



**Northampton Partnership Homes Limited**

**Company Limited by Guarantee**

**Consolidated Financial Statements for the year ended 31 March 2022**

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## **COMPANY INFORMATION**

### **Board members (statutory directors)**

There are places reserved on the Board for the following constituency groups: Independents (4 places), Tenants (4 places), Council Nominated (4 places); 12 in total. Those who are currently or who have served during the year are as follows:

David Latham – Independent (Chair) (Resigned November 2021)  
Andrew Woods – Independent (Chair) (appointed December 2021)  
Zafir Bhatti – Independent (appointed October 2021)  
Chris Deery – Independent  
Rakesh Thakrar – Independent (appointed March 2022)  
Andrew Weatherill – Independent (Resigned July 2021)

John Connolly – Tenant (Vice Chair) (appointed October 2014)  
Godfrey Kanengoni – Tenant (appointed October 2018)  
Chris Webb – Tenant (appointed October 2019)  
Clare Whitehead – Tenant (appointed October 2014)

Cllr Alan Bottwood – Council Nominated (Resigned July 2021)  
Cllr Nigel Hinch – Council Nominated (appointed July 2021)  
Cllr Andrew Kilbride – Council Nominated  
Cllr Mary Markham – Council Nominated (Resigned July 2021)  
Rebecca Peck – Council Nominated (appointed July 2021)  
Cllr Robert Purser – Council Nominated (appointed May 2022)  
Cllr Emma Roberts – Council Nominated (appointed July 2021/Resigned May 2022)  
Cllr Zoe Smith – Council Nominated (Resigned July 2021)

### **Executive Management Team (EMT)**

Mike Kay – Chief Executive  
Paul Satchwell – Executive Director (Resigned April 2022)

Linda Cherrington – Director of Finance  
Gary Duckmanton – Director of Property Maintenance & Compliance  
Nicola McKenzie – Director of Housing  
Olukunle Olujide – Director of Development (appointed June 2022)  
Julie Petrie – Director of Human Resources and Organisational Development  
Dale Robertson – Director of Corporate Services and ICT  
Helen Town – Director of Asset Management & Development (Resigned February 2022)  
Winston Williams – Director of Asset Management (appointed April 2022)

### **Registered office**

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NN1 1DE

**Company registration number**

09019453

**Professional Advisers**

**Auditors**

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**Bankers**

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**Solicitors**

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## STRATEGIC REPORT

### Purpose

Northampton Partnership Homes Limited (NPH) was incorporated on 30 April 2014 and commenced operations on 5 January 2015 to take on the management of housing stock owned by Northampton Borough Council. Its purpose is to improve services and the provision of quality homes to more than 25,000 customers around Northampton. We are proud to help many people live in a home they can afford in communities and places that they want to live in. Our vision, which remains unchanged since the business was established, is

“to provide homes which enable people to live happy and healthy lives in enriched communities.”

### Principal activities and funding

Northampton Partnership Homes Limited (the Company) was created as an Arm's Length Management Organisation (ALMO) to manage Northampton Borough Council's (the Council) housing stock. The Company was established with no share capital and is limited by guarantee. From 1 April 2021, the business moved under West Northamptonshire Council (WNC) from Northampton Borough Council following the creation of a Unitary Body which amalgamated South Northamptonshire District Council, Daventry District Council and Northampton Borough Council with part of Northamptonshire County Council. As such the Company's management agreement has been novated under the new unitary council. The Company is a wholly owned subsidiary of the WNC, and these financial statements are consolidated into the Council's accounts.

The principal activities of the Company are the provision of housing services including housing management, repairs and major works. The business is also a development partner of the Council and receives funds on their behalf for the provision of new affordable housing.

The Company set up a subsidiary, Happy to Help (Northampton) Community Interest Company (HTH) in July 2018 with the aim of improving the health, well-being, economy, environment and availability of opportunity for the benefit of Northampton residents and their communities.

HTH was incorporated on 18 July 2018 and is wholly owned by NPH. It has its own Board of Directors. It is a Company limited by guarantee and is a not-for-profit organisation. The financial results of the Company have been consolidated into NPH's financial statements for the year.

### Section 172 Statement

In accordance with the Companies Act 2006, the Board members comply with the general duties; a duty to act within its powers, a duty to promote the success of the Company; a duty to exercise independent judgement; a duty to exercise reasonable care, skill, and diligence; a duty to avoid conflicts of interest; a duty not to accept benefits from third parties and a duty to declare any interest in a proposed transaction or arrangements.

By meeting the 172 obligation of promoting the success of the Company, NPH has regard to:

- Likely long-term consequences of its decisions
- Employee interests
- Fostering of relationships with suppliers, customers and others
- Impact of operations on the community and the environment
- Maintaining high standards of conduct
- Act fairly between the members

This is reflected in the NPH Vision, Mission and Values statements, developed with all of our stakeholder groups including tenants, employees, Board Members, operating partners, contractors and with the Council.

These statements set the direction for our strategic objectives. Our stated purpose and intention are at the core of who we are, what we want to achieve and how we want to deliver.

#### Our Vision

NPH provides homes which enable people to live happy and healthy lives in enriched communities.

#### Our Mission

- We improve lives by sharing a common purpose.
- We improve and maintain the quality of our homes.
- We provide services which endeavour to meet the needs and aspirations of all tenants and residents.
- We will provide the opportunity for people to influence the immediate and long- term futures for themselves and their communities.

#### Our Values

- Open and Strong
- Listen and Respond
- Achieving more with others
- Aim High and Deliver

#### Review of business results and performance

We are exceptionally proud of the commitment and dedication demonstrated across the business throughout the last financial year. The NPH team delivered on its strategic objectives despite the challenges of a global pandemic, a change of parent council, supply chain issues, regulatory changes and other external factors affecting the way we operate. This is a huge achievement, and sincere thanks go out to each of our colleagues. 2021/22 highlights are outlined as follows..

#### Positive relationship with West Northamptonshire Council

Relationships with our parent council have developed positively and significant progress has been made towards refreshing our Articles of Association to recognise the change in our parent company, a new housing strategy and a new management agreement, which better represents the relationship between both organisations. This will enable NPH to build on existing success and work towards its ambition to become West Northamptonshire's housing provider and developer of choice.

#### Return to business as usual

The impact of Covid restrictions resulted in a considerable repairs backlog, which has largely been cleared owing to the systematic and tenacious approach taken by the property maintenance team.

Colleagues have embraced new ways of working, driving efficiencies and making better use of resources. Crucially, we have adapted our services in response to the needs of residents.

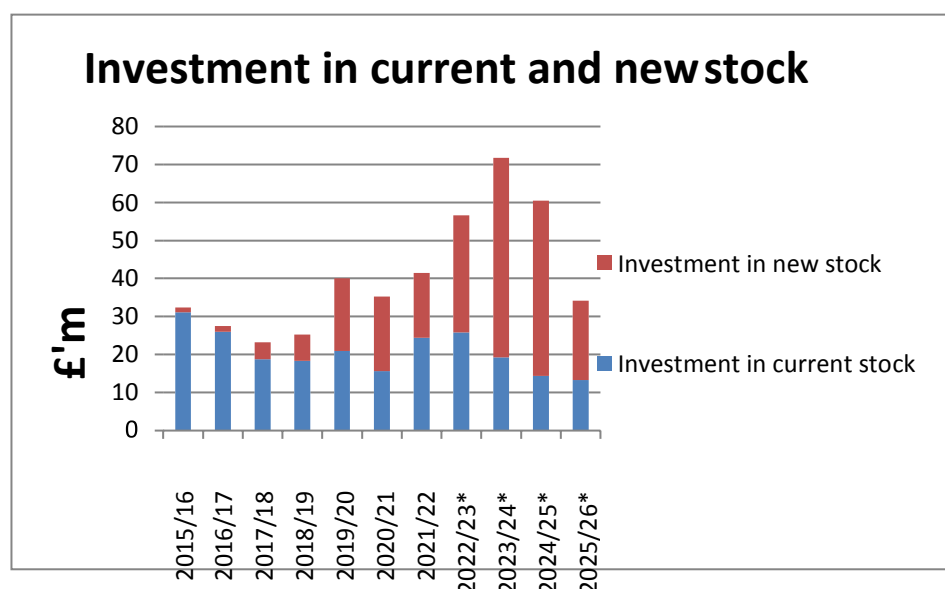
#### Sustainability

We secured £3 million from the government's Social Housing Decarbonisation Fund (SHDF) in the pilot phase to retrofit the least energy efficient homes that NPH manages. This project continues and works completed in the demonstrator phase have been praised by the Department for Business, Energy and Industrial Strategy and attracted positive feedback from both residents and the media, which has secured further funds of circa £6m for phase 1.

#### New homes

Building new homes is an ongoing priority for NPH, with a need to address the shortfall between demand and supply of affordable housing. We have increased the scale of our development programme and continue to seek opportunities to bring forward options for development.

The number of Right to Buy (RtB) sales returned to pre-Covid levels and were 119 this year (2020/21: 63). We had hoped to increase the net stock level for a second year, however due to the delay on two major projects each comprising of 60 additional units this was not possible. These will now be delivered in 2022/23 and as a result there were 61 new homes for 2021/22 (2020/21: 83).



The graph demonstrates that while investment into the development stock is increasing it is not at the expense of a reduction in investment in the current stock and the planned allocation in the medium term.

The lifting of the HRA borrowing cap by the government in October 2018 has meant that there is significant capacity within the HRA to build the number of new affordable homes required across the wider area of West Northamptonshire. This is not an endless supply of capital but key for those schemes that meet the required financial criteria and our customers' needs. These are subsidised by 141 Right to Buy receipts and Homes England grants, demonstrating affordability for the HRA. NPH and WNC remain committed to considering different options available to access additional funding and deliver an increased and accelerated programme that is not at the expense of investment in the current stock. The aim is to have a suite of options available to maximise the delivery of all aspects of stock investment. During 2021/22 funding has been secured through Homes England.

### Our corporate plan (2018/23)

NPH has five key strategic priorities as detailed in the Corporate Plan (available on the NPH website) as follows:

- to deliver and maintain high quality homes and estates,
- to deliver high quality customer focused housing services,
- to improve empowerment, opportunities, and access for all,
- to develop and maximise partnerships to build stronger, safer, and thriving communities in Northampton; and
- to be an open, inclusive, effectively managed and trusted organisation.

We have now completed our seventh year of operation and progress continues against these objectives.

### Key achievements in 2021/22



#### Quality homes and estates

- Received funding from the Social Housing Decarbonisation Fund to pilot a Whole House Retrofit project on 150 properties in Kingsthorpe and Kingsley
- Homes England Funding £1.4m for Next Steps Accommodation for rough sleepers (NSAP) and £550,000 for rough sleepers' accommodation project (RSAP)
- Launched a new Asset Management Strategy for 2022/25
- Acquired and refurbished 12 former council homes for affordable housing
- Our neighbourhood investment programme continued with 13 areas completed in 2021/22: Goldings, Southfields, Briar Hill, Great Billing, Little Billing, Rectory Farm, Overstone Lodge, Woodfield, The Headlands, Cottarville, Cherry Orchard, Weston Favell, and Standens Barn
- Commenced "whole neighbourhood" programme of planned regeneration works in Ecton Brook and Bellinge



- Completion of Farmfield Court (formerly Tanners' pub site) delivering 17 new homes, a shop and a takeaway in Thorplands
- Commenced two town centre office-residential conversions (Riverside House and Beaumont House) each aiming to deliver 60 new apartments for affordable rent
- Acquired outline planning consent to deliver 170 homes on Avenue Campus



### Customer focused

- NPH's housing management team won the Chartered Institute for Housing (CIH) "Housing Heroes Award"
- Supported 51 survivors of Domestic Abuse in 2021/22 to ensure they live safely and free from further harm
- Supported tenants to access £246,000 in unclaimed benefit payments they are entitled to
- Supported 341 tenants with housing related support, with 99% of these tenants sustaining their tenancies
- Offered homes to 658 new tenants in 2021/22
- Developed a pre-tenancy programme to support vulnerable applicants to manage their tenancy
- Reviewed the model offered to tenants in older persons housing to facilitate more movement within our own stock and ensure tenants are rehoused in suitable accommodation
- Maintained our ASB accreditation and also our accreditation as an outstanding housing support provider for the third year running by EROSH the National Consortium for Older Peoples Housing and Support



### Opportunity and access for all

- Expanded opportunities for tenant volunteers to support the work of HTH, including volunteering at our Community Paint Shop
- Opening of Moray Lodge providing 20 self-contained apartments with independent living and 24/7 support available to residents with acquired brain injury and mental health needs
- Provided training opportunities for tenants to support them with new life skills and enhancing their quality of life
- Community events held including:
  - litter picking with WNC, Northampton Litter Wombles and Veolia in Lumbertubs and St James
  - Belling community engagement afternoon sharing information from a number of local organisations including Northants Police, Fire Service, Free2Talk Youth Club, Community Spaces Northampton and WNC
- Improved on-line housing services including an electronic sign-up process, online forms and online identity and document verification
- Providing four kick start opportunities one resulting in a permanent placement



### Maximising partnerships

- HTH received £9,800 National Lottery funding in celebration of the platinum jubilee, to support the provision of new beds, mattresses and bedding for 70 people.. These will be issued during 2022/23
- HTH launched the handyperson service providing a discounted service to tenants for small jobs around the home
- Working with local contractors to assist in the delivery of batched repairs service where several jobs are grouped together either by trade or areas and completed at the same time maximising the impact and reducing delays
- Tackling community safety issues with the Countywide Community Safety Partnership, Northampton Community Safety Board, local hot spot groups and supporting community initiatives.
- Introduced Neighbourhood Plans to provide key information, facts and services within local estates



### Being an effective organisation

- Introduced a new fire risk assessment tool which was shortlisted for a national housing industry award
- Implemented improvements to our scheduling and mobile working software to improve efficiency for ourselves and contractors
- Delivered a wide variety of training for staff; 90 qualifications, 330 hours of face to face courses, 961 hours of in-house online learning and 90 external online training sessions
- Employed a total of 24 apprentices since 2018
- Reduced sickness absence from 14.71 days in 2015/16 to 6.83 days in 2021/22
- NPH became an accredited Living Wage Employer

## 2022/23 Priorities

We are working with WNC to develop a housing strategy that represents the current and future needs of residents. This will set the direction of our strategic relationship and facilitate a new management agreement that enables future growth and development of housing services in West Northamptonshire.

In addition, and in line with the 2023 roadmap included within our corporate plan, we will continue to improve and expand opportunities for residents to shape their housing services as follows:



- £200m will be spent over the 5 years on improving homes, neighbourhood regeneration and increasing the number of new homes
- Increase customer satisfaction of grounds maintenance and cleaning of communal areas
- A 10 year Asset Development Strategy (ending 2025), delivering a minimum of 1,000 new homes
- Complete the pilot phase and commence phase 1 of the SHDF programme to support the 2030 and 2050 zero carbon targets



- Continue to conduct regular tenant and leaseholder surveys
- Maintain support service accreditation
- Explore rent income accreditation
- Maintain ASB accreditation
- Achieve the Institute of Customer Services (ICS) Service Mark accreditation in 2023
- Invest in adapting properties to maintain resident independence
- Expand our housing offer to bring forward opportunities for supported housing within our development pipeline



### Opportunity and access for all

- Enhance our online anytime self-service offer, including online repairs reporting and satisfaction surveys
- Build up our resident involvement offer and engagement opportunities to ensure all can participate
- Provide training opportunities for tenants to support them gaining new life skills and improving quality of life



### Maximise Partnership

- Develop and grow HTH our CIC, aiming to generate inward investment of £500,000 in social value over it's first five years due by 2023
- Deliver an increased programme of social and affordable housing need over the next 5 years for the Council through our Investment/Development Plan Framework
- Use our established 10-year partnership with contractor Equans to continue to deliver investment and improvements to existing homes
- Grow our newly established framework of smaller local contractors and suppliers to assist in the delivery of a local, first class repairs service
- Continue to strengthen our good relationship with WNC



### Being an effective organisation

- Reduce our carbon footprint by 20% by 2023
- Continue to procure green electricity and maintaining top quartile performance
- Continue service improvement reviews: repair costs, community hubs, service level agreements (SLAs) and service charges
- A Rent Income Strategy that supports residents and those on Universal Credit to sustain tenancies whilst maximising income
- Achieve £1.2m income generation from the PV (Photovoltaic) panels for the five years from inception (by 2024)
- Deliver a talent management programme developing existing and new employees
- Maintain a strategic apprenticeship programme

The Plan sets out a number of performance measures geared to achieving the strategic objectives which are complemented by additional more specific metrics against which NPH will also measure its performance as specified in the Value For Money (VFM) statement.

For HRA income, the return of remedial actions available to NPH for the non-payment of arrears was anticipated this year, however with the change of ownership of the housing stock from NBC to WNC, additional challenges have been experienced substantially impacting the level of court action possible. These issues have been resolved for 2022/23 which should help to ameliorate growth of arrears. NPH actively seek to recover rent owed whilst maintaining a balanced approach to sustain tenancies where possible whilst still ensuring arrears remain at an acceptable level.

Households receiving Universal Credit (UC) have increased by over 18%, and overall, this represents almost 62% of the total (currently estimated to be 6,560) who will migrate to UC on full implementation. As the impact of the pandemic has to a large extent subsided, the Government resumed the migration plans in May 2022 with anticipated completion by the end of 2024.

NPH was set up to ensure that these challenges can be effectively managed and plans for 2022/23 target continued improvement to services and the provision of quality housing against this backdrop. Building on the work from the past seven years, the focus remains on delivering a value for money, customer focused service for tenants and residents and for the Council through our Corporate Plan.

## Value For Money

Historically NPH has had a rolling 3-year VFM Strategy that takes account of our wider strategic objectives and describes how VFM fits. Understandably there is a strong link between our 'critical success factors' for delivering the strategic objectives and VFM. Elements of the full VFM statement (available on the NPH website) are provided below.

For NPH, VFM means obtaining the maximum benefit from the resources available to meet the needs and aspirations of our tenants and leaseholders. This requires us to be effective in how we plan, manage, and operate our business. NPH does not believe VFM is solely concerned with achieving the lowest cost and we maintain a strong focus on improving services for customers. Any gains made are reinvested back into the delivery of frontline services. We look for outcomes that can be measured and which demonstrate our trajectory towards increasing VFM.

NPH has adopted a holistic approach to embedding VFM into the way it provides corporate support services, day to day service delivery and in overall management decision making. This approach started at NPH's inception in 2015, through the implementation of a set of performance measures put in place to monitor performance, recognising that NPH are the fundamental contributor to the performance of the Council's Housing Revenue Account (HRA). For example, the HRA has an annual revenue cost of approximately £30.3m (2022/23 business plan) and NPH has a budgeted management fee of £28.9m to enable the delivery of housing services across Northampton for 2022/23.

## VFM – 2021/22

The original performance measures put in place to monitor NPH are the Tier 1 and 2 performance indicators that the Council uses to review quarterly performance. These measures and the associated targets are reviewed annually with the Council.

In addition to the agreed measures, NPH has introduced other operational practices through the delivery of key corporate VFM control activities across the following areas:

- Procurement
- Corporate Programme and Project Management
- Workforce Management
- Performance Monitoring, benchmarking, and customer satisfaction tracking
- HTH

#### Procurement

Procurement delivery during 2021/22 continues to be monitored with due consideration of the ongoing impact on materials cost and scarcity not only due to the pandemic but also as the fuller impact of Brexit took hold. The rising costs and capacity issues have on occasions caused delays in key areas of activity (e.g. delivery of the new build programme), however NPH has supported its supply chain and continued to provide a critical service to our community whilst maintaining a clear focus on VFM.

During 2021/22 there has been a review and expansion of existing frameworks allowing further benefits to be realised including a neutral vendor framework for consultancy, works, and services. This has provided an easy, efficient, transparent, and compliant solution for consultancy, providing a platform for us to invite and utilise the local supply chain. In addition, this has provided value for money for both NPH and the supply chain due to reduced framework fees whilst providing a competitive platform with savings over budgeted figures.

Our approach to assessing value is to focus on the elements of each contract that are of most importance to the service area. This could be cost, service delivery improvements, efficient processes, risk management or social value. We then develop tender evaluation criteria that is weighted according to the importance of each for that particular contract. We don't have a standard price / quality split or standard evaluation criteria, as the factors are different for each contract and during 2021/22, we have generated CSR monies to support our community interest company, HTH of £112k which supports our residents and their communities. In addition, there are further collective savings during 2021/22 of over £500k.

#### Corporate programme and project management

NPH introduced a bespoke corporate Programme and Project Management Framework in 2019 to ensure that both financial and people resources, were aligned to delivering against NPH corporate priorities, as set out in its Corporate Plan and that any resources used provided VFM and identifiable benefits.

During the year, key corporate projects include:

- Recharging residents for repairs where these are due to their actions rather than NPH responsibilities as WNC's managing agent (e.g., replacement of lost fobs or locks where tenants have lost their keys). This has provided additional revenue for WNC and the HRA to cover expenditure on repairs which are not covered by existing service charges.

- Continued rollout of the use of handheld devices to gather data, this project has produced financial savings from staff time, reduction in printing, paper and subscription costs as well as the significant reduction in fire safety risk for tenants. The approach was shortlisted for a national award and NPH has been supporting other similar organisations to share best practice
- Improvements to the out of hours emergency repairs service
- Introduction of an online contractor portal to allow contractors to upload invoice and payment certificate information to allow for a single source of information

#### Workforce management and development

NPH recognises that its workforce is a significant resource and active management, oversight and control of this resource is a key contributor to ensuring VFM. NPH actively monitors sickness absence levels and ensures that management processes support individuals to return to work. Staff turnover is tracked to monitor trends and reasons for staff leaving are important to understand as recruitment processes are costly and gaps in resources can have a negative impact on remaining staff. All vacant positions are challenged by the Executive Management Team (EMT) to agree whether the resource is still needed or not, allowing budget for roles no longer considered a priority to be utilised elsewhere.

Staff training and development spend is also considered by EMT in terms of VFM as it is an investment to reduce turnover and should also be expected to provide other benefits to the organisation. NPH considers all requests for Post Entry Training and all training programmes include evaluation.

#### Performance monitoring, benchmarking, and customer satisfaction tracking

Tenant satisfaction is formally measured by NPH every two years using a Tenants Survey (STAR). The last full survey took place in October 2019. A mini sample survey of 2,000 tenants was also carried out in the Winter 2020, in order to gauge tenant views following the long first Covid lockdown.

NPH set out an objective to achieve accreditation through the Institute of Customer Service (ICS) to drive service improvement through a focus on the needs of customers. As a result of this, NPH moved to reporting satisfaction using the Customer Service Index (CSI) scoring methodology. The CSI methodology provides results based on actual service experience and the level of importance to the customer on the service received. This differs from the Housemark methodology which is focused on perception of a service rather than actual experience. 'STAR' Housemark measures are no longer collected and have been replaced with new CSI measures.

NPH's approach will need to change again as the Regulator of Social Housing intends to introduce a new set of Tenant Satisfaction Measures that all registered providers must comply with. The final set of measures is due to be confirmed in 2022 and expected to be introduced in April 2023. This will obviously have an impact on the way NPH conducts satisfaction surveys moving forward. NPH is currently reviewing its approach to ensure compliance with the proposed new requirements.

#### Happy to Help Community Interest Company

During 2021/22 we continued to deliver additional services to benefit tenants via HTH, utilising 'Corporate Social Responsibility' money. This year we have supported 187 vulnerable people with furniture, white goods, and essential items, a further 389 homes (538 people) with food parcels and over 200 vulnerable households with Christmas hampers. For the wider communities across Northampton, we have also supported 16 groups via our Communities Fund, reaching an estimated 480 people including funding garden equipment and furniture, hi-vis jackets and insurance for a community cycling group, litter picking equipment and support for a stay and play group.

Working within the government guidance for non-essential retail we continued to operate our Paint Shop in Kings Heath where possible. This financial year we have recorded 261 hours of volunteering, helped 330 households to decorate on a budget and recycled enough paint back into the community diverting 2,299 litres of paint from landfill.

This was also the first full year of our handyperson service providing subsidised, affordable services for small jobs in and around the home with over 170 households accessing the service. Our new gardening service also assisted ten households to bring their gardens back to a manageable position for them to enjoy. Both services meet an identified unmet need and were requested by our tenants.

#### Overall NPH performance

In addition to the above corporate mechanisms to drive organisational VFM, NPH also uses metrics across individual service areas to assess and benchmark performance. Working to achieve these measures are critical success factors for NPH and several are included below:

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	Actual	Actual	Actual	Actual	Actual	Actual	Target
Headline Social Housing cost, £ per unit	£4,521	£4,217	£4,470	£5,931	£5,419*	£6,225*	£6,419
CSI satisfied with overall service**	N/A	N/A	N/A	68.7%	67.6%	N/A	TBA
CSI satisfied with advice and support**	N/A	N/A	N/A	84.5%	79.7%	N/A	TBA
CSI score for contacting NPH**	N/A	N/A	N/A	61.0%	60.0%	N/A	TBA
Staff cost per unit £	£808	£790	£757	£823	£890	£995	£1,072

Note:

\* At the time of writing only draft accounts are available for 2020/21 for NBC, and 2021/22 for WNC though the 2020/21 accounts are in the final stages of review.

\*\* CSI Customer Satisfaction measurement is carried out by an independent survey organisation, following the Customer Service Institute scoring approach full census Tenant Survey is usually conducted every two years, however due to the expected introduction of new RSH Satisfaction Measures from April 2023, the current approach is suspended, see detail on page 14 above.

The Headline Social Housing Cost has increased in line with expectations to £6,225 following the slight dip during 2020/21. This is mainly due to the backlog of responsive repairs following Covid, the growth in planned investment work amplified by the decarbonisation funding from SHDF together with the completion of a further 61 new units.



There has been and continues to be substantial investment in the new build capital programme (Asset Strategy 2022/25) reaffirming our ambitions to deliver in total over 1,000 homes by 2025. This additional investment has been made possible due to the removal of the HRA Borrowing Cap from October 2018 onwards, 141 RtB receipts, together with accessing additional grant funding including Homes England and the SHDF.

At the end of the 2021/22 year there were 3,178 people on the housing register an increase of 202 from 2020/21. Of these there were 133 households where a full housing duty had been accepted. In addition, there were some 400 households accommodated in temporary housing, whilst their housing applications were considered by WNC. There were also 257 individuals and families living in temporary accommodation. NPH has successfully housed 60 homeless families into secure housing, many of whom were placed in expensive temporary accommodation.

This demonstrates the ever-growing homeless problem that is a symptom of the housing crisis across the country. This presents a critical need and the investment made in this area is clearly value adding. New housing investment is very important to Northampton and provides significant value both socially and economically. Investment in this area will grow the housing stock of WNC to support dealing with these issues and provide valuable long-term assets that strengthen the HRA balance sheet.

During 2021/22 investment has risen, returning to pre-Covid levels as expected following the slight drop during 2020/21. During 2021/22 NPH was able to access grant funding from the SHDF pilot. This provided investment in neighbourhoods (Kingsthorpe and Kingsley), allowing more homes to become more energy efficient working towards the Government's net zero carbon target of EPC C rating for tenants' homes by 2035.

If capital spend is stripped out of the Headline Social Housing cost indicator the investment across the housing stock has also increased. This reflects the considerable level of repairs delivered during 2021/22 which also included catching up on the backlog following Covid, shown in the table overleaf:

Headline Social Housing	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	Actual	Actual	Actual	Actual	Actual	Actual	Target
Headline Social Housing cost ex capital, £	£2,160	£2,204	£2,260	£2,355	£2,346	£2,581	£2,782
% Change	4.6%	2.1%	2.5%	4.0%	-0.2%	10%	7.8%
Annual inflation (year to March)	3.1%	3.3%	2.4%	1.9%	0.7%	9.2%	N/A

#### Asset management and investment

Investment in current and new stock is important to the long-term viability of the HRA, but it is also essential for social value generation within Northampton, particularly when considering the provision of new homes. Historically, there has been a net loss to social housing across the borough of Northampton because the number of homes lost through RtB exceeded the number of new homes being built, this was

the case for a number of years. 2020/21 saw the first year when additionality exceeded the RtB sales, generating a net increase of 31 homes. It was anticipated that this would continue during 2021/22 however there was a resurgence of RtB with 119 sales, almost a full return to pre pandemic levels. In addition, two major schemes (Riverside House and Beaumont House), expecting to deliver a total of 120 homes during 2021/22, encountered delays causing a further year net loss to housing stock. These schemes are on track to deliver over the summer 2022.

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	Actual	Actual	Actual	Actual	Actual	Actual	Target
CSI score for Major Improvement Works*	N/A	N/A	N/A	N/A	66.6%	N/A*	N/A
Capital spend £ per unit	£2,361	£2,013	£2,210	£3,557	£3,096	£3,670	£3,869
Reinvestment % <sup>1</sup>	5.9%	4.3%	4.7%	6.8%	5.6%	9.9%	5.5%
New Supply % <sup>2</sup>	0.1%	0.3%	0.6%	0.7%	0.8%	0.8%	1.4%

Note: Currently only draft information is available from 2020/21 onwards, for the Council, therefore the housing properties book value is based on the draft value as at 31 March 2020 plus the new build capital programme costs.

\* Pending confirmation of new RSH Satisfaction Standard measures expected Summer 2022 to commence from April 2023, see detail on page 14 above.

<sup>1</sup> Reinvestment is the cost of investment in current and new stock as a percentage of housing properties book value in total

<sup>2</sup> New supply is the number of new units as a percentage of the closing stock for the year.

We are actively working to further increase new housing stock by building new homes and have increased the number of larger scale projects over the forthcoming years including adding to the net social housing stock. New schemes approved during 2021/22 include Avenue Campus and Southbridge in addition to those approved in earlier years that are in progress such as Belgrave House (The Clock House) and the Roof Gardens. Collectively these will deliver a further 276 homes across Northampton, in line with our ambitious plans as stated in our new 10-year Development Strategy.

### Housing management services

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	Actual	Actual	Actual	Actual	Actual	Actual	Target
Housing management cost per unit	£1,023	£1,045	£1,073	£1,174	£1,240	£1,268	1,342
Current tenant rent arrears (CTA) %	2.01%	2.25%	2.23%	2.65%	2.57%	2.80%	3.15%
Former tenant rent arrears (FTA) %	1.08%	1.11%	1.27%	1.49%	1.28%	1.45%	No target
CTA and FTA write off as % of rent roll	0.51%	0.38%	0.38%	0.29%	0.53%	0.31%	No target

By completing satisfaction surveys with tenants at various points when they interact with us, we can use the information to make changes to our services. The new specialist accommodations have incurred significant additional costs now they are tenanted, Oak Tree Rise in particular.

Coming out of Covid Housing Management has returned to business as usual, however the impact of the pandemic has increased the number of tenants who require on-going support and assistance managing their tenancies, we currently have 188 in active support which includes 18 Domestic Abuse cases. This work has had a significant impact on tenants being able to manage their tenancies.

There has been an increase in costs associated with lifelines in older persons housing, and NPH has undertaken a programme of linking smoke alarms to lifelines for very vulnerable tenants. This has added an additional layer of assistance and safety for older people. We have also been progressing the digital switchover of lifelines from analogue devices.

Court action in relation to anti-social behaviour has been delayed due to backlogs in the courts, however we are proactively managing 73 cases, with 4 pending legal action. Managing these cases allows other tenants to live in quiet enjoyment of their homes avoiding tenancy termination.

We supported 46 victims of Domestic Abuse which allowed families to remain in their current home, but where that has not been possible, we have moved 6 to safe housing. Over the year we have also provided new tenancies due to extenuating circumstances for 10 further households because of hate crime, medical reasons or due to ASB challenges.

The refurbishment of the community hubs has been completed and the engagement programme now concentrates on community events and weeks of action across the town.

During 2021/22 we have increased our collections to reduce the impact of fly-tipping across Northampton, recognising that whilst this is the responsibility of WNC rather than NPH the impact this has for residents is significant. During 2022/23 this proactive approach will continue as we increase the methods of reporting to allow timely intervention wherever possible.

#### Income from HRA homes

Tenant arrears and debt levels have an impact on value. The more rent collected; the more resource we have available to invest through the HRA. Current tenant arrears have increased slightly by 0.23% to 2.80% from the exceptionally low level of 2.57% in 2020/21. This is still well within the target for the year of 3.25%. This shows that performance has continued to exceed expectations, as arrears are controlled, though post-unitary complications for court submissions have hindered the progress of evictions for rent arrears. The financial inclusion and welfare reform team were also able to secure additional support and benefits for residents of over £300,000.

At the end of 2021/22 arrears had risen by a marginal £146k (0.3% of the rent available for collection) and reflects significant work undertaken supporting tenants in financial difficulties during the second year of the pandemic. The number of evictions has increased, however only slightly, 10 this financial year, due to technical issues following the transfer of the housing stock from NBC to WNC and the role of NPH as an ALMO, however this issue has been resolved for 2022/23. The reduced number of possession hearings and evictions realised financial savings against budgeted costs and in addition fewer evictions help to reduce void expenditure and increase tenancy sustainment.

Void rent loss during the year had risen by 3.5% to £525k. This has been a result of the increase in major

or complex voids, where work has taken a considerable length of time to complete, in addition to several new build properties where final Highway's approval was not available to enable them to be let. It is anticipated that the level of void rent loss will reduce in 2022/23 as improved ways of working have been implemented to minimise delays in the future.

#### Repairs and maintenance service

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	Actual	Actual	Actual	Actual	Actual	Actual	Target
CSI score for repairs service**	N/A	N/A	N/A	72%	81.7%	N/A	n/a**
Repairs service cost per unit, £ per unit	1,088	1,121	1,050	1,158	1,043	1,209	1,083

\*\* CSI Customer Satisfaction measurement is carried by an independent survey organisation, following the Customer Service Institute scoring approach Full census Tenant Survey is usually conducted every two years, however due to the expected introduction of new RSH Satisfaction Measures from April 2023, the current approach is suspended, see detail on page 14 above.

Satisfaction levels across the repairs service have improved; this is reflective of the repair's improvement programmes delivered (phases 1 and 2). This remains above general reported satisfaction levels which are reducing across the whole sector. Although costs per unit have increased, there has been a significant increase in labour and materials across the industry, impacting on the cost of providing the service. There was a budget overspend in 2021/22, due to additional costs to cover the period of Covid when repairs could not take place due to Government restrictions. This resulted in a backlog of 2,700 jobs, which is still being worked through, with a plan in place to revert to a business-as-usual service by the start of 2023/24.

As with the other services, satisfaction levels from the ICS and survey of tenants and residents are below benchmark median positions and we strive to continue to make improvements. Our target for customer satisfaction is 90% for our transaction surveys which was achieved, and we are currently performing at a 90% satisfaction level. The targeted (and budgeted) position for 2022/23 is to reduce the cost per unit of repairs, which we hope to achieve, but considering the current economic climate, it is acknowledged this is going to be challenging.

By the end of 2021/22 we had completed our work on the Repairs Improvement Programme phase 3, putting the building blocks in place for embedding new ways of working during 2022/23. During the year, data interrogation and verification was enhanced, ensuring our reporting is accurate and transparent. This has resulted in the average number of repair visits per property decreasing, due to our improved right first time performance and management processes when a repair is not completed right first time. We are confident this will positively impact on future scores in this area.

#### Compliance

The Compliance team is responsible for building safety as well as a range of compliancy areas, the principal areas being, gas, electrical, fire, legionella, asbestos, and radon. During the year there has been substantial compliance work completed, in preparation for the Fire Safety Act 2021 and Building Safety Bill, expected in 2022. The team has also started the migration from a 10-year electrical testing programme to a 5- year programme, ensuring we are prepared for future legislative changes in this area of compliance.

#### VFM in summary

We aim to continue to make cost savings while improving service delivery. At times costs have increased in part from the impact of Covid, Brexit and inflationary pressures, but also our own ambitions to deliver more. We are pleased with the direction of travel over the 7 years since NPH was founded. Quality has increased as measured by satisfaction and the 'like for like' cost has decreased since 2015. Performance against strategic critical success factors is strong and we are looking towards improving the long-term value and viability of the HRA. Investment into new and existing stock is growing and, whilst we have had delays with new developments, our pipeline is strong and will continue over the coming years to ensure that NPH is able to deliver good quality housing that meets WestNorthamptonshires needs.

Over recent years our focus on sustainability has grown recognising our commitment to the zero-carbon agenda, being involved in the pilot scheme with the SHDF improving the legacy housing stock.

We recognise that continued progression is essential. When compared to external benchmarks in a number of the areas above we still have much to do and are not complacent. Whilst we await the new RSH metrics, the plan for the coming years is to continue to target improvement in the metrics, minimising where possible the impact of cost pressure challenges the pandemic and our exit from the EU bring to delivering new homes and services to our tenants and leaseholders. We are committed and focused on driving up satisfaction and our investment in NPH.

The investment we have already made, working with the Institute of Customer Service, should support our goal to receive accreditation in 2023. This focus continues to demonstrate the positive impact we have made, and we look forward to continuing our training and culture change programme ensuring we work to put our tenants and leaseholders' needs first.

Services that are efficiently and effectively delivered at the right price mean that over the long-term NPH will be able to deliver happier and healthier communities that support more of those in need and most importantly, provide people with the strong foundation of a home that is essential to furthering aspiration.

#### Governance

The Board consists of equal representation of four tenants, four council nominated and four independents. The make-up of the Board ensures that no single group holds a majority vote.

The Board members during the year are listed on page 2.

Board members are drawn from a wide background bringing together professional, commercial, and public sector experience. From April 2021, Council nominations were made by NPH's parent, West Northamptonshire Council.

Board members receive a comprehensive and tailored induction on joining the Board and regularly update and refresh their skills and knowledge. Each year, the Board undertakes a 360-degree appraisal process, to reflect on individual and collective performance. The outcomes inform the Board's annual training and development programme.

The primary role of the Board is to focus on strategic direction, growth, and risk. The Board meets formally throughout the year for regular business, and to discuss strategic issues. During 2021/22; the Board ensured the governance structure remained operational and effective by conducting their meetings remotely which was in accordance with its articles.

The Board has the following committee structure. Membership of these committees consists of Board members and an independent member (Audit and Risk Committee):

- Audit and Risk Committee
- Finance Committee
- Operations and Resource Committee
- Policy, Planning and Development Committee
- Remuneration and Review Committee

The Board delegates the day-to-day management of the business to the Chief Executive Officer and Directors who form EMT who meet weekly, and attend meetings of the Board and committees as appropriate.

#### Subsidiary board

HTH Community Interest Company has its own Board of Directors which includes one member from the NPH Board. Governance arrangements are appropriate to the size and activity of the business. All governance arrangements require the subsidiary to feed into the NPH governance structure. Both Boards adhere to a Code of Conduct based on the seven Nolan principles of public life; selflessness, integrity, objectivity, accountability, openness, honesty, and leadership.

#### Significant risks and uncertainties

As we end the financial year 2021/22 the business and our customers are facing challenges on a level not seen for decades. The last two years have been significantly affected by the Covid pandemic and, while the business had coped well and flexed delivery and working arrangements, there are lagging impacts that are still being felt. Covid is also affecting the wider macro-economic environment along with other aspects, such as Brexit, and new global issues like the Russia-Ukraine conflict. The main ways these are impacting on NPH are through inflation and cost rises which, as this is written, are significantly at risk of increasing further the cost of living and reducing the quality of life for much of the population.

This impacts even more significantly on the customer base of a social housing organisation and many more people will be pushed below the poverty line. Our customers have to contend with rising fuel costs, rising food costs, rising rent costs, an increase in National Insurance contributions and below inflation wage rises. The continued growth of house prices and now private rent mean people are locked out of those markets, placing additional pressure on an affordable housing stock that has been dwindling for the

past 30 years as a result of Right to Buy and inadequate replacement of properties.

The impact of this on the business and its cost base is no less challenging. Material and construction costs are rising at above inflation levels, the marketplace for recruitment is highly competitive and income will come under pressure due to the impacts on our customers noted above further exacerbated by the continued welfare reform and adoption of Universal Credit.

However, as an organisation we can be confident that we are able to manage the business under these conditions and continue to provide services and support to those in need in the communities that we operate in. Throughout the pandemic we have been agile and flexible both in terms of the workforce and in the way we deliver the services and support. We have proved that we can be successful during such uncertainty. We have a strong management, excellent support services and the support of the Council.

The Board and EMT take responsibility for risk management seriously and have set a strategy that is reviewed annually. The risk management framework has at its heart a corporate risk register that has input from the board, senior management, and operational risk registers and project risk registers. A recent Internal Audit of the Risk Management Framework bestowed a verdict of 'substantial assurance', the highest possible, giving all stakeholders a good level of assurance that risk has sufficient prominence through all levels of the business. The Board have recently updated the Strategic Risk Register and significant work has been done to identify mitigations. Updates and reviews are regular and a frequent part of senior management and Board meetings in order that the changing environment can be quickly identified and reacted to with appropriate action.

The NPH Management Fee is set annually in advance and is the financial resource available to deliver services and the Corporate Plan. The fee is funded from the Housing Revenue Account (HRA) and, to a much lesser extent, the Council's General Fund. The HRA is funded by rents, therefore an increase in bad debt resulting from the current economic environment is one of the main risks to the HRA and NPH's future management fee.

Pleasingly we have been able to manage the arrears position well and as of 31 March 2022 the arrears percentage ended at 2.8%, better than target. It is important not to be complacent and it is likely we will still see longer-term impacts as the year progresses. It is not anticipated that this will result in a large increase in bad debts which would have to reach high sustained levels before the management fee and capital pots were affected. NPH together with the Council will continue to review the situation and monitor arrears and bad debt levels to ensure that should a significant problem come on the horizon then early warning triggers will be highlighted and further mitigating actions put in place.

The long-term success and viability of NPH is largely linked to the HRA, and legislative changes continue to have a significant impact on funding. NPH will monitor this by working closely with the Council. As stated above, Universal Credit (UC) is still likely to have an impact on the income collected in the HRA and NPH continue to review collection activity and work with peers to try to mitigate any negative impacts. There is a significant difference between the level of arrears for UC tenancies vs non – UC tenancies with an average across Northampton of over £500 compared to circa £200 for non-UC tenancies. The longer-term impact in terms of actual bad debt is yet to be fully felt. Work will continue to ensure that it has as little negative effect as possible on the resources available to NPH and the Council.

The Net Zero Carbon agenda is another area of risk and uncertainty. The sector and the government are trying to come to terms with the sheer scale and cost of work that is required to de-carbonise housing. NPH have been at the forefront of this participating in the pilot SHDF with the Department for Business, Energy & Industrial Strategy (BEIS).. More recently the next phase of this 'Wave 1', NPH have bid for and received (through WNC into the HRA) £6.1m match funding for continued zero-carbon related works. This is a great achievement and helps NPH to modernise much of our worst performing stock. The challenge comes in delivery and in securing the supply chain to continue to deliver the works at the required cost in an inflation-pressured market.

Finally, it is prudent to mention cyber-security, which following several high-profile attacks on businesses, local authorities, Universities and Housing Associations, is becoming an increased threat and further exacerbated by the Russia-Ukraine conflict. NPH's infrastructure is very much part of the wider WNC and as such our mitigations are tied in with the work that the Council do to secure their networks. NPH seek to gain assurance that adequate testing, processes and back up are in place and work closely with Council colleagues to understand and react to any potential threats. However, this does remain a high-level risk on the NPH Strategic Risk Register.

#### Retirement benefit obligations

Through the Management Agreement, the Council has indemnified the Company against adverse variances in its pension scheme for transferred employees.

#### Approval

The Strategic Report was approved by the Board on 7 September 2022 and signed on its behalf

A woods

A woods (Sep 16, 2022 08:07 GMT+1)

A H Woods  
Chair



## DIRECTORS' REPORT

### Board members

The Board members during the year are listed on page 2.

The constitutional make-up of the Board (tenants, council nominated, and independent members) ensures a good mix and understanding of stakeholders. All contribute fully to the governance and oversight of NPH and bring a good diversity of experience.

The Board interacts with the business, its suppliers, and employees as appropriate to their role, utilising a number of channels through-out the year. Board members attend training to help develop and maintain ongoing knowledge and understanding. Some employees attend board meetings on an ad-hoc basis to present papers and employee related items are regularly reviewed by committees and board. Board members also spent time with employees in the business in order to increase their understanding and knowledge of NPH. All of this gives them the requisite skills to take decisions and actions such as signing off on contracts (in line with corporate Financial Regulations and Contract Procedure Rules), agreeing changes to strategies including those centering on people and operational delivery.

The Board maintains an appropriate level of scrutiny of the business in line with their terms of reference, scheme of Delegations and code of conduct. This ensures that they do not stray into senior managements areas of responsibility and become too operational.

Board remuneration is at the discretion of the Board and in accordance with its Articles of Association. The level of remuneration is reviewed at least every three years and was last reviewed in October 2020. It was agreed that the Chair of the Board, Committee Chairs, and the Chair of NPH subsidiary organisation would receive remuneration payments. All Board members can claim expenses reasonably and properly incurred.

### Insurance

The Company has independent insurance for Directors and Officers Liability and this cover was in place for the duration of the financial year. Other insurance policies are arranged through Cambridge Insurance Services (formerly known as LGSS insurance services) from a market tested panel of insurers.

### Statement of board members responsibility

The Board members are responsible for preparing the annual report and the financial statements in accordance with applicable laws and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing those financial statements, the directors are required to: -

- i) select suitable accounting policies and then apply them consistently,
- ii) make judgements and estimates that are reasonable and prudent,
- iii) state whether applicable international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- iv) Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Board members are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Acts 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Declaration of Board Member's interest

All Board members have signed a declaration of Board members' Interest and there are no matters to report.

#### Assessment of the effectiveness of Internal Control

The Board acknowledges its responsibility for ensuring that effective systems of internal control are maintained and operated throughout the Company.

The system of internal control can provide reasonable but not absolute assurance that assets are safeguarded, that transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

It is based on a framework of regular management information, financial regulation, administrative procedures, management supervision and a system of delegation and accountability. For further information see the Statement of Internal Control on page 33.

#### People

Our approach to our people is very simple: to enable the Company's growth through recruitment, retention, and development of talent.

#### Recruitment

Northampton Partnership Homes strives to be an accessible employer of choice.

We operate a scheme where candidates with disabilities are given an automatic interview if they meet the essential criteria for the post.

## Employee Involvement

### Communication

We value our employees and recognise the need for and benefit of good internal communication. Communication within the Company is delivered in a variety of ways including regular staff updates via the Intranet. We returned to having face to face employee forum meetings from May 2022, for a period of time these were held remotely in response to Covid restrictions.

### Consultation

As our most important asset we aim to involve our employees in the running of the business. Every two years NPH embarks on a staff satisfaction survey to gauge the opinions of staff. The results of the survey influence the way we engage with staff, policies, internal processes, the way we conduct our business, and employee terms and conditions. Ad-hoc surveys are sent to employees to ask their opinion on changes to HR policies, social events etc. NPH regularly consults with employees through the recognised Trade Unions (GMB, UNISON and UNITE). Trade Union Consultation meetings took place every other month in 2021/22. Topics discussed included policies, restructures, and pay negotiations. The discussions influenced the content of policies, the shape of the structures, and the final pay offer made by NPH.

All HR policies are available on the NPH Intranet for all employees to view.

## Employee Development

During 2021/22 staffing structures remained stable. NPH have continued to promote and recruit apprenticeships, providing external and in-house employee development and actively supporting promotion opportunities where possible. Teams are evolving to ensure there is the necessary capacity and expertise to deliver the strategic objectives and there is consistent investment in employee training and development initiatives

A wide variety of training has been, and continues to be carried out, including apprenticeships, technical training, and bespoke training.

The electronic appraisal system, based on the organisations competency framework, complements the support and development provided to all employees, who also receive regular one to one meetings and performance review meetings with their line managers.

The Company is open to consider and adopt flexible and new methods of working and will utilise technology to enable this where mutual benefits to both the employee and service delivery can be identified. In order to maximise use of our office accommodation we provide a number of “hot-desk” facilities for mobile workers.

## Sustainability

At NPH, we believe that each of our residents, employees, suppliers, and stakeholders has a crucial role in creating a sustainable future for Northampton. To help us become a more sustainable organisation we have adopted the One Planet Living framework, which is based on the ten principles below.

These principles provide a holistic approach to sustainability and will feature clearly in our plans for the future, and our ongoing sustainability engagement with staff and residents.

### One Planet Living top 10 principles:



If everyone on the planet lived as we do in the UK, we would need three planets to produce and absorb the natural resources consumed.

The concept of One Planet Living works towards the ideal that we must reduce our ecological footprint to within the means of our planet - it is the only one we have!

#### Streamlined Energy and Carbon Reporting

The following data is included to satisfy NPH's obligation under the Streamlined Energy and Carbon Reporting (SECR) legislation, following the 2019 UK Government environmental reporting guidance. The methodology followed for greenhouse gas reporting is ISO 14064-1:2019, and the 2021 UK Government Conversion Factors for Company Reporting have been applied.

The NPH Sustainability Strategy 2020-23 commits NPH to continual reduction of our operational carbon footprint, targeting 7% reduction in carbon emissions each year and an overall 20% reduction by 2023 from a 2018/19 baseline.

To achieve this outcome, a systematic approach to environmental management is applied. An Environmental Management System has been implemented driven by the principles of the NPH Environmental Policy, providing a consistent methodology for assessing organisational environmental aspects and our carbon footprint. Environmental aspects such as kWh of energy and tonnes of waste are converted into a common unit of carbon dioxide equivalent (CO<sub>2</sub>e), usually described in tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e), providing a consistent indicator of environmental performance<sup>3</sup>.

A financial control approach has been applied to define the organisational boundary of the Environmental Management System. Scope 3 emissions have been included where sufficient and robust data has been available, most notably for waste disposal, water supply and treatment, and grey miles. An intensity ratio provides a figure of tCO<sub>2</sub>e per property.

## High Level Summary of Environmental Performance

The environmental performance of NPH from a 2018-19 baseline to the financial year of 2021/22 is summarised in the below table. For the financial year 2021/22 the NPH carbon footprint is 1,931 tCO<sub>2</sub>e.

Energy & Carbon Reporting	Baseline 2018/19	2019/20	2020/21	2021/22
<b>Scope 1 emissions (tCO<sub>2</sub>e)</b>				
Gas	1,259	1,255	1,249	1,191
Diesel	218	226	214	215
<i>Scope 1 energy consumption - kWh</i>	<i>7,847,925</i>	<i>7,749,812</i>	<i>7,679,142</i>	<i>7,409,481</i>
<b>Scope 2 emissions (tCO<sub>2</sub>e)</b>				
Electricity	527	579	477	422
<i>Scope 2 energy consumption - kWh</i>	<i>1,860,817</i>	<i>2,327,986</i>	<i>2,046,212</i>	<i>1,989,290</i>
<b>Total Scope 1 &amp; 2 emissions (tCO<sub>2</sub>e)</b>	<b>2,003</b>	<b>2,059</b>	<b>1,939</b>	<b>1,828</b>
Green Tariff electricity for scope 2 (tCO <sub>2</sub> e)			100	297
<b>Net Carbon outturn (tCO<sub>2</sub>e)</b>	<b>2,003</b>	<b>2,059</b>	<b>1,839</b>	<b>1,532</b>
<b>Scope 3 emissions (tCO<sub>2</sub>e)</b>				
Travel, Waste, Water, Electrical distribution	471	424	346	400
<b>Total annual net emissions tCO<sub>2</sub>e</b>	<b>2,474</b>	<b>2,484</b>	<b>2,185</b>	<b>1,931</b>
Intensity ratio: tCO <sub>2</sub> e/number of properties (including leasehold)	0.200	0.201	0.177	0.156
Change in total emissions		0.4%	-12.0%	-11.6%
Change in intensity ratio		0.6%	-12.2%	-11.6%

CO<sub>2</sub> equivalent is a recognised metric to include other greenhouse gases, e.g., methane, relevant to an environmental aspect being reported

The Renewable Energy Guarantees of Origin (REGO) scheme provides transparency to consumers about the proportion of electricity that suppliers source from renewable generation <https://www.ofgem.gov.uk/environmental-and-social-schemes/renewable-energy-guarantees-origin-rego>

Since implementation of the EMS, NPH carbon emissions have continually reduced. A reduction in carbon emissions of 12% was achieved in 2020-21, greatly exceeding the 7% annual target. This year again, we can report a reduction in carbon emissions of almost 12%, both in real terms and measured by the intensity ratio of emissions per homes (0.156 tCO<sub>2</sub>e per home).

In addition, the target of a 20% overall reduction in carbon emissions from a 2018-19 baseline has been achieved one year ahead of expectations.

The major reduction in emissions has been achieved in relation to electricity, despite consumption showing little change. This is partly due to the UK electricity grid becoming cleaner as more renewables replace coal. However, the main impact has been from a successful energy procurement risk management strategy implemented in 2020. NPH electricity is now procured via a renewable energy contract on a *Green Tariff* under the Renewable Energy Guarantees of Origin (REGO) scheme<sup>4</sup>. The

benefits of this procurement approach have reduced emissions related to electricity by three quarters, with the remaining quarter coming from outlying electricity supplies yet to fall into the REGO contract.

Gas consumption in kWh has shown a decrease compared to previous years, and it is anticipated that this is due to efficiency improvements and boiler upgrades made by NPH compliance teams on some of the larger communal heating systems such as Abbey House.

Scope 3 emissions dropped significantly in 2020-21 mainly due to reduced business mileage during the pandemic. These emissions have rebounded this year but not to pre-Covid levels, suggesting the benefits of new ways of working such as virtual meetings are having a long-term positive impact.

#### Energy efficiency action taken

Over the course of the financial year an extensive project to upgrade communal lighting systems has been implemented. Almost 1,000 outdated lamps in multiple apartment blocks have been replaced with low energy LEDs with motion sensors. This is modelled to reduce energy consumption by approximately 240,000 kWh per year, saving £40,000.

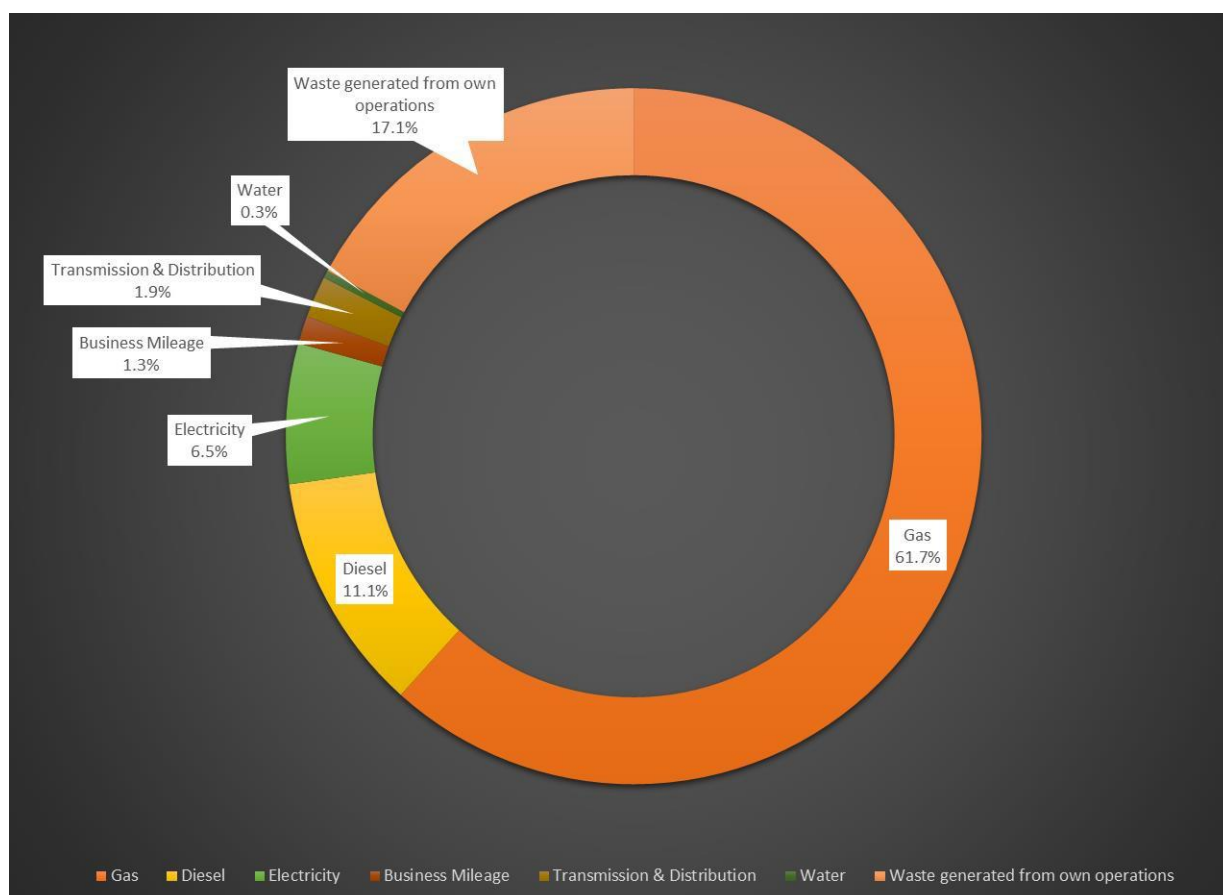
Over 1,600 homes NPH manage have solar PV installed on the roof, providing more than 3MW of renewable electricity generation. For the period 2021/22 this generated 2.8 million kWh of renewable electricity, saving 661 tCO<sub>2</sub>e. Approximately 70 new solar PV systems have been added to the portfolio over the financial year via a combination of new build homes and in whole house retrofit of houses included in the Social Housing Decarbonisation Fund Demonstrator scheme.

#### Progress Towards Net Zero

Earlier this year, West Northamptonshire Council (WNC) signed up to the UK100 Net Zero pledge, which is focused on tackling the climate emergency and reducing carbon emissions. WNC have committed to cutting their own emissions to net zero by 2030, and those of their residents and businesses by 2045. This is five years ahead of the UK government's 2050 target. As a management agent for WNC council housing stock and a significant stakeholder in Northampton's economy, NPH has an important part to play in helping WNC meet these targets.

The below graph illustrates the share of carbon emissions across the environmental aspects recorded in 2021/22. Consumption of natural gas, primarily for communal heating systems, accounts for over 60% of the total footprint. Reducing our reliance on gas whilst continuing to deliver a best value service to NPH customers will be a significant challenge for NPH working towards a net zero carbon target in support of the council's UK100 pledge.

Waste is a complex and challenging aspect and is the second most significant aspect of the EMS, accounting for almost a fifth of the total footprint. Diesel used to fuel the fleet of NPH vans accounts for 11% of the total footprint.



*Figure 1; Carbon emissions per environmental aspect for 2021/22*

#### Going Concern

The Board are of the opinion that Northampton Partnership Homes has adequate resources to continue in operational existence for the foreseeable future and continues to adopt the going concern basis in preparing the financial statements.

The Company has a 15-year contract in place with the Council, which commenced in January 2015. With effect from 1 April 2021 following the local government restructure across Northamptonshire, this contract has transferred to NPH's new parent organisation, West Northamptonshire Council.

Management fees are paid in return for delivery of housing management and maintenance services, as prescribed in the management agreement.

At the present time discussions are taking place to extend both the extent of NPH's activities in supporting the Council's needs and also the length of contract to provide a longer-term strategic partnership with WNC.

#### Disclosure of information to Auditors

The Board members who held office at the date of signing this report confirm that:

- i) so far as each Board member is aware, there is no relevant audit information of which the Company's auditors are unaware,
- ii) The Board members have taken all the steps that they ought to have taken to make them aware of any relevant audit information and to establish that the auditors are aware of that information

#### Independent Auditors

A resolution to re-appoint the Company's auditors was approved at the Annual General Meeting held 15 October 2021. Mazars was originally appointed for an initial three-year term with the provision of an extension of which 2021/22 is the fourth year.

#### Approval

The Director's Report was approved by the Board on 7 September 2022 and signed on its behalf.

A woods

A woods (Sep 16, 2022 08:07 GMT+1)

A H Woods  
Chair



## STATEMENT OF INTERNAL CONTROL

### Internal Control

The governance framework comprises the systems, processes, and internal controls in place to give assurance to the Board and the Council that the Company is fulfilling the requirements of the Management Agreement and Corporate Plan, complying with the Articles of Association and meeting the Company's aims and objectives and is discussed in further detail below.

The system of internal control is in place to manage risk to a high level, although it cannot give absolute assurance. The key systems of internal control in operation comprise of the following:

### Corporate Governance

The Board is responsible for the business of the Company subject to compliance with the provisions of the Companies Act 2006 and the articles of association for Northampton Partnership Homes Limited.

The Board comprises twelve members including four tenant representatives, four Council nominated members, and four independent members. The structure of the Board is such that no single group holds a majority position.

During 2021/22 the Board met approximately twice in each quarter. The Board is supported by five Committees: Finance, Audit and Risk, Operations and Resource, Planning Policy and Development, and Remuneration and Review. Each Committee, apart from Policy, Planning and Development Committee and Remuneration and Review Committee, comprised six Members of the Board and met approximately once in each quarter. Remuneration and Review Committee had three members and Policy, Planning and Development Committee had five members, consisting of Board Chair, vice chair, and committee chairs. Both of these committees met less regularly. No committees have delegated powers in their specific terms of reference, but they consider the detail of matters under their remit and make recommendations to the Board where formal approval to any reports and proposals is given. The frequency of meetings is subject to regular review.

### Business Plan

As a Council owned Company, NPH's objectives are strongly aligned to the Councils Corporate Plan objectives.

The Company's objectives reflect a balanced approach focused on internal change and strengthening our relationship with tenants, whilst recognising the importance of developing services and the role of the Company in the communities within which NPH works.

### Executive Management Team

Operational day to day management of the Company is delivered under the direction of the EMT. This Management Team includes suitably qualified and experienced staff with relevant specialised skills and knowledge for the key operational activities of the Company.

## Risk Assessment and Risk Management

The Company places high importance on the identification, monitoring, and control of risk. The Company has a strategic risk register together with a Risk Management Strategy and Policy. Training and development on Risk Management has taken place with the Board and senior management during the year.

Risk is reviewed on a regular basis by the Board, the Audit and Risk Committee and by EMT. The Risk Management Strategy and Policy was reviewed during the year and includes a Board Assurance mechanism to ensure strategic risks are clearly linked to strategic objectives and to assess the assurances required and available against the strategic risks.

The Board has a fundamental role to play in overseeing the management of risk in corporate activity. They regularly review the strategic risks and set the risk appetite of the organisation at a board away day during the year. They approve major decisions affecting the Company's risk exposure and monitor the management of significant risks. They also satisfy themselves that the less significant risks are being actively managed, with the appropriate controls in place and working effectively.

Audit and Risk Committee receives an annual review of Risk Management carried out by Internal Audit and formally reviews the Company's strategic risk registers. The Committee is responsible for ensuring that there is a robust and efficient Risk Management process in operation across the Company.

Senior managers have responsibility to maintain an operational risk register and identify risks that should be included in the Company's strategic risk register. Managers also have responsibility to ensure that risks are being allocated to appropriate risk owners and are managed accordingly. During the year operational risks have been linked to key performance indicators as a complementary method of assessing risk.

## Compliance

Compliance with statutory legislation is one of our largest health and safety risks at Northampton Partnership Homes.

The compliance team is responsible for building safety as well as a range of compliancy areas, the main ones being gas, electrical, fire, legionella, asbestos, and radon. The building safety part of this team will ensure we comply with the Fire Safety Act 2021 which is a result of the outcomes from the Grenfell enquiry. Whilst this act is new to the housing sector, the team are fully aware of the requirements placed on social landlords and continue to work to maintain adherence.

Compliance, building safety and health and safety are all monitored through risk management and performance management activities.

## Audit

The activities of the Company are subject to review by external and internal auditors. The Board approves the annual audit plans with the Audit and Risk Committee reviewing in detail all internal audit reports and reporting to the board thereon.

The annual Internal Audit report has been received from our Internal Audit advisors and has confirmed that there is adequate and effective framework for risk management, governance and internal control, however further enhancements to ensure that they remain adequate and effective were identified.

## Performance Management

The Company monitors performance against a number of indicators and formal performance reports are produced for EMT, the Committees and Board in line with the agreed reporting timetable. Wherever performance varies from targets; managers are required to explain the cause and, if necessary, identify plans to meet the required standards.

A full suite of performance monitoring information is prepared for Company managers to assist management of service delivery.

## Financial Control and Budget Management

The Company has continued to outsource a number of financial services which are now provided by Cambridgeshire County Council shared services. Under this arrangement there are robust financial and management policies in place to ensure effective safeguards and controls to manage money and assets.

The Company and its subsidiary also have tailored Financial Rules which set out its financial policies in the form of the Financial Regulations, Scheme of Delegation and Contract Procedure Rules.

The Company's Financial Rules were revised and approved by NPH Board on 27 October 2021. These provide the framework for managing the Company's financial affairs. They apply to every Board member, Committee and employee of the Company and anyone acting on behalf of the Company. The Rules identify the financial responsibilities of the Board, its Committees, EMT and staff members.

The Financial Rules provide guidance on financial management and control, financial planning, risk management and control of resources, systems and procedures and external arrangements.

## Budgetary Control and Reporting

Monthly budget reports are prepared for Company managers and budget holders to monitor income and expenditure, forecast trends, and outturn projections and identify potential pressures or underspending. Where significant budgetary variance is identified the responsible manager will meet with the specific finance business partner to identify corrective action. EMT and the Senior Management Team review these reports on a monthly basis.

The Company maintains flexibility with its financial resources and the Financial Rules permit virements between budget heads to enable the redirection of resources in light of emerging pressures or opportunities. These virements are further controlled through the Management Agreement through which funding is provided in 6 different categories (or “Pots”). Virements within and between the pots are controlled with some requiring the agreement of the Council’s s151 Officer (The Chief Financial Officer).

Financial monitoring and update reports are presented at each Finance Committee meeting and formally to the Board on a quarterly basis.

#### Service Level Agreements

Consequent upon the various disengagement issues negotiated at the time NPH was set up by the Council, a number of support functions are still purchased from external suppliers. During 2021/22 most of these services were still provided by the Council under various Service Level Agreements (SLAs) including – importantly – central back-office services provided by the Council to the Company for its deemed share of the service. In addition to the terms stated in these SLAs, the Company places a level of assurance on the systems of internal control in place within the Council in respect of these services.

#### Policies and Procedures

The Company’s practices and activities are defined in its policies and procedures. These documents ensure that appropriate control and guidance is available to the Board and staff when undertaking the business of the Company. Policies and procedures are subject to approval of either the Board or delegated authority to a Committee or an Executive Director.

All policies and procedures are available to Board members and staff on the Company’s intranet. In addition, relevant policies will be published on the internet.

Independent auditor's report to the members of Northampton Partnership Homes Limited

## **Opinion**

We have audited the financial statements of Northampton Partnership Homes Limited (the 'parent company') and its subsidiary Happy to Help (Northampton) Community Interest Company (the 'group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash-flows, the Company Statement of Cash-flows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Separate opinion in relation to IFRSs as issued by the IASB**

As explained in note 1.2 to the group financial statements, the group in addition to complying with its legal obligation to apply UK-adopted international accounting standards, has also applied International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

In our opinion, the group financial statements give a true and fair view of the consolidated financial position of the group as at 31 March 2022 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the IASB.

## **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 and the parent company 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 director'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 and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

### **Other information**

The other information comprises the information included in the Consolidated Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Consolidated Financial Statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 course of 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.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the Statement of Board members responsibility set out on page 25, the directors are 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 directors determine 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 directors are responsible for assessing the group's and the parent company'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 directors either intend to liquidate the group or the parent company 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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed overleaf.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the group and the parent company and their industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation and anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the group and the parent company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the group and the parent company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, revenue recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing; and
- Reviewing revenue either side of the year end.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any




audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### Use of the audit report

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

  
Vincent Marke (Sep 22, 2022 11:55 GMT+1)

Vincent Marke (Senior Statutory Auditor)  
for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor  
The Pinnacle  
160 Midsummer Boulevard  
Milton Keynes  
MK9 1FF  
Date

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
for the year ended 31 March 2022

	Notes	2021/22 £000's	2020/21 £000's
Revenue	2	71,254	62,237
<b>Total Revenue</b>		<b>71,254</b>	<b>62,237</b>
Employee benefit expenses	4 & 18	(14,369)	(12,633)
Other expenses	3 & 4	(57,856)	(49,192)
<b>Total expenses</b>		<b>(72,225)</b>	<b>(61,825)</b>
<b>Operating (loss)/profit</b>		<b>(971)</b>	<b>412</b>
Finance costs	11	(404)	(284)
Finance Income	21	1	3
<b>(Loss)/profit before tax</b>		<b>(1,374)</b>	<b>131</b>
Taxation	12	(7)	(3)
<b>(Loss)/profit for the year</b>		<b>(1,381)</b>	<b>128</b>
<b>Other comprehensive income</b>			
Remeasurement of pension assets and liabilities	20	6,994	(7,242)
<b>Total comprehensive profit/(loss) for the year</b>		<b>5,613</b>	<b>(7,114)</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2022

	Notes	2021/22 £000's	2020/21 £000's
<b>ASSETS</b>			
<b>Non-current</b>			
Investment property	6	360	360
Right of use assets	6	100	326
Non-current assets		460	686
<b>Current</b>			
Inventories	7	-	8
Trade and other receivables	8	9,444	2,427
Cash and cash equivalent	9	6,606	7,771
Current assets		16,050	10,206
<b>TOTAL ASSETS</b>		<b>16,510</b>	<b>10,892</b>
<b>LIABILITIES</b>			
<b>Current</b>			
Trade and other payables	10a	(15,287)	(9,406)
Lease liabilities	10b	(112)	(245)
Employee benefits accrual	19	(167)	(214)
Current liabilities		(15,566)	(9,865)
<b>NET CURRENT ASSETS</b>		<b>484</b>	<b>341</b>
<b>Non-current</b>			
Pension liability	20	(12,651)	(18,236)
Lease liabilities	10b	-	(112)
Non-current liabilities		(12,651)	(18,348)
<b>TOTAL LIABILITIES</b>		<b>(28,217)</b>	<b>(28,213)</b>
<b>NET LIABILITIES</b>		<b>(11,707)</b>	<b>(17,320)</b>
<b>Equity and reserves</b>			
Pension reserve		(12,652)	(18,236)
Insurance reserve		138	138
Retained earnings		807	778
<b>TOTAL EQUITY</b>	14	<b>(11,707)</b>	<b>(17,320)</b>

The Financial Statements were approved by the Board on 7 September 2022 and signed its behalf.

*A woods*

A woods (Sep 16, 2022 08:07 GMT+1)

A H Woods  
Chair

# COMPANY STATEMENT OF FINANCIAL POSITION

As at 31 March 2022

	Notes	2021/22 £000's	2020/21 £000's
<b>ASSETS</b>			
<u>Non-current</u>			
Investment in subsidiary	5	-	-
Investment property	6	360	360
Vehicles (right of use assets)	6	100	326
Non-current assets		460	686
<u>Current</u>			
Inventories	7	-	8
Trade and other receivables	8	9,392	2,409
Cash and cash equivalent	9	6,551	7,724
Current assets		15,943	10,141
<b>TOTAL ASSETS</b>		<b>16,403</b>	<b>10,827</b>
<b>LIABILITIES</b>			
<u>Current</u>			
Trade and other payables	10a	(15,248)	(9,381)
Lease liabilities	10b	(112)	(245)
Employee benefits accrual	19	(167)	(215)
Current liabilities		(15,527)	(9,840)
<b>NET CURRENT ASSETS</b>		<b>416</b>	<b>301</b>
<u>Non-current</u>			
Pension liability	20	(12,651)	(18,236)
Leasing liabilities	10b	-	(112)
Non-current liabilities		(12,651)	(18,347)
<b>TOTAL LIABILITIES</b>		<b>(28,178)</b>	<b>(28,188)</b>
<b>NET LIABILITIES</b>		<b>(11,775)</b>	<b>(17,360)</b>
<u>Equity and reserves</u>			
Pension reserve		(12,651)	(18,236)
Insurance reserve		138	138
Retained earnings		738	738
<b>TOTAL EQUITY</b>	14	<b>(11,775)</b>	<b>(17,360)</b>

The Company Balance Sheet was approved by the Board on 7 September 2022 and signed its behalf.

A Woods

A woods (Sep 16, 2022 08:07 GMT+1)

A H Woods  
Chair

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
for the year ended 31 March 2022

	Notes	Pension Reserve £000's	Insurance Reserve £000's	Retained Earnings £000's	Total Equity £000's
<b>Opening balance as at 1 April 2021</b>	14 & 20	<b>(18,236)</b>	<b>138</b>	<b>778</b>	<b>(17,320)</b>
<u>Profit for the period</u>		-	-	(1,381)	<b>(1,381)</b>
<u>Other comprehensive income</u>					
Remeasurement of pension assets and liabilities	20	6,994	-	-	<b>6,994</b>
Transfers to pension reserve	20	(1,409)	-	1,409	-
<b>Total comprehensive gain for the year</b>		<b>5,585</b>	<b>-</b>	<b>28</b>	<b>5,613</b>
<b>Balance as at 31 March 2022</b>		<b>(12,651)</b>	<b>138</b>	<b>806</b>	<b>(11,707)</b>

for the year ended 31 March 2021

		Pension Reserve £000's	Insurance Reserve £000's	Retained Earnings £000's	Total Equity £000's
<b>Opening balance at 1 April 2020</b>	14 & 20	<b>(11,244)</b>	<b>138</b>	<b>900</b>	<b>(10,206)</b>
<u>Profit for the period</u>		-	-	128	<b>128</b>
<u>Other Comprehensive income</u>					
Remeasurement of pension assets and liabilities	20	(7,242)	-	-	<b>(7,242)</b>
Transfers to pension reserve	20	250	-	(250)	-
<b>Total comprehensive loss for the year</b>		<b>(6,992)</b>	<b>-</b>	<b>(122)</b>	<b>(7,114)</b>
<b>Balance as at 31 March 2021</b>		<b>(18,236)</b>	<b>138</b>	<b>778</b>	<b>(17,320)</b>

**COMPANY STATEMENT OF CHANGES IN EQUITY**  
for the year ended 31 March 2022

	Notes	Pension Reserve £000's	Insurance Reserve £000's	Retained Earnings £000's	Total Equity £000's
<b>Opening balance at 1 April 2021</b>	<b>14 &amp; 20</b>	<b>(18,236)</b>	<b>138</b>	<b>738</b>	<b>(17,360)</b>
<u>Profit / (loss) for the period</u>		-	-	(1,409)	(1,409)
<u>Other comprehensive income</u>					
Remeasurement of pension assets and liabilities	20	6,994	-	-	6,994
Transfers to pension reserve	20	(1,409)	-	1,409	-
<b>Total comprehensive gain for the year</b>		<b>5,585</b>			<b>5,585</b>
<b>Balance at 31 March 2022</b>		<b>(12,651)</b>	<b>138</b>	<b>738</b>	<b>(11,775)</b>

for the year ended 31 March 2021

		Pension Reserve £000's	Insurance Reserve £000's	Retained Earnings £000's	Total Equity £000's
<b>Opening Balance at 1 April 2020</b>	<b>14 &amp; 20</b>	<b>(11,244)</b>	<b>138</b>	<b>849</b>	<b>(10,257)</b>
<u>Loss for the period</u>		-	-	139	139
<u>Other Comprehensive income</u>					
Remeasurement of pension assets and liabilities	20	(7,242)	-	-	(7,242)
Transfers to pension reserve	20	250	-	(250)	-
<b>Total Comprehensive loss for the year</b>		<b>(6,992)</b>	<b>-</b>	<b>(111)</b>	<b>(7,103)</b>
<b>Balance as at 31 March 2021</b>		<b>(18,236)</b>	<b>138</b>	<b>738</b>	<b>(17,360)</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
for the year ended 31 March 2022

	Notes	2021/22 £000's	2020/21 £000's
<b>Cash flows from operating activities</b>			
Profit / (loss) before tax		(1,381)	128
Adjustments (non-cash items)	13	4,450	2,737
Contributions to defined benefit plans	20	(3,059)	(2,993)
Net (decrease) / increase in working capital	13	(1,175)	(230)
<b>Net Cash (outflow) inflow from operating activities</b>		<b>(1,165)</b>	<b>(358)</b>
<b>Net cash decrease in cash or cash equivalents</b>		<b>(1,165)</b>	<b>(358)</b>
<b>Cash, cash equivalents and bank overdrafts at the beginning of the year</b>		<b>7,771</b>	<b>8,129</b>
<b>Cash, cash equivalents and bank overdrafts at the end of the year</b>		<b>6,606</b>	<b>7,771</b>

**COMPANY STATEMENT OF CASH FLOWS**  
for the year ended 31 March 2022

	Notes	2021/22 £000's	2020/21 £000's
<b>Cash flows from operating activities</b>			
Profit before tax		(1,409)	139
Adjustments (non-cash items)	13	4,450	2,737
Contributions to defined benefit plans	20	(3,059)	(2,993)
Net changes in working capital	13	(1,155)	(223)
Net Cash (outflow) / inflow from operating activities		(1,173)	(340)
<b>Net cash decrease in cash or cash equivalents</b>			
		<b>(1,173)</b>	<b>(340)</b>
<b>Cash, cash equivalents and bank overdrafts at the beginning of the year</b>			
		<b>7,724</b>	<b>8,064</b>
<b>Cash, cash equivalents and bank overdrafts at the end of the year</b>			
		<b>6,551</b>	<b>7,724</b>



## NOTES TO THE FINANCIAL STATEMENTS

### 1. Summary of Accounting Policies

#### 1.1 General Information

Northampton Partnership Homes is a private company limited by guarantee without share capital and was incorporated on 30 April 2014. Its registered address can be found on page 2.

#### 1.2 Basis of Preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) under the historical cost basis.

#### 1.3 Standards, amendments and interpretations in issue but not yet adopted

The adoption of the following mentioned standards, amendments and interpretations in future years are not expected to have a material impact on the Group's financial statements.

The Company is however continuing to assess the full impact that adopting will have on future financial statements, and therefore the full effect is yet to be determined.

EU effective date:  
Accounting periods  
on or after:

Amendments to IFRS 17, Insurance Contracts

01 January 2023

Amendments to IAS 1, Presentation of financial statements' on  
classification of liabilities

01 January 2023

#### 1.4 Revenue and Other Income Recognition

Revenue is recognised when the amount and associated costs can be measured reliably net of VAT.

Revenue is measured at the fair value of consideration received or receivable for services provided by the Company and defined as the Service Fee in the Management Agreement.

Other income relates to grant funding, interest received and other income generating activities and the Works Fee defined in the Management Agreement and is recognised in the accounts on the same basis as revenue.

#### 1.5 Expenditure

Expenditure is recognised in the accounts upon receipt of goods or services and the associated costs can be measured reliably net of VAT.

#### 1.6 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year from activities with parties other than the Council and relate principally to the generation of interest income from balances.

We have received confirmation from HMRC that our commercial service provision activities with the Council for NPH are deemed to be non-trading in nature and hence do not attract Corporation Tax.

### 1.7 Investment Property

Investment property has been recognised at the purchase price plus additional costs required to allow the property to be let. This value aligns against similar HMO property values in Northampton.

### 1.8 Recognition of Capital Expenditure (de-minimis Policy)

In accordance with International Accounting Standard 16 (IAS 16), the Company recognises non-current assets when all four of the following tests are met:

1. Assets held for use in the production or supply of goods or services, rental to others, or for administrative purposes.
2. Assets expected to be used for more than one financial period.
3. Assets where it is expected that future economic benefit will flow to the Company.
4. Assets where the cost can be reliably measured.

The capital cost of an asset is recognised to be:

- Purchase price, construction cost, minimum lease payments or equivalent including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- For assets held under operating leases these are adopted as non-current assets per IFRS16 and included at the net present value of the lease payments on an individual agreement basis.
- Costs associated with bringing the asset to the location and condition necessary for it to be capable of operating in the manner required by management.
- Initial estimate of the costs of dismantling and removing the asset and restoring the site on which it is located, the obligation for which the Company incurred either when the asset was acquired or as a consequence of having used the asset during a particular period for purposes other than producing inventories during that period.
- Subsequent expenditure that will substantially increase the market value of the asset.
- Subsequent expenditure which substantially increases the extent to which the Company can use the asset for the purpose, or in conjunction with the functions of the Company.
- The Company has a general de-minimis level of £1,000 for capital expenditure purposes.
- Capital Assets are held on the Statement of Financial Position as non-current assets, unless otherwise stated.

1.9 Depreciation

Assets are depreciated over their expected useful lives on a straight-line basis to write down the cost less the estimated residual value of the asset.

Depreciation is based as follows:

ICT equipment for the economic useful life of 3 years

Operating lease assets over the term of the respective motor vehicle lease agreement

Gains or losses arising on the disposal of assets are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in the Comprehensive Statement of Income within Other Income or Other Expenses as appropriate.

1.10 Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument. Financial assets and liabilities are measured at amortised cost.

Financial assets are de-recognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is de-recognised when it is extinguished, discharged, cancelled, or expires. Any gains and losses that arise on de-recognition of an asset are credited/debited to the Comprehensive Income Statement.

1.11 Inventories

Inventory is stated at the lower of cost and net realisable value and relate to van stocks for the responsive repairs service.

1.12 Trade and Other Receivables

All trade and other receivables are made on the basis of normal credit terms and do not bear interest. The carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable.

1.13 Cash and cash equivalents

Cash and cash equivalents comprise cash at the bank and in hand, and other short-term deposits held by the Company with maturities less than 3 months.

1.14 Trade and other payables

Trade payables are recognised at fair value.

1.15 Employee Benefits

Employee benefits such as wages, salaries, paid annual leave and sick leave and overtime are considered as an expense in the year in which the employee renders the service to the Company.

An accrual is made for the cost of holiday entitlement earned by employees but not taken before the year end, and which may be carried forward into the next financial year. These are included in current liabilities under the "employee benefits accrual". An accrual is measured at the undiscounted amount that the Company expects to pay as a result of the unused entitlement. Accruals are not made for costs in respect of outstanding car mileage claims.

Termination benefits are amounts payable as a result of a decision by the Company to terminate an officer's employment before the normal retirement date. These costs are required to be recognised immediately in the provision of service.

1.16 Leases

The Company has a tenancy at will and a lease from the Council in respect of the Westbridge Office Accommodation in addition to commercial vehicle leases. A significant proportion of the risk and reward of ownership are retained by the lessor and therefore are classified as operating leases but require no further recognition under IFRS 16. Payments made under these agreements are charges under Other Expenses in the Statement of Comprehensive Income.

Other operating leases have been capitalised following the adoption of IFRS16 at the net present value of the discounted lease commitments. Depreciation costs and finance costs for these are shown in the Comprehensive Statement of Income under other expenses and finance costs respectively.

1.17 Estimation uncertainty

The Company operates a defined benefit pension scheme for its employees and the future obligations and asset returns are based on several estimates and assumptions. In recognising these liabilities, we take advice from specialist consultants.

We have reviewed the useful economic life of equipment and intangible assets and based depreciation and amortisation charges on these assumptions.

1.18 Pensions

Employees of the Company are members of the Local Government Pension Scheme administered by West Northamptonshire Council. The Scheme provides benefits to members (retirement lump sums and pensions) earned as employees of Northampton Partnership Homes and in the majority of cases, prior to their transfer to NPH on 5 January 2015, of the Council.

The Local Government Pension Scheme is a defined benefit scheme. The liabilities of the scheme attributable to the Company are included in the Statement of Financial Position on an actuarial basis using the projected unit method i.e., an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc., and projections of earnings for current employees.

Pension liabilities are measured using the projected unit method and discounted at the Statement of Financial Position date rate of return on high quality corporate bonds of equivalent term to the liabilities. The discount rate is the weighted average of spot yields on AA rated corporate bonds.

The change in the net pension liability is analysed into seven components:

1. Current service cost - the increase in liabilities as result of years of service earned this year - allocated in the Comprehensive Income and Expenditure Statement.
2. Past service cost - the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years debited to the Net Cost of Services in the Statement of Comprehensive Income as part of Non-Distributed Costs

3. Interest cost - the expected increase in the present value of liabilities during the year as they move one year closer to being paid - debited to finance costs in the Statement of Comprehensive Income.
4. Expected return on assets - the annual investment return on the fund assets attributable to the Company, based on an average of the expected long-term return - credited to finance income in the Statement of Comprehensive Income.
5. Gains/losses on settlements and curtailments the result of actions to relieve the Company of liabilities or events that reduce the expected future service or accrual of benefits of employees - debited to the Net Cost of Services in the Comprehensive Income and Expenditure Statement as part of Non-Distributed Costs
6. Actuarial gains and losses - changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions - debited to the Statement of Comprehensive Income and expenditure.
7. Contributions paid to the Northamptonshire Pension Fund – cash paid as employers' contributions to the Pension Fund.

1.19 Going concern

The financial statements have been prepared on a going concern basis. Forecast profile of income and expenditure for 2022/23 indicate that cash flows for the year will be sufficient to meet all obligations as they become due, including due consideration of the detrimental impact of Covid, due to the strong HRA position. There has been an increase in tenants accessing Universal Credit and delays in receipt of rental income however these continue to be actively managed and are not considered to materially impact the strong HRA position.

The payment from the Council in respect of the Management Fee is made monthly in advance. This payment profile helps ensure adequate cash flow is maintained throughout the year.

NPH manages the Council budgets for Capital and Revenue Maintenance of the property portfolio. These are invoiced monthly in advance based on approved budgets and are then adjusted to actual at year end. In this way income is balanced to expenditure over the course of the full year.

By virtue of the Management Agreement with the Council, the Council guarantees the status of Northampton Partnership Homes as a going concern. This agreement is for a period of 15 years and each year a 5-year fee indication is provided (Sch.5). Crucially, the agreement contains paragraphs 19.1 and 19.2 (see below) which guarantee the status of NPH as a going concern.

- 19.1 *The Council shall provide and evidence such support for NPH as shall be required to enable NPH's auditors to confirm from time to time to NPH's Board of directors that NPH is and will continue to be able to meet its debts as they fall due and is otherwise a 'going concern'.*
- 19.2 *The Council agrees that whether through the Total Fee or otherwise it shall ensure that NPH is able to discharge its liabilities for the pension's costs attributable to NPH's past, present, and future employees.*

For clarity, this agreement, and the commitment to supporting NPH has continued following the newly formed West Northamptonshire Council.

1.20 Key Judgements

The Company has responsibility to commission and project manages the Capital and Revenue repairs programme for Council Homes. Contracts are issued in the name of Northampton Partnership Homes Ltd and the Company recharges the Council in full for the reimbursement of these costs within the agreed Managed Budget Fee. We consider NPH to be the principal in this arrangement.

The IAS19 opening pension deficit on commencement of the scheme has not been charged to the Statement of Comprehensive Income as the Company's pension liability is supported by the Council as the ultimate parent (see above).

The acquisition of the Company's activity from its parent is a transaction between entities under common control and consequently is outside the scope of IFRS 3 Business Combinations. In the absence of specific guidance in IFRS applicable to such transactions, the Company has considered guidance that is available under other similar conceptual accounting frameworks and accounted for the business transfer as a group reconstruction using merger accounting principles set out in FRS 6 Acquisitions and Mergers issued by the Accounting Standards Board.

The Directors consider that the application of acquisition accounting, and consequential recognition of goodwill, would fail to reflect the substance of the transaction. No consideration was paid for the business transfer; however, the Company did assume the defined benefit pension scheme obligation in relation to employees who transferred to the Company as part of the business transfer; no other assets or liabilities were transferred. The difference between the nil consideration and the assumed pension scheme obligation has historically been debited to reserves, as the assumption of the pension scheme obligation is in substance a distribution to its parent. There has been a full triennial valuation during 2019/20 reflecting the reduction in the pension scheme obligation and this improvement has been reflected in the pension reserves shown in the Statement of Financial Position.

1.21 Government Grants

Grant income is recognised on receipt when the amount can be measured reliably, and the Company and its subsidiaries ensure that it meets any conditions associated with the grant funding.

1.22 Accruals Concept

Income is recognised in line with the provisions in the management agreement, when revenue can be measured reliably, and the future economic benefits are probable. Expenditure is recognised once goods or services have been received, rather than when cash payments are made.

Where income and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Statement of Financial Position respectively. Equally, where cash has been received or paid which is not yet recognised as income or expenditure, a creditor (income in advance) or debtor (payment in advance) is recorded in the Statement of Financial Position respectively and the Statement of Comprehensive Income adjusted accordingly.

1.23 Value Added Tax

Income and expenditure treated as either capital or revenue, excludes any amounts related to VAT. All VAT collected is payable to HM Revenue and Customs and all VAT paid is recoverable from it. Any amounts outstanding (payment or receipt) at the year-end date is held as a creditor or debtor after netting off the amounts due / owed.

1.24 Events after the Statement of Financial Position date

Where there is a material post Statement of Financial Position event, a disclosure in the notes to the accounts will be included. If this event provides additional evidence of conditions that existed at the Statement of Financial Position date, and materially affects the amounts to be included in the accounts; adjusting items will be shown in the accounts.

1.25 Exceptional and extraordinary items and prior period adjustments

Exceptional and extraordinary items will have been disclosed separately on the face of the Comprehensive Statement of Income and details will be disclosed in the notes to the accounts.

1.26 Contingent assets and liabilities

Where the Council has a contingent asset or liability this will be disclosed as a note to the accounts.

1.27 Group Boundary

HTH was incorporated on the 18 July 2018. HTH is wholly owned by NPH, with its own Board of Directors. It is a Company Limited by Guarantee (CLG) and is a not-for-profit organisation.

HTH is a subsidiary of Northampton Partnership Homes for accounting purposes and have been consolidated into the Company's group accounts.

1.28 Intra Group Transactions

During 2021/22 there were no transactions between NPH and HTH. As of 31 March 2022, there is no debtor or creditor balance outstanding with HTH.

1.29 Basis of consolidation

The Consolidated Financial Statements includes NPH and its subsidiary HTH (together the Group). The result of the subsidiary is included in the Consolidated Statement of Comprehensive Income from the date of the formation. All intra-group transactions, balances, surpluses, and deficits are eliminated in full on consolidation.

1.30 Accounting Policies

In preparing the Group Accounts the accounting policies of HTH have been aligned with those of the parent, NPH.

## 2. Revenue

Income is derived wholly from within the United Kingdom from the Company's principal activity of housing management.

	Group	
	2021/22 £000's	2020/21 £000's
Management fee paid by WNC	70,832	61,948
Other revenue	422	289
	<b>71,254</b>	<b>62,237</b>
<b>Analysed as:</b>		
Management fee - Housing Revenue Account	14,426	14,116
Management fee - General Fund	431	264
Management fee - Repairs & Maintenance	13,750	11,866
Management fee - Capital	41,748	35,229
Management fee - Other	476	473
External funding - Safer Streets Project	150	200
Investment property income	27	18
Happy to Help - Revenue	151	71
Miscellaneous income	95	-
<b>Total revenue</b>	<b>71,254</b>	<b>62,237</b>

	Company	
	2021/22 £000's	2020/21 £000's
Management fee paid by WNC	70,832	61,948
Other Revenue	312	218
	<b>71,144</b>	<b>62,166</b>
<b>Analysed as:</b>		
Management fee - Housing Revenue Account	14,426	14,116
Management fee - General Fund	431	264
Management fee - Repairs & Maintenance	13,750	11,866
Management fee - Capital	41,748	35,229
Management fee - Other	517	279
External funding - Safer Streets Project	150	200
Investment property income	27	18
Miscellaneous income	95	-
<b>Total Revenue</b>	<b>71,144</b>	<b>61,972</b>



### 3. Other Expenses

Other expenses comprise of (excluding salaries):

	Group		Company	
	2021/22	2020/21	2021/22	2020/21
	£000's	£000's	£000's	£000's
Management fee - Housing Revenue Account	4,202	4,129	4,202	4,129
Management fee - General Fund	431	242	431	242
Management fee - Repairs & Maintenance	8,846	7,167	8,846	7,167
Management fee - Capital	41,761	35,229	41,761	35,229
Management fee - Special Services	2,413	2,121	2,413	2,121
Safer Streets Project	83	200	83	200
Investment Property	5	19	5	19
Happy to Help	116	84	-	-
<b>Total</b>	<b>57,857</b>	<b>49,191</b>	<b>57,741</b>	<b>49,108</b>

### 4. Operating Profit

The operating profit is reported after charging the following costs:

	Group		Company	
	2021/22	2020/21	2021/22	2020/21
	£000's	£000's	£000's	£000's
<b>External audit fees</b>				
– Audit services	30	30	27	27
– Other services	8	8	4	4
<b>Internal audit fees</b>	40	40	40	40
<b>Depreciation - right of use assets</b>	226	32	226	32
<b>The following table analyses the nature of expenses as follows:</b>				
Staff costs	14,369	12,633	14,369	12,633
Other operating costs	57,856	49,192	57,781	49,108
	<b>72,225</b>	<b>61,825</b>	<b>72,150</b>	<b>61,741</b>

**These costs are further analysed as follows:-**

Management fee - Housing Revenue Account	9,616	9,011	9,616	9,190
Management fee - Special Services	4,778	4,109	4,778	4,109
Management fee - General Fund	431	270	431	270
Management fee - Repairs & Maintenance	15,435	12,903	15,435	12,903
Management fee - Capital	41,761	35,229	41,761	35,229
Other	204	303	129	40
	<b>72,225</b>	<b>61,825</b>	<b>72,069</b>	<b>61,741</b>

## 5. Investment in subsidiary

The table below presents the Company's subsidiary:

	Country of incorporation	Registered Address	Holding	Principal activity
Happy to Help (Northampton) CIC	England and Wales	The Guildhall St. Giles Square Northampton NN1 1DE	100%	Social Enterprise

The summary results of the subsidiary, Happy to Help (Northampton) CIC are as follows:

	2021/22 £000's	2020/21 £000's
Revenue	151	71
Profit/(loss)	35	(13)
Aggregate of reserves	68	40

## 6. Non-Current Assets (Group and Company)

### Property, right of use assets, plant, and equipment

	Investment Property	Vehicles (right of use)*	Plant and equipment	Total
	£'000	£'000	£'000	£'000
Cost as at 1 April 2021	360	1,129	2	1,491
Additions	-	-	-	-
Disposals	-	-	-	-
<b>Cost as at 31 March 2022</b>	<b>360</b>	<b>1,129</b>	<b>2</b>	<b>1,491</b>
Accumulated depreciation as at 1 April 2021	-	803	2	805
Depreciation charge for the year re IFRS 16	-	226	-	226
Depreciation charge for the year	-	-	-	-
Depreciation on disposal	-	-	-	-
<b>Accumulated depreciation as at 31 March 2022</b>	<b>-</b>	<b>1,029</b>	<b>2</b>	<b>1,031</b>
<b>Net Book Value as at 31 March 2022</b>	<b>360</b>	<b>100</b>	<b>-</b>	<b>460</b>
<b>Net Book Value as at 31 March 2021</b>	<b>360</b>	<b>326</b>	<b>-</b>	<b>686</b>

\* The right of use assets are motor vehicles under lease agreements of up to five years, with no option to extend, now recognised under IFRS 16.

## 7. Inventories

Inventories are stated at cost and relate to van stocks for the responsive repairs service. From 1 April 2020, van stocks moved to a consignment stock model, therefore NPH no longer holds stock.

	Group and Company		Company	
	2021/22 £000's	2020/21 £000's	2021/22 £000's	2020/21 £000's
Inventories	-	8	-	8
<b>Total</b>	<b>-</b>	<b>8</b>	<b>-</b>	<b>8</b>

## 8. Trade and Other Receivables

The primary debtors at year-end relate to central government and the management fee due from the council. Therefore, credit losses are expected to be immaterial.

	Group		Company	
	2021/22 £000's	2020/21 £000's	2021/22 £000's	2020/21 £000's
Sundry debtors	49	381	-	356
West Northamptonshire Council	9,126	1,813	9,126	1,813
Happy to Help (CIC)	-	-	-	7
Payments in advance	269	234	266	234
<b>Total</b>	<b>9,444</b>	<b>2,428</b>	<b>9,392</b>	<b>2,410</b>

## 9. Cash and Cash Equivalents

	Group		Company	
	2021/22 £000's	2020/21 £000's	2021/22 £000's	2020/21 £000's
Cash in hand	-	1	-	1
Bank current account	6,551	7,723	6,551	7,723
Happy to Help - Bank current account	55	47	-	-
<b>Total cash and cash equivalents</b>	<b>6,606</b>	<b>7,771</b>	<b>6,551</b>	<b>7,724</b>

## 10. Current Liabilities

### 10a. Trade and Other Payables

	Group		Company	
	2021/22 £000's	2020/21 £000's	2021/22 £000's	2020/21 £000's
Trade payables	722	1,422	711	1,406
West Northamptonshire Council	6,430	1,089	6,430	1,089
Happy to Help (CIC)	-	-	3	-
Other creditors (HMRC VAT)	999	2,422	999	2,422
Deferred income	10	-	-	-
Taxation and social security	7	224	-	224
Accruals	7,119	4,248	7,105	4,239
<b>Total trade and other payables</b>	<b>15,287</b>	<b>9,405</b>	<b>15,248</b>	<b>9,380</b>

### 10b. Lease Liabilities

	Group		Company	
	2021/22 £000's	2020/21 £000's	2021/22 £000's	2020/21 £000's
Less than 1 month	9	20	9	20
1-3 months	19	41	19	41
Over 3 months	84	183	84	183
Total lease liability less than one year	112	244	112	244
Total lease liability greater than one year	-	112	-	112
<b>Total lease liabilities</b>	<b>112</b>	<b>356</b>	<b>112</b>	<b>356</b>

## 11. Finance Costs

### Group and Company

	Group		Company	
	2021/22 £000's	2020/21 £000's	2021/22 £000's	2020/21 £000's
Pensions interest	(384)	(252)	(384)	(252)
Interest on lease liabilities	(19)	(32)	(19)	(32)
<b>Total lease liabilities</b>	<b>(403)</b>	<b>(284)</b>	<b>(403)</b>	<b>(284)</b>

## 12. Taxation

HMRC have confirmed that the activities and transactions between the Council and wholly owned subsidiaries of Northampton Partnership Homes Ltd do not amount to trading and as such any surpluses in respect of these activities are not taxable nor any losses relieviable for corporation tax purposes. It follows that taxable profits or losses should only arise on activities carried out with external organisations. The tax currently payable is based on taxable profit for the year from activities with parties other than the Council and relate principally to the generation of interest income from balances.

	Group		Company	
	2021/22	2020/21	2021/22	2020/21
	£000's	£000's	£000's	£000's
Corporation Tax liability	7	3	-	5

The subsidiary undertaking, HTH is subject to Corporation Tax on profits raised. It therefore seeks to maximise the use and impact of the CSR and other income streams to the benefit of tenants and the local community across Northampton.

## 13. Cash Flow adjustments and changes in working capital

	Group		Company	
	2021/22	2020/21	2021/22	2020/21
	£000's	£000's	£000's	£000's
<u>Adjustments (non-cash items)</u>				
Current service costs	4,084	2,491	4,084	2,491
Net pension interest costs	384	252	384	252
Net adjustment - adoption of IFRS 16	(18)	(6)	(18)	(6)
<b>Total adjustment</b>	<b>4,450</b>	<b>2,737</b>	<b>4,450</b>	<b>2,737</b>
<u>Net changes in working capital</u>	<u>2021/22</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2020/21</u>
	<u>£000's</u>	<u>£000's</u>	<u>£000's</u>	<u>£000's</u>
Change in trade and other receivables	(7,017)	(1,040)	(6,982)	(1,032)
Change in trade and other payables	5,881	654	5,867	653
Change in employee benefits accrual	(47)	105	(47)	105
Movement in stock	8	77	8	77
Capital expenditure	-	(26)	-	(26)
<b>Net changes in working capital</b>	<b>(1,175)</b>	<b>(230)</b>	<b>(1,154)</b>	<b>(223)</b>

## 14. Reserves

		Group		Company	
		2021/22	2020/21	2021/22	2020/21
Retained earnings and reserves	Notes	£000's	£000's	£000's	£000's
Loss for the year		(1,381)	128	(1,409)	139
Remeasurement of pension assets and liabilities	22	6,994	(7,242)	6,994	(7,242)
Total comprehensive profit / (loss) for the year		5,613	(7,114)	5,585	(7,103)
<b>Analysis of reserves</b>					
Opening position at 1 April		(17,320)	(10,206)	(17,360)	(10,257)
Profit / (loss)		29	(122)	-	(111)
Pension surplus / (deficit)		5,584	(6,992)	5,585	(6,992)
		5,613	(7,114)	5,585	(7,103)
<b>Closing position at 31 March</b>		<b>(11,707)</b>	<b>(17,320)</b>	<b>(11,775)</b>	<b>(17,360)</b>

The Pension Reserve absorbs the timing differences arising from the different arrangements for post-employment benefits and for funding benefits in accordance with statutory provisions. The balance on the Pensions Reserve shows a shortfall in the benefits earned by past and current employees and the resources set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

The Insurance Reserve is held to manage future liabilities in respect of insurance claims.

Retained earnings of the Company represents the accumulated profit.

## 15. Related Party Transactions

Northampton Partnership Homes Ltd is an ALMO wholly owned by the Council. The Company was established with no share capital and is limited by guarantee.

In the event that the Company is wound up, the Council undertakes to contribute such amounts as may be required for the payment of the debts and liabilities of the Company. After the satisfaction of all debts and liabilities, the remaining assets will transfer to the Council's Housing Revenue Account.

The Council has delegated the responsibility for overseeing the management and maintenance of its Housing stock to Northampton Partnership Homes Ltd in accordance with a Management Agreement with effect from 5 January 2015.

Details of the status of the Company and the composition of the Board of Directors are given on page 2.

The Council pays the Company a management fee, monthly in advance in accordance with the Management Agreement. The Company has invoiced a total of £14.4m for management services to the Council relating to 2021/22 (2020/21: £14.4m). In addition to this the Company invoices the Council monthly in advance to fund the repairs and maintenance and capital programs. At each quarter end the balance owing/owed is adjusted so that the income equates to the expenditure incurred. The Company invoiced the Council £13.8m and £41.8m for the repairs and maintenance and capital fee respectively (2020/21: £11.9m and £35.2m).

The net balance claimed by the Company from the Council at the end of the year is £1.4m (2021: £1.1m). The balance is payable on normal commercial terms and does not bear any interest.

There have been no transactions with key management personnel or Board members during the year (2020/21: £Nil).

#### 16. Ultimate parent company

The Company is a wholly owned subsidiary of West Northamptonshire Council (formerly Northampton Borough Council) and the accounts have been consolidated into the Councils' financial statements. These statements are available on the council website.

#### 17. Contingent Liabilities

There are no contingent liabilities at the 31 March 2022 (2021: £Nil) for the Company and the Group.

#### 18. Employee Benefit Expense

Expenses recognised for employee benefits are analysed as follows:

	<b>Group and Company</b>	
	<b>2021/22</b>	<b>2020/21</b>
	<b>£000's</b>	<b>£000's</b>
Wages and salaries	9,181	8,978
Social security cost	900	866
Pension cost	4,084	2,491
Temporary Staff	204	298
<b>Total</b>	<b>14,369</b>	<b>12,633</b>

The average number of full-time equivalents for the year was 276 (2020/21: 271).

Key management of the Company comprise of the Executive Management Team as detailed on page 2.

Key management personnel remuneration includes the following expenses:

	<b>Group and Company</b>	
	<b>2021/22</b>	<b>2020/21</b>
	<b>£000's</b>	<b>£000's</b>
Wages and salaries	706	695
Social security cost	88	91
Pension cost	91	89
<b>Total</b>	<b>885</b>	<b>875</b>

#### Directors' remuneration

The Directors of the Company are detailed on page 2. Directors' remuneration is as follows:

	<b>Group and Company</b>	
	<b>2021/22</b>	<b>2020/21</b>
	<b>£000's</b>	<b>£000's</b>
Wages and salaries	22	17
<b>Total</b>	<b>22</b>	<b>17</b>

#### **19. Employee Related Benefit Accrual**

The current liabilities recognised for employee remuneration in the Statement of Financial Position related to accrued costs in respect of untaken holiday entitlement for employees as of 31 March 2022.

	<b>Group and Company</b>	
	<b>2021/22</b>	<b>2020/21</b>
	<b>£000's</b>	<b>£000's</b>
Employee related benefit accruals	167	214

#### **20. Retirement Benefit Obligations**

The Company is a member of the Local Government Pension scheme administered originally by Northamptonshire County Council until 31 March 2021 and is now administered by West Northamptonshire Council. This is a funded defined benefit scheme which provides index linked retirement benefits to employees who choose to join.



The scheme was opened on 5 January 2015 when employees of Northampton Partnership Homes Ltd transferred from the Council under Transfer of Undertakings (Protection of Employment) (TUPE). At the time of admission, the Company scheme was fully funded under the actuarial valuation assumptions made. However, the figures presented in these financial statements are reported under the requirements of IAS19, which are prepared on a different basis to the actuarial valuation.

Employees and the Company pay contributions to the fund. During 2021/22 the employer's rate remained at 16.4%, (2020/21: 16.4%) and employees contribute variable rates which increase on banded salary ranges. As of 31 March 2022, the scheme had 261 (2021: 262) active members.

A comprehensive actuarial valuation is undertaken every three years and the latest review was undertaken as at 31 March 2019 by the actuary Hymans Robertson LLP.

**Movements in the present value of the defined benefit obligation are as follows:**

	<b>2021/22</b> <b>£000's</b>	<b>2020/21</b> <b>£000's</b>
Opening balance as at 1 April	55,487	37,812
Current service cost	4,084	2,491
Interest cost on pension liabilities	1,179	899
Contributions by scheme participants	90	154
Remeasurement – (Gain) / loss on financial assumptions	(5,050)	14,131
<b>Closing balance as at 31 March</b>	<b>55,790</b>	<b>55,487</b>

**For determination of the pension obligation the following actuarial assumptions have been used:**

<u>Inflationary assumptions</u>	<b>2021/22</b> <b>End of</b> <b>Period</b> <b>%</b>	<b>2021/22</b> <b>Start of</b> <b>Period</b> <b>%</b>
Rate of Inflation (CPI)	3.20	2.85
Rate of Inflation (RPI)	3.65	3.30
Rate of increase in salaries	3.65	3.30
Rate of increase in pensions	3.15	2.80
Discount rate	2.75	2.05

<u>Mortality assumptions:</u>	<b>2021/22</b> <b>End of</b> <b>Period</b> <b>year's</b>	<b>2021/22</b> <b>Start of</b> <b>Period</b> <b>years</b>
Life expectancy for current pensioners aged 65:		
Men	21.7	21.7
Women	24.0	24.1
Life expectancy for future pensioners aged 65 in 20 years time:		
Men	22.7	22.8
Women	25.8	25.8

**Movements in the fair value of plan assets are as follows:**

	<b>2021/22</b> <b>£000's</b>	<b>2020/21</b> <b>£000's</b>
Opening balance at 1 April	37,251	26,568
Interest on plan assets	795	647
Remeasurement (assets)	1,944	6,889
Employer contributions	3,059	2,993
Benefits paid	(475)	(378)
Contributions by members	565	532
<b>Closing balance at 31 March</b>	<b>43,139</b>	<b>37,251</b>

**Amounts included in the Statement of Financial position in respect of the defined benefit scheme are as follows:**

	<b>2021/22</b> <b>£000's</b>	<b>2020/21</b> <b>£000's</b>
Fair value of plan assets	43,139	37,251
Present value of funded obligation	(55,790)	(55,487)
<b>Deficit in scheme</b>	<b>(12,651)</b>	<b>(18,236)</b>

**Analysis of plan assets as follows:**

<u>Fair value of plan assets</u>	<u>2021/22</u> <u>£000's</u>	<u>2020/21</u> <u>£000's</u>
<u>Debt securities</u>		
UK Government	4,297	3,781
<u>Private Equity</u>		
All	1,932	1,108
<u>Real Estate</u>		
UK property funds	2,514	2,159
Overseas property Funds	346	279
Infrastructure	2,555	2,335
Other		
<u>Investment funds and unit trusts</u>		
Equities	27,072	23,541
Bonds	3,889	3,458
<u>Cash and cash equivalents</u>		
All	534	590
<b>Total</b>	<b>43,139</b>	<b>37,251</b>

**Amounts reported in the Statement of changes in equity in respect of the defined benefit scheme are as follow:**

	<u>2021/22</u> <u>£000's</u>	<u>2020/21</u> <u>£000's</u>
<u>Remeasurement (liabilities):</u>		
Experience gain	(127)	362
Gain/(loss) on financial assumptions	4,894	(13,793)
Demographic assumptions	283	(700)
Remeasurement (assets)	1,944	6,889
<b>Actuarial gain/(loss) recognised in the Statement of</b>	<b>6,994</b>	<b>(7,242)</b>
<b><u>Changes in Equity</u></b>		

**Amounts recognised in the Statement of Comprehensive Income in respect of the defined benefit scheme are as follows:**

	<b>2021/22</b> <b>£000's</b>	<b>2020/21</b> <b>£000's</b>
Current service cost	(4,084)	(2,491)
Interest cost on pension liabilities	(1,179)	(899)
Interest on plan assets	795	647
<b>Total charged to the Statement of Comprehensive Income</b>	<b>(4,468)</b>	<b>(2,743)</b>

Current service costs are recognised in Employee Benefit Expenses. Interest cost and administration expenses are recognised in finance costs.

IAS19 requires the disclosure of the sensitivity of the results to the methods and assumptions used. The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

<b>Changes in assumptions as at 31 March 2022</b>	<b>Approximate increase to employee liability %</b>	<b>Approximate monetary amount £000's</b>
0.5% decrease in Real Discount Rate	2%	1,335
1 year increase in member life expectancy	4%	2,232
0.5% increase in the Salary Increase Rate	0%	124
0.5% increase in Pension Increases Rate	2%	1,202

Estimated Employer's contributions for the period to 31 March 2023 will be approximately £3,059,000.

**21. Finance Income**

	<b>Group and Company</b> <b>2021/22</b> <b>£000's</b>	<b>2020/21</b> <b>£000's</b>
Investment income from cash and cash equivalents	1	3
<b>Total</b>	<b>1</b>	<b>3</b>

## 22. Financial Instruments

### Assets

The table overleaf analyses the Company's financial assets held for managing liquidity risk which are considered to be readily saleable or are expected to generate cash inflows to meet cash outflows on financial liabilities.

	Notes	Group		Company	
		Current	Current	Current	Current
		2021/22	2020/21	2021/22	2020/21
		£000's	£000's	£000's	£000's
Trade and other receivables	8	9,444	2,194	9,392	2,176
Cash and cash equivalents	9	6,606	7,771	6,551	7,724
<b>Total</b>		<b>16,051</b>	<b>9,965</b>	<b>15,943</b>	<b>9,900</b>

There are no long-term Group or Company assets.

### Liabilities

The table below analyses the Company's current and long-term financial liabilities on a contractual gross undiscounted cash flow basis at the reporting date up to the contractual maturity date.

	Notes	Group		Company	
		Current	Long Term	Current	Long Term
		2021/22	2021/22	2021/22	2021/22
		£000's	£000's	£000's	£000's
Trade and other payables	10a	14,282	-	14,249	-
Leasing liability	10b	112	-	112	-
Employee benefits accrual	19	167	-	167	-
<b>Total</b>		<b>14,561</b>	<b>-</b>	<b>14,528</b>	<b>-</b>

		Group		Company	
		Current	Long Term	Current	Long Term
		2020/21	2020/21	2020/21	2020/21
		£000's	£000's	£000's	£000's
Trade and other payables	10a	6,759	-	6,734	-
Leasing liability	10b	245	112	245	112
Employee benefits accrual	19	215	-	215	-
<b>Total</b>		<b>7,219</b>	<b>112</b>	<b>7,194</b>	<b>112</b>

#### Cash Flow

The Company's primary source of revenue is from the Council through the Management, Capital, and Repairs & Maintenance Fees. These are invoiced monthly in advance and then reviewed on a quarterly basis to reflect actual expenditure incurred across each area. The timing of these cash inflows ensures the Company can meet its financial obligations.

#### Credit and Liquidity Risk

The Company ensures that all liabilities are met as they fall due. As stated above the nature of cash inflows gives a safeguard that the Company is exposed to low credit and liquidity risk.

The Company is exposed to liquidity and credit risk principally in the event that the Council was to experience cash flow difficulties. However, based on the Council's own high credit rating this is assessed to be an unlikely scenario and therefore low risk.

#### Interest Rate Risk

The Company has no borrowing and no long-term investments. Short term deposits are limited to cash held at the bank and interest received from these short-term investments is not critical to the Company's revenue. We therefore consider that the Company is not exposed to interest rate risk in relation to its financial instruments.

### **23. Post reporting date events**

There have been no non-adjusting events between the reporting date and the date of authorisation.