



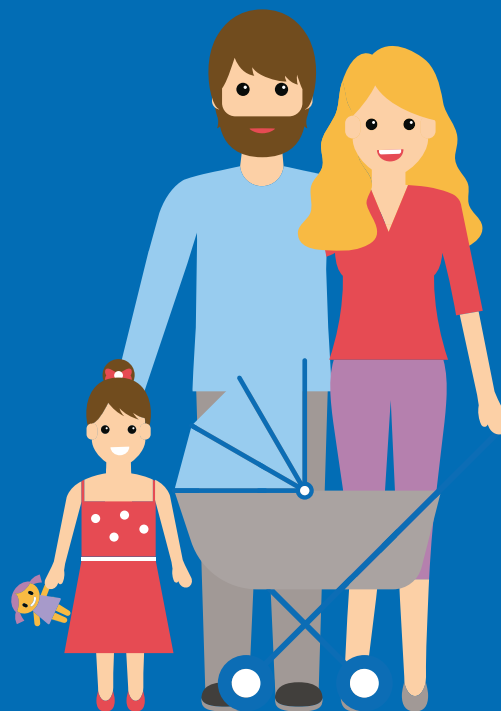
SELF EVALUATION FINANCIAL STATEMENTS SUMMARY

For the year ended
31 March 2020



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Our self evaluation summary

Welcome to Newport City Homes - a housing association which aims to provide homes in communities where people want to live.

We have never been just a housing association. We are here to play a key role in transforming our city by creating vibrant and safe communities where residents are proud to live and work.

Every year, we share how we're doing. This involves honestly evaluating our performance against our strategic objectives and reviewing the progress we've made during 2019/20.

Our self evaluation also helps us demonstrate how we are doing against the Regulatory Framework for housing associations in Wales. Welsh Government expects us to be well governed, financially well-managed and provide good quality services.

As this has been the final year of our 2020 Vision, we have reviewed our

delivery against it since 2015 and are proud to share and highlight the things we've been working hard to achieve. It has also helped us identify where our focus should be next and has informed our NCH Strategy 2025 – our strategy for the next five years.

So, this is how we think we're doing and we'd love to know what you think.

Tell us what you think



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**Residents
at the heart**



Putting our residents at the heart of what we do means offering services that are easily accessible, speaking with residents, listening to what they say and acting on it.

What have we done?

Over the last five years, we have...

Opened a new city centre office at 195 Upper Dock Street.

Launched an online portal for residents to resolve simple queries 24/7, such as viewing their account and making payments. This also helps us to focus on more complex queries.

Embedded customer service standards to make sure we deliver an inclusive, consistent and high-quality customer experience.

Brought together our resident engagement and customer service teams to improve the way we engage with residents and build a deeper understanding of what's important to them.

Provided a new way for residents to get in touch through our web chat.

Established the resident Scrutiny Partnership to ensure our resident engagement is effective and that resident views drive our decisions.

Trialled and established our 'Good Start' approach which offers intensive support to all new residents for the first six weeks of their tenancy.

Continued to change the way we offer income support in response to the roll out of Universal Credit.

Joined the 'Free from Fear' campaign to combat domestic abuse.

Our summary

We've made a number of changes to improve customer experience.

It's now easier for residents to communicate and engage with us, and access our services at a time and place that best suits their needs. We've also redesigned our processes to improve the experience for residents moving into a new home. The amount of time properties are vacant has reduced by 24 days since we started this work, down to 31 days at the end of March 2020.

Where have we improved this year?

↑20%

4,100+ online conversations.

↑10%

3,450 residents have registered on our online portal.

↓50%

Call wait time has decreased to an average of two minutes.

71.5%

71.5% fewer calls abandoned.

We have recognised that anti-social behaviour is a key area of resident dissatisfaction with us as a landlord. We have responded to 939 anti-social behaviour cases this year, listened to almost 3,000 recordings received through the Noise App, and continued to work with our partners and support residents to resolve matters in the most suitable and effective ways.



72.55% of residents are satisfied with us as their landlord.



92.5% of residents find our colleagues helpful.



80.7% of residents say we answered their queries within a reasonable time.

Despite some significant progress in key areas that matter to residents, we realise there is still more to do in order to improve resident satisfaction. This is a key priority within our NCH Strategy 2025 and our Transformation Portfolio.

We've continued to play an important role in preventing and tackling homelessness in Newport through supporting and sustaining tenancies and maximising residents' income. We're also proud to be working in partnership on the Housing First initiative in Newport.

Our rating



AMBER

There has been good progress in key areas, but we recognise there is more to do to improve our residents' customer experience and address issues that affect their satisfaction.

What next?

We will:

- Review our operating model to enhance service quality and cost and improve resident satisfaction.
- Ensure our rents remain affordable and we continue to deliver value for money through the services that matter the most to residents.
- Maximise the occupancy of our homes to ensure we are providing housing to those in need.
- Continue to work closely with residents and partners to tackle anti-social behaviour.
- Update our Resident Engagement Strategy and ensure we engage with a wider and representative group of residents, utilising a range of engagement channels.

Investing in homes and neighbourhoods



Greenwood tower block, St Julians

We will identify, resource and deliver works to maintain and enhance our homes and neighbourhoods.

Having a safe and warm place to live and call home is the starting point for everyone to be successful in their lives. We believe good housing should be a basic human right. That's why we are continuing to invest in homes and neighbourhoods across Newport.

What have we done?

Over the last five years, we have...

Completed our improvement programme to bring all homes up to Welsh Quality Housing Standard (WHQS) within the first year of our 2020 Vision.

Delivered an ongoing investment programme to maintain all homes at WHQS.

Responded quickly and comprehensively to the health and safety recommendations that arose after the Grenfell tragedy.

Commenced a programme to improve the efficiency and effectiveness of our repairs service to maximise value for money and improve the experience for residents.

Established a new communal cleaning team to deliver a consistent service across all communal areas.

Overhauled our landlord health and safety data management systems to enhance data integrity and assurance.

Home quality

We are committed to maintaining the quality of our homes as well as improving their energy efficiency.

This year, we have invested £8.7 million in our capital planned maintenance programme.

- 71% of residents are satisfied with the quality of their home.
- We have made good progress to reduce the carbon footprint of our homes through WHQS works.
- The average energy rating of our properties is 71 (equivalent to an EPC Band C) which is higher than the overall Welsh average rating of 61.
- We have developed an asset management model which categorises our properties and will help make long term decisions about our investment, including our response to tackling climate change and fuel poverty.

Asset Investment 2019/20

Communal heating upgrades	£280,800
Roofing and external wall insulation improvements	£2,128,994
WHQS: Component replacements	£1,567,000
Communal area improvements	£1,353,505
Environmental improvements	£800,635
Aids and adaptations	£866,000
Final expenditure to upgrade cladding on tower blocks	£2,570,000



Our summary

We completed the WHQS programme during the first year of our 2020 Vision and have implemented a planned programme to maintain all homes to this standard.

The safety of residents has always been, and continues to be, our highest priority. Performance in this area is strong, with 99.9% of our homes continuing to be gas safety compliant and 100% of our homes having had an electrical inspection in the last five years.

This year, we also completed the removal and replacement of cladding on our final tower block as part of a comprehensive set of actions to enhance the safety of residents living in our three tower blocks.

We are committed to delivering an effective, efficient and valued repairs service. The programme remains in progress and is a key priority for the association in order to improve the experience of residents and to drive up satisfaction.

Our rating



AMBER

There has been good progress in key areas, but we recognise there is more to do to improve our residents' customer experience and address issues that affect their satisfaction.



Milton Court tower block, Ringland





What next?

We will:

- Continue to transform our repairs service to deliver a right first-time service.
- Analyse the performance of our properties and make the right investment decisions.
- Invest in and modernise our properties to enhance their desirability.
- Deliver an ambitious programme of decarbonisation that improves the energy efficiency of our homes, reduces residents' energy costs and reduces our environmental footprint.
- Continue to invest in our neighbourhoods to create attractive and desirable places where our residents are proud to live.
- Continue our uncompromising and sector-leading approach to ensure residents are safe in their homes.



Provide
new homes



We will maximise the supply of quality new homes and regenerate our communities.

Newport is one of the fastest growing cities in the UK with an increasing population and strong economic potential. The city also has a significant shortage of homes at a range of price points. We are committed to our role in supporting Newport to fulfil its potential by delivering on plans to maximise the supply of new homes. We are also focused on working with our residents to regenerate our existing communities.

What have we done?

Over the last five years, we have...

Put in place a programme to develop over 250 new homes for every year of our NCH Strategy 2025.

Completed 62 new homes.

Started work to build an additional 217 new homes.

Developed a pipeline of over 1,000 new homes which brings in new land opportunities, partnership deals and opportunities to regenerate our existing homes and communities.

Put in place the financial capacity to deliver our ambition through refinancing.

Developed strong relationships with local SME contractors who want to work with us.

Established an experienced and growing Development and Regeneration team to realise our development ambition.

Begun a major regeneration scheme in Ringland that will demolish 26 properties, establish a new shopping centre and develop 163 new homes.

Attracted £11.6m development grant from Welsh Government to support the provision of affordable new homes.

Supporting residents in Newport

Elaina, a Ringland resident, joined one of our contractors as a labourer in 2019 and has been a huge success!

Elaina first came to an apprenticeship information session where she was keen to take part in a work experience placement. After impressing the team at Lovell Homes with her hard work, she was offered a position as a labourer on our Cot Farm development in Ringland. Elaina works flexible hours to fit her work around her two young children.

"I went to the apprenticeship information event in April 2019 and was invited to complete two weeks work experience.

I'm still here and looking forward to developing my skills further!

I love working with the team at Cot Farm – they've made me feel really welcome."



Our summary

Our 2020 Vision recognised our role in tackling the housing crisis through the provision of new homes. We are proud of how much we have achieved in establishing and delivering our ambitious development programme.

We have put in place the financial capacity and have established an experienced Development and Regeneration team to develop over 250 new homes for every year of our NCH Strategy 2025.

We continue to invest in the whole built environment to maintain the quality of our estates and regenerate existing communities to help them thrive. We're currently focusing this activity in the communities of Pillgwenlly and Ringland.

We are committed to supporting the regeneration of the city centre by working with the local authority and partners and delivering multiple developments that will contribute to the shared ambition for a key regional centre for employment, retail and entertainment.

Our rating



We are satisfied and proud of our progress and the role we are playing in providing much needed affordable housing in Newport.

GREEN

What next?

We will:

- Continue to maximise the supply of new homes within mixed tenure developments in areas where housing is needed and market conditions are strong.
- Ensure that our new homes are well designed, high quality and energy efficient.
- Continue to invest in the whole built environment to provide connected and sustainable communities.
- Understand the potential of modern construction methods to enable fast delivery of high-quality products.
- Consider establishing a private rental portfolio and enhance our commercial property portfolio to meet market demand, support business growth and to provide community facilities that people want and need.
- Engage with residents and communities on options to replace homes that fall short of modern requirements.

Making a difference in our communities



We will work in partnership with a range of stakeholders to improve the social and economic prospects of Newport's residents. We will support our residents to help unlock their potential for the benefit of households, their community and the city of Newport.

What have we done?

Over the last five years, we have...

Supported 62 individuals to secure employment following participation in our apprenticeships, academy and wider community benefits programmes.

Provided 38 residents and community members with valuable paid work placements through the NCH Academy.

Supported residents in need of additional help to maintain their tenancies and live independently.

Provided 19 apprenticeships for individuals to earn while they learn.

Supported residents to gain over £3 million in additional benefit income.

We changed our specialist housing offer for people over 55 in response to external funding changes. This allowed us to improve and continue the services our residents value the most.

Worked with a range of partners to support local communities and improve the health and wellbeing of our residents.

Case study

Newport youngsters meet their football heroes

Last year, we teamed up with Lovell Homes and Football Association Wales (FAW) to offer local football fans the chance of a lifetime to meet their idols in the Wales football team.

Young people from youth and football clubs in Ringland and the surrounding area were

invited to watch the team in a training session, followed by a meet and greet session where they could chat to the players and get autographs.

One of the youngsters said:

"It's a great opportunity to come here with all of my friends and to meet so many inspirational people... and I got a football shirt signed by Ryan Giggs for my team, Albion Rovers."



“ We are thrilled to have been able to make dreams come true for these young people and we take pride in being able to build and develop communities in the areas we work in. ”

**Bernadette Vickery
Community Coordinator,
Lovell Homes**



L to R: Bernadette Vickery, Gareth Bale and Development Partnership Co-ordinator Laura Palfrey

Our summary

We have focused on supporting communities through our employability, financial inclusion and wellbeing initiatives.

We have prioritised support to help residents maximise their income and sustain their tenancies. Our targeted approach has been successful in reducing the risk of tenancy failures and supporting residents during some of the most difficult moments in their lives.

Our rating



AMBER

We are proud of the achievements and the positive difference we are making in communities. However, we want to make sure we target our efforts in the most effective way to have the greatest impact.



What next?

We will:

- Prioritise a 'social purpose' programme to understand and define our specific offer, what we will deliver, what will be delivered with partners and confirm those services we will not provide.
- Align our activities with our role as a responsible, social landlord and enhance the sustainability of tenancies as well as the economic, social, environmental and cultural well-being of our communities.
- Ensure the community benefits achieved through procurement are fully utilised and lead to a positive impact on communities.
- Leverage our position to attract grant funding and other sources of investment and resources to support thriving communities
- Use local goods and services to strengthen the local economy when appropriate.
- Seek opportunities to collaborate with others who share our vision and can add value to our communities.
- Work with partners to enhance our neighbourhoods, making them greener and healthier places to live.





**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 our development and regeneration ambitions.

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

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

Increased positive colleague engagement by 11%.

Enhanced our approach to recruiting 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 support our decision-making and delivery of quality services.

Case study

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.

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.

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.



Our summary

Our colleagues are our greatest asset. Much of our success is down to our highly engaged and motivated colleagues.

To continue to be attractive to existing and future colleagues, we have modernised our Recognition and Reward framework.

16.82%

Our increased operating margin allows us to invest more in homes and neighbourhoods.

↑16%

Colleagues who feel empowered to do their job effectively has increased to 71%.

81%

of colleagues said they understand NCH's overall goals (2020 Vision).

2020 Vision saw great progress and firm foundations for the future. NCH Strategy 2025 sets out our big ambitions to deliver sustainable growth, improve service quality and play a major role in supporting communities.

We have transformed our financial position, providing improved business strength that enabled a refinancing programme to support our development ambitions. We also have a fully funded business plan to deliver our strategic objectives.



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:

- Recruit, retain and develop people with the right knowledge, skills, experience and behaviours to truly make a difference in our communities.
- Empower colleagues to make sound, evidence-based decisions.
- Communicate our vision and priorities, monitor progress and adapt to the changing world around us.
- Focus on the transformation of our services to enhance quality, value for money and resident satisfaction.
- Run our association efficiently and provide strong financial and social returns.
- Maximise growth and financial capacity to achieve our ambitions.
- Be open to new strategic partnerships, opportunities and delivery models.
- Invest in future ready technology and further enhance our digital capability to support colleagues to deliver high performing and efficient services.
- Maintain our effective governance structure, processes and procedures.
- Develop and implement our sustainability strategy to reduce our carbon footprint.

Financial Statements summary

For the year ended 31 March 2020



We continue to be in a strong financial position and aim to maintain this financial strength.

We generate surpluses in order to further invest in our homes and communities. All our surpluses are re-invested in our on-going activities, together with our commitment to provide new homes to meet the housing needs of Newport and South East Wales. We are also committed to maintaining our existing assets in line with WHQS and to providing great services for our residents. These aims drive our financial performance.

£49.8m

Our turnover in the year was £49.8 million (2018/19: £48.8 million) with the majority of this being made up of rent from social housing and service charge income.

£44.1m

Our operating expenditure was £44.1 million (2018/19: £43.3 million) the main operating costs are made up of management costs, the costs of maintaining our properties, and depreciation.

£5.6m

This created an operating surplus of £5.6 million (2018/19 £5.5 million).

£25.7m

We had two one off items this year, creating a deficit position after tax of £25.7 million.

The first item related to a successful contract claim of £4 million.

The other item was interest costs of £34.1 million to refinance our existing loan facilities.

The benefit of paying these fees allowed us to take advantage of lower interest rates to make larger savings over the coming years.

The statement of financial position shows housing assets of

£147.4m

and net book value of capital grants received at

£65.9m

Total net assets as at 31 March 2020 were

£8.4m

There were loans of

£97.6m

outstanding at 31 March 2020

The cash flow statement shows a decrease in cash of

£1.9m

Statement of Comprehensive Income

For the year ended
31 March 2020

	2020 £'000	2019 £'000
Turnover	49,783	48,791
Operating expenditure	(44,143)	(43,267)
Operating surplus	5,640	5,524
Gain on disposal of property, plant and equipment	2,904	3,635
Exceptional items	(30,095)	-
Interest receivable	269	266
Interest and financing costs	(4,440)	(5,960)
(Deficit)/surplus before taxation	(25,722)	3,465
Taxation	-	-
(Deficit)/surplus for the year	(25,722)	3,465
Actuarial (loss)/gain in respect of pension schemes	5,748	(4,470)
Total comprehensive income for the year	(19,974)	(1,005)

The tables included show our Statement of Comprehensive Income, Statement of Changes in Reserves, Statement of Financial Position and Cash Flow Statement.

Our full Financial Statements report is available on our website.

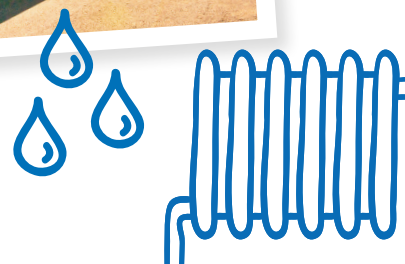
Statement of Changes in Reserves

For the year ended 31 March 2020

Designated Reserves

	Duffryn direct heating system £'000	Major repairs and regeneration £'000	Total £'000	General reserve £'000	2019 total £'000
At 1 April 2019	293	24,901	25,194	3,146	28,340
(Deficit) for year			(16,828)	(19,974)	(19,974)
Transfers	-	(16,828)	8,366	16,828	-
At 31 March 2020	293	8,072		-	8,366

The Duffryn district heating system designated reserve transferred from Newport City Council and recognises some of the future maintenance requirements for the heating system.



Statement of Financial Position

For the year ended 31 March 2020

Fixed assets

Tangible Fixed Assets

Social Housing Properties

Other property

Other fixed assets

Current assets

Stock

Debtors: amounts falling due within one year

Debtors: amounts falling due after more than one year

Cash and cash equivalents

Less:

Creditors: amounts falling due within one year

Total current assets less current liabilities

Creditors: amounts falling due after more than one year

LGPS pension liability

Total net assets

Capital and reserves

Share capital

Reserves

2020 £'000	2019 £'000
147,414	127,766
378	370
1,471	1,608
149,263	129,744
164	223
5,918	4,095
1,964	-
41,936	43,914
48,982	48,232
(14,460)	(77,864)
35,522	(29,632)
184,784	100,112
(162,632)	(55,140)
(13,787)	(16,632)
8,366	28,340
-	-
8,366	28,340
8,366	28,340

Cash Flow Statements

For the year ended 31 March 2020

Net cash flow from operating activities

Returns on investment and servicing of finance

Interest received

Interest paid

Exceptional Items

Adjudication result

Loan facility break costs

Capital Expenditure

Purchase and construction of housing and other properties

Capital grants received

Purchase of other fixed assets

Sale of housing properties and land

Free cash (consumed)/generated before Loan repayments

Financing

Housing loans received

Housing loans repaid

Free cash (consumed)/generated after Loan repayments

Cash and cash equivalents at the beginning of the year

Cash and cash equivalents at the end of the year

2020	2019
£'000	£'000
13,545	13,795
269	346
(4,440)	(5,704)
(4,171)	(5,358)
3,988	-
(34,083)	-
(30,095)	-
(32,921)	(16,786)
13,461	10,379
(508)	(471)
4,140	4,209
(15,828)	(2,669)
(36,549)	5,768
97,571	-
(63,000)	-
34,571	
(1,978)	5,768
43,914	38,146
41,936	43,914

This is how we think we're doing.

What do you think?

We'd love to hear from you.



NewportCityH



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