

## Strategic report of the Board of Management for the year ended 31 March 2024

The Board of Management presents its strategic report and the audited financial statements for the year ended 31 March 2024 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 Corporate Services Committee;
- Assets Committee; and
- 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 2024

### Gender analysis

8 members of the Board of Management are male and 4 are female. The Association has 24 employees of which 10 are male and 14 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.

## Strategic report of the Board of Management for the year ended 31 March 2024

### 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 2022/23 issued in March 2024.

### 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 July 2024.

### Employee information

The Association's total staff costs increased from £998,108 in 2022/23 to £1,061,994 in 2023/24. Sickness absence levels decreased to 3.1% in 2023/24 (5.9% in 2022/23). There were 4 leavers and 8 new starts in the year.

### Staffing Structure

A new structure was approved in May 2023 with the amalgamation of the Housing & Communities and Property Services & Development Departments under one directorate lead by the Director of Communities. This directorate's functions were split into two teams. This staffing structure was fully implemented in July 2024.

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

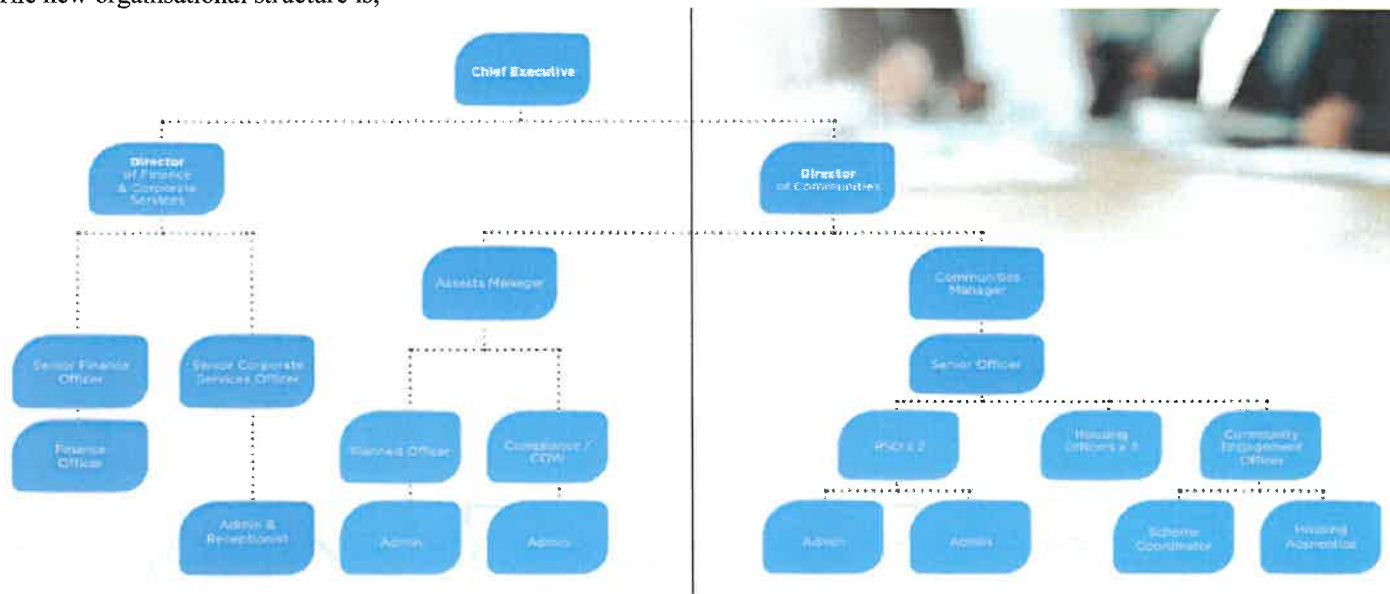
- Housing Management
- Response Maintenance
- Tenant Engagement
- Community Investment

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

Strategic report of the Board of Management for the year ended 31 March 2024

The new organisational structure is;



**Housing Management Services**

**Allocations** – During the year there were 41 relets of existing stock, 28 General Needs Allocations, 4 Sheltered Allocations, 7 direct exchanges and 2 tenancy successions.

**Rent Collection & Debt Recovery** – During the year 79% of the Association’s rental income was received directly from Housing Benefit, Universal Credit and other sources of benefits. The Association continues to proactively implement strategies and policies to, in the first instance try to prevent arrears occurring and to also recover outstanding arrears. The Association renewed the match-funded Welfare Advice post, which commenced in January 2020 for a further two-year period to March 2025. This post is important in providing advice and assistance on income and benefits to our tenants and the wider community. However, non-technical rent arrears increased from 3.6% 2 April 2023 to 4.0% at year end.

**Arrears KPI**

|   | 01 April 2024 | 2 April 2023 |
|---|---------------|--------------|
| <b>Non-technical arrears as % of total income</b> | <b>4.0%</b>   | <b>3.6%</b>  |

Void stock on 31 March 2024 was 2.5% (31 March 2023: 2.0%).

## Strategic report of the Board of Management for the year ended 31 March 2024

### 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.

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 2023/24 is set out below along with the results of the HouseMark Sector Scorecard:

| Indicator                     | Newington HA<br>2023/24 | Newington HA<br>2022/23 | UK Median |
|-------------------------------|-------------------------|-------------------------|-----------|
| Operating margin              | 22.0                    | 20.4%                   | 18.50%    |
| Gearing                       | 22.1%                   | 22.3%                   | 45.40%    |
| Return on Capital Employed    | 1.8                     | 2.1                     | 2.8       |
| Headline Social Cost Per Unit | £3,937                  | £3,137                  | £4,475    |

| Indicator      | Newington HA<br>2023/24 | Newington HA<br>2022/23 |
|----------------|-------------------------|-------------------------|
| Interest Cover | 155%                    | 249%                    |
| Occupancy      | 98%                     | 98.42%                  |

Some examples of activities in 2023/24 where these Value for Money principles were applied are as follows:

Newington have signed up to three pre-procured framework providers, Fusion 21, Procurement for Housing & M3NHF Framework. This enables Newington to draw down service and works contracts which will ensure value for money.

## Strategic report of the Board of Management for the year ended 31 March 2024

### Value for Money (VFM) (continued)

During the year Newington has:

- Replaced 54 kitchens within our homes during the 2023/24 year
- 23 Gas boilers were upgraded within our existing homes
- 100% of all relevant properties within Newington ownership have undergone a regular fire risk assessment
- 4 additional homes were added to our stock profile
- Our average energy rating of our homes is 76, which exceeds the NI average energy rating of 65

### 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 2024 is included below:

|                                |                                 |
|--------------------------------|---------------------------------|
| Overall Jobs completed on time | 86%                             |
| <b>Type</b>                    | <b>% Jobs Completed on time</b> |
| Immediate Call Out             | 99%                             |
| Emergency                      | 95%                             |
| Urgent                         | 83%                             |
| Routine                        | 74%                             |

During the year Newington has:

- Invested £296K through planned and cyclical maintenance improvements to our existing homes
- Invested £480K invested in maintaining our existing homes through response maintenance

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

At Newington, we are committed to ensuring that new and existing tenants are aware of the support available to assist them to sustain their tenancies. Mechanisms and procedures are in place to ensure that tenants are signposted or directly referred for financial, tenancy or personal support and these procedures are at the core of our day-to-day services.

By providing this service, it helps to maximise the use of the various essential services that are provided locally.

We continually strive to invest locally and believe we are making a real contribution to people's lives.

One of our main strategic priorities for 2023/04 was delivering on the commitments we have made within our new Tenant Participation & Community Involvement Strategy 2023 -2026 and new Community Investment Strategy 2023 - 2026. 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.

## Strategic report of the Board of Management for the year ended 31 March 2024

### Partnership working with others at a local level

We have continued to sustain all our existing partnerships, whilst continuing to forge new ones with various community, voluntary and statutory organisations. This is to ensure our tenants receive the support to help them to fully integrate well within their new or existing surroundings.

Newington continued to attend various multi-agency partnership initiatives (i.e., Multi Agency/Community Safety Forums) to address any instances of Anti-Social Behaviour and/or hate crime in all areas where Newington provides homes.

The Association remained an active member of the North Belfast Smile Sure-Start's Management Committee.

### Our Community Investment during 2023/24

Via our Community Investment Fund budget, which is set by our Board each year, we have supported a range of strategic and community activities to allow us to provide greater financial support and to make more positive differences, locally.

From April 2023, this budget was increased to 3% of total rent receivable and is in place 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.

Via our Community Investment Fund, the Association spent £124k on various initiatives and projects.

We retained the provision of an independent Welfare Advice post during 2023/24. The post is now fully funded by Newington and the Welfare Advice worker is based within Tar Isteach. The Welfare Advice worker delivers advice and support services out of the Tar Isteach advice centre two days per week and at Newington's main office on the Limestone Road, one day per week.

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.

### Tenant Views

We continued to promote initiatives that encourage tenant participation. Our Tenant Forum has now been in place since April 2017. During 2023/24, Forum members took part in various initiatives including organising and delivering community events, seasonal projects, training, the delivery of Newington's /Community Celebration Event, the development of our new Tenant Participation & Community Involvement Strategy and Community Investment Strategies for 2023 – 2026 and our new 3-Year Strategic Plan.

### Our main highlights during 2023 – 2024

Between April 2023 and March 2024, the Association has delivered or financially supported the projects and initiatives that support our residents and the wider community.

The following is a breakdown of our Community Investment expenditure during 2023/2024:

|   |                 |
|---|-----------------|
| Seasonal Events Funding                           | £3,500          |
| Community Funding                                 | £37,932         |
| Financial support to local advice service at NLHO | £5,000          |
| Community Training Events                         | £10,000         |
| Brian Mullan Community Fund                       | £14,720         |
| Youth Intervention (HFYC & NLYC)                  | £8,000          |
| Student Bursary Scheme                            | £5,200          |
| Camberwell Hub Project                            | £3,352          |
| Kindness Fund                                     | £7,155          |
| Welfare Advice                                    | £20,700         |
| Grow NI (Camberwell Court)                        | £7,000          |
| Community Engagement                              | £10,335         |
| <b>Total</b>                                      | <b>£124,893</b> |

Newington continued to invest and support local groups, organisations and 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.

## Strategic report of the Board of Management for the year ended 31 March 2024

### 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

### 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 and increases in interest rates may restrict the level of investment in planned maintenance programmes to ensure compliance with existing financial covenants
- Reductions in government spending impacting the association directly through reduced levels of Housing Association Grant available and a possible reduction in funding to our community and statutory partners which may reduce programmes delivered in the community.
- Governance risk arising from inadequate skills mix on board.
- Difficulties with the supply chain may lead to problems with the availability of labour 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.

### Performance in the year ended 31 March 2024

During the year the number of homes in management increased by 4 from 716 to 720. The Association's annual review of rental charges in April 2023 resulted in a 8.0% increase in the majority of rents.

The surplus on ordinary activities, before pension actuarial gain was £423,047 (2023: £448,787). The Association continues its programme of major repairs and improvements to properties and the total expenditure capitalised in the financial year was £387,912. 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 2025

The Association expects to maintain its level of operations and performance in 2024/25. A surplus of £449,622 is budgeted for the year after spending £1,513,882 on maintaining our houses with a further £537,820 spent on capital repairs.

## Strategic report of the Board of Management for the year ended 31 March 2024

### 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 17.9.24



Mrs L Vincent  
Chair  
Date 17.9.24

## Report of the Board of Management for the year ended 31 March 2024

The Board of Management present their report and the audited financial statements for the year ended 31 March 2024 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 2024 and expected performance in the year ended 31 March 2025

The sections on performance in the year ended 31 March 2024 and expected performance in the year ended 31 March 2025, 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 2024 the Association had bank loans outstanding of £17,671,328 (2023: £18,439,806) (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 2024

### Donations

No donations for political purposes were made during the year (2023: £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.

## Report of the Board of Management for the year ended 31 March 2024

### Independent auditors

In July 2024 our previous external auditors, ASM (B) Limited, transferred all of their external audit contracts to Sumer Auditco NI Limited. The board has agreed to the novation of the external audit contract to Sumer Auditco NI Limited. Sumer Auditco NI Limited 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 17/9/24



Mrs L Vincent  
Chair  
Date 17.9.24