

North Belfast Housing Association Limited
Annual report and Financial statements for the year ended 31 March 2024

Report of the Board of Management for the Year Ended 31 March 2024

The Board of Management present their report and the audited financial statements for the year ended 31 March 2024 of North Belfast Housing Association Limited (the "Association"). This report is also known as the Trustees' report for Charity law purposes.

Status

The Association is an Industrial and Provident Society and is registered with the Department for Communities ("DfC") providing housing accommodation for those in need. It has charitable status with HM Revenue and Customs and is a registered charity with the Charity Commission for Northern Ireland, registration No. NIC 100038.

Principal Activities

The Association provides general needs accommodation, purpose-built accommodation for the elderly and supporting housing solutions for those in need, including those with addictions, family issues and young homeless people.

Board of Management

The Association is governed by a 12 member voluntary Board of Management. The board set the strategic objectives for the association and receive regular reports on the association's progress and performance. The Board of Management are the directors of the company and are the trustees of the charity.

The Board consists of 5 females and 7 males. Our Board membership is drawn from a broad range of skills and experience, including a mix of professional and customer service. Our Board make up promotes equality, diversity and inclusion which strengthens good governance.

Recruitment to the Board is normally undertaken by advertisement or by direct contact. Members are chosen after consideration of the current skill mix of the board and the need to fill any gaps in expertise. All new members receive induction training and have access to training opportunities.

The Board of Management, who served the Association during the year, and up to the date of signing the financial statements, were:

Mrs Ursula Mayers (Chair)
Mr Tom Mervyn (Vice Chair)
Mr Brian Reid (Secretary)
Ms Jane Shaw (Treasurer)
Mr Bob Hopkin
Mr Andrew McFarlane
Mrs Brenda Morgan
Mrs Nicola Barber (Appointed 23/05/2023)
Ms Victoria Dunn (Appointed 23/05/2023)
Ms Dervla Kearney (Appointed 23/05/2023) (Resigned 22/03/2024)
Mr Paul Henry (Appointed 23/05/2023)
Mr Patrick O'Hanlon (Appointed 23/05/2023)
Mr Stephen Garvin (Appointed 4/07/2023)

North Belfast Housing Association Limited
Annual report and Financial statements for the year ended 31 March 2024

Report of the Board of Management for the Year Ended 31 March 2024

The members of the Board of Management hold a fully paid share of £1 each in the Association and no financial benefit is derived from such membership. Executive officers of the Association hold no interest in the Association's share capital and although not holding legal status of directors they act as executives within the authority delegated by the Committee.

Performance for the year ended 31 March 2024

During the year the number of homes in ownership increased to 1,136 from 1,108 at the end of the prior year representing a 2.5% increase in stock size for the Association. Turnover increased by 9.2% from £7,763,903 in 2022/23 to £8,481,467 in 2023/24. This increase is as a result of new homes added to the Association's stock during the year. An average annual inflationary rent increase of 6% on much of our existing stock also helped to boost turnover.

During the past year the association faced a number of significant challenges in the delivery of maintenance projects. This resulted in a number of planned schemes being delayed. The association made progress in the latter part of the year by completing a number of procurements that will spread repair and investment workflows across a number of capable contractors. Expenditure on component replacements last year was £281,258 and a further £40,000 was expended on adaptations.

Operating costs of £6,150,155 represent 73% of turnover (2023: 69%). The Association generated an operating surplus for the year of £2,108,253.

The Board has a set number of key performance indicators monitoring the operations of the Association on regular basis.

Performance Indicator	Actual 23/24	Target 23/24
Emergency repairs carried out within 24 hours	93%	>85%
Urgent repairs carried out within 4 days	81%	>80%
Routine repairs carried out within 28 days	82%	>80%
Operating margin	38%	36%
Net margin	35%	31%
Gearing ratio	10.26	10.66
Interest cover ratio	10.50	7.24
Net debt per unit	£7,789	£9,124
Voids as a % of Stock	1.58%	1.35%

North Belfast Housing Association Limited
Annual report and Financial statements for the year ended 31 March 2024

Report of the Board of Management for the Year Ended 31 March 2024

Expected performance in the year ending 31 March 2025

The Association plans to complete a structure review to ensure the association has the necessary resources to deliver the strategic Mission, Vision and work streams detailed in our annual business plan. Our focus will be on creating an inclusive culture where staff retention is good and we can attract skilled and well qualified staff.

Our Business plan for 2024-2025 sets objectives for NB Housing to consider processes and understand the needs of our tenants with a focus on raising satisfaction and experience of being a NB Housing tenant.

It remains a challenge to deliver major investment in our stock with high costs being experienced however we have set ambitious plans and have the financial resources committed. The works will include response repairs, compliance checks, cyclical maintenance and well as major improvements.

Alongside the major investment in our stock we plan to continue to add to our stock with new high-quality developments being delivered. It was disappointing that the capital budget provided by government curtails our plans while the need for social housing increases at rapid pace, increasing the gap between delivery and demand.

Corporate Governance

In the opinion of the Board, the Association is in compliance with the Best Practice issued by the National Housing Federation Code of Governance and with the DfC Regulatory Standards.

Corporate Strategy

Strategic Imperatives

Our vision and mission detailed in our Strategic Plan 2022-2025 are outlined as follows:

Vision Statement

Everyone has an affordable, sustainable home in a supportive community that enables them to lead their best lives.

Mission Statement

To provide a place to call home and an outstanding service to those in need.

A home where people:

- feel they belong;
- feel safe;
- feel financially secure;
- feel supported; and
- feel part of the fabric of the community.

Supporting our Vision and Mission we have established a set of Values to influence and inform how we work together and provide a high quality service as a landlord. Our values are:

North Belfast Housing Association Limited
Annual report and Financial statements for the year ended 31 March 2024

Report of the Board of Management for the Year Ended 31 March 2024

Integrity - Building relationships of trust by being respectful, caring and honest with others;
Empowerment - Listening to other people, maximising their ability to find solutions and make decisions that help them live their best lives;
Excellence - Everyone is entitled to expect services of the highest quality that are responsive to their needs;
Collaboration - Working together with others in a supportive way to achieve the best outcome;
Fairness - Everyone is of equal worth and entitled to be treated fairly and included. Diversity is something to be recognised and celebrated; and
Sustainability - Being concerned with the environment and with the future of those we serve.

The strategic plan 2022 - 2025 is divided into seven business aims:

Aims

Customer Engagement and Wellbeing

Aim: To promote the wellbeing and participation of customers in decisions that affect them.

Customer Service

Aim: To ensure that customers receive the highest possible level of service to meet their needs.

Building for the Future

Aim: To develop new housing for those in need and maintain the high quality of our existing stock.

Communication

Aim: To effectively promote the organisation and communicate with all stakeholders.

Finance

Aim: Ensure NB Housing has the financial resources it needs to achieve its aims and priorities and these are effectively and efficiently managed.

Our People

Aim: Ensure NB Housing has the staff it needs to achieve its aims and priorities and they are effectively managed and supported to learn and develop.

Premises, physical and digital resources

Aim: Ensure NB Housing has the premises and other physical resources it needs to achieve its aims and priorities and these are effectively and efficiently managed.

Governance

Aim: Ensure that the governance of NB Housing complies with the requirements of the law, relevant regulators, and best practice.

North Belfast Housing Association Limited
Annual report and Financial statements for the year ended 31 March 2024

Report of the Board of Management for the Year Ended 31 March 2024

Annual Business Plan 2023 - 2024

Our annual business plan is designed to support the delivery of our strategic aims. The business plan contained a total of 84 objectives of which we achieved 77, partially achieved 1 and did not achieve 6. Performance during the year was encouraging with 91% of work stream achieved. We did not achieve some targets due to staff turnover reflecting the competitive labour market, maintenance delays due to contractor resources and higher costs, and other one-off tasks relating to marketing and the creation of a social enterprise as we focused on main operations.

NB Housing were very thankful to the National Lottery who provided £6,500 grant funding towards Community Engagement and Inclusion Project through its Community Fund. The funding enabled the association to provide a wide range of activities to support tenant wellbeing.

Tenant Views

All tenants were issued with the annual tenant satisfaction survey in March 2024. A total of 91 returns were received representing a return rate of 8%. NB Housing's latest annual tenant satisfaction survey results showed percentage of tenants satisfied:

1. NB Housing Overall Service - 78%;
2. Rent represents good value - 74%;
3. Accommodation - 80%;
4. Area /Location - 83%; and
5. Services represent value - 71%.

The results showed a positive increase across four areas and response to Rent represents good value remaining the same at 74%. The results are encouraging as residents indicate a higher level of satisfaction across more areas. The association however remains committed to listening to this feedback and has developed an action plan with the aim of making improvements across a range of service.

Staff Development

NB Housing was accredited Investors in People status in 2015/16 and continues to focus on leading staff to achieve their potential and contribution to the success of the Association. This effort was further acknowledged by receiving the Investors in People Gold Award in 2019.

The association has developed an IIP working group to review and develop workstreams to make employment with NB Housing both rewarding and attractive.

The association has seen that remote working has brought benefits and a new Agile Working arrangement has been formulated and available to staff whose duties can be shared between home and the workplace.

Staff absence had continued to reduce during the year from 5.76% in 2023 to 4.58% in 2024. Recruitment difficulties remained during the year causing delays in replacing and filling some posts. Our first apprentice continued their learning and development during their second year.

The Association continues to invest in staff development and training with an investment of 809 training hours with 309 attendances at a cost of £12,075.

North Belfast Housing Association Limited
Annual report and Financial statements for the year ended 31 March 2024

Report of the Board of Management for the Year Ended 31 March 2024

Going Concern

After making enquiries, the Board of Management have a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Value for Money

NB Housing Board is committed to providing services and managing its assets in ways that achieve Value for Money (VfM). Value for Money is:

“Making the most efficient use of our assets and resources to deliver high quality and innovative services that successfully meet customer needs and expectations at lowest possible cost”

For NB Housing, Value for Money is about becoming a modern and efficient business, improving our service quality and providing social housing for those in need.

NB Housing take a comprehensive approach to self-assessment and use performance information to drive business decisions, and develop our improvement plans. The information also highlights trends in expenditure and focuses our team’s approach to VfM.

This report includes a self-assessment demonstrating the association is achieving value for money in meeting business aims. The association completes standard benchmarking with the local sector. This information enables the association to compare performance and share knowledge where best value is achieved.

The information provided in this report is taken from a number of sources, financial information is taken from our Annual Audited Accounts, while other information has been collated from internal Key Performance Indicator reports and Tenant Feedback.

In order to deliver value for money the association analyses a number of business processes, ensuring budget decisions are made that support business plan objectives, ensuring effective procurement is undertaken to source services.

The association have delivered solid financial results despite increasing challenges and higher costs. Our balance sheet remains very healthy and we are well positioned to deliver our short, medium and long term commitments.

Treasury Management Policy

The Association's aim is to maintain loan balances at a level to support development while keeping loan interest charges to a minimum. This is achieved without comprising the Association's ability to meet its financial obligations as they fall due. The association has maintained its lenders banking loan covenants and has had successful annual reviews. The association has access to undrawn loan facility at the year end and will maintain close review of activities to ensure finance is in place to deliver on our strategic aims

North Belfast Housing Association Limited
Annual report and Financial statements for the year ended 31 March 2024

Report of the Board of Management for the Year Ended 31 March 2024

Risk Management

At NB Housing we have a comprehensive risk management policy and risk review process in place. A register of strategic risks is maintained and reviewed each quarter by the Board. The risk register includes potential risks from the list below:

- Economic & Supply impact;
- Brexit/Windsor Framework;
- GDPR;
- Loss of Board members;
- Tenant Engagement;
- Potential pressure on association's ability to raise revenue, financial performance and fraud;
- Cyber security and crime;
- Development challenges to growth;
- Poor service delivery;
- ASB;
- Net Zero target; and
- Staff welfare.

Financial Risk Management

The Association's operations expose it to a variety of financial risks that include the effects of changes in credit risk, price risk and interest rate risk. The Association has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Association by regular review of activity levels against changing market conditions and adjustment to cashflow projections accordingly. The Association liaises with lenders on an ongoing basis to keep up to date with other products in the marketplace.

Interest rate risk

Exposure to fluctuating interest rates is managed by the composition of a balanced portfolio between fixed rate and variable rate loans.

Liquidity risk

The Association maintains a mixture of long-term and short-term loan finance that is designed to ensure there is sufficient funds to achieve business objectives and to facilitate planned growth. A managed cashflow predicts need and also ensures that the Association operates within its banking covenant commitments.

The Association has a rolling private finance facility available to fund ongoing developing plans over the next number of years. Working Capital and cashflow management is strictly controlled with moneys drawn from the existing facility as required.

North Belfast Housing Association Limited
Annual report and Financial statements for the year ended 31 March 2024

Report of the Board of Management for the Year Ended 31 March 2024

Regulation

The Association's principal regulator is the Department for Communities (DfC). Their regulatory judgement for the year 2022/2023 gave the Association the highest rating of Level 1 assessing the 3 standards: Governance, Finance and Consumer. The Association is subject to regulation by the Charity Commission for Northern Ireland as it is a registered charity and the Northern Ireland Housing Executive (NIHE) in its role in administration of Supporting People funding.

Environmental matters

The Association recognises its corporate responsibility to carry out its operations and development programme whilst minimising environmental impacts. The Board's continued aim is to comply with all applicable environmental legislation, prevent pollution and reduce waste wherever possible.

In the reporting year NB Housing launched its first Environmental, Social and Governance (ESG) Report 2022-2023. The report is available on the association's website library.

Internal Financial Control

The Board of Management meets regularly throughout the year with specific responsibilities to oversee the activities of the association, set our direction, provide leadership and to ensure the association operates effectively within strict regulatory controls and guidance.

The Board of Management have delegated authority to the following committees:

- Housing;
- Development and Property Management;
- Audit, Risk & Human Resources; and
- Finance.

Each committee operates within defined Terms of Reference. Committee meetings are held quarterly and receive performance reports and take necessary decisions within the delegated authority of the main Board of Management.

North Belfast Housing Association Limited
Annual report and Financial statements for the year ended 31 March 2024

Report of the Board of Management for the Year Ended 31 March 2024

Finance Committee

The Finance Committee monitors financial reporting and accounting policies, along with the adequacy of the Association's internal finance control. Operationally, budgets are developed prior to financial year end and are monitored by the Finance Committee quarterly. These are measured against actual performance with the budget review process to account for any material fluctuations from plan.

Short and medium term cashflows are completed to ensure the Association has sufficiency in working capital to carry forward its operational and development commitments. Forecasting is used to project long term to assess the impact of future stock investment strategy.

The Board of Management is also responsible for the Association's systems of internal financial control and along with senior management is responsible for establishing and operating detailed control and reporting procedures. The system of internal financial control can provide only reasonable but not absolute, assurance against misstatement and loss.

The Committee has reviewed the effectiveness of the Association's system of internal financial control for the year and the reviews are ongoing. This included a detailed review of the business risks facing the Association and of the existing internal financial control procedures.

The key elements of the control system in operation are:

- The Committee maintains responsibility for overall strategy, approval of all property transactions and other major capital expenditure projects.
- There is an organisation structure with clearly defined lines of responsibility and delegation of authority.
- Detailed budgets are prepared covering the Association's businesses which are reviewed and approved by the Committee. Actual results are compared against budget and appropriate action identified and initiated.
- The Audit, Risk & Human Resource Committee review matters relating to internal control and receives reports from the DfC monitoring visits, internal auditors and from senior management on a regular basis to enable it to make an assessment of the effectiveness of the Association's internal control system.

Statement of the Board's responsibilities in respect of the financial statements

The Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 and Registered Housing Association legislation require the members of the Board of Management to prepare the financial statements for each financial year which give a true and fair view of the state of the Association's affairs and of its surplus or deficit for that period. In preparing these statements the Board is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue to operate.

North Belfast Housing Association Limited
Annual report and Financial statements for the year ended 31 March 2024

Report of the Board of Management for the Year Ended 31 March 2024

The members of the Board of Management are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the financial statements comply with the Co-Operative and Community Benefit Societies Act (Northern Ireland) 1969 and the Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1963. They have general responsibility for the taking of reasonable steps to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.

Events after the Balance Sheet date

The Association has no post balance sheet date events to disclose.

Charitable donations

Donations totalling £5,500 (2023: £1,200) were made by the Association during the year in line with the associations community donations fund.

Financial sustainability

The Association has a robust framework of longer term financial planning in place. The Board regularly considers the longer term financial plan which covers a 30 year period.

Statement of disclosure of information to auditors

So far as each of the members of the Board of Management at the date of approval of these financial statements is aware:

- there is no relevant audit information of which the Association's auditors are unaware, and
- that each Board member has taken all the steps that ought to have been taken as a Board member in order to be aware of any relevant audit information and to establish that the Association's auditors are aware of that information.

Independent Auditors

The auditors, RBCA Limited, have indicated their willingness to continue in office, and a resolution proposing their reappointment will be proposed at the Annual General Meeting.

Approved and authorised by the Board on 22 Aug 2024 and signed on its behalf by:



.....
Mrs Ursula Mayers
Director