility with Barclays with the potential for up to £50m of private monies. An unfortunate consequence of the Brexit stalemate is the withdrawal of EIB finance for N Ireland's social housing development programme. EIB offered long term repayment combined with a low cost of finance through a traditional form of lending. In its absence we plan to seek a credit rating in early 2019 and to access the debt markets later that year. Radius has ambitious growth plans which can only be realised through careful treasury planning.

On this point I would like to commend Eddie McGowan and Peter Ewing, Chair of the Finance Committee, for their hard work during the year. We managed to develop an insightful forward looking treasury report and a robust treasury policy to support it. Our financial advisers JCRA have provided a valuable sounding board as we prepare to engage with the London placements market.

Value for money really matters to our customers and regulators. We were pleased to link up with fellow associations this year and to develop a framework for consistently measuring value both in terms of efficiencies and added benefits and support for all our service users. We look forward to launching this new VFM framework at NIFHA's conference in October.

Growth and Innovation

During the year we commenced no less than 491 new homes, comprising 432 social rented units and 59 private and affordable ones. We drew down over £20m of Housing Association Grant. By the end of March 2018 we had 705 homes at varying stages of construction across 13 sites. We were especially pleased to secure planning permission for our signature Visteon project in West Belfast and appointed the building contractor for the remediation, site infrastructure and house building. Visteon will provide 244 well designed social, private and affordable homes plus community facilities, green open spaces and up to 60,000sq ft. of employment space.

Earlier in the year, two competitions were run for the development of mixed-use and mixed-tenure sites within Hope Street, Belfast and the former St Patrick's Barracks site, Ballymena. Radius was awarded both projects which together have the potential of yielding close to 450 new homes. This year we will finish our Rathgill project in Bangor which will have provided over 200 social and private homes and also our developments in Ballymena, Coleraine, Dungannon and Belfast.

As we look forward we can see housing sites becoming scarcer, land values rising and planning permissions being granted with more onerous planning conditions. However we are hopeful the 11 councils will bring forward local development plans which not only support but actively encourage sustainable communities with a shared ethos where people of all backgrounds live together in mutual respect.

Under the guidance of Committee Chair Des Neill, Anita and her team have demonstrated great creativity thus far. We were very impressed with the successful private house sales in our Rathgill and Dungannon schemes. I also know that the development team is working hard to design a subsidiary structure for Radius incorporating Radius Homes and our newly formed Teal Developments. Today we talked about an exciting Joint Venture with our fellow association Choice. I am very pleased to see that collaboration is alive and well in our sector.

Maintaining our homes to the highest standards

We were all stunned last year with the sudden and untimely death of our friend and colleague Michael Foster, a young man in his prime leaving behind a young family. This was truly a very testing time for the Assets Department and the whole organisation. I must pay tribute to the Radius family who on this occasion rallied round and supported Catherine and her family. The Foster family have expressed on several occasions their gratitude for the support and comforting words from staff, board members and indeed his many friends in the sector including suppliers to Helm and Radius over the years. We determined to celebrate Michael's life by creating an annual Radius apprentice award with CITB and an annual staff football event the first of which was recently staged.

At this very challenging time we were pleased that John McPeake accepted an offer to take charge of Assets as Acting Director and to support the team. He did a great job and only recently departed Radius following the appointment of our new Director of Assets, Aisling McStravick.

It would be fair to say that some of the greatest challenges since merger have come within our Assets function. Towards the end of 2017 a major contractor providing response repairs, inspections and a host of maintenance services exited their contract early. The Assets team were left with having to prematurely re-tender and appoint a new provider. Our major repairs contract with Bann presented a number of significant process constraints and had to be reconfigured, which the team managed to do. The events at Grenfell necessitated much attention to and additional unplanned works for our high rise apartments. This was on top of an already highly loaded cyclical, servicing and major repairs programme. We did see our response times and inspection levels drop below our usual standards and KPI's relating to void properties and change of tenancies has also been outside target. As a consequence we have introduced a number of new initiatives in 2018/19 to raise performance in this vital part of our business.

Having highlighted our difficulties in this area I should also say that we managed to progress some substantial major repairs projects. Just this month we were guests of Ardrigh Fold where tenants were absolutely delighted with the makeover of their sheltered schemes and we had similar trips to Patricks Fold and Constabulary House, both in Armagh, where again tenants were very pleased with the finished article and the project management that went into it. Elsewhere we have noted progress in fire safety works and significant reduction in cases where gas servicing intervals exceed the requisite 12 months.

We have plans to invest over £21m across our properties in 2018/19. We will upgrade almost 20% of our overall stock, whilst commencing a project initiative to tackle dampness in around 300 homes. During the year the Board was briefed on Dame Judith Hackitt's recommendations into building regulations and fire safety. Anticipating changes to the regulations we are already expanding the scope of our fire risk assessments, reviewed and updated fire evacuation guidelines for tenants and residents and have determined to share fire risk assessments of our high rise apartments with tenants.

Excellent Housing Management

Radius manages over 12,500 homes across Northern Ireland. We have a regional presence with offices in Belfast, Holywood, Ballymena, Newry and Derry/Londonderry and we believe this local presence ensures accessibility and responsiveness.

This year we have followed the rollout of Universal Credit across the Province. Although relatively low numbers are involved so far, the experiences of those transitioning to the new benefits system has been worrying with initial delay in payments, growing rent arrears, and increased evidence of

child and family poverty. We are concerned by the prospect of growing arrears and rising write-offs and welcome NIFHA and the other three UK housing federations coming together to make asks of government on Universal Credit. I do fear that without substantial improvements to the new benefits system, Northern Ireland tenants will suffer more than most.

One of the 3 pillars of Radius's original business case for merger was the ability to support our communities better with financial and wellbeing advice, access to education and apprenticeship opportunities. We were greatly enthused by the Radius Community Investment Strategy which was brought forward during the year by our Communities Team. We plan to set up more community hubs, create more shared communities and enable tenants to access a whole range of support groups in their locality. Our Peace IV funded housing integration project, in partnership with NIFHA and 3 other local providers, is expected to act as a catalyst for greater community cohesion and mutual respect. When Radius's Community Investment Team is fully recruited we will see real and tangible benefits for all our tenants.

Our rent arrears in general needs and sheltered housing finished the year at 9.25% whereas void levels were close to 2.2%. Arrears for supported housing were at 4.0% whereas voids held at 3.0%. As I mentioned earlier our re-let turnaround times are below target prompting the Assets team to run a Lean Six Sigma initiative to identify process improvements.

The Communities team are committed to giving tenants a meaningful say in how we run our business. We designed a new tenant engagement strategy for Radius whereby tenants can engage through forums, committees and scrutiny panels. We were delighted this year with the turnout and participation at our 4 tenant housing forums in Belfast, Coleraine, Armagh and La Mon. The tea dance format was a great success and it was demonstrated that Strictly Come Dancing is alive and well at Radius! I must confess that after just a little time on the dance floor I took the alternative option of mingling with tenants to assess how the merger had gone for them and was very encouraged by feedback on the day.

Radius Housing is deeply committed to creating sustainable diverse neighbourhoods where people of different traditions, religions and nationalities live in a spirit of mutual respect and actively contribute to their communities. We are pleased to have 5 projects designated as shared future projects under the Together Building United Communities or TBUC scheme. These projects are vital if we are to build thriving and enriched communities of cultural diversity. Many will have watched the events at our Ravenhill TBUC project play out in the media and sadly we seemed to have returned to the dark old days of the Troubles when tenants of one side of the community were intimidated out of their homes. Subsequently the same scheme was deliberately targeted with imagery relating to tragedies from that period. I believe Radius's position was made crystal clear by the Chief Executive in demanding that such divisive flags and imagery be removed and that families be allowed to live in peace, free from intimidation. I particularly want to pay tribute to members of the Communities team who organised events such as the Winter Festival in December and who were there immediately to support those families intimidated from their homes.

Finally I want to acknowledge the exceptional effort of Eileen and her team, assisted by the Assets team and others within the Radius Family, in managing the vacation of Russell Court, Block B. Although not strictly in the 2017/18 business year, this incident seriously tested the Radius organisation in its formative days and I believe we came through positively. To have to tell people, many of whom had lived there over 30 years, that they must vacate their homes within 30 days was very challenging and our staff more than met that challenge. I know that many of our team had got to know these tenants of Block B over the years and thus these tenants mattered to them. They were family and over the course of the 4 weeks, the Communities officers went through heaven and earth to get each and every tenant the best possible re-housing outcome. We made a conscious decision that the homes they moved to would be finished to a standard above the norm.

I also want to mention the support of our NIHE colleagues, Advice NI, Housing Rights and the NI Fire and Rescue Service throughout the process. Truly this was a team effort and our last tenants departed Block B on the 11th of September. As I say we are very proud of how team Radius reacted, evidence if it were required, of our staff living the values of Radius. We could not have asked for anything more in terms of commitment.

Protecting the needs of the most vulnerable

Radius provides quality accommodation for people with complex needs. Whether they are homeless, have dementia or perhaps are an ex-offender or require the support of Northern Ireland's only Wet Hostel, we are there to support people with such complex needs. Housing, care and support is also delivered directly to residents of our 8 award-winning Housing with Care schemes for people with dementia and those with learning disabilities. Elsewhere we work with partners from the health trusts and the third sector to support clients with a broad range of needs. Much of our support is channelled through partners Simon Community, the Salvation Army, De Paul, MAC and FHASS in tackling homelessness. As I mentioned earlier, we are worried about the effects of Welfare Reform and the likelihood that incidents of homelessness will increase and considering how we might meet this challenge.

We were especially delighted in December when our Spelga Mews team in Banbridge won the IHCP's Care Team Award for Domiciliary Care.

Our Housing-with-Care team continues 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 goes for their residents. We are mindful of the recent upsetting findings to emerge from the RQIA review of the Dunmurry Manor Care Home managed by Runwood Homes. The Board was pleased to see our care management team reflect on the reported findings and ensure that such maladministration does not occur within Radius.

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 our Loughview Housing with Care scheme. At the beginning of the year, Radius swept the boards regarding the annual Dementia Awards with the various initiatives we have in place. We were especially delighted to see our placement student Jenny Martin win Dementia Champion of the Year. If Jenny is anything to go by, the needs of our most vulnerable are in very safe hands.

The challenge of balancing the books in the care section of our business shows no signs of easing. Whilst we welcomed the Health and Social Care Board's increase of 4.4% in the regional care rate, the fact is that the rate of pay for critical health professionals in the care sector lags behind shop assistants and similar jobs. Are we serious about attracting those most suited to the care profession? Even before Brexit, we had a challenge to recruit suitably qualified staff with the appropriate human skills for these critical posts. We call upon funders to make the necessary step change in funding to ensure we can afford to recruit and pay the living wage to the best carers in our sector.

I want to commend Fiona and her team, under the guidance of Peter Gibson, Chair of the Care Services Committee, for setting down the supported housing function so well after merger. This is an area of clinical risk where Radius' managers have shown great leadership. We were especially pleased to see Clifton House join the Radius family in becoming a directly managed scheme and we welcome all the Clifton House team to the Radius team. Fiona and her managers have successfully migrated joint management and service level agreement partners across to new

Radius contracts. Looking into 2018/19 we want to develop an investment plan for our supported housing stock which prioritises the needs of the most vulnerable.

Independent living in the community

The operating environment for Telecare and Telehealth has been challenging despite the excellent customer service and professionalism of staff. Customer connections closed the year at 21,311 marginally down on 2016/17. This included close to 4,000 clients on care and support packages. We unfortunately received confirmation that the Connected Health contract would not be renewed or retendered in 2017/18, despite many benefits being cited by users of this innovative service. In the circumstances we had no choice but to release our nursing staff that had been providing a valuable triage service. We made a number of representations to the Department of Health on the flaws in the commissioned research into the effectiveness of vital signs monitoring and Telehealth. It remains our view that the service could have been simplified and used across more illness groups to enable more people to live independently without having to attend Outpatient services. Meanwhile we continued to run our pilot Telehealth service with the HSE in the Republic of Ireland.

The TeleCare team provides an invaluable support service for Radius and the social housing sector outside normal working hours, at weekends and during holiday periods. They are the first line of support in times of emergency and the vital link to contractors for out of hours emergency repair requests. We had occasions of adverse weather when they manned the fort and looked after our most vulnerable. The Board acknowledges their professionalism and pivotal role in providing a 24-7 service.

Fold Telecare has been a brand name synonymous with safety and security in homes across Ireland for 25 years. We are the largest providers of assistive technology on the island and constantly pushing to trial new technologies which enable older and vulnerable people to live independently. In October this year we will re-launch the service under the Radius brand and celebrate its successes and innovations over the years. Radius Telecare differentiates us from other providers in Ireland and we are keen to expand our offering into new and unchartered digital communication channels, ensuring we remained aligned with the needs of our customers.

I do want to highlight our floating support service which currently enables around 600 people to continue to live independently, to interact and contribute to their community. We provide a valuable housing support service through a model which enjoys the support of our funders NIHE. I must also highlight the work of our daycare teams in Millbrook, Manor Court and Seven Oaks. This is another example of an exemplary service providing respite and social interaction for many older people, enabling them to continue living in the community.

Radius' Staying Put service continues to perform a vital service for applicants to the Housing Executive's disability facilities grant service. During 2017/18 we enabled 447 households to successfully apply and navigate the world of disability adaptations and 76% of cases were completed within 12 months. Our team advise on applications, building control and planning applications and the tendering for design services and contractors and in this way we enable vulnerable people to successfully transform their homes.

The Employer of Choice

Radius employs over 1,000 staff across 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 3.2% whilst turnover reduced to 13.5%. 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. This included a series of staff conferences themed on 'celebrity service' and a Staff Awards event. They also facilitated a Leadership and Coaching initiative focussed on enabling and equipping managers and directors for change and the development of a strategic agenda for the Board.

Following merger, Radius management undertook to job evaluation and benchmark core salaries against the market to ensure Radius staff were being paid fairly and consistently. We set ourselves a 12 month timeframe and brought in an external consultant to test and validate the findings of our HR team. This process was successfully concluded within the 12 months with close to 60% of staff choosing to transfer to the new Radius pay and conditions. The second phase of the exercise involving mainly care staff is now underway.

During the year we performed a review of relationships following merger. Our consultants Stratagem consulted with tenants, residents, their families, staff, business partners and suppliers. These important stakeholders were asked to score Radius. We reported their findings to the December board. The feedback was largely positive, with several making the same point – with all this change, do not forget the customer and we are determined to take this on board. We also carried out a number of 'mystery shopping' exercises to test the experiences of customers on telephone calls, walk-ins to schemes and email responses.

The Health and Safety Committee was reconstituted under Radius and focussed on measures aimed at making our homes and office accommodation safe for all. We recorded 1 Riddor incident during the year which is a great achievement. We introduced a new lone worker GIS system called Skyguard for staff working in the community and exposed to some degree of risk. 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 ISO27001. We also retained our TSA Code of Practice for our Telecare and Telehealth services.

Our communications team have been working through the first year spreading good news stories and informing tenants on key developments. Starting as Radius Housing meant that we started afresh on social media and other sites as a new housing association with no followers. Yet in such a short space of time we built up a keen following. We talked today at Board about exciting plans to digitally transform Radius, linking front and back office services. We appreciate the trust and value which can be achieved through effective and transparent communications.

Gillian and her team have achieved so much in a short space of time under the guidance of Committee Chair, Peter Ewing. In the background they have been updating a raft of policies and procedures. We know that Radius' success depends on staff feeling valued and empowered to deliver a service consistent with our new values.

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 Radius. The Fold Ireland Board approved a plan in principle 2 weeks ago to achieve self-sufficiency from Radius by June 2019. We are very proud of our involvement with Fold Ireland since 2003, however we accept that Fold Ireland must take control of its own destiny. We will work together with the Fold Ireland Board to achieve as near as possible a seamless transition.

Radius Board

This year we said farewell to board members Trevor Conway, Daniel McConnell, Liz Cuddy and Kathleen Quinn and as of today Stephen Torrens joins the list of those departing Radius. Individually these were serious players for Radius and thus collectively they represent a significant loss to the social housing sector. Both pre and post-merger they all demonstrated great loyalty to Radius and responded positively to the challenge of delivering a successful merger. I do want to say an extra word or two about Liz Cuddy who was a stalwart through the merger process, carefully protecting the Helm legacy but also helping to shape Radius, the new player. Liz was dedicated throughout and helped to navigate the challenges of achieving a fair and reasonable merger outcome for all. We were absolutely delighted when Liz received an OBE for her services to Helm, Radius and all those organisations she has loyally served.

I also want to pay tribute to Kathleen Quinn who served for many years as tenant representative on the Helm Board and laterally the Radius Board. Kathleen clearly had a lot of experience and campaigned resolutely for the rights of Helm and lately Radius tenants. Kathleen will be replaced by Mary Smith whom I know will do an equally effective job on behalf of Radius's tenants.

By the same token I welcome on board our latest members who bring key skills and critical experience across a broad range of fields. John Leckey, Sloan Harper, Connor Diamond, Kieran Gilmurray and Ciaran Doherty will all join the Board. In addition Ian Lees will act as an independent board member on our Development Subsidiary, just as Peter McGuinness is an independent member of Radius Homes. We are also pleased to have Marie Katherine Mayers join us for a year as our apprentice board member, a first for Radius and maybe also the Sector. You are all very welcome to Radius and we wish you every success in your new roles.

Concluding Remarks

In summary Radius's first year results shows real progress for the association. We always knew that the full benefits of merger could not be realised until the business had settled down, until staff knew their new roles and responsibilities. We are on track and despite some major and unforeseen challenges this year, the resolve to make Radius a success is stronger than ever.

I know the Board would wish me to place on record our thanks to the Chief Executive, John McLean, who has worked tirelessly to make the merger a success and to implement strategic change. His public appearances when we had the media focused on us were immensely reinforcing to our reputation as a caring Housing Association. I had so many non-housing people say to me that they thought our CEO came across as articulate, competent and caring. I'd also like to thank the senior management team, our managers and all our staff for their hard work. We appreciate the extra effort by all. Thanks again to the Radius Board members for their support during the year, especially all the extra meetings, Board member recruitment processes and leadership training sessions. You make an invaluable contribution to Radius and to the wider social housing sector.

Thank you

Diana Fitzsimons
Chairperson
Radius Housing Association