



# Green shoots for growing **communities**

Annual report and accounts for 2022-2023





New homes underway at Belmont Street in Camden

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# Deep roots and **green shoots**

In February 2023 Newlon celebrated 55 years of providing affordable homes to local people in housing need across north and east London.

During this time we and the people we house have set down roots and communities have grown up.

Some neighbourhoods, such as parts of Spitalfields, have changed very little physically over the years. Others are much newer, brought together by regeneration to create sustainable communities, and these green shoots have in turn blossomed and transformed wider areas of our capital city which had fallen into deprivation.

This story is also about ensuring we continue to provide the homes and services that our residents deserve and that they can trust us to deliver.

Recent years for social housing providers and our residents have been very tough with the aftermath of the pandemic, the cost of living crisis and the impact of much needed fire and building safety legislation. This is in addition to challenges in the construction and repairs and maintenance sectors around costs, material supplies and workforce availability.

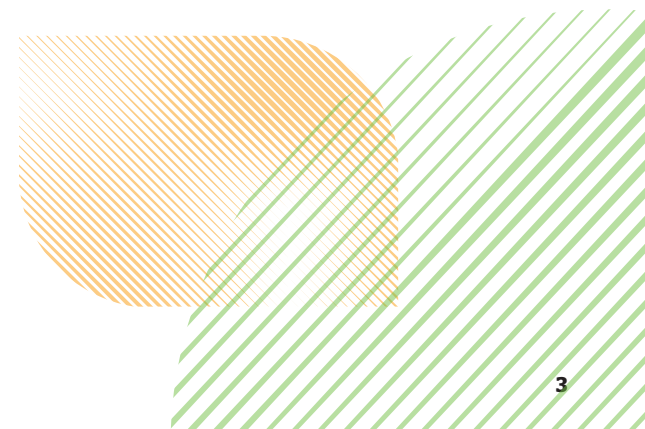
During this period resident satisfaction began to drop and to address this we launched our Trust Newlon initiative one year ago, focusing on four key areas – providing reliable repairs, being easy to deal with, improving the places where our residents live and supporting stable and lasting tenancies. We have worked directly with residents and

used their feedback to shape service improvement priorities and develop Trust Newlon.

While not everything has worked and we continue to work hard in partnership with residents to improve services, there are clear signs of success and the green shoots of sustained improvement. Importantly this is the case in some of the key areas that Trust Newlon focuses on including being easy to deal with, happiness with communal areas, improved satisfaction with repairs and a small but significant increase in overall satisfaction.

You can read more about these steps forward and our achievements during the last year in this report.

New homes nearing completion at Monument Way



# Chair's statement

Despite the complex operating environment I am pleased to report that Newlon enjoyed a successful year in 2022-2023.

Whilst the past year has been challenging due to factors including high inflation, rising interest rates and the cost of living crisis, we continue to operate successfully and to be able to invest in improving our properties and providing new homes.

We delivered a strong financial performance during the past year and are well placed to continue with the delivery of our key priorities, including further investment in our existing stock, building new homes, delivering an extensive programme of fire safety works and improving services.

Importantly our G1 and V2 ratings were reaffirmed during the year. Firstly, as a result of an In-Depth Assessment carried out by our regulator and then in December 2022 as part of a routine stability check. This shows that we are well equipped to navigate the current challenges in the operating environment.

In anticipation of the introduction of new regulatory standards, we have strengthened housing management skills on our Board and reviewed committee responsibilities to ensure they are all geared towards delivering great outcomes for residents and other stakeholders.

I have been pleased to see signs of resident satisfaction improving and the evolution of a more data driven approach to service delivery. The Board will continue to focus on driving improvement through the Trust Newlon transformation programme, which has delivered promising results in the first year. We will also continue to be proactive in our approach to making sure Newlon is equipped to deal with property condition issues, including damp and mould.

The operating environment for housing associations remains difficult and a very challenging mix of economic pressures and the Government rent cap means that our costs are rising faster than our income. Our big challenge in the current year therefore is to make sure that we achieve the right balance between maintaining secure finances and meeting residents' expectations.

I am confident that we have been able to set the right long-term plans to safeguard our finances whilst ensuring that we maintain our commitment to improving services, investing in existing homes and continuing to deliver new high quality affordable homes.

I would like to extend my thanks to Newlon's staff for their hard work and dedication to improving services and to my fellow Board members for contributing their time, expertise and commitment. In particular I would like to pass on my thanks to Fred Angole, who steps down as Chair of our Audit and Risk Committee in December, at the end of his tenure.



Community day at the Barnsbury Estate

Aman Dalvi OBE

Chair of the  
Newlon Board





# Chief Executive's statement

I am pleased to be able to echo Aman in reporting that overall we had a successful year despite the challenges for us and our residents presented by high inflation and the cost of living crisis.

I am proud of our record of providing new affordable housing. Housing need is greater than ever and providing it is becoming more costly and more complex every year. Recent figures show that an estimated 170,000 Londoners are currently living in temporary accommodation, many of them on a long-term basis. I am therefore really pleased that we continue to provide new affordable homes and have a healthy development programme with more than 300 new homes due to be completed in the next two years.

In addition, following planning approval, our ambitious plans developed with residents for the transformation of the Barnsbury Estate are now underway. This will provide new greener, more energy efficient homes for our residents across the estate as well as much needed new affordable homes for people in housing need in Islington and a range of improved and additional community facilities.

Residents show their support for the Barnsbury Estate transformation



We also remain committed to delivering new supported housing in partnership with Outward, our Group's specialist care and support provider, as part of our ongoing development programme.

In common with the wider social housing sector overall satisfaction declined during the pandemic and in the period afterwards and we have been working hard to address this through our Trust Newlon initiative, which we have developed through working closely with our residents and listening to their priorities.

After the first year we are seeing some truly promising green shoots of recovery, including increased satisfaction with repairs, a significant reduction in contact, more residents saying they are finding us easy to deal with, an increase in satisfaction with communal areas and the start of an upward trend in overall satisfaction. These are all really positive signs that we are doing the right things and rebuilding residents' trust. Residents needing to contact us less often gives us confidence that our

approach is working and that we are getting more things right at the first opportunity.

We are also making good progress with our programme of remedial fire safety works, with works programmes underway at a number of our larger developments.

We have now entered a new era of regulation with the Social Housing (Regulation) Act 2023 and draft consumer standards including the Tenant Satisfaction Measures (TSMs). We have been preparing for the new requirements and I am confident that through working with our residents the next year will see us continue to improve our residents' trust in the services we provide and the way we listen to and act on their priorities.

Mike Hinch  
Group Chief Executive



# Setting down roots – our developments

For many people in housing need there is no greater life opportunity than finally having their own secure place to call home.

That is why, combined with the homelessness crisis our capital is experiencing, we remain committed to providing new affordable homes for local people in north and east London. This includes providing housing for people on lower to lower-middle incomes who cannot qualify for social rent homes through intermediate rent and Shared Ownership, as well as an ongoing commitment that 5% of all our new development will provide homes for people with support needs.

## In development

### Alma Estate – Ponders End transformed

The Alma Estate in Enfield is a long-term regeneration of a former estate. The project is being delivered in phases in partnership with Countryside Partnerships and Enfield Council, delivering 1,000 homes in total in a mix of local authority, housing association and private housing.

The estate was formerly dominated by four dilapidated high rise blocks which required significant renovation works and was part of an area of significant deprivation.

Newlon has already completed 100 homes as part of this project and in the next stage a further 65 homes are nearing completion. Conveniently situated directly adjacent to Ponders End Station and close to the green space of the Lea Valley, the Alma Estate regeneration is fast transforming this corner of Enfield and becoming an attractive and desirable place to live.

### Former store becomes homes

Our largest current development is on the site of a former Homebase store close to Forest Road in Waltham Forest.

Known as Patchworks the overall development will provide 580 new homes, including 229 affordable homes, providing much needed new housing for this corner of the borough, alongside new commercial and community space. The development has a significant environmental focus, with energy efficient buildings, environmental improvements along Forest Road and the provision of over 80 new trees. Other new amenities will include a cycle hub, new pedestrian routes and children's play spaces.

This is a major development helping to provide much needed affordable housing at significant scale in Waltham Forest.



Almost ready to move in at Monument Way in Tottenham Hale

## Monument Way

Works are being finalised on 54 new homes at Monument Way, part of the ambitious regeneration at the heart of Tottenham Hale. This attractive development complements our existing housing at Station Square and Hale Village as neighbouring works are also moving towards completion on what promises to be London's most happening new urban centres.

Monument Way is the last of our new housing to be completed as part of the regeneration of the centre of Tottenham Hale. In total we will have provided more than 200 new homes in a mix of affordable tenures in addition to 542 homes at Hale Village, the catalyst for wider regeneration of the area.

The new centre of Tottenham Hale will be set around a central public square, with independent restaurants, shops, cafés, office space, a new cinema and health centre and 1,030 new homes, totally transforming the neighbourhood from being an area of deprivation dominated by the traffic system to being an exciting creative and retail hub.





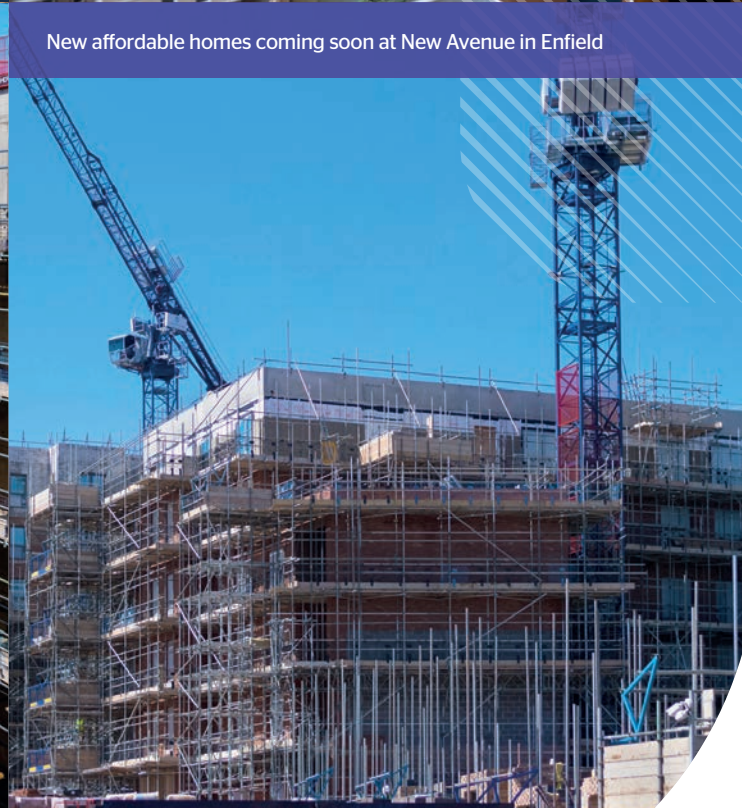
Progress onsite as a former Homebase store becomes homes



New affordable homes coming soon at New Avenue in Enfield



Delivering the next phase of regeneration at the Alma Estate



## New Avenue

At New Avenue in Southgate we are building new affordable homes in partnership with Countryside Partnerships.

The New Avenue development is a further large scale estate transformation in the Borough of Enfield.

Newlon will have 30 new homes here as part of this major regeneration offering people affordable home ownership in one of the higher value areas of the borough, where it can be more difficult to find high quality affordable housing.

## Flourishing partnerships at Belmont Street

Belmont Street in Camden is our second joint venture (JV) with Vistry (now Countryside Partnerships), following our successful development at Devons Road in Bow.

Through the JV we will be providing 115 new homes within minutes of the bustling attractions of Camden Market and Camden High Street along with a new landscaped courtyard, a children's play area and 173 cycle spaces.

As part of the overall development Countryside Partnerships has already delivered 38 Extra Care apartments for the elderly on Crogsland Road, directly opposite Belmont Street and the combined sites will provide 50% affordable housing in total.





## Green shoots at Barnsbury

We are really proud that the first stage of works has now begun on the transformation of the Barnsbury Estate in Islington.

We could not have got to this point without the support of our residents many of whom have been directly involved in every step of the process, including speaking in support of the transformation at planning committee, in what was described as an exemplary submission by the local authority.

This is a complex multi-year project which will provide much needed new affordable housing, more energy efficient homes, new green spaces and community facilities across the Estate.

The project is split into two parts. New Barnsbury, built between the 1950s and the 1970s will be demolished and completely rebuilt in partnership with Mount Anvil, who are working with us on a joint venture basis to redevelop this part of the Estate.

At Old Barnsbury, which comprises 1930s former London County Council brick built blocks of architectural interest, we will be fully refurbishing residents' homes, providing the best specification possible for energy efficiency with the aim of achieving zero carbon retrofitting and wherever possible designing in additional living space.

We are currently working with residents to understand and specify the best technology for provision of energy and thermal efficiency at Old Barnsbury ahead of commencing works.

In early April 2023 we were joined by the Deputy Mayor of London, Tom Copley, the Leader of Islington Council, Kaya Comer-Schwartz and Newlon residents as well as a range of colleagues and stakeholders for a small ceremony to mark the start of works on the Estate.

One part of this was the commencement of groundworks to create a new multi-use games area (MUGA) in Carnegie Street. Provision of more green space, additional community facilities and play space for young people are a central part of the transformation.

As part of this Mount Anvil, have entered into an exciting partnership with the London Lions basketball team to work together on an ongoing programme of youth engagement. The first step of this programme will take place at the MUGA in Carnegie Street, with locally based artist Stazzy engaging with young people from the Estate to create exciting designs for the MUGA and its new basketball court.

We can't wait to see what the new space will look like and to see it in action!



The Deputy Mayor of London, Leader of Islington Council and a Newlon resident at the start of works on the Barnsbury Estate transformation.



Mount Anvil and Newlon colleagues launching an innovative youth engagement project with the London Lions.





Modern living at Dominion Apartments



## Picture perfect at Dominion Apartments

**Dominion Apartments occupies the site of a former cinema in the heart of Walthamstow and is Newlon's most recent Shared Ownership development. New Shared Owners, Naveed and Nazish have recently moved into the Dominion Apartments with their young family. Naveed explains how finally having a place to call their own has improved their family's lives beyond all recognition.**

"We've always lived in Walthamstow and love the area. I work from home as a Quality Assurance Manager and my wife works at a local school and in a nearby chemist. We used to privately rent but just before Christmas 2021 we found out that we had to leave our family home at short notice because it was being sold. It was a really tough time for everyone and it meant that we were relying on the local authority to house us. We ended up being housed temporarily but decided then that we never wanted to be in that position again.

I had heard a bit about Shared Ownership properties and decided to investigate this option further. When I found out that Shared Ownership could be cheaper than private rent, I knew that it was the only way for us to own a home in London and to get on the property ladder in an affordable way. Knowing that we could have a permanent family home was a very comforting prospect.

We wanted to stay in the Walthamstow area because we felt that being in London could provide better opportunities for our 16 year old twin boys. It was also important to stay in Walthamstow for our 10 year old daughter who has additional medical and educational needs. We felt that moving her further away from the special school that we had waited two years to get her into and starting again in a new area with health specialists who didn't know her, could be detrimental to her development and wellbeing.

We immediately liked Dominion's central location close to Walthamstow High Street and transport links but what really set it apart was the fact that they offered spacious three bedroom apartments with their own private outdoor space.

Our apartment is better than we could have ever imagined. We love the large rooms and clever storage spaces. Our stylish fitted kitchen is such a great place to relax in and eat together. Our new home is extremely energy efficient, sound proof and despite living in a central location, it's actually very quiet and peaceful. I never thought that I would be able to provide a home of such a high standard for my children, it's given me such a feeling of accomplishment and pride.

Having a home like this to call our own has had such a positive effect on our wellbeing and confidence. Now we are settled and don't have to worry about moving any time soon, we can all concentrate on other aspects of our life that are important to us."



# Safety and services – Trust us to get things right

Ensuring our residents can live safely in their homes is one of our core values. We meet this commitment through ongoing programmes of safety checks in areas such as gas and electrical safety, carrying out regular fire risk assessments, our programme of remedial fire safety works, our approach to managing tenancies and through the work of our specialist Building Safety Team. This new team has been set up to ensure we meet the requirements of the Fire Safety and Building Safety Acts and to actively engage with residents on safety issues.

Scaffolding in place for remedial fire safety works at Queensland Road, Islington.



## Fire safety

One major area of activity is our programme of remedial fire safety works. In line with Government guidance we have completed intrusive investigations for any higher risk buildings and are scheduling remedial works where these are required. This remains a complex area, including issues around funding and the role of original contractors in remedying historical defects. Residents can also be impacted while works are undertaken or if they want to move from a leasehold home where works are required. The good news is that we are making significant progress with works at our largest schemes and that Government action around leaseholder protections is helping to open up some areas of the property market. In practice our programme of remedial works will extend for a number of years and could continue to affect our ability to invest in new affordable homes and our existing properties to the level we would like to.

Nevertheless we have been successful in applying for Government funding for a number of schemes and are optimistic that we will be able to apply for further funding when this is available.

Major remedial works programmes are now underway at a number of our larger buildings including the Ashburton Triangle, Hornsey Street and Queensland Road in Islington and have nearly been completed at Coppermill Heights in Haringey.

To provide an indication of the complexity of these works at Queensland Road we have put in place £3 million of scaffolding to facilitate the works required. These include removing and replacing the balconies of all flats so the external cladding can be removed to allow remedial works to take place before it is replaced.



## Improving our approach to antisocial behaviour (ASB)

Another important part of residents feeling safe in their homes is ensuring that our blocks feel secure. Aspects of design such as lighting in communal areas, different types of intercom and use of fobs to control access throughout buildings all play a part in this, but residents have told us that having secure front entrance doors to their blocks is often their number one issue.

Residents have also said that they want to see a better value for money approach that avoids repeated repairs and helps them feel more secure.

On this basis we have been using a data driven approach to understand where we have the most ASB or related issues due to reports of problems with security doors.

This has allowed us to combine areas of work between our Neighbourhoods, Investigations and Building Services teams, to roll out a strategic programme of door replacements with higher specification doors where we have the most reported issues. Previously we would typically have responded to repair requests by repairing the existing doors and repairing them again if further problems occurred. As part of this programme we have recently upgraded the front entrance security doors in our blocks across Hale Village, as well as at a number of other schemes using higher specification new steel doors. These doors are less prone to problems with vandalism or becoming defective and therefore require fewer repairs. Fitting them should reduce the level of concerns about security at these schemes.

Although it is difficult to perfectly compare results year on year due to a change in methodology with the introduction of the new Tenant Satisfaction Measures, residents' satisfaction with feeling safe in their homes improved slightly last year, helping us to feel confident that we are moving in the right direction.



Starting fire safety works in Hornsey Street, Islington.

## Building Safety Team - at the heart of residents' safety

We now have our full Building Safety Team in place whose remit is to work directly with residents in our higher risk buildings over 18 metres in height.

The team are working on ensuring a building safety case is in place for each of these buildings as required by the new legislation, as well as engaging with residents and carrying out a range of additional inspections.

They are also piloting new technology including Twinnedit, a unique application which creates a digital twin of a building which can be securely accessed by residents, the emergency services and the safety regulator to review the fire safety status and measures in place for a building. This includes being able to take a true to life virtual walk through buildings so that details like escape routes and the location of safety equipment can be checked digitally.

Our initial work with Twinnedit has led to the opportunity for a small group of residents to be sponsored to undertake certified health and safety training and onto potential employment opportunities in the field of building safety.

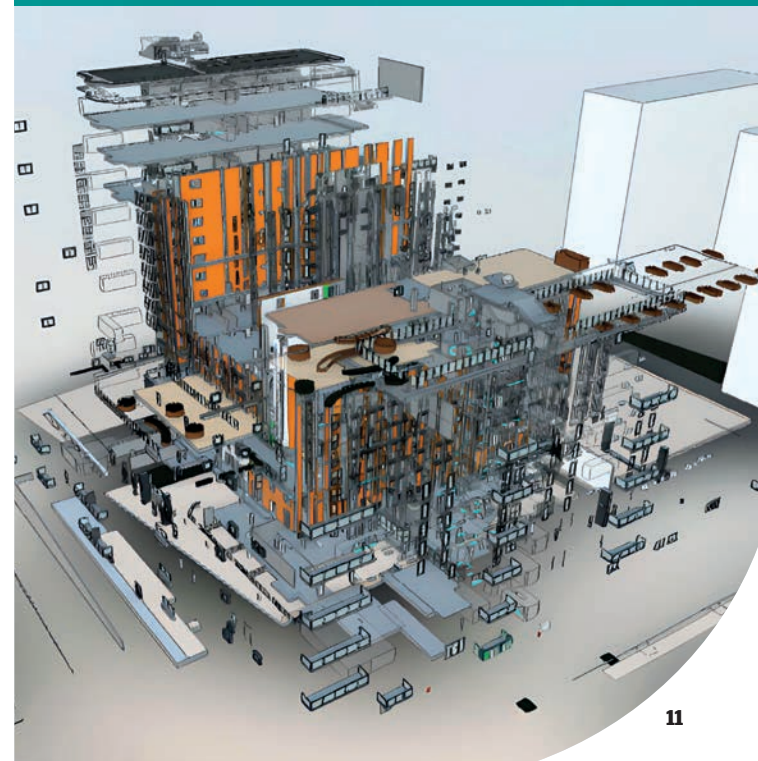
## Investing in residents' homes

In the last few years the urgent requirement to invest in fire safety works and the cost of interim security measures has limited our ability to invest in our existing stock.

We are committed to redressing the balance over the next few years and are working on large scale programmes of cyclical works, kitchen, bathroom and window replacements and upgrades.

In the past year we spent an additional £5 million on works to maintain our existing stock and this level of investment is planned to continue for a number of years.

Digitally explorable building components in Twinnedit







Greener energy - photovoltaic panels at Monument Way

## Green progress

We continue to actively progress our work to meet the requirements to reduce the carbon footprint of our housing stock.

Primarily we are adopting a fabric first approach to making our existing homes more energy efficient and are currently undertaking a pilot project with 100 of our less energy efficient homes in the borough of Enfield to bring these up from an Energy Performance Certificate (EPC) rating of D to a B rating.

Our work on the Barnsbury Estate also forms an important element of our overall strategy as the Estate constitutes a significant part of our stock in one location and the housing on New Barnsbury in particular includes our lowest performing homes in terms of energy efficiency.

The works to transform the Estate will create new energy efficient housing heated by air source heat pumps at New Barnsbury and homes with significantly upgraded energy efficiency at Old Barnsbury.

## Listening to residents

Listening to our residents, engaging and involving them is a really important part of our overall approach.

With this in mind residents co-created our updated resident engagement strategy, are at the heart of our approach to transforming the Barnsbury Estate and are being directly engaged as we develop our resident engagement approach in response to the Fire Safety and Building Safety Acts.

Encouraging and developing opportunities for scrutiny and working with residents so that they can influence our approach to delivering services and change the way we work are key to our approach.

We continue to encourage and develop new residents' groups, ranging from informal associations to formal residents groups and have increased the level of interactions through our residents Think Tank.

Uniquely over 15% of our staff are residents and we are confident that this is helping us to develop and shape services effectively.

We have worked hard to support residents in the most need during the cost of living crisis and £104,000 of hardship funding has been distributed to 285 households in the past year.

Through our Step Forward programme which supports residents towards employability or into employment we supported 48 residents into employment-based training and 32 into work.

## Easy to deal with

One of our key strategic aims is to make sure we are easy to deal with, for residents to be able to contact us easily, for our staff and contractors to empathise with the issues they raise and to make sure that we get things right first time so they don't need to contact us again.

Our digital service 'My Newlon' portal is an important aspect of being easy to deal with and last year saw an impressive 90% increase in usage. We now have over 3,000 registered households and on average residents access over 4,000 sessions of portal usage a month.

Being able to request services and access information 24/7 is one helpful way of being easy to deal with and we feel confident that we are moving in the right direction. The level of contact with our Service Centre by email or phone reduced by 4.4% overall during the last year. This is the first time since we started recording contact levels that the number of contacts has declined. Residents have also reported that they find us easier to deal with in our regular ongoing residents' surveying. Contact levels are continuing to go down and this gives us confidence that improvements to the way that we manage repairs and through showing increased empathy when dealing with residents' enquiries we are managing to get more things right first time and reduce the need for people to get in touch with us.

## Celebrating success

We are proud to report that we were shortlisted finalists in the prestigious Housing Heroes and Women in Housing joint award in the Employer of the Year category and in the Housing Digital Awards in the Digital Innovation of the Year category.

Our shortlisting for the Housing Heroes and Women in Housing Awards was in recognition of our innovative programme to employ our own residents, the exemplary consultation at the Barnsbury Estate, our ongoing commitment to supported housing and developing new affordable housing and the success in the last year of the 'My Newlon' portal.

Being shortlisted in Housing Digital Awards was especially pleasing as it is the first time we have received recognition for a digital initiative and reflects the step change in access and successful use of the portal in its first full year of operation.





Outward nutrition project providing dietary advice and support

# Outward – a year in focus

It's been another successful year for our care and support subsidiary charity Outward, who in 2022-23, supported 887 people to maximise their independence and social engagement by providing essential care and supported housing services.

They provided services across nine London boroughs and at Nutley Edge (Outward's East Sussex holiday and respite centre) to individuals with learning disabilities, autism, mental health issues, young people at risk, and older people.

Over the last year Outward has been focused on 'well-being' and delivered some great projects including:

A nutrition project which is improving knowledge and skills in budgeting, shopping and cooking healthy meals. Outward will be expanding this vital work in 2023-24 with additional funding.

A sports project funded by Sports England, and delivered in partnership with Sport Works which is getting people active and providing a fun way to socialise at weekly sports sessions across seven Outward locations.

Developing a partnership with 'Together for Music' who connected our older people's services with primary schools to curate short music performances.

A safeguarding project led by the people we support, in collaboration with the Metropolitan Police to help provide guidance around being safe in the community.

The annual Gardening Competition which showcases the amazing gardening skills and creativity of residents and staff working together in their gardens, getting fresh air, exercise and a real sense of achievement.

The people supported by Outward also benefitted from over 3,500 hours of additional time with amazing community volunteers; helping people learn new skills and enjoy their interests and to reduce social isolation through befriending.

## Growing and developing

Outward's supported housing service for young people continues to deliver great outcomes with over 90% of the young people supported being in employment or education. The team were shortlisted for the 'Supported Housing Award' at the National Leaning Disabilities awards this year and received a 'Highly Commended' second place.

Working in partnership over the last year Newlon and Outward have also provided additional supported homes for young people who may be leaving the care system or are at risk of homelessness through life circumstances and are planning for future developments to meet this essential need.

## Green shoots in the Outward gardening competition





# Green shoots in numbers

## Group stock numbers 2022-2023

Social rent	3,941
Affordable rent	347
Low cost home ownership	1,365
Supported housing	637
Intermediate rent	1,146
Leaseholder	863
Commercial properties/other	85
<b>Total</b>	<b>8,384</b>

## Our development pipeline

We currently have 562 affordable homes in construction.

## Our turnover and viability

Our Group turnover for 2022-2023 increased to £116 million from £92 million in the previous year.

We maintained our G1 governance and V2 viability ratings with our regulator.

A resident focus group meets up



## Improving services

- Satisfaction with the repairs service has increased from 57% to 63% over the last year.
- Overall satisfaction with our services has increased from 58% to 59% against a sector backdrop of falling satisfaction.
- The number of calls and emails to our Service Centre has reduced by 4.4%.
- Residents saying they find Newlon easy to deal with has increased from 54% to 60% over the last year.
- Satisfaction that communal areas are well maintained has increased from 54% to 63%.
- Use of the My Newlon residents' portal has increased by more than 90% over the past year. We now have more than 3,000 registered households.

## Recognition for our work

Housing Heroes and Women in Housing (Joint Award) – shortlisted finalist in the Employer of the Year category.

Housing Digital – Digital Innovation Awards – shortlisted finalist in the Best Digital Transformation category.

National Learning Disabilities Awards – Outward's Young People's Service highly commended runners-up in the Supported Housing Award category.

Residents fact finding at the Barnsbury Estate





# Introduction to the Summary Financial Statements to 31 March 2023

## Operating activities

The economic challenges of inflation, increasing interest rates and the cost of living crisis are well reported and they continue to impact on our operating environment. In addition Newlon, like other social housing providers, continues to invest substantially in fire safety remedial work and increase investment in existing stock. Despite these challenges, Newlon continues to perform well, deliver in line with our financial targets and demonstrate that it remains financially resilient.

Group turnover was £116m, an increase of £24m on last year. The main items of increase were £5m in social housing lettings, £6m for first tranche sales and £11m for income received in relation to cladding remedial work.

Operating costs were £73m, a £14m increase from the previous financial year.

The surplus on housing property sales was £2m lower than the previous year.

The Group's operating surplus, including surplus on property sales, for the year was £31m and the operating margin was 27%, 6% lower than last year.

Within turnover the total operating income included income from social housing lettings, which comprises general needs, supported, Shared Ownership and intermediate rent housing.

Social housing lettings income was £71m, a £5m increase on last year. The social housing lettings operating margin was 20% compared to 32% last year; the decrease reflecting the increased level of spend on properties and service charge costs.

We continue to make significant investments in our existing properties prioritising planned maintenance and fire safety works.

Net interest payments at £21m increased by £3m on last year which is explained by the increase in interest rates and the drawdown of the second tranche of the private placement funding agreed in 2022. The average cost of borrowings increased by 0.36% to 3.86%.

In summary, the Group continued to perform well and generated a healthy financial surplus, enabling continued investment in our existing properties and services and in providing new affordable housing.

## Funding and assets

The Group continues to invest in existing stock and new affordable housing for rent and Shared Ownership. In the year £26m was spent on existing stock comprising £10m in stock investment work and £16m on cladding remedial work. A further £45m was invested in the new affordable housing.

At year-end the net book value of housing properties was £1,221m, an increase of £50m on last year.

The total Group cash at the year end, including deposits, was £41m, which combined with the undrawn facilities of £214m provided a good level of liquidity. The undrawn facilities were fully secured. This ensures that our business plan continues to be funded over the coming years.

Monument Way at Tottenham Hale



## Key financial ratios

In relation to Newlon Housing Trust's financial covenants as reported in our Financial Statements, the tightest gearing ratio was 49% (2022: 48%) and the interest cover ratio was 175% (2022: 199%), both very comfortably within lenders' requirements.

## Surjit Dhande

Group Finance and Resources Director



# Consolidated statement of comprehensive income

## for the year ended 31 March 2023

	Group 2023	Group 2022	Association 2023	Association 2022
	£'000	£'000	£'000	£'000
Turnover	116,480	91,975	101,249	77,117
Cost of sales	(17,794)	(9,580)	(17,791)	(9,580)
Operating costs	(72,914)	(59,343)	(57,564)	(44,120)
Surplus on disposal of fixed assets: housing properties	5,218	7,659	5,168	7,559
<b>Operating surplus</b>	<b>30,990</b>	<b>30,711</b>	<b>31,062</b>	<b>30,976</b>
Share of (loss)/profit from joint venture	(1,062)	262	-	-
Surplus/(loss) on sales of other fixed assets	-	(2)	-	(2)
Other interest receivable and similar income	1,466	132	1,416	142
Interest and financing costs	(22,652)	(18,137)	(22,573)	(18,112)
Movement in fair value of investment properties	150	198	-	-
Surplus before taxation	8,892	13,164	9,905	13,004
Taxation on surplus	-	-	-	-
<b>Surplus for the financial year</b>	<b>8,892</b>	<b>13,164</b>	<b>9,905</b>	<b>13,004</b>
Movement in fair value of defined benefit pension schemes	(134)	178	-	-
<b>Total comprehensive income for the financial year</b>	<b>8,758</b>	<b>13,342</b>	<b>9,905</b>	<b>13,004</b>



# Consolidated and Association balance sheets

at 31 March 2023

	Group 2023	Group 2022	Association 2023	Association 2022
	£'000	£'000	£'000	£'000
<b>Fixed assets</b>				
Tangible fixed assets – housing	1,221,203	1,171,003	1,209,426	1,158,959
Tangible fixed assets – other	9,972	9,619	9,439	9,084
Investment properties	3,250	3,100	-	-
Investments	1,719	143	-	-
	1,236,144	1,183,865	1,218,865	1,168,043
<b>Current assets</b>				
Properties developed for sale	28,603	38,377	28,603	38,377
Debtors – receivable within one year	18,951	22,824	22,440	26,215
Debtors – receivable after one year	12,719	9,750	-	-
Current asset investments	30	30	30	30
Cash and cash equivalents	41,455	42,417	33,295	33,099
	101,758	113,398	84,368	97,721
<b>Creditors: amounts falling due within one year</b>	(59,433)	(67,141)	(48,777)	(58,989)
<b>Net current assets</b>	42,325	46,257	35,591	38,732
<b>Total assets less current liabilities</b>	1,278,469	1,230,122	1,254,456	1,206,775
<b>Creditors: amounts falling due after more than one year</b>	(1,050,755)	(1,011,166)	(1,039,522)	(1,001,746)
<b>Provisions for liabilities and charges</b>	(7)	(7)	(7)	(7)
<b>Net assets</b>	227,707	218,949	214,927	205,022
<b>Capital and reserves</b>				
Called up share capital	-	-	-	-
Designated reserve	2,385	2,385	-	-
Income and expenditure reserve	225,288	216,530	214,927	205,022
Restricted reserve	34	34	-	-
	227,707	218,949	214,927	205,022



# Board members as at 31st March 2023



Aman Dalvi OBE  
**Chair**



Peter Cogan



Alison Muir



Chris Cheshire



Lloyd Gale-Ward



John Cross



Blossom Shakespeare



Jane Everton



Fred Angole



Ed Ihejirika



Mike Hinch



# Executive team



Mike Hinch  
**Group Chief Executive**



Ezinne Ogbonna  
**Business Development  
Director**



Nicky Boland  
**Group Director  
Supported Housing & Care**



Sarah Shaw  
**Housing Services Director**



Surjit Dhande  
**Group Finance &  
Resources Director**



Symon Sentain  
**Property Services Director**



The Board reviews compliance annually and confirms that the Association is compliant with the National Housing Federation (NHF) Code of Conduct 2022 and Code of Governance 2020, except for the six year tenure rule for Board members.

We are gradually implementing the six year tenure rule with the aim of ensuring we maintain stable Group Governance whilst regularly refreshing the skills and perspectives of the Board as we progress towards meeting this part of the code.



Newlon House - 4 Daneland Walk - Hale Village - London - N17 9FE  
[www.newlon.org.uk](http://www.newlon.org.uk)

## **Newlon Housing Trust is a charitable housing association**

Chair: Aman Dalvi OBE Group Chief Executive: Mike Hinch

Newlon Housing Trust is a Community Benefit Society - company no. 18449R, registered with the Regulator of Social Housing no. L0006, HMRC charities reference no. EW91301, VAT registration no. GB778532683.

Access Homes is a Community Benefit Society - company no. 24992R, registered with the Regulator of Social Housing SL3605

Outward Housing, trading as Outward, is a company limited by guarantee - company no. 02151434, registered charity no. 800529.

Newlon Fusion is a company limited by guarantee - company no. 04000022, registered charity no. 1119673.

NewlonBuild Ltd is a private limited company no. 07884092.

NewlonInvest Ltd is a private limited company no. 09492006.

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