Northamptonshire Partnership Homes

(formerly Northampton Partnership Homes)

A Company Limited by Guarantee

Consolidated Financial Statements for the year ended 31 March 2023

Company Registration number:09019453
Registered in England and Wales

Contents	**Page**

Company Registration Number: 09019453
Registered in England and Wales

COMPANY INFORMATION

Registered office – The Guildhall, St Giles Street, Northampton. NN1 1DE

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:

Independent Board Members

Andrew Woods – Independent (Chair) (appointed October 2019)
Zafir Bhatti – Independent (appointed October 2021/resigned November 2022)
Chris Deery – Independent (appointed October 2014)
Rakesh Thakarar – Independent (appointed March 2022)

Independent Co-optee

Andrew Weatherill – Independent Co-optee to Audit and Risk Committee only (appointed December 2021)

Tenant Board Members

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)

West Northamptonshire Council-Nominated Board Members

Cllr Nigel Hinch – Council Nominated (appointed July 2021)
Cllr Andrew Kilbride – Council Nominated (appointed July 2015)
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)

Executive Management Team (EMT)

Mike Kay – Chief Executive (Resigned May 2023)
Steve Feast – Chief Executive (appointed May 2023)
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
Winston Williams – Director of Asset Management (appointed April 2022)

Professional Advisers

Auditors

Mazars UK LLP
The Pinnacle
160 Midsummer Boulevard
Milton Keynes
MK9 1FF

Actuary

Hymans Robertson LLP
One London Wall
London
EC2Y 5EA

Bankers

HSBC Bank PLC
St Clair House
5 Old Bedford Road
Northampton
NN4 7AA

Solicitors

Devonshires LLP
30 Finsbury Circus
London
EC2M 7DT

Solicitors

Shoosmiths LLP
Witan Gate House
500-600 Witan Gate West
Milton Keynes,
Buckinghamshire
MK9 1SH

Solicitors

Tozers LLP
Broadwalk House
Southernhay West
Exeter, Devon
EX1 1UA

Solicitors

Trowers and Hamlins LLP
3 Bunhill Road
London
EC1Y 8YZ

Company Registration Number: 09019453
Registered in England and Wales

STRATEGIC REPORT

Purpose

Northamptonshire 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, which became part of the West Northamptonshire Council (WNC) as of 1st April 2021. NPH's purpose is to improve services and the provision of quality homes to more than 25,000 customers around Northamptonshire. 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

Northamptonshire Partnership Homes Limited (the Company) was created as an Arm's Length Management Organisation (ALMO) to manage Northampton Borough Council's housing stock. The Company was established with no share capital and is limited by guarantee. From 1 April 2021, the company's management agreement was novated to the new unitary council, WNC (the Council). The Company is a wholly owned subsidiary of 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 wholly owned 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 Northamptonshire residents and their communities. It is a Company limited by guarantee and is a not-for-profit organisation with an independent board of directors. The financial results of HTH 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 s172 obligations 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
- Acting fairly between the members

This is reflected in the NPH Vision, Mission and Values statements, developed with all 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

Our Objectives:

- Quality homes and estates
- Customer focused
- Opportunity and access for all
- Maximising partnerships
- Being an effective organisation

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 escalating costs, regulatory changes, the ongoing impact of the pandemic both internally and to the tenants. We are also embedding new ways of working with our parent WNC, following the changes to a unitary local authority. This is a huge achievement, and sincere thanks go out to all our colleagues.

Our 2022/23 highlights are outlined as follows:

Positive relationship with WNC

Relationships with our parent council have continued to develop during the year and we have refreshed our Articles of Association reflecting the change not only to our parent company but also our change of name to reflect the wider geographical reach NPH now has. During the year WNC has launched its new housing strategy which will be supported by a robust action plan to provide further clarity and direction to NPH. At the present time a new management agreement is under development which will be for 30 years, replacing the original 15-year agreement. 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.

Business as usual

NPH has overcome many of the challenges the Covid restrictions brought including the continuation of reducing delays on responsive repairs. One area, however, that has been impacted in 2022/23 have been the challenges on the legal position for NPH and WNC within the courts taking enforcement action. As a result, the number of possession actions and evictions were below pre-Covid levels. Reassuringly, clarity has now been provided allowing the appropriate action to be taken as and when required.

Colleagues have embraced agile ways of working which has driven efficiencies and is making better use of resources and providing the optimum solution to delivering services for our residents.

Recognition and awards

During the year NPH has been recognised for the following work:

- **Northampton Whole House Retrofit project** – *won 'Development Strategy of the Year' at the EEM Awards (March 2023)*
  In partnership with Wates. We were also runner-up with Equans at the same awards but for 'Carbon Reduction Project of the Year'

- **Northampton Whole House Retrofit project** – *won the 'Most innovative retrofit/refurbishment scheme' at the 2023 Housing Digital Innovation Awards (February 2023)*
  An NPH project helping tenants in 150 older inefficient homes in Northampton reduce their fuel bills and cut carbon emissions (in partnership with WNC, funded by SHDF government funding)

- **Sita Luka, Area Team Leader** – *won 'Inspirational Colleague of the Year' at the AICO awards* (May 2022)
  Sita was nominated for her work on improving fire safety for vulnerable residents, on our homelessness project and the lifeline digital switch-over project

HRA Income

Tenant arrears and debt levels have an impact on value. Whilst we have managed rent arrears within the target of 3.15%, we recognise the impact Universal Credit has on tenants with a 12% increase in claimants, rising to 4,516, just over 40% of all live tenancies.

We continue to work closely with tenants, particularly those facing hardship, and the Support and Financial Inclusion and Welfare Reform teams give support to claim backdated benefits, sourcing grants and other funding to help mitigate the challenges of the ongoing economic climate. Across these two areas alone over £750,000 of assistance has been sourced for tenants.

The number of evictions has increased, however only slightly to 10 this financial year. This is due to the technical issues mentioned above, following the transfer of the housing stock from NBC to WNC and the role of NPH as an ALMO, and its ability to take court action. The lower level of evictions due to non-payment of rent resulted in lower court costs. These savings were repurposed to support other areas where costs continued to rise due to inflationary pressures particularly materials and subcontractor costs.

Void rent loss during the year has risen by 0.3% from 1.0% to 1.3% (£710,000). Whilst this exceeded target, to a large extent this was attributable to the onboarding of the Beaumont redevelopment property. The impact of supporting 60 households in a single phase has been recognised and lessons learnt. When similar, larger schemes complete in the future, these will be delivered in phases to prevent this situation reoccurring.

Housing Management Services

The demand for housing has continued throughout 2022/23 with the housing register having increased from 3,178 last year to 3,692 (over 16%). This demand has also been impacted by the reduction in the number of properties terminated and therefore available for allocations. This related to a total of 506 properties (2021/22: 644), a reduction of 21%.

This growth is also evident from the need for temporary accommodation and to support WNC in meeting this demand, there has been an increase in the number of homes being reappropriated from available housing stock to be used for temporary accommodation, with numbers now standing at 154 (2021/22: 120).

The housing management cost has increased in the year by 8.7% this reflects the increase in the delivery model particularly in relation to the complex needs and behaviours of those within specialist accommodation and investment in the lifeline completed in the year, moving from analogue to digital solutions benefitting the most vulnerable tenants.

In 2022/23 there have been 657 allocations to WNC properties, and an additional 342 allocations to Registered Social Landlord properties. Of these allocations, 174 properties were specifically allocated to applicants who required Older-Person's accommodation. There have been 211 new referrals to the Welfare Service bringing the total number now being regularly visited to 583.

On average we receive between 15-20 applications per month for mutual exchanges. To support understanding and knowledge, the Mutual Exchange Coordinator has developed leaflets and flyers for the Guildhall and Housing Officers to provide to tenants, and this has increased the communication via our Social Media platforms. This year there have been 163 Mutual Exchange applications completed.

Repairs and Maintenance

The level of responsive repairs and voids work remains high and now reflects an increase in demand as the Covid backlog has cleared. Understandably, there have been a rising number of enquiries around damp, mould, and condensation, following increased press coverage and awareness raising, which has resulted in NPH introducing a new approach to prioritising cases. NPH is now separately triaging requests for damp inspections, to ensure these are dealt with effectively by the appropriate areas. This ensures that the impact to tenants is assessed, as well as the condition of the property.

During 2022/23 we have revised the way external fencing works are completed and these services are now delivered by an in-house team, rather than outsourcing, allowing for more flexibility and control in addition to mitigating the rising cost of subcontracted services.

In July 2023, there was an operational decision to bring the major void work in-house that allowed reductions in cost of £7k per property to be achieved. This has also allowed void turnaround time to markedly improve, allowing the maximum availability to support tenants in need of homes. The number of voids continues to rise and during 2023/24 we will be monitoring trends and ensuring this trend is controlled as far as possible.

There continues to be significant budgetary pressure on materials and subcontractors; however, we continue to actively seek ways to mitigate these.

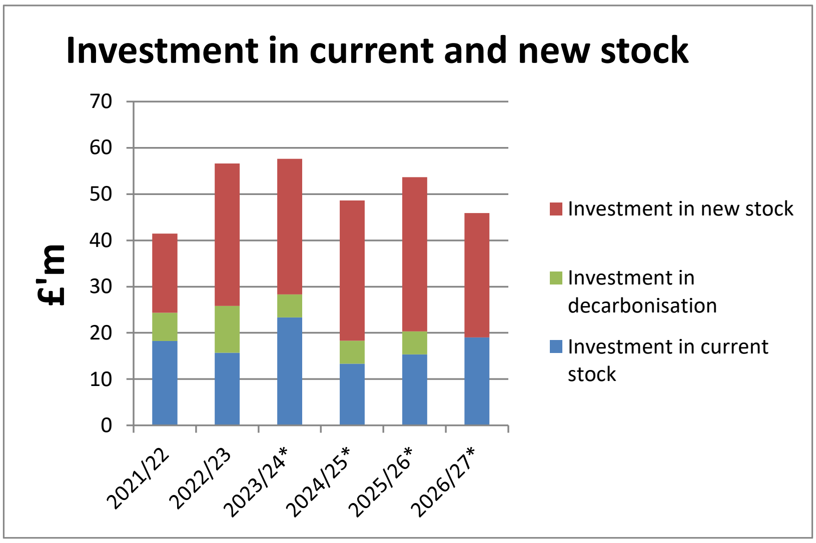
Compliance

The building safety and compliance team ensures that we are compliant with new fire safety and building safety legislation introduced in 2023. During the year there has been substantial compliance work completed, in preparation for the Fire Safety Act and Building Safety Bill. The team have also continued the migration from a 10-year electrical testing programme to a 5-year programme, ensuring we are compliant with new legislation within this area of service delivery.

New homes

Building new Council homes continues to be an ongoing priority for NPH, with a need to address the shortfall between demand and supply of affordable housing. In partnership, WNC has increased the scale of the Housing Revenue Account development programme and NPH continue to seek opportunities to bring forward options for development. This year we have completed 88 new homes, with a further 60 completed early in the new financial year (2023/24) at Riverside House. In addition, on behalf of WNC we have bought back and prepared 12 homes to support the Rough Sleepers initiative (RSAP).

The number of Right to Buy (RtB) sales fell as the economic situation deteriorated and mortgage rates continued to rise resulting in 88 sales during the year (2021/22: 119), a reduction of 26% for the year; this has therefore helped to limit the depletion of existing housing stock.



The graph overleaf demonstrates that while investment into the development of new homes is increasing it is not at the expense of a reduction in investment in the current stock. More importantly, this graph illustrates the investment that has been, and will continue to be, made in meeting the Government's carbon net zero target, making homes more energy efficient and more cost effective for tenants.

The lifting of the HRA borrowing cap by the Government in October 2018 has meant that there is capacity within the HRA to build new affordable homes 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 2022/23 funding has been secured through Homes England in addition to money secured through the Social Housing Decarbonisation Fund (SHDF).

Sustainability and Decarbonisation

Our work under the government's SHDF programme has continued with the completion of the demonstrator (pilot) phase, retrofitting 149 homes, and bringing their energy efficiency to EPC C or higher. NPH has also successfully received further funding from the Department for Energy Security and Net Zero (DESNZ), formerly received from the Department for Business, Energy, and Industrial Strategy (BEIS), for wave 1, phases 1 and 2 allowing for the retrofit for a further 500+ homes.

The specific carbon reduction targets within the NPH Sustainability Strategy aim to achieve continual reduction of 7% per year, and an overall 20% reduction in carbon emissions by 2023 compared to a 2018-19 baseline. The following sections describe how NPH has not only achieved but exceeded our carbon reduction targets.

Streamlined Energy and Carbon Reporting

The energy and carbon data submitted in this report complies with the requirements of the Streamlined Energy and Carbon Reporting (SECR) legislation and follows the UK Government Environmental Reporting Guidance 2019. The most recent UK Government Conversion Factors for Company Reporting have been used for all calculations.

This formal overview of current NPH energy consumption and carbon footprint is included in the annual Financial/Director's return in accordance with the SECR legislation. It is intended to provide a basis for design and implementation of greenhouse gas emission reduction and removal initiatives.

Energy and carbon data is quantified and reported annually by the NPH Sustainability Manager with support from relevant departments within NPH. A table of data is provided in figure 2 illustrating energy and carbon performance for the reporting period 2022-23 against previous reporting periods and a base year of 2018-19.

NPH have an open approach to communication and dissemination of its energy and carbon emissions data. A summary will be made available on the NPH website and communicated to appropriate internal and external stakeholders, such as WNC, NPH employees, and tenants.

Methodology

The international standard ISO 14064-1:2019 Greenhouse gases part 1, provides the formal methodology for quantification and reporting of NPH greenhouse gas emissions.

A systematic approach has been applied with consideration for environmental aspects and impacts in terms of cause and effect. Environmental aspects summarised in table 1; greenhouse gas inventory is converted into tonnes of carbon dioxide equivalent (tCO2e) as a common and consistent indicator of environmental impact[1].

Table 1; NPH Greenhouse gas inventory

Environmental Aspect	Description	Scope
Gas	Gas consumption in kWh in relation to all energy supply contracts	Scope 1
Diesel	Fleet fuel consumption, measured in litres of diesel, converted into kWh	Scope 1
Electricity	Electricity consumption in kWh in relation to all energy supply contracts	Scope 2
Grey Miles	Business mileage from employee vehicles (grey miles)	Scope 3
Water	Water supply and treatment in m^3 in relation to all water supply contracts	Scope 3
Waste	Disposal of various waste streams in tonnes including from fly tipping and estate services, building waste and minor voids, and office waste.	Scope 3

Verification and validation of the data and statements included in this report will be conducted by the WNC Sustainability Team. An outcome report will summarise the findings.

Boundaries

The organisational boundary for NPH energy and carbon reporting follows a financial control approach, consolidating facility-level greenhouse gas emissions from multiple sources, reporting all significant energy and carbon emissions resulting from activities and operations NPH have financial control over.

The Reporting boundaries applied follow the Greenhouse Gas Protocol definitions of:

Direct greenhouse gas emissions from sources under NPH control

Indirect greenhouse gas emissions because of NPH actions that occur at a source out of NPH control.

Following the Greenhouse Gas Protocol, three broad scopes are also applied:

Scope 1: All direct greenhouse gas emissions, including gas and diesel

Scope 2: Indirect greenhouse gas emissions from purchased electricity

Scope 3: Other indirect emissions, including grey miles, electricity transmission and distribution, and outsourced activities such as water supply and treatment and waste disposal.

[1] Carbon dioxide equivalent is a recognised metric to include other greenhouse gases, e.g., methane, relevant to an environmental aspect being reported

Exceptions and exclusions

- Greenhouse gas removals are not included in this energy and carbon data.

  Net zero carbon transformation will require a balance of inputs and outputs: carbon emissions against carbon sinks and removals. Sufficiently robust data for NPH greenhouse gas removals is not currently available. Applicable methodologies and guidance for quantification of emissions removals is available in ISO 14064-1 and the Greenhouse Gas Protocol.

  Development of NPH energy and carbon reporting working towards a net zero carbon transformation will seek to include elements of greenhouse gas sinks and removals into the greenhouse gas inventory. For example, biogenic removals and storage e.g., afforestation, reforestation, forest restoration, urban tree planting, agroforestry, building soil carbon, etc.

- Energy and water consumption from NPH's main office at Westbridge Depot is excluded from this data collection.

  Westbridge Depot is leased to NPH from WNC. Provision of energy and water is provided as part of the landlord services and therefore accounted in WNC's own energy and carbon reporting. To avoid double counting, and in respect of the organisational boundary described above, energy and water supplied to the Westbridge Depot office is excluded from NPH's energy and carbon data.

- Housing stock energy and carbon emissions are excluded from this report.

  The housing stock managed by NPH has a carbon footprint far greater than the operational carbon emissions declared in this report. However, those emissions are deemed out of scope. The purpose of this energy and carbon reporting system is to provide a basis for design and implementation of greenhouse gas emission reduction and removal initiatives in relation to NPH operations.

The described exceptions and exclusions are reviewed annually. Agreed changes following review will be documented and highlighted in future energy and carbon reports.

Quantified energy and carbon data

NPH carbon performance from a 2018-19 baseline to the financial year of 2022-23 is summarised in figure 2. The latest NPH carbon footprint is 1,734 tCO2e. This equates to an intensity ratio of 0.140 tCO2e per home (including leasehold).

The overall reduction in carbon emissions from a 2018-19 baseline is 30%, exceeding the target of 20% carbon emission reduction by 2023.

NPH carbon emissions have continually reduced from the initial baseline of 2,474 tCO2e in 2018-19. Year-on-year reductions have exceeded the 7% target for three years in a row, with almost 10% reduction of both total emissions and emissions-per-home compared to the previous reporting period.

Energy & Carbon Reporting					
	Baseline 2018/19	**2019/20**	**2020/21**	**2021/22**	**2022/23**
Scope 1 emissions (tCO2e)					
Gas	1,259	1,255	1,249	1,165	1,088
Diesel	218	226	214	215	217
Scope 1 energy consumption - kWh	*7,847,925*	*7,749,812*	*7,679,142*	*7,267,832*	*6,862,726*
Scope 2 emissions (tCO2e)					
Electricity	527	579	477	432	397
Scope 2 energy consumption - kWh	*1,860,817*	*2,327,986*	*2,046,212*	*2,036,494*	*2,053,675*
Total Scope 1 & 2 emissions (tCO2e)	**2,003**	**2,059**	**1,939**	**1,812**	**1,703**
Green Tariff electricity for scope 2 (tCO2e)			100	300	357
Net Carbon outturn (tCO2e)	**2,003**	**2,059**	**1,839**	**1,512**	**1,346**
Scope 3 emissions (tCO2e)					
Travel, Waste,Water, Electrical distribution	471	424	346	407	389
Total annual net emissions tCO2e	**2,474**	**2,484**	**2,185**	**1,920**	**1,734**
Intensity ratio: tCO2e/number of properties (including leasehold)	0.200	0.201	0.177	0.155	0.140
Change in emissions from previous period		0.4%	-12.0%	-12.1%	-9.7%
Change in intensity ratio from previous period		0.6%	-12.2%	-12.1%	-9.9%
Change in emissions current period to baseline		0.4%	-11.7%	-22.4%	-29.9%

Figure 1; Energy and carbon data

Scope 1 emissions have reduced due to lower consumption of gas. The data suggests that this is a result of efficiency improvements made to some of the larger communal heating systems. An example of this can be seen in the gas consumption at St Stephens House which used 250,000 kWh less gas this year compared to the previous reporting period.

Under scope 2 emissions, kWh consumption of electricity has been very consistent year-on-year at roughly 2,000,000 kWh. As the carbon intensity of UK grid electricity has improved over recent years, the location-based carbon emissions from NPH electricity consumption have reduced by 8%.

The major scope 2 carbon savings can be attributed to the energy procurement risk management strategy implemented in 2020. In this reporting period 90% of NPH electricity has been procured and supplied through a Green Tariff certified under the Renewable Energy Guarantees of Origin (REGO) scheme2. Green tariff electricity is reported as zero carbon emissions using a market-based reporting approach, leaving a scope 2 net carbon outturn of just 40 tCO2e.

Scope 3 emissions have reduced by 5% compared to the previous reporting period. The most significant saving is from a reduction in the volume of fly tip waste collected by the estate's services

[2] 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

team. Compared to 285 tonnes of fly-tip waste collected in the previous reporting period, a 20% reduction to 229 tonnes was collected in 2022/23.

Progress towards Net Zero

WNC have made a commitment to the UK100 Net Zero pledge, to cut its own emissions to net zero by 2030, and for WNC residents and businesses to be net zero carbon by 2045. NPH has a key role to play in helping WNC meet these targets across all housing management services delivered under the management agreement.

Consumption of natural gas, primarily for communal heating systems, accounts for over 60% of the NPH's carbon emissions footprint. Reducing our reliance on gas whilst continuing to deliver a best-value service to NPH customers will be a significant challenge. To help on this journey, air source heat pump domestic heating technologies are being explored, with a particular focus on the tenant experience, and we are supporting WNC on a feasibility study looking into potential development of a Northamptonshire low carbon heat network.

NPH carbon emissions from electricity are low due to REGO electricity supply. To improve on our current position and to develop a more robust net zero carbon energy system, we will continually seek to minimise energy consumption and increase the proportion of onsite renewable energy generation.

As an example of this, an extensive project to upgrade communal lighting systems is underway, aiming to improve lighting standards and reduce energy consumption. Approximately 1,350 outdated lamps in multiple apartment blocks have been replaced with low energy LEDs with motion sensors. This is modelled to reduce energy consumption by roughly 325,000 kWh per year, saving almost £100,000 and 63 tCO2e annually.

NPH manage almost every type of waste stream imaginable, including building waste, office waste, hazardous waste, and much more. Coupled with the high volumes collected, this makes waste a complex and challenging environmental aspect. Waste has the second highest environmental impact, accounting for almost a fifth of the total carbon footprint.

Diesel used in the fleet of NPH vans accounts for 12.5% of total carbon emissions. The transformation to a zero-carbon fleet is anticipated to see the uptake of electric vehicles being gradually blended in over the coming years. Consideration has been made for how this will impact NPH operations, and our expectation is for the NPH fleet to be diesel free and zero carbon before 2030.

Carbon reduction of the housing stock

The portfolio of circa 12,000 homes managed by NPH has a modelled carbon footprint of 22,039 tCO2e. Our aim is to transform to a net zero carbon housing portfolio by reducing energy consumption and increasing the provision of renewable energy.

More than 1,600 homes in the portfolio currently have solar Photo Voltaic (PV) panels, providing more than 3MW of renewable power. For the period 2022-23 this generated 2.8 million kWh of renewable electricity, saving 550 tCO2e.

Our Social Housing Decarbonisation Fund (SHDF) demonstrator scheme completed in December 2022. The project completed whole-house retrofit to 149 solid-wall homes in Kingsley and Kingsthorpe, installing high performance energy efficiency measures such as external wall insulation, new windows and doors, and 70 new solar PV systems.

This has significantly reduced the energy consumption of the retrofitted homes, saving tenants hundreds of pounds on energy bills, and offering some protection from the energy price rises seen over the past 18 months. Reduced energy consumption has also resulted in significant reductions in carbon emissions. SAP modelling estimates 400 tCO_2e will be saved. An SHDF Wave 1 scheme is currently underway and Wave 2 funding secured.

An additional advantage of the proactive stance NPH has taken with the SHDF initiative has been to access Retrofit Credits through the Housing Associations' Charitable Trust (HACT), a scheme that allows corporate organisations to support the decarbonisation agenda where direct delivery isn't possible. This allows funding for 20 years based on the level of verified emission reductions. For 2022/23 with the completion of the demonstrator phase this has generated social value for NPH of £4,092.

Happy to Help (Northampton) Community Interest Company

Our subsidiary Happy to Help (HTH) continues to grow from strength to strength, supporting tenants and local communities across Northampton.

This financial year we have supported 421 vulnerable people with furniture, white goods, and essential items, doubling our previous year's support. We have also provided a further 374 people with food parcels and over 250 vulnerable households with Christmas hampers. We also provided £10.5k of support to 11 foodbanks located within NPH tenant communities.

Across the wider communities and groups who directly or indirectly support tenants across Northampton, we have provided 28 Communities Fund grants, for a total of £6,000 estimated to support 840 people. These funds have allowed a multitude of support: from day trips and the late Queen's jubilee celebrations, to supporting litter picking, art, crafts, drumming and folk-dance opportunities.

We continued to operate our Paint Shop in Kings Heath, expanding our opening hours to three sessions, diverting 4,194 litres of paint from landfill, and helping 558 households to decorate on a budget.

Following on from the success of our handy person service we launched our subsidised gardening service, helping 127 households that may struggle due to old age, disability, or long-term illness, to have the maximum benefit from their outdoor spaces.

We were able to support our local communities by working with the East Midlands Ambulance Service identifying appropriate community hubs and installed 9 defibrillators together with bleed kits where required.

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 Northamptonshire; and

- to be an open, inclusive, effectively managed, and trusted organisation.

Key achievements across these strategic priorities for 2022/23 have included:

Deliver and maintain high-quality homes and estates

- Completion of the redevelopment of Beaumont House
- Completion of the Social Housing Decarbonisation Fund (SHDF) demonstrator phase, delivering 139 properties in Kingsley and Kingsthorpe
- Finalisation of the redevelopment of Riverside House
- Commenced the development of New Southbridge Road (28 homes) and Castle Street (24 homes)
- Commenced the development of infill garage sites at Derwent Drive, East Oval, Upper Thrift and Glebeland Road (11 homes)
- Commenced the "whole neighbourhood programme" in Kingsthorpe, Kingsley, Sunnyside, Kingsthorpe Hollow and Abington
- Commencement of SHDF Wave 1, providing retrofitting to 427 additional properties in Kingsthorpe, Kingsley, Abington, and St James
- Received confirmation of SHDF funding for Wave 2, providing retrofit upgrades for a further 100 homes in 2023/24
- Progression of the additional homes at Woodstock and Dover Court (completion due Q1 2023/24)
- Completion of neighbourhood works in Ecton Brook, Bellinge and Sunnyside
- Borough-wide investment: communal entrance doors, internal component replacements (kitchens, bathrooms, heating, and electrical works), garage refurbishments and adaptions
- Commencement of the 3-year programme to clean blocks where cladding has become stained and unsightly
- Embedding the new Asset Management Strategy for 2022/25
- Acquired and refurbished 12 former council homes to support WNC's RSAP programme
- Held 12 community litter picks across several locations where we manage homes and were joined by 189 people
- Delivered and attended 11 community events
- Delivered 7 roadshow events that focused on key issues that matter to tenants - antisocial behaviour and repairs

Deliver high-quality, customer-focused housing services

- Our Tenant Scrutiny Panel carried out three reviews, including one on our approach to damp, mould, and condensation
- We provided regular opportunities for tenants to influence NPH services via our quarterly Engagement Café events
- We provided support and advice for tenants around the cost of living at three roadshow

events

- Financial Inclusion Team supporting tenants with access to over £500,000 of benefits, grants, and other financial support
- Support Team successfully securing £276,000 in backdated PIP claims, council tax benefit and housing benefit for the most vulnerable tenants
- Supported 163 mutual exchanges
- Supported 355 tenants with housing-related support, with 99% of these tenants sustaining their tenancies
- Allocated 657 WNC properties and a further 342 allocated to other registered providers, with 174 of these specifically for older-persons accommodation
- Maintained our ASB accreditation and our accreditation as an outstanding housing support provider, by EROSH the National Consortium for Older Peoples Housing and Support

Improve Empowerment, opportunities, and access for all

- We have apprenticeship opportunities in a range of disciplines across NPH and our most recent recruitment campaign for Trades was sent via text message to our tenant base
- Through our Community Interest Company, Happy to Help, we have
    - Provided a total of 93 beds to tenants in need, supported by the funding received from the National Lottery, Queens Jubilee grant (to provide 70)
    - Provided subsidised handyperson and gardening services to tenants supporting almost 300 households
    - Provided food aid to 374 people and over 250 Christmas hampers for vulnerable households
    - Continued to provide an accessible and low-cost service through the Paint Shop helping 558 households decorate on a budget and preventing 4,194 liters of paint ending in landfill
    - Launched the new helping hands service to help those tenants at risk of developing hoarding behaviours
    - Provided support for our communities and tenants through:
        - Provision of 9 defibrillators working with East Midlands Ambulance Service to identify appropriate sites
        - Provision of 15 bleed kits at the NPH Community Hubs (in partnership with Off the Streets NN Community Interest Company)
        - Distribution of over £45,000 of shopping vouchers through the Northamptonshire Community Foundation, Household Support Fund
        - Donations of £10,500 to foodbanks located on estates where NPH manage homes
    - Provided SIM cards to provide data and call time to tenants previously unable to afford digital access (supported through the National Databank)
    - Provided community fund grants for 28 groups across Northampton allowing for day trips, arts and crafts, youth groups support, litter picking and many other activities

- 628 people attended our Community Bus mobile surgery during the year, during which there were Financial Inclusion- and Repairs-focused roadshows

- We increased the number of volunteering opportunities with both NPH and HTH, delivering 2,905 hours of volunteering across our community hubs and the HTH Paint Shop
- We delivered training courses for tenants on digital inclusion, cookery, DIY skills and money management

Develop and maximise partnerships build stronger, safer, and thriving communities

- HTH worked with Healthworks CIC and Right Resolution CIC to secure funding to deliver 'healthy eating on a budget' courses for tenants and care-experienced young people
- We supported the work of local foodbanks through our relationship with FAAWN (Food Aid Alliance West Northamptonshire)
- Continued to work closely with NAASH with the provision of a HIMO to support Single Homelessness in Northamptonshire
- Collaboration with the DWP to ensure tenants are accessing benefits

An open, inclusive, and effectively managed and trusted organisation

- Bringing the major void work in house from 1 July, resulting in an average cost reduction of £7k
- Delivered a wide variety of training for staff; 66 qualifications, 1,993 hours of face-to-face courses, 783 hours of in-house online learning and 41 external online training sessions
- Employed a further 7 apprentices during the year giving a total of 33 since 2018
- Reduced average sickness absence from 14.71 days in 2015/16 to 10.87 FTE days including Covid in 2022/23
- NPH continues to be an accredited Living Wage Employer

2023/24 Priorities

WNC has now developed its housing strategy, setting out its ambitions to meet the current and future housing needs of its residents. To support this strategy, WNC and NPH are in the final stages of developing a new 30-year management agreement replacing the existing agreement, which is due to expire in 2030, and giving ongoing stability and recognition of the close working partnership until 2053. Once completed this will require approval by the Secretary of State.

With the impending change to the management agreement, we are currently working to develop our new corporate plan for 2023/24 and beyond which will include our priorities for the future:

- To provide safe, secure, high-quality homes and communities
- To deliver great customer services by hearing and acting upon the tenant's voice
- To work collaboratively with our partners
- To invest in training and employment opportunities
- To be a successful, well-managed and innovative Company

For 2023/24 we continue to deliver against multiple 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.

Value for Money (VfM)

We aim to continue to make cost savings while improving service delivery, recognising the challenges that this brings given the current economic climate. As NPH is an ALMO, rather than a Housing Association, it is not required by the Regulator of Social Housing (RSH) to comply with its standard on Value for Money. However, we recognise that the standard is best practice and that we should be explicit about how we adhere to the principles of achieving VfM and be held accountable for how we use tenants' rent.

The 2022/23 NPH Value for Money statement is published annually and is available to download here (VfM) and our annual SECR report on sustainability and decarbonisation is also available (SECR).

Governance

The Board consists of equal representation from tenant, council-nominated, and independent members. Council nominations are made by NPH's parent, West Northamptonshire Council. The make-up of the Board ensures that no single group holds a majority vote. An independent co-optee is appointed to the Audit and Risk Committee only.

The Board membership during the year is listed on page 3.

Board members are drawn from a wide background bringing together professional, commercial, and public sector experience.

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. The meetings are held in accordance with the company articles of association.

A review of the committee structure was undertaken in February 2023 resulting in the Policy, Planning and Development Committee being combined with the Finance Committee. Membership of these committees consists of Board members and an Independent Co-opted member (Audit and Risk Committee). The current committee structure is as follows:

Audit and Risk Committee - Dale Robertson (Lead Officer), Rakesh Thakarar (Chair), Clare Whitehead (Vice Chair), Chris Deery, Chris Webb, Nigel Hinch, Andrew Weatherill.

Finance and Development Committee - Linda Cherrington (Lead Officer), Andy Kilbride (Chair), Andrew Woods (Vice Chair), Chris Webb, Clare Whitehead, John Connolly, Rebecca Peck.

Operations and Resource Committee - Gary Duckmanton and Nicky McKenzie (Lead Officers), Clare Whitehead (Chair), John Connolly (Vice Chair), Andrew Kilbride, Chris Deery, Bob Purser, Godfrey Kanengoni.

Remuneration and Review Committee - Julie Petrie (Lead Officer), John Connolly (vice chair of Board), Andrew Woods (Chair of Board), Chris Webb.

The Board delegates the day-to-day management of the business to the Chief Executive Officer and Directors who form the Executive Management Team (EMT). EMT 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 a minimum of 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

During 2022/23, we experienced the longer-term impact of Covid, particularly the continued deterioration of the economic climate and rising inflation; the impact of leaving the EU with the scarcity of skilled labour to recruit or within our supply chain; and the increase in fuel prices largely driven by the ongoing issues with the Russia-Ukraine conflict.

The impact to NPH has been shown in increasing cost pressures, predominately from escalating materials and subcontractor expenditure, and staff vacancies, which we have helped to mitigate through value engineering and reappropriating resources where possible. The increased focus on damp, mould and condensation has also increased costs due to the need to triage, inspect and address cases using external contractors as well as direct additional internal resources to meet demand.

Sadly, there have been a growing number of tenants adversely impacted by the rising cost of food, fuel and rent costs, particularly for those not receiving benefits and in receipt of below-inflation wage rises. The number of tenants receiving Universal Credit has risen and now stands at over 40% of live tenancies, and this is estimated to grow by a further 2,000 households (circa 10%) once migration concludes. We continue to monitor the migration to ensure rent arrears levels can be mitigated where possible.

NPH recognise this impact and continue to provide support and signposting for tenants, through fuel and food vouchers, access to grants or unclaimed benefits and, from 2023/24, hardship funding. As an organisation 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. Recognising the benefit that flexibility of homeworking has brought to staff, we have continued our agile working where practicable to maximise our effectiveness for service delivery.

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 throughout all levels of the business. The Board updated the Strategic Risk Register at its last Board Away Day in October 2022, and reviews and updates the strategic risk position on a quarterly basis. In addition, NPH sets its Risk Appetite level annually, taking into account the Regulator of Social Housing, Sector Risk profile and local risk areas. Significant work has also been done to identify mitigations and monitor their delivery. A Board Assurance Framework is also in place, enabling Board to be provided with assurance against the mitigations and controls in place to manage all strategic risks. 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 responded 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 where required from 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.

During 2022/23 there was a rent increase of 4.1%, the largest since the inception of NPH. Understandably, this impacted on the level of current tenant arrears increasing to 3.05% (2021/22: 2.80%), though still within the target of 3.15%. This shows that performance has continued to exceed target, though managing arrears has been challenging due to issues presenting at court (following the new unitary structure) which remained unresolved until late 2022. It is recognised that Universal Credit (UC) is still likely to have an impact on the income collected in the HRA, and NPH continues 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 Northamptonshire of over £500 compared to circa £210 for non-UC tenancies. However, the average UC arrears has remained steady through 2022/23 despite the in-year rent increase of 4.1%. At the present time, it is not anticipated that the arrears position will result in a large increase in bad debts. This would have to reach high sustained levels before the management fee and capital allocations were affected. NPH together with WNC 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.

Although the Net Zero Carbon agenda is another growing area of risk and uncertainty, NPH have continued working with Business, Energy & Industrial Strategy (BEIS) and more recently the Department for Energy Security and Net Zero (DESNZ). To date, NPH has completed the retrofit work to existing stock known as the demonstrator phase of the SHDF. There have also been successful applications for Wave 1.1, 1.2 and Wave 2.1 a total of £10.3m across all phases, which is match-funded over multiple years from existing budgets. This helps NPH to modernise those properties that fall below the EPC C requirements. With the current climate NPH recognises the challenge to deliver at the required cost in an inflation-pressured market and the key partners to deliver these schemes are in place.

The current growth in damp, mould and condensation cases have continued with the heightened awareness following the tragic death in Rochdale. Understandably, this has increased the demand to handle these cases incurring both staff resource and increased budgetary pressures.

NPH are preparing for the impact of the new RSH consumer regulations (effective from 2024/25) extending NPH's accountability as landlord for WNC. This covers all aspects of social housing including safety, quality, neighbourhood, transparency, tenancy engagement, and accountability. One of the key changes from April 2024 will be the in-depth, ongoing feedback from tenants through Tenants Satisfaction Measure surveys.

Lastly, the long-term solution for NPH's operations base remains unresolved. There was an agreed extension of the Westbridge lease in November 2021 until the end of the current management agreement in January 2030. Unfortunately, several of the improvements included within this agreement are unable to be met due to the existing site complications, and therefore cannot support NPH's future needs as anticipated. An alternative site has been identified by WNC and NPH which is anticipated to be available from 2024/25.

Retirement benefit obligations

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

This financial year, as a result of the triennial valuation, the present value of the defined benefit obligation at the reporting date is less than the fair value of plan assets at that date, resulting in the plan having a notional surplus. As management do not consider that the Company and Group will be able to recover the surplus either through reduced contributions in the future or through refunds from the plan, the surplus has not been recognised in these financial statements in line with IAS 19.

Approval

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

Andrew Woods (Sep 16, 2023 11:01 GMT+1)

A H Woods

Chair

Date: Sep 16, 2023

DIRECTORS' REPORT

Board members

The constitutional make-up of the Board 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 several channels throughout 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 spend time with employees in the business 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 contracts (in line with corporate Financial Regulations and Contract Procedure Rules) and agreeing changes to strategies including those focussed 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 maintain a high-level strategic role without direct involvement in the operational side of the business.

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 February 2023. It was agreed that the Chair of the Board, Committee Chairs, and the Chair of NPH subsidiary organisation would continue to receive remuneration payments as agreed in October 2020 and further to offer remuneration to all Independent and Tenant Board members deferred to the AGM in October 2023. 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 following a robust tender process in October 2022. Other insurance policies are arranged through Cambridge 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 member's 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 27.

People

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

Recruitment

Northamptonshire 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, all-staff emails, team meetings, one-to-one meetings, and face-to-face employee forum meetings.

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 direct, as well as working with Trade Unions (GMB, UNISON and UNITE). Trade Union consultation meetings took place bi-monthly in 2022/23. Topics discussed included policies, restructures, and pay. 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 2022/23 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 that there is the necessary capacity and expertise to deliver the strategic objectives and that 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 organisation’s 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.

Going Concern

The Board are of the opinion that Northamptonshire 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.

Currently the Company has a 15-year contract in place with the Council, which commenced in January 2015. Following the unitary changes within Northamptonshire, West Northamptonshire Council became NPH’s new parent organisation, and the original contract was novated. A new management agreement is under development which will be for a term of 30 years providing clarity and stability for a longer-term strategic partnership.

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

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 be aware of any relevant audit information and to establish that the auditors are aware of that information

Independent Auditors

Mazars were originally appointed for an initial three-year term with the provision of an extension of two years. A further appointment term of two years was approved at the Annual General Meeting held on 15 October 2021.

Approval

The Director’s Report was approved by the Board and signed on its behalf

Andrew Woods (Sep 16, 2023 11:01 GMT+1)

A H Woods
Chair
Date: Sep 16, 2023

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 are comprised 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.

During 2022/23 the Board held nine meetings. The Board is supported by four Committees as detailed on page 19. 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 for formal approval. The frequency of meetings is subject to regular review.

Business Plan

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

The Company's objectives reflect a balanced approach focused on internal change and strengthening the relationship with the Councils 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 Executive Management Team. This Management Team is professionally competent including 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 is available to the Board and senior management as required.

The Board has a fundamental role to play in overseeing the management of risk in corporate activity. They set the risk appetite of the organisation and 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.

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 assessed and clearly linked to strategic objectives.

The 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 the company's largest health and safety risks. The compliance team is responsible for building safety as well as a range of compliancy areas; the main ones being damp and mould, 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.

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

Performance Management

The Company monitors performance against several 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 actions to meet the required standards.

A full suite of performance monitoring information is prepared to assist the management of service delivery.

Financial Control and Budget Management

The Company has continued to outsource several 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 have tailored Financial Rules which set out its financial policies in the form of the Financial Regulations, Scheme of Delegations and Contract Procedure Rules. 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 Financial 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 monthly.

The Company maintains flexibility with its financial resources and the Financial Rules permit virements between budget heads to enable the redirection of resources considering emerging pressures or opportunities. These virements are further controlled through the Management Agreement through which funding is provided with some requiring the agreement of the Council's s151 Officer (The Chief Financial Officer).

Financial monitoring and update reports are presented at each quarterly Finance and Development 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, several support functions are still purchased from external suppliers. During 2022/23 most of these services were still provided by the Council under Service Level Agreements (SLAs) including – importantly – central back-office services. 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 employees 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 intranet. In addition, relevant policies will be published on the internet.

Company Registration Number: 09019453
Registered in England and Wales

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

Opinion

We have audited the financial statements of Northamptonshire Partnership Homes (the 'parent company') for the year ended 31 March 2023 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated and Company Statement of Changes in Equity, the Consolidated and 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 2023 and of its profit for the year then ended; and
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 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 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 Annual Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report has 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 its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and 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; or

Responsibilities of Directors

As explained more fully in the Statement of Board Directors responsibility set out on page 23, 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 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 and 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 below.

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 its 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 and 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, in particular in relation to revenue recognition (which we pinpointed to the cut-off assertion subject to your revenue recognition significant fraud risk) 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.

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. 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.

DRHoose
David Hoose (Sep 21, 2023 08:57 GMT+1)

David Hoose (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: Sep 21, 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2023

	Notes	2022/23 £000's	2021/22 £000's
Revenue	2	65,387	71,254
Total Revenue		**65,387**	**71,254**
Employee benefit expenses	4 & 18	(14,667)	(14,369)
Other expenses	3 & 4	(51,335)	(57,856)
Total expenses		**(66,003)**	**(72,225)**
Operating loss		(616)	(971)
Finance costs	11	(364)	(404)
Finance Income	21	32	1
Loss before tax		**(948)**	**(1,374)**
Taxation	12	(3)	(7)
Loss for the year		**(951)**	**(1,381)**
Other comprehensive income			
Remeasurement of pension assets and liabilities	20	13,728	6,994
Total comprehensive income for the year		**12,777**	**5,613**

Company Registration Number:09019453
Registered in England and Wales

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2023

	Notes	2022/23 £000's	Restated 2021/22 £000's
ASSETS			
Non-current			
Investment property	6	360	360
Fixed assets	7	749	2,585
Non-current assets		1,109	2,945
Current			
Trade and other receivables	8	8,269	9,444
Cash and cash equivalent	9	828	6,606
Current assets		9,097	16,050
TOTAL ASSETS		**10,206**	**18,996**
LIABILITIES			
Current			
Trade and other payables	10a	(8,373)	(15,287)
Lease liabilities	10b	(320)	(432)
Employee benefits accrual	19	(121)	(167)
Current liabilities		(8,814)	(15,886)
NET CURRENT ASSETS		**283**	**164**
Non-current			
Pension liability	20	-	(12,651)
Lease liabilities	10b	(320)	(2,165)
Non-current liabilities		(320)	(14,816)
NET ASSETS / (LIABILITIES)		**1,071**	**(11,707)**
Equity and reserves			
Pension reserve		-	(12,651)
Insurance reserve		138	138
Retained earnings		932	806
TOTAL EQUITY	14	**1,071**	**(11,707)**

These Financial Statements were approved by the Board and authorised for issue, signed for and on behalf of the Directors.

Andrew Woods (Sep 16, 2023 11:01 GMT+1)

A H Woods
Chair
Date: Sep 16, 2023

COMPANY STATEMENT OF FINANCIAL POSITION
As at 31 March 2023

	Notes	2022/23 £000's	Restated 2021/22 £000's
ASSETS			
Non-current			
Investment in subsidiary	5	-	-
Investment property	6	360	360
Fixed assets	7	749	2,585
Non-current assets		1,109	2,945
Current			
Trade and other receivables	8	8,240	9,392
Cash and cash equivalent	9	796	6,551
Current assets		9,036	15,943
TOTAL ASSETS		**10,145**	**18,888**
LIABILITIES			
Current			
Trade and other payables	10a	(8,370)	(15,248)
Lease liabilities	10b	(320)	(432)
Employee benefits accrual	19	(121)	(167)
Current liabilities		(8,811)	(15,847)
NET CURRENT ASSETS		**225**	**96**
Non-current			
Pension liability	20	-	(12,651)
Leasing liabilities	10b	(320)	(2,165)
Non-current liabilities		(320)	(14,816)
NET ASSETS / (LIABILITIES)		**1,014**	**(11,775)**
Equity and reserves			
Pension reserve		-	(12,651)
Insurance reserve		138	138
Retained earning		876	738
TOTAL EQUITY	14	**1,014**	**(11,775)**

Signed for and behalf of the Board of Directors.

Andrew Woods (Sep 16, 2023 11:01 GMT+1)

A H Woods
Chair
Date: Sep 16, 2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2023

	Notes	Pension Reserve £000's	Insurance Reserve £000's	Retained Earnings £000's	Total Equity £000's
Opening balance at 1 April 2022	14 & 20	**(12,651)**	**138**	**806**	**(11,707)**
Loss for the period		-	-	(951)	**(951)**
Other comprehensive income					
Remeasurement of pension assets and liabilities	20	13,728	-	-	**13,728**
Transfers to pension reserve	20	(1,077)	-	1,077	**-**
Total comprehensive income for the year		**12,651**	-	**126**	**12,777**
Balance at 31 March 2023		**-**	**138**	**932**	**1,071**

For the year ended 31 March 2022

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

COMPANY STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2023

	Notes	Pension Reserve £000's	Insurance Reserve £000's	Retained Earnings £000's	Total Equity £000's
Opening balance at 1 April 2022	**14 & 20**	**(12,651)**	**138**	**738**	**(11,775)**
Loss for the period		-	-	(939)	**(939)**
Other comprehensive income					
Remeasurement of pension assets and liabilities	20	13,728	-	-	**13,728**
Transfers to pension reserve	20	(1,077)	-	1,077	**-**
Total comprehensive income for the year		**12,651**		**138**	**12,789**
Balance at 31 March 2023		-	**138**	**876**	**1,014**

For the year ended 31 March 2022		Pension Reserve £000's	Insurance Reserve £000's	Retained Earnings £000's	Total Equity £000's
Opening Balance at 1 April 2021	14 & 20	(18,236)	138	738	**(17,360)**
Loss for the period		-	-	(1,409)	**(1,409)**
Other Comprehensive income					
Remeasurement of pension assets and liabilities	20	6,994	-	-	**6,994**
Transfers to pension reserve	20	(1,409)	-	1,409	**-**
Total Comprehensive income for the year		**5,585**	-		**5,585**
Balance at 31 March 2022		**(12,651)**	**138**	**738**	**(11,775)**

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 March 2023

	Notes	2022/23 £000's	2021/22 £000's
Cash flows from operating activities			
Loss before tax		(951)	(1,381)
Adjustments (non-cash items)	13	4,228	4,450
Contributions to defined benefit plans	20	(3,162)	(3,059)
Net decrease in working capital	13	(5,895)	(1,175)
Net Cash outflow from operating activities		**(5,780)**	**(1,165)**
Net cash decrease in cash or cash equivalents		**(5,780)**	**(1,165)**
Cash, cash equivalents and bank overdrafts at the beginning of the year		**6,606**	**7,771**
Cash, cash equivalents and bank overdrafts at the end of the year		**826**	**6,606**

Company Registration Number:09019453
Registered in England and Wales

COMPANY STATEMENT OF CASH FLOWS
for the year ended 31 March 2023

	Notes	2022/23 £000's	2021/22 £000's
Cash flows from operating activities			
Loss before tax		(939)	(1,409)
Adjustments (non-cash items)	13	4,228	4,450
Contributions to defined benefit plans	20	(3,162)	(3,059)
Net changes in working capital	13	(5,882)	(1,155)
Net Cash outflow from operating activities		(5,755)	(1,173)
Net cash decrease in cash or cash equivalents		**(5,755)**	**(1,173)**
Cash, cash equivalents and bank overdrafts at the beginning of the year		**6,551**	**7,724**
Cash, cash equivalents and bank overdrafts at the end of the year		**796**	**6,551**

Company Registration Number:09019453
Registered in England and Wales

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Accounting Policies

1.1 General Information

Northamptonshire 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 3.

1.2 Basis of Preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) under the historical cost basis. NPH has chosen not to disclose the company's own statement of comprehensive income under the exemption provided under Section 408 of the Companies Act 2006.

1.3 Standard, amendments and interpretations in issue but not yet adopted

The adoption of the following mentioned UK-adopted and EU-endorsed standards, amendments and interpretations in future years are not expected to have a material impact on the companies' financial statements.

The Group 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.

	Effective date: Accounting periods on or after:
IFRS 17 Insurance Contracts and Amendments to IFRS 17	01 January 2023
IFRS 17 Insurance Contracts (Amendments): Initial Application of IFRS 17 and IFRS 9 – Comparative Information	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 net present value of the rental income in conjunction with benchmarking against similar HMO property values in Northamptonshire.

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 or property lease agreement term
Fixtures and fittings over 3 years

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 and Expenditure Account.

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 based on 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 because of the unused entitlement. Accruals are not made for costs in respect of outstanding car mileage claims.

Termination benefits are amounts payable because 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 changes 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 Northamptonshire 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 <u>Going concern</u>

The financial statements have been prepared on a going concern basis. Forecast profile of income and expenditure for 2023/24 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 WNC 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 Northamptonshire 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 manage the Capital and Revenue repairs programme for Council homes. Contracts are issued in the name of Northamptonshire 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).

As a result of the triennial valuation the present value of the defined benefit obligation at the reporting date is less than the fair value of plan assets at that date, resulting in the plan having a notional surplus. As management do not consider that the Company and Group will be able to recover the surplus either through reduced contributions in the future or through refunds from the plan, the surplus has not been recognised in these financial statements in line with IAS19.

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 2021/22 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 Prior period adjustments

The prior period adjustment relates to an IFRS 16 lease modification and is disclosed in note 23.

1.27 Contingent assets and liabilities

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

1.28 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 and is a not-for-profit organisation.

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

1.29 Intra Group Transactions

During 2022/23 NPH provided services to HTH for £19,012 (2021/22: Nil). As of 31 March 2023, there was a debtor balance of £6,150 due payable to NPH by HTH (2021/22: Nil).

1.30 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.

1.31 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	
	2022/23	2021/22
	£000's	£000's
Management fee paid by West Northamptonshire Council	65,047	70,832
Other revenue	340	422
	65,387	71,254
Analysed as:		
Management fee - Housing Revenue Account	15,691	14,426
Management fee - General Fund	478	431
Management fee - Repairs & Maintenance	13,858	13,750
Management fee - Capital	34,617	41,748
Management fee - Other	402	476
External funding - Safer Streets Project	11	150
Investment property income	31	27
Happy to Help - Revenue	187	151
Miscellaneous income	110	95
Total revenue	**65,387**	**71,254**

	Company	
	2022/23	2021/22
	£000's	£000's
Management fee paid by West Northamptonshire Council	65,110	70,832
Other Revenue	153	312
	65,263	71,144
Analysed as:		
Management fee - Housing Revenue Account	15,691	14,426
Management fee - General Fund	478	431
Management fee - Repairs & Maintenance	13,858	13,750
Management fee - Capital	34,617	41,748
Management fee - Other	465	517
External funding - Safer Streets Project	12	150
Investment property income	31	27
Miscellaneous income	110	95
Total Revenue	**65,263**	**71,144**

3. Other Expenses

Other expenses comprise of (excluding salaries):

	Group		Company	
	2022/23 £000's	2021/22 £000's	2022/23 £000's	2021/22 £000's
Management fee - Housing Revenue Account	4,448	4,202	4,448	4,202
Management fee - General Fund	456	431	456	431
Management fee - Repairs & Maintenance	8,613	8,846	8,613	8,846
Management fee - Capital	34,701	41,761	34,701	41,761
Management fee - Special Services	2,905	2,413	2,905	2,413
Safer Streets Project	11	83	11	83
Investment Property	1	5	1	5
Happy to Help	201	116	-	-
	51,335	**57,856**	**51,135**	**57,741**

4. Operating Profit

The operating profit is reported after charging the following costs:

	Group		Company	
	2022/23 £000's	2021/22 £000's	2022/23 £000's	2021/22 £000's
External audit fees				
– Audit services	28	30	24	27
– Other services	13	8	13	4
Internal audit fees	42	40	42	40
Depreciation	475	386	475	386
Accelerated depreciation re IFRS 16	1,525	-	1,525	-
The following table analyses the nature of expenses as follows:				
Staff costs	14,667	14,369	14,667	14,369
Other operating costs	51,335	57,856	51,198	57,781
	66,003	**72,225**	**65,865**	**72,150**
These costs are further analysed as follows:-				
Management fee - Housing Revenue Account	10,213	9,616	10,213	9,616
Management fee - Special Services	5,273	4,778	5,273	4,778
Management fee - General Fund	494	431	494	431
Management fee - Repairs & Maintenance	15,132	15,435	15,132	15,435
Management fee - Capital	34,677	41,761	34,677	41,761
Other	213	204	75	129
	66,003	**72,225**	**65,865**	**72,150**

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

	2022/23 £000's	2021/22 £000's
Revenue	187	151
(Loss)/Profit	(14)	35
Aggregate of reserves	57	68

6. Investment Property (Group and Company)

	2022/23 £'000	2021/22 £'000
Investment Property as at 31 March	360	360

The investment property has been recognised at the net present value of the rental income in conjunction with benchmarking against similar HMO property values in Northamptonshire.

7. Fixed Assets (Group and Company)

		Right of Use Assets		
	Office refurbishment	Vehicles	Westbridge site (restated)	Total
	£'000	£'000	£'000	£'000
Cost as at 1 April 2022	-	1,129	2,645	3,774
Additions	163	-	-	163
Disposals	-	-	-	-
Cost as at 31 March 2023	**163**	**1,129**	**2,645**	**3,937**
Accumulated depreciation as at 1 April 2022	-	1,029	160	1,189
Depreciation charge for the year re IFRS 16	-	101	320	421
Accelerated depreciation re IFRS 16*	-	-	1,525	1,525
Depreciation charge for the year	54	-	-	54
Accumulated depreciation as at 31 March 2023	**54**	**1,129**	**2,005**	**3,188**
Net Book Value as at 31 March 2023	**109**	**-**	**640**	**749**
Net Book Value as at 31 March 2022 (restated)	-	100	2,485	2,585

In November 2021 a formal lease was provided to NPH by WNC in respect of the Westbridge site covering the remaining duration of the current management agreement (January 2030). This is shown in the restated 2021/22 figures and recorded as a prior year adjustment and detailed within Note 23.

* During 2022/23, the company has reached an agreement with its landlord whereby it will terminate its property lease agreement in 2025 (in advance of moving to a new property) rather than in 2030 as per its original lease. As a result, the company has recognised a reduced lease liability and associated right of use asset in respect of this property. Management have not applied an effective interest rate when calculating the carrying value of its property lease liability as it is immaterial to the financial statements.

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	
	2022/23 £000's	**2021/22 £000's**	**2022/23 £000's**	**2021/22 £000's**
Sundry debtors	251	49	221	-
West Northamptonshire Council	7,817	9,126	7,817	9,126
Happy to Help (CIC)	-	-	-	-
Payments in advance	201	269	201	266
HMRC - VAT	-	-	-	-
Total	**8,269**	**9,444**	**8,239**	**9,392**

9. Cash and Cash Equivalents

	Group		Company	
	2022/23 £000's	**2021/22 £000's**	**2022/23 £000's**	**2021/22 £000's**
Cash in hand	-	-	-	-
Bank current account	796	6,551	796	6,551
Happy to Help - Bank current account	32	55	-	-
Total cash and cash equivalents	**828**	**6,606**	**796**	**6,551**

10. Current Liabilities

10a. Trade and Other Payables

	Group		Company	
	2022/23 £000's	2021/22 £000's	2022/23 £000's	2021/22 £000's
Trade payables	1,886	722	1,886	711
West Northamptonshire Council	2,847	6,430	2,847	6,430
Happy to Help (CIC)	-	10	6	3
Other creditors (HMRC VAT)	202	999	202	999
Taxation and social security	6	7	6	-
Accruals	3,432	7,119	3,423	7,105
Total trade and other payables	**8,373**	**15,287**	**8,370**	**15,248**

10b. Lease Liabilities (right of use assets)

	Group		Company	
	2022/23 £000's	Restated 2021/22 £000's	2022/23 £000's	Restated 2021/22 £000's
Less than 1 month	27	36	27	36
1-3 months	80	99	80	99
Over 3 months	213	297	213	297
Total lease liability less than one year	320	432	320	432
Total lease liability greater than one year	320	2,165	320	2,165

11. Finance Costs

Group and Company

	Group		Company	
	2022/23 £000's	2021/22 £000's	2022/23 £000's	2021/22 £000's
Pensions interest	(357)	(384)	(357)	(384)
Interest on lease liabilities	(6)	(19)	(6)	(19)
Other finance costs	(1)	-	-	-
Total lease liabilties	**(364)**	**(403)**	**(363)**	**(403)**

12. Taxation

HMRC have confirmed that the activities and transactions between the Council and wholly owned subsidiaries of Northamptonshire Partnership Homes Ltd do not amount to trading and as such any surpluses in respect of these activities are not taxable nor any losses relievable 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	
	2022/23	**2021/22**	**2022/23**	**2021/22**
	£000's	**£000's**	**£000's**	**£000's**
Corporation Tax liability	3	7	6	-

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 Council tenants and the local community across Northampton.

13. Cash Flow adjustments and changes in working capital

	Group		Company	
	2022/23	**2021/22**	**2022/23**	**2021/22**
Adjustments (non-cash items)	**£000's**	**£000's**	**£000's**	**£000's**
Current service costs	3,882	4,084	3,882	4,084
Net pension interest costs	357	384	357	384
Net adjustment - adoption of IFRS 16	(11)	(18)	(11)	(18)
Total adjustment	**4,228**	**4,450**	**4,228**	**4,450**

	2022/23	**2021/22**	**2022/23**	**2021/22**
Net changes in working capital	**£000's**	**£000's**	**£000's**	**£000's**
Change in trade and other receivables	1,175	(7,017)	1,153	(6,982)
Change in trade and other payables	(6,914)	5,881	(6,879)	5,867
Change in employee benefits accrual	(46)	(47)	(46)	(47)
Movement in stock		8		8
Capital expenditure	(109)	-	(109)	-
Net changes in working capital	**(5,895)**	**(1,175)**	**(5,881)**	**(1,155)**

14. Reserves

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. Historically the balance on the Pensions Reserve has shown a shortfall in the benefits earned by past and current employees and the resources set aside to meet them. As a result of the triennial valuation the present value of the defined benefit obligation at the reporting date is less than the fair value of plan assets at that date, resulting in the plan having a notional surplus. As management do not consider that the Company and Group will be able to recover the surplus either through reduced contributions in the future or through refunds from the plan, the surplus has not been recognised in these financial statements in line with IFRS102.

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

Northamptonshire Partnership Homes Ltd is an Arms-Length Management Company 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 Northamptonshire Partnership Homes Ltd in accordance with the current Management Agreement effective from 5 January 2015.

Details of the status of the Company and the composition of the Board of Directors are given on page 3.

The Council pays the Company a management fee, monthly in advance in accordance with the Management Agreement. The Company has invoiced a total of £15.7m for management services to the Council relating to 2022/23 (2021/22: £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 £13.9m and £34.6m for the repairs and maintenance and capital fee respectively (2021/22: £13.8m and £41.8m).

The net balance claimed by the Company from the Council at the end of the year is £5.0m (2021/22: £2.7m). 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 (2021/22: £Nil).

Company Registration Number:09019453
Registered in England and Wales

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 Council's financial statements. These statements are available on the council website.

17. Contingent Liabilities

There are no contingent liabilities at the 31 March 2023 (2022: £Nil) for the Company and the Group.

18. Employee Benefit Expense

Expenses recognised for employee benefits are analysed as follows:

	Group and Company	
	2022/23	**2021/22**
	£000's	**£000's**
Wages and salaries	9,654	9,181
Social security cost	992	900
Pension cost	3,851	4,084
Temporary Staff	171	204
Total	**14,668**	**14,369**

The average number of full-time equivalents for the year was 285 (2021/22: 276). Key management of the Company comprise of the Executive Management Team as detailed on page 3.

Key management personnel remuneration is as follows:

	Group and Company	
	2022/23	**2021/22**
	£000's	**£000's**
Wages and salaries	719	706
Social security cost	90	88
Pension cost	92	91
Total	**901**	**885**

The Directors of the Company are detailed on page 3. Directors' remuneration is as follows:

	Group and Company	
	2022/23	**2021/22**
	£000's	**£000's**
Wages and salaries	25	22
Total	**25**	**22**

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 2023.

	Group and Company	
	2022/23	**2021/22**
	£000's	**£000's**
Employee related benefit accruals	121	167

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 Northamptonshire 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 2022/23 the employer's rate remained at 16.4%, (2021/22: 16.4%) and employees contribute variable rates which increase on banded salary ranges. As of 31 March 2023, the scheme had 258 (2022: 261) active members.

A comprehensive actuarial valuation is undertaken every three years and the latest review was undertaken as of 31 March 2022 by the actuary Hymans Robertson LLP.

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

	2022/23 £000's	2021/22 £000's
Opening balance at 1 April	55,790	55,487
Current service cost	3,882	4,084
Interest cost on pension liabilities	1,588	1,179
Contributions by scheme participants	604	565
Benefits paid	(457)	(475)
Remeasurement – (Gain) / loss on financial assumptions	(23,454)	(5,050)
Closing balance at 31 March	**37,953**	**55,790**

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

Inflationary assumptions	2022/23 End of Period %	2022/23 Start of Period %
Rate of Inflation (CPI)	2.95	3.20
Rate of Inflation (RPI)	3.20	3.65
Rate of increase in salaries	3.45	3.65
Rate of increase in pensions	2.95	3.15
Discount rate	4.75	2.75

Mortality assumptions:	2022/23 End of Period years	2022/23 Start of Period years
Life expectancy for current pensioners aged 65:		
Men	20.8	21.7
Women	23.7	24.0
Life expectancy for future pensioners aged 65		
Men	21.7	22.7
Women	25.7	25.8

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

	2022/23 £000's	2021/22 £000's
Opening balance at 1 April	43,139	37,251
Interest on plan assets	1,231	795
Remeasurements (assets)	(3,204)	1,944
Employer contributions	3,162	3,059
Benefits paid	(457)	(475)
Contributions by members	604	565
Closing balance at 31 March	**44,475**	**43,139**

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

	2022/23 £000's	2021/22 £000's
Fair value of plan assets	44,475	43,139
Present value of funded obligation	(37,953)	(55,790)
Less notional surplus not recognised	(6,522)	-
Surplus / (Deficit) in scheme	-	**(12,651)**

Analysis of plan assets as follows:

Fair value of plan assets	2022/23 £000's	2021/22 £000's
Equity securities		
Debt securities		
UK Government	3,651	4,297
Private Equity		
All	3,336	1,932
Real Estate		
UK property funds	2,570	2,514
Overseas property Funds	349	346
Infrastructure	3,132	2,555
Other		
Investment funds and unit trusts		
Equities	26,379	27,072
Bonds	4,387	3,889
Cash and cash equivalents		
All	672	534
Total	**44,475**	**43,139**

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

	2022/23 £000's	2021/22 £000's
Remeasurement (liabilities):		
Experience gain	(2,918)	(127)
Gain on financial assumptions	25,183	4,894
Demographic assumptions	1,246	283
Remeasurement (assets) / liability	(3,261)	1,944
Less notional surplus not recognised	(6,522)	-
Actuarial gain recognised in the Statement of Changes in Equity	**13,728**	**6,994**

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

	2022/23 £000's	2021/22 £000's
Current service cost	(3,882)	(4,084)
Interest cost on pension liabilities	(1,588)	(1,179)
Interest on plan assets	1,231	795
Total charged to the Statement of Comprehensive Income	**(4,239)**	**(4,468)**

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

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:

Changes in assumptions at 31 March 2023	**Approximate % increase to Employee Liability**	**Approximate monetary amount £000's**
0.1% decrease in Real Discount Rate	2%	861
1 year increase in member life expectancy	4%	1,518
0.1% increase in the Salary Increase Rate	0%	87
0.1% increase in Pension Increases Rate	2%	788

Estimated Employer's contributions for the period to 31 March 2024 will be approximately £2,908,000.

21. Finance Income

	Group and Company	
	2022/23 £000's	**2021/22 £000's**
Investment income from cash and cash equivalents	32	1
Total	**32**	**1**

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.

		Group		**Company**	
	Notes	**Current 2022/23 £000's**	**Current 2021/22 £000's**	**Current 2022/23 £000's**	**Current 2021/22 £000's**
Trade and other receivables	8	8,269	9,444	8,239	9,392
Cash and cash equivalents	9	828	6,606	796	6,551
Total		**9,097**	**16,051**	**9,035**	**15,943**

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.

		Group		Company	
		Current	Long Term	Current	Long Term
		2022/23	2022/23	2022/23	2022/23
	Notes	£000's	£000's	£000's	£000's
Trade and other payables	10a	8,373	-	8,370	-
Leasing liability	10b	320	-	320	-
Employee benefits accrual	19	121	-	121	-
Total		**8,814**	-	**8,811**	-

Lease liabilities have been restated for 2021/22 as detailed in Notes 6b and 23, in respect of the property lease executed in November 2021.

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 adjusted 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 were 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. Prior year adjustments

During the year the directors identified that the company's 2021/22 financial statements incorrectly excluded a right of use asset of £2,645,000 and equivalent lease liability. This has been corrected by way of prior year adjustment. This prior year adjustment has no impact on the company's reported result for either year or the company's reported net asset position at either balance sheet date.

24. Post reporting date events

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