

Grove Housing Association Ltd.

ANNUAL REVIEW 2010/11



New "retrofit" roof at 9 St Vincent Street

*PROVIDING QUALITY AFFORDABLE HOMES IN THE
GROVE AREA AND IMPROVING THE STANDARD OF
LIFE IN THE COMMUNITY*

CHAIRMAN'S FOREWARD



Once again I am delighted to report on another progressive year. Grove Housing Association continues to produce quality performance to match its peers, helping us play a pivotal role in the communities we work in.

We are currently in discussion with other local housing associations with a view to merging to form a housing association for North Belfast. The merger of small associations is in line with government policy, but the project is at a very early stage at this time.

In November we completed and allocated 10 new build properties in Ivan Street and we anticipate a small growth in our development activity in the next year. We have at last acquired the site at the bottom of Skegoneill Avenue and it will be known as the Loughview Development. With the current "retrofit" work being carried out on 9 St Vincent Street and the planned rehabilitation of two derelict and an unimproved property now agreed, this will remove some long standing blight in the area. In particular, 163 York Road has been derelict for many years.

I would like to take this opportunity to thank Mrs May Gyle and Mrs Kay Brown for their many years of service to Grove Housing Association and also for their long service to the community of the Grove Area in general. They retired from our Board in May 2010 and on behalf of the Board Members I would like to wish them all the best for the future.

After many years of perseverance we have managed to recruit the following new Board Members: Miss Dilys Harkins, Mr Craig Ledgerwood, Mr Colm McGarry, Mr Gary Rocks and Mr Mark Shields. With these new members come a number of new skills and many years of board experience, which is exactly what our regulators in the Department for Social Development are looking for.

We are currently addressing issues raised during the inspection that was carried out by the Department in 2010.

Can I take the opportunity to thank the staff of Grove Housing Association, Mr Denis Bleakley, Mrs Gloria McClean, Mrs Heather Carmichael and Mrs Sarah McCall, plus Mrs Sharon Longman and our Clerk of Works Mr Ivor Fletcher, for all the hard work they have put into Grove this last year. I would also thank all the contractors who have carried out work on behalf Grove. Finally particularly thanks to the entire Board, both old and new members, for the many hours of their (unpaid) time they have spent making Grove the success it is today.

David Browne



Denis Bleakley

GENERAL MANAGER'S REPORT

Introduction

This report covers the year ending 31st March 2011 and includes information the Department for Social Development requires us to publish.

Inspection by Regulators

The Department for Social Development carried out an inspection in August and September 2010. These inspections focus strongly on procedures that housing associations have. The quality of housing and service offered to tenants are minor aspects of what they look at.

The draft Final Report has been received. Ratings are Substantial Assurance, Satisfactory Assurance, Limited Assurance and No Assurance. Grove has received Limited Assurance. The Report includes a list of action points to improve procedures, which Grove is working on. There are no individual major items of concern. The Report will be published online when finalised.

Housing stock

With the purchase of a derelict house and the addition of 10 new houses at Ivan Street, Grove now has a stock of 209 dwellings as follows:

- 1 bedroom – 8 dwellings
- 2 bedroom – 85 dwellings
- 3 bedroom – 110 dwellings
- 4 bedroom – 6 dwellings

Of these 197 are houses and 12 are flats. All are in and around the York Road and Shore Road area of Belfast. 4 of these houses have gone on site for major renovation work.

House sales

There have been no sales for over 4 years, which means we do not have a fund from the proceeds of sales to buy other individual homes.

Allocations

The waiting list continues to be strong for the Grove area, though newer houses are more popular than the older terraces. 11 homes were re-let over the year after they became vacant and the 10 new houses at Ivan Street were let for the first time.

Below is an analysis of the 21 applicants who were allocated homes:

| | |
|---------------------------------|---|
| Renting from NIHE | 6 |
| Renting another home from Grove | 2 |
| Renting privately | 3 |
| Owning/buying | 1 |
| Living with family/friends | 8 |
| Hostel | 1 |

| | |
|--------------------|----|
| 1-69 points | 1 |
| 70-119 points | 3 |
| 120 points & above | 10 |
| Transfers | 7 |

| | |
|--------------------------------|---|
| Under 6 months on waiting list | 7 |
| 6 months – 1 year on list | 6 |
| 1-2 years on list | 3 |
| Over 2 years on list | 5 |

Allocations are made according to the Housing Selection Scheme and they are subject to checks by our regulators in the Department for Social Development. Unfortunately the Selection Scheme does not give any preference to connections with the local area.



Ayr Street

Homes empty between tenancies

The average time taken to repair, allocate and re-let the 11 homes that came vacant was 6.1 weeks.

There were no homes empty at the end of March 2011 apart from the 4 getting major renovations.



Maintenance

The Association continued to try to provide an efficient maintenance service to its tenants. While most work is carried out quickly and efficiently, there are repairs that have slipped through the system and taken longer than they should.

With homes having had major repairs or improvements about 10 years ago or having been built since then, most of the work being done by Grove has been general repairs. In the coming years more major work will be carried out as fittings within the houses get older. A lot of our reserves and rent are set aside for future maintenance work as any further grant funding will be very limited.

Our statistics for response repairs for the year are as follows:

Emergency (24 hours to complete)

- 57 out of 63 on time (90%)

Urgent (4 working day response time)

- 388 out of 461 on time (84%)

Routine (4 week response time)

- 229 out of 269 on time (85%)

Over the year we spent about £120,000 on maintenance.

Rents

Rent levels

Rents were increased in April 2010 by 1.9%, which was the level recommended by the Department and the same as that applied by the Housing Executive.

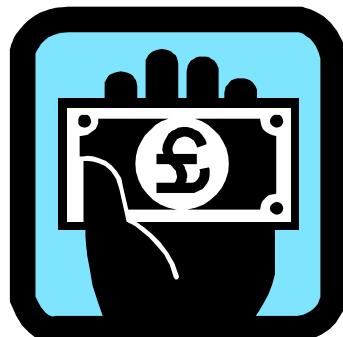
Most of our rents are “decontrolled”. This means that housing associations are allowed to charge more than Housing Executive rents. This is usually to cover the loans that paid for part of the building costs. Average figures for 2010/11 “decontrolled” rents are below (rates are not included):

| <i>Bedrooms</i> | <i>Older homes</i> | <i>Homes built after 1975</i> |
|-----------------|--------------------|-------------------------------|
| 1 | £40.82 | £44.94 |
| 2 | £48.40 | £66.59 |
| 3 | £56.70 | £70.49 |
| 4 | £58.17 | - |
| Average | £52.18 | £68.49 |

Rent arrears

Rent & rates due for the year: £714,083
Amount actually collected: £724,143

Arrears of current tenants: £23,442
Arrears of past tenants: £3,042
Arrears as a % of rent receivable: 3.7%
Arrears written off: £1,148



Additional houses

2-20 Ivan Street

This terrace of 10 houses to replace the old terrace of 18 houses was completed in November 2010. After many challenges and years of persistent work, the actual construction process went smoothly. Funding came from £627,000 in Housing Association Grant and a £500,000 bank loan.



2-20 Ivan Street

The scheme meets Lifetime Homes and Secured by Design standards. It is the first project carried out by Grove to achieve Level 3 of the Code for Sustainable Homes. As part of this it has photovoltaic (PV) panels on the roofs to generate electricity and reduce costs for the tenants.

Loughview Terrace

This development again required considerable work from many people to create a viable scheme on a prominent but awkward site at the corner of Shore Road and Skegoneill Avenue. A tender was accepted at the end of March 2011 to construct the 5 houses and 4 flats.



Loughview Terrace site

"Retrofit" house

Work commenced during the year at 9 St Vincent Street. Eco-Energy NI competed for and won government funding to carry out energy efficiency measures that aim to reduce carbon dioxide emissions by 80% over 1990 levels. The purpose is to learn from this and the other projects and work out what it makes most sense to do to improve energy efficiency in older homes.

It turned out that some repair work has been required in addition to the energy efficiency measures, for example the roof timbers were found to need replacement. This however gave the opportunity to provide a highly insulated and airtight new roof that was craned into place on a sunny and calm day in February. (See the picture on the front cover.)

Rehabilitation scheme

Grove tried to purchase a number of houses in the area that have been derelict for a long time, but in the end we were only able to buy 163 York Road and 6 Keadyville Avenue. A tender to renovate these two houses and our previously unimproved house at 141 Shore Road was also accepted at the end of March.



163 York Road

Board of Management

Grove's Board is responsible for making policy decisions about how the Association is run and what activities it should be involved in. Examples are:

- Ensuring finances are sound and proper controls are in place.
- Considering risks the Association may be exposed to and how to manage them.
- Rent levels and serious rent arrears.
- Building or buying homes.
- Major maintenance schemes.
- Recruitment and staff pay.

The Board takes its responsibilities seriously and met 10 times over the year. Details of names and attendance are on the back page.

INCOME AND EXPENDITURE ACCOUNT - YEAR ENDED 31 DECEMBER 2010

| | 2010 | 2009 |
|---|------------------|------------------|
| | £ | £ |
| TURNOVER (<i>Rental income & development admin.</i>) | 654,551 | 623,250 |
| Operating costs (<i>Management ,maintenance, depreciation</i>) | <u>(403,174)</u> | <u>(359,421)</u> |
| OPERATING SURPLUS | 251,377 | 263,829 |
| Interest receivable (<i>Bank interest</i>) | 6,497 | 3,228 |
| Interest payable (<i>On loans that helped build houses</i>) | (112,676) | (146,367) |
| Net return | <u>(9,000)</u> | <u>(14,000)</u> |
| SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES | | |
| BEFORE TAXATION | 136,198 | 106,690 |
| Tax on surplus/(deficit) on ordinary activities | - | - |
| SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES | | |
| AFTER TAXATION (<i>Grove not due to pay tax</i>) | 136,198 | 106,690 |
| Profit/(loss) on sale of fixed assets (<i>Nothing sold</i>) | - | - |
| SURPLUS/(DEFICIT) FOR THE YEAR | 136,198 | 106,690 |
| TRANSFER (TO)/FROM DESIGNATED RESERVES | <u>(97,531)</u> | <u>(54,179)</u> |
| <i>(This is the transfer to the Major Repairs reserve)</i> | | |
| RETAINED SURPLUS/(DEFICIT) FOR THE YEAR | 38,667 | 52,511 |

The Association has no recognised gains and losses other than the above.

All the Association's activities are classified as continuing.

Notes on Income and Expenditure Account

Our turnover this year increased by 5% with a further £31,301 income being generated. Operating costs also rose by 12% despite savings being made where possible. This left the Association's surplus for the year at £136,198 which is an increase of just under 28% on 2009. A total of £97,531 has been transferred to designated reserves and this will be used to fund future projects such as major repairs to our housing stock.

The total spending on Maintenance this year represents an overall increase of almost 3.5% on 2009. The table below illustrates that greater emphasis has been placed on planned and cyclical maintenance for 2010.

| | 2010 | 2009 |
|---------------------------|----------------|----------------|
| Maintenance Admin Costs | 21,047 | 20,346 |
| Response Repairs | 76,144 | 97,332 |
| Planned/Cyclical Repairs | 22,536 | 8,146 |
| Change of Tenancy Repairs | 23,194 | 12,332 |
| Major Repairs | 13,656 | 12,544 |
| Clerk of Works Costs | 4,782 | 5,288 |
| Total | 161,359 | 155,988 |

BALANCE SHEET - AT 31 DECEMBER 2010

| | 2010 | 2009 |
|--|------------------|------------------|
| | £ | £ |
| FIXED ASSETS | | |
| Housing land and buildings: | | |
| Cost (<i>Total cost of buying, renovating & building houses</i>) | 14,574,169 | 13,468,899 |
| Less: Housing Association Grant (<i>Grant from government</i>) | (11,031,089) | (10,279,487) |
| Depreciation (<i>Some of value taken off as houses get older</i>) | <u>(226,958)</u> | <u>(194,006)</u> |
| | 3,316,122 | 2,995,406 |
| Other Fixed Assets (<i>Mainly office building</i>) | <u>523,096</u> | <u>536,583</u> |
| | <u>3,839,218</u> | <u>3,531,989</u> |
| CURRENT ASSETS | | |
| Debtors (<i>Rent owed to Grove & provision for doubtful debts</i>) | 61,784 | 98,183 |
| Cash and Bank Balances (<i>Varies due to development schemes</i>) | <u>285,565</u> | <u>584,483</u> |
| | 347,349 | 682,666 |
| CURRENT LIABILITIES | | |
| Creditors: amounts falling due within one year <i>(Loan repayments & other payments owed at year end)</i> | <u>(231,050)</u> | <u>(177,111)</u> |
| NET CURRENT ASSETS | 116,299 | 505,555 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | <u>3,955,517</u> | <u>4,037,544</u> |
| CREDITORS: AMOUNTS FALLING DUE | | |
| AFTER MORE THAN ONE YEAR (<i>Loan repayments</i>) | 2,596,596 | 2,826,826 |
| PENSION LIABILITY <i>(Current under funding estimate of pension scheme)</i> | 103,000 | 184,000 |
| FINANCED BY: | | |
| SHARE CAPITAL (<i>61 shareholders each with a £1 share</i>) | 61 | 56 |
| CAPITAL RESERVES (<i>Cost of shares that goes back to the Association when shareholders die</i>) | 58 | 58 |
| REVENUE RESERVES (<i>General reserves</i>) | 503,417 | 371,750 |
| DESIGNATED RESERVES (<i>Set aside for future major repairs</i>) | <u>752,385</u> | <u>654,854</u> |
| | 1,255,921 | 1,026,718 |
| | <u>3,955,517</u> | <u>4,037,544</u> |

These financial statements were approved by the Board of Management and authorised for issue on 10 May 2011.

A full set of audited financial statements are available on request.

Board of Management at 31 March 2011

| Name | Position | Years on Board | Meeting Attendance | Expenses (Travel) |
|-------------------|---------------|------------------|--------------------|-------------------|
| David Browne | Chairman | 12 | 9 | - |
| Philip Oliver | Vice-Chairman | 10 | 6 | - |
| Colm McGarry | Treasurer | 1 | 6 | £42 |
| Catherine Brown | Board Member | Retired May 10 | 0 | - |
| Jacqueline Browne | Board Member | 12 | 9 | - |
| Barbara Evans | Board Member | 8 | 4 | - |
| May Gyle | Board Member | Retired May 10 | 2 | - |
| Dilys Harkins | Board Member | Co-opted June 10 | 5 | £101 |
| Erskine Holmes | Board Member | 11 | 7 | £29 |
| Craig Ledgerwood | Board Member | Elected May 10 | 4 | - |
| Gary Rocks | Board Member | Elected May 10 | 5 | - |
| Mark Shields | Board Member | Co-opted Sept 10 | 6 | £123 |
| Denis Bleakley | Secretary | (Not Member) | 10 | £23 |

Staff

| | |
|-------------------|--------------------|
| General Manager | Denis Bleakley |
| Housing Officer | Gloria McClean |
| Finance Officer | Heather Carmichael |
| Housing Assistant | Sarah Browne |

REGISTERED OFFICE

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Industrial & Provident Society No: IP000173
 Registered with the Department for Social Development No. R14

Auditors: Crawford Sedgwick Solicitors: Donaghy Carey
Bankers: Ulster Bank



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