

Strategic report of the Board of Management for the year ended 31 March 2023

Governance

The Board of Management present their strategic report and the audited financial statements for the year ended 31 March 2023 of Radius Housing Association Limited (the “Association”) and its subsidiaries Radius Homes Limited and Tealstone Developments Limited (the “Group”).

Corporate Plan 2022/23 to 2026/27

Radius launched its latest Corporate Plan in 2022/23 following extensive engagement with customers and key stakeholders. We reviewed our operating environment together with business risks and opportunities, realigning our strategy and priorities for now and into the future. The need to be resilient, agile and creative has seldom been greater as housing associations are evolving beyond their traditional landlord roles to support tenants and communities and enable both to thrive. We developed ‘golden threads’ running through our plans, connecting aspirations and outcomes to key inputs such as staff and stock development, asset and systems investment and tenant engagement.

Purpose: Radius’s purpose is :

To improve lives and communities through our homes, care and support

Vision: Our vision is :

To provide homes that build a better place for all

Values: Our values place our customers at the centre of our organisation:

Business Value	Value Expression
<i>Making a difference daily</i>	Every day our staff, Board and partners aim to improve people’s lives through hard work, creativity & collaboration.
<i>Positively open</i>	We are solutions focussed, open & transparent, acting ethically, consistently & with integrity.
<i>Driving sustainable progress</i>	We lead in the creation of carefully considered and robust solutions which will stand the test of time.
<i>Together as one</i>	In partnership we are stronger together, taking joint ownership & responsibility and sharing in success.

Objects: Radius was formed for the benefit of the community. Its objectives are to carry on for the benefit of the community:

- The business of providing housing, accommodation, assistance to help house people and associated facilities and amenities for the preventions or relief of poverty or for those in need by reason of youth, age, ill health, disability, financial hardship or other disadvantage;
- Any other charitable object that can be carried out by an Industrial and Provident Society, and Northern Ireland charity registered as a Housing Association by the Department.

Enablers: We meet our objects by:

- Developing new social and affordable housing in response to housing need.
- Managing social housing stock throughout Northern Ireland.
- Providing care and housing support for vulnerable people across a wide range of complex needs.
- Partnering statutory, voluntary and community organisations to sustain tenancies in the face of rising incidents of dementia, learning disabilities, homelessness, alcohol and substance abuse and other complex needs.
- Engaging with our tenants, residents and customers in the provision of our services.
- Providing security and support to people in their homes through assistive technology under our Connect24 services, floating support, our home adaptations (Staying Put) and Daycare Services and
- Engaging in non-charitable business activities which help fund and further our objectives.

Radius Housing Association Limited

2

Board of Management and advisers

Board of Management

Mr M Pitt FCA, MAcc, BSc Hons [Chair]
Mrs L Campbell MBE BA (Hons), DIPL, PGIDg [Vice Chair]
Mr C Diamond BSc (Hons) (Resigned 28 June 2022)
Mr C Doherty BSc (Hons), MSc, MRICS
Mr S Dolan BSc (Hons), PhD, IPFA (rtd)
Mr R Dunne FIB BA (Hons) MA MSSc MBA (Resigned 8 November 2022)
Mrs M English LLB, CPLS (Resigned 28 June 2022)
Dr S Harper MB, BCh, BAO, DRCOG, DCH, MRCGP, MPA
Mr P McGuinness FCCA, CTA [Treasurer]
Mr D Quinn MEng MIOd
Mr N Quinn FCA BSc MSc (Appointed 28 June 2022)
Ms M Smith [Tenant Board Representative]
Mr J Taggart MRICS RICS
Mrs H Walker BSc, DIPL, MSc, PGDIP

Independent Members of Radius Homes Limited

Mr D Neill MRICS, DIPL PM (RCIS) rtd

Independent Members of Tealstone Developments Limited

Mrs M English LLB, CPLS (Appointed 28 June 2022)
Mr I Lees FCA
Mr D Neill MRICS, DIPL PM (RCIS) rtd

Chief Executive and Company Secretary

Mr J McLean OBE B.Eng. MSc DipM MBA CEng, MIEI

Registered office

3 – 7 Redburn Square
Holywood
County Down
BT18 9HZ

Bankers

Danske Bank Limited
Donegall Square West
Belfast
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Solicitors

Wilson Nesbitt
33 Hamilton Road
Bangor
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Independent Auditors

Grant Thornton (NI) LLP
Chartered Accountants and Statutory Auditors
12 – 15 Donegall Square West
Belfast
BT1 6JH

Registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 - No IP169
Registered under the Housing (NI) Order 1992 - No R1
Registered under the Charities Act (NI) 2008 – No NIC102575
Registered with the Fair Employment Commission No 499

Strategic report of the Board of Management for the year ended 31 March 2023 (continued)

Golden Threads: Through our corporate plan we identified 4 strategic priorities or ‘golden threads’ relating to our customer, homes, our staff and an assured Radius business:

Customer First	Great Places	Empowered People	Assured Business
<i>Providing the best possible services with our partners for the benefit of our customers</i>	Where our customers experience the best possible services whether it is from a Radius employee or one of our valued delivery partners.	Customer First	
<i>Build and maintain safe & sustainable homes within thriving communities</i>	Building and maintaining all our homes to the safest and greenest viable standards set within well-planned & welcoming communities.	Great Places	
<i>Great and agile places for our staff to develop, innovate and collaborate</i>	Our people through our values, empowered by agile and flexible working, enabled by the latest technology, stronger through training and partnership working, helping and supporting more people.	Empowered People	
<i>Being compliant, resilient, vigilant and innovative</i>	Upholding good governance and trust, anticipating risks as we remain financially sound while all the time looking for and adopting new and better methods.	Assured Business	

Governance

Radius Board of Management: The responsibility for the general policy, management and operation of Radius rests with a voluntary and unremunerated committee known as the Board. Day to day management is delegated to the Chief Executive and six directors.

Group Structure: Radius Housing Association Limited provides housing, care and support to communities in N. Ireland and is the controlling member of the Group.

Radius Homes Limited provides property development services to assist the Association in delivering its social housing development programme.

Tealstone Developments Limited provides investment opportunities outside of the objects of the Association which are expected to deliver a profitable return on investment, to be reimbursed to the Association.

Refer to note 18 for details of Radius Housing Association Limited investments in subsidiary undertakings.

Status: Radius Housing Association Limited is registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 (No. IP 169) and is a Registered Housing Association. The Association is a registered charity under the Charities Act (NI) 2008 (Charity No. NIC102575).

Strategic report of the Board of Management for the year ended 31 March 2023 (continued)

Business Overview for 2022/23

As we progressed beyond the pandemic so our services returned to normal in almost all settings. The exception has been in housing-with-care schemes where a number of Covid safety procedures are still in place to protect our most vulnerable residents. This is pending a review by the N. Ireland Public Health Authority. We have embraced hybrid and flexible working and have embedded policies, procedures and systems which are not only supporting better customer services but enabling staff to achieve a healthier work life balance.

As with other regions of the UK and the wider economy, we have experienced challenges in recruiting skilled and experienced staff. Cost of living pressures and rising wage demands have created further pressures for our business. Meanwhile, our tenants are having to cope with a widening gap between household income and the day-to-day cost of food, fuel and energy. Tenders for our contracting, maintenance and design activities have consistently returned price increases, some as high as 40%, reflecting supply chain trends elsewhere in the UK. In these challenging times we have worked closely to support our contracting partners maintaining service levels and progressing building sites.

Radius has in place a broad range of tenancy sustainability interventions helping our most vulnerable tenants. We have extended our service charge convergence plans and discounted the full heating charge for sheltered tenants. These measures have helped to shield our tenants from the full extent of the harsh economic headwind at this time.

We remain committed to investing in our existing stock and providing the best possible customer services for our tenants and residents. We are building more sustainable homes within shared and inclusive communities. Our Development Team showed great tenacity and creativity as we progressed several complex new-build projects through planning, tendering and the requisite departmental approvals. This while delivering a healthy programme of completed new homes. The team also managed to progress several signature projects in readiness for the 2023/24 development programme. It remains to be seen how government budget cuts in the incoming year may impact on the overall social housing capital programme and those services which depend on revenue funding.

In this our first year of our latest corporate planning cycle, we set about developing our new corporate plan for the next five years, 2022/23 to 2026/27. We engaged with tenants, staff, business partners and other key stakeholders to ensure we were focusing on the key priorities in the face of the evolving and increasingly challenging business environment. We are confident that with the creativity and resilience of our people and our planned investments we will continue to improve lives and communities through our homes, care and support.

Radius Business in detail

Development & Property Services

During the year we commenced on site 430 new sustainable homes. This while completing a further 189 new social rented homes on sites across Northern Ireland for handover to tenants. We also advanced a number of signature projects which will be capable of delivering 3-400 potential new-start homes in 2023/24. The actual outturn will be dependent on available capital funding from the government following its budget determination in May 2023. Meanwhile, our first private development project via our private subsidiary, Tealstone Developments, progressed to the point of submission for planning. At year end, Radius had over 700 new homes under construction on sites across Northern Ireland.

The progress and performance of some builders and contractors has unfortunately been impacted by labour shortages, delivery delays and rising prices. In some cases completion of new homes have been delayed by as much as 12 months. Whilst in other cases some framework contractors have decided to exit their arrangements with us. We remain committed to working with all our partners on practical and reasonable solutions which not only support them in these challenging times but which protect the interests of our customers and our business.

Housing and Community Investment

The Radius Communities team continues to focus on achieving elevated levels of performance in housing management. We seek to enable our tenants to sustain their tenancies while maximising rental income and occupancy levels across our 13,500 homes. With demand at record levels we seek to turnaround properties as efficiently as possible. Our arrears and voids performance outturn for general needs and sheltered housing at 4.4% and 3.7% respectively, down from 7.6% and up from 2.8% in 2022. We have deliberately grouped batches of void properties for dampness remediation and decanting purposes in 2023/24. For supported housing, voids rose to 4.5% from 4.1% due to continued restrictions following the pandemic. Supported housing arrears rose to 6% in the same period. Our anti-social behavioral resolution rate was within target, while 90% of complaint responses were completed within 20 days, up from 86% in 2021/22. Meanwhile the time to relet properties stood at 33 days, outside of our 25 day target and we are working hard with contractors to bring this back into line.

Strategic report of the Board of Management for the year ended 31 March 2023 (continued)

Enhanced Customer Insight

At Radius we are keen to know what matters to our customers. Our tenant engagement programme is shaping and enhancing core services with service users helping to design and specify targets for contractors. In 2021/22 we became the first local housing association to submit to the Supporting Communities Tenant Participation Accreditation for which we received a silver award.

Our most recent Tenant Survey provided valued feedback on our homes, staff and services, including:

- 85% felt Radius treats its customers fairly.
- 85% stated that they trusted Radius Housing Association.
- 90% believe Radius has friendly and approachable staff.
- 84% felt their rent represented value for money and
- Of the 65% who received a repair, 77% were satisfied with the service.

And our most recent Societal Index Survey which informs future strategies and investments for general needs tenants confirmed:

- 39% only have enough money for essentials, 28% run out of money before the month-end.
- 53% rate health and well-being support as a priority followed by 42% for advice on benefits entitlement.
- 23% do not have an email address while 46% are confident in using digital services.
- 86% would like to see more sustainable homes but only 43% would pay higher rent to live in one and
- 51% do not use public transport while 46% of households have at least one car.

Tenants are represented on our Board, in our Communities Committee, on our Tenant Executive and through scrutiny panels and focus groups. They inform new procurements, contractor management procedures and sit on recruitment panels for board and management appointments. 2023/24 promises to be busy for tenants as we recruit a new Tenant Executive and introduce additional service-user focus groups.

Community Investment & Shared Futures

Our community investment teams work closely with business and community groups supporting tenants through a variety of interventions. Our community investment highlights during 2022/23 were:

- Our Benefits Officers identified around £1m of additional income entitlement for tenants.
- We launched Radius's Tenant Engagement Strategy and Action Plan.
- Our 3 Service Improvement Groups reviewed: Complaints, ASB and MTC Contracts for heating and repairs, giving rise to 14 strategic outcomes and benefits.
- We facilitated 260 community events, programmes and projects across Northern Ireland, working with 110 statutory and community partner organisations, with 10,000 registered attendances.
- We launched our Digital Inclusion Strategy and Guidebook.
- 180 delegates attended our Radius Tenant Conference in October 2022.
- Our Northwest Hub was formally re-opened in August 2022 with a community information and fun day after a two year closure due to covid. Over 100 people attended the event, and the Hub has seen an increasing number of users month on month.
- Our £20,000 Community Chest Fund enabled 30 groups to deliver projects within Radius Communities.
- We loaned out 40 tablet computers on awareness sessions and to help tenants attend virtual focus group meetings.
- 16 of our tenants and staff took part in digital champion training with the Barclays Digital Eagles programme.
- We partnered Ability Net, so our tenants could receive 1:1 digital training.
- We established our Sustainability Group with staff, tenants and Joint Management Partners.
- We held our Verbal Wellbeing Programme: A 12 week storytelling programme to promote inclusion and address loneliness and anxiety run out in 18 independent living schemes, with 131 participants and 130 storytelling sessions.
- We had 50 Estate Walkabouts with staff meeting tenants and community representatives on local issues.

Our Community Investment Team, working in tandem with tenants, community groups, government agencies and a whole host of stakeholders, are helping to build resilient, respectful and engaged neighbourhoods. We have exciting plans for 2023/24 for a Radius Foundation, to help extend the reach of our programmes even further.

Strategic report of the Board of Management for the year ended 31 March 2023 (continued)

We are committed to enhancing respect, cultural awareness and resilience within our communities with our staff and community partners engaged in a diverse range of activities part-funded by the government's Together Building United Communities Fund. In 2022/23 we had many highlights under the themes of:

- **Beauty is Our Business:** 32 participants achieved 70 professional beauty accreditations with 20 receiving OCN level 3's. A further 12 completed Driving Theory courses. Our tenants were supported by GEMS NI, the East Belfast Mission, Utopia Learning and Capital Hair & Beauty.
- **Do Something Healthy (DSH):** 72 participants achieved 120 OCN accreditations. They were aided by Partnership with Boys & Girls Club NI, which supported our tenants in 5 Shared Housing Areas across N. Ireland.
- **Soccer Academy – Street Soccer:** 134 participants with 43 achieving IFA Level 1 Coaching Awards; 46 achieving OCN accreditations in Disability Awareness in Youth Work; and 30 achieving Introduction Certificate for Refereeing.
- **Schools Biodiversity Project:** 23 schools participated, providing 607 pupils from across N. Ireland in our partnership with Keep Northern Ireland Beautiful. This through the universal language of biodiversity while promoting Good Relations and inclusivity in and between schools.
- **RESPECT Programme:** We worked with 16 schools, providing 480 pupils with education on the consequences of crime and anti-social behaviour whilst promoting health and safety, well-being and good relations within communities. They were aided by the Children's Safety Education Foundation.
- **Knock Knock – Ballymena Schools Project:** 12 primary schools worked with 3 Independent Living schemes for older people. Together they created a book about "Home", celebrating diversity and culture. The project won the CIH Promoting Shared Communities Award 2022.
- **Messines Project:** We had 17 participants with 14 achieving OCN level II's in Conflict Resolution which focused on addressing their differences through a shared history of World War II.
- **Community Development:** We had 18 participants complete OCN Level I's in Community Development.

Care and Support

We manage 1,199 supported housing tenants and residents through a blend of directly managed and partner schemes. We have an extensive list of partners including: the Salvation Army; De Paul; the Simon Community; Extern; MACS; Praxis; First Housing Aid and Support Services; WHSCT and BHSCT. Our partners provide expert care and support some of the most vulnerable and marginalised people in society. Client groups include the homeless, young and older people with learning disabilities, people with dementia and those dealing with alcohol and substance dependency. Radius provides a landlord service to our partners in these settings.

Within our directly managed housing-with-care schemes we seek to maximise independence and to ensure residents participate as much as possible in local community activities. We are grateful for the continuous help of businesses and volunteers who either directly or through funding, support lunch clubs, outings and a range of stimulation and entertainment activities for our residents and tenants. These include donated meals and food; memory cafes; chair aerobics; intergenerational events; shopping, theatre and concert outings; flower arranging; crafts and artwork; poetry and history events. For the second year running a Radius residential scheme has topped the local polls with our Loughview Housing-with-care scheme voted 2023 Residential Care Home of the Year at the NI Nursing Care Awards.

Radius's housing with care schemes continued to receive positive inspection reports from the Regulation and Quality Improvement Authority (RQIA) throughout 2022/23. Staff within our directly managed schemes provided the best possible care, support and reassurance to our residents. Where it was safe to do so we facilitated regular family visits and zoom calls within the directly managed schemes. A number of controls introduced at the time of the pandemic have been retained but are expected to be lifted in mid-2023. The housing-with-care sector as with many sections of the economy, is facing a skills shortage and this has contributed to rising agency costs. In recent months, new approaches to advertising and recruitment have been bearing fruit.

Staying Put Service

Radius's Staying Put service provides invaluable assistance for people applying to the NI Housing Executive's Disability Facility Grant (DFG) Scheme for home adaptations. Our team helps applicants navigate the process and assists with the procurement of design services, building control applications and building works. Applications to the service began to increase in late 2022 as the pandemic eased. However, some applicants for DFG's have cited difficulties in procuring contractors and getting them to hold their prices amidst the rising labour and material costs seen elsewhere. We are concerned that the DFG Scheme may be particularly impacted by possible NI Government budget cuts in 2023/24 and have made representations on behalf of those likely to be affected. In 2022/23 we received 478 new enquiries and 311 approvals from the NI Housing Executive. A total of 239 grant aided adaptations and improvements were completed in the same period.

Strategic report of the Board of Management for the year ended 31 March 2023 (continued)

Radius Connect24

Radius's Connect24 business provides telecare and telehealth support services enabling many older and vulnerable people and those with chronic illnesses to maximise their independence. Connect24 has led the way in the UK and Ireland in developing a connected health offering with a full triage capability supported by an inhouse nursing resource.

Connect24's overall connections were marginally up at year end, close to 20,000, at 2% above our growth target. This includes 3,168 patients across the Health and Social Care Trusts in Northern Ireland and Republic of Ireland for remote telemonitoring. At the conclusion of the 2022/23 year 94.5% of calls were being responded to within 60 seconds. The team also successfully renewed their ISO27001 and ISO20000 quality standards as certified by Exova BM Trada. Radius Connect24 is monitored and annually assessed by the Telecare Service Users Association (TSA).

Our Connect24 team have been upgrading their telephony monitoring platform through 2022/23 as we prepare to adopt the new BT Aura telephony system. We have also been trialing analogue-digital changeover solutions in advance of the 'analogue switch-off' date in 2025. This while exploring how new technologies such as Alcuris's Memo Hub and the Pacsana Bracelet, can help people live more independently and reduce pressures on Health and Social Care services.

Customer Service Centre (CSC)

We launched our CSC two years ago and were particularly pleased to see advancements in staffing and performance through 2022/23. Our intention is that the CSC and our call agents have the capability to field enquiries through a variety of channels, i.e. telephone, email, social media, etc. and eventually be able to respond to 80% of them at first point of contact. In parallel we are modernising our CRM and housing management systems and the enabling processes which will enhance our customer experience. In 2023 we have engaged a telephony expert to lead a review into the progress and learnings to date and to help shape the next phase of development of the centre.

Radius Staff

Our success and achievements are mainly down to the professionalism and dedication of our staff who have a high regard for customer service, comfort and safety. In the early days of the pandemic we were grateful for the flexibility and resilience shown by staff working in the front line within supported schemes and from home.

Office based staff embraced flexible and hybrid working patterns and enjoyed access to core operating systems over secure digital platforms. In 2022/23 we introduced hybrid working policies which enabled us to retain the positive aspects of home-working and more family-friendly working arrangements. At the same time we found our customers were pleased with our overall service. We continued with our annual pulse survey of staff for the third year running to capture their views on home working during the pandemic. We also carried out a series of mystery shopping surveys to ensure customer service standards were being maintained. Our staff pulse survey was consistent with the previous 2 years and confirms high levels of support and communication from management and Radius:

- 85% were at least in weekly contact with their line manager
- 93% felt connected to their colleagues and part of a team
- 83% were clear about their job requirements in a home setting
- 70% felt Radius's level of communication was excellent with no improvement needed.
- 78% had access to the information from home needed for them to do their work.

The HR and Corporate Services team provided extra guidance on homeworking, mental wellbeing and other support initiatives to staff throughout the year. Our Mental Health Strategy launched in 2022 is supporting staff amidst the transition to hybrid and flexible working. Highlights include:

- 23 Mental Health First Aiders
- Staff health cash back programme via Health Shield
- 24/7 Counselling via the Belfast Health and Social Care Trust
- Weekly occupational health nurse clinic with employee health checks
- Relaunch of Radius's 'Our Place' intranet site with advice and health tools

Sickness and absence levels for the year finished on 3.3% up from 3% in 2022. Staff turnover was unchanged at 14% across the year, below our peers in the Housing and Care Sector. Recruitment continues to be challenging, reflecting the national skills shortage. However our new recruitment methods are increasing applicants with some long-term vacancies now being filled.

Strategic report of the Board of Management for the year ended 31 March 2023 (continued)

Our transformational team progressed key change and modernisation projects aimed at enhancing our customer experience. These are centered around new head offices, new computer management systems, an improved CRM system and a multi-channel customer portal. The team developed resources and guidance to aid SMARTER working practices and to support staff working remotely. We expect work on our new offices to commence in early summer 2023 and to complete by the end of 2025.

The Senior Management Team is 71% female and 29% male. Radius has 843 employees of which 18% are male and 82% are female. Regarding the Radius Board, 27% are female and 73% male. 47% are under 61 years and 53% above. We invest around £300k each year in the training and development of staff. Applications for employment by disabled persons are always considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every practical effort will be made to ensure that their employment with the Association continues and the appropriate training is arranged. It is the policy of Radius that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability. An Equality Commission FEC Return was presented during the year.

In 2022/23 the Department for Communities published their regulatory judgement for Radius following the 2021/22 Regulatory Return. We are pleased to confirm that Radius was adjudged as continuing to meet the regulatory standards for governance, finance and consumer standards. Moody's completed its annual credit rating re-assessment of our organisation and reconfirmed our A1 Rating. This leaves Radius as one of the few remaining UK housing associations at Moody's highest credit rating level for housing providers. This together with our positive Environmental, Social and Governance (ESG) assessment against the UK's Sustainability Reporting Standard positions Radius in a favorable light for additional private funding as we prepare for our next private placement in 2024.

Radius is a member of the UK Housing Association benchmarking club, Housemark and undertakes regular peer reviews to help identify areas for improved performance, efficiencies and raised productivity. We retained our Customer Service Excellence quality mark during the year while our Development, Assets, Staying Put and Corporate Services departments were reaccredited to ISO9001. IT services also retained their ISO20000 and ISO27001 accreditations.

We received 152 complaints across its customer base of around 33,000 direct service users, down 16% from the previous year. Of these, 80 (46%) were upheld and 92% were responded to within our targeted response time. The principal areas of dissatisfaction related to delayed repairs and perceived lower quality of service than was expected. We will continue to reflect on the learnings from complaints and seek to improve our business by shaping our policies, procedures and staff training programmes accordingly.

Radius's Health, Safety, Risk and Insurance Group continue to closely monitor safety across the association. This is backed up by mandatory health and safety courses, rolled out under Radius's Corporate Training Plan. They met throughout the year to review safety and assess risk. Covid risk assessments were undertaken in the various work settings in response to the evolving guidelines from the Public Health Authority. In 2022/23 we recorded one incident under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013. Radius's Assets team oversee compliance inspections covering: gas system servicing and inspection; legionella inspections, asbestos management, fire risk assessments and other compliance areas. It has been challenging to gain entry into all homes to conduct essential inspections and tests of gas boilers and perform other safety checks. At year-end we had 14 properties overdue a gas-boiler inspection. This despite many efforts to engage the tenants and to warn of our intention to disconnect and in some cases even to take legal action.

We operate a robust GDPR monitoring and improvement function within our business. Over 900 staff have received mandatory training on GDPR. System security and penetration tests were carried out during the year with findings being reported to the Board. The security checks and controls take into consideration home-working arrangements and continue to be upgraded in line with an ever-changing fraud and cyber-crime risks.

We continued our commitment to developing staff, contributing to society and protecting the environment through our CSR Action Plan. Our charity partner, Air Ambulance NI completed its first year term with us during which time £32,000 was raised by staff, business partners and tenants. The fundraising activities have given tenant communities an added incentive to come together across a variety of events. We are aiming to help them raise £70,000 over the 2 years of their charity term with us.

Energy Savings and ESG

Over the last year we saw energy and fuel prices continue to rise leading to financial hardship for our tenants and staff. The Board took the decision not to pass on the full cost of heating within those sheltered housing schemes operating communal boilers. This together with a subsidy on service charges helped to shield our tenants from the full extent of the cost-of-living increase. These savings of approximately £2m combined with further assistance in the form of Radius's Community Chest and our Tenant Hardship Fund, helped our most vulnerable customers to sustain their tenancies. Prices are unfortunately expected to only marginally reduce in 2023/24.

Strategic report of the Board of Management for the year ended 31 March 2023 (continued)

For the first time in 2022/23 we assessed the Radius organisation under the UK’s Sustainability Reporting Standard. We are delighted to be able to draw out the excellent work by staff, tenants, Board and partners throughout Radius in championing justice, celebrating diversity and promoting biodiversity. This as part of our ‘Radius Sustainable Way’ – a 9 themed action plan aimed at strengthening our resolve on matters which improve the environment and society while upholding good governance. Radius’s homes have an average EPC score of 75 which is significantly above the Northern Ireland residential average of 60. 84% of Radius’s housing stock is rated at EPC Level C and above. We have committed to investing £25m over the next 5 years in our older homes as we aim to eliminate dampness due to rising and penetrative damp. It is unfortunately the case that incidents of condensation and mould growth are presenting with increased regularity as tenants struggle to adequately heat and ventilate their homes. We are working closely with tenants to raise awareness of measures to reduce this problem, while our contractors perform remediation works.

We are designing new build projects to EPC Level-A while focusing on the regeneration of brownfield sites. A sizeable proportion of our housing stock has been fitted with solar panels including over 100 sheltered and supported housing schemes and is delivering over 700,000KWh’s per.annum. The energy savings are passed directly to older tenants and help to reduce fuel poverty. Further Photovoltaic (PV) panels have been installed on over 400 general needs homes. Our planned maintenance teams continue to change over traditional oil fired communal heating systems to more efficient gas-powered systems. Radius will partner Phoenix Gas on a number of residential pilot schemes in 2023/24 aimed at identifying measures to cut carbon footprints. We also plan to commence our first ‘Carbon Near Zero Energy’ building in Larne.

For the year ended 31 March 2023, Radius Housing, including its wholly owned subsidiaries, reported the following energy usage and carbon emissions for the Group’s corporate activities:

- Underlying global energy use for the year ended 31 March 2023 of 52,790,784 kWh (2022 – 54,217,826 kWh).
- Annual GHG emissions for the year of 9,584.37 tCO₂ (2022 - 10,523.91 tCO₂).
- Emissions intensity ratio of 0.099 GHG emissions per £m revenue (2022 - 0.112).

The above SECR disclosure presents our carbon footprint across Scopes 1, 2 and 3, together with the appropriate intensity metric and our total energy use of electricity, gas, kerosene, LPG and diesel vans. The usage is as follows:

	2023 kWh	2022 kWh
Electric	7,769,047	8,292,574
Kerosene	16,243,405	14,495,375
LPG	1,698,381	1,503,534
Gas	26,933,547	29,815,029
Diesel	146,405	111,314
Total	52,790,785	54,217,826

Ratio – 9,584.37 / 97,067,730 (Net Turnover) = 0.099 (2022 – 0.112)

Energy efficient actions taken include:

Radius operates a large solar panel portfolio, managing approximately 400 PV systems; offsetting our carbon emissions and making significant energy savings by supplying electricity to a number of our housings schemes. During this financial year they generated an estimated 710,000 kWh which was exported to the grid.

Radius Board and Senior Management

In 2022/23 Melanie English and Robert Dunne retired from the Board. Melanie had chaired the Radius Audit and Risk Committee as well as sitting on the Development Committee for Radius and formerly Fold Housing Association. Robert had been a member of the Audit and Risk Committee. We are grateful to both for their dedication, leadership and contributions to the Association. We were delighted to welcome our new members, Niall Quinn and soon Jacyn Richardson onto the Board. At the commencement of 2023/24, there were 4 females and 8 males on the Radius Board of Management as well as an independent male member on each of the two subsidiary companies and a female member on Tealstone Developments.

**Strategic report of the Board of Management for the year ended 31 March 2023
(continued)**

Radius launched its latest Corporate Plan in 2022/23 following consultation with all key stakeholders. This process was overseen by independent consultation experts Creative Bridge. The business planning framework for the next 5 years takes into consideration all opportunities and threats affecting our customers and business and draws out our key priorities. We will revisit the framework each year as we refresh our business plan to ensure continued congruence. This annual review is informed through regular risk-assessments and horizon scanning at committee and board levels, through customer and partner feedback, recommendations from audits and independent assessments, business stress-testing and through proposals emerging from strategic board discussions.

Members continued to avail of extensive training and awareness sessions and seminars, covering a broad range of topics. There were inhouse workshops on: stress testing of the 2022/23 business plan and budget; the new Radius ESG Strategy; the Radius 2023/24 rent and service charge settlement; Radius’s final appraisal of the new Head Office at Hollywood; a review into governance arrangements for Radius’s subsidiaries; a fundamental review of Communities at Radius by Campbell Tickell; a ‘fabric-first’ investment proposal for St John’s Close, Belfast; An Interim Cashflow Appraisal Model for schemes with cashflow deficits; the Radius 2023/24 budget and business plan; and a Treasury Options workshop for long-term, short-term and sustainable financing. The Board held its strategic review event in Newcastle which included the Annual Group Appraisal and was attended by business partners and local public representatives.

The Board performed its annual review of Radius’s risk tolerance and appetite and confirmed the organisational scheme of delegation following minor adjustments on Development and procurement authorisations. The NatFed Code of Governance 2020 had been adopted at the beginning of 2022/23.

Radius is very grateful for the dedication and direction afforded to the Association by its voluntary board members. Their willingness to make themselves available for key decision making throughout the pandemic ensured continuity in services and projects. Their expenses claimed during the year amounted to £2,085 (2022 - £559).

Finance and Business Performance

Actual Performance for the year ended 31 March 2023

In its sixth year of operation, Radius achieved an Operating Surplus of £13.8m versus £15.3m in 2021/22. The decrease was mainly due to the impact of cost increases across each area of the business. A major component of this is the increase in the cost of heat & light of our Schemes and Offices. The cost increased by 17.5% this year which is on top of the 92% increase in 2021/22. This along with the increased cost of staffing and the £2.8m increase in response and change of tenancy maintenance are the main variances to the surplus in 2022/23.

Income stood at £97.1m, up from £94.2m in the same period last year. The value of Radius’s total housing properties at cost rose from £1,109m to £1,158m. This movement was due to housing completions in the year less sales to tenants under the “right to buy” scheme which were significant this year as the Scheme drew to a close.

The management of financial resources is critical to the Group’s ability to meet its objectives. Whilst the Association has voluntary non-profit making status, the generation of an annual surplus is vital to ensure the ongoing investment in new housing stock to provide for longer term maintenance obligations, to meet the commitments to lenders and to generally ensure adequate protection against unforeseen circumstances.

Radius rating was held at A1 during the year 2022/23 with the outlook moving to negative from stable due mainly to the outlook for the UK economy.

Key financial indicators are shown below:

	2023	2022
• Net Surplus as % of Turnover (<i>before exceptional items & affordable sales</i>)	7.4%	7.6%
• Operating Costs as % of Turnover	85.7%	83.0%
• Rent Losses as % of Rental income	3.7%	3.5%
• Interest Cover (<i>after adding back capitalised major repairs</i>)	147%	146%
• Liquidity Ratio	0.95	1.26
• Gearing Ratio	25.8%	18.7%

These results and the associated statistics show that despite the cost pressures, Radius remains in a strong financial position.

Strategic report of the Board of Management for the year ended 31 March 2023 (continued)

Positive Social Impact & Value for Money

Achieving Value for Money (VFM) and continuous improvement remain key priorities for Radius. We aim to utilise our assets and resources as much as possible to meet the needs of existing and future tenants and residents. With the effects of the pandemic, Brexit and a hardening economic headwind, the opportunities for savings through tendering and re-procurement greatly diminished in 2022/23. That said sizeable VFM was delivered by other means:

- Maximising the ‘Housing for all’ fund for shared communities
- Shielding of customers from the full extent of actual costs
- Reduced waste
- Higher performance through empowered staff
- Maximising our social value
- Positive customer and staff engagement
- Community safety and regulatory compliance.

We work collaboratively across traditional business unit boundaries, harnessing the innovation and creativity of our people, our customers and our business partners to deliver improvements through efficiency, effectiveness and economy. Productivity levels have returned to normal pre-pandemic levels. However in the face of unprecedented inflation rates, labour scarcity and highly pressurised supply chains, it has been virtually impossible to achieve procurement savings on price alone. Some costs in construction and maintenance activities have returned higher tendered rates by as much as 40%. With the assistance of tenants we have redesigned some key contracting frameworks which are expected to reduce wastage and improve customer experiences over time. In 2023/24 some contractors decided to exit framework arrangements on grounds of diminished viability and/or following problems recruiting skilled and experienced staff.

In terms of social value, we managed to grow our Shared Housing and Good Relations Plan funding to over £7m which will benefit our communities. Through 2022/23 we invested over £1m in our shared communities. Radius Homes achieved a VAT recovery of around £320k on design services in the year. Meanwhile we shielded tenants from around £600k of fuel costs and £1.4m of the actual cost of services by reduced service charges. We donated £25k to Radius’s Community Chest Fund for the benefit of our tenants and assisted those most vulnerable by way of our Hardship Fund of £20k. Apart from the 700,000kWh of solar energy generated from PV panels across our stock, the additional Renewable Obligation Certificates (ROC’s) contribution for the same panels reached £110k over the 12 months.

In summary the VFM highlights through 2022/23 include:

• Community investment activities	£ 991k
• VAT recovery through Radius Homes	£ 320k
• Radius Community Chest Fund	£ 25k
• Radius Tenant Hardship Fund	£ 20k
• Annual PV panel contribution	£ 110k
• Heating costs absorbed by Radius	£ 600k
• Service charges costs absorbed by Radius	£1,400k
Total VFM for Customers	£3,466k

While we await details of our government’s response to the ‘zero-carbon’ challenge, we have committed £25m towards the modernisation and retrofitting of our older and less fuel-efficient housing stock.

Risk Management

Responsibility for the identification of risks is clearly defined and operates through a cascading risk assessment process. Key risks facing the Group are considered by the Board of Management at each board and committee meeting. Each directorate updates its own risk register every month and undertakes horizon scanning for possible future risks. These in turn are elevated upwards to Radius’s Corporate Risk Register.

We stress-tested our budget and business plan midway through 2022/23, calculating an LBE against a number of unfavourable variances and scenarios and found them to have an appropriate level of resilience and financial capacity to enable us to continue delivering on our objects. We revisited our risk appetite and tolerance and introduced a new risk appetite framework to guide the board, committees and management in their decision making. Radius’s governance and risk management policies and procedures were reviewed by our auditors during the year, prior to the 2023/24 business plan being approved in March.

Report of the Board of Management for the year ended 31 March 2023 (continued)

Statement of the responsibilities of the members of the Board of Management(continued)

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 Group and 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) 1993. 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in the Directors report may differ from legislation in other jurisdictions.

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 and Group's auditors are unaware; and
- They have taken all the steps that they ought to have taken as members of the Board of Management in order to make themselves aware of any relevant audit information and to establish that the Association and Group's auditors are aware of that information.

Internal control

The Board of Management has overall responsibility for the Association and Group's internal control systems and for reviewing the effectiveness of these. Such systems can only provide the Board of Management with reasonable (and not absolute) assurance against material misstatement or loss as they are designed to manage the risk of failure to achieve business objectives rather than eliminate the risk completely.

Audit

The Board of Management has established an Audit Committee with clearly defined terms of reference. The main functions of the Audit Committee are to control and review the external and internal audit functions, the internal control systems and monitor the performance of the Association against the key business indicators. The Association's internal auditors report directly to the Audit Committee on completion of each systems review and an annual summary report is produced by the internal auditors summarising the systems audit programme each year. The work of the external auditors also provides some assurance through the year-end audit and the provision of a report to those charged with governance.

Board of Management, Shareholders and Officers

The members of the Board of Management and the officers of the Association are listed on page 2.

Each member of the Board of Management other than members co-opted during the year holds one fully paid share of £1 in the Association.

Radius's voluntary board members continue to give very generously of their time. They supported Radius throughout the year through: attendance at board and committee meetings and the review of papers; attending special board meetings, strategy workshops; in tender evaluations; in meetings with regulators and business partners; training events, seminars and conferences; involvement in board and senior management recruitment exercises and by attending the annual strategic workshop.

Independent auditors

The auditors, Grant Thornton (NI) LLP, have indicated their willingness to continue in office, and a resolution proposing their reappointment will be proposed at the Annual General Meeting.

By order of the Board



M Pitt

Chair of the Board of Management

29 June 2023