

Principal Activity

The principal activity of the Company in the period under review has been the provision of social housing, intensive housing management and related support services – primarily to the vulnerable homeless people in the North East of England. The company provides specialist housing and housing related support to over 400 service users in our accommodation facilities.

Review of Business

This is the company's thirteenth period of reporting and it's tenth since gaining Registered Provider status with the Regulator of Social Housing. During the period the main company objectives were to manage the risks associated with fluctuating market conditions, adapting to inflationary pressures and the cost of living crisis, with the aim of continuing a steady state operation, continue focus on being an asset owning RP and to ensure that the business can develop across the broader social housing spectrum.

Performance against occupancy and void KPI metrics fluctuated throughout the reporting period, with the lasting effects of Covid-19 impacting referral pathways in some schemes and a lack of movement among the client base increasing our void levels and the beginning of the reporting period, things stabilised toward the end. Despite this, the company performed well against KPIs in this period in relation to a growth in revenue. We have, however, been significantly impacted by inflationary pressure and rising costs which has impacted our margins.

The development of the business over this accounting period has seen us increase our property portfolio by a further 12 units of Social Housing assets. In order to continue to balance the estate profile, our property acquisitions in this period consist of more owned assets. We have allocated a significant amount of revenue to renovate recently acquired property, and improve our existing stock, specifically relating to Fire Regulation - all of which is highlighted in exceptional items.

We expect our position to improve over the coming years as we continue to diversify our stock and operate new assets. The Company's core business is still the provision of specialist supported housing, housing management and related signposting to vulnerable service users. These intensive schemes and move on properties continue to provide service users with structured access to a housing pathway with support services and social housing via Local Authority supported programmes. In the reporting period we have effectively managed our Specialist Supported Housing stock, working in partnership with the Local Authorities to meet their strategic housing needs.

Client behaviour is, as ever, evolving in line within the broad market trends of recent years. Our staff and service provision has had to evolve very quickly to cope with these new trends and it is apparent that regardless of previous successes, there will be a shift of outcomes expected in the coming months and years as the impacts of the cost of living crisis are felt across the nation. Within the homelessness sector things such as poor mental health,

addiction issues, domestic violence and social isolation are on the rise due to the impact of the cost of living crisis

Throughout the period, revenue and expenditure budgets have been adhered to where possible and the risks to the Company managed accordingly. The Directors and Board are fully satisfied that the Company is financially viable and will continue to meet and deliver on our objectives working with the most vulnerable, complex and chaotic members of our community. The activities of the Company have again saved lives in ways we could never previously have considered and has resulted in improved outcomes for vulnerable people. We remain committed to working with our client group through the coming challenges as we grow the business in the coming years.

Value for money targets

The board sets financially sustainable plans to ensure that the organisation has the resources it needs to deliver its strategy, giving specific consideration in setting such plans to value for money, financial and social sustainability. This includes scrutinising key operational and financial performance information, and information concerning resident insights and satisfaction.

Regular and appropriate consideration is given by the board to potential value for money gains – this must include full consideration of costs and benefits for delivering homes that are proportionate to a range of needs with the aim of preserving social housing. Development of new schemes, with a view to diversifying assets and building wider revenue streams, in order to reduce costs centrally is a property acquisition objective aimed at maximising our value for money metrics. Make Every Adult Matter as a data-set is the framework agreed at board level to assess value for money in meeting service delivery objectives and demonstrating their delivery of value for money to stakeholders.

Certifying governance and financial viability standards

The Company has a strategy in place to comply with governing documents and all regulatory requirements, be accountable to tenants, the regulator and relevant stakeholders, safeguard taxpayers' interests and the reputation of the sector and adhere to all relevant law.

We assess our compliance with the Governance and Financial Viability Standard at least once a year and maintain a regulatory compliance document to ensure this is ongoing and responsive.

It is acknowledged that there has been a large amount of revenue allocated to improvements this year for renovation and fire regulation improvements - as previously mentioned, this is highlighted in an exception items chart

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Disclosure made to the corporate governance code

The National Housing Federation Code of Governance 2020 is the corporate governance code we have adopted as an organisation with external consulting support to provide assistance. We are broadly compliant with this code of governance, the majority of the amber assessment gradings can be made good once all outstanding recommendations are completed and implemented, as instructed by our specialist consultant. There is an action plan in place and we expect to be compliant in these areas for the next review.

Risk

The board retains ultimate responsibility for risk management and ensures that appropriate risk management arrangements are in place. Before taking on new liabilities, we ensure that we understand and manage the likely impact on current and future business and adhere to regulatory standards.

The board ensures that the organisation is resilient to the risk it may face, maintaining a risk register that is reviewed at each meeting against identified risks across a range of scenarios, with appropriate mitigations and suitably comprehensive, tested and up-to-date business continuity plans in place.