



2023

Annual Report

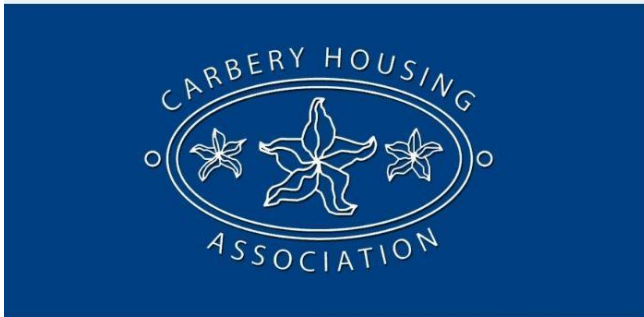


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Letter from the Chairperson

Dear Members,

Carbery Housing Association was 12 years old in 2023, and we can safely say that, in spite of many barriers and challenges faced, that seemed at times insurmountable, we have successfully established a community-based Housing Association for Cork County and City, a reliable and accountable contributor to regional housing efforts.

CHA's mission from the start was "to provide housing and associated amenities for a range of groups that are excluded from the housing market, on the basis of partnership with local authorities and community organisations and aiming for a high level of energy efficiency and sustainability".

Despite our best intentions, it was 10 years before we secured our first homes. Significantly, this was in the aftermath of the 2008 collapse of the housing market. These first homes were leases for empty properties from private landlords that CHA repaired and rented to nominees from Cork County Council housing list. With limited resources, we kept our commitment to repairing and improving energy efficiency in these homes, becoming a Sustainable Energy Community (SEC) and securing some funding from SEAI.

In the wake of the mortgage arrears crisis of 2013, we requested inclusion on the Mortgages to Rent AHB Panel and embarked on the purchase and management of homes where residents could not afford to meet mortgage repayments. Purchases were made possible by loan funding from the AIB Bank and Capital Assistance Loan Funding (CALF) from Cork County and City Councils. To date, we have purchased 21 homes and are in the process of buying a further 14, borrowing from the Housing Finance Agency. We have also made a social housing proposal for Sherkin Island on the West Cork coast, that is under consideration by the County.

We have retrofitted around half of our properties for better energy efficiency and installed heat pumps in 3 homes in partnership with SESystems and with SEAI support. We have also sourced European Funding, as part of the Interreg NWE RED WoLF project, to install solar panels, battery storage, storage heaters with an AI-driven energy management system in 4 of our homes. As a result of this initiative, CHA has received 3 awards recognizing its contribution to the Clean Energy Transition, from the Irish Council of Social Housing, The Wheel and The Environmental Forum.

CHA is committed to continuing to contribute to preventing homelessness and leading the energy transition in social housing in Cork County and City. We welcome your participation and support.

Jose Ospina
Chair

Chairperson's Report

From Voluntary to Statutory Regulation

CHA is registered as a company limited by guarantee with charitable status. The company is owned and managed by its Members. Our AGM accepts nominations from Members to the Board of Management that will manage the work of the Association for the following year.

In 2013 CHA signed up to the Housing Agency's Voluntary Regulation Code. We voluntarily agreed to implement the Code of Governance for Approved Housing Bodies (AHBs) and the Financial Standard. In 2022 this regulation became statutory, and CHA came under the remit of the new Approved Housing Bodies Regulatory Authority (AHBRA), which has legally binding powers of supervision and enforcement over CHA (and all other AHBs).

AHBRA can uphold the various regulatory standards in several ways, including removing Directors and appointing Temporary Managers and taking control of stock and assets. Loan and subsidy funding will also be dependent on regulatory status. This new Agency has issued a revised set of Standards and Procedures that apply to all AHBs. CHA is now registered formally with AHBRA and we have made the required reports for 2022 and 2023.

Challenges of Statutory Regulation

Under the new statutory regulations, CHA must have a Board of Management that is fully aware and managing its activities and in control of the direction, assets and activities of the Association.

Board members need to have or acquire a basic level of knowledge of the working of AHB's and to be able hold their own in their dealings with AHBRA as well as other regulatory bodies, local authorities and project partners.

CHA is expected to carry out its duties to a high professional standard. This includes housing development, works, repairs, financial management, housing management and maintenance, tenant liaison and engagement, and any projects the Board decides to take on (e.g. EU Projects) undertaken by CHA.

Board Members are expected to be competent, with no conflicts of interest, to act professionally and to understand and supervise all key areas of CHA activities with the support of Staff.

Board of Management and Directors

- Any Member may stand for election to the Board at the AGM or may be co-opted onto the Board during the year.

- Board Members are asked to complete a probationary period of 3 consecutive meetings, before they are ratified as Board members and their names passed on to the Companies Register.
- The Board has Officers responsible for key statutory responsibilities. During 2022-2023 these Officers were Jose Ospina (Chair), Ana Ospina (Secretary), Tadgh Quill-Manley (Treasurer).
- Some Board members have agreed to take responsibility for specific areas of work on behalf of the Board. These are Development (Jose Ospina), Works and Repairs (Liam Loftus) and Membership (Tadgh Quill-Manley). These responsibilities are agreed in writing by each Board member.
- The Operations Manager (Ana Ospina) was employed in 2022 and is currently the only staff member, and responsible for Housing Management, Cyclical and periodic maintenance and energy initiatives.
- At the end of the 2022-2023 financial year CHA had 10 Directors.

Networking and Affiliations

CHA is currently:

- Member of the Secretariat of the Cork County Council Public Participation Network (PPN) and has delegates to the County Council Strategic Policy Committees for Housing and Planning.
- Members of the Irish Council for Social Housing, the REVES EU Network of Cities and regions of the Social Economy and the REEP Renewable Energy Partnership.
- A Sustainable Energy Community (SEC) registered with SEAI.
- Working in partnership with agencies from other EU countries in the development of a new EU-funded project on renewable and sustainable energy (RED WoLVES - Interreg NWE 2025-2028).
- Founders and on the Board of Green Skibbereen, a not-for-profit company that has set up a Centre for Excellence in Climate Action (CECAS) at Myross Wood House, Leap, County Cork.

Secretary's Report

Governance

Board Members are provided with a comprehensive information pack explaining the policies and operations of CHA and an online Induction session for new Board Members carried out. Board meetings are held every month by Zoom. Minutes of all meetings were made and circulated after all meetings and approved at subsequent meetings. Written reports on Finance, Development, Housing Management and Works were provided by staff and Board officers and delegates

CHA continues to use the Board X organisational management and communication system. CHA's existing Policies were reviewed during the year and new policies adopted including Conflict of Interest, Data Protection, Business Continuity, Risk and Works.

A Register of Risk and of Conflicts of Interest were maintained.

Compliance with Regulations

- CHA makes Annual Reports to AHBRA and the Charities Regulator.
- It is possible that we may have an AHBRA Assessment Visit this year or early next year.
- As part of our loan agreements with AIB, the bank also holds a yearly compliance audit of our financial activities.

CHA has **made all relevant filings** with the Companies Registration Office and with the Residential Tenancies Board.

Risk and Audit Subcommittee (RASC)

RASC (Risk and Audit Subcommittees) was established in 2019 and currently meets every 2 months. Risks reviewed may be governance, financial, operational or reputational. RASC is currently chaired by Tadhg Quill-Manley, who also maintained a Risk Register.

Continuing risks encountered this year:

- Restricted access to loan funding
- Multiple obstacles and delays in procurement of properties
- Rising cost of repairs and limited availability of tradespeople

In 2022-23 RASC encouraged the purchase of the M3Vision Asset Management Software that allows CHA to better monitor and manage our assets and improvements and repairs carried out.

Engagement Report

- CHA and the RED WoLF project were featured in local and national press several times in the year.
- Our Operations Manager Ana creates **blog posts** and shares **newsletters** regularly. Please see our **website's 'News' section** for blog and to subscribe!
- Social Media - Last year we engaged with our community via **Facebook and LinkedIn** to promote CHA's work. We now have 294 LinkedIn followers and 443 Facebook followers...**Thank you!** Check us out **@carberyhousing**

Awards

In 2023, CHA was honoured to receive 3 awards:

1. The Environmental Forum (formerly CEF)

In December 2023, Frank O'Connor, Anois, presented this award under the **Community & Voluntary** Category to Carbery Housing Association at Nano Nagle Place, Cork city.

2. #OurEUStory

In November 2023, CHA was recognised with third prize in the #OurEUStory awards from The Wheel for the **RED WoLF Project** at the RDS Concert Hall in Dublin.

3. ICSH Allianz Community Housing Awards

In October 2023, CHA was awarded at the biennial ceremony by the Irish Council for Social Housing under the category of **Leading the Energy Transition** at their annual conference at the Clayton Whites Hotel in Wexford (pictured above right).



Treasurer's Report

Bookkeeping and Audit was carried out during the year 2022-23 by accountants PAS Solutions.

3-monthly management reports were initially produced by PAS and reviewed by the Board, but this was reduced to 6-monthly from 2023. A 5-year cash flow was produced by PAS Solutions, reviewed by AIB, and adopted.

With the support of the Local Enterprise Office (LEO), a 30-year cash flow was produced by financial consultants Pinnaklo in 2022. to help in planning the long-term future of the Association. This plan is currently being revised

I am pleased to present a summary of the financial performance of Carbery Housing Association for the fiscal year ending 2023 in preparation for our Annual General Meeting (AGM). This report highlights our key financial metrics, signed off on at the August 2023 board meeting, and provides insights into our financial health and strategic direction.



Tadgh Quill-Manley, Treasurer

Financial Highlights

- 1. Revenue:** During the fiscal year, Carbery Housing Association generated a total revenue of €138,240 from various sources, including rental income, government grants, and donations. This represents a €41,653 increase compared to the previous year, primarily due to the expansion of existing projects and goals.
- 2. Expenses:** Our total expenses for the year amounted to €158,656, of which €70,615 pertains to bank interest paid. This includes operating costs, maintenance expenses, and administrative costs. We have successfully managed our expenses, optimising cost-efficiency wherever possible.
- 3. Assets:** As of the financial year ending 30 September 2022, our total assets of €3,711,657. When all creditors are considered, we are left with total net assets of €120,837. Our asset portfolio primarily includes properties, building improvements, and cash reserves, all of which are strategically managed to support our mission of providing quality housing.
- 4. Liabilities:** The Association's total liabilities, including outstanding loans and obligations, amounted to €3,371,428. We maintain a prudent approach to managing our liabilities, ensuring financial stability.

Financial Strategy

Looking ahead, our financial strategy for 2023-2024 focuses on the following key areas:

- 1. Sustainability:** We aim to enhance the sustainability of our housing projects by exploring renewable energy solutions and environmentally friendly construction practices.
- 2. Financial Resilience:** We will continue to build financial reserves and diversify our revenue streams to protect against unforeseen challenges.

3. Community Engagement: Strengthening our ties with the community and exploring partnerships with local organisations to promote social and economic well-being.

In conclusion, Carbery Housing Association remains committed to its mission of providing quality housing and improving the lives of our community members. Our sound financial performance, prudent management of resources, and strategic initiatives position us well for the challenges and opportunities that lie ahead.

We look forward to discussing these financial results and our future plans in more detail at the upcoming AGM. Thank you for your continued support and dedication to our shared mission.

Profit and Loss (Ended 30/09/2023)

Draft Financial Statements at 31 May 2024 at 11:34:52
CARBERY HOUSING ASSOCIATION COMPANY LIMITED BY GUARANTEE
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Notes	2023 €	2022 €
Income	3	393,176	296,896
Administrative expenses		(125,376)	(88,041)
Operating surplus	4	267,800	208,855
Interest payable and similar expenses	6	(128,202)	(70,615)
Surplus before taxation		139,598	138,240
Tax on surplus		-	-
Surplus for the financial year		139,598	138,240

The income and expenditure account has been prepared on the basis that all operations are continuing operations.

Development Delegate's Report

Development Delegate Role

Development activities are currently the responsibility of the Development Delegate (DD), currently Jose Ospina, who carries out property identification and procurement and securing of loan and CALF funding for purchases. All purchases and loan offers are approved in advance by the Board. The Delegate is also responsible for identifying and securing relevant EU projects and EU grant funding, which is also approved in advance by the Board. The DD reports to the Board of CHA on Development in writing on a monthly basis.

Property Procurement

In 2010 CHA secured its first two properties under 10-year leases from private owners that were then offered to Cork County Council nominees. From 2013 CHA began acquisition of existing properties where residents were unable to meet mortgage repayments, under the Mortgages to Rent Programme, on the basis of the CALF (Capital Assistance Loan Funding) funding and commercial loan funding.

Under this Programme CHA is offered homes with distressed mortgages by the Housing Agency, who sets purchase values and awards a standing loan (CALF) to the AHB through the local Council (@30% of the cost of purchase.) The AHB then secures a loan at commercial rates (@70% of the cost of purchase) from a Bank or finance agency (normally AIB or HFA). This loan is backed by a Payment and Availability Agreement from the local Council and Fee is paid by the Council to CHA (P&A Payment). This payment is equivalent to 92% of the market rent and is used to repay the Loan element of the purchase.

At present, AIB has informed us that they will not provide further loan funding to CHA, due to their revised more stringent financial guidelines on lending. We are still borrowing from HFA but this borrowing is capped at €5 million for Tier 2 AHB's that are not registered with HFA.

CHA continues to work towards registration with the Housing Finance Agency as a way of ensuring low interest loans funding but remains on the look-out for other private lenders with a view to extending our programme beyond its current target of 40 homes.



Jose Ospina, Development Delegate

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Barriers to Development

CHA has faced recurring barriers in implementing its purchasing programme under Mortgages to Rent. These include financial charges on property Title, when the properties have been financed as Tenant Purchase or Affordable Housing funded by the local Councils.

Some properties on offer to CHA were funded under the Affordable Homes scheme, part funded or sold to tenants by local Councils. In some cases, there is an outstanding financial liability from the previous funding bodies or owners - some of these have been waived by Councils or CHA has agreed to pay outstanding liabilities. There have also been delays due planning non-compliance and issues with Title (such as the Deed being lost).

As a result, some lenders have, over the past years, decided to withdraw a number of properties from the schedule of properties on offer to us on the basis that purchases are taking too long to complete. We are working with new solicitors to try to reduce such delays to avoid any more purchases being lost.

Limitations on loan funding has been another major barrier to development and especially to diversification. At the moment our only remaining source of loan funding is HFA, as AIB has recently rejected a loan application and none of the other banks have been prepared to consider lending to us.

The loan facility available to Tier 2 AHB's that are not registered with HFA is €5 million, and we have nearly committed this on the basis of properties planned and including the proposed Sherkin Island development (see below). Therefore, further developments, and in particular new build developments, require that CHA secures registration with the Housing Finance Agency before they can progress.

Development Progress

In September 2022 CHA owned 18 properties, all purchased under the Mortgage to Rent Scheme, which allows families in danger of repossession due to rent arrears, to continue to occupy their homes as tenants. By the end of the period a further 3 properties were purchased, by CHA, taking the total to 21 properties in ownership. A further 13 purchases are in different stages of development at present.

The last property held by CHA on a 10-year lease from a private owners and rented to nominees of Cork Co. Co, was returned to the owner after the lease expired in 2023.

At the 2022 AGM the Board agreed to prioritise the development of new housing and delegates were asked to explore possible new build options, particularly on the Islands off West Cork. The first of these is a proposal for a cluster of 6 homes on Sherkin island. This proposal was put together as a "turnkey" project for CHA by developers Farranacoush Ltd, and has been approved in principle by Cork County Council Housing Department. All prospective tenants of the project have to meet local residency conditions set out by the County Plan for island developments.

Farranacoush and CHA have contacted all potential applicants on the housing list for the area and informed them of the proposed development. However, we are still negotiating other last minute Planning objections that have surfaced to this much needed crucial project.

CHA continues to explore other possible new build and rehabilitation developments in the City and County at present. As we are not able to borrow to build directly, new build development has to be carried out by means of 'turnkey projects' that are developed for us by a private developer. On completion they are sold to CHA.

During this period CHA has introduced the M3Vision software tool for asset management. This tool is essentially a database of all per parties, including purchase details, intel surveys and consequent repairs, renovations and retrofits. Once all relevant details are entered, the database will provide a single repository for all key information regarding our housing stock.

EU Projects

RED WoLF (Interreg NWE) 2019-2023

The RED WoLF Project completed during this year. This innovative project allowed the deployment of the innovative RED WoLF domestic solar energy system in 4 of our homes.

The project was innovative and successful and the hybrid energy system was deployed and is being monitored by CHA on an ongoing basis.

RED WoLVES (Interreg NWE) 2025-2028

CHA is working on the preparation of a follow-on project to RED WoLF, which aims to promote the deployment of mixed renewable energy sources. It's our intention to provide renewable and sustainable energy to the Sherkin island Community with this project.

Works Delegate's Report

Building and Repair Works

- We currently own 21 properties of varying ages
- Maintenance and repairs are broken down into 4 categories: *Initial works, planned maintenance, emergency repairs and cyclical maintenance*.
- **Initial works:** Identified pre-purchase surveys of all properties.

Loan and CALF (Council standing loan) used to carry out initial works and is included in loan drawdown – increase substantially.

- **Planned maintenance:** Non-essential repairs and maintenance. Covered by our Sinking Fund
- **Emergency/urgent repairs:** Usually reported by the tenants. Minor works covered by current account.
- **Cyclical maintenance:** Works that are required annually can be scheduled in advance. E.g., boiler services.



Liam Loftus, Works Delegate

Works During 2022-23

Use of Affinity software to schedule and record maintenance and repairs work has been fully implemented, and is continuing. A budgeting projection document was created early in 2023 and has proved useful.

For the calendar year 2023, a repairs budget of €74,000 was set and a system created to document completed, current and anticipated repairs/maintenance. Examples of anticipated repairs include electrical inspections and expenses arising from periodic council inspections. Mid-year projections indicated that approximately €22,000 of the above figure would remain at the end of the calendar year, which transpired to be correct.

For the calendar year 2024, a repairs budget of €52,000 was set, based on the total spend from last year. Spending on repairs has been heavy this year and current projections are that the repair budget will be exceeded by approximately €30,000. There are several causes for this increase in spending, but two of the major reasons are:

(a) We secured the services of GMC Electrical to carry out inspections, which had been delayed for almost two years. These inspections flagged the need for various electrical repairs, including two full rewires, costing approximately €9,000 each.

(b) The need for an extensive repair to the facade of the house at 29 Dundanion is expected to cost CHA €20,000 after grants.

House purchasing policies have been adjusted to conduct more detailed estimates of repairs and to use these estimates to reduce purchase prices, thereby saving money overall and using the original purchase loan to pay for repairs.

Much of the Works Delegate's efforts this year has been focussed on trouble-shooting aspects of the RED WoLF solar/hybrid storage heating systems. There were some technical issues with the initial specification, which required changes to be made later. We have a new monitoring interface provided by GLAS Energy Technology and the systems are running as planned in three of the four houses, with minor adjustments still needed in the last.

An unanticipated finding from this RED WoLF pilot study was that the tenants struggled to adjust the storage heaters and found the controls and programming of these devices challenging.

Unfortunately the rollout of this system in early 2023 coincided with rising energy costs. This, combined with a delay in tenants (and CHA) getting to grips with the new storage heaters, led to initial teething problems. As a result, CHA arranged for equipment to be reconfigured where required and supported tenants throughout the transition to the new system by addressing their technical concerns and assisting them with interpreting their energy bills.

In late 2023 we provided the tenants with individualised interfaces (set up by GLAS) showing in real time how much solar energy was being produced, battery levels, and usage by various circuits, including the storage heaters. Although the interface is quite user-friendly, engagement with the system so far has been limited.

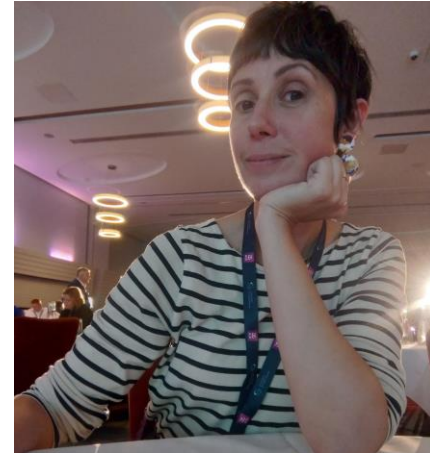
Taken together, these findings indicate that before the rollout of any future energy systems in other houses, a formalised training program with an instructional class and a reference booklet will be needed, covering the topics discussed above.

Overall, the RED WoLF systems have been quite successful. During sunny weather, up to 25kWh of electricity is produced per day, which can be used by the tenants for powering their homes, exported to the grid for credit or used to heat hot water. Most tenants have negligible bills during the summer. During the coldest weather, the storage heaters use 20-30 kWh (at the half price night rate) releasing heat at programmed times during the day. This usage drops automatically towards 10-15 kWh per night in Autumn or Springtime, while of course the amount of "free" solar energy increases during these periods.

Housing Manager's Report

In 2022-23 our number of tenants remained at 56. Total rents increased from €80,357 to €85,836. Arrears decreased considerably from €2422.20 to €1066.08 at the end of 2023. The rising cost of living continues to affect tenants' incomes, especially energy & fuel.

In March 2023, we carried out a tenant satisfaction survey. 10 of the tenants responded and the results were very good overall. 7 out of 10 said they were very happy with the customer service they receive from us. The tenants' ability to contact CHA was rated highly too. CHA's communication with tenants was rated well, with some room for improvement in relation to repairs responses. We noted that levels of engagement with our online media was a bit on the low side, and this is something we have endeavoured to improve in 2023-24.



Ana Ospina, Operations Manager (PT)

Operations Manager (PT) Role

In this year, the OM's working hours continued at 3 days per week. The OM was still managing RED WoLF project (salary 60% funded by the EU project), which officially ended in September 2023. Apart from this, the role involves undertaking housing management duties such as keeping track of tenancies, rents and arrears, as well as organising repairs and energy efficiency measures.

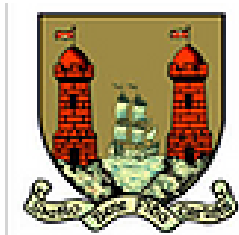
Housing Management Software

CHA continues to use Tilt Affinity, a cloud-based Housing Management platform. This cloud-based platform helps with day-to-day monitoring and recording of management activities, repairs and cyclical maintenance and can also calculate rents and produce management reports. The system helps increase capacity in line with growth and the monthly subscription includes valuable technical support. In early 2024, CHA started using M3Vision's Asset Management Software, which will dovetail with our existing Affinity service. This will help us keep a record of all our properties and keep track of any repairs and improvements carried out, as well as cyclical maintenance requirements.

Energy Efficiency Initiatives

CHA continues to implement its SEAI-funded Energy Master Plan drawn up in 2010, which proposed the retrofit of all its properties to Near Zero Energy Standards. In 2022-23, CHA had the RED WoLF low-carbon heating system installed in four of our homes with help from Interreg North West Europe. This brings the total number of houses fully retrofitted using national and European funding to 9. From 2024 onwards, CHA plans to avail of the new low-interest loans from PTSB to retrofit 3 more houses, whilst also utilising SEAI funding.

Funders :



Partners :

