

# Grove Housing Association Ltd.

**ANNUAL REVIEW 2011/12**



**Loughview Terrace development June 2011**

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

## **CHAIRMAN'S FOREWORD**



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 have also been able to contribute to local community projects through payments from our Common Fund.

The discussions are continuing 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.

The rehabilitation of three houses was completed in February. Two of these had been derelict for many years and the Association was pleased to be able to purchase them and bring them back into use. The house in St Vincent Street being "retrofitted" to make it very energy efficient is due to be completed shortly. Our new development at the corner of Shore Road and Skegoneill Avenue is progressing and we look forward to being able to provide another 5 houses and 4 flats for people in need of social housing.

We have addressed all the issues raised during the inspection that was carried out by the Department for Social Development 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, particular thanks to the entire Board for the many hours of (unpaid) time that they have spent making Grove the success it is today.

David Browne

# **GENERAL MANAGER'S REPORT**



Denis Bleakley

## **INTRODUCTION**

This report relates to the year ending 31<sup>st</sup> March 2012 and includes information the Department for Social Development requires us to publish.

## **HOUSING STOCK**

At 31<sup>st</sup> March, Grove owned and managed 209 homes made up of:

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

Of these 197 are houses and 12 are flats and they are for general needs use. All are in and around the York Road - Shore Road area of Belfast. 208 of the dwellings were available for letting and 1 was being renovated.

## **INSPECTION BY REGULATORS**

The Department for Social Development carried out an inspection in August 2010. The final report had not been published by 31<sup>st</sup> March but an overall "Limited Assurance" was expected. Reports are now published on [www.dsdni.gov.uk](http://www.dsdni.gov.uk) Click on Housing, Registered Housing Associations and Governance & Inspection.

Staff and Board Members have been working to improve the standard, assisted by our regular external and internal audits.

## **ALLOCATION OF HOMES**

Like other housing associations and the Housing Executive, Grove is required to allocate homes according to the rules in the Housing Selection Scheme to people on the Common Waiting List. 13 homes were re-let over the year after they came vacant and 3 renovated homes were let.

An analysis of the 16 applicants who accepted accommodation is as follows:

Renting from NIHE	2
Renting another home from Grove	3
Renting privately	5
Living with family/friends	6

1-69 points	1
70-119 points	2
120 points & above	9
Transfers	4

Under 6 months on waiting list	4
6 months – 1 year on list	6
1-2 years on list	5
Over 2 years on list	1



Grove Court

## **HOMES EMPTY BETWEEN TENANCIES**

The average time taken to repair, allocate and re-let the 16 homes that came available during the year was 5.4 weeks.

At the end of March Grove had 1 house empty between tenancies, 1 being renovated and 1 with a tenancy dispute.





St Aubyn Street

## RENTS

### Rent levels

Grove had kept rent increases in 2009 and 2010 to below 2% each year as recommended by the Department. Careful consideration was given to the recommended 3.75% for 2011 but after the previous 2 years' low increases, this was not enough to cover anticipated costs and a 5% increase was implemented.

Tenancies which started before 1992 are "controlled" and have to be at the same rent as the Housing Executive would charge. Grove only has 8 of these now. The rest are "de-controlled" rents which means we can charge more, mostly to cover the private loans that financed part of the building costs. Our average "de-controlled" rents for homes built before and after 1975 are:

<i>Bedrooms</i>	<i>Older homes</i>	<i>Homes built after 1975</i>
1	£39.95	£47.19
2	£54.47	£70.06
3	£61.57	£74.01
4	£61.09	-
Average	£56.09	£71.97

67% of our rental income is received through Housing Benefit payments.

### Rent arrears

Rent & rates due for the year: £804,983  
Amount actually collected: £793,444

Arrears of current tenants: £29,958  
Arrears of past tenants: £2,470  
Arrears as a % of rent receivable: 4.0%  
Arrears written off during year: £1,450

## MAINTENANCE

### Response repairs

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

*Emergency* (24 hours to complete)

- 6 out of 71 on time (92%)

*Urgent* (4 working day response time)

- 420 out of 468 on time (90%)

*Routine* (4 week response time)

- 119 out of 125 on time (95%)

Whilst these are better than the previous year, we still want to improve the service.

### Adaptations

The Association continued to carry out adaptations for tenants or their families with disabilities. This ranged from smaller works such as fitting grab rails or extra handrails on stairs, to larger work such as installing level access showers.

### Spending on maintenance

Over the year we spent the following on maintenance.

- Response repairs £71,642
- Change of tenancy £21,823
- Planned & cyclical £28,610
- Disability adaptations £14,709

## ADDITIONAL HOMES

### Loughview Terrace

Our housing scheme at the corner of Shore Road and Skegoneill Avenue will provide 5 three bedroom houses and 4 two bedroom flats. The site has been slow and awkward to develop due partly to the steep slope and partly to a major sewer running through the higher side of the site. The wayleave for this has pushed the homes close to Shore Road.



Loughview Terrace March 2011

The dwellings will meet Level 4 of the Code for Sustainable Homes, so they will be environmentally friendly. This includes having photovoltaic panels on the roofs to generate electricity. The roofs look different as they have been designed to face south so the panels catch the sun better.

### Renovations



6 Keadyville Avenue

In February 2012 Grove completed the renovation of houses we had bought at 6 Keadyville Avenue and 163 York Road. These had both been derelict for over 15 years. We also renovated 141 Shore Road which we had owned for a few years but not been able to fix up properly. These houses achieved the EcoHomes “good” standard.

### “Retrofit” house

Work is nearing completion on 9 St Vincent Street. Eco-Energy NI had won UK funding to carry out major energy efficiency measures to this house that Grove provided. Renovation work is being done at the same time.

## **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:

- Challenging staff actions and proposals to ensure they are appropriate.
- Ensuring finances are sound and proper controls are in place. This is aided by having our annual accounts, quarterly management accounts, budget and cash flows.
- Considering risks Grove is exposed to and how to manage them. A Risk Register is kept and current or potential risks are discussed regularly.
- Following the policies laid down by our Regulators, particularly those highlighted by inspections and audits.
- Determining rent levels for new schemes and for the annual rent increase.
- Considering serious rent arrears.
- Considering and approving new schemes for building and buying homes.
- Approving major maintenance schemes.
- Staff pay and recruitment.

The Board takes its responsibilities seriously and met 11 times over the year. Details of names and attendance are on the back page of this report. Details are also included of travel expenses paid as some Members do not live locally.



Insulation & repairs at 9 St Vincent Street

**INCOME AND EXPENDITURE ACCOUNT - YEAR ENDED 31 DECEMBER 2011**

	<b>2011</b>	<b>2010</b>
	£	£
<b>TURNOVER</b> ( <i>Rental income &amp; development admin.</i> )	718,051	654,551
Operating costs ( <i>Management ,maintenance, depreciation</i> )	<u>(445,047)</u>	<u>(403,174)</u>
<b>OPERATING SURPLUS</b>	273,004	251,377
Interest receivable ( <i>Bank interest</i> )	3,876	6,497
Interest payable ( <i>On loans that helped build houses</i> )	106,182	(112,676)
Net return	<u>(4,000)</u>	<u>(9,000)</u>
<b>SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	166,698	136,198
Tax on surplus/(deficit) on ordinary activities	-	-
<b>SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES AFTER TAXATION</b> ( <i>Grove not due to pay tax</i> )	166,698	136,198
Profit/(loss) on sale of fixed assets ( <i>Nothing sold</i> )	-	-
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>	166,698	136,198
<b>TRANSFER (TO)/FROM DESIGNATED RESERVES</b> ( <i>This is the transfer to the Major Repairs reserve</i> )	<u>87,051</u>	<u>(97,531)</u>
<b>RETAINED SURPLUS/(DEFICIT) FOR THE YEAR</b>	79,647	38,667

The Association has no recognised gains and losses other than the above.  
All the Association's activities are classified as continuing.

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**Notes on Income and Expenditure Account**

Turnover increased by 10% with £63,500 increased income. Operating costs also rose by 10% despite savings being made where possible. This left the Association's surplus for the year at £166,698 which is an increase of 22% on 2010. The increased turnover is partly due to rent from the 10 new houses built. These houses also increased the surplus as there is income to repay private finance costs, but loan repayments have not started. A total of £87,051 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 2010. The table below illustrates that further emphasis has been placed on planned and cyclical maintenance for 2011.

	<b>2011</b>	<b>2010</b>
Maintenance Admin Costs	22,239	21,047
Response Repairs	64,804	76,144
Planned/Cyclical Repairs	28,610	22,536
Change of Tenancy Repairs	21,823	23,194
Major Repairs	26,184	13,656
Clerk of Works Costs	6,838	4,782
<b>Total</b>	<b>170,498</b>	<b>161,359</b>

**BALANCE SHEET** - AT 31 DECEMBER 2011

	<b>2011</b>	<b>2010</b>
	£	£
<b>FIXED ASSETS</b>		
Housing land and buildings:		
Cost ( <i>Total cost of buying, renovating &amp; building houses</i> )	15,210,606	14,574,169
Less: Housing Association Grant ( <i>Grant from government</i> )	(11,635,811)	(11,031,089)
Depreciation ( <i>Some of value taken off as houses get older</i> )	<u>(262,958)</u>	<u>(226,958)</u>
	3,311,837	3,316,122
Other Fixed Assets ( <i>Mainly office building</i> )	<u>509,646</u>	<u>523,096</u>
	<u>3,821,483</u>	<u>3,839,218</u>
<b>CURRENT ASSETS</b>		
Debtors ( <i>Rent owed to Grove &amp; provision for doubtful debts</i> )	110,792	61,784
Cash and Bank Balances ( <i>Varies due to development schemes</i> )	<u>592,574</u>	<u>285,565</u>
	703,366	347,349
<b>CURRENT LIABILITIES</b>		
Creditors: amounts falling due within one year ( <i>Loan repayments &amp; other payments owed at year end</i> )	<u>(490,732)</u>	<u>(231,050)</u>
<b>NET CURRENT ASSETS</b>	212,634	116,299
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<u>4,034,117</u>	<u>3,955,517</u>
<b>CREDITORS: AMOUNTS FALLING DUE</b>		
<b>AFTER MORE THAN ONE YEAR</b> ( <i>Loan repayments</i> )	2,502,498	2,596,596
<b>PENSION LIABILITY</b>	114,000	103,000
( <i>Current under funding estimate of pension scheme</i> )		
<b>FINANCED BY:</b>		
SHARE CAPITAL ( <i>60 shareholders each with a £1 share</i> )	60	61
CAPITAL RESERVES ( <i>Cost of shares that goes back to the Association when shareholders die</i> )	59	58
REVENUE RESERVES ( <i>General reserves</i> )	578,064	503,417
DESIGNATED RESERVES ( <i>Set aside for future major repairs</i> )	<u>839,436</u>	<u>752,385</u>
	1,417,619	1,255,921
	<u>4,034,117</u>	<u>3,955,517</u>

These financial statements were approved by the Board of Management and authorised for issue on 17 April 2012.

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



**BOARD OF MANAGEMENT AT 31 MARCH 2012**

<b>Name</b>	<b>Position</b>	<b>Qualifications &amp; service</b>	<b>Years on Board</b>	<b>Meeting Attendance</b>	<b>Expenses (Travel)</b>
David Browne	Chairman	City Councillor & Local Resident	13	9	
Philip Oliver	Vice-Chairman	Former Business Manager & Local Resident	11	10	
Mark Shields	Treasurer	Finance & Business	1	8	£77
Jacqueline Browne	Board Member	Local Resident	13	7	
Colm McGarry	Board Member	MSc. Senior positions in NIHE & Local Government (retired)	2	9	£236
Dilys Harkins	Board Member	Career in Business, Media & Housing (retired)	1	9	£64
Erskine Holmes	Board Member	OBE, BA, MA, Dip.Ed. Director of NIFHA (retired)	12	10	£22
Gary Rocks	Board Member	Solicitor	2	3	
Craig Ledgerwood	Board Member	Research Fellow	1	3 (Leave of absence from 09.11)	
Barbara Evans	Board Member	Local Resident	Retired 11.11	4	
Denis Bleakley	Secretary	LLB, MCIH	(Not Member)	11	£20

**STAFF**

General Manager  
Housing Officer  
Finance Officer  
Housing Assistant

Denis Bleakley  
Gloria McClean  
Heather Carmichael  
Sarah Browne



**REGISTERED OFFICE**

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Industrial & Provident Society IP000173  
Department for Social Development registration  
R14

Auditors: Crawford Sedgwick

Solicitors: Donaghy Carey

Bankers: Ulster Bank

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