



**ANNUAL REPORT
2007-08**

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[DSD Inspection Team March 2008]

Chairman's Foreword



Kevin Butler
Chairman

I am delighted to bring you this Annual Report for the year 2007 – 08 and I am pleased to report that we have had a very successful year in delivering our core business objectives. The Association has also had a successful year in terms of acquiring land and sites which have allowed us to programme over 200 new build units in the coming financial year. Connswater Homes remains in a sound financial position and the strategic goals will continue to focus around growth, a wider area of operation and sustained financial viability.

Partnering and procurement has continued to dominate the housing movement throughout the past year. Connswater Homes is delighted to have joined forces with several other housing associations charged with establishing frameworks for the provision of the social housing programme. The Association has also continued its relationship with Trinity, Presbyterian and Triangle Housing Associations to provide a quality maintenance service.

I would like to welcome our newest board member Mr Patrick Cregg who was co-opted during the year, presently Chief Executive of the Woodland Trust Mr Cregg brings with him business and environmental management experience.

The end of the year saw us mark the retirement of Mrs Netta Menice, the Association's first ever employee. A lunch hosted by the High Sheriff of Belfast, Cllr Margaret McKenzie was held in the Lord Mayor's Parlour and was enjoyed by many of Netta's friends and colleagues. I would like to wish Netta and her husband well for their retirement.

Finally, I would like to express my thanks to my colleagues on the Board who give selflessly of their time and expertise, for their support and commitment; the staff for their continued hard work and dedication; our various partner organisations for their involvement; and finally our tenants for whom we will continue to provide the best possible service.

Chief Executive's Annual Business Review

I am pleased to start my review by confirming that we achieved all of our business objectives and performance targets during the year.

The last twelve months saw us recruit three new staff members, Lorna Dunlop, Administrator / PA, Catherine Waterworth, Business Improvement Manager and Orla Cunning, Housing Manager. It also saw us say farewell to Netta Menice who retired this year, I would like to thank Netta for her many years of service as Housing Manager and offer her my best wishes for the future.

Training and personal development continued to play a major part in our business, this year our Development Manager embarked on a post graduate/MSC in project & construction management, our Business Improvement Manager completed a course on financial inclusion, the Director of Finance continued with her professional accounting qualification, our Technical Officer gained a NEBOSH certificate in health and safety and both the Development Manager and Housing Officer were awarded

corporate membership of the Chartered Institute of Housing. We now have eight full time employees and we were all delighted to retain our Investor in People recognition, this combination of skills and experience will ensure we continue to go from strength to strength.

This year housing associations had a target of securing starts of 1500 new units of accommodation, the movement as a whole managed to exceed this target by ensuring that 1595 units were onsite by the end of March 2008. I am particularly delighted that Connswater provided 7.8% of the development programme, only three other associations provided more this year, a tremendous achievement for an association of our size. Included in this were Connswater Phase 3, Harland Walk Phase 2 and a small development in Severn Street. In the coming year we intend to start 212 units including schemes in Comber, Newtownards, Antrim and

Lisburn. September saw us register a private subsidiary CH Developments Ltd which will allow us to examine the possibility of providing other tenures and opportunities for cross subsidising our social housing.

The Association has robust yet sympathetic procedures for dealing with rent arrears which ensure that our tenants receive help and advice with tackling payment problems. Unfortunately this year, despite our best efforts to help we have had to repossess two dwellings for non payment of rent.

It is important for us to seek feedback from our service users; in 2007 we surveyed half of our tenants to find out how they rated our service. We were delighted with the results but there is always room for improvement. We will be contacting the remaining 50% during June and July 2008 and look forward to receiving comments on our performance.

External painting was carried out on a number of homes under our current cyclical maintenance plan. A major stock condition survey was

commissioned and will run over a period of three years starting with our older properties. The survey results will help us ensure that our dwellings meet the Decent Homes standard and that we budget sufficiently for future maintenance. We completed the first year of our Measured Term Contract for maintenance works; this was a major shift in how we provide this service and I am pleased to report that the impact on our response times was minimal.

We have continued to meet our equality and disability requirements. We were the first organisation in Northern Ireland to be Face Friendly accredited, a new disability service standard award. Our Disability Action Plan was submitted in June and our Equality Progress Report in August. In addition Equality Impact Assessments were conducted for Housing Management and Maintenance.

During the year we participated in a regulatory framework inspection carried out by the Department for Social Development. The staff and Board found this to be a very

positive experience, the inspection team made a few minor recommendations and we were delighted to receive an overall "good" rating. I have included some further information on the inspection later in this report.

All in all it was a very successful year made possible by the support and encouragement of the Chairman and Board and the dedication and hard work of all of my colleagues in the office.



Jacqueline Locke
CHIEF EXECUTIVE



**Cllr Margaret McKenzie &
Mrs Netta Menice**

Corporate Governance

Goal: To achieve an irreproachable level of corporate governance

Key Actions 2007 / 08:	Completed
Produce a Board Member Recruitment Strategy	✓
Further explore training opportunities for board members	✓
Produce an annual efficiency statement as required by DSD	✓
Further develop Risk Management Strategy & more effective monitoring techniques	✓
Consider & Implement recommendations from 2007 Internal Audit	✓
Consider & Implement recommendations from NIAO 2007 audit	No recommendations received
Consider & Implement recommendations from DSD inspection	✓
Continue to implement Section 75	✓

Increase and Diversify Stock

Goal: To ensure the growth and financial viability of the Association through the delivery of new build housing and to utilise any opportunity for partnership working to provide alternative tenures

Key Actions 2007 / 08:	Completed
Seek joint working opportunities with regard to the Procurement Strategy	✓
Successful development programme	✓
Instigate action required to retain Clients' Charter	✓
Investigate opportunities to provide alternative tenures and purchase additional stock	✓
Continue to develop cross border opportunities	✓
Ensure DPF is spent within allocated time	✓
Continue to build relationships with consultants, external agencies and other associations	✓

3.0 Resource Management

Goal: To maximise the use of all resources at Connswater's disposal in order to achieve the strategic aims of the Association

Key Actions 2007 / 08:	Completed
Survey staff in relation to work life balance	✓
Retain Investors in People award	✓
Recruit a Business Improvement Manager	✓
Fully incorporate the use of the new digital copier & scanning facilities throughout the business	✓
Recruit a Housing Manager to replace retiring post holder	✓

4.0 Service Delivery

Goal: To provide a service that exceeds the expectations of our stakeholders and customers

Key Actions 2007 / 08:	Completed
Continue to seek interest in establishing a Tenant's Forum	✓
Commence tenant satisfaction surveys	✓
Seek post development feedback from tenants	✓
Seek feedback on maintenance service from tenants	✓
Continuously monitor and review the newly implemented MTC	✓
Monitor and review performance of select list of consultants	✓
Continuously review & implement planned maintenance	✓
Upon receipt or consultation, consider the implications of the pending review of rent setting expected from yet issued by DSD	Report not yet issued by DSD
Review service charges in terms of value for money, affordability and meeting cost	✓

Margaret Ritchie, Minister for Social Development & Chairperson Kevin Butler at the Sod Cutting for Connswater 3



Key Performance Indicators

Key Performance Indicators 1/4/07 – 31/3/08

Housing Management	Actual	Target
% of total rent receivable actually collected	98.86%	98%
Total rent arrears as % of rent receivable	1.14%	< or = 5%
% of current tenants owing 13+ weeks rent	1.9%	1%
No of tenants on full housing benefit	66.5%	
No of tenants on partial housing benefit	11.7%	
Number of new lets	13	
Number of re-lets	30	
Total number of units occupied as at 31 March 2008	361	
% of rent lost through voids	0.31%	1%
Average re-let time (over 7 days)	10.05	14 days

Key Performance Indicators 1/4/07 – 31/03/08

Development and Maintenance	Actual	Target
Sites purchased/agreed within year to provide X number of homes	143	30
Number of units built / commenced by Association	112	
Number of existing satisfactory purchases	12	
% of emergency repairs completed on time (24 hours)	88.04%	85%
% of urgent repairs completed on time (4 days)	85.04%	80%
% of routine repairs completed on time (4 weeks)	92.5%	80%
% of maintenance expenditure on response maintenance	49.2%	
% of maintenance expenditure on planned maintenance	50.8%	

The purpose of the regulatory framework is to improve output and promote quality, continuous improvement and good practice within the social housing sector. The main goals of the regulatory framework are to:

- Increase the accountability of registered housing associations
- Ensure associations are properly governed and financially viable organisations
- Authenticate that all housing associations manage risk effectively
- Enable the Department to demonstrate proper use of public funds and effective implementation of public policy
- Verify that housing associations achieve an acceptable level of performance against agreed standards
- Establish whether associations deliver continuous improvement in their services
- Safeguard the rights and interests of residents

Therefore the four main areas of the Association's business that were examined are Finance and Risk Management, Governance and Management, Property Management and Development.

We achieved an overall "good" grading

"This Association has demonstrated innovation particularly in areas such as providing a good tenant service. It is also the opinion of the inspectors that Connswater is a good benchmark for other associations"

"The good financial performance over the past years is reflected in a strong balance sheet for Connswater Homes Ltd"

"The management accounts inspected were of an excellent quality"

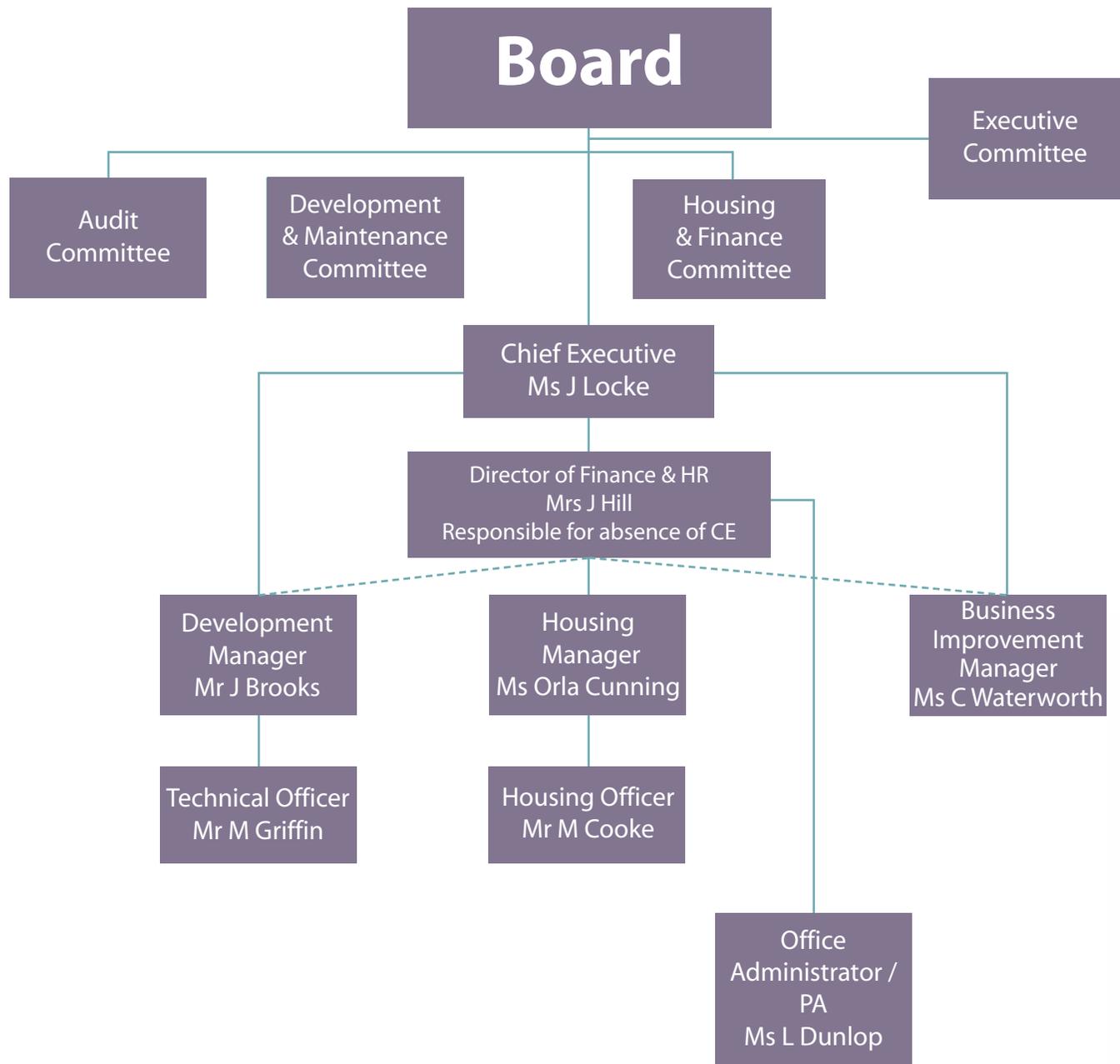
"The Association is very customer focused and is proactively using the results of their recent Tenants Satisfaction Survey to improve the

service it provides to its tenants. The Association has all the policies and procedures in place to ensure that they are meeting the Regulatory Framework. They have a good Risk Management Register in place and this is constantly being reviewed"

"The Association has made great strides in the last few years and this is evident in the professional organisation presented to the Inspectors"

"There is evidence that the Association provides a good tenant service, is also forward thinking and has a vision and plan for the improvement of many of the services it provides"

"Providing Connswater Homes maintains the current level of control and compliance with the relevant guidance and providing there is full implementation of all recommendations during the course of the inspection, there is no reason why this association could not progress to an exemplary rating in the future"





Board Members	Chairman	Hon. Secretary	Hon Treasurer	EC	AC	DMC	HFC
K Butler	X			X	X		X
M McKenzie		X		X	X	X	X
G Atkinson			X	X		X	X
D Clarke					X	X	
J Beattie				X		X	
S Meikle							X
D Johnstone							
M Graham						X	
W Mortimer							
V Sterne							X
P Cregg (co-opted)							

Income and Expenditure

Year Ended 31st March 2008

	2008 £	2007 £ Restated
Turnover	1,361,671	1,189,019
Operating Costs	(735,011)	(588,358)
Operating Surplus	626,660	600,661
Interest Receivable	4,008	15,223
Surplus on Asset Disposals	54,888	161,646
Interest Payable	(119,995)	(85,671)
Other Finance Costs	(3,000)	(2,405)
Other Expenditure	(1,100)	(1,823)
Surplus on Ordinary Activities Before Taxation	561,461	687,631
Tax on Surplus on Ordinary Activities	–	–
Surplus on Ordinary Activities After Taxation	561,461	687,631
Transfers		
Designated Reserves	(222,034)	(95,622)
Disposal Proceeds Funds	(5,460)	(173,792)
	333,967	418,217
Surplus for the Year		
Actuarial gain (loss) on pension scheme	14,000	27,567
Revenue Reserves Brought Forward	3,843,387	3,397,603
Revenue Reserves Carried Forward	4,191,354	3,843,387

Balance Sheet

As at 31st March 2008

	2008	2007
	£	£ Restated
Fixed Assets		
Housing Land and Buildings		
Cost	28,225,136	26,148,815
Less: Housing Association Grants	(20,845,000)	(18,281,632)
Depreciation	<u>(345,836)</u>	<u>(275,840)</u>
	7,034,300	7,591,343
	<u>762,186</u>	<u>880,481</u>
Other Fixed Assets	7,796,486	8,471,824
Current Assets		
Debtors	134,752	<u>119,564</u>
Cash and Bank Balances	<u>94,417</u>	-
	229,169	119,564
Current Liabilities		
Creditors	(107,549)	(267,719)
Net Current Assets (Liabilities)	121,620	(148,152)
Total Assets Less Current Liabilities	7,918,106	8,323,672
Creditors: Amounts Falling Due		
After More Than One Year	1,557,525	2,532,093
Pension Liability	<u>120,301</u>	<u>121,301</u>
	1,677,826	2,653,394
Financed By:		
Share Capital	75	74
Revenue Reserves	4,191,354	3,843,387
Designated Reserves	<u>2,048,851</u>	<u>1,826,817</u>
	<u>6,240,280</u>	<u>5,670,278</u>
	<u>7,918,106</u>	<u>8,323,672</u>

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Registered Industrial & Provident No.IP166

Registered with DSD No.R8

Auditors: Crawford Sedgwick

Solicitor: Elliott Duffy Garrett

Bankers: Northern Bank