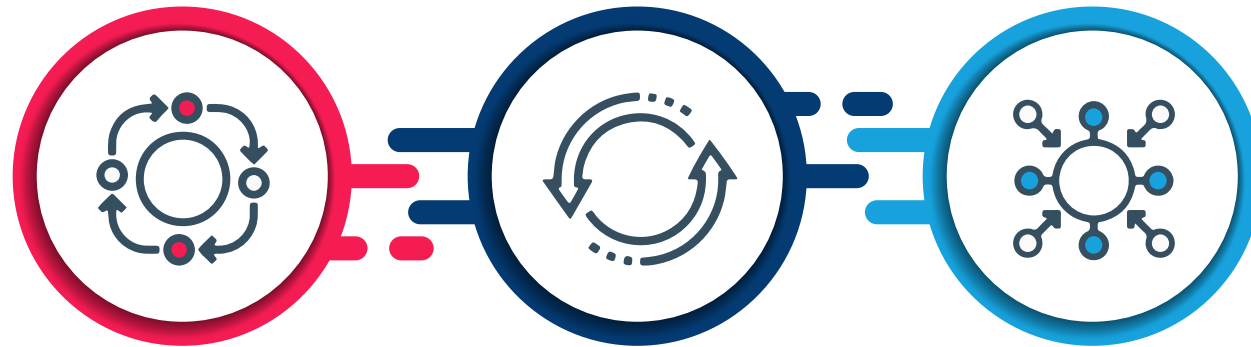


Value for Money Statement

Review 2022/2023

Value For Money (VFM) Statement (Review 2022/2023)

Newington has defined VFM 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. VFM 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. VFM 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.

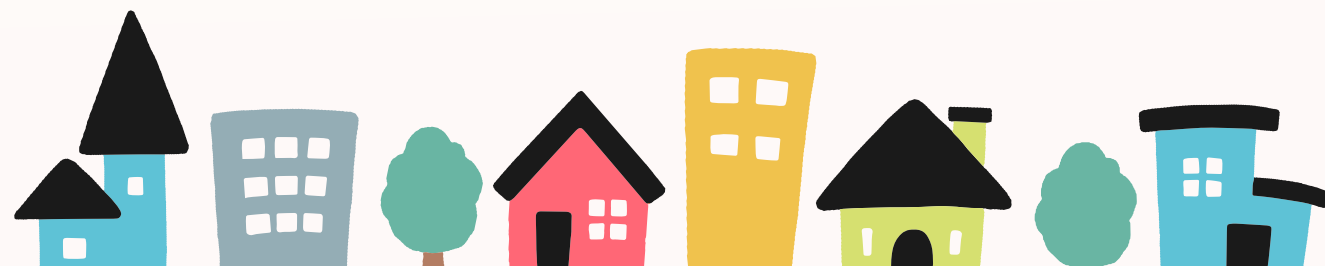
VFM is high when there is an optimum balance between all three 'E's'; relatively low costs, high productivity and successful outcomes.

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 VFM 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.

Newington
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apex



SOME EXAMPLES OF ACTIVITIES IN 2022/23 WHERE THESE VALUE FOR MONEY PRINCIPLES WERE APPLIED ARE AS FOLLOWS:

Repairs & Maintenance

A Measured Term Contract (MTC) for reactive maintenance jointly procured with Apex Housing Association became operational on 1 June 2022 with NICOR being appointed. This framework when coupled with a jointly procured Planned and Cyclical Maintenance Contractor Framework ensures that contractors employed are the most efficient in terms of the balance between competitive pricing and quality of service. Our approach to how we maintain our assets and tenants' homes is set out in our Asset Management Strategy (AMS) which was initially developed in 2017 and reviewed in September 2022. The AMS emphasises the need to achieve VFM by identifying planned maintenance programmes therefore improving the quality of homes, increasing tenant satisfaction and reducing the cost of reactive repairs.



Procurement of new Insurance provider

A review of the insurance cover relating to all our homes and activities was carried out in July 2023. Our existing insurance provider renewal was compared to another market leading insurance provider. The new insurance provider was found to be considerably cheaper as well meeting the essential level of insurance cover required. Hence we moved to this new provider.



Tenants Views

Our Tenant Forum continued to meet during 2022/2023 and assisted with the development of our new 3-year Strategic Plan, Tenant & Community Engagement Strategy 2023/2026 and Community Investment Strategy 2023 - 2026.

Training and support were also provided to Forum members by Supporting Communities during 2022/23.



MEASURING SOCIAL IMPACT

Social Value Investment, Tenant Participation & Community Engagement

Newington continues to strive to invest locally and make a real contribution to people's lives. Our Community Investment Fund budget, which is set by our Board each year is used to support a range of strategic and community activities.

One of our main Strategic priorities is delivering on the commitments we made within our Tenant Participation & Community Involvement Strategy 2020 -2023. Our Community Engagement

Officer's role, which is part funded from the Community Investment Fund, is extremely important to local community and voluntary groups within North Belfast and the postholder plays a pivotal role in ensuring we deliver on the commitments made.

Our Board of Management also approved the retention of the independent Welfare Advice post beyond the initially planned 2 years. The post is now funded by Newington in partnership with Belfast City Council and the Welfare Advice worker is based within Ballysillan Community Forum. The Welfare Advice worker also worked out of the Newington HA Office on the Limestone Road, two half days per week.

For several years NHA's Board of Management has annually committed 2% of our rent receivable to deliver targeted strategic investment initiatives. From April 2023, this budget has been increased to 3% of rent receivable, to support a range of strategic and community activities and which allows us to provide greater financial support and to make a more positive difference, locally.

The Association continued to work in partnership with our key stakeholders and partners to enhance the lives of those currently residing within existing well-established communities.

Newington continued to invest and support local communities through direct requests for funding, as well as funding to support a range of community activities for young people, families and our older tenants.



Our main highlights during 2022 - 2023

Between April 2022 and March 2023, the Association has delivered or financially supported the following projects and initiatives:

- Funding proved to ensure retention of the Welfare Advice Post
- Funding awarded to assist with running costs at a local advice office (New Lodge Housing Office)
- Funding of Camberwell Court Community Hub Initiative
- Provision of Hardship/Energy Support Payments
- Distribution of funding awards via our Brian Mullan Community Fund
- Distribution of Student Bursaries to NHA tenants/household members
- Funding to Ashton Community Trust to support their Cost-of-Living/Anti-Poverty Strategy
- Funding award to develop and deliver a new Community Garden Project beside New Lodge Youth Centre
- Funding awarded to assist with running costs at a local advice office (Tar Isteach -Antrim Road)
- Funding award to Grow NI to continue to deliver gardening project at Camberwell Court
- Funding and holding of several Tenant & Community Events

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 Housing Associations 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**

The following is a breakdown of our Community Investment expenditure during 2022/2023:



Newington continued to invest and support local communities through direct requests for funding, as well as funding to support a range of community activities for young people, families, and our older tenants.



Financial Results

During 2022/23 there have been opportunities and challenges including:

- Decrease of 12% in Operating surplus (£1.004m (2022: £1.137m). Net surplus increased by 88% to £1,960m (2022: £1,038m). The main points to note are as follows:
 - £142k increase in cyclical maintenance costs due to additional payments required for material price increases and significant inflationary increases;
 - £33k depreciation costs on office premises (completed end December 2021);
 - £191k additional cost representing the difference between current service pension cost less contributions by employer;
 - £11.5k higher consultancy fees due to recruitment fees and additional HR support fees in the year;
 - £10k increase in service maintenance due to inflationary pressures;
 - £86k increase in loan interest due to increasing bank interest rates.

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

- £135k increase in income;
 - £1,511k decrease in pension liability compared to £112k decrease in deficit the previous year;
 - £84k decrease in general maintenance costs due to the delay of a number of projects which have been pushed into 2022-23:
- During the year 79% of the Association's rental income was received directly from Housing Benefit or Universal Credit.
 - The Association renewed the match-funded Welfare Advice post, which commenced in January 2020 for a further two-year period.
 - Recovery action for relevant debtors including legal proceedings was in line with Department For Communities guidance.
 - Non-technical rent arrears increased from 2.95% at end of Quarter 1 to 3.55% 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 2023	Rental Income (excl rates) £'000 2023	Gross Yield 2023	Book value £'000 2022	Rental Income (excl rates) £'000 2022	Gross Yield 2022
Social housing lettings	65,842	3,673	5.6%	66,742	3,563	5.3%

*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 2022/23 is set out below along with the results of the HouseMark Sector Scorecard:

Indicator	Newington HA	UK Median
Operating margin	30.82%	20.2%
Interest Cover	249%	182%
Gearing	23.3%	35.8%
Return of Capital Employed	2.1	2.8
Occupancy	98%	99.5%
Headline Social Cost Per Unit	£3,137	£4,230

NHA Benchmarking Performance (Internal)

FINANCE	Year 22/23	Year 21/22
Management cost per unit (1)*	£1,167	£818
Maintenance cost per unit (2)*	£2,619	£1,554
Actual income vs budget	98%	98%
Actual expenditure vs budget	100%	98%
Interest Cover (3)	2.49	3.0
Gearing (4)	23.3%	24.2%
Gross Margin (5)	20.4%	23.8%
Net Margin (6)	9.1%	21.8%
Return on Capital Employed (7)	2.1%	2.2%
Headline social cost per unit (8)	£3,137	£2,921

*Change in basis of calculation

HUMAN RESOURCES	Year 22/23	Year 21/22
Salary costs as % of turnover - Excl. HAG Amort	27.5%	21.8%
Leavers during the year	13	1
Employee turnover	59%	5%
Days lost through sickness	293	227.5
% Employee sickness absence	5.9%	4.5%

PROPERTY SERVICES

	Year 22/23	Year 21/22
All repairs completed within target	80%	88.6%
ICO <4 hours	95.5%	98.9%
Emergency repairs < 24 hours	91.8%	97.5%
Urgent repairs < 4 days	66.1%	82.1%
Routine repairs < 20 days	73.9%	68.7%
COTs completed within target - H&S	74.4%	100%
COTs completed within target - General	76.1%	88.9%
Properties with gas certificates in place	99.3%	100%
Works orders which were cyclical	731	1024
Total works orders raised which were response (i.e., ICO's, emergency, urgent, routine & COT's).	2976	3,414
Total works orders competed on time which were response (i.e., ICO's, etc.)	2376	3,033
Expenditure on response repairs	£400,168	£544,020
Expenditure on cyclical maintenance	£236,575	£105,047
Expenditure on capitalised repairs	£101,352	£217,805

COMPLAINTS (SERVICE DELIVERY)

	Year 22/23	Year 21/22
Number of complaints received	0	1
Number of complaints resolved	0	1
Number of complaints ongoing	0	0
Complains referred to Ombudsman	0	0

HOUSING MANAGEMENT

	Year 22/23	Year 21/22
Income Collected (incl. O/S HB)	99.6%	99.9%
Tenant Arrears- Non-technical as % of total income	3.55%	2.85%

(ASB - COMPLAINTS)

	Year 22/23	Year 21/22
Number of complaints received	26	63
Number of complaints resolved	24	62
Number of complaints ongoing	2	1

VOID PERFORMANCE

	Year 22/23	Year 21/22
Total Void Loss (Year End)	£48,570	£42,113
Void Loss as a % Income Receivable	1.17%	1.02%

HOUSING STOCK - PROPERTIES AT Y/E:

	Year 22/23	Year 21/22
No. of new properties developed	0	3
No. of House Sales completed	5	5
New supply delivered (i.e., via ESP's, Rehabs, etc.)	2	0
No. of properties in NHA ownership*	717	720

*Includes 1 under shared ownership

HOUSING STOCK (VOIDS AT Y/E):

	Year 22/23	Year 21/22
Void properties available for letting	6	5
Void prop. awaiting COT works at year end	1	3

HOUSING STOCK (LETTINGS)

	Year 22/23	Year 21/22
No. of G/Needs & Sheltered - New-Lets	2	3
No. of G/Needs & Sheltered - Relets	21	31
Number of successions	3	3
Number of Direct Exchanges	5	7
No. of Supported Housing - Relets	24	29

Commentary on Financial KPIs

1. Management costs per unit exclude community investment costs and one-off or exceptional costs. These are higher than the prior year due to higher admin costs being recharged in the year such as stationery and professional fees such as consultancy and audit fees.
2. Maintenance costs per unit are higher this year due to increased payments in relation to the uplift in material costs.
3. Gearing is slightly lower due to loan repayments in the year.
4. Gross margin is lower due to £191k higher current service cost re FRS102 pension adjustment included in operating expenses.
5. Net margin lower than prior year due to increases costs of servicing loans and inflationary pressures.
6. ROCE consistent with prior year.
7. Headline social cost higher due to higher spend on management, maintenance and capitalised repairs in the year.



Newington Housing Association

(1975) Ltd.

Newington Housing Association,
300 Limestone Road,
Belfast , BT15 3AR

Email: admin@newingtonha.co.uk
Phone: 02890 744 055
Fax: 02890 747 624

(9:00 am – 5:00 pm on weekdays)
Closed on Saturday, Sunday and Public
Holidays

Out of Hours Emergency Number:
0800 731 3081

Newington Housing Association N.I Ltd is registered in N.I. with Industrial & Provident Society (IP158)
Dept. of Communities (R13) and Charity Commission of Northern Ireland

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