



# Strong and effective organisation

We are committed to continuous learning and improving the way we work, to make the most from our resources, people and partnerships so that we can do more for our communities.

## What have we done?

### Over the last five years, we have...

Approved our new five-year strategy which sets out ambitious and deliverable objectives to provide first class services, maximise supply of new homes and regenerate existing communities.

Improved our financial position, with an operating margin of 16.82% in 2019/20, ensuring that we can invest more in new homes and services our residents value.

Implemented our value for money action plan to continue to improve our financial strength.

Secured over £120 million of finance to deliver on our development and regenerations ambitions.

Enhanced procurement arrangements whilst achieving over £200,000 savings.

Increased positive colleague engagement by 11%.

Enhanced our approach to recruitment for attracting a talented and more diverse workforce.

Further enhanced our risk management systems to ensure we continue to identify, assess and manage risks effectively.

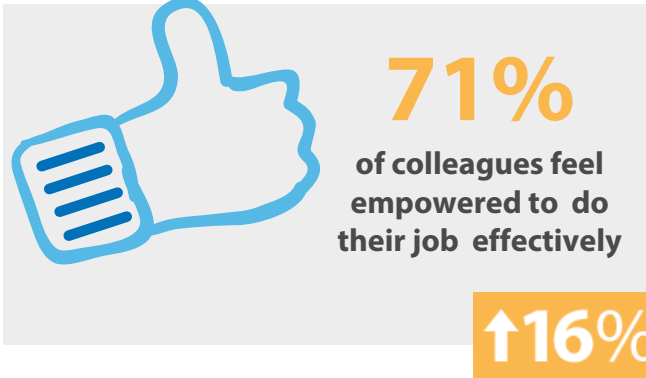
Developed and implemented our data integrity programme to improve the quality of information available to enhance our decision-making and to support the delivery of quality services.

Enhanced our digital capability to improve services for our residents and colleagues.



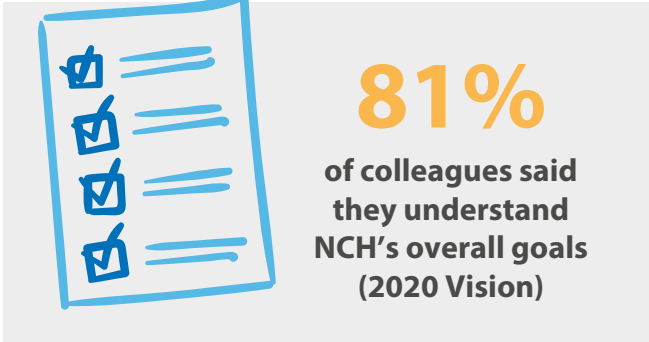
# Our people

**Our colleagues are our greatest asset. We are motivated, skilled and have a passion to do the right thing. We will continue to invest in our colleagues so that their skills keep pace with emerging challenges and ensure we are best placed to maximise opportunities presented by new technology.**



Our colleagues possess a wealth of knowledge and experience from working with our residents and in our communities.

Our colleague engagement survey in 2019 showed they have a strong understanding of our strategy and ambitions.



Earlier this year, more than 330 colleagues came together to discuss the future direction of NCH and where we should be focussing our efforts. This extensive association-wide consultation resulted in over 1,000 individual contributions.

These have informed our self evaluation for this year, as well as contributing to the development of the NCH Strategy 2025, and how we will achieve it together.

Our people will continue to be the driving force of our strategy; helping us all to make the right decisions at the right time to continuously improve our services for our residents.



## Anna's story

I joined Newport City Homes as the recruitment officer in August 2019 and I support colleagues who are thinking of joining the association by helping them to understand our passions for great service and learning more about them.

Candidates are impressed by our ways of working, such as our philosophy that “work is something you do, rather than somewhere you go”.

A big attraction for people thinking of joining us is the fact that they have the opportunity to truly make a difference to people’s lives. We had some great success in attracting some very special talent, including specialists in development, data and business transformation.

Colleagues are also attracted to our flexible approach and adoption of agile working.

I love working for NCH and like all colleagues I am impressed that our residents are at the heart of everything we do, including as part of our recruitment process, to ensure we get the right match for us and our residents.



## Recognition and reward

To continue to be attractive to existing and future colleagues, we have delivered our Recognition and Reward programme (R&R), resulting in an overhauled and modernised R&R framework. Many of our colleagues now work agilely which has meant we have reduced our office space and made considerable cost savings.

Our Recognition and Reward programme enables us to attract and retain the skills we need to deliver a first class offer to residents.

It has:

- Enhanced the flexibility of work and introduced agile working
- Modernised colleague contracts
- Updated our salary pay approach to market rate pay, supported by benchmarking via an independent provider
- Enhanced the offer for maternity, paternity and adoption pay
- Accelerating the qualifying period for annual leave entitlement
- Increased promotion of the range of existing colleague benefits
- Promoted health & wellbeing activities and initiatives for colleagues
- Started a review of our employee pension schemes

## Financially strong

**Our financial strength has enabled us to achieve great things. We will continue to improve our financial performance and maximise the efficiency and effectiveness to deliver value for money and the financial capacity to build new homes.**

We recognised that the stronger we are financially, the more capacity we have to do more. Therefore, over the last three years we have implemented a root and branch income and cost review to improve our financial position.



This has resulted in:

- Successfully reviewed and rationalised the way we use our office accommodation, resulting in a recurring, annual saving of £250,000 from 2019/20.
- Reviewed the way we invest in our properties and procure contracts to deliver our plans to maintain and improve residents' homes. This has achieved better value from our contracts and annual savings of £2.6 million.
- Enhanced our approach to procurement and implemented an electronic tendering system, reducing costs by £90,000 year on year.
- Retendered for insurance, resulting in an annual saving of £200,000.
- Rationalised our approach to procuring recurring goods and services, resulting in average savings of 5%.
- Improved our financial strength to enable our refinancing programme to secure resources to support future development, achieving annual finance savings of over£1 million per year.

Strong financial performance allows us to invest more in residents' homes and in developing new homes for rent and sale. Our net assets are growing year on year, and we are fully compliant with lender covenants.

On-going analysis has identified further opportunities to enhance our financial position, through improving the efficiency of the way we work. Our next priority is to improve both our financial and service performance together with resident satisfaction. This will be achieved through association-wide service reviews.

To continue to improve our financial position, we will increase income from our annual commercial and leasehold assets by £90,000 and make additional cost savings of £475,000 through procurement, resource allocation and reducing our office accommodation.



# Well run organisation

We have been awarded the highest regulatory judgement available that recognises that we have good governance arrangements and are financially well managed with a business plan that fully funds the association to achieve our strategic objectives.

## Planning for the future

2020 Vision has driven our transformation into a future ready organisation with improved financial strength, enhanced governance and improving performance.

NCH Strategy 2025 builds on our successes to date and reflects the significant progress made during the delivery of our 2020 Vision.

The strategic priorities collectively enable us to achieve our purpose of providing homes in communities where people want to live. They firmly set out our role within the local community and recognise the importance of working with others that share our vision to achieve our shared goals.



The priorities firmly establish where the association will be in 2025 and are also underpinned by three principles that are integral to the strategy:



## Risk and opportunity

The world in which we operate is changing and we recognise that we need to fully understand the impact of these changes, manage risks and seize opportunities that are presented. An independent review of our risk management systems found that we have good risk management in place.

The annual review of risk appetite has confirmed the level and parameters within which we will operate and that we have the capacity and controls in place to deliver our strategic objectives.

## Making the right decisions

We have overhauled the way we manage our information to ensure that our decisions are based on robust and reliable evidence. Through our on-going data integrity programme, we have improved the completeness, accuracy and timeliness of our information. This provides up-to-date evidence to inform our strategic decision-making and the way we deliver our services on a daily basis.



## Sustainability

We understand our responsibility to use scarce resources wisely, and to play our full role in limiting our environmental impact. We have signed a pledge to “engage with our residents to reduce the environmental impact of what we do” and we are building on what we have already achieved to further reduce our carbon footprint. We have considerably improved the energy efficiency of homes. Through agile working, we have also reduced commuting journeys and significantly reduced our paper use through improved technology.

We are focused on working with residents and partners to develop an ambitious sustainability strategy which will:

- Reduce energy consumed by our existing stock.
- Drive development of low-carbon new homes.
- Reduce energy consumed in all our activities and helping our residents and colleagues live “low carbon lives”.



## Transformation

The Business Transformation Portfolio has supported delivery of our 2020 Vision through targeted interventions.

- Defined and enhanced our offer to attract and retain talented colleagues.
- Established and embedded customer service standards and enhanced our offer through opening a city centre office and improved digital service provision.
- Used agile working to rethink office space.
- Delivered a value for money review to further enhance our financial strength.
- Refinanced and transformed our loan portfolio and removed previous constraints.

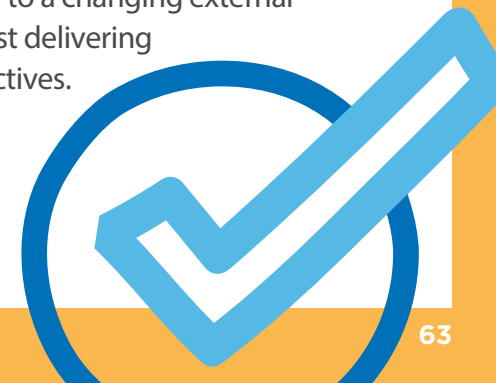
The revised transformation portfolio will focus on delivering improvements in cost, quality and satisfaction in service areas that matter most to residents. This will be supported by the digitalisation of services and processes and improved use of data and enhanced resource planning.

## Governance

Good governance is a core and uncompromised principle at Newport City Homes and a foundation of any well-run and high performing organisation. The Board undertakes an annual effectiveness review of its skills and performance, scored against Welsh Government’s “Right Stuff Principles”.

To support the delivery of the strategy, we have transformed our governance model, moving away from the traditional governance model of Large Scale Voluntary Transfers (LSVT) to a single status board, with appointments based on skills and experience identified by the board. To support further improvements in governance and following consideration of a business case, impact assessment and consultation with residents, staff and stakeholders the board approved the implementation of board remuneration from 1 April 2020.

The Board has adopted the Community Housing Cymru code of governance and compliance. Our structure and processes for decision making, accountability and control that mean we are well placed to respond to a changing external environment whilst delivering our strategic objectives.



# Our summary

**Much of our success is down to our highly engaged and motivated colleagues. We are committed to the development of existing colleagues and employing new people with the right knowledge, skills, experience, and behaviours.**

2020 Vision saw great progress and firm foundations for the future. The new draft NCH Strategy 2025 sets out distinct and ambitious objectives, with clearly defined actions to achieve them.

The strategy is a statement of direction that will empower the association to deliver sustainable growth, improve service quality and play a major role in supporting communities in Newport and south east Wales.

We have transformed our financial position, providing improved business strength that enabled a refinancing programme to support our development ambitions.

We have a fully funded business plan to deliver our strategic objectives.

The future focus is the transformation of our services to enhance the quality, value for money and resident satisfaction.

# Our rating



**GREEN**

**We have continued to make further progress in establishing NCH as a financially strong and well-run organisation.**



# What next?

We will:

- Equip colleagues with the knowledge, information, skills and systems to deliver more effective services.
- Recruit, retain and develop people with the right knowledge, skills, experience and behaviours to truly make a difference in our communities.
- Improve and consolidate our valued colleague benefits.
- Empower colleagues to make sound, evidence-based decisions.
- Run our association efficiently and provide strong financial and social returns.
- Maximise growth and financial capacity to achieve our ambitions.
- Improve our operational efficiency to ensure our activities provide further value for money for our residents.
- Communicate our vision and priorities, monitoring progress and adapting to the changing world around us.
- Be open to new strategic partnerships, business opportunities and innovative delivery models.
- Invest in future ready technology and enhance digital capability to support colleagues to deliver high performing and efficient services.
- Maintain our effective governance structure, processes and procedures.
- Enhance our understanding of our operating environment, identifying and mitigating risks and embracing opportunities.
- Develop and implement our sustainability strategy to reduce our carbon footprint and enhance our environmental credentials.