2024

Annual Report

Year ended 31 March 2024

Housing Solutions

Co-operative and Community Benefit Societies No. 27876R

The Housing Solutions Group

Housing Solutions is a registered housing provider with charitable status dedicated to providing affordable and supported homes.

We have a housing stock of 6,446 properties owned or managed in the South East of England. We offer affordable homes to rent, shared ownership schemes, key worker housing and specialist accommodation for older people and people who need support and care to live within the community. All our homes are supported by a range of housing services, including our own professional team of maintenance staff who provide a comprehensive repair and maintenance service.

As of 31 March 2024 there were three subsidiaries within the Group:

Housing Solutions Capital PLC set up to facilitate capital market funding for the Group.

HSG Property Services Limited provides photovoltaic panels on residents' roofs and other energy saving solutions to save utility costs for those residents and at the same time produces revenue for the Group through the Feed in Tariff programme.

Housing Solutions Development Limited set up to facilitate the tax efficient design and building of properties for the Group.

Our core purpose

Our core purpose is to provide rented housing for disadvantaged local people, who cannot afford to buy or rent on the open market.

Our values

Contents

Members, Executives and Advisers

Board of Management

Chairman	Elizabeth J. Padmore (Independent)
Chief Executive	Orla Gallagher
Senior Independent Director	Angus McCallum (Independent)
Chair of Audit & Risk Committee	Nick Whitaker (Independent)
Chair of Funding Committee	Fred Maroudas (Independent)
Chair of Remuneration Committee	Angus McCallum (Independent)
Chair of Nominations Committee	Elizabeth J. Padmore (Independent)
Other Board Members	Jeremy Stibbe (Independent) Rebecca Smith (Independent) Barry Malki (Independent) Fred Maroudas (Independent) Ian Windsor (Independent) Valerie Kendall (Independent) (Retired 28 September 2023)
Company Secretary	Mary Swaine

Executive Team

Chief Executive	Orla Gallagher
Director of Finance	David Joyce
Director of Property & Development	Steven Brookfield
Director of Corporate Services	Carol Lovell
Director of Resident Services & Community	Jackie Fearon (To 17 November 2023)

The Executive Team hold no interest in the Association's shares and act within the authority delegated by the Board.

Auditors

External Auditors	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
Internal Auditors	Beever & Struthers 15 Bunhill Row London EC1Y 8LP

Solicitors

Trowers & Hamlins LLP
3 Bunhill Row
London
EC1Y 8YZ

Funders

AIB Group (UK) plc
St Helen's
1 Undershaft
London
EC3A 8AB

Danske Bank
PO Box 183
Donegall
Square West
Belfast
BT1 6JS

M & G Limited
Laurence
Pountney Hill
London
EC4R 0HH

Legal & General Investment
Management Ltd
One Coleman Street
London
EC2R 5AA

Santander UK Plc
17 Ulster Terrace
Regents Park
London
NW1 4PJ

MORhomes PLC
Future Business Centre
Kings Hedges Road
Cambridge
CB2 2HY

Pension Insurance
Corporation plc
14 Cornhill
London
EC3V 3ND

Treasury Advisors

Centrus
Senator House
85 Queen Victoria Street
London
EC4V 4AB

Valuers

Jones Lang LaSalle Limited
22 Hanover Square
London
W1S 1JA

Registered with Homes England Reg No. L4073 and Registered as a Mutual Benefit Society under the Co-Operative and Community Benefit Societies Act 2014
Reg No. 27876R.

Registered Office: Crown House, Crown Square, Waldeck Road, Maidenhead, Berkshire SL6 8BY.

A statement from the Chairman

Providing value for money services is fundamental to maintaining quality services and a strong organisation. Despite the challenges of the last year, we work hard to deliver more for less.

Everybody deserves to feel secure and happy where they live and, despite the real and many challenges over the last year, I am proud that we are able to demonstrate another successful year and a growing number of achievements across our key performance areas.

The safety of our residents remains our absolute priority. Over 2023/24 the team worked tirelessly to maintain 100% compliance across all sixteen of our metrics for decent homes, compliance and safety. Demonstrating our commitment to maintaining the highest levels of health and safety for staff and residents, we are delighted to have, for the fourth year, achieved ISO 45001 certification.

Supporting residents in maintaining their home is a key focus of our tenancy sustainment work and we have worked hard supporting residents to access £221,500 in additional welfare and benefits income; this included £114,000 from local authority partners for rising energy costs and social value funding from our commercial partners. I am pleased that this year we achieved a sector-leading 2.09% performance in rent recovery. We also completed the successful integration of over five hundred homes, welcoming new residents from One Housing Group into Housing Solutions.

This year saw the introduction of the new Regulator of Social Housing Tenant Satisfaction Measures. Implementing these gives us valuable insight and understanding into our residents' experience and views of Housing Solutions. We are delighted to have delivered strong, sector leading performance across many of the measures. In particular, over 88% of our residents feel we treat them fairly and with respect, and over 83% of our residents were satisfied with our repairs service.

We know that staff and resident satisfaction are closely connected. When our staff feel supported and valued, they are more motivated and dedicated, which leads to a better experience for our residents. In our latest survey over 86% of colleagues are satisfied with us as an employer and 89% are proud to work at Housing Solutions. We know that this level of staff satisfaction has fed into our strong Tenant Satisfaction Measures results. I am also genuinely delighted by our low staff turnover of 11.9% this year.

Secure, accurate and up to date information is of paramount importance to us and our tenants and we have continued to focus on robust cyber security, achieving Cyber Essentials and Cyber Essentials Plus certification for the third year running. We were also delighted to be able to demonstrate the continued improvement in our sustainability credentials by achieving Gold standard in our second annual SHIFT Environment assessment.

Achieving these positive results isn't possible without the help of trusted partners and local agencies who work with us to support the thousands of families living in our homes. In January we welcomed a new partner, The Orders of St John Care Trust, ensuring high quality care for residents across our Buckinghamshire care homes, some of the most vulnerable people in our community.

Our financial foundations remain strong and play an important part in ensuring high quality services to our residents. Once again, we retained the highest regulatory grading for governance and financial resilience (G1 V1), reconfirming our strength in governance, as well as our A+ stable credit rating.

Supporting residents in maintaining their home is a key focus of our tenancy sustainment work and we have worked hard supporting residents to access £221,500 in additional welfare and benefits income.

It has been a year of significant challenge for residents and the social housing sector. We had to take the difficult decision to increase our rents against a backdrop of rising costs, investment priorities and changing requirements. We welcome increased standards for consumer regulation from April 2024 as we look for new and better ways to involve and empower residents and ensure our transparency and accountability.

Providing value for money services is fundamental to maintaining quality services and a strong organisation. Despite the challenges of the last year, we work hard to deliver more for less. We achieved an operating surplus of £20.3m and an overall surplus of £3.2m, supporting reinvestment in improving the condition of our existing homes and investing in new affordable homes. During the year, we invested over £15.8m in our existing homes, compared to £12.8m last year.

The Board is committed to providing homes residents can be proud of and where they feel safe. We have had some changes on the Board this year, as we said goodbye to a long-serving and much valued Board member, Valerie Kendall in September, whom I would like to thank for her dedication and commitment to Housing Solutions, and our newly-appointed Board members Fred Maroudas and Ian Windsor took up positions within our Board Committee structure.

Finally, I would like to thank all our wonderful staff, our Executive team, and my fellow Board members for their hard work, dedication, and support over the past year in delivering these excellent results. We look forward to achieving the next phase of Housing Solutions' Corporate Strategy, drawing on the additional strength and resilience we have built, to deliver much-needed homes and quality services for our residents and communities.

We know it will be another challenging year ahead but I take comfort from the work we have done to meet these challenges head on, ensuring Housing Solutions is able to deliver another year of strong performance for residents over 2024/25 and beyond.

Elizabeth J Padmore – Chairman

Our governance

Report of the Board

The Board of Housing Solutions presents its report together with the audited financial statements of Housing Solutions (the Association) and Housing Solutions Group (the Group) for the year ended 31 March 2024.

The Group comprises of the Association and its subsidiary undertakings: Housing Solutions Capital plc, HSG Property Services Limited, and Housing Solutions Development Limited. Housing Solutions is a Public Benefit Entity.

Principal activities

The Group's principal activities are the development and management of affordable and supported housing and providing repairs services to its own stock.

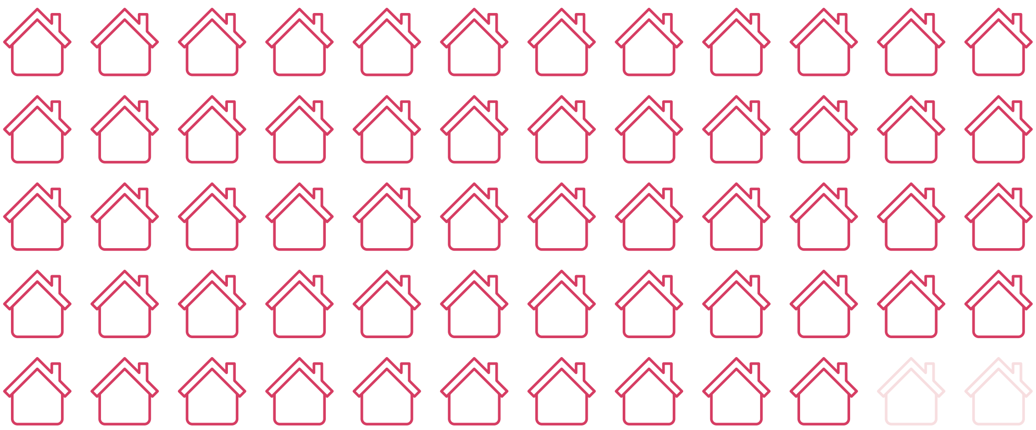
Housing Solutions has charitable status and operates three key business streams:

- housing for rent, primarily for households who are unable to rent or buy at open market rates;
- supported housing, for people who need additional housing-related support;
- low-cost home ownership, primarily shared ownership whereby residents purchase a share in the equity of their home.

As well as owning or managing 6,446 properties, the Group develops new affordable housing and is a member of the Sovereign Development Consortium (SDC) which facilitates access to Homes England grant funding.

The Group also provides a small amount of non-social housing, and market rent accommodation. However, the Group's focus remains its social housing activities and these constitute 97% of the Group's activities by turnover.

Social housing activities constitute 97% of the Group's activities by turnover



Our team taking care of communal areas

Board members & Executive Directors

The present Board members, committee structure and Executive directors of the Group are set out on page 6.

All Executives work within the authority delegated by the Board. Group insurance policies indemnify Board members and officers against liability when acting for the Group.

Employment contracts

Excluding the Chief Executive, Board members are paid based on a scale reflecting their relative responsibilities to the Group. The total amount paid to Board members during 2023/24 was £84,502.

The Executive directors, including the Chief Executive, were employed on the same terms as other staff with notice periods of six months.

The Chief Executive's salary is set at the market rate.

Overview of our business

The Group's head office is in Maidenhead and its properties are primarily in Maidenhead and surrounding areas, although we have been developing new social housing properties in Maidenhead, new social housing properties have been developed in Wokingham, Bracknell, and around the counties of Berkshire and Buckinghamshire, which we fund and manage.

Corporate Governance

Corporate Governance Statement

The Board has assessed its compliance against its adopted Code of Governance (National Housing Federation Code of Governance 2020) and is satisfied that the organisation's governance is compliant with the material aspects of the Code, and is supported by its internal controls, policies, and procedures. The Board approved transitional arrangements in July 2021 to ensure alignment with the Code's provisions on maximum tenure for non-executive directors. The arrangements were designed to ensure that the organisation retained the skills and experience required to deliver its Corporate Strategy and plan (2021 – 2026) in the operating environment. The transitional arrangements reflected the provisions within the Code to extend non-executive director tenure to a maximum of nine years where it was in the organisation's best interests to do so. The Board elected to apply this flexibility in some cases to retain key skills of senior members of the Board and support effective succession planning. All Board members are now recruited on six-year terms of office.

The organisation commissioned a triennial governance review over the course of January to July 2023 which found the Board and process of governance to be 'highly effective' at Housing Solutions with examples of 'exemplary governance' evident.

All required disclosures have been made, and registers have been maintained regarding gifts and hospitality accepted and given to Board members and employees. The Board monitors the regulatory compliance framework, which allows the organisation to self-assess and provide evidence to demonstrate its compliance with the Regulatory Standards and identify gaps, which can then be addressed. The annual self-assessment was presented to the Board on 22 May 2024 and demonstrated compliance.

Compliance with Regulatory Standards

The Board of Housing Solutions has carefully considered the requirements of the Regulatory Standards and has robustly assessed and received assurance of Housing Solutions' compliance with them during the year. The self-assessments were presented to the Board on 22 May and 17 July 2024. On this basis, the Board confirms that Housing Solutions has complied in all material aspects with the Regulator of Social Housing standards during the reporting period ended 31 March 2024 and to the date of approval of the financial statements.

Regulatory performance

Following the stability check in November 2023 the Regulator of Social Housing confirmed that the governance and financial viability grades for Housing Solutions remained as:

G1: the provider meets our governance requirements.

V1: the provider meets our viability requirements and has the financial capacity to deal with a wide range of adverse scenarios.

Diversity & Inclusion

In defining our culture and values, our Board is committed to making the organisation and services we provide genuinely inclusive, putting residents at the heart of our work. In 2023/24 we embarked on the third year of our Equality, Diversity & Inclusion Strategy (2021–26) set by the Board, delivering key aspects of our annual action plan. We introduced new platforms to support bespoke communications, refreshed our equality impact assessment toolkit and extended our customer profile data and demographics reporting in key service areas, including complaints.

We delivered a sector-leading fire safety communications campaign over quarter four across a range of communication methods, languages and multi-media formats and brought Wi-Fi connectivity to a further 1,651 homes as part of our Digital & Data Strategy.

Within the organisation, we are committed to valuing difference, enabling our people to realise their full potential. We continue to run equality, diversity and inclusion training sessions as part of our mandatory training cycle. In 2023/24 this was strengthened through conscious inclusion training delivered by specialist trainers for our Leadership Team alongside the launch of our new 'Grow as a Leader' management development programme supporting inclusive leadership and new focus areas such as neurodiversity. Our staff-led 'Inclusions Champions' are committed to actively promoting a diverse, supportive and inclusive workplace culture, and are proud to play a role in supporting Housing Solutions to be an inclusive place to work.

In reviewing its own performance, the Board seeks to maintain the right balance of skills and expertise in leading the organisation. Diversity has remained a key focus for the Board's own skills and composition; in terms of succession-planning in the year and recruitment to strengthen the Board in the year ahead.

Health & Safety

The Board and the Audit & Risk Committee receive detailed reports on health & safety compliance at every meeting. In addition, the Association has continued, for the fourth year, to achieve ISO 45001 certification, a robust external audit of our Health & Safety Management.

The Board received additional assurance from appointed external specialist advisors, Cooper Bassett for Health and Safety, and Savills for fire safety. Our health and safety processes and procedures are regularly audited and checked by our internal auditors Beever & Struthers.

Sustainability

We're committed to doing everything we can to minimise the impact we have on the environment, in delivering social value and supporting our local communities.

The Board approved a new Sustainability Strategy in March 2023, defining our approach to sustainability for the next three years and focussing on positive outcomes for residents, colleagues, partners and the wider community.

We commissioned our second SHIFT environmental assessment in September 2023 to understand our environmental impact around our homes, business premises and supply chain. We were delighted to improve on our Silver standard from 2022/23, achieving the SHIFT Gold standard, which recognised our new Sustainability Strategy and the improvements to the energy efficiency of our residents' homes, and is testament to our ever-improving environmental performance.

Internal controls assurance

The Board acknowledges its overall responsibility, applicable to all organisations within the Group, for establishing and maintaining the whole system of internal controls and for reviewing its effectiveness.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and to provide reasonable assurance against material misstatement or loss.

> A fraud and bribery register is maintained and is reviewed annually by the Audit & Risk Committee. During the year there were no reports of actual or suspected frauds.

The process for identifying, evaluating, and managing the significant risks faced by the Group is ongoing and has been in place throughout the period commencing 1 April 2023, up to the date of approval of the report and financial statements.

Key elements of the control framework include:

- Board approved terms of reference and delegated authorities for Audit & Risk, Funding, Nominations and Remuneration Committees;
- clearly defined management responsibilities for the identification, evaluation, and control of significant risks;
- regular system reviews by appointed internal auditors, Beever & Struthers, and a detailed audit tracking system which is reviewed and monitored by the Audit & Risk Committee;
- robust strategic and business planning processes, with detailed financial budgets and forecasts;
- formal recruitment, retention, training, and development policies for all staff;
- established authorisation and appraisal procedures for significant new initiatives and commitments;
- approved Financial Regulations and Treasury Management Policy alongside a sophisticated approach to treasury management, which is subject to external review each year;
- regular reporting to the appropriate committee on key business objectives, targets, and outcomes;
- Board approved whistle-blowing and anti-theft and corruption policies;

- Board approved anti-fraud, theft, and bribery policies, addressing prevention, detection, and reporting, of financial malpractice;
- regular monitoring of loan covenants and requirements for our loan facilities;
- annual review of compliance with NHF Code of Governance and at least three yearly reviews of policies and procedures.

The Board cannot delegate ultimate responsibility for the system of internal control but has delegated authority to the Audit & Risk Committee to regularly review the effectiveness of the system of internal control.

The Board receives regular reports and meeting minutes from the Audit Committee. The Audit & Risk Committee has received the Chief Executive's annual review of the effectiveness of the system of internal control for the Group, and the annual report of the internal auditor, and has reported its findings to the Board.

Going concern

The Board has considered the effects of the increased economic pressures as a result of inflationary pressures, increased interest rates and increased investment requirements in existing stock, and is confident the Group can withstand significant economic volatility.

The Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Housing Solutions discussing our work with important partners


Housing Solutions
EQUALITY DIVERSITY INCLUSION

The Board is responsible for preparing the report and financial statements in accordance with applicable law and regulations.

Statement of the responsibilities of the board of management for the report and financial statements

The Board is responsible for preparing the report and financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Societies legislation requires the Board to prepare financial statements for each financial year. Under that law the Board has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). Under the Co-operative and Community Benefit Societies legislation, the Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Association at the end of the year, and of the surplus or deficit of the Association and Group for that period.

In preparing those financial statements the Board is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards including the Financial Reporting Standard 102 (FRS102) and the Statement of Recommended Practice (SORP) Accounting by Registered Housing Providers Update 2018, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Group and Association and enable it to ensure that the financial statements comply with the Co-Operative and Community Benefit Societies Act 2014. It is also responsible for safeguarding the assets of the Group and Association and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for ensuring that the report of the Board is prepared in accordance with the Statement of Recommended Practice: Accounting by Registered Housing Providers Update 2018.

The Board is responsible for the maintenance and integrity of the corporate and financial information on the Group's website.

Housing Solutions staff meeting residents on our 'Getting to Know You' day

Our finances

The Group owned or managed 6,446 housing properties, and invested a total of £10.5m in repairing, maintaining and improving our homes as at 31 March 2024.

Accounting policies

The Group's principal accounting policies are set out on pages 74 to 81 of the financial statements. The policies that are most critical to the financial results relate to accounting for housing properties and include: capitalisation of costs; housing property depreciation; and the treatment of shared ownership properties.

The Group has prepared the accounts in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including the Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and complies with the Accounting Direction for Private Registered Providers of Social Housing 2022.

Pensions

With effect from 31 March 2020 the defined benefit Royal County of Berkshire Pension Fund scheme was closed to all employees and all employees have access to a defined contribution Personal Pension Plan. The liability associated with the Royal County of Berkshire Pension Fund scheme was settled on 23 July 2023 and no further asset or liability will be incurred associated to this pension. The Executive directors may participate in the defined contribution Personal Pension Plan on the same terms as all other eligible staff and Housing Solutions makes contributions into the Individual Personal Pensions.

Housing properties

At 31 March 2024 the Group owned or managed 6,446 social and non-social housing properties (2023: 6,436). There were 16 completions and 6 disposals in the year.

Our investment in the acquisition and development of properties, totalling £3.4m, and our further investment of £3.1m in capitalised maintenance of existing properties this year, was funded through a mixture of debt finance and operating surpluses.

Cash flows

We generated £22.8m, from operating activities and our cash outflows to service our debt totalled £17.5m. The investment in new fixed assets during the year was £9.3m (including property acquisition). Cash inflows and outflows during the year are shown in the consolidated statement of cash flows (page 72).

Group debt

The Group borrowed an additional £2.6m which was used to invest in new and existing homes.

At the year-end Group borrowings amounted to a nominal amount of £330.4 million. Gross gearing, calculated as total loans as a percentage of the balance sheet value of completed housing property, was 59.1% at 31 March 2024 (2023: 64.7%). Cash held at 31 March 2023 was £8.3 million compared with £9.4 million at 31 March 2023.

The Group is borrowing principally from banks and through private placements, at both fixed and floating rates of interest. Interest rate fixes are in place to generate the desired interest profile and to manage the Group's exposure to interest rate fluctuations. The Group's policy is to keep between 65% and 90% of its borrowings at fixed rates of interest and to maintain an average tenure no less than 10 years.

At the year-end, 78.2% of the Group's borrowings were at fixed and index linked rates after taking account of interest rate fixes (2023: 70.4%). The fixed rates of interest range from 3.67%, including the loan margin, to 5.43%. Our all-in weighted average cost of funds was 5.28%.

The Group's lending agreements require compliance with several covenants. The Group's position is monitored against those covenants on an on-going basis and reported to the Board at each meeting. The Group's Funding Committee regularly reviews the Group's treasury position including requirements for new loan facilities. The Group is compliant with its loan covenants at the year-end date and the Board expects to remain compliant in the foreseeable future. The Group borrows and trades only in sterling and so is not exposed to currency risk.

Maturity

	2024 (£m)	2023 (£m)
Within one year	2.5	2.5
Between one and two years	2.5	2.5
Between two and five years	59.0	104.0
After five years	266.4	218.8
	330.4	**327.8**

Annual General Meeting

The Annual General Meeting was held on 28 September 2023 at:

Crown House
Waldeck Road
Maidenhead
SL6 8BY.

Disclosure of information to auditors

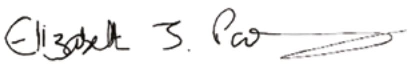
At the date of this report each of the Association's Board members, as set out on page 6, confirm the following:

- so far, as each Board member is aware, there is no relevant information of which the Group's and Association's auditors are unaware and;
- the Board members have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

External auditors

We appointed new external auditors Crowe UK LLP on 6 March 2024 under a four-year contract which will expire if not renewed in 2028.

The report of the Board was approved by the Board on 17 July 2024 and signed on its behalf by:



Elizabeth J Padmore – Chairman

Our Estates Team keeping outdoor areas neat and trim


Housing Solutions
Housing Solutions
STIHL

Our financial & operating review

Our financial performance

The Group's five-year Statement of Comprehensive Income and Statement of Financial Position are summarised on page 27 and the following paragraphs highlight key features of the Group's financial position up to, and including, 31 March 2024.

Liquidity and borrowing

The Group's forward business plan, which includes the updated Development Strategy, has been robustly stress tested based on the key strategic risks reported to the Board.

We continue to report a strong Statement of Financial Position with net assets exceeding £126m. As at 31 March 2024, fixed assets totalled £522m (2023: £520m), an increase of £2m on the previous year, reflecting our ongoing investment in both new and existing homes.

Housing Solutions remains in a strong financial position with net debt of £322m and available cash and committed liquidity facilities of £82m at the end of March 2024 (2023 net debt £318m and cash/committed facility of £38m). During 2023/24 we negotiated the termination of our defined benefit pension liability with the Royal County of Berkshire Pension Fund resulting in a £2.55m surplus.

The following table shows a breakdown of how each £1 of expenditure is incurred in the financial year. Because our overall cost base differs between years, the numbers in the below table are percentages relative to the total expenditure in that year rather than absolute percentages.

For every £1 we spend

	2023/24 (pence)	2022/23 (pence)	2021/22 (pence)
New homes	17	64	37
Interest	31	12	23
Management and other expenses	19	9	15
Planned maintenance	13	5	8
Routine maintenance	9	4	7
Estates	7	3	5
IT	2	1	1
Purchase of other assets	1	1	3
Other expenses	1	1	1

Group highlights, five year summary

	2024 £000	2023 £000	2022 £000	2021 £000	2020 £000
Group Statement of Comprehensive Income					
Total turnover – SOCI	56,843	53,689	49,899	48,875	46,123
Turnover excluding sales – Note 3	55,344	48,033	45,148	43,361	41,273
EBITDA (excluding sales)	26,535	23,961	24,300	25,282	21,330
Operating surplus – SOCI	20,305	19,189	20,109	20,950	17,617
Group Statement of Financial Position					
Housing and investment properties (at cost and valuation)	513,612	511,480	444,226	436,399	429,465
Other FA and intangible fixed assets	8,824	8,926	9,991	10,341	10,166
Tangible and intangible fixed assets	522,436	520,406	454,217	446,740	439,631
Long term investments – SOFP	–	–	2,509	2,514	2,519
Net current assets – SOFP	(2,796)	1,822	(401)	11,219	12,120
Total assets less current liabilities – SOFP	**519,640**	**519,417**	**456,325**	**460,473**	**454,270**
Loans (due over one year) – SOFP	(327,921)	(325,323)	(279,773)	(290,084)	(295,514)
Capitalised loan costs	(1,499)	(1,633)	(2,572)	(3,080)	–
Recycled/Deferred capital grant	(63,201)	(64,836)	(53,590)	(54,434)	(54,082)
Pensions Liability – SOFP*	–	(7,106)	(21,837)	(26,315)	(18,168)
Net assets – SOFP	127,019	120,519	98,553	86,560	86,506
Reserves					
Revenue Reserve – SOFP	127,019	120,519	98,553	86,560	86,506
Revaluation Reserve – SOFP	–	–	–	–	–
Total	127,019	120,519	98,553	86,560	86,506
Housing properties owned at year end					
Social Housing – Note 4	6,410	6,389	5,910	5,844	5,806
Non-social Housing	36	47	87	87	88
Total	**6,446**	**6,436**	**5,997**	**5,931**	**5,894**
Statistics					
EBITDA as % of turnover – excluding property sales	47.95%	49.88%	53.82%	58.31%	51.68%
Operating surplus as % of turnover	35.7%	35.7%	40.3%	42.9%	38.2%
Rent arrears (gross arrears as % of rent and service charges receivable)**	2.09%	2.46%	2.25%	2.73%	2.88%
Liquidity (current assets divided by current liabilities)	0.8	0.9	1.0	1.4	1.7
Gearing	67.1%	59.5%	61.1%	66.8%	68.6%

* Pension cessation occurred in July 2023

** This excludes rent receivable from care homes and leaseholders as these are paid in advance

Asset management

We invested £3.1m in capital improvements to Housing Solutions' homes over the year, upgrading residents' kitchens, bathrooms, heating and roofing alongside a further £7.4m on proactive, planned maintenance – a total of £10.5m investment in our stock. We maintained all homes to the Regulator's Decent Homes Standard. Looking ahead, we plan to maximise this investment by providing more energy efficient homes, reducing costs for our residents, through matched ECO4 government funding to improve some of our lowest SAP-rated homes.

Our people are driven by our core purpose and 2023/24 saw the second year of our highly successful 'Summer Shine' campaign. Teams visited residents throughout the summer to freshen up communal areas and grounds through a programme of painting, gardening, cleaning and playground enhancements. We know we have more to do to help residents thrive in their communities – 71% of residents surveyed through the Regulator's new Tenant Satisfaction Measures (TSMs) felt their communal areas were clean and well-maintained. This is a critical focus for us in the year to come as we introduce new service standards and commitments to ensuring value for money services and extending our 'Summer Shine' project next year.

Keeping residents satisfied

Like most of the social housing sector, we faced ongoing operating challenges over 2023/24, putting pressure on both our in-house repairs and maintenance service and external contractors. We continued to see rising costs of materials and labour across our supply chain as well as resourcing challenges. Our repairs service responded well to these challenges, working to clear a backlog of post-pandemic repair jobs from 2022/23 and completing over 19,100 routine repairs within an average of 19 calendar days. We returned to our standard 21-day priority for routine repairs from 60 days on 1 October and completed 77.4% of all routine repairs within our broader 60 day target.

Once again, we delivered strong performance across our core repairs and maintenance service, reflected in a 90.9% approval rating from residents. Over 2024/25 we will be looking to grow our popular in-house maintenance team to continue to deliver sector leading repairs satisfaction.

We're focused on extending our digital offer for residents – 18.7% of repairs were reported online in 2023/24, falling short of our targeted 51%. This will be an area of continued focus over the coming year as we accelerate the impact of our customer app beyond our current 56% take-up rate. This will free up more of our people to give tailored support to residents who need it most.

Our four-hour emergency response commitment remains sector-leading. We attended 93% of all emergency repair callouts within our four-hour target response time and in September 2023 introduced a new three-day priority callout for non-emergency urgent work to further prioritise residents' health and safety, responding to 94% of all urgent jobs within our new three-day target.

£10.5m

Total investment in our stock

Keeping residents safe

The safety of our residents is always our top priority. Over 2023/24 we maintained full compliance across all 16 of our statutory building compliance and safety measures to keep people safe in their homes.

We invested £1.9m completing recommended fire safety actions across our stock, delivering zero overdue actions at 31 March 2024. We achieved 100% compliance in the performance of fire alarms, sprinklers and smoke vent systems.

> Over 2024/25 we will continue to invest in fire safety through a fire door upgrade replacement programme and expand the scope of our fire risk assessments to external wall systems.

We retained our ISO 450001 management qualification, the international standard for health and safety at work, as well as our CHAS accreditations. We continued our successful online ‘Safe in Your Place’ awareness campaign for residents, covering topics including damp and mould, fire, gas safety and asbestos plus wellbeing and domestic abuse.

Our Board regularly reviews its risk appetite and maintains a low tolerance for risks affecting resident or staff safety; as part of regular fire risk assessments, we have identified an issue in the ventilation and compartmentation within our care homes and are working with the care provider to continue to ensure the safety of all residents living there.

We helped keep residents safe through a comprehensive multi-media fire safety awareness campaign for residents in communal schemes following new standards introduced in January (The Fire Safety Regulatory Reform (England) Order 2022).

Damp and Mould

Our commitment to tackling damp and mould affecting our residents and their homes continued over 2023/24. The tragic death of Awaab Ishak in December 2020 from exposure to severe mould in his home has rightly raised awareness of this issue across our sector.

Last year we invested £800k through our ‘zero tolerance’ approach to damp or mould, operating a 14-day callout response to any damp or mould report. We experienced a higher volume of reported cases than anticipated for a second year running. Whilst we were able to inspect 61.7% of cases within 14 days and completed 52.1% of identified work within target, in both cases this fell short of our 85% target. We know we have more work to do in this area and over the next year will be increasing resources within our own in-house trades team to ensure faster turnaround of work.

£3.1m
invested in improvements to Housing Solutions’ homes over the year

19,100
routine repairs completed within 19 days

100%
performance of fire alarms, sprinklers and smoke vent systems

Our risks

The Board considers that the risks detailed below are the principal risks facing Housing Solutions and are the risks that could affect the ability of the organisation to deliver its corporate objectives.

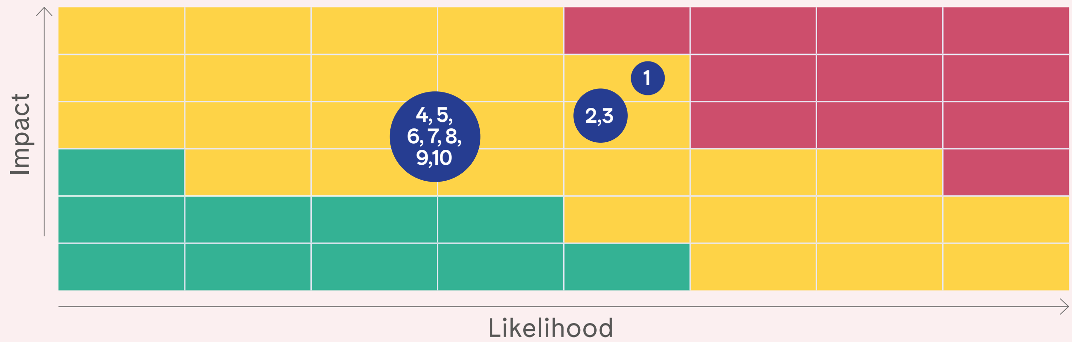
The Board confirms that the principal risks of the organisation, including those which would threaten future performance, have been robustly assessed throughout the year ended 31 March 2024, and that processes are in place to continue this assessment.

The principal and emerging risks and uncertainties relating to the organisation are reviewed by the Board and the Audit & Risk Committee at each meeting, along with the internal controls and risk management processes that are used to mitigate these risks. Risks are recorded, assessed, and tracked in terms of their impact, likelihood, and mitigations.

As noted above, we have identified an issue in the ventilation and compartmentation within our care homes and are working with the care provider to continue to ensure the safety of all residents living there.

The principal risks and management of those risks are described below:

Major risks



	Risk	Challenges	How it's managed and mitigated
1	Failure to ensure fire safety of residents' homes	• Fire safety legislation • Resource requirements • Supply chain availability • Care homes compartmentation and ventilation	• Savills retained as specialist fire safety advisors • Annual fire risk assessments for all relevant buildings • Fire safety communication to residents • Business critical control audits • Working with care provider on ensuring resident safety and for work to be undertaken • Scenario testing additional investment required
2	Build-up of investment works/backlog of repairs	• Financial capacity • Building safety • Supply chain shrinkage	• Stock condition surveys • Detailed repairs profiling and budget management • Business Plan stress testing

	Risk	Challenges	How it's managed and mitigated
3	Not tailoring services to the diverse needs of residents	• Incomplete data • Disconnected systems and people • Internal collaboration	• Regular engagement with residents • Range of channels for resident communication and feedback • Data analysis • Lessons learnt
4	Potential unknown building defects	• Changing building safety regulations • Historic build quality issues	• Rolling programme of stock condition surveys • Centralised property management system • Warranties for all new properties
5	Not having accurate data (stock and residents)	• Outdated or inefficient systems • Systems, processes, and data entry • Insufficient or incomplete data • GDPR & data security	• Rolling programme of stock condition surveys • Regular data reconciliation, validation and, internal audit • Programme of quality assurance checks • Tenancy audits • Routine resident information checking at contact points • Regular GDPR and data security training
6	Fall in overall resident satisfaction	• Repairs and maintenance • Estates and caretaking • Anti-social behaviour • Communication	• New Repairs and Maintenance Policy • Proactive engagement • Estates Standard and Resident Estates Panel • Multi-channel communication, tailored to individual needs
7	Not being fully staffed	• Highly competitive recruitment market • Skills shortages and role complexities • Sector reputational issues	• Competitive employee reward and benefits • Learning and development opportunities • Employee events and recognition
8	Compromised cyber security	• Cyberattack, malware, or virus • Major failure of hosted servers • Software interface failure • Lack of continuity planning • Data security/GDPR breaches	• Annual penetration test undertaken • Cyber Essentials and Cyber Essentials Plus Certification • Processes and systems in place to protect systems in the event of virus or cyberattack • Processes and monitoring in place for data protection management, including regular mandatory training
9	Poor financial control	• Disconnected systems, and poor system interfaces • Contract management	• Regular, ongoing stress-testing of the Business Plan & monitoring of operating costs • Budgetary control • Specialist teams with focus on income collection, arrears recovery and benefit maximisation
10	Failure to deliver value for money	• Supply chain shrinkage • Supply chain monitoring management • Service charge affordability	• In-house trades team • Annual procurement plan • Use of approved frameworks

Resident engagement

Providing safe and well-maintained homes for people and communities is at the core of everything we do as a social housing provider. Engagement with our residents is key to shaping and improving the services they rely on.

Our approach to resident engagement reflects the new requirements of the Regulator of Social Housing Consumer Standards which came into effect in April 2024.

Stronger engagement and feedback from residents shaped policy updates across key areas and introduced wider service improvements.

The Scrutiny and Improvement Team (SIT) met regularly to review processes, policies, documentation and our work in general. Over 2023/24 the SIT:

- met on a six-weekly cycle to review aspects of our service delivery and key performance indicators relating to repairs, rental income and wider services;
- supported our lettings, ASB community safety and estates services projects, working with teams to drive improvements in resident satisfaction;
- reviewed our voids and 'repairs first time' standards as well as our Incentives to Move policy and Stock Optimisation Strategy;
- provided valuable insights on behalf of residents on various processes including in fire safety;
- attended Housing Solutions community events, hosted to share their work with residents.

Our new Estates Services Panel launched this year, with the goal of consultation on maintaining our estates, focused on parking and refuse issues. It recommended improvements in communications about illegal parking and use of recycling bins. It was also involved in developing a Q&A flow chart for housing officers to use as a tool in diagnosing the causes of fly-tipping and refuse management of issues.

Meeting with residents in the sunshine

2.09%

gross rent arrears
(2.25% 2021/22)

93%

emergency repair callouts attended within our four-hour target response time

90.9%

approval rating in core repairs and maintenance service from our residents

An online-only consultation group, the E-panel, has also played a pivotal role in improving important initiatives such as our:

- Fire Safety Information Booklet;
- Neighbourhood Management Policy;
- Kitchen and Bathroom Tendering Questions;
- Keeping Communal Area Safe Policy;
- Planned Investment Maintenance Policy.

Resident coffee mornings continued over the year, supported by our housing management, repairs and welfare benefits teams. We widened our communication methods for advertising these sessions including sending invitations by SMS, which has increased the number of residents that attend.

Diversity

Feedback from residents with diverse backgrounds and needs is vital to ensuring we are able to keep our services under constant review and remove barriers to our housing and support services. Increasing the diversity of our resident engagement and feedback panels remains an area of ongoing focus. We are starting to see the benefits of this, through broadening the age range of residents who provide us feedback we are now working to set up a young persons panel as part of our formal involvement framework. This sits alongside promoting opportunities for involvement in an increased number of accessible ways, reflecting residents' communications preferences, obtained through outreach work in this area.

Rent arrears

Although the wider economic environment and rising costs of living have impacted our residents, our income collection remained strong with gross arrears at a sector-leading 2.09% – a marked decrease on recent years and continuing the overall downward trend.

As costs continued to rise, we worked closely with residents, giving specialist advice through our trained Welfare & Benefits team, supporting our residents through another challenging year.

Resident support

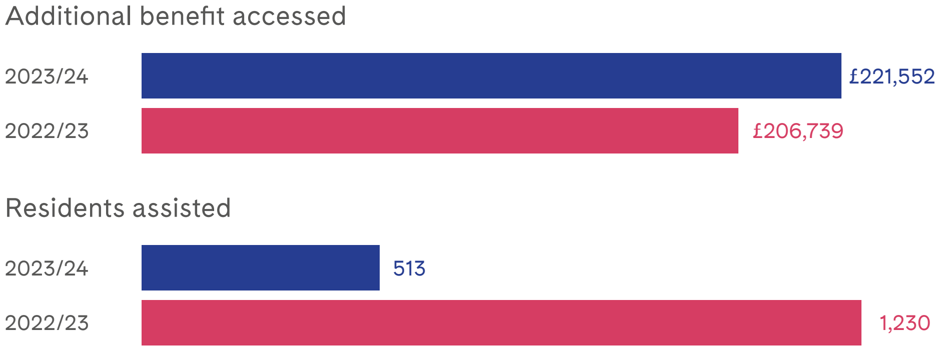
As a community-based landlord, our first priorities are people and communities. We offer residents a range of ways to help shape and improve our services and hold us to account.

We increase residents' financial wellbeing and income through support and advice to ensure they claim all entitled benefits, with additional signposting to wider support available. This also helps the organisation's overall financial health and sustainability.

We have promoted the help available across our publications and on social media, making sure that our points of contact for support with benefits and finances are accessible and well-understood. One example is promoting access to the Household Support Fund. We have also been able to refer 104 residents to local food banks for support. Payments from the Homeless Prevention Fund have also helped a number of residents to maintain their tenancies.

Supporting our residents and their wellbeing can have the dual-effect of protecting our assets in other areas too. Our outreach to provide advice to reduce damp and mould, as well as the remediation works we do to address it, protects our residents' health and wellbeing and the condition of our assets, avoiding costly repairs. Helping our residents isn't just the right thing to do – it improves the organisation's financial health and sustainability.

Welfare & benefits support



Tenancy sustainment

Providing homes for people that need them the most is at the core of what we do. That doesn't stop when we hand over the front door keys. Our services ensure residents are supported to be financially resilient, as well as being able to turn to us if they experience unexpected challenges.

This year we strengthened our support for residents in maintaining their tenancies during challenging circumstances by establishing up a new community safety team, as well as a working group to raise awareness of domestic abuse issues – and looking at how we can address these. These initiatives support tenancy sustainment by helping to provide vital help at times of serious crises, when people may feel no choice but to leave their home.

More support from Housing Solutions financially and practically means fewer evictions and reduced arrears. We're helping people stay secure in their homes, whilst also protecting our assets and finances.

> Overall, we have helped to unlock £221.5k of additional benefits for our residents, averaging £414 per resident assisted (2023 £168).

Social value

The Housing Associations' Charitable Trust (HACT) Social Value Bank is the method we use to assign a monetary value to the community-based work and amenities we provide.

During the period this report covers, Housing Solutions' investment of £431k added a total net social value of £9.7m. This means that for every £1 we invested, our residents saw a benefit of £22.55, an increase of c5%.

The key areas of investment that delivered a significant return in social value were improving our engagement and outreach efforts, as well as adding resources in digital inclusion, such as increasing the provision of free Wi-Fi.

Corporate Social Responsibility events also add to the social value we provide, with Housing Solutions team members taking part in fundraising activities and volunteering in initiatives that benefit our communities. This was the second of a three-year corporate sponsorship of our local chosen charity, First Days Children's Charity, supporting families experiencing financial hardship through essential household items and school uniforms. We supported First Days over 2023/24 through a combination of direct donations, colleague fundraising initiatives and securing financial support from our contractors and partners.

What we did	Housing Solutions investment (£)		The net social impact benefit (£)		Ratio (£1 : £x)	
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
Provision of free Wi-Fi	£141,294	£171,580	£1,974,471	£2,257,515	£1 : £13.97	£1 : £13.16
Resident engagement	£60,000	£38,200	£1,894,773	£2,300,795	£1 : £31.58	£1 : £60.23
Financial inclusion and employment support	£206,739	£221,552	£5,778,634	£5,168,468	£1 : £27.95	£1 : £23.32
Total	**£408,033**	**£431,332**	**£9,647,878**	**£9,726,778**	**£1 : £23.64**	**£1 : £22.55**

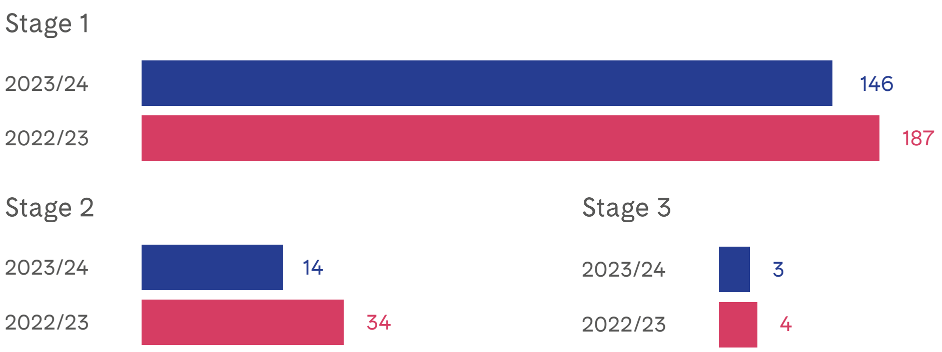
Listening to Feedback

From June 2023 we introduced a dedicated complaints team to strengthen our offer to residents and ensure we're listening and acting on feedback. Our team acts as residents' central point of contact for all feedback, and for external engagement with the Housing Ombudsman.

Complaint volumes

We saw a 22% fall in recorded complaints from 187 (2022/23) to 146 (2023/24) with the introduction of our dedicated team as well as fewer escalations from stage 1 of our process.

Complaint volume by stage



We also continued to receive lower complaints than our peers, at 2.5 complaints per 1,000 properties per month against a sector average of c4 complaints per 1,000 properties, per month.

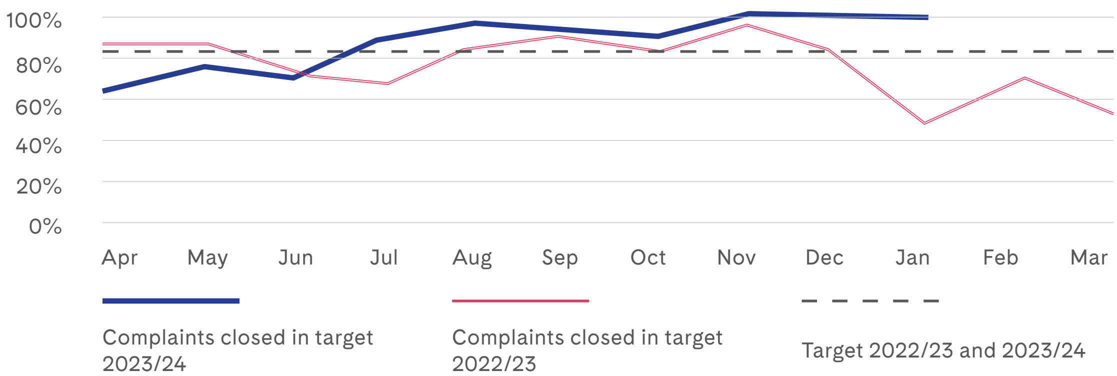
The main drivers of complaints remained broadly consistent on the previous year's trends – this remains a focus of our work to improve the way residents experience our services:

- **Communication:** failure to respond to residents within required timescales, inconsistent messaging and improving our written and verbal communication.
- **First time fix:** completing repairs or providing service resolutions at the first contact.
- **Timescales:** completing repairs, resolving ASB issues, and responding to residents as promised or within our service level commitments.
- **Contractors:** performance issues with contractors in terms of missed/delayed appointments, quality of work, and poor communication.
- **Tenancy management:** dealing effectively with low-level ASB, parking and more visible neighbourhood management.

Speed of resolution

We resolved complaints quicker than the previous year at both stages of our complaints process and delivered higher satisfaction with the way we dealt with complaints. We averaged an 80% approval rating for our handling and outcomes, up by 14% (handling) and 58% (outcome) on last year. Residents told us that our communication through the complaint was good and that resolutions reflected the desired outcome. We know we have more work to do to increase satisfaction, including work to address our broader TSM 'perception' survey rating of 43%.

Complaint resolved in target



Working with our residents

We relaunched our resident complaint scrutiny panel in quarter four, welcoming new members to coincide with the launch of a revised Complaints Policy as we prepared for important changes under the Housing Ombudsman Complaint-Handling Code (1 April 2024).

Learning from complaints

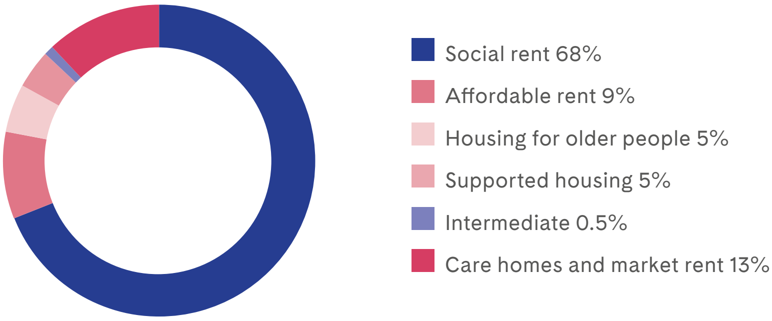
Our Board Member Responsible for Complaints (MRC) and wider Board approved our new Complaints Policy in March 2024 aligning with the new Complaint-Handling Code and received our annual complaints and service improvement report. The Board was pleased to see the improvements made by our complaints team across all metrics; a key area of focus for us in the year ahead will be learning from every complaint to embed effective improvements in our services through our new complaint learning toolkit introduced in April 2024.

22% FALL in recorded complaints

Our homes

Of our housing portfolio, 87% is dedicated to social, affordable and supported rented homes.

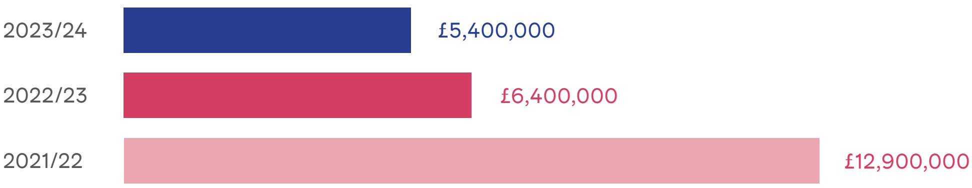
Our existing homes



Our development programme

We continued to explore growth opportunities in our development programme, providing more affordable homes for people in our local communities. We invested a further £5.4m in new homes over the year and delivered a much-needed additional 16 new homes.

Investment in new homes



We identified and secured development opportunities as part of a contracted development pipeline to provide essential new affordable homes for existing and future residents. This included securing 13 new homes and utilising our strong local authority partnerships in the design of adapted homes for local families.

During the year, in partnership with a key local authority partner, we completed delivery of a Rough Sleeper programme, providing stable and secure homes for individuals and families.

The updates to Building Regulations and new Future Homes Standards bring both challenges and opportunities for our new developments. We have undertaken a detailed review of our Design Standards to ensure that we develop new homes which deliver high levels of energy efficiency and are net zero ready.

The housing market, and particularly sales, have faced significant headwinds through the year. We were pleased to report that demand for our shared ownership homes remained strong throughout the period, with many schemes securing reservations off plan. The wider shared ownership market remained robust with strong demand on resales across our geography.

Managing agents and value for money

We have around 40 third-party managing agents or Third-Party Managed Accounts (TPMA) who charge us for services at our properties, which are then charged to residents.

We incurred £700k of costs from managing agents in 2023/24 and are committed to ensuring value for money and transparency in the charges made, directly engaging with agents on residents' behalf, where necessary.

Resident input into service charge letters

We continue to seek input from our resident panels on our rent and service charge templates to ensure we are communicating clearly with residents about changes to their rent and about service charge estimates and costs for the year.

£5.4m

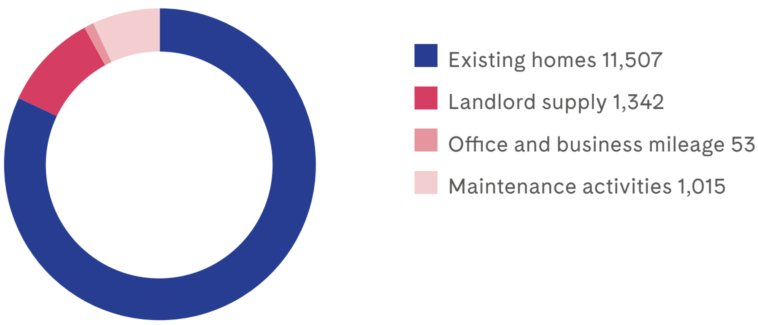
invested in new homes over the year and we delivered a much-needed additional 13 new homes

Sustainability

Under our Sustainability Strategy we have committed to doing everything we can to minimise the impact we have on the environment. We commissioned our second SHIFT Environment assessment in September 2023 to understand the environmental impact of our homes, business premises, and supply chain. The review spanned existing homes, new builds, facilities, resident engagement, supply chain and strategy and management. It covers energy and resource use, transport and travel, climate risk, biodiversity and responsible sourcing, thereby providing a comprehensive overview of Housing Solutions' environmental footprint. We were delighted to achieve the SHIFT Gold standard, reflecting our continuous improvement in environmental sustainability.

The SHIFT review this year has incorporated the additional 513 properties transferred from One Housing Group in March 2023.

SHIFT Environment Assessment 2022 Baseline CO_2e (tonnes)

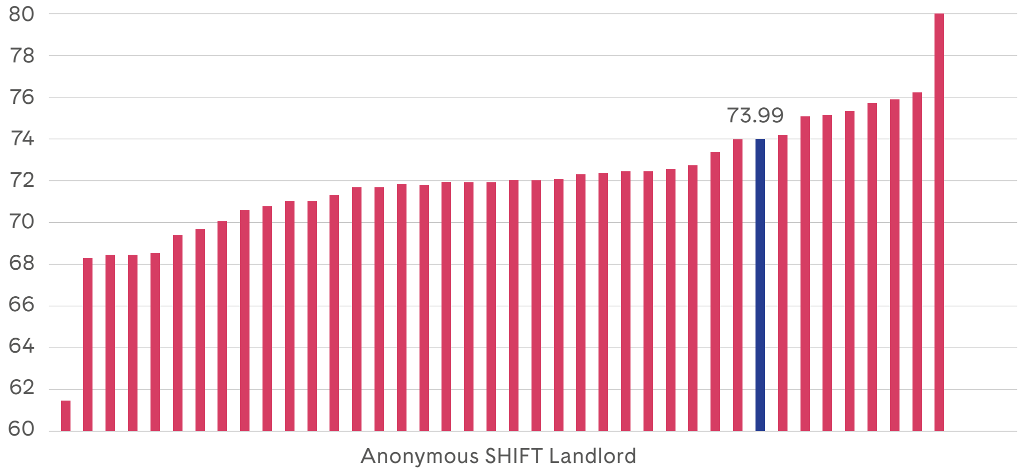


> The carbon emissions performance of our existing homes, based on SAP ratings, is rated as 'very good'.

78.5%

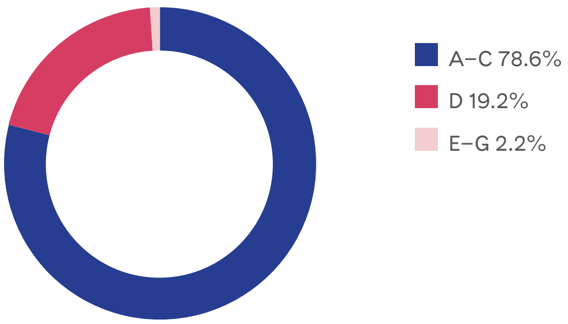
of our housing stock is rated at EPC level C or better

Average SAP (2012) rating of stock



Nationally, the typical EPC rating for a home is D or E. Currently over 78% of our homes have an EPC rating of A, B or C, and most of our other properties are rated D. We're working to raise the energy performance of our existing homes, improving sustainability and introducing renewable energy where possible. We've targeted the achievement of an EPC rating of C or above for all our properties by 2030, to improve their environmental performance and help residents manage energy costs.

EPC rating



Following the launch of our new Sustainability Strategy 2023–2026 and delivering on improvements to the energy efficiency of our homes, increasing those with an EPC level of C or better from 77% to over 78.5%, we achieved a Gold award in the second assessment carried out by SHIFT Environment for 2023.

Moving into 2024/25, we will be continuing to focus on delivering the targets set out in our Sustainability Strategy, including improvements to the energy efficiency of our properties, and where possible, making use of available funding sources to assist us in doing so. We will also be procuring a new vehicle fleet for our trades operatives, exploring more sustainable and environmentally friendly alternatives to traditional diesel fleet vehicles.

Our people

The safety and wellbeing of our people is paramount; we have continued to strengthen our approach to colleague health and safety throughout 2023/24.

In the summer, we introduced colleague Representatives of Employee Safety (RoES) across our maintenance team and will be expanding the team further this year. Our RoES have achieved the IOSH Managing Safely qualification and already supported various safety improvements such as reviewing risk assessments and providing safety training for our maintenance team to ensure both are fit for purpose.

We encouraged positive management of mental health throughout the year, supported by the introduction of Wellness Action Plans to facilitate open conversations between colleagues and their managers on various aspects of work-life, including stress management. A crisis action plan has also been added to our Stress Policy.

Our accident/incident/near-miss reporting procedure has been strengthened with a new section for learning from the event. Investigations and recommendations are now reviewed by the senior leader for the team and presented to our H&S panel. Our first aid provision has been strengthened as a result of learning from an accident, with easier-to-access information on first aid arrangements and the introduction of defibrillators for our offices.

Our annual wellbeing week was another educational and fun week, bringing together training and webinars on safety topics and events to promote wellbeing including making smoothies and the introduction of a book exchange.

Keeping our people satisfied

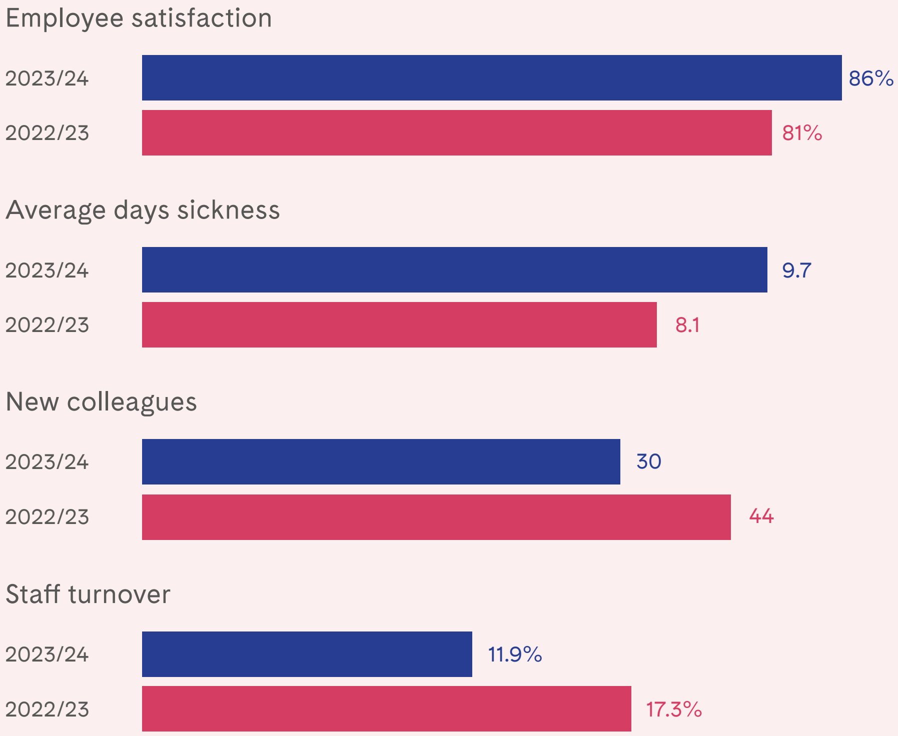
We are delighted that our latest colleague satisfaction survey shows an improvement to 86% of colleagues satisfied with Housing Solutions as their employer. We have also seen a significant decrease in colleague turnover from 17.3% in 2022/23 to 11.9% in 2023/24.

One of the highlights from 2023/24 was our innovative ‘Create Your Space’ initiative which ran over the summer months of July and August. During this time we diverted our operations to the out of hours service at 1pm on Fridays – and colleagues were empowered to choose how to create their space – either by compressing their hours to finish at 1pm on a Friday or by enjoying quiet focus time on a Friday afternoon to catch up. Creating Your Space was hugely valued by colleagues and our collaborative ‘satisfied team’ are now considering options for 2024/25.

A key aspect of our colleagues’ pride in their work is their commitment to our purpose: ensuring that residents feel proud of where they live. We held several events throughout the year for all colleagues to get involved including the ‘Getting to Know You’ event and our new Summer Shine Squad estate improvement programme.

Looking ahead into 2024/25 we will continue our journey to strengthening satisfaction, including concluding the market salary review, ensuring salaries are competitive and enhancing our colleague benefit package.

Staff retention and attraction



Learning and growth

Developing our people now and into the future forms a key part of our People Strategy and 'growing our own' is part of our 'Spirit of Housing Solutions charter'. We encourage all colleagues to develop within and beyond their current role and in 2023/24 we launched our 'Progression Pathway' support programme for colleagues. This provides a road map of support for colleagues considering their next steps through the organisation – from research, application, interview, and in-role development. We have a strong culture of internal progression and in 2023/24, 44% of our vacancies were successfully filled internally. We supported five apprenticeships across HR and our maintenance and housing teams.

Recognising the key role of performance management in development in 2023/24, we reviewed our performance management framework with colleagues.

Our new 'Grow and Perform' framework has a strong development focus and is designed to give regular feedback on performance and personal growth. Ready for the 2024/25 performance year, the Grow and Perform framework has been very positively received by colleagues.

Our managers play a vital role in nurturing talent across Housing Solutions. In 2023/24 we designed and launched our own bespoke management development programme, 'Grow as a Leader'. The programme was again designed collaboratively with a blend of online and face to face, internal and external experts. Next year we plan to extend our investment with a new programme for our leaders of the future.

Looking ahead to 2024/25 we are also looking forward to launching our dedicated learning page on the intranet, trialling LinkedIn Learning and reviewing our induction programme.

Creating a sense of belonging

We foster an open, supportive culture where every colleague can give their best and feel genuinely valued. Our Inclusion Champions support initiatives to promote participation in colleague diversity surveys so can better understand and support. We know we have more work to do on this and it will be a priority in 2024/25.

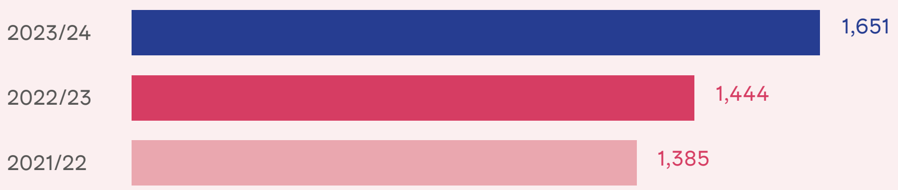
In 2023/24 we launched our Equality Impact Assessment toolkit to help us identify potential barriers to our services and policies for both colleagues and our residents. We continued our journey towards becoming a 'disability confident' level 2 accredited employer through gap analysis work, which will continue into 2024/25.

We continue to encourage colleagues to celebrate and understand each other. Our successful 'dress to express' day during our Wellbeing Week saw many colleagues dress for work to express what was important to them, sparking lots of conversations.

Technological solutions

Throughout the first year of our new Digital and Data Strategy, our focus remained to ensure that "Housing Solutions is more than just a Landlord". We supported residents in accessing our digital platforms in various ways, providing skills and training for more than 70 residents through events and workshops. We continued our rollout of low-cost internet access through the installation of Wi-Fi, providing access for a further 217 homes in 2023/24.

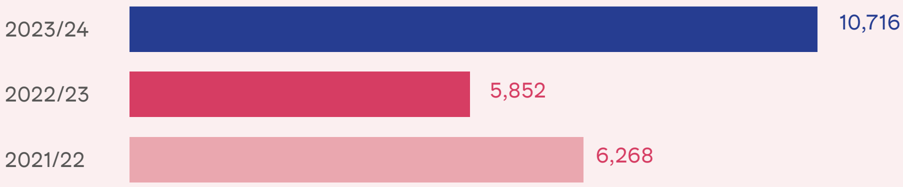
Housing Solutions Wi-Fi



We made further enhancements to our webchat facilities, streamlining its functionality to provide faster query resolution without removing the ability to connect with a member of our Contact Centre directly through live chat. We'll be extending this further in the coming year.

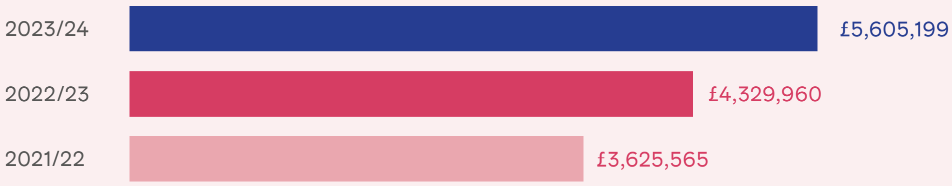
> We were finalists in the Housing Technology Awards 2024, being commended for our 'my community' digital estate inspections.

Webchats



Following the launch of our app in 2022 and continued improvements to functionality, we have seen a further increase in residents using this, and our web portal, as a popular method of making rent and service charge payments.

Rent paid online



Our investment in digital transformation has progressed further this year, with the implementation of a new repairs system, Connect, replacing three existing legacy systems. This new system enabled us to move from dated technological platforms to a modern all-in-one hosted application. For our residents, this has meant a smoother and quicker process when calling our Contact Centre to book a repair, whilst also providing the ability to provide instant satisfaction feedback as soon as an operative has left their property.

The new system has brought efficiency in the streamlining of operative diaries to reduce travel time between appointments. It has also allowed our front-line staff access to our system to book repairs from residents' homes or when out in the community.

Keeping our data and our residents' data safe and secure is of paramount importance to us and we have continued to focus on our cyber security, maintaining Cyber Essentials and Cyber Essentials Plus Accreditation for the third year running.

We were finalists in the Housing Technology Awards 2024, being commended for our 'my community' digital estate inspections. This is a new innovation that allows residents to give immediate feedback on estate inspections through our website, providing us with invaluable real-time feedback.

Tenant satisfaction measures

The Tenant Satisfaction Measures (TSM) were introduced by the Regulator of Social Housing to provide residents with greater transparency about their landlords' performance and to inform the Regulator about how a landlord is complying with the Consumer Standards.

The measures can be split into five key themes:

1. Keeping properties in good repair
2. Maintaining building safety
3. Respectful and helpful engagement
4. Effective handling of complaints
5. Responsible neighbourhood management

There are 22 measures, 12 of these come directly from our resident feedback surveys, and 10 come from information we collate and monitor on our operational performance. We use a variety of methods to capture residents' views, including commissioning an independent survey company to carry out some tenant perception surveys on our behalf.

Overall satisfaction

	Housing Solutions	Peer Median Benchmark 2023/24*	Sector Median Benchmark 2023/24*
Taking everything into account, how satisfied or dissatisfied are you with the service provided by Housing Solutions?	78.7%	69.7%	75.0%

We are pleased that, despite the sector as a whole facing falling resident satisfaction, we have continued to perform strongly against our peers and the wider sector. We do, however, know there is a direct link between overall satisfaction and repairs and communal areas, and we are working in collaboration with our residents to continue to improve our services and performance in these areas.

OVER 80%
satisfied that Housing Solutions provides a home that is well maintained

100%
Fire Risk Assessments completed

100%
Gas safety checks completed

Keeping properties in good repair

	Housing Solutions	Peer Median Benchmark 2023/24*	Sector Median Benchmark 2023/24*
How satisfied or dissatisfied are you with the overall repairs service from Housing Solutions over the last 12 months?	83.4%	68.1%	73.7%
How satisfied or dissatisfied are you with the time taken to complete your most recent repair after you reported it?	79.7%	66.5%	68.3%
How satisfied or dissatisfied are you that Housing Solutions provides a home that is well maintained?	80.2%	64.7%	70.9%
How satisfied or dissatisfied are you that Housing Solutions keeps these communal areas clean and well maintained?	70.8%	70.8%	65.0%
Non-emergency repairs completed within target (Urgent 3 Days & Routine 21 days)	75.7%	75.6%	81.3%
Emergency repairs completed within target (4 hours)	84.0%	90.4%	94.8%

Our performance in almost all areas of property repairs is sector-leading. However, we do not take this for granted and are working with our residents to launch new, co-created service standards for repairs, estates and new homes, to continue to drive service improvements in these areas that we know are of importance to our residents.

Maintaining building safety

	Housing Solutions	Peer Median Benchmark 2023/24*	Sector Median Benchmark 2023/24*
Thinking about the condition of the property or building you live in, how satisfied or dissatisfied are you that Housing Solutions provides a home that is safe?	85.6%	76.5%	80.0%
Gas safety checks completed	100.0%	99.95%	99.97%
Fire Risk Assessments completed	100.0%	100%	100%
Asbestos management surveys or re-inspections completed	100.0%	99.95%	100%
Legionella risk assessments completed	100.0%	100%	100%
Communal passenger lift safety checks completed	100.0%	100%	100%
Homes that do not meet the Decent Homes Standard	0.00%	0.04%	0.50%

Our consistently high performance in all areas of safety demonstrates our ongoing commitment and focus on ensuring the safety of our residents' homes.

Respectful and helpful engagement

	Housing Solutions	Peer Median Benchmark 2023/24*	Sector Median Benchmark 2023/24*
How satisfied or dissatisfied are you that Housing Solutions listens to your views and acts upon them?	68.9%	61.2%	61.5%
How satisfied or dissatisfied are you that Housing Solutions keeps you informed about things that matter to you?	80.1%	73.6%	71.3%
To what extent do you agree or disagree with the following 'Housing Solutions treats me fairly and with respect'?	88.1%	71.6%	77.45%

Our continued focus on strengthening our engagement with residents is demonstrated through our high performance across the respect and engagement TSMs. We are continuing to work with our residents to build on this performance, ensuring we consistently communicate well, share information and outcomes from residents' feedback, in the way preferred by our residents.

Effective complaint handling

	Housing Solutions	Peer Median Benchmark 2023/24*	Sector Median Benchmark 2023/24*
How satisfied are you with landlord's approach to handling complaints?	43.4%	33.0%	35.0%
Stage one complaints per 1,000 homes	30.8	48.1	41.5
Stage one complaints responded to within timescales (10 working days)	93.0%	91.8%	85.0%
Stage two complaints per 1,000 homes	2.9	10.4	5.3
Stage two complaints responded to within timescales (20 working days)	93.3%	90.8%	82.2%

We typically receive fewer complaints than other housing providers and our dedicated team works hard to resolve complaints quickly, as shown in our sector leading performance above. Whilst we benchmark highly for satisfaction with complaint handling, this remains below where we want to be. We are focussing on learning from complaints to drive improvements and ensure we provide simple and easy routes for residents to raise complaints.

Responsible neighbourhood management

	Housing Solutions	Peer Median Benchmark 2023/24*	Sector Median Benchmark 2023/24*
How satisfied or dissatisfied are you that Housing Solutions makes a positive contribution to your neighbourhood?	72.3%	67.0%	65.05%
How satisfied or dissatisfied are you with Housing Solutions' approach to handling anti-social behaviour?	61.1%	59.4%	57.95
ASB incidents per 1,000 homes	22.0	44.78	40.8
ASB incidents that involve hate per 1,000 homes	0.7	0.9	0.78

Our above median performance demonstrates the focus given to ASB during the year by our newly formed Community Safety team. We know there is still room for improvement and the implementation in the year of new dedicated ASB software, REACT, will support us in monitoring, analysing and reporting on ASB, enabling us to identify areas for targeted support.

*HouseMark data as at 09/07/2024

Spreading some 'Summer Shine' together with residents

Our value for money metrics

Value for money metrics

We report against our own value for money targets as well as metrics set by our Regulator.

The regulatory framework published by the Regulator of Social Housing includes specific requirements for registered providers to publish evidence in the statutory accounts to enable stakeholders to understand the providers':

1. Performance against its own value for money targets and any metrics set out by the Regulator, and how that performance compares to peers.
2. Measurable plans to address any areas of underperformance, including clearly stating areas where improvements would not be appropriate and the rationale for this.

Our performance against each of the metrics and our peers is set out below:

	Regulator of Social Housing Value for Money Metrics	Housing Solutions 2022/23	Housing Solutions 2023/24	Peer Middle Quartile 2022/23	Sector Middle Quartile 2022/23
1	Reinvestment %	2.27%	1.71%	5.68%	6.49%
2	New supply delivered (Social Housing Units) %	0.56%	0.25%	0.87%	1.28%
3	Gearing %	64.7%	64.8%	50.4%	43.9%
4	EBITDA MRI %	150%	128.5%	129.6%	125.7%
5a	Headline social housing cost per unit (Excl. depreciation and planned maintenance)	£3,363	£3,676	–	–
5b	Headline social housing cost per unit	£4,277	£4,965	£5,481	£4,535
6a	Operating margin (SHL only) %	35.5%	35.6%	21.7%	20.6%
6b	Operating margin (Overall) %	34.2%	35.2%	20.3%	18.5%
7	ROCE %	3.7%	3.9%	2.9%	2.8%

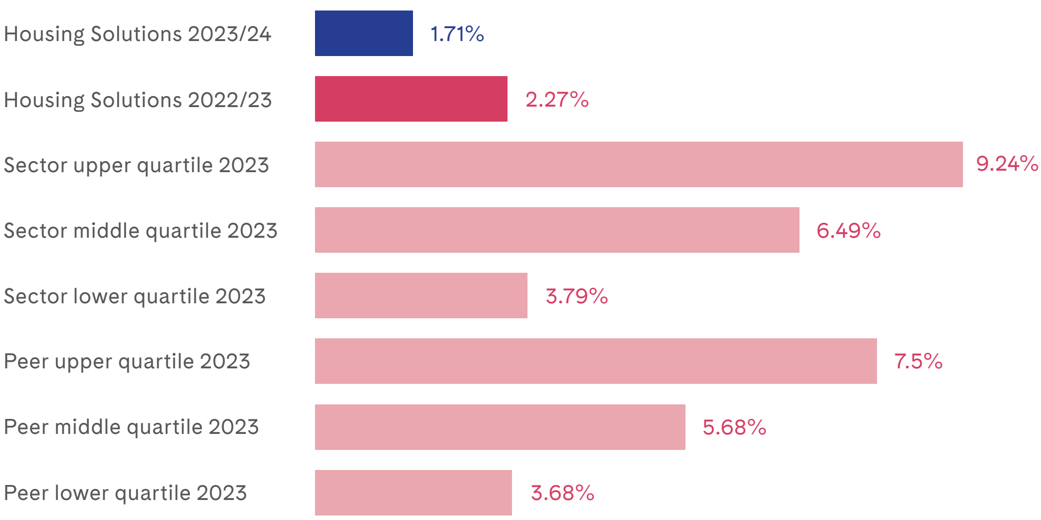
Metric 1
Reinvestment

Housing Solutions invested £5.4m in new homes and a further £3.1m in our existing homes during 2023/24. Our reinvestment metric shows a decrease of the 2022/23 figure of 2.27% to 1.71% and, of this, 1.08% was made up of new homes developed and 0.63% in investing in our existing homes.

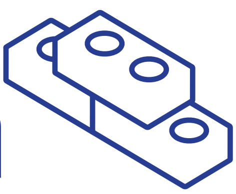
As well as building an additional 16 homes, we have invested in new components across our existing stock – kitchens, bathrooms, heating upgrades, and fire safety. The investment in our existing homes continues to grow as we have committed a further £6.3m in component replacements during 2024/25, or a 43% increase. Investment in our existing homes is expected to increase over the next five years to meet the requirements set out in our business plan.

Our internal value for money target was to achieve a reinvestment level of 3.6% during 2023/24 and we have fallen short of this target. The work not undertaken during 2023/24 has been included within the business plan to ensure that we continue to meet high standards of our homes set by the Board and continue to build the new homes that are so desperately needed in the local authorities we continue to work in partnership with.

Reinvestment (%)



£5.4m



invested in new homes during 2023/24

£3.1m

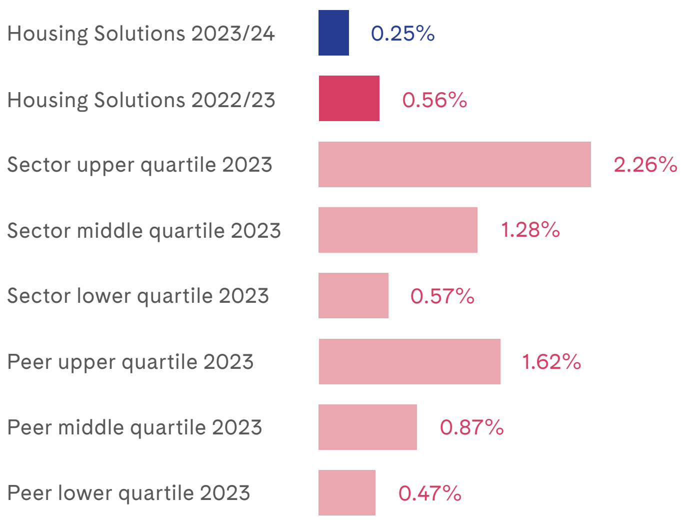
invested in our existing homes during 2023/24

Metric 2
New units delivered

Our internal value for money target for 2023/24 was to deliver a further 23 units of mixed tenure and invest £6.4m in new homes. We delivered 16 new homes and invested £5.4m and, while this falls short of what we planned to achieve, we continue to set our sights high with the ambition to deliver a further 57 homes in 2024/25 with a committed expenditure of £21m.

All the units delivered this year were through section 106 of the Town and Country Planning Regulations 2013, aimed at securing affordable housing. We are always looking at new opportunities to deliver new housing and further focus is on developing on land Housing Solutions already owns.

New social housing units delivered (%)



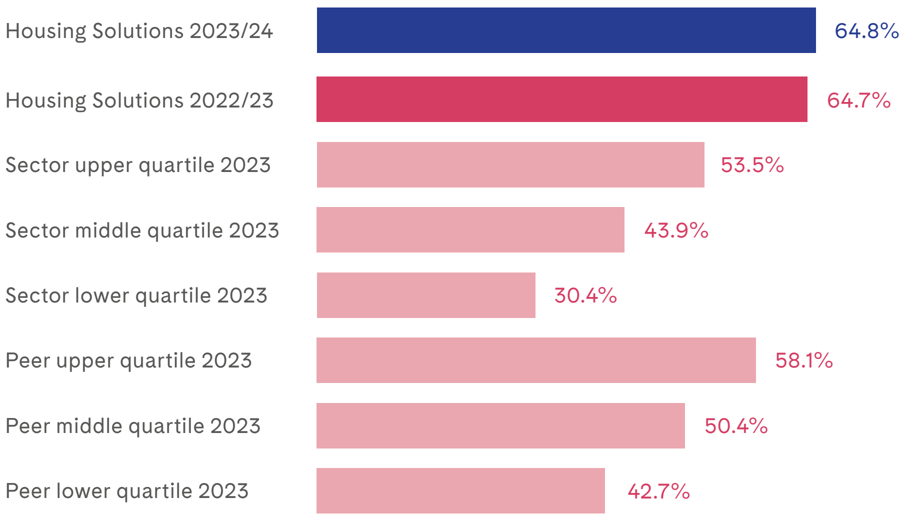
We recognise that our local areas are relatively expensive to rent and buy. We are committed to continuing to provide social rent and low-cost home ownership housing as well as looking at opportunities to develop, both in section 106 opportunities, as well as land-led and the land we currently own. Our Development Strategy was approved by the Board in February 2022 which is focussed on:

- residents being proud of where they live;
- a sustainable legacy for future generations, minimising the impact on our planet in both construction and occupation;
- well-designed homes that are attractive, affordable, safe, and secure – a place to call home;
- fully integrated into the communities where they are built; adding value through investment into infrastructure where possible;
- homes that are fit for purpose today and into the future.

Metric 3
Gearing

Our gearing ratio increased slightly by 0.1% and we remain well above the sector upper quartile. Housing Solutions originated from a large-scale voluntary transfer (LSVT) from the Royal Borough of Windsor and Maidenhead funded entirely through debt financing, as well as significant initial investment in the properties brought also, financed from debt, resulting in a relatively high gearing ratio.

Gearing (%)



During the year we drew down a further £61.5m and made repayments of £59m providing net funds of £2.5m. As at 31 March 2024 we had £73.5m undrawn against our £401.7 loan facilities.

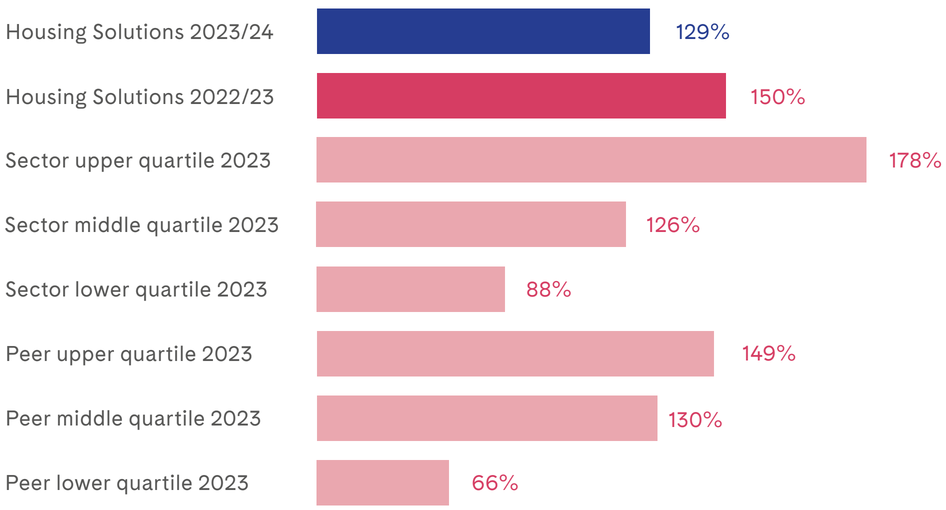
> Our gearing ratio is expected to increase as we continue to deliver more homes but we remain well under our gearing-related loan covenants throughout our 30-year business plan.

Metric 4
EBITDA MRI

Our EBITDA MRI percentage continues to be well above the sector average and, despite the reduction compared to 2023/24, continues to support our A+ credit rating. The higher-than-expected damp and mould works and responsive repairs put pressure on the budgeted EBITDA MRI percentage set at 116%.

Despite this, we still managed to exceed the budgeted EBITDA MRI percentage partly due to delays in procurement impacting our component replacement programme, which is being picked up in 2024/25. The 2024/25 target is to achieve 113.6% reflecting an increase in investment in our existing properties.

EBITDA MRI interest cover (%)

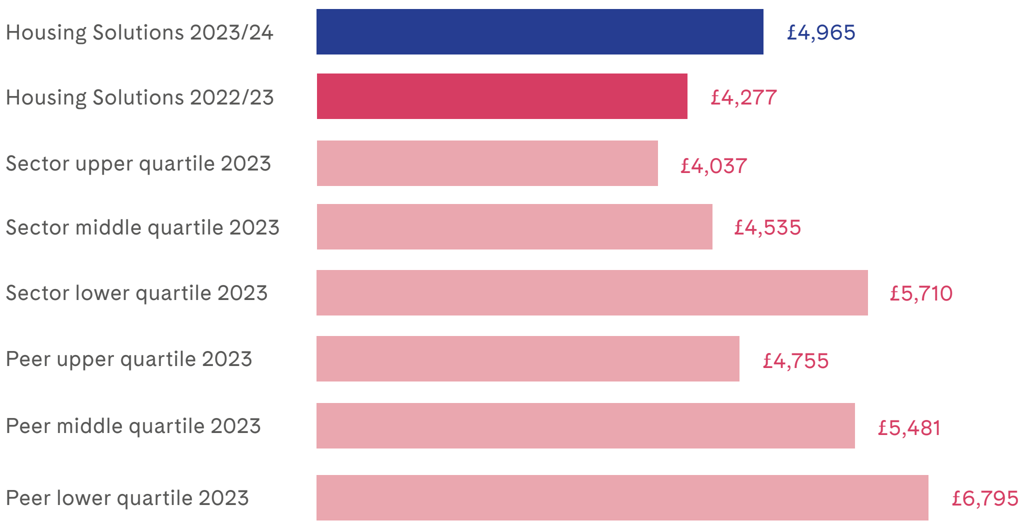


Our team meeting with residents to gather their feedback

Metric 5
Headline social housing cost per unit

Our headline social housing cost per unit continues to be below the median of our peers. The high inflation levels have impacted all activities that we operate, including the management costs, the maintenance costs, and the supply chain costs. With CPI being 6.7% in September 2023 and supply chain inflation being higher, this has resulted in a 16% increase in our social housing cost per unit. The additional £3m of expenditure in our existing properties has also significantly contributed to this increase being made up of £3.2m component replacement (2022/23 £3.7m) and revenue expenditure of £12.7m (2022/23 £9.1m).

Social housing cost per unit (£)



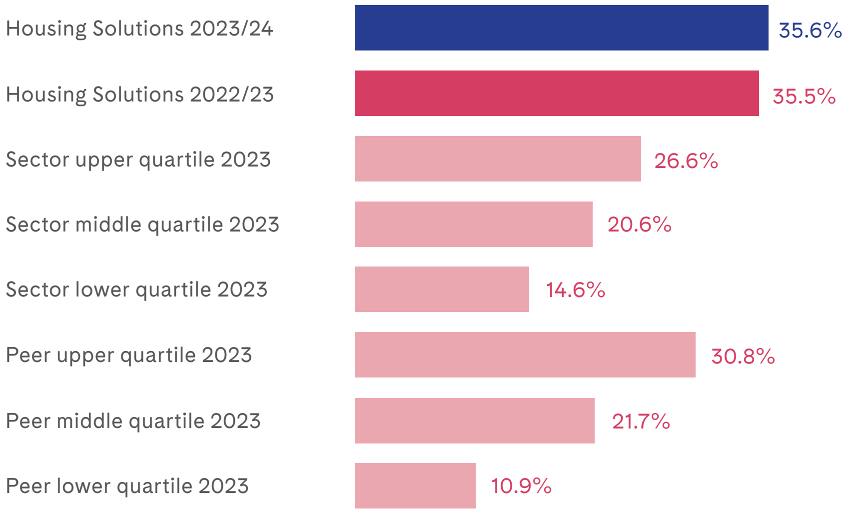
Our 2024/25 social housing cost per unit is expected to be £5,706.

> The high inflation levels have impacted all activities that we operate, including the management costs, the maintenance costs, and the supply chain costs.

Metric 6
Operating margins

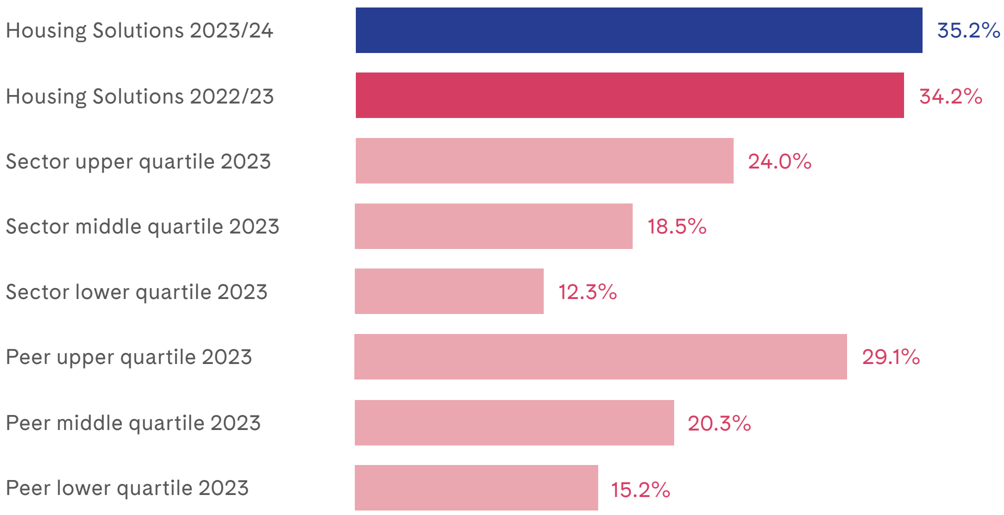
We separate our operating margins to distinguish the results of all our activities from those specifically related to our social housing lettings. The former includes all property sales and non-social housing activities which are used to subsidise our social housing activities, whether these be commercial activities such as letting offices, or through our market rented properties. Despite our cost per unit increasing, our operating margin (social housing lettings) has improved by 1.3% compared to 2022/23.

Operating margins (social housing lettings only) (%)



This is significantly above that of both the sector and our peers set for 2023. This was partly driven by synergies from the acquisition of One Housing Group properties, where revenue increase outpaced operating cost increases. Combined with an average rent increase of 7%, this led to a £7.8m increase in social housing lettings turnover, compared to a more modest £5.0m rise in operating costs.

Operating margins (overall) (%)

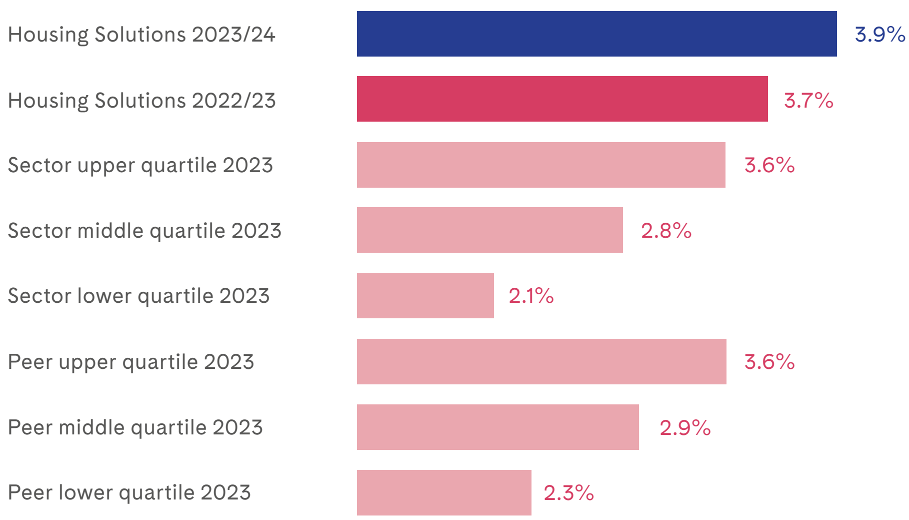


We maintained a strong overall margin from the sale of the first tranche of shared ownership properties, and the increase in social housing letting margin has resulted in a 1.0% overall operating margin, which is in line with the target set for 2023/24 (between 35% and 37%). For 2024/25 our budget is forecast to achieve margins of between 35% and 38%, based on our budgeted performance.

Metric 7 Return on capital employed

The return on capital employed (ROCE) reflects the operating surplus as a percentage of total assets, less current liabilities. The minor increase in ROCE directly reflects that already mentioned in the other VfM metrics, being the increase in operating surplus, influenced by relatively higher increase in revenue compared to the increase in operating costs, balanced out partially by the higher cost per unit. Our target for 2024/25 has been set at 4.3%, being 0.4% higher than that achieved in 2023/24.

Return on capital employed (%)



£7.8m
increase in social housing lettings turnover

£5.0m
rise in operating costs

4.3%
is our target return on capital employed for 2024/25

Our Value for Money Strategy

The Value for Money Strategy is currently being reviewed and the target is to achieve value for money cost reductions of £15m over the next 30 years. Measures to achieve this include moving more asset management work in-house, including some legal expertise, a minor stock rationalisation exercise, and supply chain savings. A target of £472k for 2025/26 for cost reduction has been set.

The Board has set the following value for money targets:

Zero harm to staff and residents

Objectives	Achieved in 2023/24	Target by 2026
A culture of safety and responsibility	During 2023/24 there were 11 employee and 7 non-employee related accidents; 14 near misses; and 6 incidents	Sector leading engagement in safety week

This reflects a very stable position and low accident rate when compared against sector peers and other organisations of a similar size and nature. We continue to strive towards reducing our action rate to reflect a zero-harm position.

Reduce the cost per unit through growth and reinvest this in our services

Objectives	Achieved in 2023/24	Target by 2026
Reduce the cost per unit through organic and/or inorganic growth	With the acquisition of 513 homes from One Housing Group in March 2023, and development completions of 16 units in 2023/24, we have exceeded this target	Deliver more than 460 new homes (years 1 – 5)
A strong local presence	100% of our new homes built have been within 60 minutes of Maidenhead	95% of new homes built or acquired will be within 60 minutes of Maidenhead

The acquisition of the One Housing Group properties in March 2023 meant that we increased our stock by c7.5% and a further 36 completions in 2023 and 16 completions in 2024 has resulted in us exceeding target. The acquisition has resulted in the decision to reduce the number of future properties being developed due to the cost of financing this acquisition.

Source quality goods and services at an optimal cost and a strategic approach to procurement

Objectives	Achieved in 2023/24	Target by 2026
Maximising our income through a reduction in our current arrears	In 2023/24 we achieved 2.09% current tenant arrears	Achieve and maintain arrears of 2% or below

We achieved a sector-leading current tenant arrears level of 2.09%. This success is attributable through offering tailored support and assistance to enable residents to continue paying their rent (and service charges) over a difficult year, which has been recognised as a cost-of-living crisis. By working closely with residents and collaboratively across teams we have been able to positively impact income collection at a time which might have seen a marked increase in rent arrears.

By working closely with residents and collaboratively across teams we have been able to positively impact income collection at a time which might have seen a marked increase in rent arrears.

The Scrutiny and Improvement Team is made up of residents who help ensure we deliver value for money

Independent Auditor's Report

Independent auditor's report to the members of Housing Solutions

Opinion

We have audited the financial statements of Housing Solutions (the 'Association') and its subsidiaries (the 'Group') for the year ended 31 March 2024 which comprise the consolidated and Association Statement of Comprehensive Income, the consolidated and Association Balance Sheets, the consolidated and Association Statement of Changes in Reserves, the consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and Association's affairs as at 31 March 2024 and the Group and Association's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing from April 2022.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Association's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board with respect to going concern are described in the relevant sections of this report.

Other information

The Board is responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 or the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the group; or
- a satisfactory system of controls over transactions has not been maintained; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Board

As explained more fully in the Board’s responsibilities statement set out on page 19, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the Group’s and Association’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Group or Association or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor’s report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the Group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were Housing and Regeneration Act 2008, together with the Housing SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to HSG’s ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the group for fraud. The laws and regulations we considered in this context for the UK operations were Standards set by the Regulator of Social Housing, General Data Protection Regulation, employment legislation and health and safety legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit, and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Regulator, designing audit procedures over the timing of income and reading minutes of meetings of those charged with governance.

In accordance with International Auditing Standards, we planned our audit so that we have a reasonable expectation of detecting material misstatements in the financial statements or accounting records including any material misstatements resulting from fraud, error or non-compliance with law or regulations.

However, owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected even though the audit is properly planned and performed in accordance with the ISAs (UK). No internal control structure, no matter how effective, can eliminate the possibility that errors or irregularities may occur and remain undetected. In addition, because we use selective testing in our audit, we cannot guarantee that errors or irregularities, if present, will be detected. Accordingly, our audit should not be relied upon to disclose all such misstatements or frauds, errors or instances of non-compliance as may exist.

Use of our report

This report is made solely to the Association's members as a body in accordance with the Co-operative and Community Benefit Societies Act 2014 and the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Crowe U.K. LLP
Statutory Auditor
55 Ludgate Hill
London
EC4M 7JW
Date: 12 August 2024

	Note	Group 2024 £000	Group 2023 £000	Association 2024 £000	Association 2023 £000
Turnover	3	56,843	53,689	56,650	53,572
Cost of sales	3	(1,486)	(4,416)	(1,398)	(4,326)
Gain on disposal of assets	3	302	896	302	896
Operating costs	3	(35,354)	(30,980)	(35,242)	(30,883)
Operating surplus	**3**	**20,305**	**19,189**	**20,312**	**19,259**
Gain on disposal of investment	8	–	64	–	64
Interest receivable and other income	9	220	1,826	249	1,865
Interest payable and financing costs	10	(17,627)	(14,058)	(17,627)	(14,058)
Movement in fair value of investment properties	14	227	190	227	190
Surplus on ordinary activities before taxation		**3,125**	**7,211**	**3,161**	**7,320**
Tax on surplus on ordinary activities	11	–	–	–	–
Surplus for the year		**3,125**	**7,211**	**3,161**	**7,320**
Actuarial gain/(loss) on defined benefit pension scheme	28	2,547	14,755	2,547	14,755
Total comprehensive income for the year		**5,672**	**21,966**	**5,708**	**22,075**

All of the Group and Association's turnover and surplus disclosed above are derived from continuing activities.

The financial statements were approved and signed and authorised for issue by the Board of Management on 17 July 2024 and are signed on its behalf by:

Elizabeth J. Padmore

Elizabeth J Padmore – Chairman

Board Member

Company Secretary

The accompanying accounting policies and notes on pages 74–103 form an integral part of the financial statements.

Group

	Share Capital £000	Revenue Reserve £000	Total £000
Balance as at 1 April 2022	–	98,553	98,553
Total comprehensive income for the year	–	21,966	21,966
Balance at 31 March 2023	–	**120,519**	**120,519**
Total comprehensive income for the year	–	5,672	5,672
Balance at 31 March 2024	**–**	**126,191**	**126,191**

Association

	Share Capital £000	Revenue Reserve £000	Total £000
Balance as at 1 April 2022	–	98,302	98,302
Total comprehensive income for the year	–	22,075	22,075
Balance at 31 March 2023	–	**120,377**	**120,377**
Total comprehensive income for the year	–	5,708	5,708
Balance at 31 March 2024	**–**	**126,085**	**126,085**

The accompanying accounting policies and notes on pages 74–103 form an integral part of the financial statements.

	Note	2024 £000	2023 £000
Fixed Assets			
Tangible Fixed Assets (housing properties)	12a	497,292	492,205
Tangible Fixed Assets (other)	12b	7,477	7,719
Intangible Fixed Assets	13	1,347	1,207
Investment properties	14	16,320	19,275
Investments	15/16	–	–
		522,436	520,406
Current Assets			
Properties for sale	17	1,995	1,974
Debtors	18	4,378	3,434
Cash and cash equivalents		8,296	9,406
		14,669	14,814
Creditors: amounts falling due within one year	19	(18,293)	(16,636)
Net current liabilities		(3,624)	(1,822)
Total assets less current liabilities		**518,812**	**518,584**
Creditors: amounts falling due after more than one year	21	(392,621)	(390,959)
Net assets excluding pension liability		126,191	127,625
Pension liability	28	–	(7,106)
Total net assets		**126,191**	**120,519**
Capital and reserves			
Called-up non-equity share capital	24	–	–
Revenue reserve		126,191	120,519
Total reserves		**126,191**	**120,519**

The financial statements were approved and authorised for issue by the Board of Management on 17 July 2024 and are signed on its behalf by:

Elizabeth J. Padmore

Elizabeth J Padmore – Chairman

Orla Gallagher – Chief Executive

Mary Swaine

Mary Swaine – Company Secretary

The accompanying accounting policies and notes on pages 74–103 form an integral part of the financial statements.

	Note	2024 £000	2023 £000
Tangible Fixed Assets			
Tangible Fixed Assets (housing properties)	12a	497,533	492,446
Tangible Fixed Assets (other)	12b	6,501	6,661
Intangible Fixed Assets	13	1,347	1,207
Investment properties	14	16,320	19,275
Investments	15/16	50	50
		521,751	519,639
Current Assets			
Properties for sale	17	1,995	1,974
Debtors	18	5,025	4,129
Cash and cash equivalents		8,264	9,389
		15,284	15,492
Creditors: amounts falling due within one year	19	(18,329)	(16,689)
Net current (liabilities)/assets		(3,045)	(1,197)
Total assets less current liabilities		**518,706**	**518,442**
Creditors: amounts falling due after more than one year	21	(392,621)	(390,959)
Net assets excluding pension liability		126,085	127,483
Pension liability	28	–	(7,106)
Total net assets		**126,085**	**120,377**
Capital and reserves			
Called-up non-equity share capital	24	–	–
Revenue reserve		126,085	120,377
Total reserves		**126,085**	**120,377**

The financial statements were approved and authorised for issue by the Board of Management on 17 July 2024 and are signed on its behalf by:

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Orla Gallagher – Chief Executive

Mary Sw

Mary Swaine – Company Secretary

The accompanying accounting policies and notes on pages 74–103 form an integral part of the financial statements.

	Note	2024 £000	2023 £000
Net cash generated from operating activities	27	22,763	29,453
Cash flow from investing activities			
Purchase of tangible fixed assets		(9,292)	(72,301)
Disposal of share in joint venture		–	2,509
Grants received		100	12,140
Interest received		220	1,826
		(8,972)	(55,826)
Cash flow from financing activities			
Interest paid		(17,499)	(14,726)
New secured loans		50,000	136,631
Repayment of borrowings		(47,402)	(98,944)
		(14,901)	22,961
Net decrease in cash and cash equivalents		**(1,110)**	**(3,412)**
Cash and cash equivalents at the beginning of the year		**9,406**	**12,818**
Cash and cash equivalents at the end of the year		**8,296**	**9,406**

The accompanying accounting policies and notes on pages 74–103 form an integral part of the financial statements.

Our Easter event was a huge success with residents


Housing Solutions

Notes to the financial statements

1.0 Legal status

The Association is registered in England under the Co-Operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing as a housing provider. The registered office is shown on page 7.

2.0 Accounting policies

2.1 Basis of accounting

The financial statements of the Group and Association are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2018: Statement of recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022.

As a Public Benefit Entity, The Group has applied the 'PBE' prefixed paragraphs of FRS 102.

The financial statements are presented in Sterling (£).

2.2 Basis of consolidation

The consolidated financial statements incorporate the results of Housing Solutions and all of its subsidiary undertakings as at 31 March 2024. All intra-group balances, transactions, income and expenses are eliminated in full on consolidation.

2.3 Going concern

The Board reviewed Housing Solutions forecasts for the period to March 2025 at the 6 March 2024 meeting and were content that these plans were affordable and that the accounts should be prepared on a going concern basis.

As part of this review, the Board looked at the long-term Business Plan and the impact that a number of factors could have on the organisation. These included rent levels, inflation assumptions, asset investment and commitments to fire safety. A number of scenarios were considered and the Board will continue to review the Business Plan with the Executive team and continue to work with residents and stakeholders to deliver exceptional services in a friendly, solution-focused way.

Given the strength of the Statement of Financial Position and availability of cash and liquidity in undrawn loan facilities, the Board believe that Housing Solutions will continue as a going concern. Board therefore consider it appropriate for the accounts to be prepared on a going concern basis.

2.4 Investment in subsidiaries

The consolidated financial statements incorporate the financial statements of the Association and entities (including special purpose entities) controlled by the Group. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

All intra-Group transactions, balances, income, and expenses are eliminated in full on consolidation.

Investments in subsidiaries are accounted for at cost less impairment in the Association financial statements.

2.5 Turnover and revenue recognition

Turnover comprises of rental income receivable in the year, income from shared ownership first tranche sales, and other services. These are included at the invoiced value (excluding VAT where recoverable) of goods and services supplied in the year and grants receivable in the year.

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids. Income from first tranche sales and sales of properties built for sale is recognised at the point of legal completion of the sale.

Service charge income is recognised on an accruals basis. The Association has adopted the variable method for calculating service charges. The income in the year will include the surplus or deficit from prior years. Residents with a prior year surplus receive a reduced charge for the year, whilst a prior year deficit is recovered from residents through a higher charge.

2.6 Taxation

The Association has charitable status for tax purposes and is therefore exempt from paying corporation tax on its charitable activities. Non charitable activities are undertaken by the subsidiaries and qualifying charitable donations are made from the subsidiaries to the Association (the parent) from their profits.

Current tax is recognised for the amount of income tax payable in respect of the taxable surplus for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred taxation

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. If, and when, all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed. Deferred tax is recognised when income or expenses from a subsidiary or associate have been recognised and will be assessed for tax in a future period, except where the Group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Value Added Tax

The Group charges Value Added Tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is suffered by the Group and not recoverable from HM Revenue and Customs. The balance of VAT payable or recoverable at the year-end is included as a current liability or current asset.

2.7 Financial instruments

All financial instruments are judged to be basic financial instruments as defined in Section 11 of FRS 102. The indexed linked loan is accounted for under the amortised cost model whereas the other loans are at cost, as there is not any material difference between the historic cost and amortised cost for these loans.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at transaction price, net of transaction costs, and are measured subsequently at amortised cost using the effective interest rate method, less any impairment.

Where deferral of payment terms have been agreed at below market rate, and where material, the balance is shown at the present value, discounted at a market rate.

2.9 Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank, local authority, and other loans, are measured initially at transaction price, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Employee benefits

Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

2.11 Pensions

The Group participated in a funded multi-employer defined benefit scheme – Royal County of Berkshire Pension Scheme (RCBPS); the Group ceased to have active members in the scheme from 1 April 2020. In July 2023, the group settled the £4.4m deficit as valued at 31 May 2023, against the £7.1m liability held on the statement of financial position at 31 March 2023. This created a £2.5m pension adjustment that has been recognised through other comprehensive income in the year.

The Group participates in a defined contribution scheme operated by Scottish Widows.

The Scottish Widows scheme is accounted for as a defined contribution plan. The charge to income and expenditure represents the employer contribution payable to the scheme for the accounting period.

2.12 Housing properties

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit. Housing properties are principally properties available for rent and are stated at cost less accumulated depreciation.

Housing properties under construction are stated at cost and are not depreciated. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period, and expenditure incurred in respect of improvements.

Works to existing properties, which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over the lives of the properties thereby enhancing the economic benefits of the assets, are capitalised as improvements.

Depreciation of housing properties

The Group separately identifies the major components, which comprise its housing properties, and charges depreciation, so as to write-down the cost of each component to its estimated residual value, on a straight-line basis, over its estimated useful economic life.

The Group depreciates the major components of its housing properties at the following annual rates:

	% pa	Number of years
Structure	1.0	100
Roofs	1.3	75
Bathrooms	3.3	30
Kitchens	5.0	20
Windows and doors	3.3	30
Heating source	6.7	15
Heating distribution	3.3	30
Rewiring	3.3	30
Communal assets	6.7	15
Lifts	4.0	25

Impairment

Annually, housing properties are assessed for impairment indicators. Where indicators are identified, an assessment for impairment is undertaken comparing the carrying amount of the cash generating unit (CGU) to its recoverable amount. Where the carrying amount of a CGU is deemed to exceed its recoverable amount, the CGU is written down to its recoverable amount. This is likely to be the value in use of the CGU based on its service potential. The resulting impairment loss is recognised as expenditure in the Statement of Comprehensive Income. Where a CGU is currently deemed not to be providing service potential to the Association, its recoverable amount is its fair value less costs to sell.

Social housing grant and other government grants

Government grants include grants receivable from Homes England, local authorities, and other government organisations for the development of housing properties. The amount of grant received is included in Deferred Capital Grants and recognised within turnover over the estimated useful economic life of the associated components.

Grants due from government organisations or received in advance are included as current assets or liabilities.

Government grants received for housing properties are subordinated to the repayment of loans by agreement with the Homes England. Government grants released on sale of a property may be repayable but are normally available to be recycled and are credited to a Recycled Capital Grant Fund and included in the Statement of Financial Position in creditors.

If there is no requirement to recycle or repay the grant on disposal of the asset, any unamortised grant remaining within creditors is released and recognised as income within the Statement of Comprehensive Income.

Other grants

Grants received from non-government sources are recognised using the performance model. A grant which does not impose specified future performance conditions is recognised as revenue when the grant proceeds are received or receivable. A grant that imposes specified future performance-related conditions on the Association is recognised only when these conditions are met. A grant received before the revenue recognition criteria are satisfied is recognised as a liability.

Properties for sale

Shared ownership first tranche sales, completed properties for outright sale, and property under construction are valued at the lower of cost and net realisable value. Cost comprises of materials, direct labour, and direct development overheads. Net realisable value is based on the estimated sales price after allowing for all further costs of completion and disposal.

Capitalisation of interest

Interest is capitalised on borrowings to finance developments to the extent that it accrues in respect of the period of development if it represents either:

- interest on borrowings specifically financing the development programme after deduction of social housing grant received in advance; or
- a fair amount of interest on borrowings of the Association as a whole after deduction of social housing grant received in advance to the extent that they can be deemed to be financing the development programme.

Other interest payable is charged to the Statement of Comprehensive Income in the year.

2.13 Investment properties

Investment properties consist of commercial properties and other properties not held for social benefit. Investment properties are measured at cost on initial recognition and subsequently at fair value as at the year end, with changes in fair value recognised within the Statement of Comprehensive Income.

2.14 Other tangible fixed assets

Other tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

Other freehold property	100 years
Free/Leasehold premises' improvements	21 years
Furniture and equipment	5 years
Computer equipment	5 years
Plant and machinery	25 years

Gains or losses arising on the disposal of other tangible fixed assets are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised as part of the surplus/deficit for the year.

2.15 Intangible assets

Intangible assets are measured at cost less accumulated amortisation. is provided evenly on the cost of intangible assets to write them down to their estimated residual values over their expected useful lives. The principal annual rate used for intangible assets is:

Computer software	5 years

2.16 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Group. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to the Statement of Comprehensive Income account on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the Group recognises annual rent expense equal to amounts owed to the lessor. The aggregate benefit of lease incentives is recognised as a reduction to the expense recognised over the lease term on a straight-line basis.

2.17 Significant judgements and estimates

In preparing these financial statements, key judgements have been made in respect of the following:

Impairment of assets

Tangible fixed assets (mainly housing properties) are assessed for indicators of impairment at each reporting date. Indicators include changes in government policy, a reduction in the market value of properties where the occupant has the right to acquire, a reduction in the demand for a property, losses from operating that property, obsolescence of a property or contamination of a site. Impairment is tested at income generating unit level which is at scheme level.

There was no impairment of assets during the year.

Classification of properties

The categorisation of housing properties as investment properties or property, plant and equipment is based on the intended use of the asset.

Classification of financial instruments

The classification of financial instruments as “Basic” or “Other” is based on the contractual terms for each instrument. Management have judged all instruments to be Basic.

Properties developed for sale

Properties developed for sale are held at the lower of cost and net realisable value. Net realisable value is based on the estimated selling price less selling costs. Estimated selling prices were provided by external valuers and by reference to actual selling prices for completed developments. For schemes under construction the estimated costs to completion are based on approved budgets and forecasts.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income, and expenses is provided. Actual results may be substantially different.

Valuation of investment properties

Management reviews its valuation of investment properties at each reporting date, based on either formal valuation reports or an update to those reports based on market conditions and other changes to assumptions. Uncertainties in these estimates relate to the discount rate, the cost of property maintenance, and future cash flows. Valued investment properties totalled £16.3m at the year end.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment and changes to Decent Homes standards which may require more frequent replacement of key components.

Defined benefit obligation (DBO)

Management’s estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses (as analysed in Note 28).

3(a)
Particulars of turnover, cost of sales, operating costs and operating surplus

Group

	2024 Turnover £000	2024 Cost of sales £000	2024 Operating expenditure £000	2024 Gain on disposal £000	2024 Operating surplus £000
Social housing lettings	52,746	–	(33,963)	–	18,783
Other social housing activities					
Shared ownership 1st tranche sales	1,499	(1,398)	–	–	101
	54,245	**(1,398)**	**(33,963)**	**–**	**18,884**
Activities other than social housing (Note 3b)	2,598	(88)	(1,391)	–	1,119
Gain on disposal of housing properties (Note 8)	–	–	–	302	302
Total	**56,843**	**(1,486)**	**(35,354)**	**302**	**20,305**

	2023 Turnover £000	2023 Cost of sales £000	2023 Operating expenditure £000	2023 Gain on disposal £000	2023 Operating surplus £000
Social housing lettings	44,930	–	(28,977)	–	15,953
Other social housing activities					
Lifeline alarm system	74	–	(58)	–	16
Shared ownership 1st tranche sales	5,656	(4,326)	–	–	1,330
Supporting people	–	–	–	–	–
	50,660	**(4,326)**	**(29,035)**	**–**	**17,299**
Activities other than social housing (Note 3b)	3,029	(90)	(1,945)	–	994
Gain on disposal of housing properties (Note 8)	–	–	–	896	896
Total	**53,689**	**(4,416)**	**(30,980)**	**896**	**19,189**

Association

	2024 Turnover £000	2024 Cost of sales £000	2024 Operating expenditure £000	2024 Gain on disposal £000	2024 Operating surplus £000
Social housing lettings	52,746	–	(33,963)	–	18,783
Other social housing activities					
Lifeline alarm system	–	–	–	–	–
Shared ownership 1st tranche sales	1,499	(1,398)	–	–	101
Supporting people	–	–	–	–	–
	54,245	**(1,398)**	**(33,963)**	**–**	**18,884**
Activities other than social housing (Note 3b)	2,405	–	(1,279)	–	1,126
Gain on disposal of housing properties (Note 8)	–	–	–	302	302
Total	**56,650**	**(1,398)**	**(35,242)**	**302**	**20,312**

	2023 Turnover £000	2023 Cost of sales £000	2023 Operating expenditure £000	2023 Gain on disposal £000	2023 Operating surplus £000
Social housing lettings	44,930	–	(28,977)	–	15,953
Other social housing activities					
Lifeline alarm system	74	–	(58)	–	16
Shared ownership 1st tranche sales	5,656	(4,326)	–	–	1,330
Supporting people	–	–	–	–	–
	50,660	**(4,326)**	**(29,035)**	**–**	**17,299**
Activities other than social housing (Note 3b)	2,912	–	(1,848)	–	1,064
Gain on disposal of housing properties (Note 8)	–	–	–	896	896
Total	**53,572**	**(4,326)**	**(30,883)**	**896**	**19,259**

Group and Association

	2024						2023
	General needs housing £000	Supported housing and housing for older people £000	Key worker housing £000	Care homes £000	Low cost home ownership £000	Total £000	Total £000
Rent receivable net of identifiable service charges	35,408	3,767	237	5,942	2,972	48,326	41,129
Service charge income	1,254	1,641	–	–	751	3,646	3,159
Amortised government grants	774	–	–	–	–	774	642
Turnover from social housing lettings	**37,436**	**5,408**	**237**	**5,942**	**3,723**	**52,746**	**44,930**
Expenditure							
Management and other operating expenses	7,871	1,246	38	801	958	10,914	10,125
Service charge costs	2,243	1,426	14	262	297	4,242	3,596
Routine maintenance	4,238	639	18	325	57	5,277	4,022
Planned maintenance	4,366	1,418	27	1,399	168	7,378	5,121
Bad debts	(131)	(18)	(1)	(19)	(17)	(186)	126
Depreciation of housing properties	4,240	578	25	611	–	5,454	5,269
Other costs	661	74	3	76	70	884	718
Operating expenditure on social housing lettings	**23,488**	**5,363**	**124**	**3,455**	**1,533**	**33,963**	**28,977**
Operating surplus on social housing lettings	**13,948**	**45**	**113**	**2,487**	**2,190**	**18,783**	**15,953**
Void losses	**206**	**177**	**26**	**0**	**24**	**433**	**528**

3(b) Particulars of activities other than social housing

	Group 2024 £000	Group 2023 £000	Association 2024 £000	Association 2023 £000
Market rent accommodation	893	762	893	762
Rental income from garages	239	238	239	238
External estate and repairs maintenance	868	1,282	868	1,282
Feed-in tariff income from PV panels	–	264	–	–
Other income	598	483	405	630
	2,598	**3,029**	**2,405**	**2,912**

4 Accommodation in management and development

Group and Association

At the end of the year accommodation in management for each class of accommodation was as follows:

	2023 units	Additions units	Disposals units	Tenure changes units	Other units	2024 units
Social housing						
General needs	3,994	–	–	–	–	3,994
Affordable	505	13	–	5	–	523
Supported housing and housing for older people	575	–	–	(4)	(1)	570
Low cost home ownership	595	3	(5)	6	–	599
Key worker housing	27	–	–	–	–	27
Residential care homes	693	–	–	4	–	697
Total owned	**6,389**	**16**	**(5)**	**11**	**(1)**	**6,410**
Total owned and managed	**6,389**	**16**	**(5)**	**11**	**(1)**	**6,410**
Non-social housing						
Market rent – owned	34	–	–	–	–	34
Temporary accommodation – leased out	13	–	–	(11)	–	2
Total owned and managed	**47**	**–**	**–**	**(11)**	**–**	**36**
Accommodation in development at the year end	**21**					**53**

5 Key management personnel

The members of the Board received a total remuneration for services provided as Directors of £84,502 (2023 – £66,945). The remuneration paid to the Executive Directors of Housing Solutions Group (defined as the Chief Executive, the Director of Finance, the Director of Property & Development, the Director of Resident Services & Community, and the Director of Corporate Services) was:

	2024 £000	2023 £000
Emoluments	768	821
Pension contributions	78	87
	846	**908**
Emoluments (including pension contributions) paid to:		
The highest paid Director (the Chief Executive) base salary	188	177
Pension contributions	23	21
Other non-salary payments	32	31
	243	**229**

The Chief Executive is a member of the direct contribution pension scheme, and their pension entitlement is identical to other members of the scheme. Housing Solutions does not contribute to any other pension scheme on behalf of the Chief Executive.

6 Employee information

The average weekly number of full-time equivalent persons (including Directors) (Calculated using a standard 37 hour week):	2024 Number	2023 Number
Office staff	108	103
Caretakers and cleaners	18	16
Building maintenance staff	28	24
	154	**143**

Staff costs (for the above persons):	2024 £000	2023 £000
Wages and salaries	8,623	7,526
Social security costs	875	799
Pension costs – contributions	698	627
Pension cost – contributions to defined benefit scheme	–	551
	10,196	**9,503**

There were two redundancies in the financial year with payments made totalling £42k.

The full-time equivalent number of staff, including directors, who received emoluments:	2024 Number	2023 Number
£60,001 to £70,000	11	13
£70,001 to £80,000	6	1
£80,001 to £90,000	2	6
£90,001 to £100,000	5	2
£100,001 to £110,000	1	1
£110,001 to £120,000	1	–
£120,001 to £130,000	–	1
£130,001 to £140,000	–	1
£140,001 to £150,000	1	–
£150,001 to £160,000	2	2
£200,001 to £210,000	–	1
£220,001 to £230,000	1	–

7 Operating surplus

	Group 2024 £000	Group 2023 £000	Association 2024 £000	Association 2023 £000
Operating surplus is stated after charging:				
Depreciation				
– housing properties	5,334	4,893	5,334	4,893
– accelerated depreciation on components	120	377	120	377
– other fixed assets	410	459	328	371
Amortisation of intangible assets	467	373	467	373
Operating lease rentals:				
– hire of motor vehicles	166	166	166	166
– office equipment	13	19	13	19
Auditor's remuneration				
– for audit purposes				
– parent	53	46	53	46
– subsidiaries	12	14	–	–
– Total	**65**	**60**	**53**	**46**
– for non-audit purposes				
– tax compliance	7	10	1	1
Internal auditor's remuneration	80	80	80	80

8 Gain on sale of fixed assets

Group and Association

	Housing properties 2024 £000	Other assets 2024 £000	Housing properties 2023 £000	Other assets 2023 £000
Disposal proceeds	886	–	2,069	2,491
Cost of sales (administration)	(2)	–	(9)	–
Carrying value of fixed assets	(582)	–	(1,164)	(2,427)
Gain on sale of fixed assets	**302**	**–**	**896**	**64**

9 Interest receivable

	Group 2024 £000	Group 2023 £000	Association 2024 £000	Association 2023 £000
Intercompany interest receivable	–	–	29	39
Termination gain on loan repayment	–	1,695	–	1,695
Interest receivable	220	131	220	131
	220	**1,826**	**249**	**1,865**

10 Interest and financing costs

	Group 2024 £000	Group 2023 £000	Association 2024 £000	Association 2023 £000
Loans and bank overdrafts	17,724	13,587	8,970	4,807
Interest payable to Group companies	–	–	8,754	8,780
Interest payable capitalised on housing properties under construction	(103)	(89)	(103)	(89)
Defined benefit pension charge	6	560	6	560
	17,627	**14,058**	**17,627**	**14,058**

11 Tax on surplus on ordinary activities

	Group 2024 £000	Group 2023 £000	Association 2024 £000	Association 2023 £000
Current tax				
UK corporation tax on surplus for the year	–	–	–	–
Adjustments in respect of prior years	–	–	–	–
Total current tax	**–**	**–**	**–**	**–**
Deferred tax				
Net origination and reversal of timing differences	–	–	–	–
Total deferred tax	**–**	**–**	**–**	**–**
Total tax on results on ordinary activities	**–**	**–**	**–**	**–**

Analysis of Charge in Period

The tax assessed for the year is lower than the standard rate of corporation tax in the United Kingdom at 19% (2023: 19%). The differences are explained as follows:

	Group 2024 £000	Group 2023 £000	Association 2024 £000	Association 2023 £000
Total tax reconciliation				
Surplus on ordinary activities before tax – SOCI	3,125	7,211	3,161	7,320
Expected tax at 19% (2023: 19%)	594	1,370	601	1,391
Effects of:				
Income not taxable for tax purposes	(12,575)	(1,376)	(10,912)	(1,391)
Expenses not deductible for tax purposes	11,987	–	10,311	–
Other permanent differences	(13)	–	–	–
Remeasurement of deferred tax for changes in tax rates	(2)	–	–	–
Movement in deferred tax not recognised	9	6	–	–
Total tax charge for the period	**–**	**–**	**–**	**–**

12(a) Tangible fixed assets – properties

Group

	Housing properties and mobile homes £000	Housing properties under construction £000	Shared ownership properties £000	Shared ownership properties under construction £000	Total £000
Cost or Valuation at 1 April 2023	**481,534**	**2,388**	**69,548**	**777**	**554,247**
Additions	366	3,799	–	1,202	5,367
Completed	2,596	(2,596)	688	(688)	–
Disposals – Staircasing	–	–	(582)	–	(582)
Disposals – Components	(895)	–	–	–	(895)
Works to existing properties	3,129	–	–	–	3,129
Transfer to current assets	–	–	160	–	160
Transfer from Other Tangible Fixed Assets	1,137	–	1,330	–	2,467
At 31 March 2024	**487,867**	**3,591**	**71,144**	**1,291**	**563,893**
Depreciation at 1 April 2023	(62,042)	–	–	–	(62,042)
Depreciation charged in year	(5,454)	–	–	–	(5,454)
Transfer from Other Tangible Fixed Assets	(88)				(88)
Eliminated on disposal:					
Components	895	–	–	–	895
At 31 March 2024	**(66,601)**	**–**	**–**	**–**	**(66,601)**
Net book value as at 31 March 2024	**421,266**	**3,591**	**71,144**	**1,291**	**497,292**
Net book value as at 31 March 2023	**419,492**	**2,388**	**69,548**	**777**	**492,205**

The carrying value of property used as security for loan facilities totals to £233m.

Association

	Housing properties and mobile homes £000	Housing properties under construction £000	Shared ownership properties £000	Shared ownership properties under construction £000	Total £000
Cost or Valuation at 1 April 2023	**481,534**	**2,629**	**69,548**	**777**	**554,488**
Additions	366	3,799	–	1,202	5,367
Completed	2,596	(2,596)	688	(688)	–
Disposals – Staircasing	–	–	(582)	–	(582)
Disposals – Components	(895)	–	–	–	(895)
Works to existing properties	3,129	–	–	–	3,129
Transfer to current assets	–	–	160	–	160
Transfer from investment properties	1,137	–	1,330	–	2,467
At 31 March 2024	**487,867**	**3,832**	**71,144**	**1,291**	**564,134**
Depreciation at 1 April 2023	(62,042)	–	–	–	(62,042)
Depreciation charged in year	(5,454)	–	–	–	(5,454)
Transfer from Other Tangible Fixed Assets	(88)				(88)
Eliminated on disposal:					
Components	895	–	–	–	895
At 31 March 2024	**(66,601)**	**–**	**–**	**–**	**(66,601)**
Net book value as at 31 March 2024	**421,266**	**3,832**	**71,144**	**1,291**	**497,533**
Net book value as at 31 March 2023	**419,492**	**2,629**	**69,548**	**777**	**492,446**

The carrying value of property used as security for loan facilities totals to £233m.

Expenditure on works to existing properties

	Group 2024 £000	Group 2023 £000	Association 2024 £000	Association 2023 £000
Components capitalised	3,129	3,686	3,129	3,686
Amounts charged to income and expenditure	12,655	9,143	12,655	9,143
	15,784	**12,829**	**15,784**	**12,829**

Interest capitalisation

	Group 2024 £000	Group 2023 £000	Association 2024 £000	Association 2023 £000
Interest capitalised in the year	103	89	103	89
Cumulative interest capitalised	19,454	19,365	19,454	19,365
	19,557	**19,454**	**19,557**	**19,454**
Rate used for capitalisation	**4.83%**	**4.83%**	**4.83%**	**4.83%**

12(b) Tangible fixed assets – other

Group

	Plant and machinery £000	Other freehold property £000	Furniture and equipment £000	Free/ leasehold improvements £000	Computer equipment £000	Total £000
Cost at 1 April 2023	1,963	5,757	1,242	1,677	684	11,323
Additions	–	–	151	–	17	168
At 31 March 2024	**1,963**	**5,757**	**1,393**	**1,677**	**701**	**11,491**
Depreciation at 1 April 2023	**(905)**	**(695)**	**(992)**	**(446)**	**(566)**	**(3,604)**
Charge for Year	(82)	(58)	(126)	(79)	(65)	(410)
At 31 March 2024	**(987)**	**(753)**	**(1,118)**	**(525)**	**(631)**	**(4,014)**
Net book value as at 31 March 2024	**976**	**5,004**	**275**	**1,152**	**70**	**7,477**
Net book value as at 31 March 2023	**1,058**	**5,062**	**250**	**1,231**	**118**	**7,719**

Association

	Other freehold property £000	Furniture and equipment £000	Free/ leasehold improvements £000	Computer equipment £000	Total £000
Cost at 1 April 2023	5,757	1,242	1,677	684	9,360
Additions	–	151	–	17	168
At 31 March 2023	**5,757**	**1,393**	**1,677**	**701**	**9,528**
Depreciation at 1 April 2023	**(695)**	**(992)**	**(446)**	**(566)**	**(2,699)**
Charge for Year	(58)	(126)	(79)	(65)	(328)
At 31 March 2024	**(753)**	**(1,118)**	**(525)**	**(631)**	**(3,027)**
Net book value as at 31 March 2024	**5,004**	**275**	**1,152**	**70**	**6,501**
Net book value as at 31 March 2023	**5,062**	**250**	**1,231**	**118**	**6,661**

13 Intangible fixed assets

Group and Association

	Computer software £000
Cost at 1 April 2023	4,047
Additions	607
Disposals	–
At 31 March 2024	**4,654**
Amortisation at 1 April 2023	(2,840)
Charge for Year	(467)
Disposals	–
At 31 March 2024	**(3,307)**
Net book value as at 31 March 2024	1,347
Net book value as at 31 March 2023	**1,207**

14 Investment properties non-social housing properties held for letting

	2024 £000	2023 £000
At 1 April	19,275	19,085
Reclassification to General Needs	(1,137)	–
Reclassification to Shared Ownership (Fixed Assets)	(1,329)	
Reclassification to Shared Ownership (Current Assets)	(716)	
Increase in value	227	190
At 31 March	**16,320**	**19,275**

Investment properties were valued as at 31 March 2024. The Group's investment properties have been valued by Jones Lang LaSalle, professional external valuers. The full valuation of all properties was undertaken, in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors (RICS). Jones Lang LaSalle included the below in their valuation report:

In valuing investment properties, a discounted cash flow methodology was adopted with key assumptions:

Discount rate	7.25%
Annual inflation rate, after first two years	4%
Level of long-term annual rent increase	4%

15 Investments

The financial statements consolidate the results of HSG Property Services Limited, Housing Solutions Capital PLC and Housing Solutions Development Limited which are all subsidiaries of the Association. The Association has the right to appoint members to the Boards of the subsidiaries and thereby exercises control over them.

	% Shareholding	Country of incorporation	Principal activity
HSG Property Services Limited	100	England	Provides photovoltaic panels and other energy saving solutions to save costs and creates revenue for the Group
Housing Solutions Capital PLC	100	England	Facilitates capital market funding for the Group
Housing Solutions Development Limited	100	England	Facilitates the design and build of properties for the Group

16 Long-term investment

	Group 2024 £000	Group 2023 £000	Association 2024 £000	Association 2023 £000
Investment in Housing Solutions Development Limited	–	–	–	–
Investment in Housing Solutions Capital PLC	–	–	50	50
	–	–	50	50

17 Properties for sale

	Group 2024 £000	Group 2023 £000	Association 2024 £000	Association 2023 £000
Shared Ownership – Completed properties	1,330	1,597	1,330	1,597
Work in progress	665	377	665	377
	1,995	1,974	1,995	1,974

18 Debtors

	Group 2024 £000	Group 2023 £000	Association 2024 £000	Association 2023 £000
Due within one year				
Rent and service charge receivable	2,714	2,351	2,714	2,351
Less provision for bad and doubtful debts	(1,132)	(1,166)	(1,132)	(1,166)
	1,582	1,185	1,582	1,185
Prepayments and accrued income	1,095	854	1,095	854
Amounts owed by Group undertakings	–	–	688	723
Other debtors	1,701	1,395	1,660	1,367
	4,378	**3,434**	**5,025**	**4,129**

19 Creditors: Amounts falling due within one year

	Group 2024 £000	Group 2023 £000	Association 2024 £000	Association 2023 £000
Loans (Note 22)	2,500	2,500	2,500	2,500
Trade creditors	3,898	2,799	3,898	2,799
Rent received in advance	1,213	1,564	1,213	1,564
Other tax and social security	241	229	241	229
Capital creditors	1,883	2,006	1,883	2,006
Accrued interest	1,675	1,340	1,675	1,340
Other creditors	1,722	1,026	1,722	1,026
Amounts owed to Group undertakings	–	–	50	117
Recycled capital grant fund (Note 20)	1,403	1,248	1,403	1,248
Holiday pay accrual	220	209	220	209
Deferred capital grant	775	778	775	778
Accruals	2,763	2,937	2,749	2,873
	18,293	**16,636**	**18,329**	**16,689**

20 Recycled capital grant fund

Group and Association

	2024 £000	2023 £000
As at 1 April	1,248	1,027
Grants recycled	129	215
Interest payable	26	6
At 31 March	**1,403**	**1,248**
Amount up to three years	564	415
Amount three years or older where repayment may be required	839	833
	1,403	**1,248**

21 Creditors: Amounts falling due after more than one year

Group and Association

	2024 £000	2023 £000
Loans (Note 22)	327,921	325,323
Deferred capital grant (Note 23)	63,201	64,003
Unamortised loan premium	1,499	1,633
	392,621	**390,959**

22 Borrowings

Group and Association

	2024 £000	2023 £000
Due within one year		
Bank loans	–	–
Other loans	2,500	2,500
	2,500	**2,500**
Due after more than one year		
Bank loans	101,500	96,500
Other loans	226,421	228,823
	327,921	**325,323**
Total loans	**330,421**	**327,823**

	1 April 2023	Cash flows	31 March 2024
Net Debt Reconciliation			
Cash at bank and in hand	9,406	(1,110)	8,296
Loans	(327,823)	(2,598)	(330,421)
Net Debt	**(318,417)**	**(3,708)**	**(322,125)**

Security

Housing loans are secured by specific charges on the housing properties and by a first fixed charge on Housing Solution's bank accounts.

Terms of repayment and interest rates

Bank loans are being repaid over different periods, some with quarterly payments and others with annual payments. Final instalments range from May 2026 to January 2033. As at 31 March 2024, interest on bank debt is part variable and part fixed, with average rates of 5.22% for variable rate loans and 5.12% for the fixed rate loans. Other loans include long term loans with M & G, MORhomes, Legal & General, and Pension Investment Corp, which have bullet repayments in 2034, 2038, 2054, and 2060 and fixed coupons ranging from 3.67% to 5.43%. The M & G loan has an index linked tranche of £45.0m linked to RPI which is amortising annually. The current fixed rate of this facility is 5.452%.

During the year, the Group converted £30m of variable bank loans with Danske to three £10m fixed rate loans. The three loans mature February 2031, February 2032 and February 2033, interest rates range from 5.11% to 5.13%.

At 31 March 2024 the Group had undrawn facilities of £78.5m (2023: £78.5m).

Based on the lender's earliest repayment date, borrowings are repayable as follows:

	2024 £000	2023 £000
Within one year or on demand	2,500	2,500
One year or more but less than two years	2,500	2,500
Two years or more but less than five years	59,000	104,000
Five years or more	266,421	218,823
	330,421	**327,823**

23 Deferred capital grant

Group and Association

	2024 £000	2023 £000
As at 1 April	64,781	54,230
Grant received in the year	100	12,140
Grant transferred to/from the recycled capital grant fund on property disposals in the year	(130)	(215)
Grant released on disposals	–	(732)
Grant amortised to income	(775)	(642)
At 31 March	**63,976**	**64,781**
Amount due to be released < 1 year	775	778
Amount due to be released > 1 year	63,201	64,003
As at 31 March	**63,976**	**64,781**

The Group has a future obligation to recycle such grant once the properties are disposed of. At 31 March 2024, the value of grant received in respect of these properties that had not been disposed of was £64m.

24
Non-equity share capital

Shares of £1 each issued and fully paid	Association 2024 Number	Association 2023 Number
At 1 April 2023 and as at 31 March 2024	10	10
	10	**10**

25
Leasing commitments

Group and Association

The future minimum lease payments of leases are as set out below. Leases relate to motor vehicles and office equipment.

The Association and Group's future minimum operating lease payments are as follows:

	2024 £000	2023 £000
Within one year	179	178
Between one and five years	–	7
	179	**185**

26
Capital commitments

Group and Association

	2024 £000	2023 £000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	7,578	5,351
Capital expenditure that has been authorised by the Board but has not been contracted for	15,219	15,212

Capital commitments will be funded through a combination of retained reserves, loans, and grant.

27
Cash flow from operating activities

	2024 £000	2023 £000
Surplus for the year from SOCI	3,125	7,211
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	5,745	5,351
Amortisation of intangible fixed assets	467	373
Loss on disposal of replaced components	120	377
Amortised grant	(775)	(642)
Interest payable and finance costs	17,627	14,058
Cost element of housing property sales in operating surplus	582	1,408
Interest received	(220)	(1,826)
	26,671	**26,310**
Movement in fair value of investment properties	(227)	(190)
Decrease in stock	535	3,968
Increase in trade and other debtors	(945)	(952)
Increase in trade and other creditors	1,294	853
Difference between net pension expense and cash contribution	(4,565)	(536)
Net cash generated from operating activities	**22,763**	**29,453**

28
Pensions

Housing Solutions operates a defined contribution pension scheme and operated a defined benefit pension scheme (with no active members since 1 April 2020 and the liability that remained on the balance sheet at 31 March 2023 was valued to the period as at 31 May 2023 and paid in July 2023) as detailed below:

Royal County of Berkshire Pension Scheme (Group and Association)

The RCBPS is a multi-employer scheme, administered by The Royal Borough of Windsor and Maidenhead under the regulations governing the Local Government Pension Scheme, is a defined benefit scheme. The valuation used to assess the final deficit at 31 May 2023 (the agreed final termination date) was calculated as at 31 March 2022 as part of the formal actuarial valuation and was rolled forward for the period to 31 May 2023.

Principal actuarial assumptions
Financial assumptions

	31 March 2024 % per annum	31 March 2023 % per annum
Discount rate	N/A	4.80%
Future salary increases	N/A	3.90%
Future pension increases	N/A	2.90%

Mortality assumptions

The post-retirement mortality assumptions adopted to value the benefit obligation are based on the S2PA tables with a multiplier of 95%. These base tables are then projected using the CMI_2020 Model, allowing for a long-term rate of improvement of 1.25% p.a. The new CMI_2020 Model introduces a “2020 weight parameter” for the mortality data in 2020 so that the exceptional mortality experienced due to the coronavirus pandemic can be incorporated without having a disproportionate impact on results.

The assumed life expectations on retirement at age 65 are:

	2024 No. of years	2023 No. of years
Retiring today:		
Males	**N/A**	21.1
Females	**N/A**	23.9
Retiring in 20 years:		
Males	**N/A**	22.3
Females	**N/A**	25.3

Amounts recognised in surplus or deficit

	2024 £000	2023 £000
Current service cost	–	–
Administrative expenses	–	(19)
Amounts charged to operating costs	**–**	**(19)**
Net interest	**(6)**	(560)
Amounts charged to other finance costs	**(6)**	**(560)**

Remeasurements in other comprehensive income

	2024 £000	2023 £000
Return on Fund assets in excess of interest	**–**	(487)
Other actuarial gains/(losses) on assets	**–**	(43)
Change in financial assumptions	**–**	16,057
Change in demographic assumptions	**–**	1,729
Experience gain/(loss) on defined benefit obligation	**2,547**	(2,501)
Remeasurements of the net assets/(defined liability)	**2,547**	**14,755**

Reconciliation of opening and closing balances of the present value of scheme liabilities

	2024 £000	2023 £000
Opening scheme liabilities	26,048	41,234
Interest cost	6	1,059
Changes in financial assumptions	–	(16,057)
Benefits paid	(2,147)	(955)
Experience loss on defined benefit obligation	–	2,501
Change in demographic assumptions	–	(1,729)
Unfunded pension payments	–	(5)
Closing scheme liabilities	**23,907**	**26,048**

Reconciliation of opening and closing balances of the fair value of plan assets

	2024 £000	2023 £000
Opening fair value of plan assets	18,942	19,397
Interest income	–	499
Return on plan assets (in excess of interest)	541	(487)
Other actuarial losses	–	(43)
Administration expenses	–	(19)
Contributions by employer	4,424	555
Benefits paid	–	(960)
Closing fair value of plan assets	**23,907**	**18,942**

	2024 £000	2023 £000
Net Pension Liability	–	7,106

Major categories of plan assets as a percentage of total plan assets

	2024 %	2023 %
Equities	**N/A**	62.0%
Bonds	**N/A**	15.0%
Properties	**N/A**	13.0%
Cash	**N/A**	2.0%
Other	**N/A**	8.0%
Total	**N/A**	100%

Return on plan assets	**N/A**	0.07%

Related parties

Tenant members of the Association are charged normal policy rents and receive no favourable treatment in any respect as a result of their membership of the Association.

Transactions between the company and its 100% owned subsidiaries, which are related parties, have been eliminated on consolidation for the Group.

Design and build contracts for £68,814 (2023: £2,158,475) were novated to Housing Solutions Development Limited and the associated costs were transferred from Housing Solutions. On consolidation, these costs are included in the fixed and current assets balance in the Consolidated Statement of Financial Position.

HSG Property Services Limited charged the parent Housing Solutions £13,011 (2023: £14,423) for electricity generated by the photovoltaic panels on residents' roofs and Housing Solutions charged HSG Property Services Limited £14,001 (2023: £12,282) for the rental of residents' roofs. Housing Solutions charged HSG Property Services Limited interest £28,905 (2023: £39,059).

Housing Solutions Capital PLC was charged £8,754,088 (2023: £8,779,798) for interest on the Note Purchase Agreement loan and received £8,754,088 (2023: £8,779,798 in interest from the parent Housing Solutions, for its loan to the parent company.

Legislative provisions

The Association is incorporated under the Co-Operative and Community Benefit Societies Act 2014, Registration No. 27876R and is a Registered Social Landlord under the Housing Act 1974, Registration No. L4073.

Housing Solutions

Co-operative and
Community Benefit
Societies No. 27876R

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