



Self-evaluation report 2022-23

providing homes in communities where people want



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Introduction

We are a not-for-profit housing association with 9,800 homes in management and plans in place to continue to provide more much needed new homes.

NCH strategy 2025 sets out our priorities to deliver our purpose of providing homes in communities where people want to live.

Home is not simply a place with a roof and four walls. Home is where everything begins. It provides safety. It supports good health and wellbeing. It creates a sense of belonging within a community. It's the foundation for people and families to have a better quality of life.

That is why we do much more than provide homes. We have a proud history of investing in our communities and delivering services that support our customers. By listening to our customers and working with communities, we are investing for the long term to achieve the best possible outcomes for them, colleagues, and the city of Newport.

Our strategy has guided us through the most challenging of circumstances and turbulent operating environment during its first three years of delivery. It has ensured that, as we respond to the risks and opportunities we are presented with, we remain focused on delivering the best possible outcomes for our customers, communities, and colleagues.

Our Annual Report and Financial Statements outlines our progress in delivering NCH Strategy 2025 and the financial performance for the year ended 31 March 2023. Our Customers and Communities at the Heart report also shares more information on how we are making a difference in communities and ensuring the customer voice is influencing the decisions we make and the services we deliver.



NCH Connected
Get involved with NCH Connected,
our online Facebook community.

Pickering's



Summary of key changes since last report

The board held strategic planning days (BSPD) in January and June 2023. This gave the board the opportunity to review the impact of major changes in the operating environment and to consider the longer-term ambition, priorities and plans for the association as the board commences the process of developing the Beyond 2025 Strategy.

Key strategic decisions taken by the board during the year were the approval of the:

- refreshed NCH Strategy 2025, following the mid-point review which was informed by customers and colleagues
- our culture and colleague committee approved the people plan
- annual three-year rolling delivery plan to achieve NCH Strategy 2025, together with updated financial plans, including the annual budget and business plan
- annual rent uplift in-line with the association's rent policy, informed by customer feedback, and aligned to the association's affordability criteria.
- updated Asset Management Strategy
- Annual review of the treasury strategy
- new Customer Voice Strategy

September 2023 saw the retirement of four board members, including the Chair, the re-appointment of six members, and the appointment of five new members, including a new chair through an independent, competitive and externally facilitated recruitment process.

Approach to self-evaluation

The board undertakes a robust self-evaluation of performance as an integral part of strategic planning framework. It obtains assurance through this approach from a robust evidence base which has informed the position statements presented against each regulatory standard.

An established set of mechanisms are in place to ensure the association listens to customer views, understands their needs, and involves them in decision-making, including to inform this evaluation. Through analysis of datasets and feedback, the insight is used to inform key actions, decisions and initiatives that support the ongoing delivery of NCH Strategy 2025.

The board has in place agreed key performance metrics that align to our strategic priorities. These include a number of customer satisfaction metrics and supporting information.

Progress against these metrics is scrutinised by board quarterly through the integrated performance report (IPR). This process ensures the board maintains oversight of performance and the progress against our corporate plan.

The Audit & Risk Committee (ARC) receives an annual customer voice assurance report from the Scrutiny Partnership. The report is informed by the partnership's work programme and evaluates how the association understands what matters to customers and how the customer voice continues to inform strategic, corporate and operational decision-making. This draft self-evaluation has been reviewed by the partnership and once approved by board, will be further tested with customers and colleagues to understand if the board's evaluation aligns with our customers' views.

Summary of compliance

We are regulated by Welsh Government (WG) (the Regulator) and are required to comply with the Regulatory Framework which includes nine regulatory standards. The board is responsible for ensuring it is well-governed and delivering high quality homes and services with well-managed finances and resources.

Governance

In July 2022 the board adopted the Community Housing Cymru's 2021 Code of Governance, noting the association's compliance. The board undertook a code of governance compliance review in 2023 and identified and approved improvement actions to strengthen compliance in some areas.

The board has in place a risk management framework that sets out the approach to the identification, assessment and management of risks and the methods for gaining assurance that risks are being managed appropriately. The ARC undertakes a quarterly review of the risk environment,





including a review of the association's strategic risk register. ARC received an annual independent review of the risk management arrangements that stated, "the risk register accurately reflects the sector's risk profile and the association's business and contains no significant gaps". The independent review concluded that the association's risk management system qualifies as a "very good" system – the highest rating possible.

Service delivery

Improving customer satisfaction is a key priority for the board and is reflected in the association's strategy. Our enhanced data capability has delivered greater insight into the drivers of satisfaction and dissatisfaction, which has led to the implementation of a new place-based approach to delivering services; the Repairs Done Right project; the development of a customer voice strategy; and a dedicated customer experience team.

Financial

The board approved financial plans are aligned to the delivery of the association's strategic priorities and ensure that the ambition of the association is fully funded, whilst maintaining a strong financial position.

how well the association was performing and that we had retained our confirmed 2019 Standard: Standard judgement, the highest rating achievable at that time.

Based on a robust and evidence-based evaluation, the board believes the association complies with the regulatory framework and has outlined the set of actions it is taking to maintain or strengthen compliance against each regulatory standard. These continuous improvement actions are identified and delivered through our approach to corporate planning and the delivery of NCH Strategy 2025. The association maintains a co-regulation approach and will report on progress against these identified actions to ARC and the board.

Compliance against regulatory standards

The following section summarises our evaluation of how we are performing against the regulatory standards for housing associations.

RS1: the organisation has effective strategic leadership and governance arrangements which enable it to achieve its purpose

The association has in place a skills-based board that reflects the skills and expertise it considers necessary to ensure the successful delivery of its strategy. An annual board effectiveness process identifies succession planning needs. The board approved the implementation of a board trainee role, supported by the Pathway to Board programme in March 2023, to support board diversity across the sector. This will provide learning and development opportunities to diverse individuals who wish to pursue future board opportunities.

The board sets the strategic direction of the association, which is outlined in NCH Strategy 2025. The mid-point review of the strategy was concluded in September 2022. The review, undertaken within the context of a significantly changed operating

environment, evaluated progress against the strategy to date and reviewed the validity of the strategy in the changed operating environment. The review concluded the strategy remained correct and on-track but was refreshed to emphasise the association's focus on customer, community and colleague. The board annually approves a rolling-three-year corporate plan that confirms the actions to deliver on our strategy and the indicators against which progress will be measured. The board monitors progress against the strategy through the quarterly integrated performance report to board

In November 2021 the board approved our equality, diversity, and inclusion (EDI) strategic commitment. EDI is an element of everything we do, "Inclusive" is one of our four values – "where we will celebrate our differences and embrace diversity in people and ideas." The commitment recognises the benefits of a diverse and inclusive association and the vital importance of equality of access to homes and services. It includes the commitment "that we will be an anti-racist association." The commitment is supported by a delivery plan which will allow board to monitor progress of delivery annually. Key strategic measures are also reported to board quarterly in the integrated performance report. To support delivery of the commitment, the EDI policy was approved in May 2022. To drive forward delivery the association has a dedicated EDI Manager post in place which leads on the implementation plan and is a critical friend to colleagues on delivery of services to customers, communities and colleagues.



The association recognises the benefits of a diverse workforce and reports quarterly to board on the attraction of ethnic minority candidates and the appointment of candidates. We have refreshed our approach to equality impact assessments, and this is applied to all activities, including policies, procedures and change projects. The commitment is supported by our EDI Policy and a delivery plan. Progress is monitored through the annual EDI Strategic Commitment report to board.

The association is well governed with established governance arrangements in place that enable evidence-based board decision making and ensures compliance with its governing documents and other legal requirements. In July 2022, the board adopted the Community Housing Cymru's 2021 Code of Governance. In 2023 the board the board undertook a code of governance compliance review. The Board receives assurance that the needs and voice of customers have influenced any strategic recommendations being made through the annual scrutiny partnership assurance report.

RS2: robust risk management and assurance arrangements are in place

The board actively manages the risks faced by the association through its risk management framework which is continually adapted to remain effective in the increasingly uncertain and volatile operating environment. This allows the board to delegate management of key activities to the executive with confidence that key controls are in place. The ARC meets regularly to oversee the delivery of the risk management framework and provides assurance to the board on its effectiveness.

External sources are also examined to take a broad perspective, including the Regulator's sector risk profile, peers in the sector, and the advice of an independent risk advisor. In their annual report our internal auditors stated, "the organisation has an adequate and effective framework for risk management, governance and internal control".

In-depth reviews of the most significant risks are presented to, and debated by, the ARC. Stress and scenario testing on the 30-year business plan are carried out and reported annually to the board and shared with the regulator. The board undertakes an annual review of its risk appetite which informs the activity limits and golden rules for the association.

ARC receives detailed performance information on health, safety & wellbeing matters quarterly. ARC maintains oversight of the risk management and assurance of both the landlord compliance health & safety and employer health & safety risks and periodically schedules internal audit reviews in both areas. The officer-led health, safety & wellbeing forum also provides assurance to the executive team and ARC. Performance on health & safety activities is closely monitored on a weekly basis through a dedicated H&S software package. Metrics have been reported through the Welsh Government Business Continuity Survey since the start of the pandemic and will continue to be monitored through the ongoing Regulation Survey. Health and safety performance information reported to board quarterly shows an overall compliance rate of 99.89% for 2022/23 with non-compliance actively managed.

The association has robust business continuity and disaster recovery plans in place, which have been utilised in managing the response to the pandemic and other incidents such as severe weather events and the disruption to the community heating system at Duffryn. Internal audits on business continuity and cyber security both obtained reasonable assurance with audit actions identified and being implemented. The association has achieved Cyber Essentials Plus accreditation demonstrating robust security protections against cyber threats.

RS3: high quality services are delivered to tenants

The health and safety of customers will always be the association's number one priority. In response to changes to building safety legislation, new posts and responsibilities have been put in place including a Fire Risk Officer and a Building Safety Manager.

Stock condition surveys and a stock appraisal model are used to determine future investment needs to maintain property condition to required standards. The asset management strategy was approved by Board in September 2022 setting out our plans to maintain great safe and environmentally friendly homes.

The association's business continuity plan and business response team successfully managed our response to the pandemic, severe weather events and the disruption caused by an incident impacting our communal heating system. Our response prioritised the immediate needs of vulnerable customers, including delivering targeted interventions to ensure the wellbeing of customer.

Improving customer satisfaction is recognised by the board and executive team as a key priority, which is reflected throughout, and underpins, NCH Strategy 2025. The strategy was developed in consultation with customers and outlines the steps that will deliver the best possible outcomes for customers and communities. Performance and progress against it are externally published and shared with customers through the annual report, Customer and Community at the Heart newsletters, and social media channels.

A housing services review resulted in the adoption of a place-based delivery model, which focuses on building strong relationships and understanding the different needs and aspirations of local communities. The community development team has adopted an asset-based community development model, which supports an inclusive approach to working with communities and partners to create great places to live.

Customer feedback and satisfaction data show customers value the repairs service we offer, and it is both a major driver in satisfaction and dissatisfaction. The way the repairs service is delivered is being reviewed to make further improvements that are based on what customers value about the service. The association is also rolling-out a mobile app that enables customers to book a repair at a time that suits them. This is in addition to improvements made in recent years to grow the internal workforce, adopt a multi-skilled approach, upgrade the vehicle fleet, and appoint new material suppliers to help complete more jobs in one visit.

The association's improving data capabilities provide insight into customer feedback from multiple mechanisms including complaints, satisfaction data and other customer surveys in order to understand drivers of satisfaction and inform improvement activity. The board and executive team receive key satisfaction measures on a quarterly basis as part of integrated reporting against performance and improvement activity.

The board approved the Customer Voice Strategy in September 2022. The strategy sets out how we engage with our customers to ensure that their views, experiences and needs are captured, understood and inform decision-making at Newport City Homes. The strategy aims to ensure that the customer voice informs the priorities of the association and the delivery of services.

The association's development and regeneration programme and pipeline of future projects consists of a mix of tenures, predominantly social rent, based on data and an understanding of local housing need. A cross-association group inputs into new site opportunities to ensure homes are developed that meet the diverse needs of customers.

RS4: tenants are empowered and supported to influence the design and delivery of services

The association values customer feedback and has listened to customers as services are redesigned and improved. The association's Customer Voice Strategy consists of a range of different mechanisms and opportunities that allow customers to engage at strategic, corporate, and operational levels. Delivery against the customer voice strategy and the opportunities for customers to influence decision making is monitored by the Scrutiny Partnership (SP) and reported to ARC and board via the SP's 'customer voice assurance report.

Additionally, a range of feedback mechanisms are in place to enable customers to share their experiences with us. In addition to operating with a robust complaint process, these include the STAR quarterly satisfaction surveys which reaches every home once a year, repairs transactional survey, rent affordability surveys, bespoke service review surveys, and a new online engagement platform, NCH Connected.

NCH Connected, a digital forum of circa 1,600 customer members, is utilised as an engagement mechanism to gain the views of customers in corporate and operational decisions and changes to service delivery. We value every interaction with our customers and use their feedback at every contact to inform service design. Complaints and compliments also provide valuable intelligence that is utilised by our Customer Voice Panel to inform changes to how services are delivered. Our customer satisfaction and transaction surveys provide valuable feedback and insight to drive service improvement and have strongly influenced the focus of our change programme.

A new customer experience team has been created as part of the changes in how we deliver services to customers, which will enhance the consolidation and analysis of feedback and strengthen the customer voice that informs the association's decision making.

RS5: rents and service charges are affordable for current and future tenants

The association's social rent setting policy explains how rent levels are determined and ensures compliance with Welsh Government and other legal requirements. Ensuring the association's rents remain affordable for years to come is fundamental to our purpose and has never been more important for customers.

The association's rent setting policy is based on the Joseph Rowntree Foundation (JRF) Living Rent methodology and is designed to ensure that rents remain affordable within the communities we serve. To inform our rent setting for 2023/24 we undertook extensive engagement that included affordability surveys and focus groups. We spoke to 976 NCH customers and 302 Home Option (Common Housing Register) applicants to achieve a representative sample. The board held a dedicated rent workshop to consider the annual increase and considered the views of customers, the affordability analysis and the economic situation. All of the association's rents charged are deemed affordable.



RS6: the organisation has a strategic approach to value for money which informs all its plans and activities

Delivering value for money strengthens the association's financial position and improves performance in the delivery of services. This enables the association to deliver on its ambition to maximise the supply of new homes and to reinvest in services that are valued by customers. The association is committed to maximising the value for customers and in ensuring the outcomes from investment deliver sustainable benefits.

Our value for money (VfM) framework ensures the consistent application of its principles and enables good decision-making. The framework is supported by an action plan that is continually reviewed and updated to ensure that all relevant activities are captured.

We acknowledge that our VfM approach needs to continuously evolve as the operating environment remains challenging and work will continue to embed this across the association through individual roles and responsibilities.

A VfM statement is contained within the Annual Report and Financial Statements, which is reviewed by ARC and approved by board. The Annual Report and Financial Statements also reports on how the approach aligns with the association's social purpose and illustrates the outcomes for customers and communities from social, financial and wellbeing activities.

Performance is measured and reported on a quarterly basis, using the recognised 'Sector Score Card' which provides the board, executive team and key stakeholders (including Welsh Government and lenders) the assurance that the VfM principles are embedded.

The business change programme focuses on improving services to deliver against the association's strategy. The programme is fostering an environment of continuous improvement and seeks to create delivery models resulting in higher quality services and improved efficiencies. Each element of the programme confirms service and VfM benefits at their initiation and monitors progress during and post-implementation.

Our Procurement framework is in place to deliver best value through contracts (including social value). Each procurement process takes into consideration both cost and quality elements in identifying the most suitable tender/quote. VfM is also driven through the business partnering approach taken by the finance and procurement teams; budget holders are supported to consider value for money in all spending decisions, and appropriate performance and spend data is provided to enable budget holders to understand and manage their cost base. A procurement performance and compliance report is presented to ARC annually.

RS7: financial planning & management is robust and effective

The association remains in a strong financial position and is responding to the challenges posed by the operating environment, including increasing costs and disruptions to the supply chain. Financial performance is monitored through quarterly IRP to the strategy forum and board.

The 30-year financial plan is reviewed and approved annually, and detailed stress testing is performed against this base plan. The stress testing exercise is linked to the strategic risk register to understand how key risks materialising would impact upon the financial position of the association. The current plan continues to show that the association can operate sustainably and is well placed to respond to various scenarios in the short, medium, and long-term such as in the event of a national or global recession. The association has an approved mitigation plan to respond to adverse events. The business plan is subject to an annual independent analysis that is reported to ARC.

A treasury management strategy and policy are in place and reviewed annually with assurance on their effectiveness provided by external advisors. These documents are supported by a detailed action plan. The treasury position is reviewed on an ongoing basis by the finance team. This ensures the association maximises the return on its cash, in line with the parameters set out in the treasury management strategy.

In line with the treasury management strategy and policy, the association's golden rules have been refreshed to ensure that they match the risk appetite and aspirations of the association, whilst ensuring appropriate financial control.

Short and longer-term funding requirements are considered as part of the business planning process. This includes the review of the asset management strategy and the development and regeneration programme to understand key financing requirements and ensure that funding options are explored and agreed in advance of new facilities being required.

Compliance with funder covenants is reported quarterly through integrated reporting for both financial and non-financial loan covenants.

RS8: assets and liabilities are well managed

The association's main assets are the 8,972 homes we provide for social rent. We aim to maximise the occupancy of our homes and have made a commitment to deliver 2,500 new homes within the next ten years through our development and regeneration programme.

The assets and liabilities register is in place, reviewed by ARC and reported to board annually. The review ensures the register remains up to date, accurate and transparent as a reference point and business tool for the association, as well as being in an appropriate format for a relevant third party, such as the Welsh Government Regulator for Social Housing.

An asset appraisal model assesses the financial and social viability of each property and determines where further investment is required and informs the asset management strategy. This updated asset management strategy was reviewed and approved by board in September 2022.

RS9: the organisation provides high quality accommodation

We have an asset management which drives the investment in our homes to ensure the value, quality suitability for customers is maintained. The association achieved the Welsh Housing Quality Standard (WHQS) in all social homes in 2015/16 (excluding acceptable fails). This standard is maintained on an ongoing basis. Compliance with the WHQS is reported on through the annual Welsh Government data return. The association successfully aligned business processes to align with the renting homes act and the enhanced fitness for human habitation obligations.

A programme of stock condition surveys aims to sample 20% of properties each year and identifies property condition and investment needs to maintain compliance with the WHQS. Following a pause during the pandemic, surveys have now recommenced. This informs a comprehensive rolling three-year capital investment programme to maintain compliance with WHQS and the thirty-year investment plan to deliver the asset management strategy

We have implemented a comprehensive assessment programme of the potential of damp and mould within our homes, identifying at risk homes and implementing a programme of remedial works where required. Assurance against the programme is reported to ARC.

All homes that become vacant are brought up to the association's minimum letting standard which ensures compliance with WHQS. All new-build homes funded with Welsh Government Social Housing Grant are compliant with Welsh Development Quality Requirements (WDQR).



Regulatory Standards: Continuous improvement plan

The following actions have been identified through the association's corporate planning approach to support the successful delivery of NCH Strategy 2025, while also maintaining compliance with the regulatory framework.



RS1: Strategic leadership and governance

Rating: Amber

Improvement actions:

- Develop beyond 2025 Strategy
- Review of new CHC Model Rules
- Annual EDI Report
- Enhanced customer data analysis
- Increased board diversity
- Customer voice strategy annual report
- Launch new customer engagement offer



RS2: Robust risk management and assurance

Rating: Green

Improvement actions:

- Evolution of risk and assurance framework
- Property and place compliance reporting dashboards
- Annual Asset Management Strategy report
- Enhanced assurance reporting on damp and mould to ARC
- Review Duffryn incident lessons learnt report and action learning through embedding of business continuity awareness.



RS3: High quality services

Rating: Amber

Improvement actions:

- Embedding place-based approach to housing and community management
- Implement redesigned repairs service
- Enhanced communication of performance information for customers



RS4: Customers supported to influence services

Rating: Green

Improvement actions:

- Enhanced “moving-in” experience
- “What matters” plans for each neighbourhood
- Assess inclusivity of customer engagement offer
- Customer experience colleague learning project



RS5: Affordable rent and service charges

Rating: Green

Improvement actions:

- Implement lessons learned from annual rent setting review process



RS6: Strategic approach to Value for Money

Rating: Green

Improvement actions:

- Service charge review
- Develop and implement Neighbourhood Management Standards
- VfM gains through change programme
- Continue to embed VfM approach



RS7: Financial planning and management

Rating: Green

Improvement actions:

- Financial plan fully aligned to the delivery of the NCH Beyond 2025 Strategy



RS8: Assets and liabilities are well managed

Rating: Green

Improvement actions:

- Refresh decarbonisation roadmap
- Asset management strategy annual report



RS9: High quality accommodation

Rating: Green

Improvement actions:

- Implement lettings review actions
- WHQS 2023 plan

Code of Governance Action plan 2023+

In July 2022, the board approved the adoption of the new CHC Code of Governance after receiving assurance on a detailed compliance assessment undertaken against the code and the identification of improvement actions. An annual review has been conducted and the assessment updated to reflect this.

The association remains compliant with each principle with improvement changes to compliance in P6 (EDI) seeing eight previous amber statuses becoming green over the previous year, with improvement actions identified to strengthen compliance in some areas.

Organisational Purpose

- Revise our approach to Welsh Language pending confirmation from WG on expectations on sector
- Refresh the decarbonisation roadmap, outlining our plan for each home to improve its energy efficiency and help tackle fuel poverty.

Leadership

- Review the role of committee chairs in the annual governance effectiveness process

Integrity

- Board to consider approval new of code of conduct policy, based upon the NHF Code of Conduct
- Completion of board mandatory training programme
- Review annual declarations of interest process and consider move to self-declaration approach

Decision-making, risk & control

- Develop committee level metrics to support committee members to scrutinise performance and gain assurance

Board effectiveness

- Conduct review of board member remuneration and expenses policies and consider merits of rationalising into one policy

Equality, diversity & inclusion

- Consider and implement improved EDI metrics reporting at committee level
- Continue our commitment to the pathway to board programme
- Publish EDI annual report, following board approval

Openness and accountability

- Complaints analysis and learning will be incorporated into future Customer & Communities at the Heart annual reports





