

Reg No. IP000193

Triangle Housing Association Ltd

Report and Financial Statements

For the Year Ended 31 March 2023

Contents page

	Page
Board of Management and Advisers	1
Report of the Board of Management	2-11
Independent Auditor's Report	12-14
Statement of Comprehensive Income	15
Statement of Changes in Equity	16
Statement of Financial Position	17
Statement of cash flows	18
Notes to the Statement of cash flows	19-20
Notes to the financial statements	21-32
Appendices	33-41

Triangle Housing Association Ltd
Year Ended 31 March 2023

Board of Management

Ms K Mackenzie	Chairperson/Treasurer
Mr N Dunlop	Vice Chairperson
Mr M McCracken	Company Secretary
Mr W McCluggage	Fraud Liaison Officer
Mrs J McCollam	
Mrs C Condren	
Ms N Diver	
Mrs D Harshaw	
Mr Darren Balmer	(Co-opted 20 March 2023)
Mr Michael Dallat	(Co-opted 20 March 2023)
Mrs Deirdre McBride	(Co-opted 20 March 2023)

Chief Executive

Mr C Alexander

Registered office

60 Eastermeade Gardens
Ballymoney
Co Antrim
BT53 6BD

Registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 2016 (formerly the Industrial and Provident Societies Act (Northern Ireland) 1969).

Registered number

IP 000193

Registered with the Charity Commission for Northern Ireland – NIC 101486

Statutory Auditors

ASM (B) Ltd
Glendinning House
6 Murray Street
Belfast
BT1 6DN

Bankers

Danske Bank Ltd
22 The Diamond
Coleraine
BT52 1DA

Barclays Bank Donegall House
Donegall Square North
Belfast
BT1 5GB

Ulster Bank Ltd
11-16 Donegall Square
East
Belfast
BT1 5UB

Solicitors

Macaulay Wray
35 New Row
Coleraine
BT52 1AH

Report of the Board of Management for the year ended 31 March 2023

The Board presents its report together with the financial statements for the year ended 31 March 2023.

Statement of Board of Management's responsibilities

The Board of Management is required by law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the association as at the end of the financial year and of the surplus or deficit for that period.

The Board of Management confirms that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the period ended 31 March 2023. The Board of Management also confirms that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The Board of Management is responsible for keeping proper accounting records, which disclose, with reasonable accuracy, at any time the financial position of the association. It is also responsible for safeguarding the assets of the association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activities

Triangle is incorporated under the Co-operative and Community Benefit Societies Act (Northern Ireland) 2016 (formerly the Industrial and Provident Societies Act (Northern Ireland) 1969) (IP000193) and is established for charitable purposes and for the public benefit. Triangle is a registered housing association with the Department for Communities (Reg 32). It is a not for profit organisation and is registered as a charity with the Charity Commission for Northern Ireland (NIC101486) and has charitable status with the HMRC.

Business Review

Triangle (the Association) provides social housing; including general needs housing; supported housing and care for people with disabilities and the elderly; intensive housing support services (floating support) to vulnerable clients and progression to employment services to people with learning disabilities and autism. During 2022/23, the key achievements were:

- Triangle increased its rents in line with CPI + 1.5% (4.6%) for the 2022/23 year. Rents were confirmed to be 42% lower than market rents. The Board reviewed its rent setting policy during the year and agreed a new rent setting system which will be implemented for new schemes from 2023/24 and for existing homes from 2024/25.
- Triangle completed 73 additional housing units in the year. At the end of the year Triangle had 1,404 of accommodation compared with 1,337 units the previous year.
- Triangle also provided direct support and care services to 160 service users with learning disabilities and 37 frail elderly people.
- Triangle provided homes for 284 people with special needs with support services delivered to them by 11 joint management partners.
- In addition, floating support services were provided to 861 people who required emergency accommodation and support and longer-term peripatetic support service.
- Triangle also provided employment support services and training to 226 service users with disabilities. An additional 105 service users attended employment training at Triangle's Alternative Angles social enterprise sites.
- £445k was invested in replacing components within existing housing stock. The Association's Fire Safety Procedures were substantially reviewed and new procedures were introduced to assess and manage damp and mould within Triangle's property. This revealed no significant issues.
- Tenant satisfaction levels remained strong, however, satisfaction with our repairs

Triangle Housing Association Ltd

Year Ended 31 March 2023

service was lower than our target. Repairs timeframes were also lower than planned. Plans are in place to procure new contracts in early 2023/24 to help improve repair timeframes.

- The average energy performance rating of Triangle's stock increased to 78.36. This exceeded the business plan target of 78.1 and is considerably higher than the average for Northern Ireland housing stock (65.83). 87.4% of Triangle's stock has an energy performance band of A-C. This compares to the NI Average of 50%. The Board approved a Zero Carbon Strategy which contains ambitious targets to reduce the organisation's carbon footprint significantly over the next few years.
- The percentage of properties void but available for letting reduced to 1.78% during the year. Whilst rent arrears increased slightly (by 0.4%), this represents a good performance given the cost of living challenges faced by tenants.
- Triangle secured over £700k in financial support secured for our tenants and service users through its financial inclusion and floating support services.
- The surplus for the year before transfers to reserves was £928,714 compared with a surplus of £1,009,413 for the previous year. Triangle employed an average of 480 staff throughout Northern Ireland during the year.
- Triangle implemented a higher than budgeted pay increase for staff in 2022/23. This was in recognition of the cost of living crisis. A savings plan was agreed by the Board to manage the impact of this.
- Along with four other organisations, Triangle formed a consortium of supported employment providers (called PROSPER) and successfully secured £4.8m in funding to deliver employment services to the economically inactive throughout 10 of the 11 council areas in Northern Ireland.
- Triangle appointed a new managed cloud and IT service provider.
- The accounts have been prepared in accordance with the Housing SORP: 2018 update, Statement of Recommended Practice for Registered Social Housing Providers.

Value for Money

Value for Money (VfM) in Triangle means:

- Delivering maximum value to the customer while minimising costs. This means understanding the customer's definition of value and focusing on the right things and doing things right.
- Making the best use of available, or limited, resources. Working effectively and efficiently while maintaining and improving the service to our customers.
- Ensuring clear correlation between transparent and well understood costs, and the quality and level of service provided.

Defining value for money is important as is managing and demonstrating it. Triangle's Board of Management, through the executive team, leads the approach to value for money. The Board sets the strategic direction of the organisation and relates value for money to the organisation's vision and purpose. An exciting and ambitious new corporate strategy for the period 2023-2026 has been adopted by the Board.

Value for money is embedded within the operations of the organisation using a variety of methods. Triangle produces a balanced scorecard to both establish and monitor progress against corporate and annual plans. The organisational scorecard operates as a top-level view of the business and draws on the most essential indicators of organisational success. This approach forms the basis of its value for money management process. It is reviewed by the Board of Management on a quarterly basis and is populated with 'value' and 'money' measures as well as covering the efficiency of the 'value delivery system'.

Triangle identifies four strategic objectives under the four themes of stakeholder, people, finance and processes. Achieving a balance of progress against the specific targets within these four themes and ensuring that we remain true to our core values should, we believe, ensure success.

Stakeholders - Improving lives by delivering excellent services

Triangle Housing Association Ltd
Year Ended 31 March 2023

People - Valuing and enabling our people to meet current and future challenges

Finance - Creating sustainable growth through strong financial management

Processes - Continually improving key organisational processes

The corporate and annual plan scorecard is reflected in an operational plan for each department as well as individual employee scorecards monitored at regular performance reviews and annual appraisals by Managers.

More specific strategies have been developed around core activities that lead to economic, efficient and effective services. These include; a Development and Asset Management Strategy; a Treasury Strategy; a Tenant Participation / Service User Participation and Engagement Plan; Financial Inclusion Strategy and an Equality Plan. The Board has considered its response to the climate crisis and agreed a detailed Net Zero Carbon Strategy in 2022/23.

Triangle can demonstrate how value for money (VfM) has been delivered in the financial year 2022/23 and has a plan for securing value for money into the future. It is a self - assessment process undertaken by the Board of Management and senior employees of the organisation. The organisation also uses a variety of methods to involve tenants, service users and staff in the development of strategy and to confirm what value for money represents from their perspective. The organisation also undertakes a nation wide benchmarking exercise with other registered housing associations.

Triangle employs a range of external accreditation processes to assess and provide frameworks and recommendations for improving its value for money approach, including: ISO9001:2015 quality management process; Investors in People (Silver Award secured) and the Customer Service Excellence Award (secured).

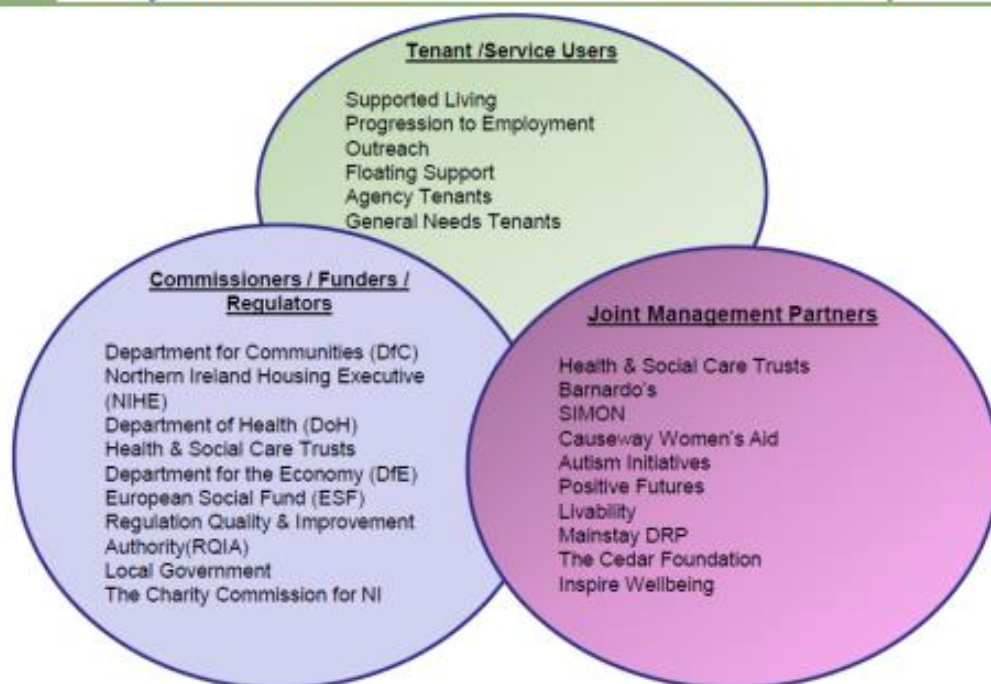
Adding Value

Since 1977 Triangle has been providing value including significant social value by engaging in the following activities:

- Building new homes.
- Landlord services such as housing management and maintenance.
- Supporting people to live independently and alleviating homelessness. The organisation directly manages supported accommodation for people with learning disabilities and frail elderly and provides floating support services to those with emergency housing issues.
- Community investment - particularly working to increase employability of those with learning disability / or on the autistic spectrum through training environments and supported employment placements.
- Partnering with other providers of services to the community consistent with the value added by its own directly managed activities.

Significant additional value is also created by Triangle in the process of delivering these activities, notably through good procurement practice. Tenants and service users have always been the primary focus for this value; however, a significant amount of value extends to the wider community and local and national government in the pursuit of their policy objectives. Triangle's governing board, executives and tenants involved in decision making must recognise and balance diverse perspectives, including those representing existing and future tenants. Triangle's customer base can be summarised as follows:

Key Stakeholders / Customer Groups



Tenants and service users are the ultimate test of the value of our activity. The Tenant Advisory Group for people with learning disabilities has confirmed that it considered the following critical in securing value for money:

- values;
- staff attitude;
- person centred services;
- a safe environment;
- increasing levels of independence.

The provision of accessible information is important to them and the Tenant Advisory Groups have worked hard in helping the organisation develop and produce accessible information.

Interviews were carried out with general needs tenants and these identified that for them the key drivers in determining value for money were:

1. Customer Service
2. Response Repairs
3. Staff support
4. Tenant/community engagement

Rent levels in terms of affecting tenants' views of value for money was not as important as improvements to the response repairs service.

Triangle's activities as an organisation are quite unique within the housing association sector. The organisation is a medium provider of accommodation provision but a large provider of housing plus services to those with significant housing needs.

Triangle Housing Association Ltd
Year Ended 31 March 2023

Demonstrating Value for Money

A summary of the key Value for Money Metrics for 22/23 are outlined below. This represents strong business health:

- The operating margin increased from 9.58% in 2022 to 10.35% in 2023. The operating margin is lower than other housing providers, however, this reflects the high proportion of supported housing services we provide. The operating margin has remained very stable over the past 5 years.
- Our reinvestment in existing homes and new homes was 7.63% of our total asset base. This was down from 12.55% in 2021/22 but is above average for the sector.
- The rate of new housing supply delivery (new homes completed as a proportion of existing stock) was 5.45% compared to 9.47% in 2021/22.
- Gearing (the proportion of borrowing in relation to the size of our asset base) was 25.8% compared to 27.3% in 2021/22.
- Interest cover was 1.9 times against our target of 1.2 times (2021/22 - 2.78 times)
- Return on capital employed (surplus plus profit on disposal of assets compared to the value of total assets) increased from 1.45% in 2021/22 to 1.7% in 2022/23.
- Overall social housing cost per unit was £13,413 up from £12,320 in 2021/22. Our cost per unit is higher than other housing associations, due to the proportion of supported housing. The cost per unit of our general needs housing only was £4,803 compared to £4,550 in 2021/22.

In addition to the above, we also delivered the following key outcomes:

- Over £700k was secured in financial support for our tenants and service users through our financial inclusion and floating support services.
- 331 people were supported to secure employment or training and education
- Void loss reduced from 4.1% in 2021/22 to 3.4% in 2022/23.
- We improved the energy performance of a number of our homes through our maintenance investment programmes.
- The updated Asset Management Strategy demonstrates that our housing assets deliver excellent net present values over a 30-year period.
- All occupied homes meet the Decent Homes Standard.
- Our tenant satisfaction outcomes remain strong with 94% of tenants and service users satisfied with the overall service we provide.

Triangle's treasury policy is reviewed by the Board each year. The policy sets out investment policies, borrowing policies and treasury management procedures. The aim is to maintain sufficient cash balances to meet financial obligations as they become due and minimise interest payments on scheme loans. At the balance sheet date of 31 March 2023 Triangle had total bank loans of £40,237,492 (2021: £39,557,073). Triangle complied with all covenants imposed by its lenders.

Value for Money 2021/22

A more detailed Value for Money Report and Improvement Plan linked to the Annual Business Plan for the incoming year 2023/24 will be established in consultation with Board, staff, tenants and service users. A progress report will be provided within the audited accounts for 2023/24.

Summary Key Performance Indicators for 2021/22	2019/20	2020/21	2021/22	2022/23
Finance				
Number of Units	1,127	1,205	1337	1404

Triangle Housing Association Ltd
Year Ended 31 March 2023

Total Loans	£28,822,903	£35,193,296	£39,557,073	£40,237,492
Gearing Ratio Historic Cost	25.2%	27.4%	27.3%	25.8%
Interest Cover	3.21	3.66	2.78	1.92
Turnover	£17,612,981	£18,934,430	£19,931,104	£21,791,451
% Rent collected	99%	100%	99%	97%
Current Basic Rent Arrears	1.5%	0.9%	2.6%	3.0%
% Rent Support & Care Arrears	2.8%	2.8%	3.1%	7.5%
% Rent loss due to voids	3.65%	3.48%	4.16%	3.42%
% of Bad Debt Written off	0.19%	0.21%	0.06%	0.28%
No of Users Floating Support	812	770	886	861
Floating Support Cost per User	£1,052	£1,180	£1,043	£1,168
No of Users Progression to Employment	414	447	514	331
Progress to Employment Costs per user	£2,405*	£2,179*	£1,950*	£3,344*
Housing Management				
Total voids (available to re-let)	1.77%	3.15%	4.16%	3.42%
% of Repairs completed within target	91.3%	90.1%	88%	82.9%
New Home starts	83	92	84	100
% of Properties Decent Homes Standard	100%	100%	100%	100%
User Satisfaction with Services				
Satisfaction Overall	97%	95%	98%	94%
Satisfaction with Involvement Overall	97%	95%	95%	93%
Satisfaction with Repairs	100%	66%	67%	64%
Satisfaction with Landlord Services	95%	90%	93%	83%
Rent Represents Value for Money	82%	84%	78%	84%
Satisfied - Support and Care	97%	98%	98%	99%
Satisfied - Community Outreach Service	99%	100%	100%	100%
Satisfied - Progression to Employment	100%	99%	100%	100%
Satisfied - Floating Support Service	94%	100%	100%	100%

*Based on income, not cost

Triangle Housing Association Ltd
Year Ended 31 March 2023

Summary Key Performance Indicators for 2021/22	2019/20	2020/21	2021/22	2022/23
No of Complaints	16	25	28	27
No of Complaints unresolved	0	0	5	1
Human Resources				
Labour Turnover	12.5%	11.5%	17.3%	18.9%
Staff Absence	5.6%	6.15%	7.0%	7.5%

Environmental, Social and Governance Reporting

Triangle has developed a report which sets out its Environmental, Social and Governance (ESG) activity against the Sustainability Reporting Standard for Social Housing. ESG is a framework that helps stakeholders understand how an organisation is managing risks and opportunities related to environmental, social, and governance criteria. ESG reflects the view that sustainability extends beyond just environmental issues. The Sustainability Reporting Standard for Social Housing is aligned to international frameworks including the United Nations' Sustainable Development Goals (SDG). It has 12 themes and 48 criteria.

Triangle's report will be shared with its funders and key stakeholders.

Internal Financial Control

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

The Board of Management has reviewed the effectiveness of the Association's system of internal financial control. The review included consideration 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 Board has adopted a formal schedule of matters reserved for its approval ensuring it 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 Board. Actual results are compared against budget and appropriate action identified and initiated.
- The Audit and Risk Committee reviews matters relating to internal control and receives reports on a regular basis from the external and internal auditors and from the Executive Management team.
- Triangle's objective is to identify and manage those risks which are likely to occur and if they did, would have a significant impact on the organisation. Triangle uses risk management techniques in all aspects of its operations and integrates risk management as part of its culture. Triangle identifies, prioritises and assesses the risks it is subject to, as and when a risk emerges. It implements procedures to control and monitor risk. Triangle formally reviews its risk register quarterly.

Going Concern

Triangle Housing Association Ltd

Year Ended 31 March 2023

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

Corporate Governance

It is the opinion of the Board of Management that Triangle is in compliance with Best Practice issued by the NHF Code of Governance. The Board of Management meets regularly throughout the year. There are six committees, namely Finance; Housing and Development; Audit and Risk; Organisational Development and Communications; Support Services; and Remuneration. All Committees meet regularly throughout the year.

The Finance Committee has responsibility for finance and IT. The Housing and Development Committee has specific responsibilities for development and housing management including maintenance and floating support services. The Audit and Risk Committee has responsibility for internal and external audit, risk management and fraud. A professional independent person attends this committee and advises and supports the Board on its performance. The Organisational Development and Communications Committee has the remit for human resources, organisation development, learning and development, corporate services and communications. The Support Services Committee has the responsibility for supported living, outreach and progression to employment services. The Remuneration Committee has responsibility for overseeing the organisation's remuneration policies for all paid staff with particular responsibility for keeping under review the terms and conditions of the Chief Executive Officer and other Executive Management Team members.

Each member of the Board of Management listed on page 1 holds a fully paid share of £1 in the Association and no financial benefit is derived from such membership. Executive officers of Triangle hold no interest in the Association's share capital and, although not holding the legal status of directors, they act as executives within the authority delegated by the Board.

Board members do not receive any remuneration, only expenses in relation to travel allowances and incidental expenses incurred in the course of their duty. Gross expenses paid to the members for the year amounted to £1,772 (2022: £1,501).

Chief Executive Officer and Directors receive remuneration agreed by the Remuneration Committee annually. Triangle makes an employer's pension contribution of either 6% or 7.5% to all staff through a defined contribution personal pension plan. No other special terms exist.

Chief Executive Officer and Directors remuneration excluding pension contributions are as follows:

	2023	2022
	No.	No.
£75k-£80k		2
£80k-£85k	2	2
£85k-£90k	2	
£90k-£95k		
£95k-£100k		
£100k-£105k		
£105k-£110k	1	1

Compliance with Code of Best Practice

The auditors have confirmed that in their opinion, with respect to the Board's statements on internal financial control and going concern above, the members have provided the disclosures required by the Code and such statements are not inconsistent with the information of which they are aware from their audit work on the financial statements, and that the Board's statement on pages 2 to 11 appropriately reflects the Association's compliance with the other paragraphs of the Code.

They have carried out their review in accordance with the relevant Bulletin issued by the Auditing Practices Board, which does not require them to perform any additional work necessary to express a separate opinion on the effectiveness of either the Association's system of internal financial control or corporate governance procedures, or on the ability of Triangle to continue in operational existence.

Donations

Triangle has a charitable giving committee and made charitable donations during the year of £17,176 (2022 £24,506).

Independent Auditors

The current auditors, ASM (B) Ltd, Chartered Accountants, have indicated a willingness to continue in office.

A resolution to reappoint ASM (B) Ltd, Chartered Accountants, will be proposed at the Annual General Meeting.

By Order of the board

K Mackenzie
Chair

19 June 2023

