

**Value for Money Statement
2020/2021**



Value for Money Statement 2020/2021

Newington has defined Value For Money as a way to manage resources to provide quality services, homes and help create safe, sustainable and vibrant communities for people to live and work. Value For Money is based not only on minimum cost of the services provided but also on the maximum efficiency and effectiveness (outcomes) of the resources employed to deliver the service. Value For Money is about achieving the right balance between the three 'E's'- **Economy, Efficiency and Effectiveness**.



Economy
is the price paid for what goes into providing a service.



Efficiency
is a measure of productivity or how much is gained from what is put in.



Effectiveness
is a measure of the impact achieved and can be both qualitative and quantitative.

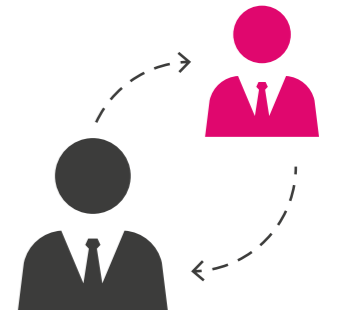
Value For Money is high when there is an optimum balance between all three 'E's'; relatively low costs, high productivity and successful outcomes.

Social value within Newington is not limited to the outcomes that flow from housing assets or from the provision of housing services but by also supporting the local economy and community led organisations that deliver valuable service and support, which enhance communities and people's lives.

The Association wants to maintain Value For Money and be transparent about it. We have a clear aim of what we want to achieve, where our principles are and that our homes and services:

- Meet the needs of tenants and other service users at the right time and meet their expectations,
- Are of the right quality and are fit for purpose,
- Generate high levels of satisfaction and enhance our reputation and our track record,
- Services are delivered from suppliers (internal or external) whose prices are competitive for the quality of service provided.

These principles improve our sustainability, viability and opportunities for the future.



Our Group Structure Agreement with Apex Housing

On 6 April 2015, Newington Housing Association became part of the Apex Housing Group. Whilst retaining its independence as a Housing Association, Newington HA has aligned itself, voluntarily, to a dynamic and innovative organisation within the NI social housing sector, which is a driver for the formation of this new joint partnership initiative that will realise efficiency savings, boost surpluses and increase the potential borrowing capacity of both organisations.

The new combined Group Structure Agreement will allow us to:

- Optimise future returns on assets
- Include performance management and scrutiny functions which are effective at driving and delivering improved value for money performance
- Allow us to identify a clearer understanding of the costs and outcomes of delivering specific services and any underlying factors which may influence these costs
- Ensure financial resilience and provide both Associations with the capacity to continually grow
- Increase housing supply
- Sustain and develop fit for purpose services to our tenants and additional investment in our homes
- Will deliver greater benefit to our existing and future tenants and local communities.



Some examples of activities in 2020/21 where these Value for Money principles were applied are as follows:



Loan Finance

Newington HA undertook a procurement process to secure a £10,000,000 loan. This will take the form of a Revolving Credit Facility, which will then convert to structured debt to provide working capital for development aspirations and to ensure funds are available for future planned maintenance commitments. As part of this process a tender exercise was also carried out for the legal services required on behalf of the Association and the Bank.



Organisational Review

The Board recognised that a full review of functions and staffing was necessary to ensure the structures were fit for purpose and to ensure value for money in service delivery. Although the review was completed in 2018/19, implementation of the recommendations commenced in April 2019 and is now almost complete. The following actions were implemented in the year:

- A new role was created from April 2020 for a planned development officer in recognition of the growth in this area and to enable the Association to fulfil its development aspirations over the next few years.



Repairs & Maintenance

A jointly procured Planned and Cyclical Maintenance Contractor Framework became operational on the 1 April 2017. This framework when coupled with a jointly procured Measured Term Contract (MTC) for reactive maintenance in 2016 ensures that contractors employed are the most efficient in terms of the balance between competitive pricing and quality of service. The procurement of a new MTC contract for reactive maintenance to commence in 2021 is now almost complete in partnership with Apex HA.

Our approach to how we maintain our assets and tenants' homes is set out in our Asset Management Strategy (AMS) developed in 2017. The AMS emphasises the need to achieve Value For Money by identifying planned maintenance programmes therefore improving the quality of homes, increasing tenant satisfaction and reducing the cost of reactive repairs.



Office Accommodation

In November 2019 construction of new office accommodation began on the site of our office on the Limestone Road. This required the Association to decant to temporary offices on Duncairn Gardens. The original completion date for the project was March 2021, however the Covid-19 pandemic and Coronavirus Regulations have had an inevitable impact on this completion date. Construction has resumed and the project is now expected to be completed in November 2021.



Social Value Investment, Tenant Participation & Community Engagement

MEASURING SOCIAL IMPACT

During 2020/21, our Community Investment Fund expenditure was £69,740. This expenditure includes funding awards distributed by our BOM to local community groups/organisations, funding of a dedicated U/C & Welfare Advice Officer who is directly employed by the North Belfast Advice Partnership but match funded by the Association and Nationwide building Society, as well as internal projects and initiatives delivered directly by us. It also part funds the Community Engagement Officer's salary, whose role is extremely important to local community and voluntary groups, who work tirelessly to improve the lives of residents throughout North Belfast.

Newington continues to measure the impact of its community investment activities. During 2020/21 of the £69,740 expenditure outlined above, the Association spent £26,800 on community investment initiatives to promote and ensure delivery of the following:



A local amateur boxing club



Several local Food Banks and charities assisting with a Community Response to Covid-19



A local Mental Health charity



An NHA resident who delivers Christmas hampers to pensioners each year



Distribution of Christmas Dinners to elderly residents throughout North Belfast



A Homeless/Rough Sleepers Youth Outreach Initiative



Environmental and education programme for NHA residents



Helping to sustain a local advice and support service for residents within North Belfast



During 2020/21 the Association distributed funding awards to 15 local groups/ initiatives/organisations to deliver many of the above projects and services throughout North Belfast.

We supported six tenants and/or tenant family members through our Student Bursary Scheme, aimed at students in full-time third level education.

The Bursary scheme supports them with an annual payment for the three- or four-year duration of the course.

As part of the Association's response to Welfare Reform and the introduction of Universal Credit and the impact on NHA tenants, the Association committed to funding North Belfast Advice Partnership (North Belfast Advice Partnership) to employ a Universal Credit/Welfare Advice Officer. In partnership with North Belfast Advice Partnership, the Association were able to secure match funding from the Nationwide Building Society, which ensures this critical post will be funded for two years. This service will be available to all residents of North Belfast as well Newington HA tenants. In 2020/21 the Welfare Advice Officer provided support to 372 clients and generated income in excess of £1 million: as well as playing a pivotal role in the upscaling of the North Belfast Advice Partnership's local foodbank, provision of hot meals to local people and other community support initiatives.

TENANT PARTICIPATION & COMMUNITY ENGAGEMENT AND COLLABORATIVE WORKING WITH OUR TENANT FORUM

In June 2020, the Association launched its new Tenant Participation & Community Involvement Strategy 2020-2023. Prior to its launch, the Association undertook an extensive process of consultation with residents, political representatives, and community partners. Our new Strategy is complimented by a three-year Action Plan for 2020 – 2023, which sets key strategic objectives that are aligned to the Association's current three-year Corporate Plan's objectives. Within the new Action Plan, there are targeted delivery timeframes and performance outcome measures built in to ensure effective and meaningful participation and the efficient delivery of practices. An annual Action Plan was developed, which aligned it to the annual Business Plan.

Within our new Tenant Participation & Community Involvement Strategy 2020 – 2023, we will continue to:

- put tenants' views at the heart of the decision-making process,
- listen, act and provide feedback to tenants on what they tell us,
- provide a range of options for tenant involvement,
- ensure the promotion and expression of our community ethos, ensure all staff embrace this strategy and ensure the involvement of all staff in the development of meaningful participation,
- review our practices and how we operate and act positively to feedback,
- commit to the provision of adequate resources to deliver all aspects of the Strategy,

- provide tenants with the support they need to promote tenant participation, local empowerment and community cohesion,
- promote partnership working between the Association, tenants and the local community to deliver effective and meaningful improvements to the local environment

Although impacted by the Covid-19 pandemic, Newington Housing Association has delivered on many of its commitments set out in the Tenant Participation Community Involvement Strategy 2020 – 2023 and initial year-one Action Plan. Quarterly updates were provided to the Housing & Communities Committee and Board to ensure all objectives were met.

Newington Housing Association continually strives to work with the Tenants Forum and local residents to ensure tenants are at the heart of the decision - making process, to build upon existing good practices and to increase the extent and effectiveness of tenant participation within the organisation. In delivering, Newington Housing Association ensures compliance with regulatory requirements. Bespoke work with the Association's Tenants' Forum was impacted as a result of the pandemic however where possible we continued to work with residents and local organisations through digital platforms, sharing information on our website and directly emailing Tenant Forum members. Newington continued to seek out opportunities to ensure tenants remained at the heart of our decision - making process, to build upon existing good practices. In delivering, Newington Housing Association ensures compliance with regulatory requirements.



Camberwell Golden Club





Main Tenant Participation & Community Involvement highlights during 2020 - 2021

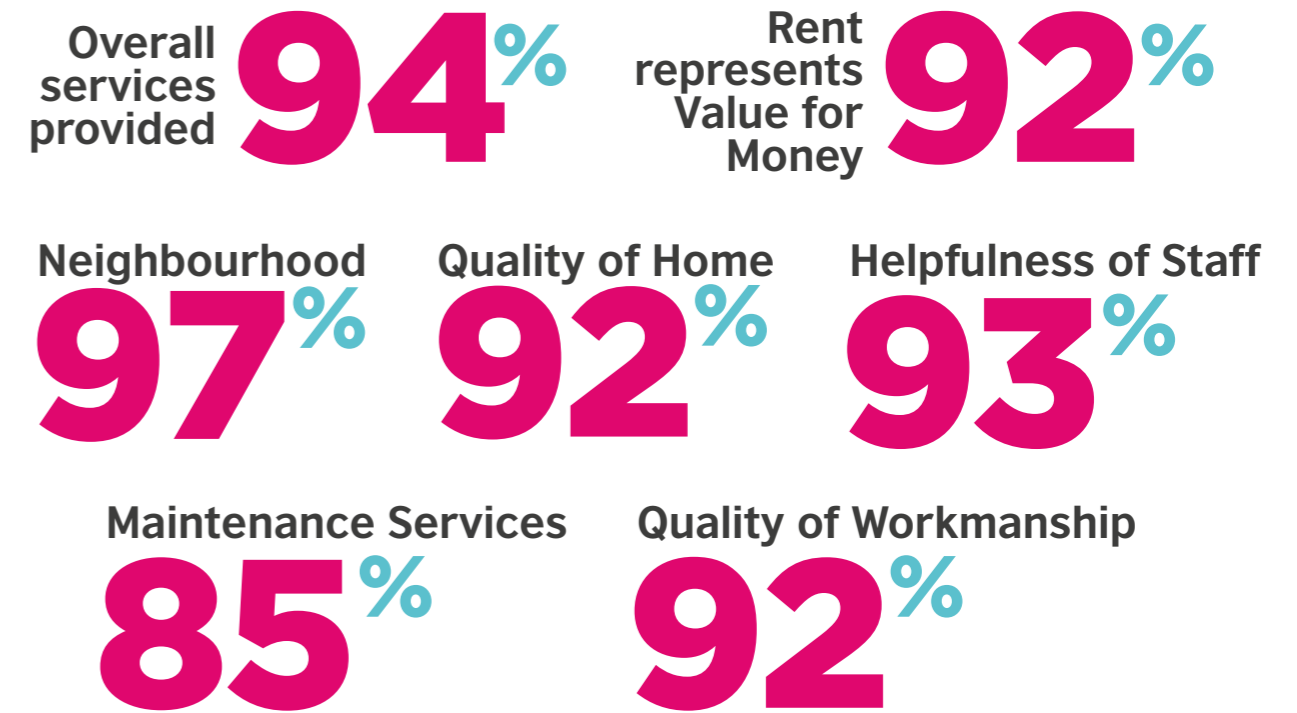
- In early April 2020, the Association began Good Morning Newington calls with over 190 of our households aged 60+, offering advice, support, signposting or just a friendly voice and listening ear. These calls were designed to offer those most vulnerable reassurance that Association staff were there and available whenever required. These calls took place until June 2020 and many of those contacted were extremely welcoming and appreciative of the calls.
- Between April and June 2020, several NHA staff volunteered daily to help with the North Belfast Advice Partnership's Food Bank, which was based at Holy Cross Boys' School in Ardoyne. NHA staff helped put together and deliver essential food hampers as well as helping with the collection of essential supplies from wholesalers, for distribution throughout North Belfast and beyond
- In May 2020, as Belfast City Council Council waste management facilities/ recycling centres had been closed to the public, the Association organised the delivery of **seven** skips to various location throughout lower North Belfast, to help elevate the build-up of household waste in areas where most of our homes are located.
- Residents at Camberwell Court took part in The Virtual Big Lunch NI event in June 2020. NHA staff prepared lunch for elderly residents and delivered it to their homes.
- During the summer months, NHA staff worked with residents to re-establish Camberwell Golden Club.
- NHA staff worked closely with residents to establish a new local Residents' Group (i.e., Newington Residents Group).
- NHA Board awarded **£10,250** to North Belfast Advice Partnership and The Society of St Vincent de Paul to support vulnerable households throughout Belfast during the run up to Christmas. They also approved and distributed financial support totaling **£6,400** to support internal and external initiatives as well as approving funding of **£7,000** to deliver our Camberwell Court Grow NI project during 2021. The Board also approved funding of **£3,000** to sustain a local benefit advisory service at Tar Isteach, one of several local advice centres who form the North Belfast Advice Partnership (North Belfast Advice Partnership).
- NHA staff provided over **90** volunteering hours to North Belfast Advice Partnership at their Christmas Hamper & Toy Appeal distribution centre at the SSE Arena, Belfast. NHA had representation daily at the centre and staff attended during evenings and weekends.

- NHA staff distributed three course Christmas lunches to **70** sheltered housing residents in December 2020, which were funded by NHA.
- The Association acquired external funding of more than **£11k** to deliver a Digital Inclusion Project for elderly residents and to also enhance communal facilities at our Camberwell Court Sheltered Scheme.
- In February 2021, the Association were delighted to win the Chartered Institute of Housing's 'Working in Partnership Award' for our 'Annual Student Bursary Awards Scheme' which we deliver in partnership with Newington Credit Union.
- Our Scheme Co-Ordinator at Camberwell Court remained on site daily (Mon. – Fri.) throughout the pandemic.
- Our Summer & Winter 2020 Newsletters and Annual Report were designed, published and distributed to all NHA tenants within our targeted timeframes.

Newington Housing Association is also part of Supporting/Empowering Communities Tenant Participation Practitioners Network.

Tenant Views

The Association's most recent Tenants' Satisfaction Survey, which was completed in 2018 indicated the percentage satisfaction levels in the following areas:



One of the Association main Business Plan Objectives for 2020/21 was to carry out Tenant Satisfaction Surveys with all Association tenants during the 2020/2021 reporting period. Although our sheltered tenants were surveyed during 2020/21, our general needs tenants surveys have still to be completed and this will be done during 2021/22.





Creating Safe & Vibrant Communities

A key objective of Newington is to work in partnership with other community, voluntary and statutory agencies in creating safer more vibrant communities for people to live and work and improve opportunities for individuals. The Association currently attends 13 community-led initiatives throughout North Belfast. At many of these community safety meetings there are representatives from various statutory agencies, community and voluntary sector organisations and residents. These partnership working groups offer a joined-up approach to tackling local issues facing various areas throughout North Belfast. Throughout 2020/2021 and particularly during Q.1 and Q.2, the holding of these meetings were severely impacted due to the outbreak of the Covid-19 Pandemic. In total, the Association attended 48 out of a possible 57 community meetings during 2020/2021, which equates to an attendance rate of 84%.



Commitment to Working with Other Housing Associations

To further improve the Value for Money processes within NHA, there is a commitment to collaborative working with other HA's and the Northern Ireland Federation of Housing Associations (NIFHA).

The Association attends the following meetings to share ideas, best practice, enhance services and to promote a positive image of individual HA's and the social housing sector in general.

- NIFHA Governance/CEO Forum
- North West Housing Forum
- NIFHA Finance Forum
- NIFHA Housing Association Managers Forum
- NIFHA - Comms Officers Forum
- Supporting/Empowering Communities - Tenant Participation Practitioners Network Group
- NIHE, NIFHA & HA's Operational Group



Financial Results

During 2020/21 there have been opportunities and challenges including:

- Operating surplus remained relatively consistent (increase of 2.2% to £1.35m (2020: £1.32m). Net surplus decreased by 15% to £595K (2020: £703K). The main points to note are as follows:
 - a) £416k increase in pension liability
 - b) £153k increase in salaries (First full year following organisational review, 1 new post from April 2020, pay rises)
 - c) £152k decrease in HAG amortisation due to alignment of component life cycles with APEX
 - d) £9k increase in legal & professional fees due to review of Intra Group agreement and Rules as well as Savills valuation obtained in the year.
 - e) £11k increase in computer costs due to full year for Decision Time Risks and Goals modules and Bluezone software as well as additional support and licences purchased due to remote working.

These movements which have reduced the surplus have been set off by the following:

- a) £143k decrease in depreciation due to alignment of component life cycles with APEX
 - b) £396k increase in net rental income
 - c) Previous year included some one-off expenditure such as £40k refurbishment to Groundworks and £32k loss on disposal on office premises.
 - d) £14.5k decrease in consultancy fees. These were higher in prior year mainly due to organisational review.
 - e) £53k reduction in interest rates due to falling interest rates.
- During the year 77% of the Association's rental income was received directly from Housing Benefit or Universal Credit. At June 2020 47 tenants had advised that they had been furloughed by their employer and were engaging with Housing Officers to maintain their rent accounts and minimise arrears. Arrears actions were carried out remotely for much of 2020/21 with contact by telephone, email, text and letter. Recovery action for relevant debtors including legal proceedings was in line with Department For Communities Covid guidance. The Association along with Nationwide Building Society match-funded a Welfare Advice post, which commenced in January 2020 for a two-year period. This has proved invaluable during the pandemic both for Newington tenants and residents in the wider North Belfast area. The impact of the Coronavirus pandemic on rent arrears at the end of the financial year were negligible. Non-technical rent arrears as a % of total income increased from 2.2% at end of quarter 1 to 2.75% at year end.
 - Overall, the association continues to perform well on a range of cost, financial and asset performance metrics which show NHA is on track to meeting its long-term strategic objectives.





Asset Performance

Portfolio	Book value £'000 2021	Rental Income (excl rates) £'000 2021	Gross Yield 2021	Book value £'000 2020	Rental Income (excl rates) £'000 2020	Gross Yield 2020
Social housing lettings	66,774	3,548	5.3%	67,118	3,478	5.2%

Gross Yield = Rental Income/Book Value



Measurement

NHA is developing how it reports on value for money in order to continue to provide effective and efficient services and meet the DfC's regulatory framework. NHA has regularly measured its performance against peers within NI.

A comparison of some of the primary indicators for 2019/20 is set out below along with the results of the NIFHA Global accounts:

Indicator	Newington HA	NIFHA Global Accounts
Operating margin	27.4%	22.4%
Net margin	14.6%	12.1%
Gearing	25.1%	31.2%
Average borrowing per unit	£26,907	£23,316
Current ratio	1.18	1.00



NHA Benchmarking Performance (Internal)

Finance	Year 20/21	Year 19/20
Management cost per unit (1)*	£776	£854
Maintenance cost per unit (2)*	£1,402	£1,381
Actual income vs budget	96%	99%
Actual expenditure vs budget	96%	101%
Interest Cover (3) - Times	3.6	2.2
Gearing (4)	25.4%	25.1%
Gross Margin (5)	28.4%	27.4%
Net Margin (6)	12.5%	14.6%
Return on Capital Employed (7)	2.1%	2.01%
Headline social cost per unit (8)	£2,622	£3,140

*Change in basis of calculation

Human Resources	Year 20/21	Year 19/20
Salary costs as % of turnover - Excl HAG Amort	21.4%	18.7%
Leavers during the year	1	3
Employee turnover	5%	15%
Days lost through sickness	194	223
% Employee sickness absence	4%	5%



Property Services	Year 20/21	Year 19/20
All repairs completed within target	99.0%	94.5%
ICO <4 hours	99.4%	97.8%
Emergency repairs < 24 hours	99.5%	98.5%
Urgent repairs < 4 days	98.9%	92%
Routine repairs < 20 days	98.3%	89%
COTs completed within target - H&S	97.7%	95.45%
COTs completed within target - General	94.7%	85.71%
Properties with gas certificates in place	100%	100%
Works orders which were cyclical	765	874
Total works orders raised which were response (i.e., ICO's, emergency, urgent, routine & COT's).	2,886	2,955
Total works orders competed on time which were response (i.e., ICO's, etc.)	2,857	2,792
Expenditure on response repairs	£347,489	£452,032
Expenditure on cyclical maintenance	£207,944	£118,758
Expenditure on capitalised repairs	£164,537	£590,100



Complaints (Service Delivery)	Year 20/21	Year 19/20
Number of complaints received	0	0
Number of complaints resolved	0	0
Number of complaints ongoing	0	0
Complaints referred to Ombudsman	0	0

Housing Management	Year 20/21	Year 19/20
Income Collected (incl. O/S HB)	99.0%	99.7%
Tenant Arrears – Technical as % of technical income	4.86%	4.90%
Tenant Arrears - Non-technical as % of non- technical income	12.05%	7.3%
Tenant Arrears- Non-technical as % of total income	2.75%	1.9%
Tenant Arrears - Total	6.48%	5.54%

(ASB - Complaints)	Year 20/21	Year 19/20
Number of complaints received	52	45
Number of complaints resolved	41	45
Number of complaints ongoing	11	0

Housing Stock - Properties at Y/E:	Year 20/21	Year 19/20
No. of new properties developed	0	19
No. of House Sales completed	1	1
New supply delivered	0%	2.6%
No. of properties in NHA ownership	722	723

Housing Stock (Voids):	Year 20/21	Year 19/20
Void properties available for letting	0	5
Void prop. awaiting COT works	3	3

Void Performance	Year 20/21	Year 19/20
Total Void Loss (Year End)	£30,064	£43,613
Void Loss as a % Income Receivable	0.73%	1.07%

Housing Stock (Lettings)	Year 20/21	Year 19/20
No. of G/Needs & Sheltered - New-Lets	0	19
No. of G/Needs & Sheltered - Relets	25	24
No. of Supported Housing - Relets	20	26



Commentary on Financial KPIs

- (1) Management costs per unit exclude community investment costs and one-off or exceptional costs. These are lower than the prior year due to less admin costs being recharged due to delay in spending in areas such as staff training, advertising and consultancy fees due to the pandemic.
- (2) Maintenance costs per unit are higher this year due to increased salaries due to new post created as well as higher cyclical repairs due to two years of cyclical painting costs and significant pest control costs.
- (3) Interest cover is higher due to reasons above as well as significantly lower spend on capitalised repairs in the year due to the pandemic.
- (4) Gearing is slightly higher due to draw down of £1.2m loan in the year.
- (5) and (7) Gross and ROCE are higher due to reasons given in (1), (2) and (3) above.
- (6) Net margin lower than prior year due to significant increase in actuarial loss on pension liability of £284k (£66k in prior year).
- (8) Headline social cost lower due to lower spend on capitalised repairs in the year.



Newington

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