



Home Is Where The Heart Is

The South Ulster Housing Association
2010 Annual Report





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

The South Ulster Housing Association

2010 Annual Report

CHAIRMAN'S REPORT



I have great pleasure in presenting the Annual Report for South Ulster Housing Association for Year Ended 31st March 2010.

This was my second period as Chairman and I am pleased to have been able to assist the Association once again. It has been an extremely

busy year and I would like to personally thank Mr Sam Preston (Director) and Mr Mark Turner (Assistant Director) for their professional advice and guidance during my time in office.

I am also pleased to welcome Mr David Cooper, as a new addition to the Board. Mr Cooper has a financial background and in this economic climate, his experience will be most welcome.

Many of our members have been with the Association from its formation and each year we continue to expand. This is not only the number of properties and the area we operate in, but also the number of staff. It is with this strength of performance of staff that SUHA will continue to grow in strength and reputation.

During this financial year 2009/10 the Association has added another 73 properties to its portfolio.

This has included New Build Scheme in Newry (29), Banbridge (15), Lurgan (4), Craigavon (6) and Portadown (15).

One of the schemes in Gowanvale Drive, Banbridge was the Association's first "Shared Future" housing scheme. This has been a great success and I look forward to further schemes developed under this umbrella. Indeed the Association was pleased to welcome the Minister for Social Development, Ms Margaret Ritchie, to visit the scheme. Although I was unable to attend personally, several members did and feedback from all was very positive.

Another one of our schemes was developed specially for people with learning disabilities, here in Portadown. As you may be aware this scheme is called 'Locke House', after one of our founding members Mr Alan Locke. Members have had an opportunity to visit the scheme with one of our Board meetings held on the premises. This was a pioneering approach to bring our Association out into the community and certainly I can confirm that it was a great success.

Another highlight during the year was our invitation to Hillsborough Castle to officially receive our Investors in People (IIP) Award. This was a momentous occasion and feedback from IIP was that our Association had excelled in this assessment. I would like to thank Mr Mark Turner, Assistant Director and all the staff for the hard work and dedication to ensuring that we achieved this award.

As mentioned earlier staff levels have continued to increase as the Association expands its operation. The Association continuously reviews its staffing levels and further recruitment will take place over the coming year. Training is vital in ensuring that staff are equipped to deal with the ever changing environment we operate in.

The Association committed over £10,000 to training, seminars and conferences, ensuring that both members and staff are aware of the current housing environment. The NIFHA conference was in Brighton and I am pleased so many members were able to attend. We currently have one member of staff attending the University of Ulster on day release, undergoing a Post Graduate course in Housing. I would like to wish Ms Jill Irwin well as she progresses with her studies.

Finally challenges for the forthcoming year. Our new build scheme is fairly healthy for 2010/11, but with budgetary cuts imminent, there is no guarantee of future developments.

However, under the leadership of our Director, Mr Sam Preston I am confident that our Association will be able to deal with whatever challenges face us.

Arnold Hatch
Chairman

“It is with this strength of performance of staff that SUHA will continue to grow in strength and reputation.”



BOARD OF MANAGEMENT



CHAIRMAN
Mr G A Hatch



VICE CHAIRMAN
Mr J Haslam
Staff, Finance and Corporate
Governance Committees



HON SECRETARY
Mr A Whitten
Development &
Finance Committees



HON TREASURER
Mr S S C Wilson
Staff & Finance Committees



2nd VICE CHAIRMAN
Mr R Redman
Development &
Staff Committees



Mr G A Locke
Development &
Corporate Governance
Committees



Mr J Hunter
Development &
Corporate Governance
Committees



Mr D Johnston
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

DIRECTOR'S REPORT



Can house prices go much lower? Last year the question was "How low will they go?" This year the above question has been repeated numerous times, as all those involved in many aspects of housing provision came to terms with the unprecedented situation which has arisen in the last year.

As I predicted in last year's report the downturn in the market enabled social housing providers to obtain "more for less" without having to become involved in any new initiatives for procurement of sites and contracts. In many cases the cost to provide the dwellings dropped by 20-25%.

Some developers were even making the following statement, "Give me what you can" when contacted regarding the purchase of "Off the Shelf Dwellings".

A remarkable change to say the least from several years ago.

Despite changes in the EU legislation regarding "Off the Shelf" and "Design and Build" purchases, we were still able to acquire new dwellings which had reached the magical 100% completion stage. These schemes have been put to good use and many applicants who were in urgent need are now very satisfied tenants of the Association much sooner than expected.

To quote the Housing Minister, "we were able to acquire the right type of dwellings, at the right price, in the right place, at the right time". We were unable to acquire numerous dwellings which were offered to us due to the fact that they were not in the right place.

It would appear that the market price for dwellings has now levelled off at a realistic and workable figure for all concerned.

"Can house prices go much lower?"

Traditional Development

Canal Street/New Street/Sinclair Street, Newry – 29 Dwellings

As predicted this scheme was completed in May/June 2009 and lived up to expectations not only for the tenants who moved into the new dwellings but also all the members of the team who were involved from inception to completion.

"A good job, very well done" was a comment made by a local resident in Canal Street. Hopefully the Planning Service are in agreement with this statement when they are dealing with the application to replace the derelict properties at 16-32a Canal Street.



Ballygowan Road, Banbridge – Phase III – 15 Dwellings/Meadowbrook, Craigavon – 6 Dwellings/Levin Road, Lurgan – 4 Dwellings

A visit from the Housing Minister, Ms Margaret Ritchie, was very well received especially by one of the new tenants for whom a special needs dwelling had been constructed. The applicant had been very patient but nonetheless was very pleased to receive her keys from Minister Ritchie. The spacious new dwelling which was built to include a layout agreed with the family and the O.T. will no doubt make day to day living a lot more easy and comfortable. No longer will she need a member of her family to carry out the simple task of opening a window. She now has a remote control which will be great assistance to her as she leads a more independent lifestyle.

All the dwellings in the scheme were complete at the end of 2009/beginning of 2010, again well ahead of the programme. Our thanks again to Kelly Brothers who as usual carried out all the work to a very high standard.

Rectory Road, Lurgan – 1 Special Needs Dwelling

At long last agreement was reached between the N.I.H.E. and Craigavon Borough Council as to who was the rightful owner of the land. It turned out to be the Council. After a considerable amount of discussions, numerous meetings and letter writing, full planning approval was received.

The difficulty in obtaining the approval was due to the fact that the area of land had been designated as open space. Our proposal was eventually treated as a special case which the planning policy allows in certain circumstances.

The acquisition of the site is now in progress and it is expected that the legal formalities will be completed in July/August 2010.

Annaghdale Place & Garvaghy Road, Portadown – 3 Special Needs Dwellings

We also look forward to providing 3 special needs dwellings on these sites which were acquired by the Association 10 years ago. The small land bank has proved to be very useful in this instance due to the fact that suitable sites for this type of development close to all amenities are not readily available. Planning approval has just recently been received and work on site should commence in August/September 2010.

Ennis Green, Lurgan – 7 Dwellings/Princes Close, Lurgan – 4 Dwellings/ Beech Grove, Dromore – 5 Dwellings

At long last we were able to start work on site at all 3 locations. One particular family could hardly believe the news that the foundations of their special needs dwelling at Ennis Green were finally being laid. They had been very disappointed on several occasions that the scheme was delayed for a variety of reasons beyond our control.



Two other families will benefit greatly when they also receive the keys to the dwelling designed to meet their special requirements.

Another family were identified at a later stage and we have been able to put an extension on a 5 person 3 bedroom dwelling in order to meet their needs.



Erection of Timber Frame Structure at Beechgrove, Dromore

No doubt the successful applicants who receive the keys of the other 12 'Lifetime Home' dwellings will also be delighted with the new homes.

All aspects of the work is progressing very well

and we will look forward to the completion of our first scheme which includes rainwater harvesting systems. The water will be used to flush the toilets, wash clothes, water gardens and where applicable, tenants can also use it to wash their cars.

When water charges are introduced there should also be a considerable saving for each tenant, provided water meters are installed.

Portadown Central Area – Phase VI – 16 Dwellings in Phase I & 6 Dwellings in Phase II

This scheme was first promoted in 1995/96 when a large proportion of the derelict vacant dwellings were acquired.

Due to the lack of demand for social rented housing the scheme was taken out of the programme just before tenders were invited and the paperwork remained on the shelf.

Persistence has finally paid off and up to date documents were issued, very keen prices obtained

and work on site is now progressing very well.

The work will not only provide dwellings to meet present steady demand but will also make a very visible impact on the various streets in which the dwellings are located.

Fifth Avenue, Derrybeg, Newry – 8 Dwellings

Approval to complete the purchase of these dwellings is expected in June 2010. Local Councillors and the N.I.H.E. have been contacted on numerous occasions by applicants who urgently require suitable accommodation in this area of Newry. Many more dwellings are required to meet the ongoing and growing waiting list.



Future Schemes

Canal Street, Newry – Phase IV – 10 Dwellings

During a telephone discussion, quite some time ago, with the N.I.H.E. District Manager in Newry he asked the very relevant question, "What are you going to do about the remainder of the derelict buildings in Canal Street?" My reply was as follows:- "I understand that these form part of the school site which is to be redeveloped."

It soon became apparent that I was wrong and the very derelict and vacant dwellings were excluded from the school plans and the owners did not have any proposals to deal with the problem.

This was music to my ears and a file was immediately opened for Canal Street Phase IV.

To cut a very long story short, agreement has now been reached to acquire the dwellings and sufficient land to provide suitable rear gardens and parking areas.

Using the considerable amount of experience gained when preparing the drawings and design for Phase III, Mr A.F. McGuffin, our Consultant Architect has submitted to the Planning Service the only viable scheme to deal with the dereliction, i.e. a scheme to demolish and rebuild to provide 10 new dwellings which has been very well received by the local community group and the Council. Mr McGuffin had previously identified the property as a suitable area for redevelopment when he carried out a survey on the Association's behalf in 1997/98.

The local Council were so pleased with a recent

presentation that the Chief Executive agreed to write a very strong letter of support to the Planning Service.

The scheme will provide dwellings with a street frontage to closely resemble the existing buildings and therefore the architecture of the area will be retained and conserved.

No doubt there will be a considerable amount of discussion with the planners before approval is received.

The scheme had originally been included in our development programme for 2011/2012 but at a recent meeting with the N.I.H.E. D.P.G. Senior Officers, they agreed to bring the scheme forward to 2010/11.



DIRECTOR'S REPORT Cont'd.

PSNI Site, Castle Street, Gilford – 13 Dwellings

Although this scheme has now been withdrawn from the programme and the site is to be sold on the open market the situation will be closely monitored.

Curran Street/Obins Street, Portadown – Approximately 12-16 Dwellings

Agreements have not yet been reached on various matters in connection with this development but no doubt we will eventually acquire a number of dwellings to meet the latent demand. Planning approval is expected within the next 3-4 months.

Moor Road, Kilkeel – 9 Dwellings

The Developer has now commenced work on the site and already there has been a considerable interest in the dwellings which are to be sold to the Private Sector.

Work on the dwellings for Social Renting will commence later on this year and I have no doubt we will receive approval to acquire them when they reach the 100% completion stage.



Ennis Green, Lurgan – Phase II

Despite the fact that the Planners stated when the approval was issued for Phase I it would be highly unlikely that an approval would be forthcoming for additional houses to be built on the green space, plans for a second phase have been prepared.

The reason for going ahead is quite simple "there is still a great need in the area for Social Rented Dwellings". In particular a need for 2 additional special needs dwellings has been identified and there are no other sites available in the area. The scheme will also contain 6 more "Lifetime Homes" which, when completed, will be allocated to applicants who are in extreme housing stress. We have no doubt that a very reasonable case can be made to the Planners to enable them to issue an approval which complies with the up to date Planning Policy.

169 Banbridge Road, Kinallen – 9 Dwellings

Agreement could not be reached on the acquisition of the site at 2 & 4 Skeagh Road, Kinallen and therefore an alternative proposal had to be found.

The private development at 169 Banbridge Road, Kinallen had initially only been given a very brief glance but when a more detailed study was carried out it was found that with some minor adjustments to the site works and the 9 dwellings the scheme would meet our requirements.

A purchase price was finally agreed for the first 4 dwellings which were 50% complete at that stage. Unfortunately when our solicitor received the deeds and maps he found that there were quite a few issues regarding the boundaries which have not yet been resolved to his satisfaction.

However, we are confident that we will be able to acquire the dwellings in August/September 2010.



Murphy Crescent, Newry – 24 Dwellings

During the consultation process for Canal Street Phase IV with the Lower Canal Street Regeneration Group, the Chief Executive of the Win Business Centre confirmed that a site belonging to the Centre had received Planning Approval for 14 large dwellings with a split level plan to accommodate the site levels at Murphy Crescent.

The plans of the dwellings would not meet with new build social housing standards and therefore a new layout has been designed using our own house types. The site will accommodate 24 dwellings and the new layout together with all the other relevant documents have been submitted to the Planning Service.

This scheme, when completed, will not only provide additional 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.

The local community group are very pleased with our proposals when a presentation was made to them in the Local Community Centre.



Plan for Development of Murphy Crescent, Newry



Oliver Plunkett Park, Belleek, Newry – 3 Dwellings

The initial reaction from the N.I.H.E. to our proposal to purchase these dwellings was a negative one, but when the situation was investigated in more detail it became apparent that applicants from the Camlough area would be willing to move in to this location.

The scheme has now been registered in our name and we expect to complete the purchase in July/August 2010.

Burren Road, Warrenpoint – 51 Dwellings

The Developer has not yet received Planning Approval for this scheme even though it was recommended for approval to the local Council in February 2010. Objections were raised by the local residents and to date a satisfactory resolution has not been reached. We are however confident that approval will be forthcoming in August/September and therefore the Developer will be able to commence work on the first phase of 10 dwellings and reach 100% completion before the end of March 2011.

Schemes Under Investigation

Water Street, Portadown – 10 Dwellings

Florence Court, Portadown – 10 Dwellings

Beechgrove, Dromore – 8 Dwellings

Lake Street / Victoria Street, Lurgan – 18 Dwellings

Chancellors Road, Newry – 18 Dwellings

Lock Keepers Cottage, Carnbane, Newry – 1 Dwelling

Catherine Street, Newry – 17 Dwellings

Rehabilitation Scheme, Lisbellaw

Rehabilitation Scheme, Newry – Phase V – 6 Dwellings

New Street, Newry – 4 Dwellings

Special Needs Dwellings in Lurgan, Portadown & Dromore

CARS Site in Newry – 10 Dwellings

Meigh, Newry – 10 Dwellings

Maintenance

Following receipt of the stock condition survey which was very favourable, a programme of repainting, external repairs, internal repairs, which include kitchen and bathroom replacements and where applicable new heating systems, has been prepared.

The first contracts have now been awarded and work is proceeding very satisfactorily.

Again due to the present economic situation the work is being carried out at very keen rates.

Feedback from tenants following the completion of works orders has again confirmed that we are continuing to provide a very satisfactory service.

Tenders have now been invited to obtain rates for day to day repairs using the Measured Term System and it is envisaged that the successful Contractors will be appointed prior to the July holiday period 2010.

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.

“Once again the team effort by all Staff and Board Members continues to keep the Association to the forefront of housing provision in the South Ulster area.”

MANAGEMENT REPORT



I would like to take this opportunity to thank our Chairman, Arnold Hatch, Board Members, Director, Sam Preston and Staff, for their support during the year.

The Association is particularly pleased to welcome to our Board, Mr David Cooper. With Mr Cooper's financial background, he will be a great asset to the Association.

We have witnessed the Minister for Social Development, Margaret Ritchie, visit our first Shared Future Housing Scheme in Gowanvale Drive, Banbridge. Also both our Chairman, Arnold Hatch and myself were invited to Hillsborough Castle to formally receive the Association's Investors in People Award.

This year, despite the difficult economic climate, has been an extremely busy year. We have been able to increase our housing stock by 73 units, which included a healthy Development Programme and some 'Off The Shelf' Purchases.

Arrears Management

One of the main KPI's (Key Performance Indicators) for our Association is the ability in its collection of rents. To ensure delivery our Association has a target of ensuring arrears (both current and past) remain below £40,000. Once again I am pleased to report that total arrears are £33,863, which is almost £7,000 below our performance indicator. What makes this even more remarkable is that our stock has increased from 813 to 886. The Association has now reviewed the level of this indicator and has set the KPI to £35,000. Current arrears for 2009/10 were £8,512 compared to £13,930 the previous year. Past tenant arrears for the year

end 2009/10 were £25,317, an increase from £18,588 in 2008/09. The Association has been proactive in the recovery of past tenant debt and due to the lengthy process of legal action, will not see any substantial reduction until 2010/11. (Indeed early indicators show a decrease for 2010/11.)

As in 2008/09 the Association was able to maintain the rent increase to 3.5%. Service Charges for all schemes were not increased and indeed the Association is confident that this will continue over the next few years.

Void loss as similar to last year has slightly increased. The Association had predicted this increase as it is our policy to improve the older stock when it becomes vacant. During the year 2009/10 the Association had two properties terminated which required major improvements. Despite this, voids loss for the period 2009/10 saw only a marginal increase to £13,652.63. It is anticipated that with the Planned Maintenance schemes now commenced, there should be fewer cases of properties requiring substantial works.

Corporate Governance

As part of the annual review of Governance, the Association reviewed the rules of the Association and decided to adopt NIFHA's proposed model rules. Other aspects of Governance included the review of all its Policies and Procedures and the review of Board Membership.



Joe Donnelly
Housing Officer

Maintenance Officer. This has allowed the Association to assess the requirements for this

Staff

As the Association expands, it has been vital to continually review the Association's staffing levels. With the review of Maintenance, the Association was pleased to welcome Ms Samantha Davidson on a year's contract as

position and as such will be advertising for a permanent position. Also recruited on a year contract was Mr Joe Donnelly as Housing Officer. This position allowed the Association to provide cover during staff absences of maternity leave.

The Association also identified the need to recruit the three Administrative posts and was due to complete the recruitment in June 2010. The Association carries out a continual review of staffing levels and is currently carrying out option appraisals for further staff recruitment.

Procurement

The Association, as part of Premier Procurement, is committed to delivering the Social Housing Development Programme. The Business Plan for the group has been approved by the DSD and we should shortly be ready to sign the agreement to formally recognise the group.

Own a Home Scheme

I am pleased to confirm that despite the slow progress of the above scheme, the Association has been able to complete 7 purchases with a further 3 more in the pipeline. Although the numbers are small, the Association is pleased to be associated with such an innovative scheme.

Quality

The Association received the Investors in People Award early 2009 and was pleased to be invited to Hillsborough Castle in September 2009 to formally receive the award.

As part of the Association's commitment in ensuring quality, the Association also carried out a survey of the service it delivers to visitors to the office. I am pleased that the results of the survey confirmed the high standard of service that the Association provides.

For full information on the survey you can view on our website www.suha.co.uk.

“This year...has been an extremely busy year.”

Training

To ensure that the board and staff can deliver a high level of quality and service to the tenants, the Association invested £10,854 on both Training and Seminars.

Seminars attended by both board members and staff included the annual NIFHA conference (Brighton), the CIH (Conference of the Isles [Newcastle N.I.]). Training courses for staff included training on Procurement, Constructing Excellence and Benefits Update. As part of the Association's investment in staff, approval was granted for Ms Jill Irwin to continue on Day Release and commence the Post Graduate Diploma in Housing Management.

Allocations

Once again the Association has been successful in adding to the delivery of the Social Housing

Development Programme. At the end of 2009/10 the Association added 73 new properties to its portfolio, bringing our stock to a total of 886.

This number of 73 was down three on last year, but 2008/09 was exceptional due to the high number of 'Off the Shelf purchases.' Allocations were slightly higher than last year with a total of 157.

This total included new development schemes in Newry (29), Banbridge (15), Lurgan (4), Craigavon (6) and Portadown (15).

The Association was pleased to announce its first Shared Future scheme in Banbridge (Gowanvale Drive). The Minister for Social Development Margaret Ritchie visited the scheme in July and commented "I congratulate the residents in Gowanvale on publicly declaring themselves a shared community, open to all, regardless of their religion, political persuasion or ethnic origin."

Voids control is another KPI for the Association and despite a slight increase in the length of time a property is vacant from 6 days in 2008/09 to 7.63 days in 2009/10, the Association is well below the DSD target.

Conclusion

I am pleased as Assistant Director to report that we are meeting all the targets set by the Association. Indeed we benchmark against other Associations and the DSD targets, at which we score very highly.

This is a credit to the staff that our Association has in place, and I would like to take this opportunity to personally thank them for all their hard work and support. As the environment we operate in changes, staff have been more than willing to adapt their approach.

I look forward to 2010/11 and am confident that we can continue to deliver at a very high standard.



“We are meeting all the targets set by the Association.”

INCOME & EXPENDITURE ACCOUNT

YEAR ENDED 31 MARCH 2010

	2010 £	2009 £
TURNOVER	2,689,616	2,369,560
Operating costs	(1,442,127)	(1,233,825)
OPERATING SURPLUS	1,247,489	1,135,735
Interest receivable	2,354	8,040
Interest payable	(419,783)	(418,701)
DPF interest charge	(20,721)	(41,592)
Pension related finance costs	(21,000)	(9,000)
SURPLUS ON ORDINARY ACTIVITIES BEFORE HOUSE SALES	788,339	674,482
Surplus on house disposals	187,630	-
SURPLUS ON ORDINARY ACTIVITIES AFTER HOUSE SALES	975,969	674,482
Transfer to tenants' services fund	(11,760)	(9,397)
Transfer to disposal proceeds fund	(186,068)	-
SURPLUS FOR THE YEAR	778,141	665,085
TRANSFER TO DESIGNATED RESERVES	(169,069)	(199,414)
	609,072	465,671

All the Association's activities are classified as continuing.

BALANCE SHEET

YEAR ENDED 31 MARCH 2010

FIXED ASSETS	2010	2009
Housing land and buildings:	£	£
Cost	57,136,253	53,624,607
Less: Housing Association grants	(33,429,306)	(31,874,746)
Depreciation	(1,214,377)	(1,035,939)
	22,492,570	20,713,922
Other fixed assets	788,804	797,888
	23,281,374	21,511,810
CURRENT ASSETS		
Debtors	207,125	1,241,098
Cash and bank balances	865,480	1,889,040
	1,072,605	3,130,138
CURRENT LIABILITIES		
Creditors	1,146,712	4,908,923
NET CURRENT LIABILITIES	(74,107)	(1,778,785)
TOTAL ASSETS LESS CURRENT LIABILITIES	23,207,267	19,733,025
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
Pension liability	753,000	272,000
	15,441,292	12,284,191
FINANCED BY:		
Share capital	22	22
Capital reserves	58	58
Revenue reserves	4,192,725	4,044,653
Designated reserves	3,573,170	3,404,101
	7,765,975	7,448,834
	23,207,267	19,733,025

CONTACT DETAILS

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& Provident Societies Act





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