



Northampton Partnership Homes Limited

Company Limited by Guarantee

Consolidated Financial Statements for the year ended 31st March 2021

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COMPANY INFORMATION

Board Members (Statutory Directors)

There are places reserved on the Board for the following constituency groups: Independents (4 places), Tenants (4 places), Councillors (4 places); 12 in total.

David Latham – Independent (Chair)

Chris Deery – Independent

Andrew Weatherill – Independent

Andrew Woods – Independent

John Connolly – Tenant (Vice Chair)

Godfrey Kanengoni – Tenant

Chris Webb – Tenant

Clare Whitehead – Tenant

Rufia Ashraf – Councillor (left 16th June 2020)

Alan Bottwood – Councillor

Andrew Kilbride – Councillor

Mary Markham – Councillor

Zoe Smith – Councillor (appointed 16th June 2020)

Executive Management Team (Chief Officers)

Mike Kay – Chief Executive

Paul Satchwell – Executive Director

Linda Cherrington – Assistant Director: Finance

Gary Duckmanton – Assistant Director: Property Maintenance & Compliance

Nicola McKenzie – Assistant Director: Housing

Julie Petrie – Assistant Director of Human Resources and Organisational Development

Dale Robertson – Assistant Director: Corporate Services and ICT

Helen Town – Assistant Director: Asset Management & Development

Registered office

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Northampton

NN1 1DE

Company registration number

09019453

Professional Advisers

Auditors

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The Pinnacle
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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

STRATEGIC REPORT

Purpose

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

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

Principal activities and funding

Northampton Partnership Homes Limited (the Company) was created as an ALMO (Arm's Length Management Organisation) to manage Northampton Borough Council's (the Council) housing stock. The Company was established with no share capital and is limited by guarantee. From 1st April 2021, following a change to the local government structure, Northampton Borough Council has been amalgamated with other district councils to form West Northamptonshire Unitary Council (WNC). As such the Company's management agreement has novated under the new unitary council. The Company is a subsidiary of the Council, and these financial statements are consolidated into the Council's accounts.

The Company was incorporated on 30th April 2014 and began trading on 5th January 2015.

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

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

Happy to Help (Northampton) Community Interest Company was incorporated on the 18th July 2018 and is wholly owned by Northampton Partnership Homes. It has its own board of Directors. It is a company limited by guarantee and is a not for profit organisation. The financial results of the company have been consolidated into NPH's financial statements for the year.

Section 172 Statement

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

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

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

- Act fairly between the members

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

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

Our Vision

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

Our Mission

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

Our Values

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

We have now completed our sixth year of operation and the current financial year has been directed towards the achievement of the *Corporate Plan 2018-2023 Objectives* which is illustrated in the following roadmap:

Our 2023 Vision Roadmap:

Quality homes and estates



- £200m will be spent over the 5 years on improving homes, Neighbourhood Regeneration and increasing the number of new homes.
- Increase customer satisfaction of Grounds Maintenance and Cleaning of Communal Areas.
- A 10 Year Development Strategy delivering a minimum of 1,000 new homes.
- Warm Homes Fund started in January 2020 to invest £170,000 to support circa 200 homes.
- Complete Phase 1 of Social Housing Decarbonisation Fund Programme.
- Commence whole house retrofit pilot and stock surveys to prepare for 2030 and 2050 Zero Carbon targets.

Customer Focused



- Conduct bi-ennial Leaseholder Survey in 2022.
- Conduct a bi-ennial Tenants Survey.
- Achieve and maintain Support Service Accreditation.
- Explore Rent Income Accreditation.
- Achieve and maintain ASB Accreditation.
- Institute of Customer Service (ICS) Service Mark Accreditation by 2023.
- Invested £6m in adapting properties by 2023 to maintain tenant independence.
- Expand our housing offer to include new build supported housing for adults with physical disabilities mental health problems, learning disabilities and autism by 2021.

Opportunity and access for all



- Enhance our online anytime self-service offer, including online repairs reporting, satisfaction surveys and 'Where's my repair Operative?'
- Building up our Resident Involvement offer and engagement opportunities to ensure all can participate.
- Providing training opportunities for tenant to support obtain new life skills and enhance quality of life.
- Continue to expand the reach of our Community Bus, 'Daphne' to bring services, information and support direct to our estates and community events.

Maximise Partnership



- Develop and grow our Community Interest Company, Happy To Help, and aiming to generate inward investment of £500K in social value by 2023 across West Northamptonshire.
- Deliver an increased programme of social and affordable housing need over the next 5 years for the Council through our Investment / Development Plan Framework.
- We will use our established 10-year partnership with Engie to deliver investment and improvements to existing homes.
- We will grow our now established framework of smaller local contractors and suppliers to assist in the delivery of a local, first class repairs service.

Being an effective organisation



- Continue service improvement reviews: repair costs, Community Hubs, SLAs and service charges.
- A Rent Income Strategy that supports tenants and those on Universal Credit to sustain tenancies whilst maximising income.
- Achieve £1.2m income generation from PV Panels over the next 5 years.
- Deliver a Talent Management Programme developing existing and new employees.
- Maintain a Strategic Apprenticeship Programme.
- Reducing our Carbon Footprint by 2023.

The Plan sets out a number of performance measures geared to achieving the strategic objectives and a range of more detailed measures have been developed against which NPH will also measure its performance, of which 50% (2019/20: 72%) are achieving (within agreed tolerances) or exceeding the target at the end of year. Actions are in place and being monitored to address areas of under-performance against targets such as fly tipping, void rent loss, repairs completed within the target period and voids. Many of these were due to the impact of the Covid-19 pandemic.

Progress against strategic objectives is summarised below. A more comprehensive account can be accessed via the Corporate Plan 2018-2023 document available on the NPH website.

Quality homes and estates

Key achievements

Neighbourhood investment programmes completed in Briar Hill, Lumbertubs and Lings.

Commenced 'whole neighbourhood' programme of planned regeneration works in Goldings and Southfields in 2020-21

5 Year Development Strategy launched in 2020

Ten-year annual cyclical internal component programme established

Upgrade to apartment block bin-chutes commenced in Spring Boroughs 2020-21

Published our One Planet Living Strategy

£1.8m NHS funding secured to support the delivery of Oak Tree Rise supported housing

Planning and purchase secured for Belgrave House to redevelop for affordable housing

£3m BEIS funding secured for Social Housing Decarbonisation Fund for whole house retrofit pilot

Completion of 21 new build properties in Toms Close, Collingtree and new build schemes on former garage sites, including Stockley Street.

228 new homes created since 2018 and 25 buy backs in 2020/21.

Customer focused

Key Achievements

Achieved ASB Service Accreditation with HouseMark with the highest attainment level and Support Service Accreditation

Supported 64 survivors of Domestic Abuse to ensure they live free from further harm and safely

Achieved Supporting People Accreditation in 2019

Conducted welfare checks via the Welfare and Complex Needs Team, ensuring our most elderly and vulnerable tenants have the support they need

Supported tenants to access over £275,000 in unclaimed benefit payments they are entitled to

Supported 285 tenants with housing related support, with 98% of tenants who receive the housing related support still sustaining their tenancy

Property Maintenance and Compliance service standards introduced

Invested £1.3m providing aids and adaptations to support people in their homes and in new build adapted homes

Reducing re-let times, rent arrears and evictions

Offered homes to 784 new tenants in 2020-21

Developed a Pre-Tenancy Programme to support vulnerable applicants to manage their tenancy

Increased the supply of accommodation for older people and supported housing by creating 45 flats at Lakeview, opened in 2019

New Customer Charter and Service Standards

Reviewed the model offered to tenants in Older Persons Housing to facilitate more movement within our own stock and ensure tenants rehoused in suitable accommodation.

Conducted the second Leaseholder Satisfaction Survey in 2020

Improving Repairs Right First Time

Opportunity and access for all

Key Achievements

On-line reporting of repairs launched

Tenant volunteers recruited to the CIC

Community involvement projects held, such as the annual Garden Competition and Community Hero Awards

Developed an on-line Tenant Self-Serve Portal for on-line repairs reporting

Launch of Daphne, the community bus visiting estates on a timetabled schedule

Tenant board members recruited to the CIC

New Equality & Diversity Policy

Upgrading of Community Hubs

Maximise Partnership

Key Achievements

Tackling community safety issues with the county-wide Community Safety Partnership, Northampton Community Safety Board, local hot spot groups and supporting community initiatives

Supporting the Council with delivery of its objectives, the development of the Housing Strategy and increasing the supply of affordable housing

Keeping informed of local and national changes through the Northamptonshire housing management and development forums

Working with local contractors to assist in the delivery of a batched repairs service where repairs are grouped together by trade or area for example and completed at the same time.

Established contract partnerships with Engle (planned maintenance work), Just Ask (cleaning services) and Continental Landscapes (grounds maintenance) to improve services

Introduced Neighbourhood Plans to provide key information, facts and services within local estates

Launched the CIC Community Paint Shop and Handy Man Service in 2020

Being an effective organisation

Key Achievements

Implementation of the new materials contract supporting the delivery of a new, efficient delivery model

Full review of our Repairs Service to deliver Right First Time

Reduced sickness absence from 14.71 days in 2015/16 to 6.41 days in 2020/21

Raised over £11,200 over the last three years for our nominated charities voted for by staff

Developed a Staff Volunteering Policy

Developed a Sustainability and One Planet Living Strategy 2020-23

Delivered a wide variety of training for staff, with 99 qualifications, 330 hours of face to face courses, 961 hours on in-house on-line learning and 90 hours on external on-line learning through our Learning and Development Programme

Introduced Annual Employee 'Making A Difference (MAD) Awards' to recognise staff commitment and achievements

Employed 24 apprentices

New Property Maintenance and Compliance Strategy completed in 2020-21 and team restructure

Reviewed Health and Safety and Compliance and delivered improvements to ways of working

New 3-year Procurement Strategy developed

Review of business results and performance

The consolidated financial statements for the year ended 31st March 2021 show an operating profit for the year of £412k (2019/20: £89k loss), and a total comprehensive loss of £7,114k (2019/20: £5,489k profit) after taking into account movements on the pension liability.

HMRC have confirmed that the activities and transactions between NPH and the Council do not amount to trading and as such any surpluses in respect of these activities are not taxable nor any losses relieviable for corporation tax purposes. Taxable profits or losses earned on cash balances therefore should only arise on activities carried out with external organisations. In this regard, interest and net income from the investment property is taxable.

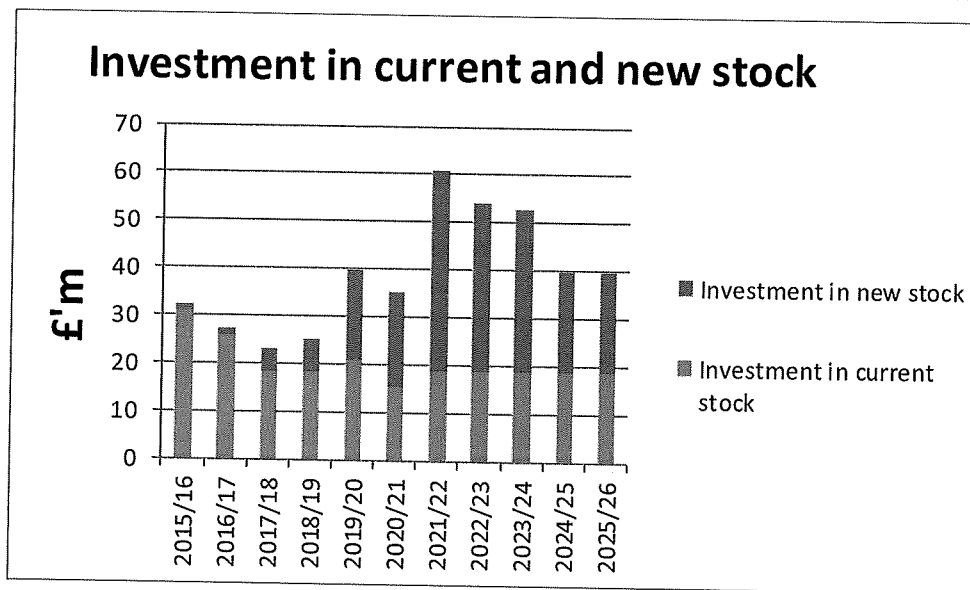
By contrast the subsidiary company, Happy to Help (Northampton), as a Community Interest Company (CIC), has the same corporation tax obligations as any limited company regardless of whether there is a profit intention or not.

Overall, the services to the Council were delivered within budget with a £14.6m under-spend against the management fee budget reflecting a mix of carry forward, where certain projects slipped in to 2021/22, and other Planned Investment works being able to be brought forward. The capital spend that is delayed is still required in future years to deliver the projects. The capital budget was fully committed in the year. In total £16.3m on new build schemes was carried forward where projects were delayed. The main reasons for this include the impact of the pandemic on contractors particularly across the neighbourhood planned investment schemes, complications of decants, archaeological requirements and also hold ups through the planning application process. The impact was reduced by being able to bring forward works on other elements of the planned investment programme for landscaping of around £1.7m.

NPH are delivering a 10-year programme of investment into the stock. The approach has been renewed to deliver efficient improvement to neighbourhoods in a targeted way. This doesn't preclude spending in areas that are in considerable need, but where possible the investment is focused towards a whole estate improvement rather than specific works on a more ad hoc basis. The graph below shows the split of the Capital pot between investment in current stock and in new development over the last few years and the forecast for the next few. It is essential that NPH and WNC continue to balance this appropriately as developing new homes should not be at the expense of continuing to invest in the c11,500 properties that are already in existence.

Management continue to work on plans to deliver new homes. Stock numbers in 2020/21 have for the first time increased primarily due to the pandemic reducing the number of Right to Buy (RTB) sales, which were 63 this year (2019/20: 125). Despite the challenges around Covid NPH have delivered a further 83 new homes (2019/20: 122). During 2020/21 a number of substantial schemes have been added to the development pipeline as NPH has the capacity to grow its service to the Council in this area.

The following graph demonstrates that while investment into the development stock is increasing it is not at the expense of a reduction in investment to the current stock.



The lifting of the HRA borrowing cap by the government in October 2018 has meant that there is significant capacity within the HRA to build the number of new *affordable* homes required in Northampton. This is not an endless supply of capital but for the right schemes, subsidised by 141 Right to Buy receipts and Homes England grant, affordability for the HRA can be demonstrated and so a major constraint has been removed. NPH and WNC remain committed to considering other 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 idea is to have a suite of options available to maximise the delivery of all aspects of stock investment. During 2020/21 funding has been secured through Homes England, NHS England and also through other initiatives supporting sustainability and secure homes.

Following the purchase of NPH's first directly owned property on Greenwood Road in 2019/20, refurbishment work has now been completed and the property was let in May 2020 to Northampton Association for Accommodation for Single Homelessness (NAASH) a local charity providing emergency accommodation to the homeless.

2021/22 Priorities

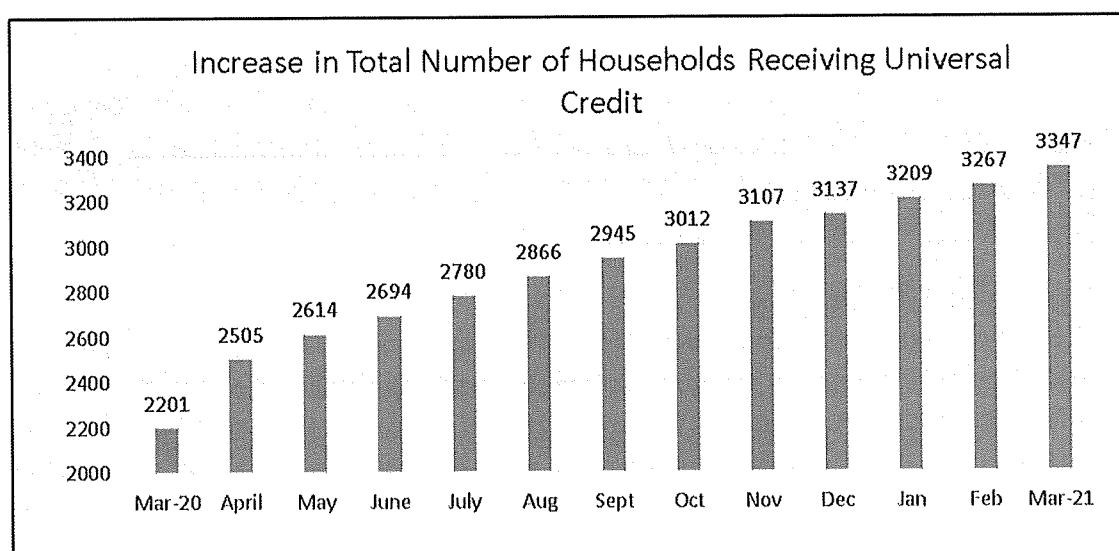
NPH's operations, with the exception of new build delivery, have to some degree been unaffected by Covid and the exit from the EU. This business has been able to continue to deliver despite restrictions. However, looking forward we recognise the longer-term impact that both are having on the availability and cost of materials and resource. Our capital programme anticipates a further 200 homes to be developed in the coming year and more beyond and this will be impacted by the repercussions of the pandemic and exit from the EU.

For HRA income, the return of remedial actions available to NPH for the non-payment of arrears, we will actively seek to recover rent owed and try to ensure arrears remain at an appropriate level. This will as usual be balanced with the approach of trying to sustain tenancies where possible.

Although Universal Credit (UC) will continue to be rolled out, we anticipate a reduced pace than that seen in 2020/21 which was significantly impacted by Covid and increased to almost 30% of all live tenancies. The specific timing of the government's plans to transfer existing benefit claimants over to UC is still not known though should take place over the next 2-4 years. In the meantime, we will continue to support

over the coming year with the flexibility of allocating the 4 rent free weeks for those requiring additional flexibility, recognising the longer-term impact of Covid is very likely to remain for a considerable time.

The following graph shows the trajectory during 2020/21 highlighting the accelerated growth in UC claimants for NPH. The expectation for 2021/22 is of a reduced trajectory however as our new build programme increases the number of new homes may result in a corresponding increase in UC claimants.



The political landscape across Northampton has now been confirmed and the long-awaited local elections took place in May 2021. This followed the move to the two unitary model of local government resulting in West Northamptonshire Council superseding the Northampton, Daventry and South Northamptonshire District and Borough Councils. As the new cabinet has only recently been appointed, we look forward to working closely with them particularly focussing on the housing strategy across the region and the longer-term housing requirements. The NPH 15-year Management Agreement has novated to WNC from NBC and in the short term we will continue to deliver services in much the same way until there is further clarity on the strategic plans of WNC and the mutually agreed direction of travel.

NPH was set up to ensure that these challenges can be effectively dealt with and plans for 2021/22 target continued improvement to services and the provision of quality housing against this backdrop. Building on the work from the past six years the focus remains on delivering a value for money, customer focused service for tenants and residents and for the Council through our Corporate Plan.

Value for Money

At Northampton Partnership Homes (NPH) we strive to generate value in all we do. Our vision is “to provide homes which enable people to live happy and healthy lives in enriched communities”. To deliver this vision, it is essential that value for money (VfM) is central to our business.

Our key strategic priorities are:

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

NPH has a rolling 3-year VfM Strategy that takes account of our wider strategic objectives and describes how VfM fits. As you would expect there is a strong link between our 'critical success factors' for delivering the strategic objectives and VfM.

For us, VfM means obtaining the maximum benefit from the resources available to meet the needs and aspirations of our tenants and leaseholders. This requires us to be effective in how we plan, manage and operate our business.

NPH does not believe VfM is solely concerned with achieving the lowest cost and we maintain a strong focus on improving services for customers. Any gains made are reinvested back into the delivery of frontline services and the Happy to Help Community Interest Company. We look for outcomes that can be measured and which demonstrate our trajectory towards increasing VfM.

VfM Indicators and Critical Success Factors

As an arms-length management organisation (ALMO), NPH is wholly owned by West Northamptonshire Council (WNC). The performance of the councils Housing Revenue Account (HRA) is where overall financial performance is demonstrated. This statement therefore uses metrics that take account of HRA performance and position, within which NPH's accounts are the fundamental contributor. For example, the HRA has an annual revenue cost of approximately £28.2m (2020/21 business plan) and NPH had a budgeted management fee of £26.4m of that to enable the delivery of housing services across Northampton.

NPH began operating in January 2015 to provide and improve housing services, with the requirement of refreshing and reinvigorating the Council's housing offering. To monitor this progress, a number of performance measures were put in place. These measures are the Tier 1 and 2 performance indicators that the Council review quarterly and annually. In addition to these measures, NPH also uses a number of other metrics to assess and benchmark performance. Working to achieve these measures are critical success factors for NPH and a number of the key measures feature in the metrics below:

Overall NPH Performance

	2013/14	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	Actual	Actual	Actual	Actual	Actual	Actual	Actual
Headline Social Housing cost, £ per		4,811	4,521	4,217	4,470	5,931	5,419*
CSI satisfied with overall service **	N/A	N/A	N/A	N/A	N/A	68.7%	67.6%
CSI satisfied with advice and support	N/A	N/A	N/A	N/A	N/A	84.5%	79.7%
CSI score for contacting NPH **	N/A	N/A	N/A	N/A	N/A	61%	60%
Staff cost per unit		801	808	790	757	823	890

Note:

* Overall cost per unit for prior years has dropped slightly when compared to the report last year. This is due to the substantial programme of works in 2020/21 where completion will take place in 2020/21. At the time of writing only draft accounts for 2019/20 are available for NBC, though these are in the final stages of review.

** CSI Customer Satisfaction measurement is carried by an independent survey organisation, following the Customer Service Institute scoring approach. Full census Tenant Survey is conducted every two years, the next full survey is due in 2022, see detail on page 4 below.

Historically the Social Housing Cost has risen year on year peaking in 2019/20, mainly due to a growing development programme resulting in 128 units being completed. This year the cost has fallen slightly reflecting the challenging conditions with Covid-19 and the delaying of a number of schemes, with 81 units delivered during 2020/21.

There is substantial investment in the new build capital programme (2020/25) with ambitions to deliver over 1,000 homes by 2025 and this is anticipated to be reflected in 2021/22 and future years. This additional investment has been made possible due to the removal of the HRA Borrowing Cap from October 2018 onwards, 1-4-1 receipts, together with accessing additional funds through NHS England and Homes England.

The demand on housing in Northampton is significant and continues to grow as tenants exercise their Right to Buy (RtB) depleting housing stock year on year. During the pandemic RtB applications reduced by almost half, however this trend has reversed with numbers increasing again at the start of 2021/22 to be back in line with prior years. At the end of the 2020/21 year there were 3,778 people on the housing register. New housing investment is very important to Northampton and provides significant value both socially and economically. The increased capital spend is almost completely related to new build provision which is clearly needed in the area as evidenced by the housing register numbers. Between 2017/18 to 2020/21 NPH have delivered 231 new homes. Following the year end there were 3,778 people on the housing waiting list, 485 of which were homeless, demonstrating an ever-growing homeless problem that is a symptom of the housing crisis across the country. There were also 304 individuals and families living in temporary accommodation. This increase presents a critical need and the investment made in this area is clearly value adding. Investment in this area will grow the housing stock of WNC to support dealing with these issues and provide valuable long-term assets that strengthen the HRA balance sheet.

The extent of the capital investment is highlighted in the graph on page 11, illustrating the growth over this and future years to help reduce and reverse the current depletion of housing stock. This shows that investment in current stock remains consistent and high at c£20m per annum for the foreseeable future and also that new build investment is not to the detriment of expenditure needed on existing stock.

If capital spend is stripped out of the Headline Social Housing cost indicator the decrease is less pronounced and when also considering the inflationary impact, historically this has been almost static. During 2020/21 this investment has fallen slightly though is still considerably higher than earlier years. This is understandable given the significant impact on NPH activities during the Covid pandemic.

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
		Actual	Actual	Actual	Actual	Actual
Headline Social Housing cost ex capital, £	2,065	2,160	2,204	2,260	2,355	2,346
% change		4.6%	2.1%	2.5%	4.0%	-0.2%
Annual inflation (year to Mar)		3.1%	3.3%	2.4%	1.9%	0.7%

Satisfaction with service and the value achieved from rents received are strategic, critical success factors. Tier 1 and Tier 2 performance measures (previously agreed annually with NBC) include a suite of operational service level and satisfaction KPIs.

Tenant satisfaction is measured every two years using a Tenants Survey. The last full survey took place in October 2019. A mini sample survey of 2000 tenants was carried out in the autumn 2020 in order to gauge tenant views following the long first Coronavirus Lockdown and due to the fact that NPH had set out objectives to achieve accreditation through the Institute of Customer Service (ICS) in 2023, therefore the timing of the next full internal satisfaction survey was realigned to take place in the Autumn of 2022, to provide valuable internal satisfaction data prior to the accreditation assessment, which is carried out by the ICS.

Following a consultation exercise carried out by Housemark in 2019/20 and our commitment to membership of the ICS, NPH moved to reporting satisfaction using the Customer Service Index (CSI) scoring methodology. The CSI methodology provides results based on actual service experience and the level of importance to the customer on the service received. This differs from the Housemark methodology which is focused on perception of a service rather than actual experience. As stated, the CSI scoring approach is aligned to NPH's work towards achieving Customer Service Accreditation which is being implemented through an on-going NPH corporate project with support from the Institute of Customer Service. As a result of completing an additional mini sample survey in 2020, two years of reporting the CSI score is included in the table below. An overall target is set by the ICS to demonstrate achievement of the ICS accreditation and all service area sub scores are collated together to provide this overall result. Previous 'STAR' Housemark measures no longer collected and replaced with new CSI measures are shown on the relevant service area performance tables as 'replaced' below.

Combining the improvement in service and new delivery with the underlying headline social housing and staff costs per unit remaining broadly static, it is clear that more has been achieved with the resources available. This includes servicing and supporting the increased capital programme where staffing costs to date have largely remained as revenue spend included in the above figures.

We recognise that while progress has been made the levels of satisfaction are still not where we would like them to be. When benchmarking externally against the best performing organisations we still have work to do in this area.

Benchmarking

We use HouseMark to benchmark our performance against peers, however there are still differences as NPH is an ALMO and the peer organisations are generally speaking Housing Associations. As such not all data is comparative.

Our current performance is broadly as follows against the quartiles produced by HouseMark:

Measure	Units	2017/18	2018/19	2019/20	2020/21	Housemark benchmark quartiles 2019-20		
						Upper Quartile	Median	Lower Quartile
Overheads as a % of turnover	%	9.05		7.49	7.49	8.32	10.23	12.06
Staff turnover	%	18.8	15.95	11.6	7.53	11.2	12.7	14.8
Average days lost to sickness per employee	Days	11.2	7.88	7	6.4	8.65	10.1	11.8
% of calls answered	%	/	/	90.8	87.39	92.62	86.5	81.38
Total arrears and write-offs %	%	3.74	0.38	4.43	4.38	2.76	4.59	6.03
Current and former tenant arrears %	%	3.35	3.5	4.14	3.85	2.97	4.04	5.49
Void loss %	%	0.91	0.77	0.9	0.99	0.6	0.88	1.26
Average re-let time	Days	26.21	28.79	23.06	21.12	19	26.85	41.51
% of properties vacant	%	1.12	0.94	0.5	1.12	2.13	1.22	0.69
% of repairs completed at the first visit	%	97	98.58	82.98	88.81	95.05	91.08	86.1
Appointments kept %	%	99.4	99.46	95.76	94.37	98.5	97.27	92.702
% of dwellings with a valid gas safety certificate	%	100	100	100	100	100	99.99	99.91
Average SAP rating	Number	75	75	75	70.14	72.7	71.6	69.3
Direct cost per property of estate services	£	124.3	163	120.87	116.43	103.82	153.12	216.79
Satisfaction with ASB case outcome	%	47	81.1	79.40	79.90	93.9	81.5	69.45
Satisfaction with ASB case handling	%	49	86.61	86.10	85.80	93.95	84.6	62.95

CSI SATISFACTION SCORES (XX)	Units	2019	2020	Target 2021/22
Taking everything into account, overall CSI	%	68.70	67.60	74%+ amber
Average CSI score for NPH services overall	%	70.80	69.00	
Average CSI score for advice and support	%	84.50	79.70	
Average CSI score for the repairs service	%	72.40	81.70	
Average CSI score for estate regeneration	%	71.40	n/a Q changed	
Average CSI score for Major Improvement Works	%	n/a	66.60	
Average CSI score for contacting NPH	%	61.00	60.00	
Average CSI score for Communal services	%	58.80	54.70	
Average CSI score for grounds maintenance	%	56.50	61.10	
Average CSI score for Anti-Social Behaviour	%	n/a	53.10	

The data shows a mixed picture with some good performance but some clear areas where performance needs to continue to improve. Although we have seen satisfaction improve over the last 5 years it is clear to see from the above that when compared to Housing Association peers there is still plenty more to do.

There are many examples of work that is ongoing to deliver VfM and support for our tenants which include:

By the end of 2020/21 we have been working on three major projects supporting our VfM aims within repairs and maintenance, which we are confident will positively impact on future scores in these areas:

- 2020 -2021 - The Repairs Improvement Programme phase 2 further reviewed processes throughout the team, putting the building blocks in place for embedding new ways of working during 2021-2022
- 2020 - 2021 - The recharges project phase 2 embedding the successes of phase 1 and improving back office recovery rates
- 2020 - 2021 - The voids costing project provided us with costing information previously unavailable and therefore enabling us to predict future costs and trends, as well as scrutinising current costs per property, void type and contractor.

The Housing department provides increasing levels of support with social issues that were previously dealt with by other Council budgets. Following the outbreak of Covid the Housing department ensured that tenants were supported, making over 21,000 welfare telephone calls to vulnerable residents, resulting in 1,500 requests for help (e.g. picking up prescriptions) and a further 4,152 welfare checks to those most in need. In addition, 885 food parcels were delivered to tenants in need and an additional 430 lifelines installed for our most vulnerable tenants.

Housing Management services are focussed on support and sustainment, which are key to ensuring value is achieved. The financial and social cost of tenancy failure by far exceeds the cost of working with tenants to sustain their tenancies into the long term. During the year the Housing department were able to support Covid grant applications providing £315k of financial support. In addition, 12 tenants have been rehoused as a result of domestic abuse, with a further 10 being supported at the end of the year. There were 4 injunctions during the year as a result of anti-social behaviour. Taking this clear and decisive action ensures tenants adversely impacted by this behaviour do not terminate their tenancies as the issues are resolved, either due to improvement or removal, helping to sustain 99% of these tenancies.

In Summary

We aim to continue to make cost savings while improving the services. At times costs have increased slightly as we look to deliver more, and we believe there is clear value being added through the additional provisions. We are pleased with the direction of travel over the 6 years since NPH was founded. Quality has increased as measured by satisfaction and the 'like for like' cost has decreased since 2015. Performance against strategic critical success factors is strong and we are looking towards improving the long-term value and viability of the HRA. Investment into new and existing stock is high and will continue over the coming years to ensure that NPH is able to deliver good quality housing that meets the needs of Northampton.

However, we do recognise that continued progression is essential. When compared to external benchmarks in a number of the areas above we still have much to do and are not complacent. The plan for the coming years is to continue to target improvement in the metrics, however we recognise the challenges the pandemic and our exit from the EU bring to delivering new homes and services to our tenants. We are committed and focused on driving up satisfaction and our investment in our association. The work we have already completed with the Institute of Customer Service has demonstrated the positive impact this can make, and we look forward to continuing our training and culture change programme ensuring we work to put our customers' needs first.

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

Governance

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

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

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

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

The primary role of the board is to focus on strategic direction, growth and risk. The board meets formally throughout the year for regular business, and to discuss strategic issues. During 2020/21; the Board ensured the governance structure remained operational and effective by conducting their meetings remotely which was in accordance with its articles.

The Board has the following committee structure. Membership of these committees consists of board members:

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

The board delegates the day to day management of the business to the Chief Executive Officer, Executive Director and Assistant Directors who form the Executive Management Team. The Executive team meet weekly and the directors attend meetings of the board and committees.

Subsidiary Board

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

Significant risks and uncertainties

As this is written we remain in a state of some flux arising from the Covid-19 Pandemic. Restrictions are currently in the process of being removed as the country goes through the vaccination programme and the governments' 4-stage programme of returning to normal continues. Uncertainty though does still remain, and it is impossible to determine whether there will be future surges and lockdowns which could restrict our business and the country again. However, as an organisation we can be confident that we are able to manage the business under these conditions and continue to provide services and support to those in need and in the communities that we operate in. Throughout the pandemic we have been agile and flexible both in terms of the workforce and in the way we deliver the services and support. We have proved that we can be successful during such uncertainty.

The management fees paid to NPH are set annually in advance and are the financial resources available to deliver services and the Corporate Plan. The fees are funded from the Housing Revenue Account (HRA) and, to a much lesser extent, the Council's General Fund. The HRA is funded by rents therefore an increase in bad debt resulting from the Coronavirus situation is the main risk to the HRA and NPH's future management fee. However, to date we have been able to manage the arrears position well and at 31

March 2021 the arrears percentage was actually lower than the same stage in 2020. It is important not to be complacent though and we may still see longer-term impacts of the pandemic as support mechanisms such as furlough are removed. It is not anticipated that this will result in a large increase in bad debts which would have to reach high sustained levels before the management fee and capital pots were affected. NPH alongside 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 and further mitigating actions are in place.

The long-term success and viability of NPH is largely linked to the HRA, and legislative changes continue to have a significant impact on funding. NPH will monitor this by working closely with the Council. Universal Credit (UC) is still likely to have an impact on the income collected in the HRA and NPH continue to review collection activity and work with peers to try to mitigate any negative impacts. Activity to date in the social housing sector suggests that it is almost guaranteed that arrears will rise over time and this is borne out by the statistics which show that UC tenancies have an average arrears of over £500 compared to just over £300 for non-UC tenancies. The longer-term impact in terms of actual bad debt is yet to be fully felt. Work will continue to ensure that it has as little negative effect as possible on the resources available to NPH and the Council.

The creation of the new Unitary Council from 1 April 2021 continues to provide a level of uncertainty. NPH is a subsidiary of the new council and the management agreement has novated across. However, whenever there is a significant change such as this then there is likely to be turbulence with respect to those aspects where the entities cross over. A number of services to NPH are carried out by the Council and the former-LGSS and it is important that these services are not interfered with if NPH is to continue to succeed. The situation is being monitored closely and we work closely with council colleagues to ensure business as usual can continue.

Outside of the management fee NPH has scope to generate additional income in order to increase the level of funding. The directors recognise that with these opportunities come potential risks against which appropriate mitigation measures, budgetary and management controls are put in place along with regular reporting to budget holders and the Board. Our Financial Rules give some flexibility to re-direct our financial resources in light of changing circumstances and emerging pressures although these are subject to virement rules that are part of the Management Agreement.

The Board and Senior Management take their responsibility for risk management seriously and have set a 3-year 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, operational risk registers and project risk registers. A recent Internal Audit of the Risk Management Framework bestowed a verdict of 'substantial assurance', the highest possible, giving all stakeholders a good level of assurance that risk has sufficient prominence through all levels of the business.

Retirement benefit obligations

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

Approval

The Strategic Report was approved by the Board on 16th July 2021 and signed on its behalf

D J Latham
Chair



DIRECTORS' REPORT

Board Members

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

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

The board interacts with the business, its suppliers and employees as appropriate to their role, utilising a number of channels through-out the year. Board members attend regular 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 have also spent time shadowing employees in the business in order to increase their understanding and knowledge of NPH. All of this gives them the requisite skills to take decisions and actions such as; signing off on contracts (in line with corporate Financial Regulations and Contract Procedure Rules), agreeing changes to strategies including those centring on people and operational delivery.

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

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

Insurance

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

Statement of Board Members responsibility

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

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

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

- i) select suitable accounting policies and then apply them consistently;
- ii) make judgements and estimates that are reasonable and prudent;

- iii) state whether applicable international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- iv) Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Declaration of Board Member's interest

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

Assessment of the effectiveness of Internal Control

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

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

It is based on a framework of regular management information, financial regulation, administrative procedures, management supervision and a system of delegation and accountability. For further information see the Statement of Internal Control on page 27.

People

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

Recruitment

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

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

Employee Involvement

Communication

We value our employees and recognise the need and benefit of good internal communication. Communication within the company is delivered in a variety of ways including regular staff updates via the Intranet. Employee forum meetings continue to be held and 2020/21 saw its first remote forum held in response to COVID-19 restrictions. The Making a Difference Awards help recognise excellent employee commitment to the organisation and its customers.

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 will influence the way we engage with staff, policies, internal processes, the way we conduct our business, and employee terms and conditions. Ad-hoc surveys are sent to employees to ask their opinion on changes to HR policies, social events etc. NPH regularly consults with employees through the recognised Trade Unions (GMB, UNISON and UNITE). Trade Union Consultation meetings took place each month in 2020/21. Topics discussed included policies, restructures, and pay negotiations. The discussions influenced the content of policies, the shape of the structures, and the final pay offer made by NPH.

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

Employee Development

During 2020/21 staffing structures have remained stable, NPH have continued to embrace opportunities to bring in apprenticeships to support and promote growing our own and employee development. Teams are evolving to ensure there is the necessary capacity and expertise to deliver the strategic objectives and there is consistent investment in employee training and development initiatives

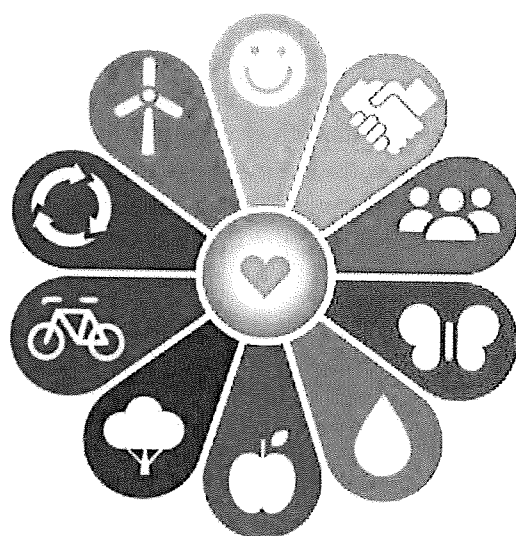
A wide variety of training has been, and continues to be carried out, including apprenticeships, technical training, and bespoke training.

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

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

Sustainability

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



	Health and happiness
	Equity and local economy
	Culture and community
	Land use and wildlife
	Sustainable water
	Local and sustainable food
	Sustainable materials
	Sustainable transport
	Zero waste
	Zero carbon

These principles provide a holistic approach to sustainability and will feature clearly in our plans for the future.

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

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

We have recruited a Sustainability Manager have refreshed our sustainability strategy, Environmental Policy and associated action plans.

Flexible and robust action planning for sustainability will enable NPH to:

- Increase efficiency of service provision, saving money and reducing resource consumption;
- Increase resilience to changing environmental, social and economic challenges;
- Manage risk by anticipating and adapting to future trends and changing demands
- Monitor and report on key social and environmental aspects; and
- Engage stakeholders through effective communication of sustainability ambitions.

Energy and carbon reporting

Our business has a significant environmental impact, whether it be from the energy to keep the office lights on, the fuel to drive our fleet, or the waste we collect as fly tipping. We apply a systematic approach to environmental management, and a consistent methodology for assessing organisational environmental aspects and our carbon footprint.

The following data is included to satisfy our obligation under the Streamlined Energy and Carbon Reporting (SECR) legislation, following the 2019 UK Government environmental reporting guidance. The methodology we have used for greenhouse gas reporting is ISO 14064-1:2019 and we have used the 2020 UK Government's Conversion Factors for Company Reporting.

A financial control approach has been applied to define the organisational boundary of our Environmental Management System. Scope 3 emissions have been included where sufficient and robust data has been available, most notably for waste disposal, water supply and treatment, and grey miles. An intensity ratio provides a figure of tCO₂e per property.

Our target is to achieve continual reductions in carbon emissions from our business activity of 7% year on year. Our medium-term target is to achieve a 20% reduction in the NPH carbon footprint by 2023, compared to the baseline of 2,473 tCO₂e for the financial year 2018-19.

The energy and carbon data in table 1 shows that the annual carbon reduction target has been exceeded and a 10% overall reduction in emissions of carbon dioxide equivalent has been achieved compared to the previous year.

Overall carbon emissions reduced from 2,482 tCO₂e in 2019-20 to 2,232 tCO₂e in 2020-21 with most reductions achieved in scope 2 and scope 3 emissions. Energy consumption remained relatively consistent over the period, only seeing minor reductions. A revised energy procurement strategy resulted in roughly half of the NPH electricity supply being switched to renewable energy contracts with zero emissions. All electricity is supplied in this way as of May 2021.

A positive impact of the Covid pandemic was a move to more agile and remote working. This change of working practice has helped to reduce business mileage by 55% compared to the previous year.

Table 1: Energy and Carbon data

	Baseline 2018/19	2019/20	2020/21
Scope 1 energy consumption (kWh)	7,724,199	7,750,123	7,680,317
Scope 1 emissions (tCO ₂ e)	1,477	1,480	1,462
Scope 2 energy Consumption (kWh)	1,860,817	2,327,986	2,317,368
Scope 2 emissions (tCO ₂ e, location based)	527	579	419
Scope 1 & 2 energy consumption (kWh)	9,585,016	10,078,109	9,997,685
Scope 1 & 2 emissions (tCO ₂ e)	2,004	2,059	1,882
Intensity ratio: tCO ₂ e as above/number of properties (including leasehold)	0.162	0.167	0.152
Total Scope 3 emissions tCO ₂ e	470	423	351
Total annual net emissions tCO₂e	2,473	2,482	2,232
Intensity ratio: tCO ₂ e/number of properties (including leasehold)	0.200	0.201	0.180

Energy efficiency action taken

Gas consumption in communal heating systems represents by far the most significant area of energy consumption and the greatest opportunity for improving energy efficiency. We have continued to work on improving the efficiency of heating systems, improving controls of heat generation and distribution plant at some of our largest apartment blocks.

We manage and maintain over 3MW of solar PV capacity installed on the housing stock. For the period 2020-21 this generated 2,869,370 kWh of renewable electricity, saving 669 tCO₂e.

Going Concern

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

The company has a 15-year contract in place with the Council, which commenced in January 2015. With effect from 1st April 2021 following the local government restructure across Northamptonshire, this contract has transferred to NPH's new parent organisation, West Northamptonshire Council. Management fees are paid in return for delivery of housing management and maintenance services, as prescribed in the management agreement.

Disclosure of information to Auditors

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

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

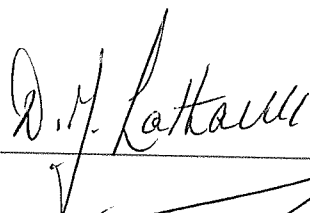
Independent Auditors

A resolution to re-appoint the Company's auditors was approved at the Annual General Meeting held 16th October 2020. Mazars was originally appointed for an initial three-year term of which 2020/21 is the third year.

Approval

The Director's Report was approved by the Board on 16th July 2021 and signed on its behalf

D J Latham
Chair



STATEMENT OF INTERNAL CONTROL

Internal Control

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

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

Corporate Governance

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

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

During 2020/21 the Board met approximately twice in each quarter. The Board is supported by five Committees; Finance, Audit and Risk, Operations and Resource, Planning Policy and Development, and Remuneration and Review. Each Committee, apart from Policy, Planning and Development Committee and Remuneration and Review Committee, comprised six Members of the Board and met approximately once in each quarter. Remuneration and Review Committee had three members and Policy, Planning and Development Committee had five members, consisting of Board Chair, vice chair, and committee chairs. Both of these committees met less regularly. No committees have delegated powers in their specific terms of reference, but they consider the detail of matters under their remit and make recommendations to the Board where formal approval to any reports and proposals is given. The frequency of meetings is subject to regular review.

Business Plan

As a Council owned Company, NPH's objectives are strongly aligned to the Council's Housing Strategy and its strategic priorities.

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

Executive Management Team

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

Risk Assessment and Risk Management

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

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

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

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

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

Compliance

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

The compliance team was restructured in 2020 and is now responsible for building safety as well as a range of compliancy areas, the main ones being, gas, electrical, fire, legionella, asbestos and radon. The building safety part of this team will ensure we comply with the Fire safety act 2021 which is a result of the outcomes from the Grenfell enquiry. Whilst this act is new to the housing sector, the team are fully aware of the requirements placed on social landlords and currently ahead of the game regarding the requirements of the new act.

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

Audit

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

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

Performance Management

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

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

Financial Control and Budget Management

The Company has inherited, from the Council, outsourced financial services provided by LGSS which has financial management policies in order to ensure that proper safeguards and controls are in place to manage money and assets. Following the change to the unitary structure, LGSS have repatriated to the lead authority, Cambridge County Council which now provides these shared services.

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

The Company's Financial Rules were revised and approved by the Board on 28th October 2020. These provide the framework for managing the Company's financial affairs. They apply to every Board Member, Committee and employee of the Company and anyone acting on behalf of the Company. The Rules identify the financial responsibilities of the Board, its Committees, Directors 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.

Ordinarily, this framework is reviewed annually by the Internal Auditor to confirm that it is still relevant. In April 2020, it was given 'Substantial Assurance', reflecting the management actions that have been embedded since the earlier audit in September 2019.

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 finance team to identify corrective action. The Executive Management Team reviews these reports on a monthly basis.

The Company maintains flexibility with its financial resources and the Financial Rules permit virements between budget heads to enable the redirection of resources in light of emerging pressures or opportunities. These virements are further controlled through the Management Agreement through

which funding is provided in 6 different categories (or “Pots”). Virements within and between the pots are controlled with some requiring the agreement of the Council’s s151 Officer (The Chief Financial Officer).

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

Service Level Agreements

Consequent upon the various disengagement issues negotiated at the time NPH was set up by the Council, a number of support functions are still purchased from external suppliers. During 2020/21 most of these services were still provided by the Council under various Service Level Agreements (SLAs) including – importantly – central back-office services provided by LGSS to the Council as a whole and subsequently apportioned to the Company for its deemed share of the service. In addition to the terms stated in these SLAs, the Company places a level of assurance on the systems of internal control in place within the Council and LGSS in respect of these services.

NPH do not have their own agreement with LGSS and hence receive services off the back of the Council’s agreement with LGSS.

Policies and Procedures

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

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

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

Opinion

We have audited the financial statements of Northampton Partnership Homes (the 'parent company') and its subsidiaries (the 'group') for the year ended 31st March 2021 which comprise which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in equity, the Consolidated Statement of Cash Flows, the Company Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006.

In our opinion, the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31st March 2021 and of the group's loss for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Separate opinion in relation to IFRSs as issued by the IASB

As explained in note 1.2 to the group financial statements, the group in addition to complying with its legal obligation to apply international accounting standards in conformity with the requirements of the Companies Act 2006, has also applied International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

In our opinion the group financial statements give a true and fair view of the consolidated financial position of the group as at 31 March 2021 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the IASB.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's 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.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 20, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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 its industry, we identified that the principal risks of non-compliance with laws and regulations related to the pensions legislation

and UK tax legislation and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our 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.

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;
- Addressing the risks of fraud through management override of controls by performing journal entry testing; and
- Reviewing revenue either side of the year end.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit report

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.



Vincent Marke (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 26 July 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2021

	Notes	2020/21 £000's	2019/20 £000's
Revenue	2	62,237	67,310
Total Revenue		62,237	67,310
Employee benefit expenses	4 & 19	(12,633)	(12,565)
Other expenses	3 & 4	(49,192)	(54,834)
Total expenses		(61,825)	(67,399)
Operating Profit / (Loss)		412	(89)
Finance costs	11	(284)	(446)
Finance Income	21	3	10
Profit / (Loss) before tax		131	(525)
Taxation	12	(3)	(14)
Profit / (Loss) for the year		128	(540)
Other Comprehensive Income			
Remeasurement of pension assets and liabilities	20	(7,242)	6,029
Total Comprehensive (Loss) / Profit for the year		(7,114)	5,489

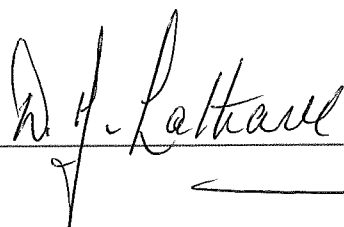
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31st March 2021

	Notes	2020/21 £000's	2019/20 £000's
ASSETS			
Non-Current			
Investment property	6a	360	334
Right of use assets	6b	326	552
Non-current assets		686	886
Current			
Inventories	7	8	84
Trade and other receivables	8	2,427	1,387
Cash and cash equivalent	9	7,771	8,129
Current assets		10,206	9,600
TOTAL ASSETS		10,892	10,486
LIABILITIES			
Current			
Trade and other payables	10a	(9,406)	(8,751)
Lease liabilities	10b	(245)	(232)
Employee benefits accrual	19	(215)	(109)
Current liabilities		(9,865)	(9,092)
NET CURRENT ASSETS		341	508
Non-current			
Pension liability	20	(18,236)	(11,244)
Lease liabilities	10b	(112)	(356)
Non-current liabilities		(18,348)	(11,600)
TOTAL LIABILITIES		(28,213)	(20,692)
NET LIABILITIES		(17,320)	(10,206)
Equity and Reserves			
Pension Reserve		(18,236)	(11,244)
Insurance Reserve		138	138
Retained Earning		778	900
TOTAL EQUITY	14	(17,320)	(10,206)

These Financial Statements were approved by the Board and authorised for issue.
Signed for and on behalf of the Directors on 16th July 2021.

DJ Latham
Chair

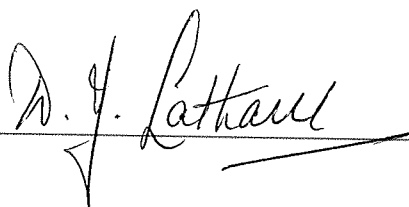


COMPANY STATEMENT OF FINANCIAL POSITION
as at 31st March 2021

	Notes	2020/21 £000's	2019/20 £000's
ASSETS			
<u>Non-Current</u>			
Investment in Subsidiary	5	-	-
Investment property	6a	360	334
Vehicles (right of use assets)	6b	326	552
Non-current assets		686	886
<u>Current</u>			
Inventories	7	8	84
Trade and other receivables	8	2,409	1,378
Cash and cash equivalent	9	7,724	8,064
Current assets		10,141	9,526
TOTAL ASSETS		10,827	10,412
LIABILITIES			
<u>Current</u>			
Trade and other payables	10a	(9,380)	(8,728)
Lease liabilities	10b	(245)	(232)
Employee benefits accrual	19	(215)	(109)
Current liabilities		(9,840)	(9,069)
NET CURRENT ASSETS		301	457
<u>Non-current</u>			
Pension liability	20	(18,236)	(11,244)
Leasing liabilities	10b	(112)	(356)
Non-current liabilities		(18,348)	(11,600)
TOTAL LIABILITIES		(28,188)	(20,669)
NET LIABILITIES		(17,360)	(10,257)
<u>Equity and Reserves</u>			
Pension Reserve		(18,236)	(11,244)
Insurance Reserve		138	138
Retained Earning		738	849
TOTAL EQUITY	14	(17,360)	(10,257)

Signed for and behalf of the Board of Directors on 16th July 2021.

D J Latham
Chair



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2021

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

for the Year Ended 31 March 2020

		Pension Reserve £000's	Insurance Reserve £000's	Retained Earnings £000's	Total Equity £000's
Opening Balance at 1st April 2019	14 & 20	(16,554)	138	751	(15,665)
<u>Loss for the period</u>		-	-	(540)	(540)
<u>Other Comprehensive income</u>					
Adjustment from the adoption of IFRS16		-	-	(30)	(30)
Remeasurement of pension assets and liabilities	20	6,029	-	-	6,029
Transfers to pension reserve	20	(719)	-	719	-
Total Comprehensive gain for the year		5,310	-	149	5,459
Balance at 31 March 2020		(11,244)	138	900	(10,206)

COMPANY STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2021

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

for the Year Ended 31 March 2020

		Pension Reserve £000's	Insurance Reserve £000's	Retained Earnings £000's	Total Equity £000's
Opening Balance at 1st April 2019	14 & 20	(16,554)	138	662	(15,754)
Loss for the period		-	-	(502)	(502)
<u>Other Comprehensive income</u>					
Adjustment from the adoption of IFRS16		-	-	(30)	(30)
Remeasurement of pension assets and liabilities	20	6,029	-	-	6,029
Transfers to pension reserve	20	(719)	-	719	-
Total Comprehensive gain for the year		5,310	-	187	5,497
Balance at 31 March 2020		(11,244)	138	849	(10,257)

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 March 2021

	Notes	2020/21 £000's	2019/20 £000's
Cash flows from operating activities			
Profit / (Loss) before tax		128	(540)
Adjustments (non-cash items)	13	2,737	3,624
Contributions to defined benefit plans	20	(2,993)	(2,899)
Net (decrease) / increase in working capital	13	(230)	6,251
<hr/>			
Net Cash (outflow) inflow from operating activities		(358)	6,436
<hr/>			
Net cash (decrease) / increase in cash or cash equivalents		(358)	6,436
<hr/>			
Cash, cash equivalents and bank overdrafts at the beginning of the year		8,129	1,693
<hr/>			
Cash, cash equivalents and bank overdrafts at the end of the year		7,771	8,129

COMPANY STATEMENT OF CASH FLOWS
for the year ended 31 March 2021

	Notes	2020/21 £000's	2019/20 £000's
Cash flows from operating activities			
Profit before tax		139	(502)
Adjustments (non-cash items)	13	2,737	3,624
Contributions to defined benefit plans	20	(2,993)	(2,899)
Net changes in working capital	13	(223)	6,175
Net Cash (outflow) / inflow from operating activities		(340)	6,398
Net cash (decrease) / increase in cash or cash equivalents		(340)	6,398
Cash, cash equivalents and bank overdrafts at the beginning of the year		8,064	1,666
Cash, cash equivalents and bank overdrafts at the end of the year		7,724	8,064

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Accounting Policies

1.1 General Information

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

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

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

The 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.

EU effective date:
Accounting periods
on or after:

Amendments to IFRS 17, Insurance Contracts	01 January 2023
Amendments to IFRS 9, IAS 39 and IFRS 7, Interest rate on benchmark reform	01 January 2021
Amendments to IAS 1, Presentation of financial statements' on classification of liabilities	01 January 2023

1.4 Revenue and Other Income Recognition

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

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

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

1.5 Expenditure

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

1.6 Taxation

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

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

We have received confirmation from HMRC that our commercial service provision activities with the Council 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 Northampton.

1.8 Recognition of Capital Expenditure (de-minimis Policy)

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

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

The capital cost of an asset is recognised to be:

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

1.9 Depreciation

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

Depreciation is based as follows:

ICT equipment for the economic useful life of 3 years

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

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

1.10 Financial Instruments

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

Financial assets are de-recognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is de-recognised when it is extinguished, discharged, cancelled or expires. Any gains and losses that arise on de-recognition of an asset are credited/debited to the Comprehensive Income 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 on the basis of normal credit terms and do not bear interest. The carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable.

1.13 Cash and cash equivalents

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

1.14 Trade and other payables

Trade payables are recognised at fair value.

1.15 Employee Benefits

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

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

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

1.16 Leases

The Company has a tenancy at will and a lease from the Council in respect of the Westbridge Office Accommodation and vehicles, respectively. 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 Northamptonshire County Council. The Scheme provides benefits to members (retirement lump sums and pensions) earned as employees of Northampton Partnership Homes and in the majority of cases, prior to their transfer to NPH on 5th 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 County Council Pension Fund – cash paid as employers' contributions to the Pension Fund.

1.19 Going concern

The financial statements have been prepared on a going concern basis. Forecast profile of income and expenditure for 2020/21 indicate that cash flows for year will be sufficient to meet all obligations as they become due, including due consideration of the detrimental impact of COVID-19, 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 NBC in respect of the Management Fee is made monthly in advance. In addition, the Council has made available a £1 million 'overdraft' facility from Housing Revenue Account balances which can be used to maintain cash flow in adversity. This payment profile helps ensure adequate cash flow is maintained throughout the year.

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

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

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

For clarity, this agreement and the commitment to supporting NPH will continue beyond 1st April 2021 when the Council becomes part of the newly formed West Northamptonshire unitary body.

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 Northampton Partnership Homes Ltd and the Company recharges the Council in full for the reimbursement of these costs within the agreed Managed Budget Fee. We consider the NPH to be the principal in this arrangement.

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

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

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

1.21 Government Grants

Grant income will be recognised on receipt when the amount can be measured reliably. The Company will ensure that it meets any conditions associated with the grant funding. The Company has not received any grant income.

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 have been shown in the accounts.

1.25 Exceptional and extraordinary items and prior period adjustments

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

1.26 Contingent assets and liabilities

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

1.27 Group Boundary

Happy to Help (Northampton) Community Interest Company was incorporated on the 18th July 2018. Happy to Help (Northampton) is a Community Interest Company that is wholly owned by Northampton Partnership Homes, but which has its own board of Directors. It is a company Limited by Guarantee (CLG) and is a not for profit organisation.

Happy to Help (Northampton) Community Interest Company is a subsidiary of Northampton Partnership Homes for accounting purposes and have been consolidated into the company's group accounts.

1.28 Intra Group Transactions

During 2020/21 there were no transactions between Northampton Partnership Homes and Happy to Help (Northampton) Community Interest Company. As at 31st March 2021 there is no debtor or creditor balance outstanding with Happy to Help (Northampton) Community Interest Company.

1.29 Basis of consolidation

The Consolidated Financial Statements includes Northampton Partnership Homes and its subsidiary Happy to Help (Northampton) Community Interest Company (together the Group). The result of the subsidiary is included in the Consolidated Statement of Comprehensive Income from the date of the formation. All intra-group transactions, balances, surpluses and deficits are eliminated in full on consolidation.

1.30 Accounting Policies

In preparing the Group Accounts the accounting policies of Happy to Help (Northampton) Community Interest Company have been aligned with those of the Northampton Partnership Homes.

2. Revenue

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

	Group	
	2020/21 £000's	2019/20 £000's
Management fee paid by Northampton Borough Council	61,948	67,274
Other Revenue	289	36
	62,237	67,310
Analysed as:		
Management Fee - Housing Revenue Account	14,116	14,195
Management Fee - General Fund	264	291
Management Fee - Repairs & Maintenance	11,866	12,046
Management Fee - Capital	35,229	40,512
Management Fee - Other	473	230
External Funding - Safer Streets Project	200	-
Investment Property income	18	-
Happy to Help (CIC) - Revenue	71	36
Total Revenue	62,237	67,310

	Company	
	2020/21 £000's	2019/20 £000's
Management fee paid by Northampton Borough Council	61,948	67,274
Other Revenue	218	-
	62,166	67,274
Analysed as:		
Management Fee - Housing Revenue Account	14,116	14,195
Management Fee - General Fund	264	291
Management Fee - Repairs & Maintenance	11,866	12,046
Management Fee - Capital	35,229	40,512
Management Fee - Other	279	230
External Funding - Safer Streets Project	200	-
Investment Property income	18	-
Total Revenue	61,972	67,274

3. Other Expenses

Other expenses comprise of (excluding salaries):

	Group		Company	
	2020/21	2019/20	2020/21	2019/20
	£000's	£000's	£000's	£000's
Management Fee - Housing Revenue Account	4,129	4,299	4,129	4,269
Management Fee - General Fund	242	276	242	276
Management Fee - Repairs & Maintenance	7,167	7,494	7,167	7,494
Management Fee - Capital	35,229	40,512	35,229	40,512
Management Fee - Special Services	2,121	2,253	2,121	2,253
Safer Streets Project	200	-	200	-
Investment Property	19	-	19	-
Happy to Help (CIC)	84	-	-	-
Total	49,192	54,834	49,108	54,803

4. Operating Profit

The operating profit is reported after charging the following costs:

	Group		Company	
	2020/21	2019/20	2020/21	2019/20
	£000's	£000's	£000's	£000's
External Audit Fees				
– Audit Services	30	28	27	26
– Other Services	8	3	4	3
Internal Audit Fees	40	40	40	40
Depreciation - right of use assets	32	44	32	44
The following table analyses the nature of expenses as follows:				
Staff costs	12,633	12,565	12,633	12,565
Other Operating Costs	49,192	54,834	49,108	54,772
	61,825	67,399	61,741	67,338

These costs are further analysed as follows:-

Management Fee - Housing Revenue Account	9,011	9,241	9,190	9,180
Management Fee - Special Services	4,109	4,130	4,109	4,130
Management Fee - General Fund	270	328	270	328
Management Fee - Repairs & Maintenance	12,903	13,189	12,903	13,189
Management Fee - Capital	35,229	40,512	35,229	40,512
Other	303	-	40	-
	61,825	67,399	61,741	67,338

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:

	2020/21 £000's	2019/20 £000's
Revenue	71	36
(Loss)/Profit	(13)	(26)
Aggregate of reserves	40	51

6. Non-Current Assets (Group and Company)

Property, right of use assets, plant and equipment

	Investment Property Under Construction	Investment Property £'000	Vehicles (right of use)* £'000	Plant and equipment £'000	Total £'000
Cost as at 1 April 2020	334	-	1,129	2	1,464
Transfer to Investment Property	(334)	334	-	-	-
Additions	-	27	-	-	27
Disposals	-	-	-	-	-
Revaluation Gains / (Losses)	-	(1)	-	-	(1)
Cost as at 31 March 2021	-	360	1,129	2	1,491
Accumulated Depreciation as at 1 April 2020	-	-	577	2	579
Accumulated Depreciation re IFRS 16	-	-	-	-	-
Depreciation charge for the year	-	-	226	-	226
Depreciation on Disposal	-	-	-	-	-
Accumulated Depreciation as at 31 March 2021	-	-	803	2	804
Net Book Value as at 31 March 2021	0	360	326	0	686
Net Book Value as at 31 March 2020	334	0	552	0	1,237

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

7. Inventories

Inventories are stated at cost and relate to van stocks for the responsive repairs service. During the year £76k was charged to operating expenses in the Statement of Comprehensive Income (2019/20: £66k). From 1 April 2020, van stocks moved to a consignment stock model, therefore considerably reducing current and future stock holdings.

	Group and Company		Company	
	2020/21	2019/20	2020/21	2019/20
	£000's	£000's	£000's	£000's
Inventories	8	84	8	84
Total	8	84	8	84

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	
	2020/21	2019/20	2020/21	2019/20
	£000's	£000's	£000's	£000's
Sundry Debtors	381	924	356	892
Northampton Borough Council	1,813	211	1,813	228
Happy to Help (CIC)	-	-	7	5
Payments in Advance	234	253	234	253
HMRC - VAT	-	-	-	-
Total	2,427	1,387	2,409	1,378

9. Cash and Cash Equivalents

	Group		Company	
	2020/21	2019/20	2020/21	2019/20
	£000's	£000's	£000's	£000's
Cash in Hand	1	1	1	1
Bank current account	7,723	8,063	7,723	8,063
Happy to Help (CIC) - Bank current account	47	65	-	-
Total cash and cash equivalents	7,771	8,129	7,724	8,064

10. Current Liabilities

10a. Trade and Other Payables

	Group		Company	
	2020/21 £000's	2019/20 £000's	2020/21 £000's	2019/20 £000's
Trade payables	1,422	2,327	1,406	2,320
Northampton Borough Council	1,089	1,373	1,089	1,373
Happy to Help (CIC)	-	-	-	4
Other Creditors (HMRC VAT)	2,422	1,504	2,422	1,504
Tax and Social Security	224	219	224	207
Accruals	4,248	3,328	4,239	3,320
Total trade and other payables	9,406	8,751	9,380	8,728

10b. Lease Liabilities

	Group		Company	
	2020/21 £000's	2019/20 £000's	2020/21 £000's	2019/20 £000's
Less than 1 month	20	19	20	19
1-3 months	41	39	41	39
Over 3 months	183	174	183	174
Total lease liability less than one year	245	232	245	232
Total lease liability greater than one year	112	356	112	356
Total lease liabilities	356	588	356	588

11. Finance Costs

Group and Company

	2020/21 £000's	2019/20 £000's
Pensions Interest	(252)	(402)
Interest on lease liabilities	(32)	(44)
Total	(284)	(446)

12. Taxation

HMRC have confirmed that the activities and transactions between Northampton Borough Council and wholly owned subsidiaries of Northampton Partnership Homes Ltd do not amount to trading and as such any surpluses in respect of these activities are not taxable nor any losses 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	
	2020/21	2019/20	2020/21	2019/20
	£000's	£000's	£000's	£000's
Corporation Tax liability	3	14	5	3

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

Temporary tax measures have been introduced in the Financial Act 2021 and the company is expected to receive a tax refund of £2,548 in respect of 2020/21 for the extended loss carry back claim made against the profit generated in the period ended 31 March 2019.

13. Cash Flow adjustments and changes in working capital

	Group		Company	
	2020/21	2019/20	2020/21	2019/20
	£000's	£000's	£000's	£000's
<u>Adjustments (non-cash items)</u>				
Current service costs	2,491	3,216	2,491	3,216
Net pension interest costs	252	402	252	402
Net adjustment - adoption of IFRS 16	(6)	6	(6)	6
Total Adjustment	2,737	3,624	2,737	3,624
<u>Net changes in working capital</u>	<u>2020/21</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2019/20</u>
	<u>£000's</u>	<u>£000's</u>	<u>£000's</u>	<u>£000's</u>
Change in trade and other receivables	(1,040)	4,574	(1,032)	4,584
Change in trade and other payables	654	1,997	653	1,910
Change in employee benefits accrual	105	(14)	105	-
Movement in Stock	77	28	77	28
Capital Expenditure	(26)	(334)	(26)	(334)
Net changes in working capital	(230)	6,251	(223)	6,188

14. Reserves

		Group		Company	
		2020/21	2019/20	2020/21	2019/20
<u>Retained Earnings and Reserves</u>	<u>Notes</u>	<u>£000's</u>	<u>£000's</u>	<u>£000's</u>	<u>£000's</u>
Loss for the year		128	(540)	139	(502)
Adjustment from the adoption of IFRS16		-	(30)	-	(30)
Remeasurement of pension assets and	22	(7,242)	6,029	(7,242)	6,029
Total comprehensive profit / (loss) for the year		(7,114)	5,459	(7,103)	5,497
Analysis of Reserves					
Opening position at 1st April		(10,206)	(15,665)	(10,257)	(15,754)
Profit and Loss (usable)		(122)	149	(111)	187
Pension surplus / (deficit)		(6,992)	5,310	(6,992)	5,310
		(7,114)	5,459	(7,103)	5,497
Closing position at 31st March		(17,320)	(10,206)	(17,360)	(10,257)

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

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

Retained earnings of the company represent the accumulated profit.

15. Related Party Transactions

Northampton 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 Northampton Partnership Homes Ltd in accordance with a Management Agreement with effect from 5th January 2015.

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

The Council pays the Company a management fee, monthly in advance in accordance with the Management Agreement. The Company has invoiced a total of £14.4m for management services to the Council relating to 2020/21 (£14.5m: 2019/20). 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 £11.9m and £35.2m for the repairs and maintenance and capital fee respectively (2019/20: £12.0m and £40.5m).

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

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

16. Ultimate parent company

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

17. Contingent Liabilities

There are no contingent liabilities at the 31st March 2021 (2020: Nil) for the Company and the Group.

18. Employee Benefit Expense

Expenses recognised for employee benefits are analysed as follows:

	Group and Company	
	2020/21	2019/20
	£000's	£000's
Wages and salaries	8,978	8,230
Social security cost	866	802
Pension cost	2,491	3,216
Temporary Staff	298	317
Total	12,633	12,565

The average number of full-time equivalents for the year was 271 (2019/20: 261).

Key management of the Company comprise of the Executive Management Team (Chief Officers) as detailed on page 2.

Key management personnel remuneration includes the following expenses:

	Group and Company	
	2020/21	2019/20
	£000's	£000's
Wages and salaries	695	624
Social security cost	91	78
Pension cost	89	79
Severance Payments	-	12
Total	876	793

Directors' remuneration

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

	Group and Company	
	2020/21	2019/20
	£000's	£000's
Wages and salaries	17	18
Total	17	18

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 at 31st March 2021.

	Group and Company	
	2020/21	2019/20
	£000's	£000's
Employee related benefit accruals	215	109

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 5th January 2015 when employees of Northampton Partnership Homes Ltd transferred from the Council under Transfer of Undertakings (Protection of Employment) (TUPE). At the time of admission, the Company scheme was fully funded under the

actuarial valuation assumptions made. However, the figures presented in these financial statements are reported under the requirements of IAS19, which are prepared on a different basis to the actuarial valuation.

Employees and the Company pay contributions to the fund. During 2020/21 the employer's rate was 16.4%, (2019/20: 16.4%) and employees contribute variable rates which increase on banded salary ranges. At 31st March 2021 the scheme had 262 (2019/20: 244) active members.

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

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

	2020/21	2019/20
	£000's	£000's
Opening balance at 1 April	37,812	40,678
Current service cost	2,491	3,216
Interest cost on pension liabilities	899	1,018
Contributions by scheme participants	154	70
Remeasurment – (Gain)\Loss on financial assumptions	14,131	(7,170)
Closing balance at 31 March	55,487	37,812

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

<u>Inflationary assumptions</u>	2020/21	2020/21
	End of Period	Start of Period
	%	%
Rate of Inflation (CPI)	2.85	1.90
Rate of Inflation (RPI)	3.30	2.80
Rate of increase in salaries	3.30	2.30
Rate of increase in pensions	2.80	1.80
Discount Rate	2.05	2.30

Mortality assumptions:

	2020/21	2020/21
	End of Period	Start of
	years	Period
	years	years
Life expectancy for current pensioners aged 65:		
Men	21.7	21.5
Women	24.1	23.7
Life expectancy for future pensioners aged 65 in 20 years time:		
Men	22.8	22.3
Women	25.8	25.1

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

	2020/21	2019/20
	£000's	£000's
Opening balance at 1 April	26,568	24,124
Interest on plan assets	647	616
Remeasurements (assets)	6,889	(1,141)
Employer contributions	2,993	2,899
Benefits paid	(378)	(399)
Contributions by members	532	469
Closing balance at 31 March	37,251	26,568

Analysis of plan assets as follows:

<u>Fair value of plan assets</u>	<u>2020/21</u> <u>£000's</u>	<u>2019/20</u> <u>£000's</u>
<u>Equity Securities</u>		
Consumer	-	57
Manufacturing	-	20
Energy & Utilities	-	27
Financial Institutions	-	28
Health Care	-	13
Information Technology	-	18
Other	-	-
<u>Debt Securities</u>		
UK Government	3,781	151
<u>Private Equity</u>		
All	1,108	24,965
<u>Real Estate</u>		
UK Property funds	2,159	110
Overseas Property Funds	279	8
Infrastructure	2,335	87
Other	-	-
<u>Investment Funds and Unit Trusts</u>		
Equities	23,541	941
Bonds	3,458	113
<u>Cash and Cash Equivalents</u>		
All	590	31
Total	37,251	26,568

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

	<u>2020/21</u> <u>£000's</u>	<u>2019/20</u> <u>£000's</u>
Fair value of plan assets	37,251	26,568
Present value of funded obligation	(55,487)	(37,812)
Deficit in scheme	(18,236)	(11,244)

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

	<u>2020/21</u> <u>£000's</u>	<u>2019/20</u> <u>£000's</u>
<u>Remeasurment (liabilities):</u>		
Experience gain	362	265
Gain/(Loss) on financial assumptions	(13,793)	5,365
Demographic assumptions	(700)	1,540
Remeasurment (assets)	6,889	(1,141)
Actuarial gain/(loss) recognised in the Statement of Changes in Equity	(7,242)	6,029

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

	2020/21 £000's	2019/20 £000's
Current service cost	(2,491)	(3,216)
Interest cost on pension liabilities	(899)	(1,018)
Interest on plan assets	647	616
Total charged to the Statement of Comprehensive Income	(2,743)	(3,618)

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 2021	Approximate % increase to Employee Liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	12%	6,896
0.5% increase in the Salary Increase Rate	1%	674
0.5% increase in Pension Increases Rate	11%	6,083

Estimated Employer's contributions for the period to 31 March 2021 will be approximately £2,978,000.

21. Finance Income

	Group and Company 2020/21 £000's	2019/20 £000's
Investment income from cash and cash equivalents	3	10
Total	3	10

22. Financial Instruments

Assets

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

	Notes	Group		Company	
		Current	Current	Current	Current
		31/03/2021	31/03/2020	31/03/2021	31/03/2020
		£000's	£000's	£000's	£000's
Trade and other receivables	10	2,193	1,134	2,176	1,125
Cash and cash equivalents	11	7,771	8,129	7,724	8,064
Total		9,965	9,263	9,900	9,189

There are no long-term Group or Company assets.

Liabilities

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

	Notes	Group		Company	
		Current	Long Term	Current	Long Term
		31/03/2021	31/03/2021	31/03/2021	31/03/2021
		£000's	£000's	£000's	£000's
Trade and other payables	12a	6,759		6,734	
Leasing liability	12b	245	112	245	112
Employee benefits accrual	21	215		215	
Total		7,218	112	7,193	112

		Group		Company	
		Current	Long Term	Current	Long Term
		31/03/2020	31/03/2020	31/03/2020	31/03/2020
		£000's	£000's	£000's	£000's
Trade and other payables	12a	7,028	-	7,017	-
Leasing liability	12b	232	356	232	356
Employee benefits accrual	21	110	-	109	-
Total		7,370	356	7,359	356

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. Commitments

Occupation of the premises by NPH for the period to 31st March 2021 is under a Tenancy at Will Agreement.

24. Post reporting date events

There have been two significant non-adjusting events which have taken place between the reporting date and the date of authorisation:

- Implementation of West Northamptonshire Council as the new unitary organisation following the merger of Northampton, Daventry and South Northants Borough and District Councils, effective from 1st April 2021.
- Completion of a new lease agreement with University of Northampton, to lease the Newton Building, St George's Avenue, Northampton until January 2030, anticipated to be signed imminently.