

## Strategic report of the Board of Management for the year ended 31 March 2023

The Board of Management presents its strategic report and the audited financial statements for the year ended 31 March 2023 of Newington Housing Association (1975) Limited (the Association).

### Principal activities

Newington Housing Association (1975) Limited is a registered non-profit making housing association providing housing accommodation for those in need.

### Group Structure

Newington Housing Association (1975) Limited is part of APEX Housing Association Limited group.

### Board of Management

The Board of Management is a voluntary Committee who have responsibility for the strategic direction, general policy and management of the Association. The day to day management of operations is delegated to the Senior Management Team of the Association.

### Governance

The Board of Management of Newington Housing Association (1975) Limited ("NHA") consists of a minimum of 7 and a maximum of 18 board members (current membership is detailed on page 1). It is made up of the honorary officers, being the Chairperson, Vice-Chairperson, Hon. Treasurer and up to 15 other Trustees.

The good governance responsibilities of the Board are to set the organisation's strategic aims and ensure that the necessary financial and human resources are in place for the organisation to meet its objectives and review management performance. In particular:

- overseeing the activities of the organisation, its strategic direction and planning processes, programme delivery, financial controls and performance measures;
- reviewing and guiding strategy;
- reviewing and approving strategic plans, annual budgets, programme plans and performance objectives, and risk management strategies and plans, as developed by the management team;
- monitoring implementation and performance, and overseeing major capital expenditure;
- ensuring that the organisational structure is appropriate for achieving the organisation's strategic goals, and that the necessary policies, procedures and controls are in place to ensure that authority may be delegated by the Board without loss of accountability; and
- in general, approving and overseeing the maintenance of sound corporate governance and the accountability of the Board.

The Board meets at least 4 times per year and to assist it in carrying out its duties has delegated authority to four standing committees:

- Audit and Risk Committee;
- Finance and HR Committee;
- Property Services Committee; and
- Housing & Communities Committee.

From time to time the Board may also form time-limited committees to deal with specific issues as required.

## Strategic report of the Board of Management for the year ended 31 March 2023

### Gender analysis

11 members of the Board of Management are male and 4 are female. The Association has 22 employees of which 9 are male and 13 are female.

### Operational performance

The Association aims to operate efficiently and effectively, and outputs are monitored by the Board of Management who receive performance reports covering a variety of financial and non-financial performance information.

The Board has set a number of corporate strategy objectives in its 2023-26 Corporate Plan. These are:

- **Our Homes** - Provide high quality, sustainable and affordable homes by:
  - Maintaining our existing properties to the highest possible standard.
  - Identify and implement best practice in terms of environmental standards and sustainability.
  - Review and renew our Asset Management Strategy.
  - Continue to seek opportunities to meet the need for high quality social housing in North Belfast both through the acquisition and renovation of existing residential properties and through the development of new housing projects.
- **Our Services** – Provide high quality, sustainable and affordable homes by:
  - Review our existing services and ensure they continue to be fit for purpose.
  - Innovate and develop new services in order to meet the challenges our tenants and the community are likely to face in the future.
  - Provide both a quick response and value for money in all our services.
  - As a community-based Housing Association, continue to develop our wraparound/enabling services such as: access to welfare advice; signposting to other services; employability support; floating support; and family support hubs.
- **Our Tenants & Communities** – Newington will:
  - Promote effective tenant participation so that the voice of the tenant and their families informs all our work and our services.
  - Continue to lead and engage effectively with our tenants, their families, the community in North Belfast and our statutory partners in order to create safe, diverse, vibrant and confident communities.
  - Support tenants and their families to improve their quality of life.
  - Inform and influence public policy and debate around housing supply, housing quality, tenancy and other related issues.
  - Provide a respected voice to advocate on behalf of our tenants and the North Belfast community and raise awareness of the many challenges faced by our tenants and their families, with statutory agencies and political representatives
  - Promote and celebrate our tenants and communities
- **Our Team**- Newington will:
  - Continue to prioritise our financial sustainability and viability through good financial management practices.
  - Deliver Value for Money while not compromising on outcomes.
  - Ensure we provide the staff resource to meet the needs of the organisation.
  - Continue to invest in the skills and professionalism of our staff.
  - Prioritise the wellbeing of our employees and board members.
  - Improve communications both internally and externally and develop an effective communication strategy.
  - Celebrate our successes as an organisation.
  - Develop our Board by applying best practice in terms of Board governance, compliance and risk management, and ensuring our Board has the skills necessary to be effective.
  - Maintain the strategic relationship with APEX Group.

To deliver these strategic objectives annual business plans are developed and both Corporate & Business plan performance is monitored by the Board.

The management of financial resources is critical to the Association's ability to meet its objectives. Whilst the Association has a voluntary non-profit making status, the generation of an annual surplus is vital to ensure the on-going investment in new housing stock, to provide for longer term maintenance obligations, to meet commitments to lenders, and to generally ensure adequate protection against unforeseen circumstances.

## **Status**

Newington Housing Association (1975) Limited is registered under the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 and is a Registered Housing Association.

Newington Housing Association (1975) Limited is a registered charity (Charity No. IP158).

Newington Housing Association (1975) Limited is registered with the Charity Commission for Northern Ireland (Registration No. NIC102477).

## **Regulation**

The Association continues to meet its regulatory obligations with the Department for Communities Regulation Team and received a Rating of 1 (Standards Met) in its most recent Regulatory Judgement for the year 2021/22 issued in April 2023.

## **Review of Staffing Structure**

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. The review was completed in May 2023 and implementation of the recommendations was completed in June 2023.

## Strategic report of the Board of Management for the year ended 31 March 2023

### Employee information

The Association's total staff costs increased from £895,184 in 2021/22 to £998,108 in 2022/23. Sickness absence levels increased to 5.9% in 2022/23 (4.5% in 2021/22). There were 13 leavers and 7 new starts in the year.

### Governance

In the year 2022-23 the Association carried out a public recruitment exercise for new board members and 6 new board members were appointed following this process. The new board members bring experience in Human Resources, Governance, Equality, Asset Management, Construction, Business Development, Procurement and Public Relations.

### Staffing Structure

In early 2023, the Chief Executive initiated a review of the staffing structure recognising a number of challenges in relation to the high levels of turnover of staff and challenges maintaining the high levels of service in place prior to Covid-19. This review recommended the amalgamation of the Housing & Communities and Property Services & Development Departments under one directorate lead by the Director of Communities. This directorates functions would be split into two teams. This recommendation was approved in May 2023.

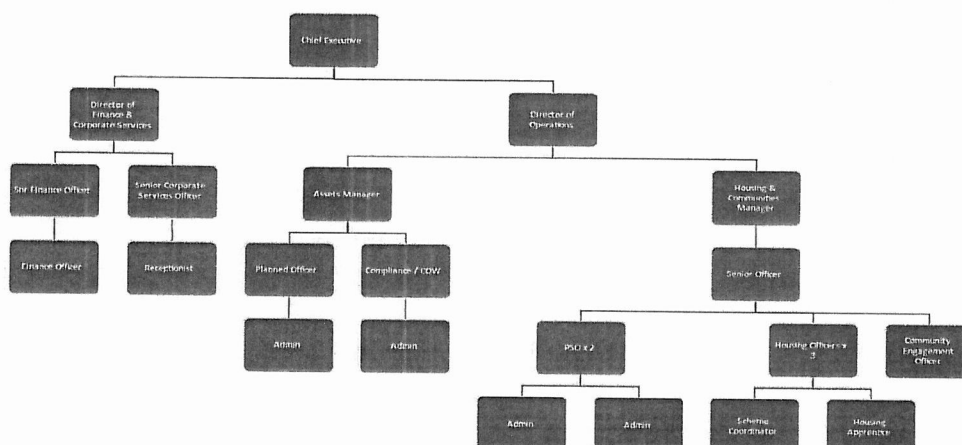
The Communities Team, led by the Communities Manager, would focus on the services to the tenants and wider community and would be responsible for:

- Housing Management
- Response Maintenance
- Tenant Engagement
- Community Investment

The Asset Team will be led by an Assets Manager post. This department will be responsible for:

- The long-term viability of the property assets
- Technical advice to Senior Management Team
- Compliance
- Asset Management Strategy
- Planned Maintenance
- Development support
- Procurement (including response maintenance)
- Sustainability and environmental impact

The new organisational structure is;



## Strategic report of the Board of Management for the year ended 31 March 2023

### Property Services

**Reactive Maintenance** – The old and new contractor continued to have challenges with labour resources. Response times for routine orders increased due to a greater reliance on agency staff and supplier chain issues, emergency and urgent orders were also impacted to some extent. A new contract with Nicor commenced on 1<sup>st</sup> June 2022.

**Cyclical Maintenance** – External Cyclical Maintenance continued as planned in the year and health and safety /servicing including Landlord Gas Safety checks ongoing.

**Planned Maintenance** – The Planned Maintenance program for 2022/23 was partially completed, with the rest of the projects being rolled into the 2023/2024 financial year.

### Housing Management Services

Contact with tenants moved on from contact by telephone, email or letter to face-to-face contact as well as home visits and office appointments. Moving into the new offices in January 2022 with the office open daily to the public has resulted in a Housing Officer being available for any tenants who call into the office with no appointment being necessary.

**Allocations** – During the year there were 31 relets of existing stock, 16 General Needs Allocations, 7 Sheltered Allocations, 5 direct exchanges and 3 tenancy successions.

**Rent Collection & Debt Recovery** – During the year 79% of the Association’s rental income was received directly from Housing Benefit or Universal Credit. As Covid restrictions lifted, face-to-face home and office appointments resumed. Recovery action for relevant debtors including legal proceedings was in line with Department for Communities Covid guidance. The Association renewed the match-funded Welfare Advice post, which commenced in January 2020 for a further two-year period to March 2024. The impact of the Coronavirus pandemic on rent arrears at the end of the financial year were negligible. However, Non-technical rent arrears increased from 2.85% 3 April 2022 to 3.55% at year end.

### Arrears KPI

	2 April 2023	3 April 2022
<b>Non technical arrears as % of total income</b>	3.55%	2.85%

Void stock at 31 March 2023 was 2.0% (31 March 2022: 2.1%).

### Value for Money (VFM)

Newington Housing Association (1975) Limited 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.

**Strategic report of the Board of Management for the year ended 31 March 2023**

**Value For Money (Continued)**

Social value within Newington Housing Association (1975) Limited 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; and
- 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.

A comparison of some of the primary indicators for 2022/23 is set out below along with the results of the HouseMark Sector Scorecard:

<b>Indicator</b>	<b>Newington HA</b>	<b>UK Median</b>
Operating margin	20.4%	20.2%
Interest Cover	249%	181.9%
Gearing	23.3%	35.8%
Return on Capital Employed	2.1	2.8
Occupancy	98.42%	99.5%
Headline Social Cost Per Unit	£3,137	£4,230

Some examples of activities in 2022/23 where these Value for Money principles were applied are as follows:

**Repairs and 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). 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.

The annual KPI for Response Maintenance Performance for the year ended 31 March 2023 is included below:

Overall Jobs completed on time	80%
<b>Type</b>	<b>% Jobs Completed on time</b>
Immediate Call Out	95.5%
Emergency	91.8%
Urgent	66.1%
Routine	73.9%

## Strategic report of the Board of Management for the year ended 31 March 2023

### Social Value, Tenant Participation, Community Engagement & Investment

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. 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.

During the year, our Board approved the retention of the independent Welfare Advice post beyond the initially planned 2 years. The post was funded by Newington in partnership and the Welfare Advice worker was based within Ballysillan Community Forum. The Welfare Advice worker also provided outreach support from the Newington Office.

Our Tenant Forum members produced a 'Direction of Travel' document which created a solid platform for the group and were instrumental in the development of our new Tenant Participation Strategy 2023/26 and provided input into the formation of our first stand alone Community Investment Strategy 2023/26. Both of these Strategies will be presented to the Board for approval in 2023/24.

Tenant Forum members prioritised the following steps that they felt were critical to expand on their work to date:

- More representation/recruitment of additional members.
- Engagement in the Strategic Planning process for NHA
- Lead on the Brian Mullan Community Fund distribution of grants

During the year, the Association provided financial support to two local community organisations totalling £11,300. The Association awarded £5,000 funding to New Lodge Housing Office to provide general advice and assistance and to Tar Isteach of £6,300 to provide additional independent welfare advice to the community of North Belfast. These awards were made to support the essential and critical work both projects do to support the most vulnerable within our society.

Through our Student Bursary Scheme, we provided £5,500 of financial support to eleven members of Newington's households who are undertaking educational courses. These bursaries of £500 are designed to support and assist the successful applicants throughout the duration of their course and will be awarded each year while the recipient remains on their course.

Our Brian Mullan Community Fund, administered by our Tenants Forum, distributed at total of £9,975 in community grants ranging from £425 to £1,000 to 11 local organisations operating and delivering services throughout North Belfast.

It was evident that the current cost of living crisis is having a major impact on our tenants, and the Association established a Hardship/Energy Support Fund to provide some low-level financial support to tenants struggling to purchase gas, electricity or essential items.

Also, by working in partnership with Newington Residents Group, Newington Credit Union, Holy Family Youth Club and other local stakeholders, the 'Camberwell Hub – Heat, Eat & Meet initiative' was rolled out and focussed on creating a welcoming environment for locals to call in for some warmth, food and advice/support. This initiative was warmly welcomed by the residents of Camberwell Court who were fully supportive.

The Association also provided funding of £10k to Ashton Community Trust to help deliver a local Anti-Poverty Strategy for the Greater New Lodge Area. This Strategy was developed by members of the Community Empowerment Partnership, which Newington HA is an active member, as a respond to the cost of living crisis and to ensure an more co-ordinated approach in the delivery of local services and support networks and to provided targeted support to those with within the New Lodge and lower North Belfast.

## **New Lodge Youth Club**

The Association also provided funding of £20k to develop under-utilised land beside New Lodge Youth Centre in Upper Meadow Street, Belfast; in the interest of the local community. Working in close cooperation and partnership with Ashton Community Trust and New Lodge Youth Centre we commenced discussion on how we could create meaningful change in this community.

## **Strategic report of the Board of Management for the year ended 31 March 2023**

The first phase of the project involved intensive consultation with over 100 local young people that use the Youth Centre, followed by the next phase of the process which entailed the close engagement with local residents that live in the general locality to get their input and ideas, allow their voice and opinions to be heard and to address any concerns residents may have, before progressing towards the practical implementation of the project.

In early 2023, we were delighted to see all the co-operation and hard work finally pay off as the space has now been transformed with new facilities and amenities installed that will benefit the young people using the youth club as well as the residents within the greater New Lodge. This space now provides a garden, outside space for the youth club, an outdoor cinema and a pizza oven. Newington provided £7,000 of funding to our partner Grow NI to ensure the successful delivery of our community gardening project at our Sheltered Scheme, Camberwell Court. This project encourages social interaction, improves resident's mental health and well-being, and helps them to develop new skills, through involvement in gardening, cooking, etc. This project has been developed to ensure that our residents have access to this, and a range of other activities delivered onsite.

Finally, representatives from NHA and Camberwell Court residents were involved in a good relations initiative in September with staff and tenants from Grove Housing Association, in a bid to bring people together. The Association also held or financially supported other Tenant & Community Events throughout the year and provided sponsorship and support to other local organisations such as Newington Amateur Boxing Club, Midland Boxing Club, Newington and TAMHI

## **Community Investment 2023/26**

Newington's Board continued to invest in our tenants and residents within the wider community.

For several years NHA's Board of Management has annually committed 2% of our rent receivable to deliver targeted strategic investment initiatives.

As well as developing a stand-alone Community Investment Strategy from April 2023, this budget has been increased to 3% of rent receivable, to allow us to provide greater financial support and to make more positive differences, 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.

## **Risk Management**

Responsibility for the identification of risks is clearly defined and operates through a rolling risk assessment process. Key risks facing the Association are considered by the Board of Management at each meeting and the Board has adopted a risk-aware strategic focus. The Association has invested in dedicated Risk Management Software to improve its risk management processes.

Performance in the sector is generally affected by government policies and changing legislation, the impact of the regulatory regime, changes in demographic, political or economic conditions or environmental risks. Some of the major factors which may affect the Association over the next year are:

- Financial uncertainty around the impact of the cost of living crisis and rising inflation on the ability of tenants to pay rent;
- Financial uncertainty around rising inflationary pressures may also significantly impact the costs of the Association, impact budgets and rent increases;
- Governance risk arising from inadequate skills mix on board.
- Difficulties with the supply chain due to Brexit, Covid-19 and other factors may lead to problems with the availability of labour and materials impacting on the Association's ability to carry out planned and reactive maintenance programmes and the potential impact on new build construction;
- Potential damage of reputation.

Measures are in place to control these risks and the implementation of further mitigating actions is regularly monitored by the Board.

**Strategic report of the Board of Management for the year ended 31 March 2023**

**Performance in the year ended 31 March 2023**

During the year the number of homes in management decreased from 719 by 3 to 716. The Association's annual review of rental charges at April 2022 resulted in a 3.1% increase in the majority of rents. The surplus on ordinary activities, before pension actuarial gain was £448,787 (2022: £675,156). The Association continues its programme of major repairs and improvements to properties and the total expenditure capitalised in the financial year was £101,352. The level of expenditure of this nature will fluctuate from year to year dependent on the age and condition of schemes and this has a significant impact on the amount of retained surplus in any one year.

**Expected performance in the year ending 31 March 2023**

The Association expects to maintain its level of operations and performance in 2023/24. A surplus of £500,097 is budgeted for the year and planned major repair works in the year are anticipated to be £363,000.

**Financial sustainability**

The Association has a robust framework of longer - term financial planning in place. The Board regularly considers the longer - term financial plan which covers a 35- year period. The plan includes sensitivity analysis and compares projected results to funders' covenants where applicable.

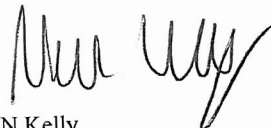
**Going Concern**

After making enquiries, the Board of Management has a reasonable expectation that the Association has adequate resources to continue in operational existence for at least 12 months from the date of this report. The financial statements have therefore been prepared on the going concern basis.

By order of the Board



A Kerr  
Honorary Secretary  
Date



N Kelly  
Chairman  
Date

## Report of the Board of Management for the year ended 31 March 2023

The Board of Management present their report and the audited financial statements for the year ended 31 March 2023 of Newington Housing Association (1975) Limited.

### Board of Management

The Board of Management is a voluntary Committee who have responsibility for the strategic direction, general policy and management of the Association. The day to day management of operations is delegated to the Senior Management Team of the Association.

### Performance in the year ended 31 March 2023 and expected performance in the year ended 31 March 2024

The sections on performance in the year ended 31 March 2023 and expected performance in the year ended 31 March 2024, which are in the strategic report, are included in this report by cross reference.

### Treasury

The Association's treasury management policy facilitates the effective management of cash flows, borrowings, investments and the risks associated with these activities.

At 31 March 2023 the Association had bank loans outstanding of £18,439,777 (2022: £19,192,993) (note 18).

The Association was fully compliant with loan covenants during the year.

The Board is responsible for the management of interest rate risk and liquidity risk. The Association finances its operations through a combination of borrowing and the reinvestment of retained reserves. The amount of borrowings and its terms are reviewed and determined by the Board.

### Interest rate risk

Exposure to fluctuating interest rates is managed by the composition of a balanced portfolio between fixed rate and variable rate loans.

### Liquidity risk

The Association maintains a mixture of long-term and short-term loan finance that is designed to ensure there is sufficient funds to achieve business objectives and to facilitate planned growth.

### Currency risk

The Association does not engage in foreign currency transactions and so is not exposed to exchange risk.

### Regulation

The Association's principal regulator is the Department for Communities (DfC).

### Environmental matters

The Association recognises its corporate responsibility to carry out its operations and development programme whilst minimising environmental impacts. The Board's continued aim is to comply with all applicable environmental legislation, prevent pollution and reduce waste wherever possible.

## Report of the Board of Management for the year ended 31 March 2023

### Donations

No donations for political purposes were made during the year (2022: £nil).

### Statement of the responsibilities of the members of the Board of Management

The Board is responsible for preparing the financial statements in accordance with applicable laws and regulations.

The Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 and registered social housing legislation require the Board of Management to prepare financial statements for each financial year which give a true and fair view of the state of the Association's affairs and of its surplus or deficit for that period. In preparing those financial statements the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Members of the Board of Management are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 and the Registered Housing Associations (Accounting Requirements) Order (Northern Ireland) 1993. It has general responsibility for taking reasonable steps to safeguard the assets of the Association and detect fraud and other irregularities. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Statement of disclosure of information to auditors

So far as each of the members of the Board of Management at the date of approval of these financial statements is aware:

- There is no relevant audit information of which the Association's auditors are unaware; and
- They have taken all the steps that they ought to have taken as members of the Board of Management in order to make themselves aware of any relevant audit information and to establish that the Association's auditors are aware of that information.

### Internal Control

The Board of Management has overall responsibility for the Association's internal control systems and for reviewing the effectiveness of these. Such systems can only provide the Board of Management with reasonable (and not absolute) assurance against material misstatement or loss as they are designed to manage the risk of failure to achieve business objectives rather than eliminate the risk completely.

### Audit

The Association's internal auditors report directly to the Board on completion of each systems review and an annual summary report is produced by the internal auditors summarising the systems audit programme each year. The work of the external auditors also provides some assurance through the year-end audit and the provision of a report summarising their findings.

### Board of Management

The members of the Board of Management of the Association are listed on page 1.

# Newington Housing Association (1975) Limited

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## Report of the Board of Management for the year ended 31 March 2023

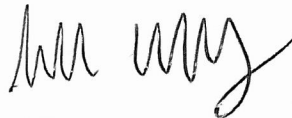
### Independent auditors

The auditors, ASM (B) Ltd, have indicated their willingness to continue in office, and a resolution proposing their reappointment will be proposed at the Annual General Meeting.

By order of the Board



A Kerr  
Honorary Secretary  
Date



N Kelly  
Chairman  
Date