



# **Value for Money Statement**

## **2019-2020**

# Table of Contents

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1	INTRODUCTION	3
2.	SUMMARY RESULTS	4
3.	FINANCIAL PERFORMANCE	5
4.	HOUSING MANAGEMENT	8
5.	TENANT SATISFACTION	10
6	PROPERTY MANAGEMENT & DEVELOPMENT	11
7.	HUMAN RESOURCES	12
8.	HOW WE COMPARE WITH OTHERS	13
9.	CONCLUSION	14

# 1. Introduction

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NB Housing is committed to providing services and managing its assets in ways that achieve Value for Money (VfM). Value for Money is:

*“Making the most efficient use of our assets and resources to deliver high quality and innovative services that successfully meet customer needs and expectations at lowest possible cost”<sup>1</sup>*

For NB Housing, Value for Money is about becoming a modern and efficient business, improving our service quality and providing social housing for those in need. Value for Money is a relatively new concept to Northern Ireland and brings a new concentrated focus on how we can deliver better and more.

We take a comprehensive approach to self-assessment and use this information to drive business decisions, and develop our improvement plans. The information also highlights trends in expenditure and focuses our team’s approach to VfM.

This report includes a self-assessment demonstrating we are achieving value for money in meeting our business aims. We look forward to taking part in a standard benchmarking format with Housemark to enable us to compare each other’s performance and share knowledge where best value is achieved.

The information provided in this report is taken from a number of sources, financial information is taken from our Annual Audited Accounts, while other information has been collated from internal Key Performance Indicator reports and Tenant Feedback.

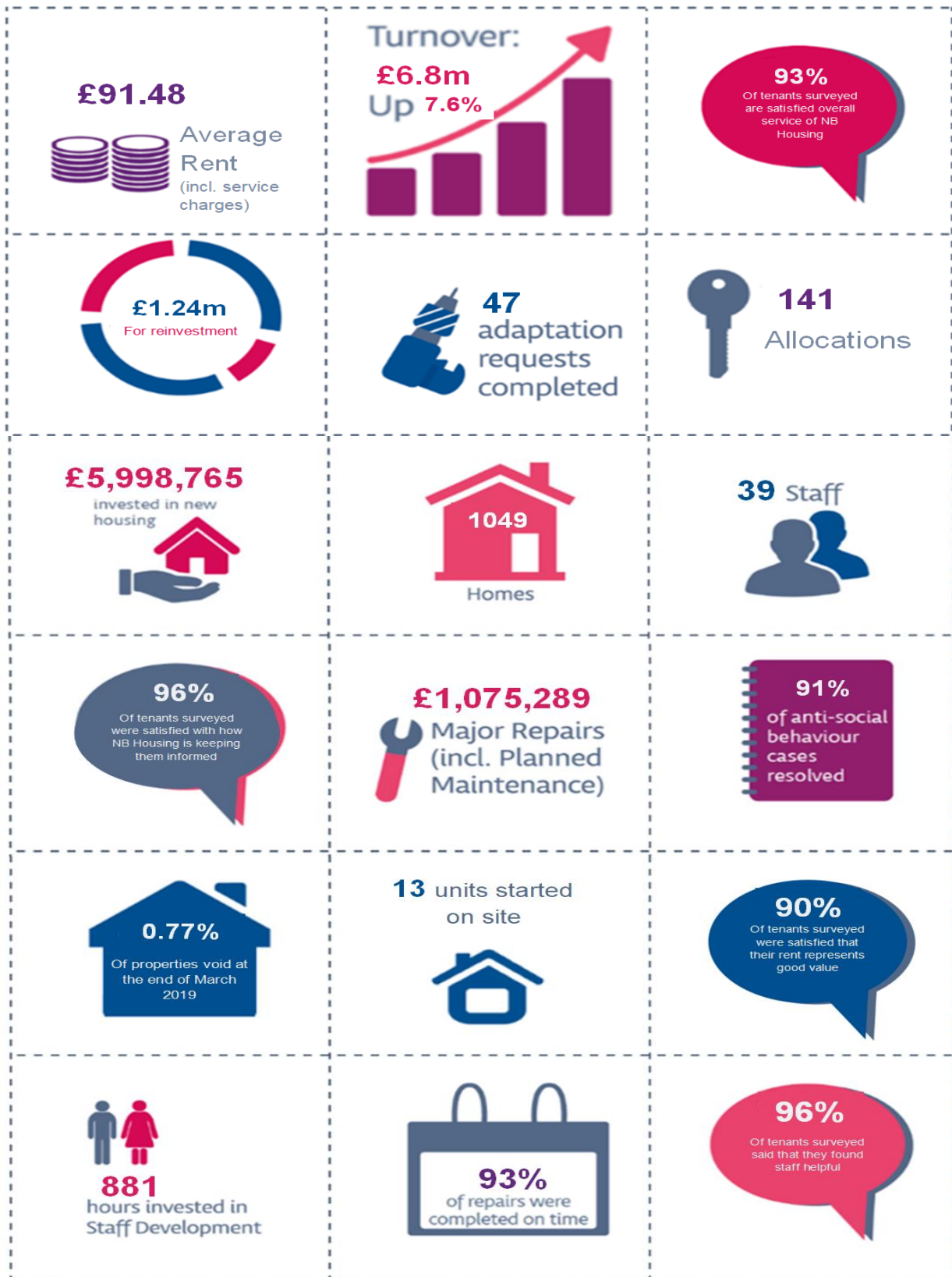
We are mindful that value is not always about cutting costs, but about getting better services and results. We are very mindful that tenant and customer satisfaction provides an independent assessment of our performance and I am glad to see the majority of tenants are satisfied with the quality of our service. Customer satisfaction is the paramount measurement of our success but we also must concentrate on all operational areas to ensure funds and resources are available to continue to provide the very valuable and important front line services.

In order to deliver value for money we use a number of mechanisms and business processes, ensuring budget decisions are made that support our operational plan, proper and effective procurement is undertaken to source services, business performance and operational plans are linked to staff reviews and frequent and appropriate performance monitoring is undertaken.

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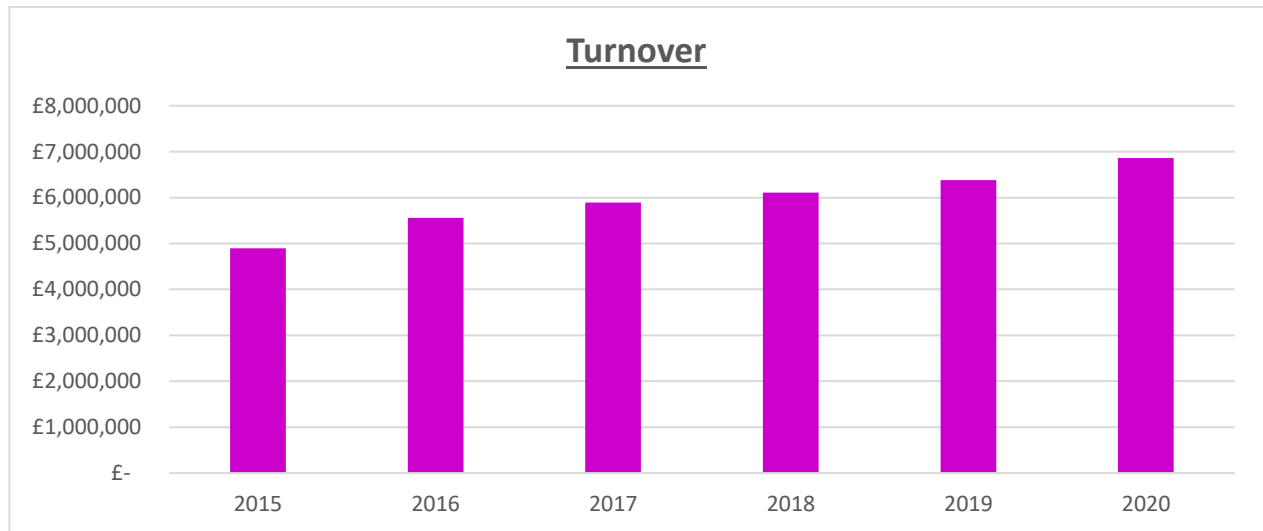
<sup>1</sup> English Regulatory Definition

## 2. Summary of Results



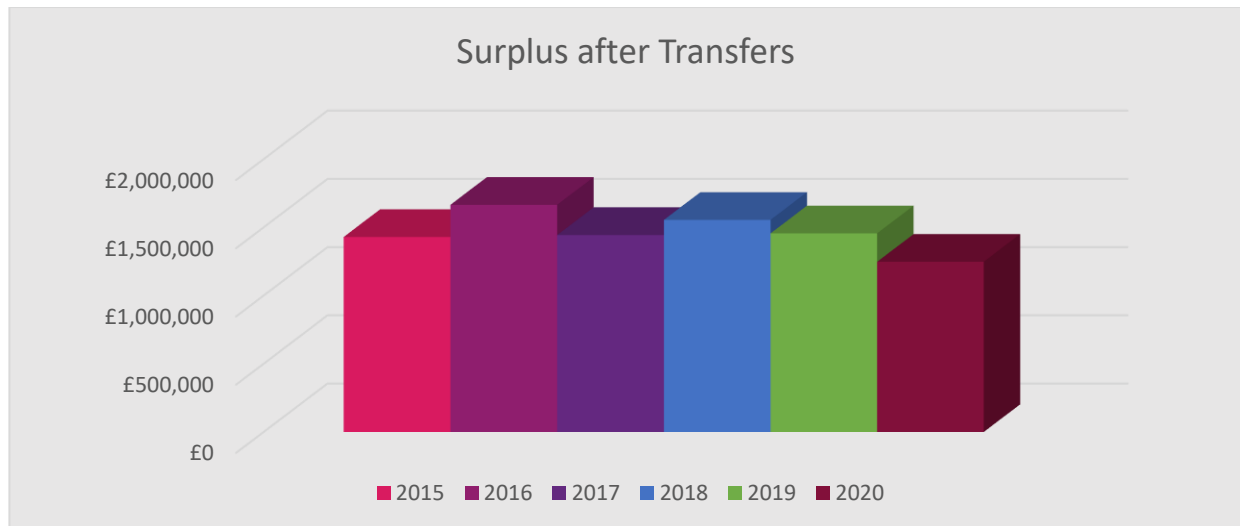
### 3. Financial Performance

#### 3.1 Turnover



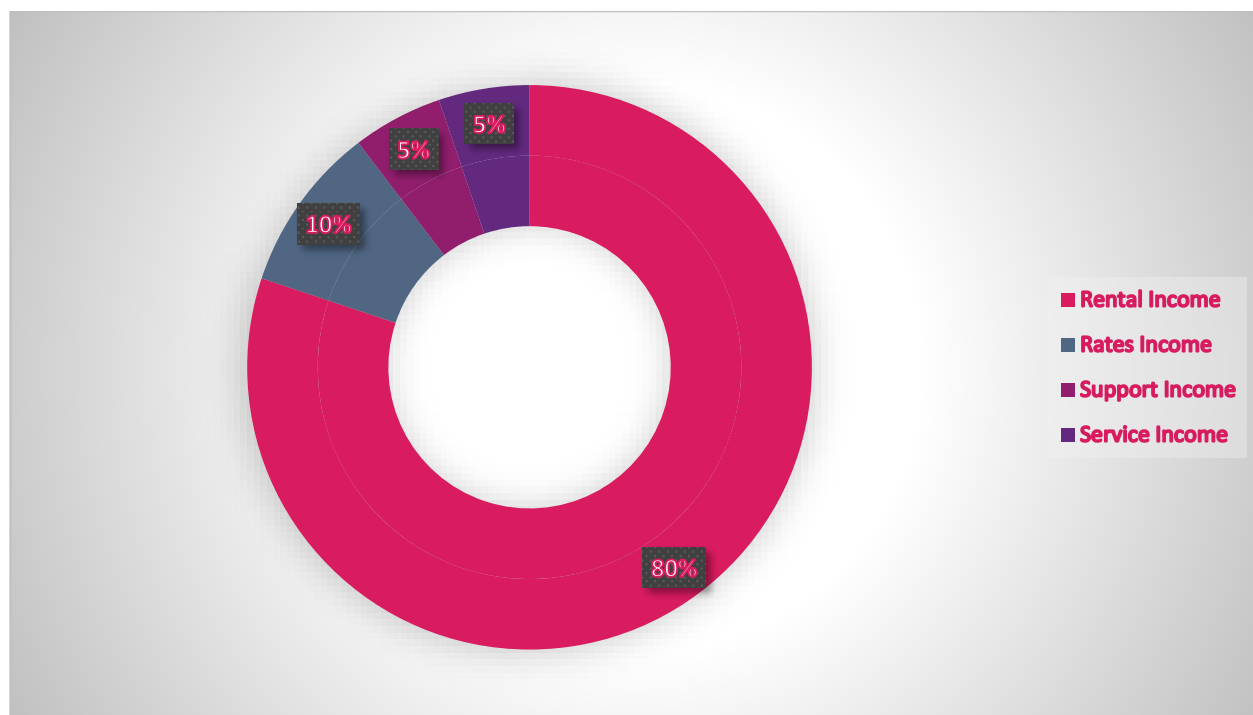
Since forming NB Housing in May 2014, we have consistently grown our annual turnover by just short of £2m which represents a 40% growth since 2015. This result is due to increases in property rental charges over the years and additional stock being added to our property portfolio bringing our total stock numbers to 1,049 with a capital value in the region of £77 m in value.

#### 3.2 Surplus after Transfers



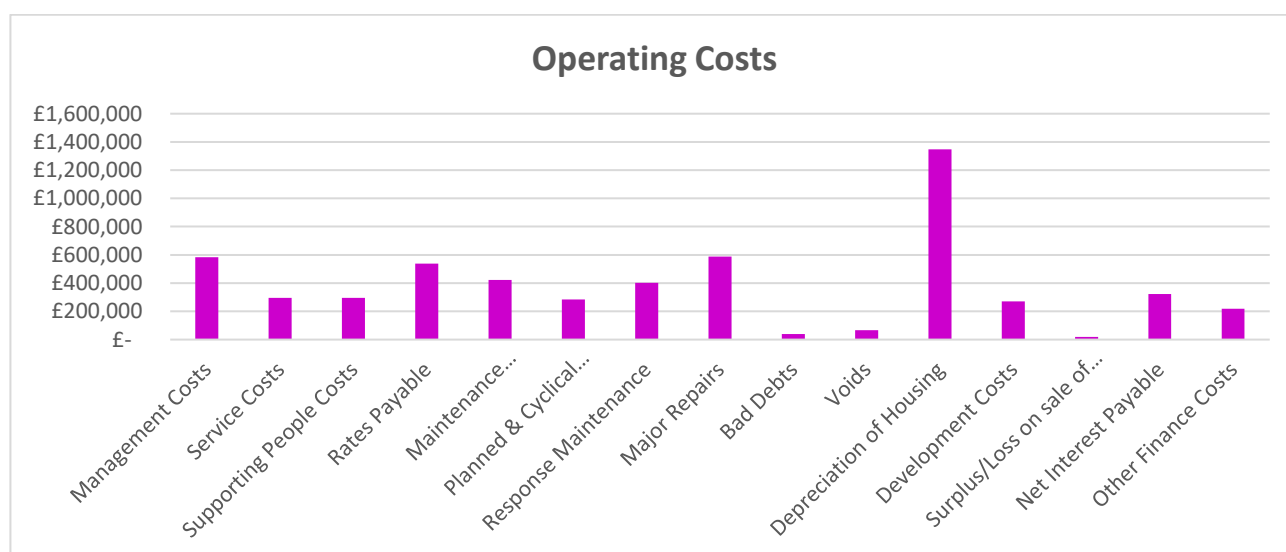
Surplus for the year was £1,247,643 down on previous years reflecting the associations decision to invest in staff resources, maintenance investment and the services provided to tenants. This has been a planned reduction and in line with budget plans.

### 3.3 Sources of Income



Over £4.5m of our income comes from rental charges with support income increased to £273,000 and service income of £285,000. Income generation is fundamental to meeting our short and long term commitments.

### 3.4 Operating Expenses

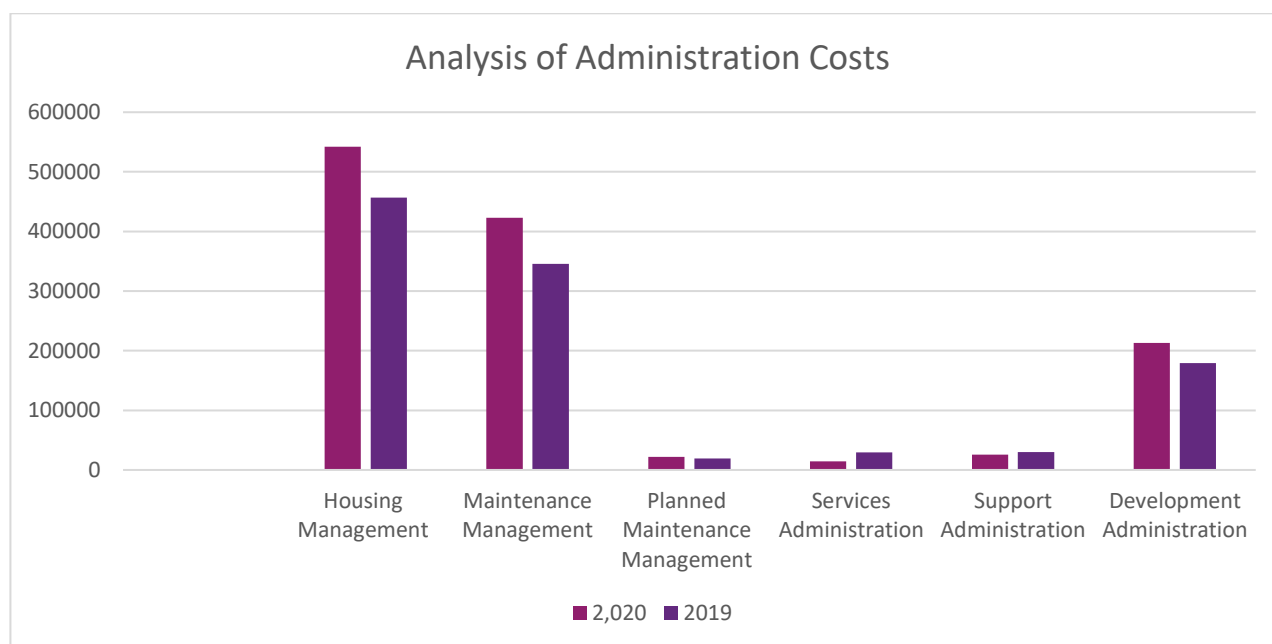


The above chart provides an illustration of operating expenditure broken down into activity. Among the higher costs are the cost associated with the management of the association, this includes the majority of staff costs and administration costs.

There was significant spend on maintenance, including reactive, planned and cyclical and major repairs with expenditure over all maintenance categories short of £1.7m, an increase of some £300,000 from the previous year, demonstrating we are investing in our properties and maintaining standards and providing a good quality home. (This maintenance expenditure excludes capitalized maintenance expenditure which was £400,000, bringing the total maintenance investment to £2.1m).

Other finance costs contains the movement in pension liability.

### 3.5 Administration Costs



NB Housing analyses administration costs over 6 main activities, listed in the above chart. These figures include all costs associated with running head offices, paying staff, including all other running costs from paper to office depreciation.

Administration costs have increased generally with a reduction in service and support administration. It is noted that these reductions were not due to efficiency but rather a reduction in both areas due to pressure on these particular accounts with less administration costs being attributed to these accounts and therefore reanalyzed back to the main categories of head office activity,

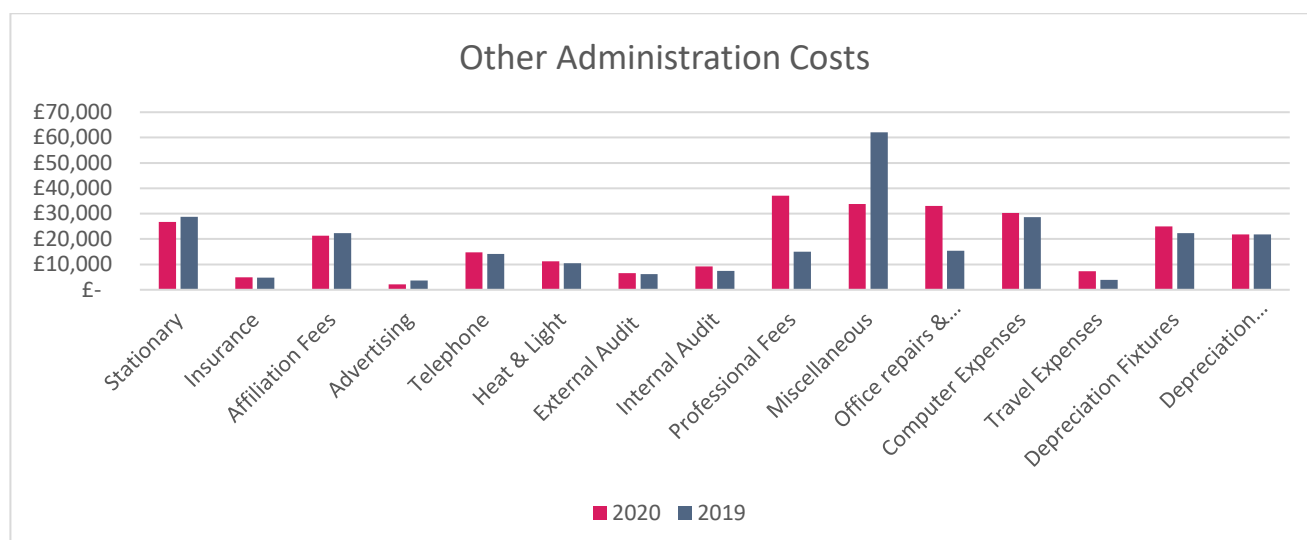
### 3.6 Office Salaries

	2020	2019	2018	2017	2016	2015 (11mths)
<b>Salaries and National Insurance</b>	£955,041	£793,203	£691,088	£686,930	£651,764	£568,771 £620,477 <sup>2</sup>
<b>Costs per Unit</b>	£910	£790	£704	£715	£699	£687

Salary costs increased significantly during the last financial year but reflects the planned decision to add to the staff teams with 4 new positions created and costs incurred for the full year.

<sup>2</sup> Costs pro rata for 12 months

### 3.7 Other Administration Cost excluding salaries



Other administration costs less salaries increased in 2019/20 compared to 2018/19, with an increase of £18,000. There was a notable decrease in miscellaneous costs from the previous year and this was due to the association having to bring in security to Brookfield Mill to combat what was an extremely difficult level of ASB. Thankfully this was required in the reporting year.

Costs increased in professional fees due to revaluation of stock for private finance and in the office repairs due to external redecoration to the Crumlin Road office.

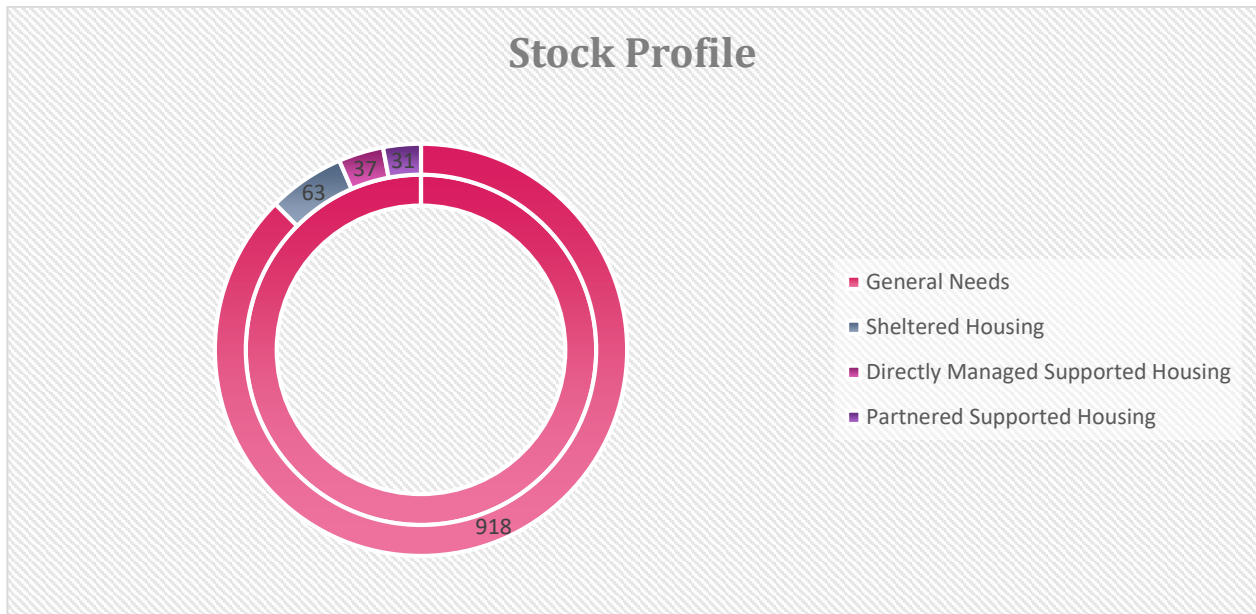
## 4. Housing Management

### 4.1 Stock Profile

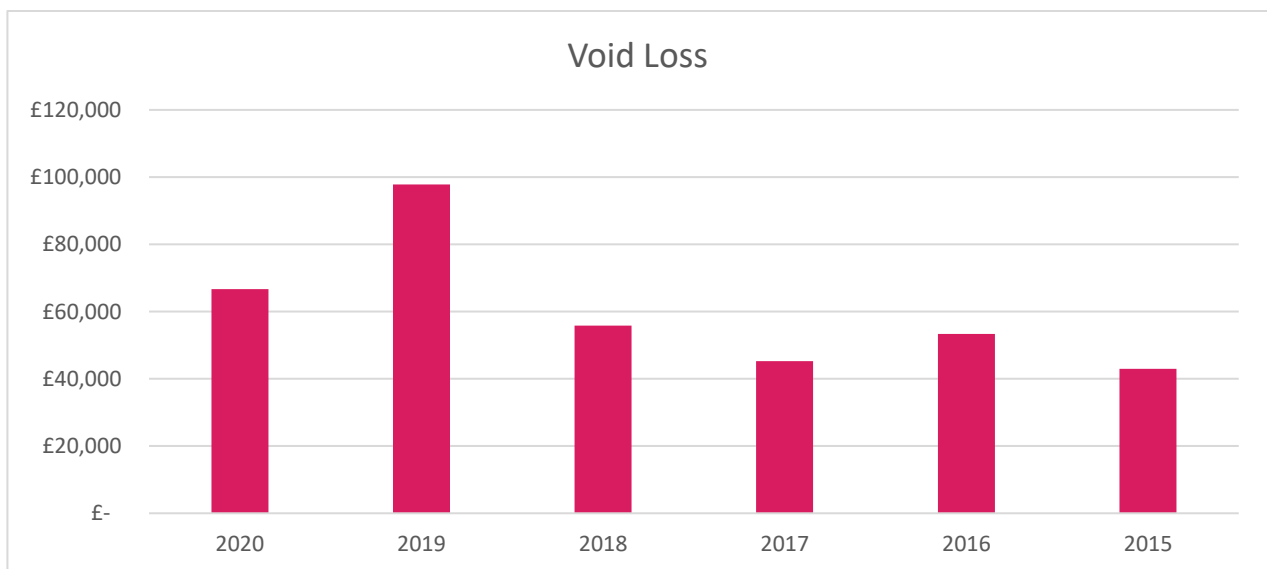
NB Housing is determined to provide homes for families in need of social housing by continuing to be a developing association. The development process is a complex activity and success depends on many factors, from affordability, planning, density, etc. However we were pleased to add 51 units but lost 6 units through house sales scheme leaving a nett addition of 45 units.

Stock Numbers					
2020	2019	2018	2017	2016	2015
1049	1004	981	961	933	903





#### 4.2 Loss on Voids



Void loss during the past year has performed better than the year before but still remains high at £66,688. Very little of the loss can be attributed to Covid-19 as lockdown occurred in mid March 2020. We anticipate the loss to be higher in 2020-2021 financial year when works to bring void back to a lettable standard were suspended resulting in increased number of void properties and for longer periods.

#### 4.3 Re-Let Times

The re-let time is measures from the time a property has become available to let (all repairs completed) to allocation.

KPI	Target	Actual
Average re-let times for general need houses	<2 weeks	0.2
Average re-let time for general needs apartments	<5 weeks	4.56
Average re-let time for Sheltered	<4 weeks	1.33
Average re-let time Supported	<5 Weeks	0.53

It is very noticeable the longer period of time to allocate an apartment compared to a general need house. However the re-let times for supported housing improved significantly with losses in the Foyer dropping from £26,620 in 2018/19 to £8,301 in the year past, a great achievement for a short stay scheme.

#### 4.4 Arrears Management Performance

Year	2020	2019	2018	2017	2016	2015
<b>Total Arrear</b>	£196,472	£168,936	£124,750	£139,261	£130,306	£130,953

It is worrying the very high increase in income not received due to arrears, with an increase over the year of £27,500. The management team completed a review and identified an increase in arrears directly attributable to the introduction of Universal Credit, housing benefit suspensions and benefit case reviews. While it is noted the increase in arrears grew at a smaller rate in the latter months of the year, the increase is further evidence of the much-reported shortcomings of the new welfare reform measures.

## 5. Tenant Satisfaction Feedback 2019-2020

Question	Satisfied or Very Satisfied		
	2017-2018	2018-2019	2019-2020
Taking everything into account how satisfied or dissatisfied are you with the services provided by NB Housing Association?	89%	97%	93%
Taking into account your home and the services NB Housing Association provides, do you think the rent for this property represents good or poor value for money?	79%	87%	90%
Overall, how satisfied or dissatisfied are you with your accommodation?	89%	91%	84%
Overall, how satisfied or dissatisfied are you with this area as a place to live in?	88%	90%	88%
When you last had contact with NB Housing, was getting hold of the right person easy?	77%	85%	88%
Do you find the staff helpful? <sup>3</sup>	89%	92%	96%
Were you satisfied or dissatisfied with the final outcome?	80%	88%	89%
Generally how satisfied or dissatisfied are you with the way NB Housing Association deals with repairs and maintenance?	79%	88%	83%
Thinking about your last completed repair, how would you rate it in terms of being told when workers would call?	85%	92%	90%
Thinking about your last completed repair, how would you rate it in terms of time taken before work started?	78%	88%	83%
Thinking about your last completed repair, how would you rate it in terms of attitude of workers?	95%	93%	97%
Thinking about your last completed repair, how would you rate it in terms of overall quality of repair work	92%	92%	89%

<sup>3</sup> In 2018/19 the questions used in both the telephone and satisfaction survey was, "Were you satisfied with the ability of staff to deal with your query quickly and efficiently."

Generally how satisfied are you that your views are being taken into account by NB Housing?	85%	86%	93%
Generally how satisfied are you with how NB Housing is keeping you informed about things that might affect you as a tenant?	88%	94%	96%

Overall satisfaction levels have remained fairly static and generally high. One noticeable decline in satisfaction was in response to the question, how satisfied are you with your accommodation? Which received a score of 84% a drop from 91%. However 90% of respondents were satisfied that the rent charged represented good value for money. It is imperative that we maintain high satisfaction levels as this is an essential measurement of the quality of our services.

## 6. Property Management & Development

### 6.1 Number of Response Repair Orders Raised

KPI 2019-2020	No of Orders	% On Time	% Late	2018-19
<b>Emergencies</b>	1,847	97.62%	2.38%	99.04%
<b>Urgent</b>	1,166	93.91%	6.09%	94.39%
<b>Routine</b>	2,641	88.6%	11.4%	92.73%

### 6.2 Expenditure by Category

Repair Category	Actual	Budget	% Variance	Average per Property
<b>Response Repair Expenditure</b>	£364,255	£350,004	+(4.07)%	£347
<b>Maintenance Administration Costs</b>	£422,804	£435,336	-(2.88)%	£403
<b>Cyclical Costs</b>	£285,233	£468,313	-(39.09)%	£272
<b>Expensed Major Repairs</b>	£428,167	£503,311	-(14.93)%	£408

### 6.3 Adaptations

No of Requests	Expenditure	Adaptation Grant Received	Grant as a proportion of Expenditure
42	£105,522	£118,750	112.5%

Some grant income relates to large adaptations commenced in previous year.

### 6.4 Boiler Servicing Record

Heating Type	No of Units	No Outstanding	% Outstanding
<b>Gas</b>	960	8	0.8%
<b>Oil</b>	74	1	1.4%
<b>Solid Fuel</b>	1	1	100%

Progress in completing gas boiler servicing was impacted by no access and Covid – 19 restrictions.

## 6.5 Investment Activity

	2020	2019	2018	2017	2016	2015
<b>Additions to fixed asset values (Excluding sales)</b>	£6,354,074	£7,099,518	£3,568,924	£3,494,068	£2,304,470	£1,172,093
<b>Capital Grants received</b>	£2,946,452	£3,801,199	£2,036,058	£1,800,204	£1,217,803	£239,348
<b>Value of Fixed Assets</b>	£76,905,864	£72,461,195	£66,798,487	£64,576,710	£62,327,638	£61,161,963
<b>Long Term Borrowing</b>	£7,937,854	£7,700,641	£6,031,062	£6,949,311	£7,673,979	£8,374,394
<b>Debt per Unit</b>	£7,567	£7,670	£6,148	£7,231	£8,225	£9,274

Debt per unit is a useful measurement of the financial health of the association. The above information highlights the increase in development activity and expenditure and increase in debt to fund development activity. NB Housing has a low level of debt per unit supporting its financial strength and ability to seek additional finance to finance development activity.

## 7. Human Resources

### 7.1 Staff Absences

Staff Absences	2020	2019	2018	2017
<b>% Absence Head Office</b>	1.23%	0.96%	0.34%	1.92%
<b>% Absence Support &amp; Other</b>	10.7%	2.48%	6.3%	6.59%
<b>Total Days</b>	489.5	141.5	247	357
<b>Overall % Absence</b>	5.03%	1.41%	3.06%	4.21%

Staff absence performed less well compared to the previous year. NB Housing is a small employer and any long term sickness absence has a large bearing on performance. It is common to expect a higher absence in supported housing due to the nature of the work and shift patterns. Overall absence remained less than the NI Civil Service 5.8%.<sup>4</sup>

### 7.2 Staff Training

Staff Training	2020	2019	2018	2017
<b>Training Spend</b>	£11,240	£14,034	£15,480	£12,000

NB Housing supports personal development and appreciates how training is fundamental to the successful delivery of a first class services. During the year there were 882 training hours provided over 44 sessions a reduction from the previous year but yet a good investment in staff development.

<sup>4</sup> [https://www.nisra.gov.uk/system/files/statistics/1819-Financial-Year-Absence-Report\\_0.pdf](https://www.nisra.gov.uk/system/files/statistics/1819-Financial-Year-Absence-Report_0.pdf)

## 8. How we compare with others

Housing Association	Year	Units	Turnover	Operating Costs	Surplus	Nett Surplus	Surplus per Unit
Association A	2019	1,119	£ 6,389,335	£ 4,264,412	£ 2,124,923	£ 536,063	£ 479
Association B	2019	1212	£ 7,487,039	£ 5,008,832	£ 2,478,207	£ 1,452,886	£ 1,199
Association C	2019	705	£ 4,088,990	£ 2,757,783	£ 1,331,209	£ 797,530	£ 1,131
Association D	2019	2200	£ 14,816,236	£ 12,282,634	£ 2,533,602	£ 1,106,103	£ 503
Association E	2019	5775	£ 50,657,275	£ 41,478,147	£ 9,179,128	£ 158,215	£ 27
Association F	2019	5015	£ 34,287,643	£ 23,378,990	£ 10,908,653	£ 4,165,474	£ 831
NB Housing	2020	1049	£ 6,863,886	£ 5,086,300	£ 1,777,586	£ 1,247,643	£ 1,189

For the purposes of this comparison we have reviewed information contained in the listed associations reported annual accounts. Please note all the information for the other providers relates to year end Annual Accounts 2019 which is the latest set of figures available on the Charities Commission's website. We selected 4 fairly similar associations and 2 associations with greater than 5,000 units. All associations are based in Northern Ireland. Of the associations listed NB Housing returned the second highest surplus per unit.

The analysis above demonstrates NB Housing's ability to generate a surplus performing second only to Association B by £10 per unit. Association B do not provide any supported housing.

### Analysis of Private Finance drawn and debt per unit

Housing Association	Year	Units	All Loans	Debt per Unit
Association A	2019	1119	36,538,487	£ 32,653
Association B	2019	1212	24,202,926	£ 19,969
Association C	2019	705	17,758,823	£ 25,190
Association D	2019	2200	49,678,313	£ 22,581
Association E	2019	5775	231,479,173	£ 40,083
Association F	2019	5015	153,715,089	£ 30,651
NB Housing	2020	1049	7,937,854	£ 7,567

Our debt per unit is the lowest by a large margin of all providers selected. This is reflective of our ability not to borrow against all schemes reducing the need for private finance as well as paying finance off quickly. This measurement reflects our ability to borrow against current assets without the need to place new properties up for security.

## Management & Maintenance Costs

Housing Association	Year	Units	Management Costs	Per unit	Maintenance Costs	Per Unit
Association A	2019	1119	£ 943,132	£ 843	£ 1,607,406	£ 1,436
Association B	2019	1212	£ 487,981	£ 402.62	£ 1,843,046	£ 1,520.67
Association C	2019	705	£ 656,186	£ 930.76	£ 777,175	£ 1,102.38
Association D	2019	2200	£ 1,745,664	£ 793.48	£ 3,652,198	£ 1,660.09
Association E	2019	5775	£ 7,035,186	£ 1,218.21	£ 6,136,661	£ 1,062.63
Association F	2019	5015	£ 3,048,831	£ 607.94	£ 5,783,355	£ 1,153.21
NB Housing	2020	1049	£ 582,757	£ 555.54	£ 1,697,486	£ 1,618.19

Management and Maintenance costs is another useful measurement of how efficient an association is at managing its properties. NB Housing has the second lowest management costs with Association E the highest recorded. This is an interesting comparable when many observers consider larger associations are more efficient. Maintenance costs fair less well but is reflective of our decision to invest in our stock and maintain our properties to a high standard still while maintaining a very good surplus.

## 9. Conclusion

Year ending March 2020 has again been a very positive year for NB Housing. This Value for Money report demonstrated across many areas where we have been able to perform at a high level, achieving good results across service delivery, financial performance and tenant satisfaction ratings. Our achievements support the commitments made in our Strategic Plan:

- To be a good business
- To provide a good service to our tenants and community
- To build for the future.

We continued to make significant investment in maintaining our stock with £2.1m expended including capitalised component replacements such as kitchens and heating replacement schemes.

Not only was this investment made but we also were able to maintain a healthy surplus of £1,247,643. It is acknowledged that the surplus has decreased over recent years however this partly due to this investment in our properties and investment in our staff team as we add staff and extend the services we offer.

We have set a target of 50 units in our development strategy and to ensure this is achievable we arranged a revolving finance facility of £9m which we hope will subsidise our development growth over the next number of years. When we compare our debt to others we are in a very good position having a very low debt to unit ratio demonstrating our ability to raise private finance in the future.

We were pleased to report we added 45 units to our stock during the year. These additions consisted of 9 existing satisfactory purchases, 4 off the shelf schemes consisting of 24 units and took possession of 18 units in our new build development in Forthriver.

Void loss decreased during the year while arrears grew as a result of the introduction and roll out of universal credit. We are confident our teams are assisting tenants and following our arrears policy, however Covid-19 restrictions has suspended all court action and has delayed action in some of the worst cases.

As a social landlord and a housing provider we take the views of our tenants extremely seriously. We are very pleased with the very positive satisfaction levels experienced by our customers and had wished to develop tenant relationships further as we move into the next year of the strategic planning period however Covid-19 restrictions have again impacted our work in this area.

It is essential for board members to be assured that our processes and performance is adequately scrutinised and checked for appropriateness. Throughout the year we received satisfactory internal audit reports in the following areas:

- Budget & Financial Controls
- Rent Income and Arrear Management
- Development Programme
- Risk Management
- Follow up audit

We also received a clean external audit report and achieved a Level One score from our regulator the Department for Communities.

Looking ahead to the incoming year, performance will be negatively impacted by the Covid-19 pandemic. We have taken measures to restrict contact with tenants and have delayed planned schemes and tenant contact. Our focus is to maintain the health and well being of our tenants, contractors and employees. We are very mindful the impact the pandemic will have of tenant expectations and the service they expect of the association. We hope that by working together we will be able to get through this uncertain period and look forward to resuming normal service in the future.

I wish to thank our board members for their guidance, assistance and support during the year and to all our staff who worked tirelessly to ensure the achievements outlined in this report were made as we continue to grow our financial capability and expand our services.



Donal Conway  
Chief executive