Apex Housing Association
Value for Money Statement
2023-2024

Value for Money Statement 2023/24

Value for Money in Apex

This statement is for our tenants, residents, stakeholders, board members and staff. It sets out where we are on providing efficient and effective services for all our customers and creating value for money within Apex.

What does achieving Value for Money mean in Apex?

The Board and staff of Apex define value for money (VFM) as the relationship between effectiveness, efficiency and economy, often described as the value chain. Value for money is high where there is a good balance between all three – low costs, high productivity and successful outcomes.

We aim to be accountable to our customers, partners, funders and regulators by setting out here our past performance and future aspirations.

Three core components of VFM are: -

- Effectiveness – doing things right
- Efficiency – doing things right, which includes carrying out activities in a timely and simple manner, and with minimum waste
- Economy – the cost of procuring inputs to services, which reflects not just price but sustainability

Value for money is at the heart of the Apex Strategic Plan. Our strategic themes embed value for money into everything we do and how we do it creating a compelling drive to deliver value for money at Apex. There are some areas where we are improving but in areas where we need to do better, we have plans in place to do that.

The association pursues value for money to ensure we are not only delivering effective and efficient services, but also the development of as many homes as possible to meet a range of housing needs. The volume of homes delivered by the association is important to meet increasing demand, but Apex wants to deliver value by providing good quality homes and services and investing in its customers and communities.

To ensure that its resources are directed towards achieving its ambitions, Apex is committed to finding efficiencies and making sure it maximises the value of the money it spends.

Our approach to Value for Money

Value for Money is fully integrated in to our corporate and business planning. We will continue to set objectives and measure performance using a balanced scorecard based on five key areas: -

- Sustainable communities
- High quality, energy efficient homes
- Quality supported living
- An efficient and effective organisation
- Skilled people and teams

Sitting beneath the corporate strategy are a range of objectives and action plans. Delivery against these are scrutinised by the Board, Committees and Senior Management Team. Customer scrutiny is delivered through the various levels of participation as set out in the Tenant & Resident Engagement Strategy and Community Investment Strategy.

Delivering value for money in 2023/24

2023/24 saw the continued operation of the Apex group. The group structure now has assets worth over £863m, a combined turnover of £69.0m (excluding house sales) and an operating surplus of £11.2m. Units under management stood at just over 7,695 as at 31 March 2024.

Apex continued to grow during 23/24, increase investment in its stock and deliver high quality services to tenants and service users. With the offices reopened to the public and the majority of office staff working hybrid, the association continued to perform and support our communities through our community investment strategy, while also delivering a significant proportion of DfC's new build housing programme. In addition, Apex continued to provide high quality care and support services on our supported living schemes in extremely challenging circumstances and maintained a stable financial position throughout, despite the impact of high inflation.

Our VFM achievements to date have been built on careful decisions about how money is spent and decisive action to make the most of the value of assets under the group's control. Apex continues to create efficiencies by reviewing under-performing activities and identifying savings in administration costs.

During 2023/24 there have been challenges including:

- Recruitment of appropriately skilled staff in some areas of the organisation
- Additional costs to deliver services due to a high level of inflation affecting materials, food provisions, energy costs etc.,
- The continued impact of the rollout of Universal Credit

Despite this Apex (parent only) has:

- Increased the number of homes to over 6,900 for some 17,000 residents
- Continued to assist in the delivery of DfC's & NIHE's Social Housing Development Programme
- Continued to deliver high levels of support and care to vulnerable tenants
- Invested over £1.05m in our communities in conjunction was our funding partners
- Helped more than 550 tenants through our Welfare Advice service
- Invested £658k in IT infrastructure and facilities to enable greater efficiency and improved service delivery
- Maintained low levels of bad debts
- Maintained an investment grade credit rating with a stable outlook
- Maintained the highest level of regulatory rating in NI
- Continued to leverage in low-rate private finance

Some performance results were below where we would want them to be in measures relevant to the delivery of value:

- Level of non-cost recovery on supported living and nursing care scheme

Measuring value for money

We are evolving how we measure Value for Money and will make further improvements during 2024/25. This is in line with developments in the sector to create a standard approach to value for money benchmarking. This year we will continue to benchmark ourselves against NI peer associations, where comparable information is available.

The association continues to show good performance on a range of cost, financial and asset performance metrics which show Apex is on a path to meeting its long-term strategic objectives.

Our approach to measurement

Apex is developing how it reports on value for money in order to continue to provide effective and efficient services and meet the DfC's regulatory framework and the measurement of value for money against the sector scorecard. Apex has regularly measured its performance against our peers within NI and other benchmarking clubs. This statement is built around what is currently agreed to be included in the NI adopted sector scorecard.

Measuring costs and performance

We set out below the performance of Apex (parent only) on the proposed sector scorecard measures based on our own audited accounts for the past two years.

Using the final methodology for the revised NI sector scorecard we will use these measures to compare Apex's performance to our peers.

Sector Scorecard	Apex 2023/24	Apex 2022/23
Business Health		
Operating margin (all activities)	14.4%	14.4%
Operating margin (social housing lettings)	18.6%	13.8%
EBITDA % Interest cover (MRI)	107.4%	37.3%
Development - capacity and supply		
Units completed	275	133
New supply delivered % - social	3.87%	2.0%
Gearing (1)	34.65%	37.2%
Outcomes delivered		
Customer satisfaction with services provided by landlord (2)	88.0%	87.0%
Reinvestment %	9.6%	7.4%
Investment in community activities	£1.057m	£908K
Effective asset management		
Return on capital employed	1.2	1.2
Occupancy	99.7%	99.1%
Ratio of responsive repairs to planned maintenance (i)	0.76	0.75
Operating efficiencies		
Headline social housing unit cost per unit (incl Major Repairs) (ii)	£5,511	£4,987
Rent Collected – Excl. Nursing Care	99.25%	98.9%

(1) - Gearing = net debt/NBV of properties
(2) - Customer satisfaction surveys are carried out every 3yrs

Commentary on KPI's where performance is lower than in previous year

(i) Higher costs of new MTC contract and inflation.
(ii) Higher level of investment in upgrades and component replacements

Measuring asset performance

In order to fund our ambitions to build more homes the Apex group needs a large, stable and well performing asset base from which it can receive rental revenue and raise finance, and an active programme of development from which it can receive increased revenues.

Portfolio as at 31 March 2024: -

Portfolio	Book value £m	Rental income £m	Gross yield 2024	Gross yield 2023	Operating profit £m	Operating margin 2024	Operating margin 2023
Social housing lettings (excluding shared ownership)	726	32.1	4.4%	4.3%	12.5	38.9%	43.8%
Shared ownership	7	0.22	3.3%	2.9%	n/a	n/a	n/a
Commercial rent	n/a	0.09	n/a	n/a	0.01	14.0%	49.1%

Gross Yield = Rental income/book value

Measuring social impact

Apex continues to measure the impact of its community investment activities. In 2023/24 Apex achieved the following key outcomes: -

- 558 tenants benefited from benefits advice services
- All new tenants received a welfare benefits check on commencement of tenancy
- £327k of additional benefits identified and claimed through our benefits advice service
- 4 tenants referred to external agencies for support
- Grant funding of £22,539 secured to support individual tenants
- £80k external funding sourced to deliver Community Investment services
- 257 new homes handed over to tenants
- 27 new homes started on construction sites across Northern Ireland
- Skeoge Community Hub is now supporting an average of 125 Apex tenants per week and is delivering a range of projects including an internet café, targeted programmes and activities and a weekly Welfare and Housing Advice clinic.
- Skeoge Community Hub has a dedicated Family Support Worker in place from 4th September 2023 (3 Year funding secured).

- 179 disabled adaptations carried out
- During the year 6 properties stair-cased out of shared ownership, with the occupants purchasing the remainder of their property from Apex.
- 1098 tenants participated in our Tenant Satisfaction Survey
- 140 ‘Housing for All’ initiatives delivered with a total of 8,803 people participating
- £592,701 invested across 12 neighbourhoods in NI through ‘Housing for All’ schemes
- The Tenant Network grew from 107 to 118 during the year
- 1,867 tenants engaged across 179 opportunities
- Over 200 staff received Tenant Engagement Awareness Training
- Awarded a Level 3 Silver award Tenant Engagement Accreditation in January 2024
- Employee well-being programme with a focus on mental health
- 32 Action Cancer health screening appointments
- 26 staff achieved accredited qualifications
- 70 front-line staff received training on Domestic Abuse
- 29 work experience placements facilitated
- 2 apprenticeships in Housing commenced
- 87%+ tenant satisfaction level with new Apex home
- Over £12m invested in refurbishment and upgrades to tenant’s homes
- 2 connected tenants participated at Boardroom level
- 242 tenants took part in 29 ‘Cook Alongs’
- £20,580 of funding grants given to 19 groups
- 70 hot meals per week provided through the luncheon club
- 1,493 instances of support provided through wrap-around services
- Through our partnership with Foyle Foodbank, 8,809 people were supported during the year
- 1,109 hours of volunteering spent with Apex
- 1 music bursary provided through St Columb’s School of Music
- Supported living services delivered to 1,068 tenants and residents
- 5,986 events and activities took place in Apex schemes during the year
- 3,078 trips facilitated by Apex’s community transport service
- Apex works in partnership with the Glen Community Complex on Suffolk Road in Belfast. The Centre averages 5,000 users each month and the services they offer includes a Daycare, and after schools and evening service along with an 8 week summer scheme and summer camp. The Daycare had a graduation event for 41 preschoolers, and the youth provision operates at full capacity and ran Halloween events and a Christmas concert and Christmas Toy Appeal. The after schools project numeracy and literacy; Community safety; mindfulness and healthy living programmes.

- The Community Centre offers a home to other voluntary organisations working within the Lenadoon and Suffolk areas including Barnardo's, Belfast Health & Social Care Trust Family Contact Services, Belfast Hills Partnership, Belfast Swifts, ; Carrigart Residents; Gaeil an Ghleanna; Lenadoon Women's group; Lenadoon Community Forum; Lenadoon Community Counselling Service; Lenadoon Cultural Group; Lenadoon Historical Group Mid Lenadoon Residents; Lenadoon Fesitival committee; Sarsfield GAC Tuesday Club (for Seniors), St Gerard's School, and Women in Sport.

Apex's future plans

Key value for money targets that have been set for the association in the 2024/25 plan and managed by a balanced scorecard:

Customers

Overall satisfaction with services	>85%
Satisfaction with repairs & maintenance services	>80%

Process

Rent collected from current and former tenants as % of rent due	>96%

People

Staff turnover	>12%

Financial health and growth

Total starts on site	>200
Group operating surplus	>£7m
Group surplus on ordinary activities	>£1m

These outputs will be monitored and presented to the Board, Committees and Senior Management Team throughout the year.