



SOUTH ULSTER

HOUSING ASSOCIATION

ANNUAL REPORT

2011



Contents

- Chairman's Report
- Board of Management
- Director's Report
- Management Report
- Income and Expenditure Account
- Balance Sheet
- Contact Details:
Auditors, Bankers, Solicitors
& Registered Office

CHAIRMAN'S REPORT



As this is my first year as Chairman, it gives me great pleasure to report on another excellent year for the Association. Although I have been a Board Member with the Association for

over 10 years, I could not have carried out this role without the support of my fellow Board Members and our senior staff, Mr S Preston, Director and Mr M Turner, Assistant Director.

Throughout the year there have been changes in the membership of our Board. I would like to welcome our newest Board Member, Mr Colin McCusker, son of the late Mr Harold McCusker, the founder member of the organisation.

Mr Denis Johnston resigned during the year as a member and I wish him well in his future.

Despite this year being a difficult and challenging one, I am pleased to confirm that our Association has continued moving upwards and onwards. During this financial year of 2010/11, the Association has increased its portfolio to include 91 new properties, which were acquired through a combination of Traditional New Build and purchasing "Off the Shelf". This included schemes in Lurgan, Newry and Kilkeel.

One of the main highlights for our Association this year was the official opening of our Special Needs scheme in Portadown, Locke House. Our Association was privileged to have 2 ministers, Mr Alex Attwood MLA, Social Development Minister and Mr Michael McGimpsey MLA, Minister for Health, Social Services and Public Safety, jointly perform the official opening.

To ensure that our Association is prepared for the challenges ahead, we have been proactive in recruitment, with 4 staff recruited already this

year and an anticipated 2 more early in 2011/12.

With the financial pressures that we are all facing, all Board Members have been attending financial training seminars throughout the year. This has proven to be a great success and it is intended to continue this training throughout 2011/12. Staff have also received training throughout the year, with 3 staff attending college or university on a part time basis.

Finally with the disbanding of Premier Procurement Group, it is anticipated that our Association will soon be joining the largest current procurement group in July 2011. We look forward to working in partnership with the other members of this group and envisage that 2011/12 will be another successful year for South Ulster Housing Association.

Mr Jim Haslam
Chairman

"continuing onwards
& upwards"

BOARD OF MANAGEMENT



CHAIRMAN
Mr J Haslam



VICE CHAIRMAN
Mr R Redman
Development &
Staff Committees



HON SECRETARY
Mr A Whitten
Development &
Finance Committees



HON TREASURER
Mr S S C Wilson
Staff & Finance Committees



2nd VICE CHAIRMAN
Mr J Hunter
Development &
Corporate Governance Committees



Mr G A Locke
Development &
Corporate Governance
Committees



Mr A Hatch
Staff, Finance, Development and
Corporate Governance
Committees



Mr D Johnston
(Resigned 30/08/10)
Development &
Finance Committees



Mr B Cassells
Finance Committee



Mrs M Simpson
Staff & Corporate Governance
Committees



Mr C Warren
Staff & Corporate Governance
Committees



Mr D Cooper
Finance Committee



Mr S Doyle
Corporate
Governance Committee



Mr C McCusker
Finance & Development
Committees

DIRECTOR'S REPORT - INTRODUCTION



For the past two years the question has been asked "How low will they go?" This year however the question being asked is "How have you been affected by the Economic Recession?" The simple answer at this stage is, it has been to our advantage due

to the fact that land costs, building costs and house prices are now at a level which enables the provision of Social Housing to be carried out at very reasonable costs. I would suspect that if we have not yet

reached the bottom we are very close to it.

It is very unfortunate in the past year companies have had to close and as a result employees have lost their jobs. However I am still of the opinion that many more companies associated with the building trade would have had to close were it not for the schemes provided by the Housing Association movement.

We have again this year been able to increase our Housing Stock by not only the traditional method of Procurement but also the purchase of "Off the Shelf" dwellings at very realistic prices.

Two "Off the Shelf" purchase schemes in the

Newry area provided 40 dwellings which have, in a very small way, reduced the housing need in the Newry area. The local N.I.H.E. District Manager was very pleased with our efforts but again confirmed that it was only like a drop in the ocean. Therefore we will continue to develop in the Newry area where opportunities may arise.

Another 13 dwellings were acquired adjacent to our housing stock at Mark Street/James Street, Lurgan. The purchase of these dwellings has enabled development in this area to be finally completed. Despite the rumour of cut backs and the reduction of the grant rates I am confident that the financial year 2011/2012 will again be a successful one.

New Build Schemes

Ennis Green, Lurgan – Phase I (7 dwellings)/Beechgrove, Dromore – Phase II (5 dwellings)/Princes Street/Princes Close, Lurgan (4 dwellings)

These schemes were completed at the start of this year by Kelly Brothers who provided a very satisfactory service. The schemes accommodated both general needs families and those with special needs. One family in particular in Ennis Green, was very pleased when they moved in as they had been waiting on suitable accommodation for several years.



Beechgrove, Dromore

Extensions were added to 2 in Beechgrove and Ennis Green in order to create suitable accommodation for families that require special needs accommodation. Again these families have been on the waiting list for several years. The work was carried out following consultation with the N.I.H.E Welfare Department and the Occupational Therapists for each family.

These dwellings were built to Code Level 3 of Sustainable Homes, Lifetime Homes

and Secured by Design. All the external components of each dwelling will need very little maintenance in the future.

Rectory Road, Lurgan/Annaghdale Place & Garvaghy Road, Portadown (4 Special Needs Bungalows)

Work on site is progressing very satisfactorily at Rectory Road and Annaghdale Place. The site at Garvaghy Road will commence as soon as an agreement has been made with the owner of the land adjacent to our site. The use of the land will enable the contractor to provide adequate storage and welfare facilities for his work force.



Annaghdale Place, Portadown

The timber frame structure has been erected at Rectory Road and the substructure is almost complete at Annaghdale Place. The timber frame structure for these 2 dwellings will be erected within the next week or so. The bungalow at Garvaghy Road will be constructed using Structural Insulated Panels (SIPs), which is an alternative method of timber frame consisting of an insulating layer of rigid polymer foam sandwiched between two layers of structural board.

The families who have been pre-allocated these special needs bungalows have been on the waiting list for several years, so will be very pleased when they are complete. These special needs bungalows are being built to Code Level 3 of Sustainable Homes and Secured by Design.



Rectory Road, Lurgan



Rectory Road, Lurgan



Rectory Road, Lurgan

**Ennis Green, Lurgan – Phase II
(8 dwellings)**

This was the first scheme our Association had used the procurement method of PQQ's (Pre Qualification Questionnaires), with the successful contractor appointed being Kelly Brothers.

The scheme itself consists of 2 special needs bungalows and 6 general needs houses. It is also anticipated that probably 2 or 3 of the general needs houses will be allocated to families with special needs.

The scheme will also be the first scheme constructed using SIPs (Structural Insulated Panels), with a pilot of 2 of the properties constructed this way and the remainder using traditional timber frame construction.

All of the dwellings will be built to Code Level 3 of Sustainable Homes, Lifetime Homes and Secure by Design.

Roskeen Road, Moygashel (8 Dwellings)

Last year the N.I.H.E invited Associations to develop a design brief for the development of a Passive House Scheme in Dungannon. I am pleased to confirm that although the Association was unsuccessful in the awarding of the scheme in Dungannon, we were awarded a scheme in Moygashel. Our proposal will allow us to develop the site with 8 dwellings built to Passive Home Standards. We have recently met with the local residents group in the area and have received their full support for the scheme. The land is currently being used for Anti Social Behaviour and will therefore, not only provide needed Social Housing, but will also reduce Anti Social Behaviour in the area. It is anticipated that the Association will be appointing a contractor late 2011.

**Canal Street, Newry – Phase IV
(10 Dwellings)**

We are now the owners of this site, which we purchased from the Sisters of Mercy.

The scheme will provide 10 dwellings with a street frontage to closely resemble

the existing buildings and therefore the architecture of the area will be retained and conserved.

A Select List of Contractors had been previously approved by the Board of Management, however due to the considerable amount of time it has taken to receive Planning Approval, we will have to carry out another Pre-Qualification Questionnaire procedure in order to provide an updated Select List.



Murphy Crescent, Newry (18 Dwellings)

A Select List of Contractors had been previously approved by the Board of Management, however due to the considerable amount of time it has taken to receive Planning Approval, we will have to carry out another Pre-Qualification Questionnaire procedure in order to provide an updated Select List.

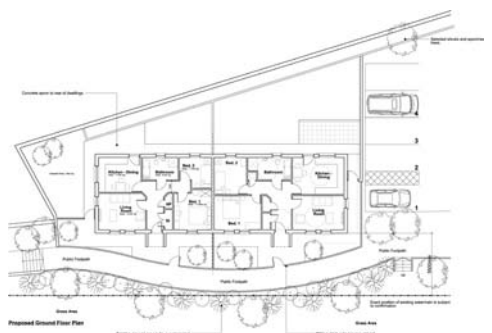
This scheme, when completed, will not only provide additional much needed social rented housing in the Newry area but also make very good use of a derelict and vacant site which is presently being used for anti-

social behaviour. These dwellings will be constructed to Code Level 3 of Sustainable Homes, Lifetime Homes Standard and have Secured by Design Certification.

Further negotiations will have to take place with the owners to complete the acquisition.

Cathedral View, Newry (2 Dwellings)

This scheme was transferred to our Association at the beginning of this year. We have just recently met with the residents and have several issues to address before the planning application is completed. We hope to combine this scheme with the proposal at Murphy Crescent.



**Curran Street/Obins Street, Portadown
(33 Dwellings)**

Discussions are continuing with the DSD and Clanmil Housing Association on the best way forward with this scheme. The development brief is to include Social Housing, Affordable Housing and commercial on the site. Several options are currently being considered, with the element of Social Housing to be managed by South Ulster Housing Association and the affordable and commercial to be managed by Clanmil.

It is anticipated that a solution for the development of the site will soon be concluded. South Ulster Housing Association is looking forward to working in partnership with Clanmil Housing, who are also a member of the Abacus Procurement Group.

“2011/2012 will be another successful year”



DIRECTOR'S REPORT Cont'd.

Rehabilitation Schemes

Portadown Central Area – Phase VI (16 Dwellings)/Phase VI A (6 Dwellings)

Five dwellings have been handed over and are occupied out of the first phase of 16. Work has recently commenced on the

second phase with the first dwelling due for completion very shortly. This rehabilitation work will not only provide dwellings to meet a present steady demand for social housing but will also create a very visible improvement on the various streets in which

the dwellings are located. These dwellings are being rehabilitated to a "Good" Eco-Homes Standard, Lifetime Homes and Secured by Design. Apart from some enforcements especially structurally they will be almost as good as a new build dwelling.

Off the Shelf Purchase Schemes

Fifth Avenue, Derrybeg, Newry (8 Dwellings)

Approval was received from N.I.H.E D.P.G to purchase these 8 dwellings in August 2010. The dwellings were built to current Building Standards and Secured by Design.



Oliver Plunkett Park, Belleek, Newry (2 "Off the Shelf" & 1 "Existing Satisfactory Purchase")

Approval was received from N.I.H.E D.P.G to purchase two "Off the Shelf" dwellings and one "Existing Satisfactory Purchase" also in a rural area of Newry. These dwellings were constructed to current Building Standards and Secured by Design.



Ravens Glen, Chancellors Road, Newry (13 Dwellings)

At the beginning of this year the N.I.H.E D.P.G approved this scheme of 13 dwellings to be bought as "Off the Shelf". Although all the paperwork required by the D.P.G was completed in March, completion actually took place in April 2011. These dwellings were very much in demand when it came to allocations.

The Demesne, Carnagat, Newry (20 Dwellings)

At the beginning of this year the N.I.H.E D.P.G approved this scheme of 20 dwellings to be bought as "Off the Shelf". Although all the paperwork required by the D.P.G was completed in March, completion actually took place in April 2011.

Moor Road, Hilkeel (7 dwellings)

N.I.H.E D.P.G approved the purchase of 7 "Off the Shelf" dwellings at the above location. These dwellings were constructed using SIPs and achieved Secured by Design Certification.

Mark Street, Lurgan - Phase 2 (13 Dwellings)

N.I.H.E D.P.G approved the purchase of 13 "Off the Shelf" dwellings in March 2011. These dwellings were constructed to current Building Standards.

169 Banbridge Road, Hinallen (4 Dwellings)

There has been a delay in acquiring these dwellings due to land boundary issues having to be resolved. It is anticipated that we will be in a position to purchase these within the next month.



Maintenance

The Association commenced the improvement schemes in 2010/11, External Cyclical Maintenance (Kingsway Contractors) and Kitchen Replacement Scheme (D.Magee and Sons). These schemes are progressing well, with initial tenant satisfaction results scoring highly.

The Association introduced Measured Term Maintenance this year as a means to achieve better efficiency and standards. Although it is early days, the Association is pleased with the progress being made. It is intended to roll out the Measured Term contracts to other areas of operation including landscaping services.



Conclusion

Despite the ongoing gloomy economic situation it has been another good year for the Association and I continue to look forward with optimism to next years work for which all the finance is in place.

Once again the team effort by all the staff and Board Members continues to keep the Association to the forefront of housing provision in the South Ulster Area and in particular the design and construction of special needs dwellings.

“it has been another good year for the Association”

MANAGEMENT REPORT

Introduction



I would like to take this opportunity to thank our Chairman, Mr. Jim Haslam for his support throughout the year. This is his first year as Chairman and I look forward to 2011/2012 with him at the helm.

I would also like to thank our Board for their support and guidance throughout this difficult and challenging year. I would particularly like to pay tribute to Mr. Sam Preston, our Director, and our staff for their support throughout the year.



I would like to thank Mr. Denis Johnston, who resigned on 30th August 2010, for his hard work and commitment he gave to the Board and

Association. I would also like to welcome our latest Board Member, Mr. Colin McCusker. As you are all aware, Colin is the son of our Associations Founder Member, the late Harold McCusker. I look forward to working with him and welcome his expertise he will bring to the Association.

I am also pleased to remind members of the official opening of Locke House, when our association had not one, but two Ministers, to perform the opening. Both Minister Attwood and Minister McGimpsey praised the association for the very high standard of accommodation provided for this particular housing group.

Arrears Management

To ensure that our Association performs to a high standard, Key Performance Indicators are set by the Board of Management.

In Arrears Management, a target of £35,000 for both current and past arrears was set by the Board (down from £40,000 for 2009/2010).

Due to the hard work and commitment of our staff I am pleased to confirm that our Association, returned for the year ending 2010/2011 an arrears figure of £32,432, which is just over £2,500 below the target. As of previous years, this is a major achievement, not only in this difficult economic climate we now operate in but also with the increase of stock from 866 last year to 920.

Current arrears for the 2010/2011 period were £8,896 compared to £8,512 last year, a slight increase. Past tenant arrears reduced from £25,137 last year to £23,539. Early indication is that 2011/2012 will see a further decrease in past tenant arrears as current action begins to filter through.

I am pleased to confirm that the Association reduced the percentage of the rent increase this year to 3% down from 3.5% in 2009/2010. Once again service charges were not increased for all schemes and I am confident that this will continue.



Staff

This has been an extremely active year for staffing. With the increase in stock to almost 1000 units, the Association reviewed its staffing requirements and as a result, recruited three new Admin Assistants, Myrtle Robinson, Ciara Gilmore and Lynsey Traynor. I would also like to welcome Joe Donnelly who is now a permanent Housing Officer. The Association has in addition identified further positions required for the organisation and it is anticipated that they will be filled 2011/2012.

Training and Education

To ensure that staff are able to meet the increasing requirements of their post, continual Training and Education have become essential. For 2010/2011, the Association spent £6718.79 on training and education. Examples of training included, Measured Term Contracts, NEC Contracts,

Housing Rights, Housing Association Guide, Housing Benefit Reform and Anti-Social Behaviour, etc. We currently have three staff who are attending university or college to acquire professional qualifications in Administration, Building and Housing. Early signs are that each member is not only doing well on these courses but are achieving high level success, including distinctions. I can also advise that our Association is currently a member of the Preventing Possession Initiative, which is managed by the Housing Rights Service and the DSD.

Procurement

This has been a demanding year on the Association, due to the disbanding of the Premier Procurement Group. For the past six months we have been trying to resolve this issue and after several meetings with the DSD and other procurement groups, it is

anticipated that a decision will be made early 2011/2012. I can assure the members that this difficulty has not been detrimental to the Association.

Allocations

At the end of last year, the Association had a total stock of 886 properties. This year has been a very active year in development and I am pleased to confirm a further 34 properties were added to our portfolio. This number was technically lower than last year but I am pleased to announce that a further 57 properties were added in, during April and May 2011. Although these properties were technically handed over in 2011/2012, they will be counted as completions for 2010/2011. Therefore our current stock has now risen to 977. The Association also had 78 re-lets throughout the year, with an average void period of 9 days.

Repairs Performance

Repairs Categories	Repair Requests Issued	% Completed on Time
Emergency (24 hours)	823	93%
Urgent (3 working days)	1257	90%
Routine (28 days)	2341	94%
TOTAL	4421	

Although completions on time figures are quite high, I anticipate that when the new maintenance system of Measured Term settles down, we will see an increase in completion performance. Initial review of completions has indicated a technical administrative matter, rather than performance of individual contractors.

Conclusion

Despite 2010/2011 being a challenging year, our Association has more than achieved targets set by the Board. To ensure that we are performing highly on this sector we have also benchmarked against other associations and the DSD Target Figures.



INCOME & EXPENDITURE ACCOUNT

YEAR ENDED 31 MARCH 2011

	2011 £	2010 £
Turnover	2,983,520	2,691,178
Operating costs	(1,978,363)	(1,442,127)
Operating surplus	1,005,157	1,249,051
Interest receivable	1,602	2,354
Interest payable	(464,969)	(440,504)
FRS 17 past service cost gains	151,000	-
Other interest charge	(21,000)	(21,000)
Surplus on ordinary activities before taxation	671,790	789,901
Tax on surplus on ordinary activities	-	-
Surplus on ordinary activities after taxation	671,790	789,901
Transfer to tenants' services fund	(8,335)	(11,760)
Surplus for the year	663,455	778,141
Transfer to (from) designated reserves	52,000	(169,069)
Surplus for the year	715,455	609,072

The turnover and expenses all relate to continuing operations.

BALANCE SHEET

AS AT 31 MARCH 2011

Fixed assets	2011	2010
	£	£
Housing land and buildings:		
Cost	62,658,855	57,136,253
Less: Housing association grants	(36,316,490)	(33,429,306)
Depreciation	(1,423,908)	(1,214,377)
	<hr/>	<hr/>
	24,918,457	22,492,570
Other fixed assets	765,669	788,804
	<hr/>	<hr/>
	25,684,126	23,281,374
	<hr/>	<hr/>
Current assets		
Debtors	433,368	207,125
Cash and bank balances	3,303,442	865,480
	<hr/>	<hr/>
	3,736,810	1,072,605
Creditors: amounts falling due within one year		
Creditors	(1,186,329)	(1,146,712)
	<hr/>	<hr/>
Net current assets (liabilities)	2,550,481	(74,107)
	<hr/>	<hr/>
Total assets less current liabilities	28,234,607	23,207,267
	<hr/>	<hr/>
Creditors: amounts falling due after more than one year		
Long term liabilities	19,172,177	14,688,292
Pension fund liability	396,000	753,000
	<hr/>	<hr/>
	19,568,177	15,441,292
	<hr/>	<hr/>
Financed by:		
Share Capital	22	22
Capital Reserves	58	58
Revenue Reserves	5,145,180	4,192,725
Designated Reserves	3,521,170	3,573,170
	<hr/>	<hr/>
	8,666,430	7,765,975
	<hr/>	<hr/>
	28,234,607	23,207,267
	<hr/>	<hr/>

CONTACT DETAILS

Auditors

Crawford Sedgwick & Co
38 Hill Street
BELFAST
BT1 2LB

Bankers

Northern Bank Ltd
45-48 High Street
PORTADOWN
BT62 1LB

Barclays Commercial Bank
Donegal House
Donegal Square North
BELFAST
BT1 5LU

Solicitors

Walker McDonald
4 Edward Street
PORTADOWN
BT62 3LX

Thompson Mitchell
12-14 Mandeville Street
PORTADOWN
BT62 3NZ

Registered Office

18-22 Carleton Street
PORTADOWN
BT62 3EN

Registered under the Industrial
& Provident Societies Act

South Ulster Housing Association

18-22 Carleton Street
Portadown
Co. Armagh
BT62 3EN
t: 028 3833 9795

www.suha.co.uk



SOUTH ULSTER

HOUSING ASSOCIATION

ANNUAL REPORT

2011