



INCLUSIONHOUSING



YOUR
ANNUAL
REPORT
2020/2021





INCLUSIONHOUSING



INCLUSION HOUSING ANNUAL REPORT & ACCOUNTS 2020/2021

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HELLO AND THANK YOU

2020/21 HAS BEEN INCLUSION HOUSING'S BEST EVER YEAR IN REGARD TO FINANCE, GROWTH, OPERATIONS AND SOCIAL IMPACT. THIS HAS BEEN A YEAR OF PROGRESS, SUCCESS AND STRENGTHENING ACROSS THE WHOLE COMPANY RESULTING IN ACHIEVING THE BUSINESS PLAN TARGET THAT WE SET OURSELVES IN 2016 TO ACHIEVE 3,000 INDEPENDENT LIVING TENANCIES UNDER OUR MANAGEMENT. THROUGH OUR CAPABILITY, TALENT AND AMBITION WE HAVE ACHIEVED AND OUT-PERFORMED EXIGENT TARGETS DURING THE MOST CHALLENGING OF YEARS.

Inclusion Housing brought 550 properties into management; much needed specialist supported housing with commissioner support that is making a real difference in improving the quality of life for the most vulnerable in society. This demonstrates partnership in action; positive, measurable outcomes rather than aspiration and target. There are now more vulnerable people being supported in their own Inclusion Housing home than ever before.

During the pandemic we have assisted health, care, social and local agencies to rehouse people from hospitals, registered care and 'at risk' carers into independent, lower risk living accommodation. We stepped up at every opportunity to collaborate and assist agencies during the national emergency to do everything we could; vulnerable persons continued to be able to access our much needed accommodation to reduce their risk and help our partners.

Inclusion Housing financial performance is better than our comparable peers in the supported housing market. We are proud to have posted our best ever financial results with higher turnover, increased surplus, strong cash flow and strengthening balance sheet.

Overall, in the last 3 years we have doubled the size of the company and it is evident that our business strategy has been appropriate and successful in meeting the market requirement whilst also responding to the challenge of the national, regulatory and operational environment. Success at Inclusion Housing continues to breed success; we are incredibly proud of our people, partners and most importantly of making a difference to those who do not have as many life chances.

The social impact of what we do on an annual basis is incredible; information contained within this report demonstrates that our annual social value is in tens of millions of pounds; not our calculation but independently assessed using the Government's own methodology.

Compared to many in the social housing sector, we also pay our corporation tax; further evidencing our commitment to being a responsible company contributing to society.

Customer service is delivered on a national basis but utilising local employees and contractors to ensure a high quality, personalised approach that we have become synonymous with. Our high level of customer satisfaction, low complaints and popular handyperson schemes all demonstrate our ability to provide excellent services; without a high cost.



OUR OPERATIONAL COST AND OVERHEAD IS SIGNIFICANTLY LOWER THAN THE MARKET AVERAGE FOR SUPPORTED HOUSING BUT CRUCIALLY NOT AT THE COST OF AN INFERIOR SERVICE.

Our values are important to us and provide the basis of how we conduct business; **ExCITE** is our acronym but it is much more than that as it has become part of our DNA.

- **EXCELLENCE** – we have achieved Investors in Excellence, Leaders in Diversity and Customer Service Excellence Re-accreditation all in one year.
- **COLLABORATION** – you cannot deliver **550 supported housing into management in 12 months** without collaboration with our care, development, funding and local authority partners.
- **INCLUSION** – our independently devised social impact report highlights that our **total social value and local economic impact was £57M** through our routine activity.
- **TRUST** – all our **new homes are backed by Commissioner Support and Care Provider agreements**; without this element of trust then we would not be able to help so many people.
- **ENTERPRISE** – Inclusion Housing established a **Group arrangement in 2020** to further our ability to attract new investment to deliver more housing for those most in need; this included a charitable Foundation to further our social purpose.



Inclusion Housing has never been stronger in regard to our customer service, ability to respond to local needs, partnership working and our finances; this all underpins not only who we are now but what more we can do in the future.

Our focus is on the future and we want to grow the number of units in management to 5,000 units, assist struggling supported housing providers and help local care and health agencies to support more vulnerable people into quality independent living homes.

Everyone at Inclusion Housing realises that we have a great responsibility in helping the most vulnerable in society. Our duty of care goes way beyond good intention, empty gesture or hollow words; we provide high quality independent living in the community to enable vulnerable persons to enjoy a better quality of life. This is what we do and it makes a difference.



Ruth Patterson, Chair



Neil Brown, Chief Executive



2.0 ABOUT US

ABOUT INCLUSION HOUSING

INCLUSION HOUSING (IH) IS A COMMUNITY INTEREST COMPANY (CIC – SOCIAL ENTERPRISE) REGULATED BY THE GOVERNMENT CIC REGULATOR, A REGISTERED PROVIDER OF SOCIAL HOUSING REGULATED BY THE REGULATOR OF SOCIAL HOUSING GRANTED IN JUNE 2011. A NOT FOR PROFIT, VOLUNTARY ORGANISATION WE CONTINUE TO WORK WITH AND ON BEHALF OF VULNERABLE PEOPLE. WE CURRENTLY SUPPORT OVER 2,000 VULNERABLE PEOPLE TO LIVE INDEPENDENTLY IN THEIR OWN SPECIALIST SUPPORTED HOME.

Our business model places the tenants needs at the heart of everything we do and delivers positive outcomes for everyone we collaborate with. A serviced portfolio of non-government grant funded wholly owned short-term and long-term leased housing units which delivers social good and commercial returns, designed to meet a range of housing needs for adults with learning disabilities, mental ill health, acquired brain injuries, physical & sensory disabilities and extra care, including a specialist dementia scheme. With 3,030 units in management, located across over 100 local authority areas, we work in partnership with other organisations to meet the specific care and support needs of client groups with particular specialist requirements. Tenancies are granted to vulnerable people who receive a commissioned support package from the local authority and daily care provision from specialist support providers.

Our unique and rewarding approach means we have first class relationships with our key delivery partners – including institutional investors, commissioners in local authorities, Clinical Commissioning Groups and developers.

IH is a cutting edge, innovative company that can respond quickly to new opportunity or ideas. Non bureaucratic or hierarchical; the senior management team can be easily accessed, immediately.

Continued business growth is helping to meet the demand for specialist supported housing accommodation in the social and healthcare sector. Commissioners increasingly outsource their property requirements, IH is ideally placed to respond to the increasing momentum to provide local and responsive community based accommodation solutions.

IH is now firmly established as one of the United Kingdom's leading social enterprise companies.

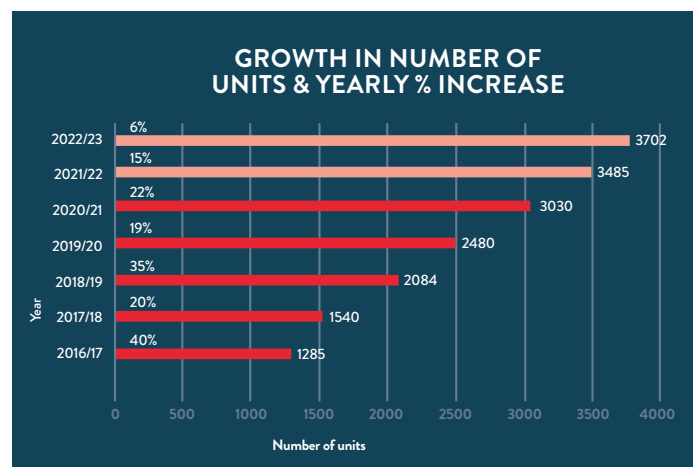


Chart 1 - Number of units in management includes freehold & held under an operating lease

The rate of growth achieved by IH over the last five years has been significant, averaging 27% in line with our strategic business targets to achieve 3,000 tenancies in management. Our prudent projection is for slower future growth over the next two years, in line with Chart 1, as we move toward 5,000 tenancies in management.

INCLUSION HOUSING IS NOW FIRMLY ESTABLISHED AS A LEADING UK SOCIAL ENTERPRISE COMPANY.

IMPROVING THE
LIVES OF THE MOST
VULNERABLE PEOPLE
IN OUR SOCIETY



3030 UNITS IN
MANAGEMENT,
LOCATED ACROSS
100 LOCAL
AUTHORITY AREAS



AWARD WINNING IH IS ONE OF THE
LEADING NATIONAL PROVIDERS OF
NON - GOVERNMENT GRANT FUNDED
SUPPORTED ACCOMMODATION



3.0

**INCLUSION
GROUP
COMPANY
STRUCTURE**

3.0 INCLUSION GROUP COMPANY STRUCTURE

FOLLOWING ON FROM AN INDEPENDENT COMPANY REVIEW IN 2020, THE BOARD HAS ESTABLISHED A NEW GROUP STRUCTURE; INCLUSION GROUP BEING THE PARENT COMPANY LIMITED BY SHARES (CLS), INCLUDING INCLUSION HOUSING COMMUNITY INTEREST COMPANY (CIC), INCLUSION HOMES (CIC) & INCLUSION PROPERTY HOLDINGS WITH A SEPARATELY REGISTERED INCLUSION FOUNDATION (CHARITABLE INCORPORATED ORGANISATION).

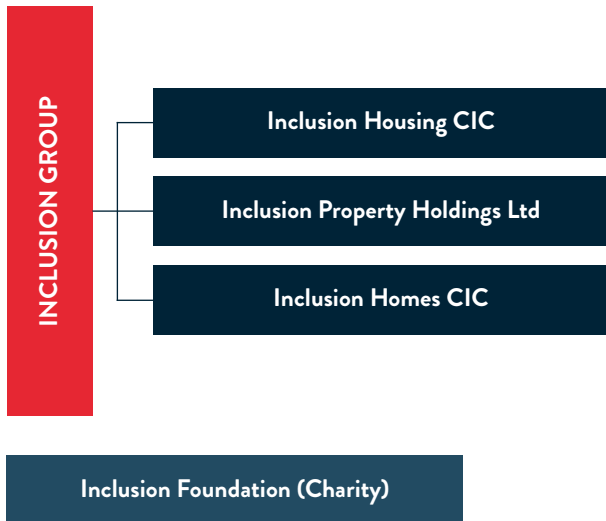


Chart 2 - New Inclusion Housing group structure (above)

THE PURPOSE OF THE BUSINESS STRUCTURE REVIEW WAS TO PROPOSE AN ALTERNATIVE GROUP STRUCTURE TO ALLOW INCLUSION TO ATTRACT INVESTMENT, MEET ITS GROWTH AMBITIONS AND CONTINUE TO DO MORE GOOD AND HELP PEOPLE IN NEED.



INCLUSION GROUP – PARENT COMPANY

Inclusion Group, formed on the 17th July 2020, is the parent company of the Corporate group developing, providing and funding health & social care housing for vulnerable adults across the UK. The parent company is Limited by Shares, each director holds an equal number of shares issued, with no one party with overall control.

The Group has been formed to allow equity investment to facilitate investment aimed at delivering the development of housing stock, a financial return to investors and a surplus which may be distributed for the Group’s purpose.

The Company’s aim is to utilise private investment for public benefit, in particular the social purpose of providing flexible, innovative housing solutions and life opportunities in collaboration with like-minded and trusted organisations.

In the future Group Functions will be delivered to Group entities including:

- Finance & Commercial Functions
- Group Policy & Strategy
- Governance & Company Secretarial
- Business Services
- Property & Maintenance Services
- Treasury Management
- Health & Safety

3.0 INCLUSION GROUP COMPANY STRUCTURE

INCLUSION HOUSING – COMMUNITY INTEREST COMPANY

IH is a leading specialist supported housing and registered provider, helping vulnerable adults across the country for over ten years. There is no change in legal structure or operation of IH which remains an asset locked company. A special resolution and approval of the members was required to assign the new parent company as the sole corporate member of the CIC. One key change the board of IH has made is to amend its articles and a change to the asset locked body from Leonard Cheshire Disability to the new Inclusion Foundation CIO.

INCLUSION PROPERTY HOLDINGS – LIMITED COMPANY

Inclusion Property Holdings, formed on the 27th July 2020, is an investment and property holding company, providing and funding health and social care housing for vulnerable adults. Established as part of Inclusion Group IPH is designed to facilitate private investment aimed at delivering the development of housing stock, a financial return to investors and a surplus which may be distributed for the company's purpose.

The investment and property holding company is Limited by shares and the Parent company controls 100% of the shares.

INCLUSION HOMES – COMMUNITY INTEREST COMPANY

Inclusion Homes, formed on the 20th October 2020, is an asset locked community interest company established to provide an alternative route to growth through providing supported and general needs housing across the UK for the Group. Inclusion Housing has the same purpose, values and objectives of IH to deliver supported housing and quality services into the community; regulated solely by the CIC Regulator.

The objectives are to deliver services which benefit the community and in particular promote the provision of affordable and social housing services to those who have limited resources and opportunity of access; predominantly to disadvantaged individuals with limited income or those living in temporary, unsuitable or registered accommodation.

INCLUSION FOUNDATION – CHARITABLE INCORPORATED ORGANISATION

Formed on 18th September 2020, Inclusion Foundation is an entirely independent entity, transactions with the Inclusion Group are at arms-length and market rates. Specific procedures have been established to demonstrate suitable tendering and consideration has been given to any contracts entered into between Group entities.

Governance has been considered further in relation to the Group structures; with the establishment of additional boards and committees to ensure each entity is operating as required; with oversight from a Group Board.

Working in partnership allows the Group to provide the benefits and economies of scale and capacity a larger business brings, while allowing each company to retain a strong focus on key aims and objectives.





**CASE STUDY:
OVERTON BUILDINGS, LEEK
- IN MANAGEMENT FROM JUNE 2020
PROVIDING 12 APARTMENTS WITH
LIFEWAYS.**

This is Richard Lovatt. He moved to Overton Buildings in September 2020 and has come on leaps and bounds since living at the SIL Service.

Prior to this he was in hospital for 7 years without a place he could call home. He told our Managing Agent Katrina he never dreamed he would ever have a place like his flat at Overton Buildings, and that he loves living here.

Richard is very creative and enjoys art and music, The below photos showcase some of his amazing artwork. He has recently started to go to church which he really enjoys. Richard takes a lot of pride in his flat which you can clearly see.

“I am very happy and proud that we have provided a home for Richard, a space where he can be creative and feel content, and somewhere he can now work towards being more independent with the fantastic support from the SIL staff at Overton Buildings.”

Katrina Beech, Managing Agent



4.0

**STRATEGIC
& PRIORITIES
VISION**

4.0 STRATEGIC & PRIORITIES VISION

PURPOSE

Our two main purposes are:

Carrying on the business of social enterprise, which provides and manages housing and associated services to vulnerable and disabled people in the UK (without limitation).

Any other object which is connected with or incidental to the provision of housing (including specialist and supported) that can be carried out from time to time as a company registered as a community interest company and registered housing provider in partnership with commissioners, communities, care providers, developers and investors which benefit the community.

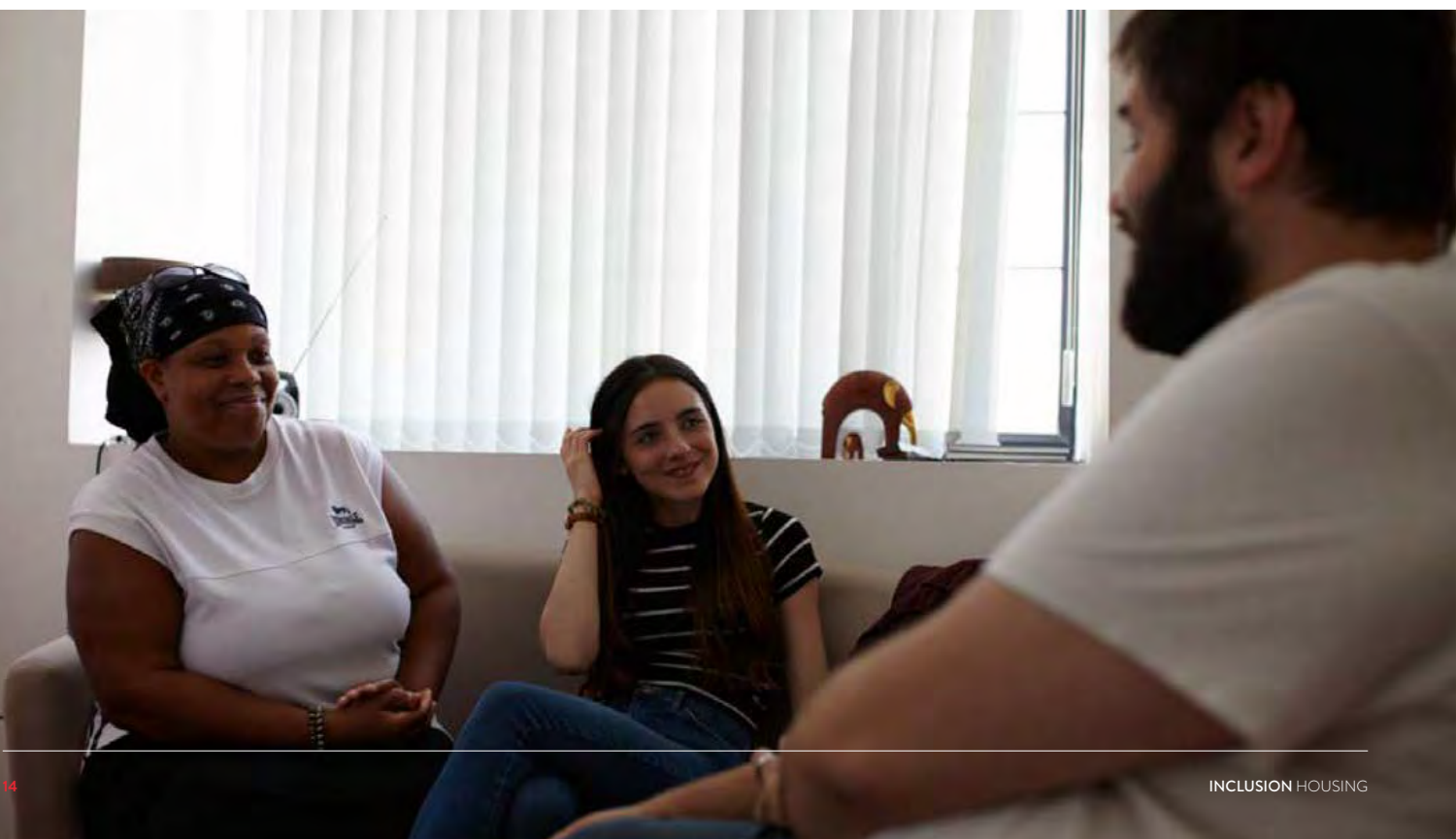
VISION

To be the leading health & social care landlord for vulnerable adults; providing flexible, innovative housing solutions and life opportunities in partnership.

VALUES (ExCITE)

Our key values are:

- Delivering **excellence** across all our activities and services
- Working in **collaboration** with all stakeholders to ensure improvement
- **Inclusive** and person centred to promote diversity across our activity
- **Trusted** by being open and accountable to our stakeholders
- **Entrepreneurial** and innovative to grow our company



4.0 STRATEGIC & PRIORITIES VISION

PRIORITIES

Strategic Priority 1	Strategic Objectives	Issue	Key Outcomes	IH Value
Asset Management	Maintain Assets - The delivery of high performing efficient and compliant property maintenance and servicing arrangements that deliver excellence and maintain our property portfolio to a high standard	Property	Top Quartile: Maintenance Service Satisfaction Reduced average Property costs	Excellence Trusted

Strategic Priority 2	Strategic Objectives	Issue	Key Outcomes	IH Value
Growth	Develop New Business - Fully appraise each development opportunity as IH expands its portfolio across the country as a unique housing & social enterprise	Growth	5,000 properties in management by 2027	Enterprise Collaborative
	Reduce Long term liability - Reduce long term liability of lease liability over the term of the business plan	Growth	Reduce average lease liability and length per unit; year on year	Trusted

Strategic Priority 3	Strategic Objectives	Issue	Key Outcomes	IH Value
Business Viability	Organisational Development - To encourage innovation and flair within the team, combined with a reward structure that encourages individuals who will always continue to demonstrate the extra commitment to get the job done	People	National Top Employer Award Low turnover of staff	Inclusive Collaborative
	Continuous Improvement - To continuously improve our operational systems and service delivery	Delivery & Customer	Investors in Excellence Accreditation	Excellence
	Commercial Management Viability - Be commercially governed and effectively managed	Governance	G1 Governance Rating	Trusted

Strategic Priority 4	Strategic Objectives	Issue	Key Outcomes	IH Value
Customer Excellence	Homelife Tenant Involvement - Support & encourage volunteering, training and employment opportunities and the related benefits this brings to an individual's lifestyle	Resident Involvement	Top Quartile Customer Satisfaction	Inclusive
	Customer Excellence - Meet the housing needs of vulnerable people and provide a range of housing related services to enable the tenants to live a happy and sustainable lifestyle	Diversity & choice	Customer Excellence Accreditation Investors in Diversity Accreditation	Excellence

Strategic Priority 5	Strategic Objectives	Issue	Key Outcomes	IH Value
Financial Viability	Financial Viability - Be financially viable, and professionally managed	Finance	Deliver against our business plan	Trusted
	Value for Money - To be efficient in our drive to provide a range of housing and related services to a recognised quality to all our current tenants and customers	Value	Reduce Average Operational Costs Margins >7%	Excellence



CASE STUDY: FOX COURT, DORSET

- IN MANAGEMENT FROM JULY 2020 PROVIDING 18 APARTMENTS WITH AFFINITY TRUST

Pictured is Travis, he has recently moved to Fox Court and since moving into his flat he has improved immensely. He very much struggled to do his washing up and washing himself due to a phobia but has since been taking steps to do both himself with the assistance of the staff.

He is very happy and looks forward to making more accomplishments.

It is amazing to see what the steps out tenants can make with support provided at our schemes, well done Travis and the Support Team at site on this achievement.



5.0

**AWARDS &
ACCREDITATIONS**

5.0 AWARDS & ACCREDITATIONS



INVESTORS IN EXCELLENCE 2021

Following reassessment for our Investors in Excellence Accreditation (IiE) it is notable that not only has Inclusion met the required standards but also made significant progress over the last few years; we are now listed in one of the top IiE 3 categories. This is an international standard and Inclusion will now be used as a case study in excellence.

EUROPEAN BUSINESS AWARD 2020 (CHAIRMAN'S' CATEGORY)

Excellence and innovation was recognised when we were presented with a European Business Award (Chairman's Award) in Warsaw; a prestigious accolade and our second European Business Award in four years. The Chairman of the Judges included this category to recognise Innovation, Ethics and Business Performance.

PARLIAMENTARY REVIEW 2019

Inclusion has been appeared in the 2018/19 Parliamentary Review, showcasing the organisation's best practice as a learning tool to the public and private sector, in particular to leading policymakers/executives within the care sector.

The business has demonstrated how determined leadership and innovative thinking can turn around organisations and to highlight how organisations/individuals have become outstanding leaders in their field. The contributors thus act as a template for reform.

INTERNATIONAL CORPORATE SOCIAL RESPONSIBILITY WINNER 2019

Inclusion was recognised by a panel of independent judges as being a 'project of significant merit' at the international corporate social responsibility awards in London.

QUEENS AWARD FOR ENTERPRISE (INNOVATION) 2018

Inclusion Housing has been awarded the Queens Award for Enterprise in recognition of its innovation in housing vulnerable adults.

The Queen's Awards for Enterprise are the UK's most prestigious business awards, recognising and celebrating business excellence across the UK. The Queen's Awards for Enterprise are for outstanding achievement by UK businesses in the categories of innovation, international trade, sustainable development and promoting opportunity through social mobility.

LEADERS IN DIVERSITY 2018

The National Centre for Diversity has confirmed that Inclusion has successfully completed and been accredited with **Leaders in Diversity Award Stage 3**. Staff are positive about leadership behaviours regarding EDI and indicate that, culture around inappropriate behaviour, discrimination or bullying and harassment is set at a zero tolerance and that policies & procedures that are in place are working.





CASE STUDY:
MILBURN COURT, ASHINGTON
-IN MANAGEMENT FROM JANUARY
2017 PROVIDING 9 APARTMENTS
WITH LIFEWAYS.

These are photos of a recent gardening project completed by some of the service users at Milburn Court with the support of the staff team.

The service users who completed this enjoyed being involved, from deciding what to do, shopping for materials and working together to build a vegetable planter. Since completing this the guys have decided to plant and grow cucumbers and peapods and are deciding what to grow next.

This project has had a really positive effect on the guys, it has allowed them to focus and keep busy on something during lockdown and has enabled them to build better relationships with each other and staff.

Quotes from service users

‘I REALLY ENJOYED GETTING INVOLVED IN BUILDING THE PLANTER, I AM LOOKING FORWARD TO GROW MORE VEGETABLES’.

‘I ENJOYED WORKING WITH MY PEERS AND STAFF TO COMPLETE THIS AND LIKED WORKING TOGETHER’.

Quotes from staff

‘IT WAS GOOD TO BE ABLE TO GET THE GUYS INVOLVED WITH SOMETHING AND WATCHING THEM WORK TOGETHER’.

‘I AM LOOKING FORWARD TO WORKING WITH THE GUYS TO PLAN THE NEXT PROJECT’.

Wonderful work from the tenants and Support Staff at site, we look forward to seeing what you decide to plant.



6.0 COMPETITIVE ADVANTAGE

6.0 COMPETITIVE ADVANTAGE

WE OFFER THE FOLLOWING COMPETITIVE ADVANTAGES ACROSS A NATIONAL STOCK THAT STRETCHES FROM PORTSMOUTH TO SCOTLAND AND ACROSS INTO WALES.

INNOVATIVE MODEL

Inclusion is one of a small number of businesses with the capability and willingness to operate as a partner to deliver exempt specialised supported housing accommodation for vulnerable adults

PERSONALISED CUSTOMER EXCELLENCE

Inclusion offers quality services and have achieved independent quality accreditation including Customer Service Excellence and Investors in Excellence. Customer satisfaction is at near national top quartile level.

NATIONAL PROFILE/LOCAL SERVICE

We provide a local service on a national basis through local agents who visit homes every two weeks complemented by a local network of service contractors. We therefore offer investors a country wide ability to invest.

NATIONAL SUPPLY CHAIN

We have a stable, competitively priced and high-quality supply chain to deliver local facility and maintenance services into our schemes; including an expanding handyman service.

FACILITIES EXCELLENCE

Through our local representatives, we inspect schemes on a monthly basis to ensure that standards are maintained and issues addressed through robust local contract management.

INTENSIVE HOUSING MANAGEMENT

Inclusion provides intensive housing management visits to residents on at least a fortnightly basis to help sustain tenancies. We manage the signing up process, assist with housing benefit claims and respond quickly to issues and concerns through a personalised local service.

PROPERTY MANAGEMENT

Inclusion has in house technical expertise in both development and property management. We can offer a comprehensive property management service to maintain homes through a national network of local contractors

FINANCIAL EXPERTISE

Inclusion has its own finance team to ensure that the company is financially viable, has a sustainable business plan and that we meet all our financial commitments to partners and customers.

BUSINESS MANAGEMENT

We have a dedicated Business Administration Team to respond to partners and ensure that lease arrangements are negotiated, implemented and delivered efficiently. We have implemented a performance analysis approach to proactively provide partners with analysis of how their portfolio of properties is performing.

PARTNERSHIP

Inclusion has a network of partnerships across the country to ensure coherent, value for money working to deliver high standards. This is important in working with care and commissioning agencies in the schemes themselves.

ONLINE SERVICE

Inclusion is currently developing its on line 24 hour per day self-service for residents to increase interaction, a faster and personalised response as well as increasing independence for vulnerable individuals.

CONTACT CENTRE

Inclusion has its own dedicated contact centre for residents and business partners to contact.

INNOVATION

We are an entrepreneurial, cutting edge company that can respond quickly to new opportunity or ideas. We are not bureaucratic or hierarchical; you can access the senior management team easily and without delay

LOW MANAGEMENT COSTS

Inclusion management costs are comparatively low compared to others operating in this market.

CASE STUDY:

SOROGOLD CLOSE, ST HELENS

**- IN MANAGEMENT FROM JUNE 2012 PROVIDING APARTMENTS
WITH LEONARD CHESHIRE**

A tenant at Sorogold Close wished to share with us her beautiful new bedroom.

Inclusion's Homelife fund provided some lighting for a sensory room and our tenant is loving it!

Support staff said the tenant spent the whole afternoon in the bedroom looking at the lights, and then went straight back into the bedroom after tea as they like it in there that much.

Thank you for sharing your pretty room with us, it looks very cosy!





7.0

WHERE WE
OPERATE

7.0 A NATIONAL OPERATION WITH A LOCAL PRESENCE

INCLUSION OPERATES ON A NATIONAL BASIS ACROSS ENGLAND WITH A PRESENCE ALSO IN WALES AND SCOTLAND.

Our finance and development partners have identified that this is a competitive advantage for the business as it means that they can identify and complete new business opportunities across the country and work with one provider rather than a number across the country. Inclusion through its existing network of contacts and service providers can also assimilate new developments into its operational portfolio with minimal effort and difficulty.

This national footprint is supported by Regional Managers, Property Managers and Managing Agents ensuring robust operational management is delivered with a 'local provider' emphasis.

Increasing our services or stock within a geographical area means that we can deliver greater value for money through our management and supply chain.

It is intended to further consolidate our national profile through future growth and into Scotland; as partners are interested in extending the model into this region where there is substantial need and demand.

Further Inclusion is increasing its housing supply in the South of England to reflect the unmet need and increasing demand for accommodation and services for vulnerable adults.





8.0 OUR CUSTOMERS

INCLUSION IS INCREASING ITS HOUSING SUPPLY IN THE SOUTH OF ENGLAND TO REFLECT THE UNMET NEED AND INCREASING DEMAND FOR ACCOMMODATION AND SERVICES FOR VULNERABLE ADULTS.

Inclusion Housings' aims in regard to Equality & Diversity is to ensure equality of opportunity for all, making sure that services are available to all sections of society and we are able to tailor services to individual needs.

IH gathers profiling data from all tenants to help us better understand our customer base and enable us to tailor our services to meet their needs.

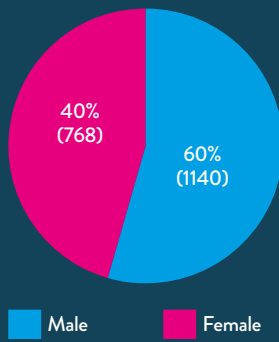
SOME KEY ASPECTS OF THE INFORMATION WE HAVE AVAILABLE IS DETAILED BELOW:

- We currently have **1904 tenants** (an increase of 114 from Oct 19) with 1724 date of births having been recorded.
- **17 of the tenanted units have joint tenancies**, a significant decrease from just 49 in October 2019.
- The **average age of tenants is 41 years**, with the ages split across a wide range, in line with previous results.
- We hold information on **Ethnicity for 1539** tenants (80%)

Further analysis is provided on the next page to inform the difference that we make to a diverse range of vulnerable and disabled people: ►

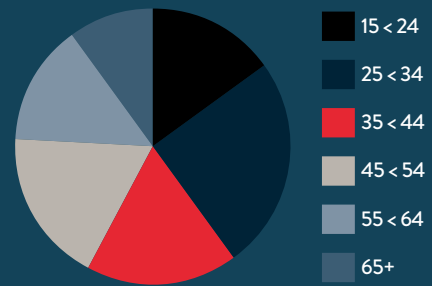


GENDER SPLIT



The male and female ratios are 60% and 40% (1140 and 768); this is consistent with the ratios reported over the last 2 years.

TENANT AGE

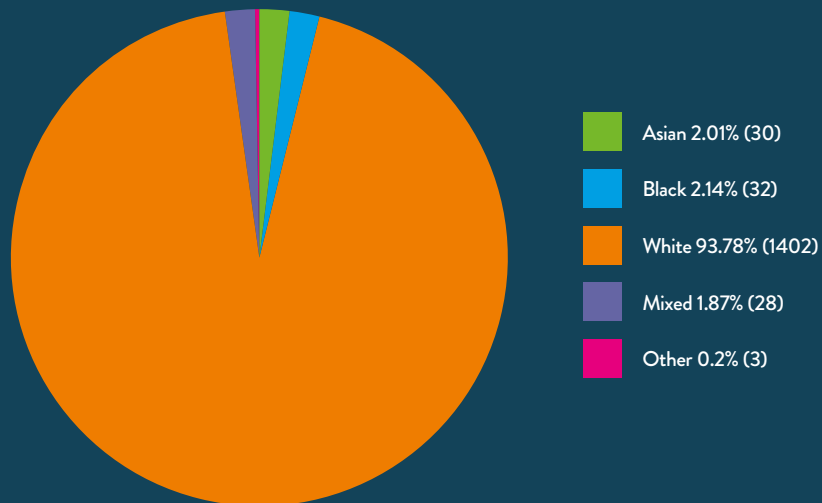


Age profiles demonstrate a diverse range across our business with 10% of tenants above 65 years, and the majority being in the 25-34 year category.

ETHNICITY

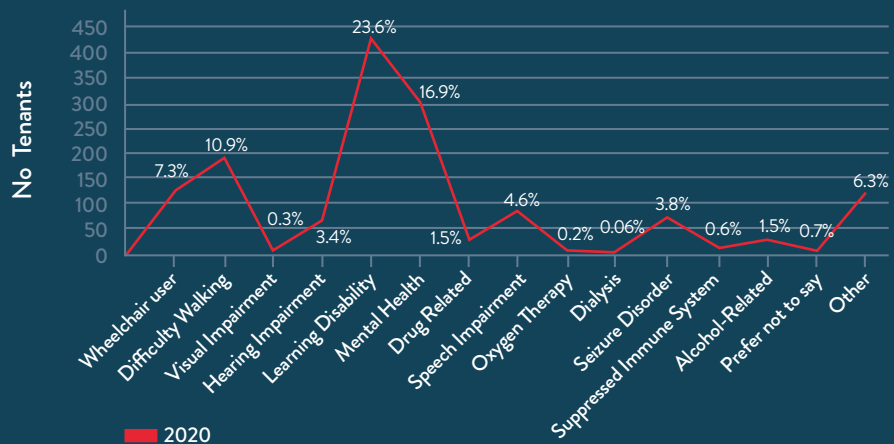
77.8% (1495) of current tenants chose to complete the ethnicity section within the profiling document, the data we have tells us that:

- 1374 tenants (92%) identify as White British.
- 2.14% identify as Black African, Black Caribbean or Black other.
- 2.3% of tenants preferred not to disclose their ethnicity to us; in 2019 the figure was 2.8%



TENANT PROFILE - DISABILITY

Our tenants have a wide range of disabilities, many spanning multiple categories. Based only on what tenants tell us, the results are similar to prior years. This detail is exported directly from our Housing Management System and is entered at the time of tenancy commencement; not all tenants disclose their primary disability, or any disability information and the results are only the perception of what the tenants believe their disabilities to be.





**CASE STUDY: CAISTOR ROAD, GRIMSBY
- IN MANAGEMENT FROM FEBRUARY
2014 PROVIDING 4 TENANCIES WITH
CREATIVE SUPPORT**

We at Inclusion Housing cannot get enough of our tenants amazing gardening projects!

The tenants at our Caistor Road Scheme visited their local garden centre and picked up some lovely plants.

The tenants worked brilliantly as a team, and as you can see the hard work really paid off.

A huge well done to the tenants what a brilliant job, check out the pictures!





9.0

**CUSTOMER
SERVICE**

9.0 CUSTOMER SERVICE

Our **KPI target** for overall satisfaction is 90% with a tolerance of 86%. The results of the most recent survey demonstrate that we continue operating at a high level an actual overall satisfaction level with the service at **86%**.

We aim to achieve a Net Promoter Score of above 60 and the average is rated at **+57** across all 9 questions.

The table below provides insight into the 2020 survey results for the individual questions and overall:

Question	No	Very Satisfied	Satisfied	Impartial	Dissatisfied	Very Dissatisfied	Overall %		2020 NPS	2018/9 NPS	NPS Differential
Overall Service	794	59.7	23.2	10.5	3.9	2.8	83	100.0	53	56	-3
Managing Agent Service	794	69.3	20.2	7.2	2.4	1.0	89	100.0	66	68	-2
Condition & Repair	792	52.4	25.5	11.0	6.1	5.1	78	100.0	41	51	-10
Scheme	792	57.7	28.3	10.0	2.1	1.9	86	100.0	54	58	-4
ASB	749	57.9	23.6	12.6	2.8	3.1	82	100.0	52	55	-3
Supported	788	71.1	21.1	5.1	1.3	1.5	92	100.0	68	72	-4
Listened to	791	63.2	23.3	8.5	3.4	1.6	86	100.0	58	61	-3
Safe	794	68.6	22.7	4.7	2.5	1.5	91	100.0	65	69	-4
Opinions	793	61.7	25.5	8.4	2.1	2.3	87	100.0	57	62	-5
Overall Service	7087	62.4	23.7	8.6	3.0	2.3	86	100.0	57	61	-4

While Inclusion continues to achieve good levels of satisfaction across the majority of its services there has been a decrease in the number of tenants who are very satisfied and satisfied in comparison to last year.

There are still **high levels of satisfaction** with the service provided by Managing Agents; continuing to demonstrate the success of Inclusions approach to recruitment on an attitude and transferable skills basis. As a result, 92% of tenants feel they are supported in their home and 91% report feeling safe.

CONTINUOUS IMPROVEMENT (NET PROMOTER SCORE)

The Net Promoter Score is a well-known satisfaction tool utilised primarily in the commercial sector to measure the difference between promoters of a business service (those who are very satisfied); minus those who are more likely to denigrate the service (those who are dissatisfied). Our Net Promoter Score Target is challenging at +60% for each question on the survey; overall, we are achieving an average of +57%.

Question	NPS 2018	NPS 2020	Variance
How satisfied are you with the overall service provided by Inclusion Housing?	+56	+53	-3
How satisfied are you with the service your Managing Agent provides?	+68	+66	-2
How satisfied are you with the condition and repair of your home?	+51	+41	-10
How would you rate the satisfaction of the scheme you live in?	+58	+54	-4
How satisfied are you with our response to anti-social behaviour issues?	+55	+52	-3
Do you feel supported to manage your tenancy?	+72	+68	-4
Are you satisfied you are listened to by Inclusion staff?	+61	+58	-3
Are you satisfied with how safe you feel in your home?	+69	+65	-4
Are you satisfied that your opinions are taken seriously?	+62	+57	-5
Overall Average for Questions	+61	+57	-4

9.0 CUSTOMER SERVICE

Overall Inclusion is achieving Net promoter scores over 50% in all categories bar one. The overall 4% dip in performance is attributable to more respondents telling us on average that they were only satisfied as opposed to very satisfied when compared to last year. The classification for net promoter is based on the number very satisfied, minus the number who are either dissatisfied or very dissatisfied.

Average	2018 %	2020 %	Diff
Very satisfied	66	62	-4
Satisfied	22	24	+2
Impartial	8	9	+1
Dissatisfied	2	3	+1
Very dissatisfied	2	2	0

Benchmark information has been utilised to compare Inclusions overall satisfaction with the services provided by other small supported housing organisations. Made up of participants of the Social Housing Benchmarking Club, the table below shows that overall, we are broadly reflective of the average for these organisations across the 3 service areas; with a need to further enhance home condition.

Customer Indicators	Benchmarking [SH median] 2018/19	2015/16 Inclusion Housing	2016/17 Inclusion Housing	2017/18 Inclusion Housing	2018/19 Inclusion Housing	2019/20 Inclusion Housing
Customer Satisfaction	89%	72%	89%	89%	87%	86%
Satisfied with Managing Agent	91%	68%	94%	93%	92%	89%
Satisfaction with Home Condition	89%	67%	79%	78%	80%	78%



9.0 CUSTOMER SERVICE

COMPLAINTS

28 complaints have been collated for 2020/21 and responded to by our teams:

Department	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Total
Total	4	8	4	12	28
Ave / Month	1.3	2.6	1.3	3.3	2.3

At end March 2021 Inclusion had 2392 tenants in comparison to 1904 tenants at the same period in 2020. This shows a continued low level of complaints overall: with an average 1 complaint per 85 tenants.

Year end	Total No Tenants	Total No Complaints	Ratio (Complaint per units)
2017-18	1155	16	1/72 tenants
2018-19	1564	20	1/78 tenants
2019-20	1904	21	1/90 tenants
2020/21	2392	28	1/85 tenants

Inclusion Housing has had **zero** Ombudsman “at fault” reports.

The sector league table published in October 2020 taking account of reports and stock size and resulting in a commendable **15th place** in the country which demonstrates our ability to resolve in full all complaints received into the business:

SERVICE STANDARDS

Our Service Standards were chosen because they were the things our customers told us were important to them; the implementation of **Mystery Shopping** has been aligned to these service standards and will further enhance our awareness and support us in our continuous improvement approach to delivering excellent services to our tenant and partners. Overall results showed we are meeting our requirements and that service provision is generally good.

Phone	Response	% Yes
Call answered in 20 secs	111	95%
Courteous?	111	98%
Gave name / friendly?	111	100%
Avoided jargon and listened?	111	100%
Did you understand and agreed next steps?	111	99%
Email	Response	% Yes
Responded to in 1 working day	93	97%
If not 1 working day did you get out of office advising of details?	15	87%
General	Response	% Yes
Offered convenient appointment if asked for one?	22	100%
Interpreter / translator offered?	0	
Staff member said thank you / offered further help & advice?	134	100%
Enquiry dealt with at 1st point of contact?	163	94%

INTENSIVE HOUSING MANAGEMENT

Inclusion’s Managing Agents provide Intensive Housing Management services for all tenants. This service is an investment in prevention and gives housing management support that reflects the additional needs of our tenants; with the objective of maintaining & developing independence in relation to their accommodation.

We assist tenants to take up, manage and maintain their tenancies, provide support in their applications for Housing Benefit and other welfare benefits, and ensure they are aware of their rights under their tenancy agreements.

Inclusion also liaises with other agencies, both statutory and voluntary, on the tenant’s behalf to ensure they are supported to manage their tenancy. We also provide signposting and offer advice and guidance on keeping their property to a reasonable standard of hygiene and do monthly estate checks to ensure the schemes in which they live are safe and secure.

Intensive Housing Management visits are monitored closely as part of our Operations Performance Scorecard, we team these person focused visits with scheme inspections where we assess the facilities, repairs and health and safety of our schemes. We aim to visit each scheme and undertake these assessments every 4 weeks and have a target of 95% attendance; the actual achieved in March 2021 was **97%**.

SCHEME STANDARDS

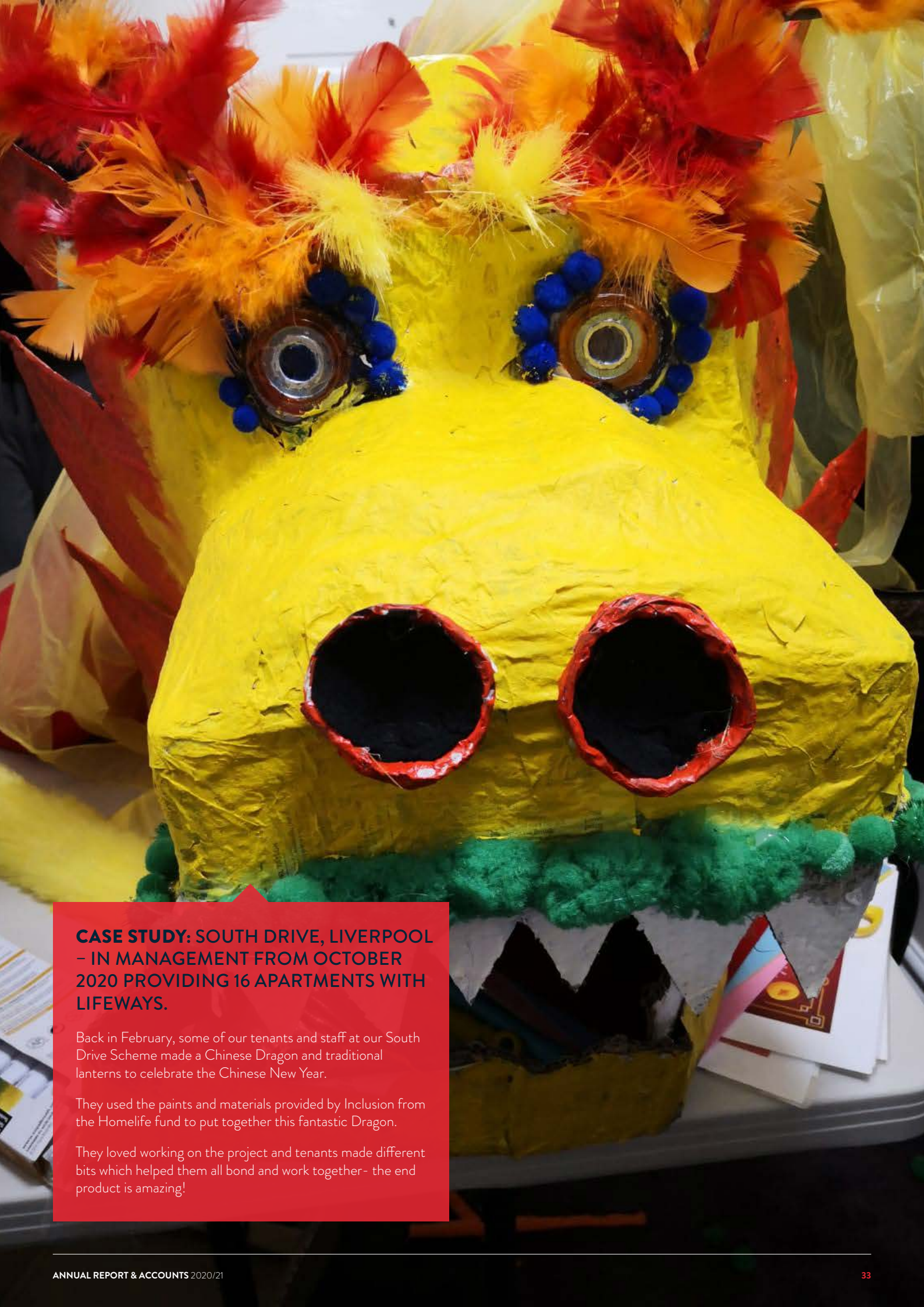
Schemes are inspected every 4 weeks by Managing Agents to ensure that we comply with our service standards. Usually this target is surpassed through fortnightly visits during which Intensive Housing Management is delivered.

Checks continue to be made against up to 14 applicable criteria (including cleanliness, health and safety and maintenance issues) and rated against a simple Good, Fair or Poor scale on a standard Scheme Inspection form.

The inspection allows Inclusion to monitor standards and improvement in schemes and enables Managing Agents to deliver meaningful facilities contract management, as well as liaise with the Property Services team to address specific concerns and investment requirements.

Inclusion now has 413 schemes in management and achieved **100% of schemes scoring good or fair** in March 2019; with the percentage of schemes rating poor dropping to less than 1%.

March 2021	Schemes	%
Good	405	98%
Fair	8	2%
Poor	0	0%
TOTAL	413	100%



**CASE STUDY: SOUTH DRIVE, LIVERPOOL
– IN MANAGEMENT FROM OCTOBER
2020 PROVIDING 16 APARTMENTS WITH
LIFEWAYS.**

Back in February, some of our tenants and staff at our South Drive Scheme made a Chinese Dragon and traditional lanterns to celebrate the Chinese New Year.

They used the paints and materials provided by Inclusion from the Homelife fund to put together this fantastic Dragon.

They loved working on the project and tenants made different bits which helped them all bond and work together- the end product is amazing!



10.0 INVOLVING OUR RESIDENTS

10.0 INVOLVING OUR RESIDENTS

Inclusion Housing (IH) has given a high priority to delivering effective resident involvement and this is reflected in our strategic objective to **‘actively inform, consult, & involve our residents to shape our services, contribute to improvements in the quality of life in each community & ensure that they are at the heart of our decision making.’**

Putting tenants at the heart of decision making does not compromise sound business objectives; it brings strength and substance to what we are about and where we want to go. Additionally, it helps us achieve our objective to ensure value for money by aligning our vision and resources to the priorities of our customers and communities.

Inclusion engages residents in shaping and evaluating our services. We have a menu of involvement activities, including regional forums, resident scrutiny, residents’ groups, mystery shopping and feedback through regular satisfaction surveys.

Inclusion Housing is committed to engaging with and supporting our tenants to develop their skills to engage with the wider community, and to help shape our products and services to help us continually improve and deliver excellence.

Our **HomeLife** project allows us to delivered involvement activities to assist tenants to engage with the wider community, obtain new skills, build confidence and improve wellbeing. The table below provides an overview into the different involvement, consultation and community initiatives that Inclusion Housing has been involved with over the last 12 months. Overall it demonstrates a wide body of varied work that Inclusion Housing has been involved in. We look forward to receiving ideas and approaches from residents about what else we can work with and invest in to make a difference in their communities in 2020.

IN 2020 OUR HOMELIFE PROJECT DELIVERED 42 PROJECTS, TRAINING AND OTHER INITIATIVES BENEFITING OVER 590 TENANTS COMPARED TO JUST 390 TENANTS IN 2019.

A number were also approved but cancelled or put on hold due to the Pandemic, such as gym memberships. At the end of December 2020 Inclusion had **2,290** tenants benefiting from supported living.

	Events / Activities	No Involved	Outcomes
Consultation	IHM	All Tenants	<ul style="list-style-type: none"> • One to one contact • Documented requests
	Customer Satisfaction Paused	0	<ul style="list-style-type: none"> • Published results • Documented Improvement
	Influencing Paused	0	<ul style="list-style-type: none"> • Published results • Engagement • Influencing the Business • Making a difference • Insight and accountability
Involvement	Notice Boards / dedicated MA contact	All Schemes	<ul style="list-style-type: none"> • Informed on Safety • Regular Visits Documented
	Resident Meetings at 73 schemes	Est 850	<ul style="list-style-type: none"> • Life enrichment • Inclusivity • Combat social isolation
	Newsletter	All Tenants	<ul style="list-style-type: none"> • Published results • Case studies (how we can help)
	Tenant good news stories	36	<ul style="list-style-type: none"> • Making a difference • Success stories
	Tenant Annual Report	All	<ul style="list-style-type: none"> • Transparency • Insight & Accountability

10.0 INVOLVING OUR RESIDENTS

	Events / Activities	No Involved	Outcomes
HomeLife Activities	14 Gardening projects (courses, equipment, flowers and veg growing)	149	<ul style="list-style-type: none"> • Life enrichment • Inclusivity • Combat social isolation • Social skills • Health and Wellbeing
	11 Arts and Crafts / Xmas Card Design	58	<ul style="list-style-type: none"> • Stimulation • Combat social isolation • Inclusivity • Reminiscence • Social skills • Health and Wellbeing
	6 Health and Wellbeing	53	<ul style="list-style-type: none"> • Life enrichment • Inclusivity • Combat social isolation • Social skills • Health and Wellbeing
	1 External Courses / Activities	1	<ul style="list-style-type: none"> • Life enrichment • Inclusivity • Combat social isolation • Social skills • Health and Wellbeing • New skills • Learning / Development
	10 Parties / Social Gatherings	333	<ul style="list-style-type: none"> • Life enrichment • Inclusivity • Combat social isolation • Social skills • Health and Wellbeing • Healthy Eating

TENANT CONSULTATION

This has been paused due to Covid19, and as soon as restrictions are lifted, we will commence consultation with tenants. Year on year we see increased numbers of engagement from tenants, this is attributed to relationships built with them as part of Inclusion approach to Intensive Housing Management:

Year	No Participants Involved
2016	8
2017	150
2018	260
2019	534
2020	594



COMMUNITY INITIATIVES

These have been delivered via the HomeLife Project this financial year to help tenants engage with other residents and the wider community and to increase wellbeing, particularly in light of Covid19 and the restrictions this brought about.

We funded 14 separate gardening initiatives over the past year to help tenants come together, be proud of their schemes and make them feel more inviting and homely, this also encourages tenants to spend time outside being active. New and established scheme gardening projects are proving worthwhile and have a positive impact on scheme interactions and wellbeing.

SOCIAL IMPACT & VALUE

In 2020 Inclusion commissioned our first Social Impact review which is an independent social impact calculation derived from the government's own green book.

The results were staggering and concluded that in 2019/20 our total social value and local economic impact was £57M through our routine activity across four areas of business, demonstrating that our approach to resident wellbeing and our HomeLife initiatives proves beneficial.

SOCIAL VALUE HIGHLIGHTS 2019/20

Resident wellbeing
£33,789,971



Savings to the public purse*
-£700,445



Home life activities
£422,619



Construction impact of new properties
£23,113,046



Total social value and local economic impact
£56,625,192



* Although there is an increase in cost to the public purse as a result of residents moving from IH from their previous accommodation, the type of care residents will receive is appropriate for them and has led to greater wellbeing improvements as highlighted by £33,789,971 resident wellbeing figure. Wellbeing impact has also been created from the IH's home life activities which makes up a significant amount of the £422,619 figure.



CASE STUDY:
BRUNSWICK GARDENS, NEWCASTLE UPON TYNE
- IN MANAGEMENT FROM DECEMBER 2016 PROVIDING 16 APARTMENTS WITH LIFEWAYS

Brunswick Garden tenants were granted an Inclusion Homelife gardening fund, they have been busy using this to plant some delicious vegetables and herbs. Stephanie Kerr, Scheme Manager has said...

“Receiving the £250 gardening fund has been extremely positive for the residents of Brunswick Gardens. It has been a great addition to the sense of community we are creating with the residents supported here, using the fund to buy seeds to grow vegetables and herbs that will be used in the cooking support staff do with the residents.

The green house that was bought with the funding was put together by a few of the residents and they took great care in ensuring it was safe and sturdy to use, displaying

great teamwork and creating positive relationships between neighbours that weren't seen before. The green house is being used to grow strawberries which the staff and residents are using in some delicious baking for all to eat!”

The fund has started the ball rolling with a newly developed gardening club that staff members run with the help of a group of residents, using the equipment on their daily support to grow some lovely flowers in the planters at Brunswick Gardens. This is giving the residents a sense of pride for their home and a new desire to keep the outdoor space looking colourful and well kept”.

A massive well done to the tenants, we would love to see what you cook up with those vegetables!



11.0 PROPERTY MANAGEMENT

11.0 PROPERTY MANAGEMENT

ASSET MANAGEMENT

Asset Management is 'the activity that ensures that the land and buildings asset base of an organisation is optimally structured in the best corporate interest of the organisation concerned.'
(Royal Institute of Chartered Surveyors).

Asset management covers the wide range of activities Inclusion Housing currently undertakes to ensure that all assets meet the current and future tenant, business & regulatory requirements. The term 'asset' includes all freehold and leasehold property owned or managed by Inclusion Housing such as: flats, houses, garages, gardens, amenity spaces and offices.

Before we make informed and evidence-based decisions about our assets we will follow a core set of good practice principles ensuring that we focus our limited resources into delivering greater value for money for the business and ensuring the future maintenance of our assets.

The following principles are set out in the Asset Management Strategy and form part of the IH delivery plan but can be summarised as follows:

1. We will maintain the stock condition surveys of the company's stock on a five-year rolling programme and identify properties which need further investigation.
2. We will undertake detailed investigations of low performing assets to determine the most effective solution for the company.
3. We will ensure all our properties continue to meet the Decent Home Standard.
4. We will interrogate our planned investment programmes annually to reduce demand for responsive repairs and deliver greater value for money through joined up procurement on our investment and responsive maintenance programmes.
5. We will annually maintain a clear 30-year investment Plan, detailing the works identified and estimated costs of all programmed works.
6. We will update the asset management strategy annually to reflect the asset investment requirements contained within this report.

A summary of all key data from the reports is tabled below.

Summary of Key Data		
	2019/20	2020/21
Average Number of Properties (Leases ended)	1371	1597
Total Planned Investment (30 Years) ¹	£28,837,230	£34,905,640
Sinking Fund Income Received	£818	£775.32
Annual Investment Per Unit ²	£701	£728.57
Percentage of Property Constructed Post 2000	77%	77%
Average SAP Rating	75.9	76.4
Percentage of Self-contained Accommodation	76%	75%
Percentage Shared Accommodation	24%	25%

1. Total investment requirement based on all leases ending on year surrender date.

2. Cost per units based on all leases ending on surrender date.

IN DELIVERING THE ASSET MANAGEMENT STRATEGY, INCLUSION HOUSING WILL BE ABLE TO ACCURATELY DETERMINE THE INVESTMENT AND MAINTENANCE REQUIREMENTS OF OUR ASSETS. THIS WILL PROVIDE STAKEHOLDERS WITH GREATER ASSURANCE AND CERTAINTY OF THE VIABILITY OF THE BUSINESS PLAN AND EVIDENCE THAT WE CONTINUE TO DELIVER BEST PRACTICE IN ASSET MANAGEMENT.

11.1 PROPERTY TYPE

72% of properties are self-contained flats, 3% are sole occupant houses, 23% of properties are shared un-licensed properties and 2% shared HMOs (house in multiple occupation) which are licenced by the Local Authority.

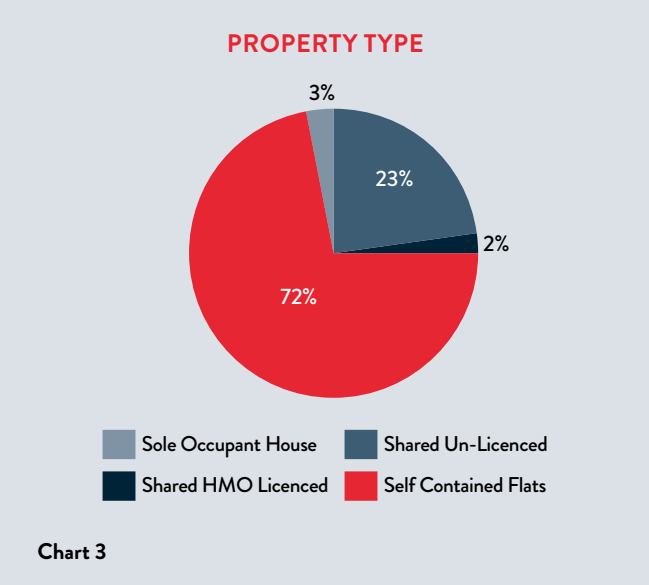


Chart 3

11.2 PROPERTY AGE

The historic and transferred property portfolios account for most of the older stock currently managed by the business; the delivery of new build schemes and transfer of existing portfolios and a small number of refurbishment developments in 2019-2020 has resulted in the percentage of post 2000 properties remaining constant at 77%. Approximately 41% of units within the future development programme are refurbished schemes with around 59% of the pipeline developments being new build,

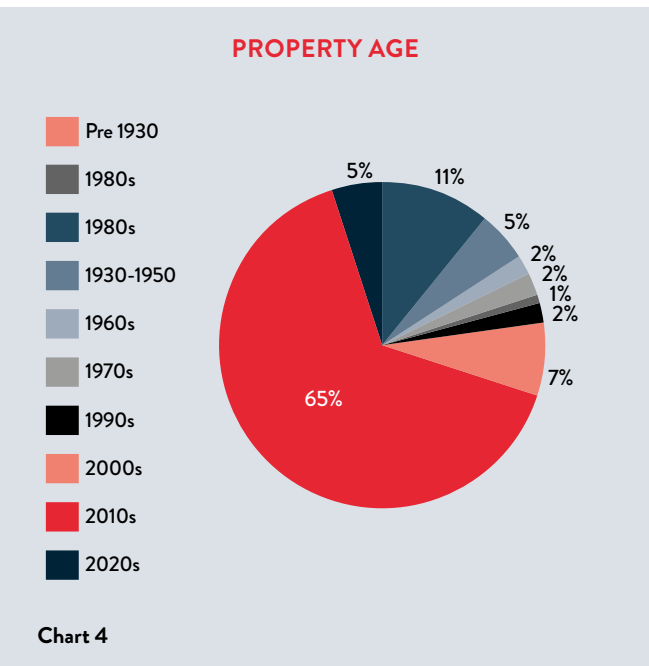


Chart 4

11.3 REPAIRS SERVICE

18,034 works orders were raised in the financial year 2020/2021 resulting in a repairs and servicing expenditure of £1,927,226. The increase in repairs orders is in line with the positive growth of the business compared to the 14,382 job completions last year.

We continue to review our systems and procedures and ensure wherever possible that non-urgent repairs are 'batched' and completed as cyclical maintenance to ensure we continue to reduce costs and enhance service delivery. To contribute to this, we have again expanded the "handyperson service,".

11.4 HANDYPERSONS

In the 2020/21 financial year the handyperson service provided by Inclusion Housing's network of local contractors was impacted due to the pandemic and visits to schemes were limited due to restrictions in place. Since restrictions have been eased service in this regard has resumed and we have increased scheme coverage by 24%.

The handyperson service is now provided at 163 schemes (1542 units) which is 42% scheme coverage (49%-unit coverage). In line with our delivery plan target we will continue to improve and expand this service through repairs performance data reviews and ongoing discussions with Regional Managers and Managing Agents



11.5 PLANNED INVESTMENT

The total 30-year investment plan budget requirement is £34,905,640 resulting in a profiled spend of £1,163,521 per year for the life of the plan. Using the profiled spend approach to component replacement is inefficient and results in replacement of sound components. To ensure VFM, IH will regularly survey the stock and update all data ensuring components are only replaced at the end of their economic life.

We continue to maintain the stock condition surveys of the company's stock on a five-year rolling programme and update all relevant property data. Below is a summary of key data

Summary of Key Data	
30 Year Investment Plan Cost	£34,905,640
Annual Investment Plan Cost (Profiled)	£1,163,521
Number of Units	1597
Annual Investment Plan Cost Per Unit	£728.57
SF Income Per Unit Per Annum	£775.32
Surplus/(Deficit) To Sinking Fund Per unit per Annum	£46.75

11.6 SINKING FUND RESERVE

Inclusion Housing has a Property Sinking Fund Reserve of £5.445M. The property sinking fund will be used for the programmed replacement and planned repairs of roofs, doors, windows, kitchens, bathrooms, electrical rewiring, communal decorations etc.

11.7 COMPLIANCE

The compliance working group meet monthly to monitor progress, performance and agree required actions; this group has a key role to play in ensuring compliance remains a key focus for Inclusion Housing

IH currently monitors 12,618 various compliance certificates; at year end we achieved 99.35% compliance. Although access has been impacted due to Covid 19, all outstanding certificates continue to be followed up and where contractor issues are identified alternative solutions are implemented.



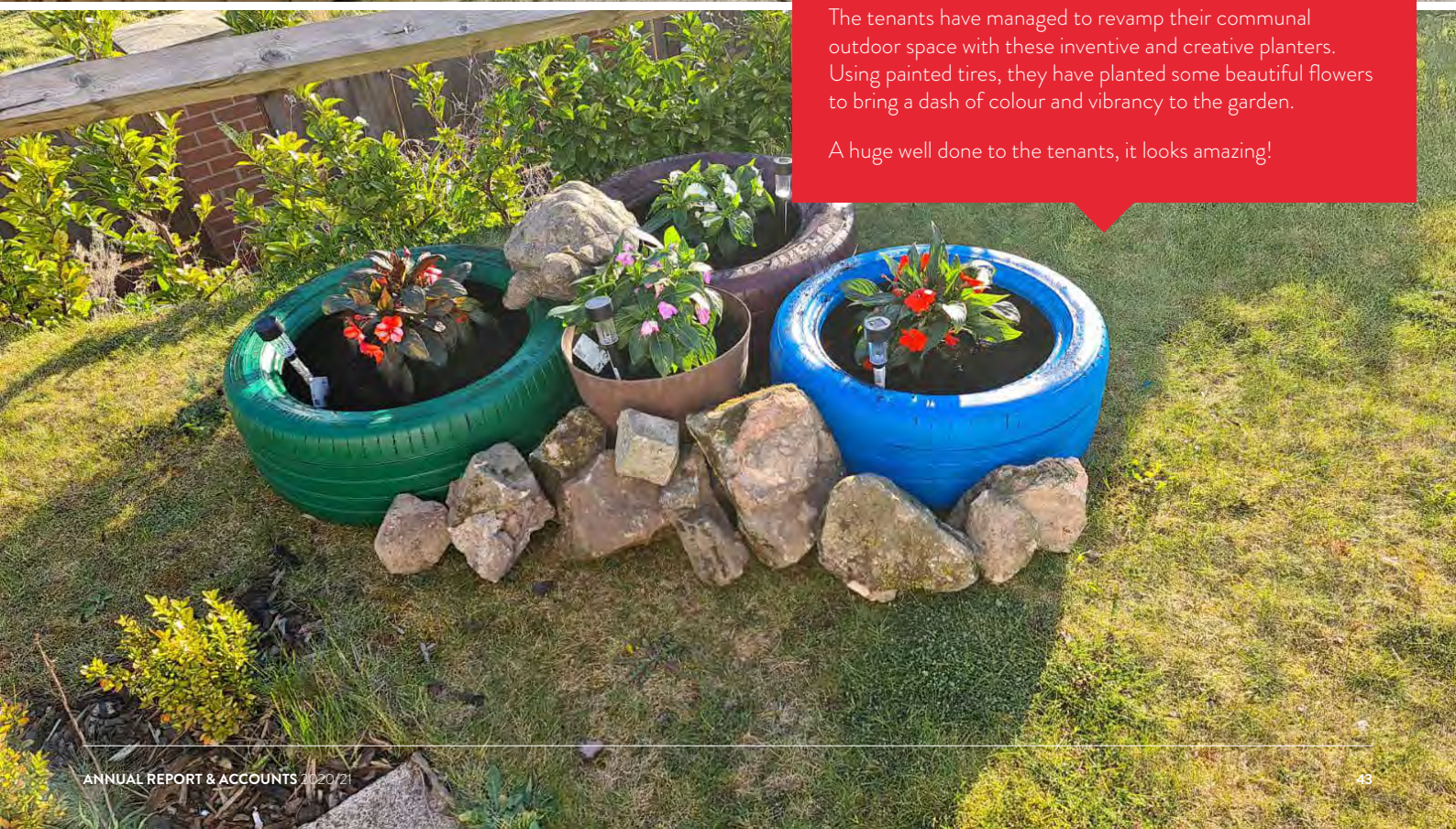


CASE STUDY:
FIR TREE COURT, STAFFORDSHIRE
- IN MANAGEMENT FROM DECEMBER
2017 PROVIDING 20 APARTMENTS
WITH LIFEWAYS

Fir Tree Court tenants were granted a Homelife fund and have used it to transform their garden.

The tenants have managed to revamp their communal outdoor space with these inventive and creative planters. Using painted tires, they have planted some beautiful flowers to bring a dash of colour and vibrancy to the garden.

A huge well done to the tenants, it looks amazing!





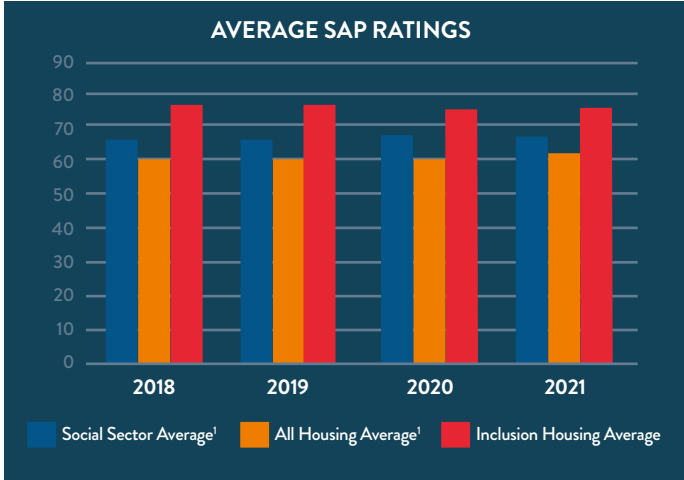
12.0

**ENERGY
EFFICIENCY**

12.1 STANDARD ASSESSMENT PROCEDURE (SAP) RATINGS

Latest information provided by the English Housing Survey¹ states that the National Average SAP rating for social housing is **68** with the private sector housing average rising one point to **63**. Inclusion Housings current average SAP rating has seen a slight increase from **75.95** to **76.44**.

When you consider that a newly built property generally achieves an average SAP rating of **81**, the average across IH properties clearly demonstrates that many of our properties are energy efficient.

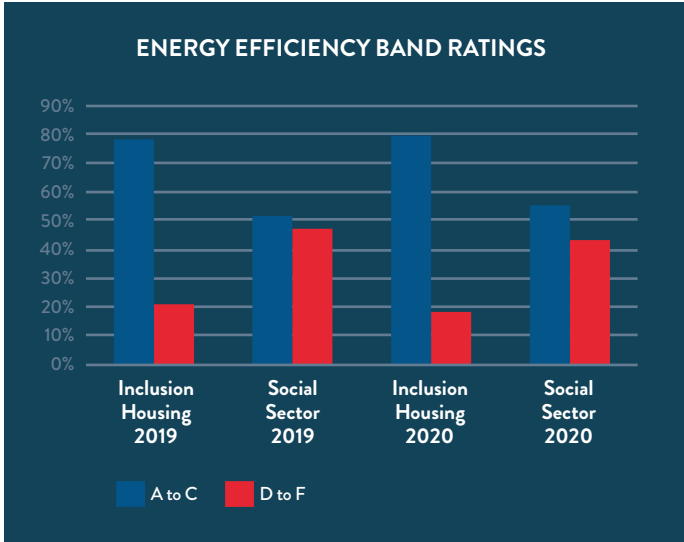


¹ Data taken from the English Housing Survey 2017/18: Headline report, Ministry of Housing, Communities & Local Government.

12.2 ENERGY EFFICIENCY BAND RATINGS (EER)

In the 2018 - 2019 English Housing Survey the distribution of EER bands varied. There was a greater proportion of owner-occupied homes in band D (52% compared with 48% of private rented sector dwellings). In the **social sector 56%** of dwellings were in EER bands A to C with **44%** of dwellings in bands D to F.

Inclusion Housing has seen an improvement from 78.6% to **80.19%** of dwellings in bands A to C and a reduction of properties in the lower bands from 21.4% to **19.10%** in D to E with no IH properties in band F.



¹ Data taken from the English Housing Survey 2018/19: Headline report, Ministry of Housing, Communities & Local Government.



13.0 GROWTH
2020/21

13.0 GROWTH 2020/21

In management, there are **418** schemes ranging from bespoke 1-unit schemes to the largest scheme of 60 units at Strand Court, with the average size remaining at seven units per scheme.

UNITS IN MANAGEMENT 2020/21

Units in Management	Month into Management	Opening / Closing Number	Additions/ Decommissioned
April 2020 B/fwd.		2486	
Eden Drive, Macclesfield	April		5
The Ridings, Colchester	April		5
The Old Post Office, Chesterfield	April		10
Room 5 Hulbert Road, Havant	April		1
Mount Court, Winsford	April		12
The Limes, Nelson	May		7
Ruscombe Road, Liverpool	May		19
Danielsfield Road, Yeovil	June		6
Ashton Road, Castleford	July		3
Clifton Avenue, Wakefield	July		2
Junction Lane, Wakefield	July		2
Syndale Road, Wakefield	July		3
Three Ways, Berwick	July		3
Overton Buildings, Leek	July		11
Coniston Road, Lancaster	July		1
Glen Garth House, Barrow	July		17
Saffron Court, Leicester	July		28
Brickfields Road, Worcester	July		5
Montague Court, Coventry	July		23
Pembridge Road, Stoke	July		7
Cliff Gardens, Scunthorpe	July		2
Princes Street, Bishop Auckland	July		9
Carsic Lane, Nottingham	July		14
Goodyrs Lane, Bedworth	July		3
Fox Court, Sturminster	July		18
Radnor Park Road, Folkstone	July		5
Oliver Croft, Leeds	July		6
Leybourne Avenue, Southampton	July		11
Beckfield, York	July		3
Greenacres, Lewes	August		6
Curtis Way, Weymouth	August		1
Woodlands, Falkirk	August		8
Burtley Road, Bournemouth	August		8
The Retreat, Trimdon	August		6
Holderness Road, Hull	Sept		7
Henconnor Road, Leeds – reconfiguration	Sept		-1
Hillcrest, Carlisle	October		8
St Thomas House, North Walsham	October		16
Bishops Place, Worcester	October		12
The Forge Mill, Redditch	October		14
Church Road, Newport	October		4

13.0 GROWTH 2020/21

UNITS IN MANAGEMENT 2020/21 (CONTINUED)

Units in Management	Month into Management	Opening / Closing Number	Additions/ Decommissioned
Savery Gardens, Tipton	October		20
Dunkley Street, Wolverhampton	October		4
Colston Road, Glasgow	October		4
Knightsbridge Way, Burton on Trent	November		3
Harriett House, Kent (Phase 1)	November		5
The Academy, Warrington	November		22
South Drive, Liverpool	November		16
Belle Vue Crescent, Sunderland	November		3
Avenue Court, Bedhampton	December		5
Weavers Court, Attleborough	December		14
Southwood Road, New Eltham	December		5
Sandhurst House, Middlewich	December		12
Graham Court, Weston Super Mare	January		13
Annex Anchor Lodge, Sunderland	January		1
Harriet House, Kent (Phase 2)	February		5
38 Parkwood Road, Bournemouth	February		7
Eden Drive, Macclesfield Reconfiguration	February		-1
Bonham House, Redditch	February		16
Bath Road, Worcester	February		6
Old Library Court, Arnold	March		8
Angels Cottages, Rainham	March		6
Primrose House, Derby	March		15
Chestnut Court, Bedhampton	March		7
Heron Court, Leith	March		24
Total 2020/21		3036	550



CASE STUDY: **FIR TREE COURT, CANNOCK**

Fir Tree Court in Cannock have arranged for a mobile Fish & Chip van to call every Wednesday at lunch time for the tenants to learn skills with ordering what they wish to eat and handling money with assistance from their support workers.

This went down well and even tenants that do not usually interact as much with others joined in, sat at the table and ate together.

What a great way to bring tenants together, not to mention the food looks delicious!

It is great to see everyone socialising and having a great time with help from the wonderful support team.



14.0 **CONTINUOUS
IMPROVEMENT**

14.0 CONTINUOUS IMPROVEMENT

Inclusion Housing uses a number of frameworks and data analytics to score and analyse our performance and progress across business critical areas. The table below highlights the respective scoring for twelve of these frameworks to measure continuous improvement across the year.

The frameworks have been approved by Board previously and the scoring represents the manifestation of their active implementation including the balanced scorecard, delivery plan, risk, board reporting, property compliance and governance frameworks.

The table below satisfies two objectives of the framework in regard to measurement and links to business frameworks; Inclusion was **89% effective in 2020/21**. Overall the Continuous Improvement Approach has resulted in a positive trend with the average **Continuous Improvement Score** for the Business improving from: -

Year	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Trend
CI Score	45% (est)	76%	85%	85%	85%	89%	89%	+98%

This represents a **98% positive trend** improvement since 2014/15 and reflects the progress made during the last few financial-years. During 2020/21 the improvement trend increased or was maintained across all frameworks except for development; this was impacted by more demanding targets; although the change was marginal.

Framework	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Trend
Risk	64%	67%	68%	79%	80%	80%	+ 25%
Performance	46%	71%	58%	54%	67%	71%	+54%
Delivery	94%	92%	97%	86%	100%	94%	+0%
Governance	93%	97%	98%	100%	100%	100%	+8%
Facilities	81%	89%	95%	95%	99%	100%	+23%
Customer Service	76%	91%	91%	92%	91%	89%	+17%
Development Appraisal	86%	85%	85%	82%	80%	88%	+2%
Development Delivery	n/a	98%	98%	96%	98%	98%	0%
Property Compliance	n/a	97%	100%	96%	99%	99%	+2%
Board Effectiveness	n/a	82%	83%	88%	89%	84%	+2%
Return on Assets	75%	77%	79%	79%	82%	84%	+12%
Organisational Development	71%	71%	73%	73%	85%	85%	+20%
Average CI Score	76%	85%	85%	85%	89%	89%	+17%

14.1 2020/21 DELIVERY PLAN SUCCESSES

The following section provides proof and demonstration of the progress made as well as the evidence base for the conclusions. Evidence of significant systems continuous improvement are detailed in the table below.

Continuous Improvement – Systems		
Ref	Description	Impact
i	Review component lifespans and costs annually. Update the planned maintenance database and prepare the 30-year investment plan.	Complete - Reviewed through annual asset management report
ii	Engage / consult with customers to refresh Service Standards and Customer Charter	Complete - Updated through customer service review to Board

Continuous Improvement – People		
Ref	Description	Impact
i	Maintain IID accreditation	Complete - LiD accreditation confirmed in Nov 2020
ii	Adopt new technology to support paperless office working practices; Governance	Complete - Home working implemented through Covid 19 contingency plan and implementation

14.1 2020/21 DELIVERY PLAN SUCCESSES

Continuous Improvement – Innovation

Ref	Description	Impact
i	Implement a Business Restructuring options report to position company for future growth and strengthen balance sheet.	Complete – New Group structure implemented in July 2020
ii	Identify and bring forward proposals for inorganic portfolio growth from other registered providers, landlords and care providers	Complete – transfer of Westmoreland portfolio completed in July 2020

Continuous Improvement – Knowledge

Ref	Description	Impact
i	Carry out a review to ensure, full asset compliance with the regulatory framework and regulatory standards.	Complete - C365 Cloud software introduced; internal audit actions implemented; on-going monitoring
ii	Independent Review Risk Management & Mitigation within business	Complete - Internal Audit organised for September 2020; moderate (2nd highest) rating
iii	Review standard lease terms to incrementally improve risk sharing	Complete – Initial term reduced to 15 years.

Continuous Improvement – Efficiency

Ref	Description	Impact
i	Digital invoice solution to reduce invoicing administration costs or outsourcing of activity	Complete - 27% paper invoices on average are processed. Digital solution for all the leases through the lease owner module; implemented.
ii	Implement strategic partnership procurement and joint partnership opportunities to maximise resources available across the organisation.	Complete - Group services established through Group structure. NHC procurement consortium utilised.
iii	Ensure that the major works programmes are tendered , awarded and evaluated to meet IH governance framework, legal requirements	Complete - Procurement report presented to Board. Internal audit confirmed substantial assurance

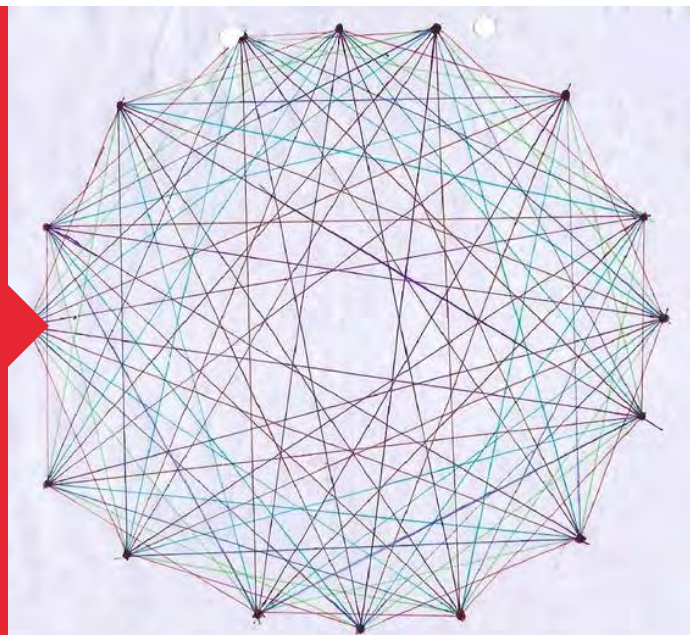
CASE STUDY: BARBER GARDENS, CHATTERIS – IN MANAGEMENT FROM DECEMBER 2019 WITH LIFEWAYS

A lovely hand drawn gift from a tenant to his managing agent!

Whilst our managing agent was visiting Barber Gardens and meeting all the tenants for the first time, he met a friendly tenant who is settling in well and is enjoying his time at the scheme.

The tenant was so happy meeting and speaking to our managing agent that he showed him his artistic creations he does in spare time to relax, all individual designs.

After a great conversation this piece of art was gifted to our managing agent – a great piece and a kind gesture!





15.0 PERFORMANCE
MANAGEMENT

15.0 PERFORMANCE MANAGEMENT

The tables below provide insight into our key performance management indicators compared to national benchmarking figures. This is the sixth year of such benchmarking and plans are already in place to improve upon our void, maintenance and overall customer satisfaction performance.

15.1 CUSTOMER INDICATORS

Overall there has been a significant positive trend in customer service indicators reflecting the high standards being achieved within the business. Benchmarked against other supported housing organisations Inclusion is demonstrating favourable comparison and achieving high levels of customer satisfaction.

Customer Indicators	Benchmarking [Supported Housing]	2015/16 Inclusion Housing	2016/17 Inclusion Housing	2017/18 Inclusion Housing	2018/19 Inclusion Housing	2019/20 Inclusion Housing	2020/21 Inclusion Housing	T/L
Customer Satisfaction - Net Promoter Score %	94%	72%	89%	89%	87%	86%	86%	●
Complaints Resolved within timescale	88%	n/a	100%	100%	100%	75%	75%	●
Satisfied views taken into account	85%	-	-	85%	87%	87%	87%	●
Satisfied with Managing Agent	91%	68%	94%	93%	92%	89%	89%	●

15.2 COST INDICATORS

Overall as Inclusion grows it is reducing its costs in all areas of the business and will continue to do so whilst retaining excellent levels of service. The table below highlights that our management and property costs are lower than other operators in this market.

Cost Indicators	Benchmarking [Supported Housing]	2015/16 Inclusion Housing	2016/17 Inclusion Housing	2017/18 Inclusion Housing	2018/19 Inclusion Housing	2019/20 Inclusion Housing	2020/21 Inclusion Housing	T/L
Overhead cost per property %	16%	-	6.2%	6.2%	5.2%	11%	11%	●
Reactive spend per property per week	£9.42	n/a	£5.08	£8.10	£13.32	£6.30	£8.50	●
Major/Cyclical Cost per property	£900	-	£785	£626	£550	£408	£410	●
Annual Housing Mgt cost per property	£440	-	£432	£329	£293	£315	£320	●
Annual Responsive Repairs and Voids per prop	£733	-	£374	£585	£693	£442	£453	●



15.3 OPERATIONS INDICATORS

Overall operation indicators improved during the last few years in regard to reducing current and former rent arrears. Void loss is reducing but we aim to improve further in regard to average re-let days.

Operation Indicators	Benchmarking [Supported Housing]	2015/16 Inclusion Housing	2016/17 Inclusion Housing	2017/18 Inclusion Housing	2018/19 Inclusion Housing	2019/20 Inclusion Housing	2020/21 Inclusion Housing	T/L
Net Current Rent Arrears %	1.8%	5.51%	1.86%	1.31%	2.1%	2.0%	1.5%	●
Former Tenant Arrears %	1.2%	0.47%	0.25%	0.24%	0.2%	0.5%	0.4%	●
Arrears Written Off	0.4%	n/a	0.26%	0.18%	0.1%	0.2%	0.2%	●
Rent Collection %	99.9%	95.5%	95.9%	100.2%	97.2%	98.2%	100.6%	●
Re-let Days	237	183	156	219	175	209	224	●
Net Void loss %	3.0%	11.7%	7.7%	5.2%	7.8%	6.1%	5.6%	●
Workdays lost to sickness	3.5 days	n/a	4.2	6	3.7	2.8	2.1	●

15.4 PROPERTY INDICATORS

In comparison with other supported housing peers Inclusion Housing is performing comparatively well in benchmarking of property services. We have implemented significant improvements to overhaul our maintenance services and the impact has been positive across all areas.

Property Indicators	Benchmarking [Supported Housing]	2015/16 Inclusion Housing	2016/17 Inclusion Housing	2017/18 Inclusion Housing	2018/19 Inclusion Housing	2019/20 Inclusion Housing	2020/21 Inclusion Housing	T/L
Satisfaction with Neighbourhood %	88%	-	-	90%	86%	82%	82%	●
% Repairs Completed on First Visit	94%	85%	96%	94.7%	88%	98%	96%	●
Routine Repairs Completed in Target Time	976	41%	97.3%	91%	97%	98%	96%	●
Repairs Spend as % of rent	27%	-	-	10%	10%	22%	13%	●
Repairs per property	2.9	-	-	2	1.7	1.6	1.6	●
Total repair spend per property per week	£26.26	-	-	£27.05	£29.50	£17.6	£24.42	●





CASE STUDY: CASTLEREAGH STREET, SUNDERLAND - IN MANAGEMENT SINCE JANUARY 2013 PROVIDING 3 TENANCIES WITH LIFEWAYS

Meet the newest edition to Castlereagh Street! She has been nicknamed **'Blue the Covid Buster'**. She is an absolute breath of fresh air for the residents and the staff during these lockdown times.

She visits the scheme usually twice a week, however, if the residents had their way, we would be asking to draw up a tenancy and she would be living there! They really look forward to her visit days and anxiously await her arrival.

Blue gives them high fives and gets lots of treats and attention and in return, she brings them lots of happiness.

She accompanies the guys on walks which benefits them by helping them exercise as they don't see it a chore going for a walk anymore and she absolutely loves cuddles and being spoilt.

It has been the best thing ever for everyone! The residents cannot thank Inclusion enough. They are so happy, and she fills their days with fun. Inclusion will always promote the pet policy if this is in the best interest of the tenants. They love it.



16.0 RISK

THE BOARD OF IH IS RESPONSIBLE FOR MANAGING THE RISKS IT FACES; THE IMPLEMENTATION OF RISK MANAGEMENT IS DELEGATED TO THE EXECUTIVE AND STAFF.

IH has established and adopted a risk framework and register to ensure effective identification, management and mitigation of risk across the organisation. The risk register has been developed by the Executive team to address and monitor the key risks to the organisation.

Key risks to the organisation include:

- Failure to ensure adequate governance
- Failure to meet legal or statutory requirements
- Welfare reform changes
- Counterparty risk with reliance on nomination / void agreements
- Reduced investment into the sector
- Adverse increase in lost income due to reduced demand and or performance
- Adverse economic conditions impacting Nationally
- Financial contagion of the Group Companies

The Lockdown measures introduced by the government during 2020/21 due to coronavirus have presented new and emerging uncertainties. IH enacted its contingency plan on the 2nd March 2021 undertaken in consultation with the Board to scale back face-to-face visits to schemes and a move towards home working for all head office staff.

Emergency, compliance, repairs and planned maintenance have been completed during the period of lockdown to ensure vulnerable tenants are supported; with an element of anticipated catch up relating to non-urgent repairs later in the year with possible increased demand driven costs. Income has remained robust during the year with a stable voids position and strong cash flows from housing benefit payments, removing the need to access any of the government support options.

New development opportunities incurred delays during the first half of the 2020/21 financial year bouncing back in the second half of the year with no loss in development income. The medium-term outlook is positive with investment confidence strong due to returns from the specialist supported housing market not being negatively impacted compared to other commercial property investment.

The new normal will include social distancing, increased levels of remote working providing both staff and tenants with new opportunities to engage via a digital platform. The financial impact of the lockdown measures has been limited.

IH needs to take managed risks in order to deliver on its primary aim of increasing the supply of specialist supported housing for vulnerable and disabled people. The IH business model is considered a higher risk model when compared to traditional supported housing registered providers, however the year on year positive financial trends demonstrates that Inclusion operates the model responsibly and successfully to out-perform the majority of traditional supported registered providers.

We ensure a robust risk management framework is in place in order to maintain financial viability and to protect the homes and tenancies we own, lease and manage.

Underpinning our risk appetite and approach to risk management are the requirements that we will:

- Hold adequate cash balances to ensure continued operations during any period of adjustment in adverse circumstances
- Provide services to customers, meeting all regulatory and health & safety requirements
- Protect social housing assets and the reputation of the social housing sector
- Reduce our reliance on a dominant counterparty
- Continued strengthening of reserves to mitigate against adverse operating conditions or threats

The Business plan has been stress tested to ensure the Executive and Board are aware of the effect of increases in the number of voids, changes in government legislation, unexpected increased costs, limited growth and counterparty risk on the organisation. The scenario testing revealed one of the key risks to the financial success of the organisation is lost income due to empty properties. A key performance objective for IH is to reduce the number of empty properties and diversify the range of partners that it works with; increased from 43 last year to 76 by March 2021.

In all financial matters, IH is risk averse. Its policies, strategies and procedures are structured to minimise exposure to risks that could jeopardise the security or value of our assets. Inclusion received a MODERATE independent internal audit rating in 2020 relating to Risk Management, which included consideration of its stress testing.

16.1 MANAGING RISK

All activities are focused on keeping Inclusion safe and secure, managing and mitigating risks while ensuring suitable controls are in place.

We maintain a strategic risk map with a detailed description of each risk, an assessment of impact and probability, causes and the appropriate actions and controls. We focus on the main risks that could impact our ability to fulfil our long-term objectives.

The risk map is reviewed regularly and any revisions are considered by the Board and Risk & Audit Committee. The committee also reviews the latest regulatory requirement to identify and learn from any related issues. Welfare reform remains our top external risk which is mitigated through our partnership and sharing of risk alongside lobbying of government.

Inclusion adopts financial standards which outline the minimum or maximum financial parameters within which the business should operate and reflects our risk appetite. The impact of planned strategic and operational initiatives is assessed through the business plan against the financial standards. Annual assurance statements are produced by each director, following good practice. This provides a director's overview of the year and a commentary on the effectiveness of delegations and accountability together with their assessment of risks and the control environment.

16.2 RISK DIRECTION OF TRAVEL

Overall, 32 risks were identified with the following breakdown. The overall average score for all these risks was 8 (Med/Low). This is an increase from an average score of 6 at previous financial year end; a technical rise that reflects the new scoring matrix approach as opposed to any material change in the risk environment. The **direction of travel is positive** with the average risk score reducing by 50% over the last 5 years

Category	Score	2015	2016	2017	2018	2019	2020	2021
High	15+	5	0	1	3	1	2	1
Med/High	12-15					1	1	5
Medium	8-11	15	7	6	5	7	5	14
Med/Low	4-7	7	21	22	21	16	19	8
Low	0-3					4	4	4
Total		27	28	29	29	29	31	32
Average Score		12	8	8	9	6	6	8

* NOTE: Revised scoring matrix introduced in July 2020 resulting in higher scoring mechanism

16.3 RISK APPETITE

Risk appetite is defined as the amount of risk an organisation is willing to take in the pursuit of value or the total impact of risk an organisation is willing to accept in pursuit of its strategic objectives. The risk appetite statement should represent the mutual understanding between the Board and the Executive of the drivers behind, and parameters around, risk taking.

The following table demonstrates the difference between the residual score that indicates current residual scoring for strategic risks is higher than the appetite, while operational risk residual and appetite scoring is lower. The scoring and analysis would suggest that there are no risk issues significantly exerting a negative impact upon the higher residual score compared to the appetite. Overall the Risk Register Residual scoring is **now better than the Appetite scoring**; the first time ever for Inclusion.

	Actual Residual Score	Risk Appetite Target	Difference
Strategic	8.4	8.3	0.1
Operational	6.7	7.4	-0.7
Overall	7.7	7.9	-0.2

16.4 RISK MATURITY MODEL

A Risk Maturity Model has been incorporated into the Risk Management Framework in response to an internal audit recommendation made by BDO.

Risk management maturity models are a way for organisations to see where they are, compare their current state to where they want and need to be if they are to derive full benefit, and discuss the value and cost of further investment in the management of risk. The more mature the risk management system, the more effective it will be in enabling better decisions, taking the right risks, and achieving better outcomes for the organization.

The Board has undertaken a maturity rating exercise that indicates that Inclusion is rated as **MATURE**. This is based on the following consideration.

	Description
1) Process	4- Regular use of standards and risk management tools
2) Adoption	4- Sound knowledge of risk management and its value to the organisation
3) Culture	4 – Formal Risk Management programme in place
4) Visibility & Control	4 – Aware of benefits of risk management with deployment across the organisation.

16.5 HEALTH & SAFETY

Inclusion has a good health and safety record and strives to create a working environment that is safe, comfortable and promotes the long-term health of all employees. There are robust controls in place and a culture of learning from incidents, supported by a comprehensive training programme for employees.

The Board of Management approved the updated Health and Safety policy in 2019; related policies in place are Gas safety, Legionella, Fire Safety, Asbestos, and Personal Safety. All staff have been given access to policy briefing information and as part of team meetings across the business, policies are being disseminated to raise awareness, responsibilities and procedures.

Inclusion has an appointed Health and Safety Advisor to act as the competent person and retained advisor to assist the organisation on policy and management arrangements, staff training, legislation changes and support in investigation of reportable accidents/ dangerous occurrences including liaison with any enforcement Authority. Bi-annual review meetings are in place with the Health and Safety Advisor which tie in with legislation changes which are announced each year.

Key performance indicators monitor performance, and compliance is reported to the Audit & Risk Committee and to the Board. The Company secretary leads on monthly review of the H&S register and meetings are in place bi-annually with the appointed H&S consultant. H&S is a standard agenda item at all levels of the business

CASE STUDY: LEEDS

– IN MANAGEMENT FROM OCTOBER 2016 PROVIDING 16 APARTMENTS WITH LIFEWAYS

Lee is in his mid-30s and is a die-hard Leeds United fan. His story demonstrates the positive impact of specialised supported housing and why it is so important that, where possible, we give people with care needs a home they can call their own.

He moved into a fully adapted, spacious apartment in Cornmill House in the Seacroft area of Leeds shortly after it opened in February 2017. His apartment accommodates his power-assisted wheelchair and is near local amenities such as shops and transport links. Crucially, it also ensures Lee remains near Elland Road so that he can continue to go and see his beloved Leeds United play.

Moving into his own home was a significant step for Lee because it meant that he would be leaving his family home for the first time and living independently.

He was nervous about moving away but he was also excited about looking after himself and being responsible for the domestic tasks he would be able to do like baking.

Since moving in, Lee has made a home, gained independence, and formed new friendships while still receiving the care and support he needs. He also plays football as part of the Leeds Powerchair FC team.

Lee also wrote a poem called “moving on” regarding his journey into independence, click the link to hear Lee read us his lovely writing: <https://youtu.be/ZEK5VUpoCrM>

We can't get enough of Lee's beautiful poetry here at Inclusion!

Here is a poem he wrote called “Thank you” dedicated to the support staff at Cornmill House for their hard work and dedication throughout the COVID pandemic.

Thank you for sharing this with us, what lovely words!

Thank You

By Lee

*To Paul and all your staff
I'd like to say thanks for all you've done
Throughout the pandemic
For each and everyone*

*You put your lives in danger
And showed us that you care
Even through the dark times
You were always there*

*Those twelve weeks were difficult
but you also made them fun
We played football in the garden
And we basked in the sun*

*In these times of uncertainty
You keep on soldiering through
To me you're all inspirational
And how highly I think of you*

*I know it hasn't been easy
And sometimes you hit proverbial brick wall
From the bottom of all our hearts
We would like to thank you all*

▲ Lee's poem called “Thank you”



17.0

**BUSINESS
REVIEW**

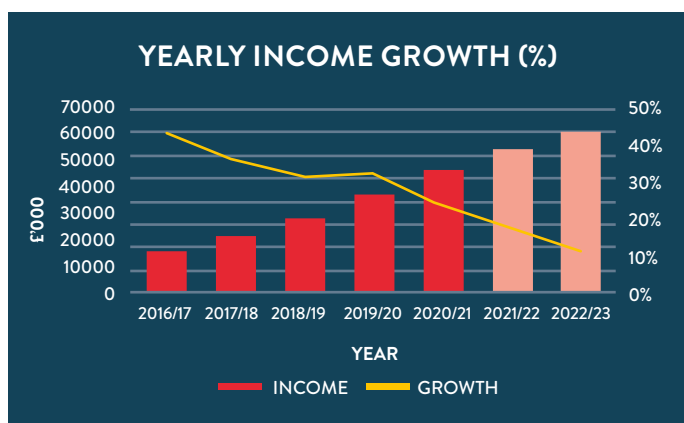
17.1 DEVELOPMENT & PERFORMANCE

AS A HOUSING PROVIDER, IT IS ESSENTIAL THAT IH MAKES A HEALTHY SURPLUS TO FULFIL ITS CORE STRATEGIC PRIORITIES. ALL SURPLUSES ARE REINVESTED INTO BRINGING NEW UNITS INTO MANAGEMENT, IMPROVING SERVICES FOR OUR RESIDENTS AND BUILDING CASH RESERVES TO MITIGATE FUTURE LEASE LIABILITY RISKS.

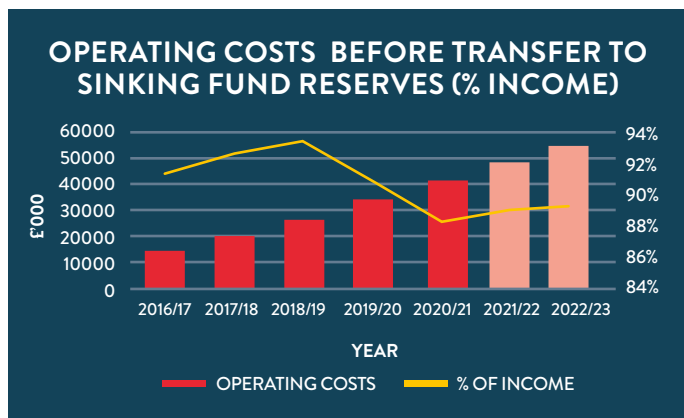
The Board is pleased to report a surplus on ordinary activities before interest, gift aid donation and taxation for the year of £3,463K alongside an increase in property sinking fund reserve of £1,571K (held as cash), to be allocated against future investment in properties managed by IH maintaining quality homes for our residents.

The income over the last five years increased from £15million to £47 million driven by the increase in the number of units in management shown in graph 1; with a projected continued sustained increase in income in 2022/23 to £54 million and £61 million a year later.

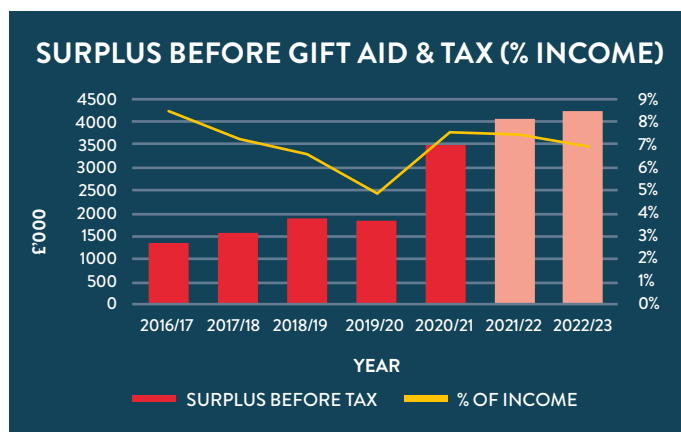
The rate of increase averaged 33% during the past five years with future yearly percentage increase in income predicted to be 15% in the business plan over the next two years.



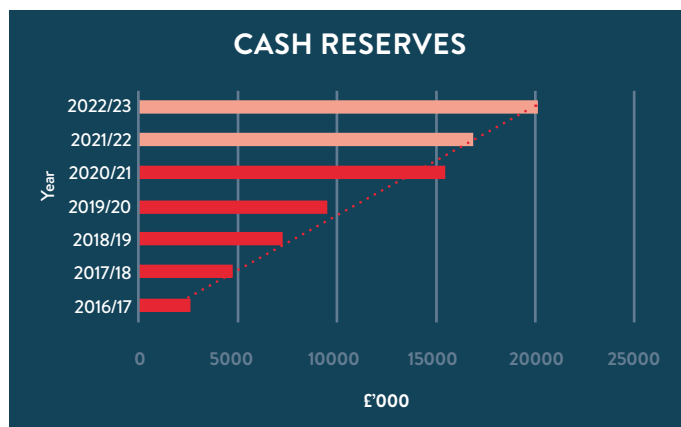
During the last five years, IH has achieved a significant reduction in operating costs since 2017/18, a 5% reduction, falling from 93% to 88%. This demonstrates a history of cost control in an environment of rapid growth. Projections in the business plan for the next two years indicate a consistent level of costs around 89% of income.



The combination of continued growth in income and the control of costs has resulted in yearly-sustained surplus before gift aid & tax achieving a consistent return of 7% in the year 2017/18 and 2018/19. One off exceptional costs incurred in 2019/20 dampened the return, with the 2020/21 results at 7% in line with budget expectations; the next two years financial forecast is in line with the business plan reflecting a 7% return.



Strong working capital management and surplus generated has enabled cash reserves of £15.5 million to be realised and retained, including a property sinking fund of £5.4 million available to support the future property investment to ensure the IH properties are maintained to a high standard; providing desirable places to live for the long term. The healthy cash reserves enabled the purchase of one unencumbered property asset during the year, with plans to grow the asset base and thus further diversifying the business into a broader range of financing sources. Business plan cash reserves over the next two years reflect strong cash flows being maintained and further growth being achieved to £20 million.



Over the past five years IH has demonstrated strong financial gains on a consistent basis, providing a strong platform to provide further specialist supported housing in the future.

17.2 FINANCIAL RATIOS

The financial ratios support the improved financial position of the organisation from achieving very small margins in 2014/15 through to sustainable operating margins around 7% in 2020/21 to support the delivery of services for the long term. The improved Liquidity ratio supports the future cash requirements, to cover the risks associated with long-term lease commitments, excellent service delivery and investment in additional units in management.

Leasing the majority of the properties in management means IH has no debt requirement.

Indicator	2014/5	2015/6	2016/7	2017/8	2018/9	2019/20	2020/21
Operating Margin	1.4%	5.3%	8.7%	7.4%	6.5%	4.7%	6.7%
EBITDA	1.8%	7.8%	11.9%	10.68%	11.31%	9.4%	12.1%
Liquidity Ratio	1.15	1.25	1.46	2.07	2.26	2.29	2.38



CASE STUDY: GLEN GARTH HOUSE, CUMBRIA - IN MANAGEMENT FROM JUNE 2020 PROVIDING 17 TENANCIES WITH NORTHERN HEALTHCARE

A month ago, Brendan was facing homelessness. Just 4 weeks later Brendan is happy and settled in Glen Garth House where he had previously lived for around 18 months between 2016 and 2018.

Brendan knows most of the staff from his previous time there which has helped him to ease back into life at Glen Garth. He has been nominated as tenant representative at the scheme and is looking into college courses at Barrow college to improve on skills learned in previous jobs.

Scheme management, Adult Social Care and his Managing Agent are all incredibly pleased and proud with the way he has settled into the scheme and are confident it will only continue to get better for Brendan.

Well done Brendan on all the improvements you've made since moving to Glen Garth House, we look forward to hearing what you do next!





18.0 VALUE
FOR MONEY

18.0 VALUE FOR MONEY

OUR VALUE FOR MONEY APPROACH IS AN IH STRATEGIC OBJECTIVE AND LINKED TO OUR VISION. THE VALUE FOR MONEY OBJECTIVE IS TO ‘ENSURE ROBUST BUSINESS PLANNING THAT DELIVERS VALUE FOR MONEY’

The three classic components of ‘VFM’: - economy, efficiency, and effectiveness, are -

- **Economy** relates to keeping down the **cost of inputs**,
- **Efficiency** relates to the **transformation of inputs to outputs** (quantity & quality) i.e. how much you put in, in relation to what you get out.
- **Effectiveness** relates to **achieving desired outcomes**. Outcomes are what matter to the customer and should map across to the business’s high-level objectives.

In bringing these three components together, IH is producing a range of quantitative and qualitative outputs across a range of services, which collectively deliver the desired outcomes for the best possible cost. This objective is underpinned by the following aims: -

- To ensure that VFM is embedded into all aspects of the Business’s work that all staff understand that VFM and improvement form part of individual performance targets
- To measure and benchmark VFM to enable informed service improvements, costs and priorities
- To fully understand our service costs and the factors that affect these
- To ensure that opportunities for procurement and partnering are fully explored
- To ensure that efficiency gains are reinvested into front line services, and the people and infrastructure that support these services, in line with customer wishes and community needs
- To ensure that there is demonstrable improvement in our VFM performance through challenging but achievable and sustainable efficiency targets year on year

There is a range of activities underway within IH to ensure the delivery of VFM. They include a clear role for governance in setting strategic priorities and the delivery for VFM; performance management and benchmarking; effective fiscal management and the dissemination of accurate and relevant financial information; clear efficiency targets reflected in budgets; and effective procurement. Inclusion has a continuous improvement framework to achieve economies and efficiencies as a fundamental requirement.

18.0 PRODUCTIVITY EFFICIENCIES

As IH has grown, efficiencies have been gained through economies of scale, increasing front line staffing at levels to ensure excellent service delivery, whilst keeping the executive and management numbers static. Chart 5 shows the sustained increase in efficiencies over the last 5 years achieving productivity gains from 33 properties in management per employee in 2016/17 to 51 in 2020/21: a 42% efficiency gain. Business plan projections indicate further efficiencies in 2022/23 rising to an average 55 units in management per employee.

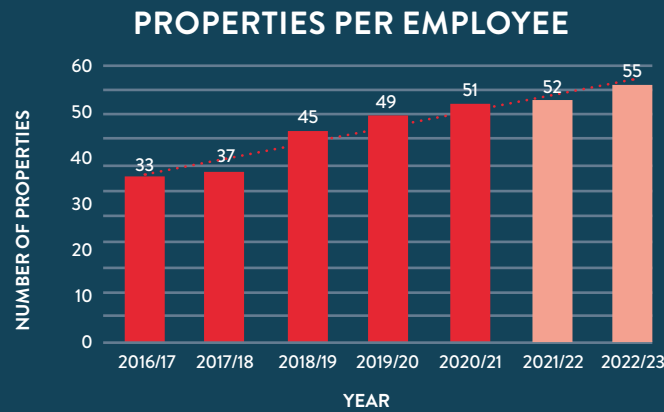


Chart 5

The table below highlights our self-assessment against performance KPI's within key strategic priority areas both quantitative and qualitative data, presenting outcomes that make a difference to tenants' lives.

The graph below highlights the substantial year on year increase in the income per employee rising from just under £300k per employee to £789k over the seven-year period, a 360% increase. Greater productivity achieved an average year on year improvement of 37%. The business plan captures further yearly productivity gains over the next three years reflecting an established lean structure.

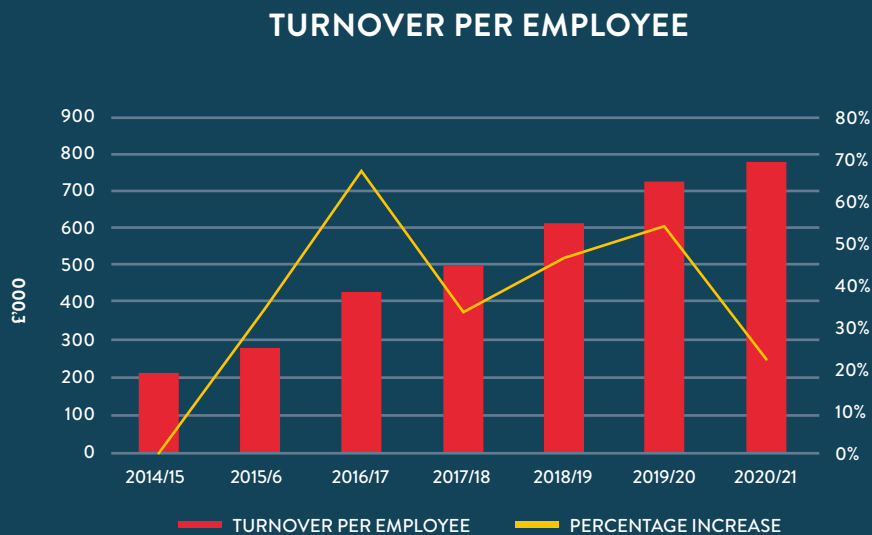


Chart 6

18.1 VALUE FOR MONEY SUMMARY TABLE

Key Strategic Priority	Self-Assessment
<p>Asset Management</p>	<p>Growth in Business</p> <p>Completed 550 new units in management with plans to deliver future sustained growth in specialist supported housing in line with the business plan.</p> <p>Bi-annual return on assets report is presented to Audit & Risk Committee containing a review of the financial viability of all schemes, and consideration of required actions to ensure ongoing positive returns from each scheme managed are achieved.</p>
<p>Added Value</p>	<p>Handyperson Service</p> <p>42% of schemes (163) receive a handyman service, this proactive approach to delivering the repairs service is achieving added value through:</p> <ul style="list-style-type: none"> • Enhanced service provided through value added jobs. • Reduced number of informal complaints. • Reduced number of calls to IH staff ordering and chasing repairs. • The improved relationships between IH and care providers. • Schemes stay fresher for longer as the handyperson regularly touches up paintwork around hard used areas (lifts/doors etc.). <p>Value added jobs cover items not normally the responsibility of IH, this is where tenants do not have the capacity to undertake the jobs, examples are – picture/mirror hanging, curtains/blinds rehangng/fitting, bulb changes, electronic fittings (TVs/DVDs/programming/setting of electrical items).</p>
<p>Business Viability</p>	<p>Continuous Improvement</p> <ul style="list-style-type: none"> • 7% increase in productivity per employee in 2021 • Further year on year reduction in days lost due to sickness from an average of just under three days in 2019/20 to just under two days per employee in 2020/21: a 31% fall. This reducing trend compares favourably to the supported housing bench marketing club 2020 annual report median at 5 days.
<p>Community</p>	<p>Homelife Project</p> <p>HomeLife Project is about forging links between tenants of IH and our neighbours in the local community, with the aim of tenants becoming more involved in local activities. A number of initiatives delivered benefiting up to 590 tenants during the year.</p> <p>HomeLife encourages our tenants to: -</p> <ul style="list-style-type: none"> • Learn new skills • Combat social isolation • Access training or employment • Improve health and wellbeing • Access volunteering • Join a social activity • Improve confidence and self-esteem • Reduce isolation, build connections and friendships

18.1 VALUE FOR MONEY SUMMARY TABLE

Key Strategic Priority	Self-Assessment
<p>Social Impact</p>	<p>In October 2020, Inclusion commissioned our first independent Social Impact review calculation derived from the government’s own green book based on the following aspects:</p> <ul style="list-style-type: none"> • Resident Wellbeing • Home life activities • Savings to the Public Purse • Construction impact of new IH Homes <p>The results were impressive and concluded that in 2020, our total social value and local economic impact was £57M through our routine activity across four areas of business, demonstrating that our approach provides residents with good quality housing, an environment for residents where they feel safe, valued, and supported.</p>
<p>Working in Partnership</p> <p>Park Place</p>	<p>Cost Savings to Public Funds</p> <p>IH Delivers much needed step-down accommodation in Leeds in partnership with Storm Property, enabling 12 in-patients with physical or emotional conditions to adjust to living independently again – with the level of care and support that they individually require.</p> <p>Quote from the Commissioner, NHS Clinical Commissioning Group –</p> <p><i>“Transforming Care Programme is high on all commissioners’ agendas and rightly so, we know that long stays in hospital have an impact on people’s ability to be independent. The mobilisation of the new service at Park Place Seacroft Leeds, which was purpose built by Storm Property to suit the users’ needs has helped to achieve safe discharges from hospital”.</i></p>
<p>Barber Gardens</p>	<p>Lifeways & Inclusion Partnership helped create emergency accommodation during the covid crisis</p> <p>Barber Gardens came into management in December 2019, with the pandemic situation in early 2020 Inclusion engaged with Cambridgeshire County Council and Lifeways Community Care in regard to temporary alternative use of the scheme to address the increased need for self-contained supported living accommodation. The requirement for this accommodation was to allow individuals to move from a hospital setting, or to move from residing with vulnerable adults with a requirement to shield.</p> <p>The Council took a license of the whole scheme of 18 apartments and office space for an initial 3-month period, the arrangement gave them exclusive use of the purpose built scheme to support their response during the early months of the pandemic. The arrangement was successful and extended until October 2020.</p> <p>A number of the individuals originally housed as a temporary measure were able to remain at the scheme and sign up to their own tenancy agreements. The scheme has continued to operate successfully and is now near full capacity with 15 tenants in occupation. The Council were very pleased that Inclusion and Lifeways were able to adapt and accommodate the temporary arrangements; the approach has demonstrated true partnership working and the flexibility shown addressed an immediate and subsequent long-term accommodation local need.</p>
<p>The Limes</p>	<p>New Colne £1.6 million Self-contained Apartments to support independent living</p> <p>Limes Place in Argyle Street, Colne, will help people with a range of support needs to live as independently as possible. It provides specialist housing for people with learning disabilities, mental health needs, dementia and physical disabilities. The complex was developed by social care charity Making Space, specialist accommodation developer Homelife and health and social care landlord Inclusion Housing. The accommodation was commissioned by Lancashire County Council to provide new accommodation to replace the dated residential Limes care home in Burnley.</p>

18.1 VALUE FOR MONEY SUMMARY TABLE

Key Strategic Priority	Self-Assessment
<p>Financial Viability</p>	<p>Financial Viability</p> <p>Self-insurance Continued self-insurance of lost income from void properties resulted in retaining £1.8 million in the business, rather than funding insurance premiums.</p> <p>Development support Void agreements enhanced to include recovery of council tax incurred on empty properties, additional £16K recovered in the year alongside council tax income pots secured from the developer, released in the year totalling £59K.</p> <p>Void support pots held at the end of the year totalled £2.2 million, utilised to support specific schemes in the event of lost income through voids both in the short and long term.</p> <p>Sinking Fund Property Sinking Fund growth from £3.9 million to £5.4 million during the year, backed by cash reserves, supporting the 30 year asset investment plan.</p> <p>Utility Cost Spend Two-year utility contracts signed in March 2020 estimated to provide savings on tariffs in the region of 30% gas and 11% electricity supply resulted in expenditure being managed just below budget; providing a 3% saving on anticipated costs £29K.</p> <p>Significant savings have been realised in adopting a proactive approach to managing the empty property switching process resulting in saving of £82K in the year by comparison to 2019/20 spend.</p> <p>Paperless Office During the year online governance software (Convene) has been implemented to provide cost, environmental and administration savings in the region of £500k per annum.</p>
<p>Treasury Management</p>	<ul style="list-style-type: none"> • Increase in total cash balance of £6 million, from £9.5 million to £15.5 million • Focused arrears management resulted in bad debt write off remaining low at £76K or 0.17% of net rental income; below the supported housing benchmarking club median of 0.63%

18.2 TARGET SETTING & MONITORING

Value for money is monitored and reported to Board bi-monthly through the publication of the performance scorecards including a value for money scorecard, containing actual against budget analysis, with yearly targets set by the Board to achieve strategic objectives. The scorecards include the RSH value for money metrics and IH own VFM targets.

18.3 MEASURABLE PLANS PERFORMANCE IMPROVEMENT

A key to the financial success of IH is the minimisation of voids lost income; this materialises when there is no occupancy of a unit and no contractual arrangement to recover the rental income from third party or through subsidies / revenue grants. Further mitigation comes from negotiation of contractual rent-free periods or void pots to cover initial and turnover voids; along with insurance and self-insurance facilities, which has a net effect of reducing overall void loss.

Performance during 2020/21 reflects an improving trend compared to 2018/19, a reduction in lost income from 7.9% to 5.6%, with a slight increase in 2020/21 to 5.7%, just slightly ahead of the SPBM benchmarking median 5.6%.

A measurable performance target of <5.5% has been set for 2021/22, achievable through the following measures:

- Work closely with Commissioners & Care providers to proactively secure referrals.
- High levels of investment in properties to ensure desirable place to live.
- Reduce number of tenants leaving through proactive intensive housing management.
- Ensure all new developments include voids agreements from earliest possible moment.
- Continue to self-insure lost income.
- Secure void pots on new developments wherever possible.
- New schemes into management with a referral pipeline.

18.4 VALUE FOR MONEY METRIC

Value for money metrics introduced by the RSH broadly setting a measure to capture performance across the sector in a fair and comparable way. It is however acknowledged that any metric, will inevitably be more appropriate for some providers than others. The lease-based model does provide some results outside the sector norm.

Table 1 - Sector Benchmarking

Number	VFM Metrics - Peer Comparison	IH Actual 2020/21	2020 Upper Quartile	Sector Medium Quartile	Sector Lower Quartile	Weighted Average	Peer Group Comparitor
RSH 1	Reinvestment %	12.7%	10%	7.2%	4.9%	7.6%	●
RSH 2A	New supply delivered (Social housing units)	18.2%	2.4%	1.5%	0.7%	1.8%	●
RSH 2B	New supply delivered (Non social housing units)	0.0%	0.1%	0%	0%	0%	
RSH 3	Gearing % Assets Valuation	-588.3%	54.7%	44%	33%	47.7%	●
RSH 4	EBITDA MRI%	-27075%	227%	170%	126%	138%	●
RSH 5	Headline Social housing cost per unit	£12,972	N/A	N/A	N/A	N/A	
IH Matrix	Headline Social housing cost per unit (Omitting Lease Rent Costs)	£4,190	£3,340	£3,830	£4,860	£4,250	●
RSH 6 A	Operating Margin (Social housing Lettings only)	6.7%	32.3%	25.7%	20.8%	27.8%	●
RSH 6B	Operating Margin	6.7%	28.6%	23.1%	18.1%	22.1%	●
RSH 7	Return on Capital Employed	20.1%	4.4%	3.4%	2.6%	3.2%	●

RSH source: Global Accounts 2018/19 VFM Metrics

18.4 VALUE FOR MONEY METRIC

Table 2 - VFM metrics IH performance trends over the past four years

Number	VFM Metrics - Peer Comparison	2017/18	2018/19	2019/20	2020/21	Continuous Improvement Trend
RSH 1	Reinvestment %	15.9%	0.0%	53.1%	12.7%	●
RSH 2A	New supply delivered (Social housing units)	14.9%	26.5%	16.1%	18.2%	●
RSH 2B	New supply delivered (Non social housing units)	0.0%	0.0%	0.0%	0.0%	
RSH 3	Gearing % Assets Valuation	-365.1%	-590.6%	-383.2%	-588.3%	●
RSH 4	EBITDA MRI%	-6218.5%	-15038.6%	-14700%	-27075%	●
RSH 5	Headline Social housing cost per unit	£11,012	£11,209	£12,901	£12,972	●
IH Matrix	Headline Social housing cost per unit (Omitting Lease Rent Costs)	£3,791	£3,746	£4,363	£4,190	●
RSH 6A	Operating Margin (Social housing Lettings only)	7.4%	6.3%	3.6%	6.7%	●
RSH 6B	Operating Margin	7.4%	6.5%	4.7%	6.7%	●
RSH 7	Return on Capital Employed	28.1%	22.0%	15.5%	20.1%	●
IH Matrix	Units per Employee	37	45	47	51	●
IH Matrix	Turnover per Employee	£432	£624	£653	£688	●
IH Matrix	Salary Costs %	6.8%	6.0%	5.5%	5.0%	●

RSH 1- REINVESTMENT

In 2019/20 a significant opportunity to purchase a small property portfolio of 13 supported housing units was completed and in 2020/21 a further property was acquired all funded from cash reserves.

The level of reinvestment was top quartile when comparing to the sector. The business plan for 2021/22 includes the acquisition of the equivalent of £1 million of unencumbered property assets, supporting a reinvestment target of 20%.

The percentage growth is in line with the sector top quartile level of 10% due in part to the relatively low level of owned assets (Table 1).

RSH 2 & 2A – NEW SUPPLY DELIVERED

2020/21 saw a very strong level of performance with 18.2% new supply of social housing units just under the three-year average trend at 20.3%. The future trend is a slowing of new supply delivered via the lease based module with a target in 2021/22 of 10%, ahead of the sector top quartile of 2.4% due in part to the lease based module allowing rapid supply of properties in response to commissioner demand.

No new supply of non-social housing units was delivered in the year in line with the business plan.

RSH 3 – GEARING % ASSETS VALUATION

IH cash balances grew over the year by £6 million, alongside a static position on loan debt charged against the York head office, resulting in an improvement in the gearing ratio back to 2018/19 levels. The organisation's aim is to acquire additional properties as unencumbered keeping future debt to a minimum. The matrix does not align to the IH business module in the same way as a traditional RP would due to the lease-based model.

RSH 4 – EBITDA MRI%

EBITDA MRI% measures the level of earnings by comparison to interest paid on debt, with the very low level of debt the matrix reflects a healthy position, outside of the sector norm. The year on year comparison reflects a significant improvement in performance due to the increased level of surplus generated in 2020/21 by comparison to the previous year's surplus generated.

18.4 VALUE FOR MONEY METRIC

RSH 5 – HEADLINE SOCIAL HOUSING COST PER UNIT

Headline social housing costs year on year trend shows a marginal 0.6% rise in costs (Table 2) due to containment of costs incurred. The measure is outside the sector norm due to the metric including the lease rent costs, a further IH indicator has been added removing the lease rent costs. The revised measure (cost per unit £4,190) reflects a cost closer to the sector medium quartile of £3,830 per unit (Table 1) and significantly lower than other supported housing providers whose costs are on average £4,606 per unit (2019/20 SPBM Benchmarking).

RSH 6 – OPERATING MARGIN

Overall operating margin performed exceptionally well by comparison to the three-year average of 6.0% at 6.7% with this level of performance anticipated to continue with the target for 2021/22 set at 7.2%. The normal margin levels achieved by IH are approximately a third of the sector weighted average this is due to the impact of the lease rent charges incurred recognised as an operating cost.

RSH 7 – RETURN ON CAPITAL EMPLOYED

A strong return on asset performance at 20.1% in the year, seven times higher than the sector weighted average, due to the strong margin generated from a small property asset base.

18.5 COMPARATIVE FINANCE INDICATORS 2019/20

The second annual analysis of similar supported housing providers annual accounts has been undertaken for the financial year 2019/20. Sixteen registered providers accounts, including IH, have been analysed to compare financial and value for money performance.

Last years analysis demonstrated that Inclusion Housing was the best ranked company for both overall and financial indicators, despite having the worst regulatory gradings; while the worst ranked RP (Look Ahead) enjoyed a V1 G1 Rating.

Overall, it is expected that future analysis of the 2020/21 annual accounts will demonstrate that Inclusion Housing will retain its dominant financial comparison analysis across supported housing providers; while significantly strengthening its balance sheet further and at a much faster rate than traditional RP's.

Category	Indicator	Brunel care	Framework	Reside	Advance	Golden Lane	Look Ahead	Central & Cecil	Bmeneth Churches	Habitat	SAHA	Abbeyfield	Richmond Fellowship	Progress	Creative Support	Sustain UK	Inclusion	RANK	Ave	T/L	
Profile	Stock	1091	1235	1450	2235	2196	2500	1984	1553	3420	4080	1965	786	10869	1365	2489	2480	5	2615		
	FTE	777	927	34	483		1171	225	273	85	236	1103	1165	521	3470	43	51	3	751		
I & E	Turnover (000)	33293	45241	16354	36898	20718	69022	21739	20379	22540	34003	50949	46262	79892	121922	24082	37634	7	42886		
	Operating Surplus (000)	1982	1061	836	1977	4481	1990	-356	1382	5630	2867	-13355	-827	17087	5498	573	1807	9	2055		
	Net Surplus (000)	4779	960	641	1494	2376	1269	976	359	3817	2391	-10704	-906	9331	5058	464	1453	8	1487		
Balance Sheet	Net Assets (000)	27349	24349	17591	27645	35543	81461	98213	11685	59238	67199	132460	38541	271483	63299	1695	8347	15	63850		
Cashflow	Cash	4646	10492	1875	7937	8552	3139	5859	3828	3371	7798	10014	11184	9392	7515	341	9517	4	6396		
Indicators	Productivity (000)	43	49	481	76		59	97	75	265	144	46	40	153	35	560	738	1	142		
	Liquidity - cash % of turnover	14.0	23.2	11.5	21.5	41.3	4.5	27.0	18.8	15.0	22.9	19.7	24.2	11.8	6.2	1.4	25.3	3	15		
	Assets as % of Turnover	82	54	108	75	172	118	452	57	263	198	260	83	340	52	7	22	15	149		
VFM	Reinvestment %	11.2	2.4	12.8	4.2	9.4	1.5	15.1	6.2	2.3	2.3	6.3	-0.1	4.4	0.6	0	53.1	1	5.2		
	New Supply %	0	0	0	2.1	14.7	0	0.3	2.9	0	0.4	4.9	3.4	1.4	0	-5	16.1	1	1.7		
	Gearing	19.6	-0.8	12.9	1.4	46	8.2	15.1	35.3	17.7	14.2	13.4	0	44	25	0	-383.2	1	16.8		
	EBITDA	339	515	1047	478	172	220	329	209	186	243	-2511	-0.1	259	643.2	0	14,700	1	141.9		
	Social Housing Cost (£)	6336	22700	10345	12486	7810	22900	10896	10348	4506	6651	32261	6831	8694	7103	9675	4363	1	11969		
	Operating Margin (%)	6.1	2.7	7.7	4.1	20.3	2.3	-0.7	6.8	22.1	7.9	-13.9	-0.1	21	4.6	2.4	4.7	8	6.2		
	ROCE (%)	3.3	1.8	6.6	1.8	4	0.9	27.3	1.9	3.2	1.4	-4.7	-0.1	3.3	8.9	33.8	15.5	3	6.2		
	Viability Rating	V2	V2	V2	V1	V1	V1	V2	V1	V1	V2	V2	V1	V1	V1	V2	V3			V1.5	
	Governance rating	G2	G2	G2	G1	G1	G1	G1	G1	G1	G1	G2	G2	G1	G2		G3	G3		G1.5	
Ranking (ALL)	8	10	5	11	2	16	4	9	7	6	15	12	3	14	13	1					
Ranking (Financial Only)	10	5	3	9	6	15	2	12	8	7	16	14	4	11	13	1					

18.6 RETURN ON ASSETS

Ensuring IH is at an optimum level of financial viability each scheme is required to make a positive contribution after the deduction of direct costs in line with the business plan assumptions.

For the purpose of this analysis the following scoring criteria is applied:

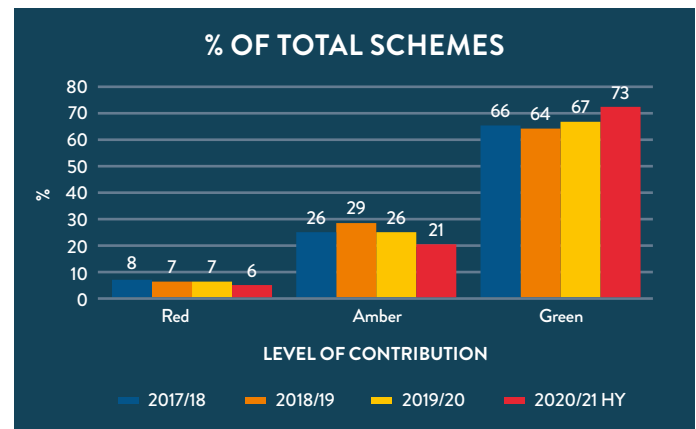
Green – Scheme returns a 19% gross contribution & above

Amber – Scheme returns a positive gross contribution less than 19%

Red – Scheme returns a loss after charging direct costs only

The required level of financial return for individual schemes is 19%, in addition IH recognises all schemes are in management for public benefit and to provide a home for adults in need.

94% of the schemes in management returned a positive financial contribution for the 2020/21 half year making them independently financially viable. The proportion of schemes in management over the last four years making a loss has fallen from 8% to 6% as the organisation has improved its void management mitigations.



The percentage of units in management making a negative contribution has continued to fall from 12% in 2016/17 to 8% in 2017/18 and 7% in 2018/19 and 6% in 2020/21, a positive trend. Suggesting there is little correlation between the size of scheme or date into management and the ability of the scheme to generate a loss.

Classification	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	% Trend
Schemes Making a Loss	17 (12%)	19 (12%)	16 (8%)	20 (7%)	26 (7%)	23 (6%)	↑
Total	141	164	204	282	340	399	

In 2020/21, 73% of the leased schemes were classed as green, 21% as amber and 6% as red. This is a continuing positive trend with loss making schemes accounting for only 0.6% of business turnover.



CASE STUDY: PORTWAY HOUSE, STAFFORDSHIRE - IN MANAGEMENT FROM APRIL 2016 PROVIDING 15 TENANCIES WITH LIFEWAYS

Alison, who lives at Portway House in Stafford, was very excited for her normal activities to resume. Alison sat with her staff team and wrote a story about what she has been doing lately.

Alison spoke about going out for afternoon tea, going back to IT club and making different foods and improving her cooking skills throughout lockdown. Alison also talked about being excited about her upcoming holiday to Bournemouth.

Alison attends an IT club once a week and this was shut during lockdown due to the restrictions, she would use the manager of the service's laptop to complete the work she usually would while at IT club. Alison has since returned to IT club and is very happy about this. She enjoys writing poems here and finding different pictures online to add to these poems before printing off.

Alison said she went for an afternoon tea that her sister purchased for her for her 60th birthday which she celebrated in April. Alison said she **“enjoyed the sandwiches and even had fizzy drink in a posh glass”** and really enjoyed this experience.

Alison has tried a lot of new meals and particularly enjoyed getting involved in a special themed night at Portway House where everyone had to cook a dish from a country, Alison chose to cook a dish from Italy and decided to cook pasta.

Alison kept very busy in lockdown and is happy the restrictions are easing, and she is really looking forward to her upcoming holiday to Bournemouth.

We hope you enjoy your holiday Alison thank you for sharing your good news with us!



19.0 GOVERNANCE

19.0 GOVERNANCE

THE BOARD CONSISTS OF SIX MEMBERS; DETAILS OF APPOINTMENTS AT COMPANIES HOUSE ARE INCLUDED IN THESE FINANCIAL STATEMENTS.

The Board's role is to provide strategic direction and to govern, control and scrutinise our operations. The Board meets regularly to review the performance of the business and operate in line with the NHF excellence in governance 2015 (adapted).

An annual appraisal and skills assessment is completed to ensure the Board has the appropriate skills and experience to comply with the NHF Code of Governance, and the RSH Regulatory Standards ensuring the effective delivery of its Corporate Plan.

An annual self-assessment is completed and this continues to confirm that IH is fully compliant with the NHF Code of Governance. A Board improvement plan is in place to sustain and continuously improve compliance.

Insurance policies indemnify Board members and Officers against liability up to certain limits, when acting for the organisation.

Housing Board Membership	Name	Remuneration
Chair & Group Board Member	Ruth Patterson	£6,958
Board Member & Chair Audit & Risk Committee	Anthony Bell	£6,847
Board Member & Homes Board Member	Ian Brown	£4,492
Board Member	June Grimes	£3,918
Board Member	Paul Redfern	£3,918
Board Member	Parveen Rai	£389
Board Member	Jennifer Adams	£1,028
Group Board & Chair Property Holdings & Housing Board Member	Tony Allen	£8,326

Remuneration & Governance Committee	Role
Guru Naidoo – Group Board Member	Chairman
Meets twice a year, responsible for overseeing effective governance, policy on staff & Board remuneration and Board member appraisal process.	

Audit & Risk Committee	Role
Anthony Bell – Housing Board Member	Chairman
Meets three times a year, responsible for overseeing standards of probity, risk management strategy alongside internal and external audit.	

The remunerated Board and Committee members attended 98% of meetings in 2020/21 and are subject to regular performance appraisals.

19.0 GOVERNANCE

NEW BOARD MEMBER APPOINTMENTS

J Adams - Appointed 25th August 2020 – Resigned 30th September 2020

NEW COMMITTEE APPOINTMENTS

J Wild - Appointed to Remuneration Committee 24th November 2020

KEY MANAGEMENT PERSONNEL

N Brown - Chief Executive
P Atkins - Property Director
M Dodgson - Operations Director
S Milnes - Finance Director
S Waters - Company Secretary

EXTERNAL ENVIRONMENT

Coronavirus

Inclusion enacted its contingency plan on 2nd March 2020 in response to the impending coronavirus pandemic: this was undertaken in consultation with the Board.

Contact with customers has been maintained through contact by telephone or email; responding to urgent and emergency situations, maintaining contact with local support staff, monitoring contractors and filling voids – with some face to face visits in essential circumstances.

Our customer service centre and head office staff maintained high levels of customer service operating on a flexible basis successfully transiting to working from home. Inclusion did not have a requirement to access any of the government support during the pandemic with none of the staff furloughed.

COMPLIANCE WITH GOVERNANCE AND FINANCIAL VIABILITY STANDARD

In February 2019, the Regulator of Social Housing (RSH) published its first regulatory judgement stating that it found IH was non-compliant in terms of both the governance and viability standards issuing a non-compliant G3/V3 assessment. In response to the regulatory engagement IH continues to work with the regulator to address their concerns.

FINANCIAL INSTRUMENTS

IH uses various financial instruments, including loans and cash, and other items such as rental & trade arrears alongside trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the organisation's operations. The existence of these financial instruments exposes the organisation to a number of financial risks. The main risks arising from the organisation's financial instruments are understood by the Board to be liquidity risk and credit risk.

ACCOUNTING POLICIES

Inclusion's principal accounting policies are set out in the notes to the financial statements. No significant changes to the accounting policies occurred in the current year.

PAYMENT OF CREDITORS

In line with Government guidance, working practice is to pay suppliers within 30 days of receipt of an invoice or earlier to fulfil lease contract terms. Performance is reported to board on a bimonthly basis.

19.1 BOARD MEMBER PROFILES



RUTH PATTERSON

Ruth joined our Board in October 2019. She trained as a corporate finance lawyer for global law firm Herbert Smith Freehills working on billion-pound international debt restructuring and real estate finance transactions before moving into senior managerial roles as General Counsel and Executive Director of industry leading technology companies. A qualified lawyer in England for over 9 years, Ruth also has a master's in professional legal practice and brings a wide range of legal, regulatory and governance skills to the Board.



ANTHONY BELL

Tony joined Inclusion's board in June 2016. He has more than 20 years' experience at board level in the education and social housing sectors and has also held senior roles in the private sector.

Tony is a qualified accountant and has previously held positions of Group Commercial Director and Director of Finance in the education sector. In addition, Tony has been a Non-Executive Board Member at The Guinness Partnership/Northern Counties Housing Association and concluded his term on the group's audit and risk committee in March 2016 prior to joining IH's board. Tony is also Deputy Chair of a managed workspace complex company and a non-executive director at Greater Manchester Mental Health NHS Foundation Trust.



IAN BROWN

Ian joined Inclusion's board in October 2015 following a successful 30-year career in the public and social sector. Most of this time was spent operating in senior leadership roles across a diverse range of public health, private and social housing initiatives. This included a key role dedicated to developing communities, new build homes, regeneration and housing management. Ian has a detailed knowledge of business assurance, organisational governance and regulatory frameworks. Ian is a fellow of the Chartered Institute of Housing and a member of the Chartered Institute of Environmental Health.



JUNE GRIMES

June joined Inclusion's board in October 2015. She began her career in social housing and has more than 30 years' experience in a variety of senior management roles within local authorities and housing associations. June also has considerable experience in commissioning and inspecting adult residential care schemes. As well as being qualified to teach at further education establishments up to degree level she was employed by *Project North East* as a consultant delivering training and development to the third sector. Before retiring in 2015, June was the Regional Director for the national homeless charity *Crisis*. June has held trustee positions and sat on a number of boards in a variety of sectors including housing organisations and business membership organisations.



TONY ALLEN

Tony joined the Risk & Audit Committee as an independent member in 2018. Tony has significant, senior level expertise gained in the private and public sectors at Board level and has delivered sustainable business improvements in a variety of sectors. Tony is a qualified accountant (FCMA CGMA) and ILM accredited coach and mentor. Tony is Managing Partner of TNL Consulting Limited and in addition currently holds non-executive positions at Dudley CCG, Shrewsbury & Telford Hospital NHS Trust, Brio Leisure Group and Mastercall out of hospital Service.



PARVEEN RAI

Parveen joined Inclusion in February 2021. Parveen has founded and is currently the CEO of two successful property lettings and development companies in Leamington Spa. She has a successful career in banking having worked for Lloyds for over 15 years where she was ranked 5th nationally on performance. Through her businesses, she has developed a strong background in real estate development with extensive knowledge of strategic planning and corporate finance. Parveen holds an MBA from Aston Business School and currently mentors both MBA and undergraduate students at Aston University.



20.0

**EXECUTIVE
LEADERSHIP**

THE EXECUTIVE TEAM IS CHARGED WITH DELIVERING VFM THROUGH BUSINESS PLANNING, FORECASTING AND THE BUDGET PROCESS THROUGH DAY TO DAY SCRUTINY OF PERFORMANCE MANAGEMENT. DELIVERY PLANS ARE FOCUSED ON DRIVING EFFICIENCY THROUGH ENSURING THE VALUE FOR MONEY CONCEPT IS EMBEDDED WITHIN THE EVERYDAY MANAGEMENT OF IH'S ACTIVITIES.

There is greater emphasis on property management risk, finance and compliance to ensure that the business is well managed/governed, financially viable, delivers operational excellence and maintains its assets. The strategic focus and role of the Executive team is as follows: -



NEIL BROWN – CHIEF EXECUTIVE

To develop and implement the strategic direction and objectives as agreed with the Board to ensure future growth and success whilst mitigating risk and ensuring viability in its widest context.



SARAH WATERS – BUSINESS DIRECTOR

Ensuring a joined-up business that is efficient in its business administration, well governed and manages legal/lease arrangements effectively to ensure sustainable growth.



SUE MILNES – FINANCE DIRECTOR

Responsible for the business planning, treasury/ budget management and income management functions to ensure financial viability of the company; a key risk and strategic priority.



MICHELLE DODGSON – OPERATIONS DIRECTOR

Responsible for effective, high performing and customer excellent services being delivered to our customers. Leading the field and services to ensure a coherent, efficient and joined up approach to operational delivery. Management viability and customer excellence are key priorities for the Director.



PAUL ATKINS – PROPERTY DIRECTOR

Responsible for development, asset investment and maintenance services to ensure a coherent and joined up approach to asset management from design and build through to servicing, compliance and maintenance. Asset management and investment is a key risk and priority for the business.

20.1 PENSIONS

The directors and key management personnel are eligible to be members of the defined contribution pension scheme. They participate in the scheme on the same terms as all eligible staff and IH contributes to the scheme on behalf of its employees.

20.2 EMPLOYEES

IH recognises the strength of the business lies with the quality and commitment of its employees. Testament to this is the Investors in Excellence re accreditation in March 2020, being first assessed in 2017 and again in 2019, both times achieving GOOD status. It is significant that not only did the 2021 assessment meet the required standard but due to the significant progress over the last few years, Inclusion is now listed in one of the top 3 liE categories; we have been awarded GREATER status. During a time of restructuring set against a global pandemic, this achievement is an accolade to IH's resourcefulness, resilience, and capability, and a definite testimony to the commitment of continuous improvement and the talent within the company.

IH provides information on its objectives, progress and activities through regular briefings and team meetings. IH is committed to equal opportunities for all its employees. Our Leaders in Diversity Accreditation is testament to our inclusive value, purpose and approach.





21.0

LOOKING TO
THE FUTURE

21.0 LOOKING TO THE FUTURE

The focus is on exerting increasing influence in our market through ‘Excellence & Growth’ by providing quality services to our customers and growing to in excess of 5,000 units in management in the next five years including an increase in the number of schemes being self-funded from IH cash reserves. We will achieve this by enhancing our efficiency to generate increased surpluses for investment in homes and services and continuing to develop our people and business so that we can do more and better. These strategic priorities will help us to deliver our longer-term targets in line with the 30-year business plan.

THE KEY OPERATING PRINCIPLES OF INCLUSION HOUSING ARE:

- Exert influence in the market to reduce risk and increase investment.
- Continue to grow and develop the number of units in management.
- Provide services on a national level.
- Enhance our working relationship with others.
- Ensure that all new development proposals remain demand led, viable and subject to high levels of commissioner consultation.
- Continue to provide accredited excellent services that are sensitive to the needs of residents and communities and meet the aspirations of our partners and residents.
- Set clear measures of performance that are reviewed and reported regularly and make a commitment to on-going improvement in service delivery.
- Ensure that our staff are well trained and motivated and have clear targets that contribute directly to achieving business goals.
- Ensure that the governance and decision-making processes within IH is commercial, efficient and accountable.
- Ensure the key risks to IH are identified, monitored and managed effectively at a strategic and operational level.
- Ensure that the business remains financially viable, and that IH achieves growing surpluses and increased cash reserves in each year of the business plan period.
- Increase returns through asset backed intercompany loans to support the Inclusion Corporate Group growth aspirations.

With the CIC (social enterprise) status combined with our specialist team of experts, this will help deliver more business opportunities. The contracting arrangements provide sound protection for a variety of organisations who wish to financially invest in the growth of Inclusion. Partnership working will be invaluable to the future success of IH’s growing national reputation as a unique specialist health & social care housing provider with the drive to deliver innovative social enterprise initiatives.



22.0 FINANCIAL STATEMENTS Y/E 31ST MARCH 2021

INCLUSION HOUSING COMMUNITY INTEREST COMPANY (REGISTERED NUMBER: 06169583)

SECTION 172 STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

THE DIRECTORS HAVE HAD REGARD TO THEIR DUTIES AS SET OUT IN SECTION 172 OF THE COMPANIES ACT 2006. THE DUTY OF DIRECTORS IS TO ACT IN GOOD FAITH AND TO EXERCISE POWERS DILIGENTLY SO AS TO PROMOTE THE SUCCESS OF THE COMPANY FOR THE BENEFIT OF ITS STAKEHOLDERS.

There are six key factors which demonstrate these duties:

- Decision-making is fully supported by financial and non-financial information. For those decisions likely to have a significant material impact on the short, medium and long term financial plan of IH, the potential impact is assessed through financial modelling using robust financial assumptions and subject to stress testing. Key decisions in this area during the year were:
 - Setting the budget for the year that allowed the IH to deliver on its growth ambitions while maintaining sufficient liquid assets to allow the organisation to withstand a number of scenarios resulting in economic pressures.
 - Formation of a Corporate Group which would allow Inclusion to meet its growth ambitions and continue to meet the needs of its beneficiaries.
 - Group decision to raise external funds to be invested in property acquisitions by Inclusion Property Holdings and managed by IH.
- Interests of the Group's employees are protected through a number of mechanisms including salary benchmarking, pension scheme arrangements. The organisation works with external bodies to ensure ongoing compliance with employment legislation and best practice. Employees are consulted regularly and provided with information via Octavia company intranet. IH invests in training and skills development for all staff across the business. A robust policy framework is also in place, including policies for code of conduct and health and safety. An annual staff engagement survey takes place which captures valuable information to inform future activities and results.
 - Salary uplift in line with sector averages for all staff.
 - Apprentice Programme introduced.
- To demonstrate the need to act fairly between members of the company, the Corporate Group has in place a corporate structure with terms of reference for all companies and boards. These terms of reference, coupled with the code of governance, ensure that board directors act in the best interest of the companies they serve.
 - Relationships with suppliers are maintained across all departments through contract management processes led by the relevant Director. Relationships with customers are managed through a variety of ways that are detailed in the corporate plan. Key decisions in this area include:
 - Establishment of new Group Structure.
 - Agreement of Revised Customer Charter and Service Standards.
 - Agreement of revised Business Plan.
 - Agreement of 30 year financial plan.
 - Agreement of Risk Matrix, scoring and mitigation.
 - Agreement of Risk Appetite and Risk Maturity Rating.
 - Agreement of development appraisal factors with targets and tolerances.
 - Agreement of TriplePoint portfolio transfer with associated risk mitigations.
 - Agreement of all new business appraisals.
 - Agreement of Asset Investment Plan.
 - Appointment of new Chair of Inclusion Housing.
 - Agreement of all revised policies and frameworks.
 - The impact of the organisation's operations on the community are managed effectively through the provision specialist supported housing and the biweekly intensive housing management visits. In addition, the organisation's health, safety and environment policy creates the framework for operating within to ensure that the organisation complies with regulation in these areas. Key decisions in this area include:
 - Purchase of a loss making property held in a long term lease to facilitate financially viable provision of supported housing in the future.
 - Continued funding of home life initiatives supporting tenants to learn new skills and develop social skills.
 - The organisation maintains a reputation for high standards of business conduct. IH carries out an annual assessment of compliance with the National Housing Federation's Code of Governance, and an assessment of compliance with all relevant law. The organisation has in place a probity policy, code of conduct for board directors, standing orders and financial regulations and a whistleblowing policy. All of these policies ensure that board directors and other staff have a clearly defined framework for conducting company business. Regular internal audits take place to provide assurance to the Board, via the Audit & Risk Committee, that policies are being complied with. Key decisions in this area include:
 - Taking legal advice to ensure the corporate group structure has appropriate governance arrangements for each organisation.
 - Agreement of intercompany recharge policy to ensure appropriate distribution of costs.
 - Appointment of New Chair – R Pattison, September 2020

INCLUSION HOUSING COMMUNITY INTEREST COMPANY (REGISTERED NUMBER: 06169583)

DIRECTORS' REPORT

INCLUSION HOUSING COMMUNITY INTEREST COMPANY

STATEMENT OF INTERNAL CONTROLS

The Board acknowledges its overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness. The annual controls assurance report is reviewed & considered by board members annually at the Audit & Risk Committee.

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

Key elements of the control framework include:

- Board approved terms of reference and delegated authorities for Audit & Risk Committee and the Remuneration & Governance Committee.
- Clearly defined management responsibilities for the identification, evaluation and control of significant risks.
- Robust strategic and business planning processes, with detailed financial budgets, forecasts, stress testing, property investment plan and asset & liability register.
- Formal HR policies for all staff.
- Established approval and appraisal procedures for significant new initiatives and commitments.
- Board approved financial regulations and scheme of delegation.
- Robust performance reporting framework.
- Internal Audit programme.
- Annual Controls Assurance scrutiny from Executive Directors.
- Annual review of compliance against regulatory standards.

GOING CONCERN

IH business activities and current financial position are set out in this operating and financial review. With increased cash reserves and growing resources, the IH business plan shows it is able to meet its ongoing obligations and loan covenants.

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

The strategic report was approved and authorised by the Board at the meeting held on the 24 August 2021 and signed on its behalf by Mrs S Waters – Company Secretary

The Directors present their directors' report for the year ended 31 March 2021.

DIRECTORS

The directors who served the company during the year are shown on page 82.

STATEMENT OF COMPLIANCE

The Company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the Company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. This includes information that would have been included in the business review and the principal risks and uncertainties.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The Directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period.

In preparing these financial statements, the directors are required to:

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

INCLUSION HOUSING COMMUNITY INTEREST COMPANY (REGISTERED NUMBER: 06169583)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The Directors 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 Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

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.

A qualifying third party indemnity provision is in place for directors and officers of the Company.

The directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as each director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware. They have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITORS

Beever and Struthers have expressed their willingness to continue in office. Accordingly, a resolution to reappoint them as Auditors will be proposed at the forthcoming Annual General Meeting.

The directors' report was approved and authorised by the Board at the meeting held on the 24 August 2021 and signed on its behalf by:

Mrs S Waters – Company Secretary

INCLUSION HOUSING COMMUNITY INTEREST COMPANY (REGISTERED NUMBER: 06169583)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INCLUSION HOUSING COMMUNITY INTEREST COMPANY

OPINION

We have audited the financial statements of Inclusion Housing Community Interest Company “the Company” for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves, the Statement of Cash Flows and notes to the financial statements including a summary of significant accounting policies in note 1. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company’s affairs as at 31 March 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

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 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 Board’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the Board 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 Board is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the strategic report and 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.

INCLUSION HOUSING COMMUNITY INTEREST COMPANY (REGISTERED NUMBER: 06169583)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INCLUSION HOUSING COMMUNITY INTEREST COMPANY

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the 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 Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

RESPONSIBILITIES OF THE BOARD

As explained more fully in the Statement of Director's Responsibilities set out on page 27, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the 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 Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the Company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Companies Act 2006, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2019, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.

INCLUSION HOUSING COMMUNITY INTEREST COMPANY (REGISTERED NUMBER: 06169583)

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF INCLUSION HOUSING COMMUNITY INTEREST COMPANY

- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the regulated nature of the Company's activities.
- We reviewed financial statements disclosures and supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

USE OF OUR 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.

Sue Hutchinson FCCA (Senior Statutory Auditor)
For and on behalf of
Beever and Struthers
Statutory Auditor
St George's House
215-219 Chester Road
Manchester
M15 4JE

INCLUSION HOUSING COMMUNITY INTEREST
COMPANY (REGISTERED NUMBER: 06169583)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £'000	2020 £'000
Turnover	2	46,573	37,634
Operating expenditure	2	(43,453)	(35,870)
Loss on disposal of property, plant and equipment		(7)	-
OPERATING SURPLUS		3,113	1,764
Interest receivable	5	41	56
Interest and financing costs	6	(12)	(13)
SURPLUS BEFORE TAXATION		3,142	1,807
Taxation	7	(621)	(354)
SURPLUS FOR THE YEAR	8	2,521	1,453
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,521	1,453

All of the above results derive from the continuing operations of the Company.

Historical cost surpluses and deficits were identical to those shown in the income and expenditure account.

The notes form an integral part of these financial statements.

INCLUSION HOUSING COMMUNITY INTEREST COMPANY (REGISTERED NUMBER: 06169583)

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021		2020	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Housing properties	11	2,578		2,388	
Other fixed assets	12	633		647	
			3,211		3,035
CURRENT ASSETS					
Trade and other debtors	13	4,897		4,099	
Cash and cash equivalents	14	15,503		9,517	
		20,400		13,616	
Less:					
CREDITORS					
Amounts falling due within one year	15	(8,097)		(5,269)	
NET CURRENT ASSETS			12,303		8,347
Total assets less current liabilities			15,514		11,382
CREDITORS					
Amounts falling due after more than one year	16		(7,258)		(5,651)
Provisions for liabilities	20		(13)		(9)
TOTAL NET ASSETS			8,243		5,722
RESERVES					
Income and expenditure reserve			8,243		5,722
TOTAL RESERVES			8,243		5,722

The notes form an integral part of these financial statements.

INCLUSION HOUSING COMMUNITY INTEREST
COMPANY (REGISTERED NUMBER: 06169583)

STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 MARCH 2021

	Income and expenditure reserve £'000	Total £'000
BALANCE AT 1 APRIL 2019	4,269	4,269
Surplus for the year	1,453	1,453
BALANCE AT 31 MARCH 2020	5,722	5,722
Balance at 1 April 2020	5,722	5,722
Surplus for the year	2,521	2,521
BALANCE AT 31 MARCH 2021	8,243	8,243

The notes form an integral part of these financial statements.

INCLUSION HOUSING COMMUNITY INTEREST COMPANY (REGISTERED NUMBER: 06169583)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021		2020	
		£'000	£'000	£'000	£'000
CASH FLOW FROM OPERATING ACTIVITIES	1		6,179		3,703
Interest paid			(12)		(13)
Taxation paid			(549)		(411)
Net cash generated from operating activities			5,618		3,279
CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of tangible fixed assets		(355)		(1,293)	
Grants received		713		158	
Interest received		41		56	
			399		(1,079)
CASH FLOW FROM FINANCING ACTIVITIES					
Repayments of borrowings		(31)	(31)	(30)	(30)
Net change in cash and cash equivalents			5,986		2,170
Cash and cash equivalents at beginning of year			9,517		7,347
			15,503		9,517
Note 1					
Surplus for the year			2,521		1,453
Adjustments for:					
Depreciation of tangible fixed assets			88		91
Impairment of tangible fixed assets			84		-
Grants utilised in the year			(345)		(76)
Increase in trade and other debtors			(798)		(1,032)
Increase in trade and other creditors			4,030		2,956
Loss on disposal of tangible fixed assets			7		-
Interest payable			12		13
Interest receivable			(41)		(56)
Taxation			621		354
			6,179		3,703

The notes form an integral part of these financial statements.

INCLUSION HOUSING COMMUNITY INTEREST COMPANY (REGISTERED NUMBER: 06169583)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. PRINCIPAL ACCOUNTING POLICIES

Inclusion Housing Community Interest Company is a private company, limited by guarantee, registered in England and Wales and is registered with the Regulator of Social Housing as a Private Registered Provider of Social Housing. The registered office is 106 Heworth Green, York, YO31 7TQ.

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice for registered housing providers: Housing SORP 2018.

The financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. The financial statements are prepared on the historical cost basis of accounting and are presented in sterling £, which is the functional currency of the Company, and rounded to the nearest £'000.

The financial statements have been prepared in compliance with FRS 102. In complying with FRS 102 the Company meets the definition of a public benefit entity.

GOING CONCERN

The financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. No significant concerns have been noted and we consider it appropriate to continue to prepare the financial statements on a going concern basis based on the Company's business plan, which has been subjected to stress tests including the impact of COVID-19.

JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

a. Classification of operating leases

The Company classifies a lease as a finance lease if it transfers substantially all the risks and rewards incidental to ownership otherwise the lease is classified as an operating lease. The Company has reviewed its lease agreements and concluded that all current leases meet the criteria of an operating lease.

b. Useful economic lives of tangible fixed assets

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated economic useful lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on future investments, economic utilisation and the physical condition of the assets.

c. Impairment of non-financial assets

Reviews for impairment of housing properties are carried out when a trigger has occurred and any impairment loss in a cash generating unit is recognised by a charge to the Statement of Comprehensive Income. Impairment is recognised where the carrying value of a cash generating unit exceeds the higher of its net realisable value or its value in use. A cash generating unit is normally a group of properties at scheme level whose cash income can be separately identified.

The notes form an integral part of these financial statements.

INCLUSION HOUSING COMMUNITY INTEREST COMPANY (REGISTERED NUMBER: 06169583)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

TANGIBLE FIXED ASSETS

HOUSING PROPERTIES

Social housing properties are stated at cost less accumulated depreciation. Cost includes costs directly attributable to making the asset capable of operating as intended such as the cost of acquiring land and buildings, developments costs, interest charges on loans during the development period and expenditure on improvements. Expenditure on improvements will only be capitalised when it results in incremental future benefits such as increasing rental income, reducing maintenance costs or resulting in a significant extension of the useful economic life of the property.

Major components of housing properties are depreciated at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Structure	50 years
Heating and plumbing – boiler	15 years
Kitchens	15 – 20 years
Bathrooms	15 – 30 years
Windows and doors	30 – 35 years
Rewire	25 – 40 years

OTHER

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

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Buildings – freehold (structure)	50 years
Fixtures and fittings	4 years

Freehold land is not depreciated. Housing properties under construction are not depreciated until they are in use and the useful economic lives of all tangible fixed assets are reviewed annually.

LEASEHOLD PROPERTIES

Alterations to leasehold properties are charged to the income and expenditure account at the point expenditure occurs.

LEASES

Rentals payable and receivable under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease. Lease payments are recognised as an expense in the year they become due.

PROPERTY MANAGED FOR OTHERS

The Company manages properties on behalf of Bromford Housing Association, a registered social housing provider and Lifeways, a non-registered supported living specialist. The Company receives a management fee which is recognised in the Statement of Comprehensive Income on a receivable basis.

DEBTORS AND CREDITORS RECEIVABLE / PAYABLE WITHIN ONE YEAR

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income in other administrative expenses.

INTEREST PAYABLE

Interest is allocated at a constant rate on the carrying amount over the period of the loan, charged to the income and expenditure account in the year.

The notes form an integral part of these financial statements.

INCLUSION HOUSING COMMUNITY INTEREST COMPANY (REGISTERED NUMBER: 06169583)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

FINANCIAL INSTRUMENTS

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Financial instruments, which meet the criteria of a basic financial instrument as defined in Section 11 of FRS 102, are accounted for under an amortised historical cost model.

TAXATION

Current tax represents the amount of tax payable or receivable in respect of taxable income for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences. Deferred tax on revalued non-depreciable tangible fixed assets and investment properties is measured using the rates and allowances that apply to the sale of the asset.

VALUE ADDED TAX

The activities of the Company are partially exempt from VAT. Because of the small amounts involved, expenditure is shown gross and the VAT recovered is included in other interest receivable and similar income. Irrecoverable VAT which can be attributed to a capital item or operating expenditure is added to the cost of the capital item or expenses where practicable and material.

TURNOVER AND REVENUE RECOGNITION

Turnover is measured at the fair value of the consideration received or receivable net of VAT and trade discounts. The policies adopted for the recognition of turnover are as follows:

Turnover represents rental and service charges income receivable in the year net of rent and service charge losses from voids, non-government revenue grants and development fees. Development fees are received to support the costs incurred in bringing new schemes into management ensuring the property is constructed / refurbished to the agreed specification and quality. Income is recognised at the point of either property coming into management or during the construction period of new build properties. As the company is registered for VAT, such income is stated net of VAT where applicable.

VOIDS SELF – INSURANCE

The weekly rent charge includes an allowance for void expenses in the event of a unit in management becoming empty for a period at some point in the future. The intended purpose is to fund costs incurred by the company during periods when the unit is not occupied. The void charge is extracted from the income collected and initially presented as deferred income on the balance sheet. Income is recognised when a void loss on these properties occurs.

SINKING FUND

The weekly rent charge includes a sinking fund allowance to be utilised for the future replacement of major property components at each scheme forming part of the lease obligations. The sum being collected per unit in management has been tested against the 30-year investment plan and found to adequately cover the future component replacement lease liabilities. The sinking fund deferred income is reflected in creditors and as liquid assets in a separately identified bank account.

The notes form an integral part of these financial statements.

INCLUSION HOUSING COMMUNITY INTEREST COMPANY (REGISTERED NUMBER: 06169583)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

REVENUE GRANTS

Revenue grants have been provided to the company for a number of purposes including:

- Subsidising the lease rent over the twenty-year life of the lease. The grant is released on a straight line basis to income during the year, the liquid assets transferred to the current account and the balance of grant reflected in creditors and as liquid assets in a separately identifiable bank account.
- Property investment funds to support works to transferred schemes into management, funds recognised as income on a matching basis as expenditure is incurred. The balance of the grant is reflected as short-term creditors.
- Short-term lease cost subsidies in place to support the business during the initial period a new scheme comes into management ahead of full occupation.
- Five-year void pot – to support specific schemes on the expiry of the void's agreement with the care provider. Monies held in a separately identifiable bank account and grant reflected as a creditor greater than one year.
- Short-term void pots in place to support the business during the initial period a new scheme comes into management ahead of full occupation balance of the grant reflected in creditors and as liquid assets in a separately identifiable bank account.

The grants are recognised on the performance model methodology.

SDLT LIABILITY

Cash funds equivalent to the Stamp Duty Land Tax liability due on the 20-year anniversary of a lease is included in creditors falling due after one year. The cash is held in a separately identifiable bank account.

EMPLOYEE BENEFITS

When employees have rendered service to the Company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The Company operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

The notes form an integral part of these financial statements.

INCLUSION HOUSING COMMUNITY INTEREST
COMPANY (REGISTERED NUMBER: 06169583)

**2. PARTICULARS OF TURNOVER, OPERATING EXPENDITURE
AND OPERATING SURPLUS**

FOR THE YEAR ENDED 31 MARCH 2021

		2021		
	Note	Turnover £'000	Operating Expenditure £'000	Operating Surplus £'000
SOCIAL HOUSING LETTINGS	3	44,976	(41,952)	3,024
Other social housing activities				
Charges for support services		847	(847)	-
Recharges to group undertakings		43	(43)	-
Gift aid donation		-	(350)	(350)
Other		663	(246)	417
Activities other than social housing		44	(15)	29
Total		<u>46,573</u>	<u>(43,453)</u>	<u>3,120</u>

		2020		
	Note	Turnover £'000	Operating Expenditure £'000	Operating Surplus £'000
SOCIAL HOUSING LETTINGS	3	36,222	(34,918)	1,304
Other social housing activities				
Charges for support services		700	(700)	-
Other		656	(234)	422
Activities other than social housing		56	(18)	38
Total		<u>37,634</u>	<u>(35,870)</u>	<u>1,764</u>

INCLUSION HOUSING COMMUNITY INTEREST
COMPANY (REGISTERED NUMBER: 06169583)

**3. PARTICULARS OF TURNOVER AND OPERATING EXPENDITURE
FROM SOCIAL HOUSING LETTINGS**
FOR THE YEAR ENDED 31 MARCH 2021

	2021			
	General needs housing £'000	Supported housing £'000	Total 2021 £'000	Total 2020 £'000
INCOME				
Rent receivable net of identifiable service charges	36	40,546	40,582	32,853
Service charge income	-	3,294	3,294	2,597
Other grants	-	1,100	1,100	772
Total turnover from social housing lettings	36	44,940	44,976	36,222
OPERATING EXPENDITURE				
Management	(29)	(33,382)	(33,411)	(27,847)
Service charge costs ²	(1)	(2,994)	(2,995)	(2,346)
Routine maintenance	-	(2,207)	(2,207)	(1,753)
Planned maintenance	(2)	(3,108)	(3,110)	(2,650)
Rent losses from bad debts	-	(91)	(91)	(265)
Depreciation of housing properties	(9)	(45)	(54)	(57)
Impairment of housing properties	-	(84)	(84)	-
Total operating expenditure on social housing lettings	(41)	(41,911)	(41,952)	(34,918)
Operating surplus on social housing lettings	(5)	3,029	3,024	1,304
Net void losses	-	2,685	2,685	2,118

Management costs include lease rents payable of £29,015K (2020: £23,513K).

INCLUSION HOUSING COMMUNITY INTEREST COMPANY (REGISTERED NUMBER: 06169583)

4. ACCOMMODATION OWNED, MANAGED AND IN DEVELOPMENT FOR THE YEAR ENDED 31 MARCH 2021

	2021 Number	2020 Number
General needs	4	4
Supported housing	27	25
Total owned	<u>31</u>	<u>29</u>
General needs	6	6
Supported housing	2,868	2,320
Housing for older people	125	125
Total held under an operating lease	<u>2,999</u>	<u>2,451</u>
Accommodation managed for others	274	274
Total managed	<u>3,304</u>	<u>2,754</u>
Accommodation in development	<u>324</u>	<u>535</u>
Opening stock at 1 April 2020	2,754	
New units acquired	-	
Units Disposed	-	
Closing stock at 31 March 2021	<u>3,304</u>	

The Company manages properties on behalf of Bromford Housing Association, a registered social housing provider and Lifeways, a non-registered supported living specialist.

INCLUSION HOUSING COMMUNITY INTEREST
COMPANY (REGISTERED NUMBER: 06169583)

5. INTEREST RECEIVABLE

FOR THE YEAR ENDED 31 MARCH 2021

	2021 £'000	2020 £'000
Bank interest receivable	<u>41</u>	<u>56</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2021 £'000	2020 £'000
Loan interest	<u>12</u>	<u>13</u>

INCLUSION HOUSING COMMUNITY INTEREST COMPANY (REGISTERED NUMBER: 06169583)

7. TAX

FOR THE YEAR ENDED 31 MARCH 2021

ANALYSIS OF CHARGE FOR THE YEAR

	2021 £'000	2020 £'000
Current tax		
UK corporation tax at 19% (2020: 19%)	617	357
Adjustment in respect of prior years	-	-
Total current tax charge	617	357
Deferred tax		
Origination and reversal of timing differences	4	(1)
Adjustment in respect of prior years	-	(2)
Total deferred tax charge/(credit)	4	(3)
Tax on surplus on ordinary activities	<u>621</u>	<u>354</u>
Reconciliation of tax charge		
Surplus on ordinary activities before taxation	3,142	1,807
Tax on surplus at standard corporation tax rate of 19% (2020: 19%)	597	343
Effects of:		
Expenses not deductible for tax purposes	20	13
Depreciation in excess of capital allowances	-	-
Movement in short term timing differences	-	1
Adjustments in respect of previous periods	-	(2)
Deferred tax – origination and reversal of timing differences	4	(1)
Tax charge for the year	<u>621</u>	<u>354</u>
Deferred tax		
Deferred tax included in the Statement of Financial Position is as follows:		
Included in provisions for liabilities (note 20)	<u>13</u>	<u>9</u>

INCLUSION HOUSING COMMUNITY INTEREST
COMPANY (REGISTERED NUMBER: 06169583)

8. SURPLUS FOR THE YEAR
FOR THE YEAR ENDED 31 MARCH 2021

**IS STATED AFTER
CHARGING/(CREDITING):**

	2021 £'000	2020 £'000
Auditors' remuneration (excluding VAT):		
- In their capacity as auditors	21	18
- In respect of other services	5	6
Depreciation of housing properties	54	57
Depreciation of other tangible fixed assets	34	34
Impairment of housing properties	84	-
Loss on disposal of fixed assets	7	-
Operating lease rentals	29,015	23,513
	<hr/>	<hr/>

INCLUSION HOUSING COMMUNITY INTEREST COMPANY (REGISTERED NUMBER: 06169583)

9. EMPLOYEE INFORMATION FOR THE YEAR ENDED 31 MARCH 2021

THE AVERAGE MONTHLY NUMBER OF EMPLOYEES EXPRESSED IN FULL TIME EQUIVALENTS (CALCULATED BASED ON A STANDARD WORKING WEEK OF 35 HOURS) WAS:

	2021 Number	2020 Number
Key management personnel	5	5
Property	6	6
Operations	26	21
Finance	7	7
Business administration	14	12
	<u>58</u>	<u>51</u>

STAFF COSTS (FOR THE ABOVE PERSONS):

	2021 £'000	2020 £'000
Wages and salaries	1,929	1,628
Social security costs	178	151
Other pension costs	113	91
	<u>2,220</u>	<u>1,870</u>

AGGREGATE NUMBER OF FULL TIME EQUIVALENT STAFF WHOSE REMUNERATION EXCEEDED £60,000 IN THE YEAR

	2021 Number	2020 Number
£60,000 – £70,000	-	-
£70,001 – £80,000	-	-
£80,001 – £90,000	-	4
£90,001 – £100,000	4	-
£100,001 – £110,000	-	1
£110,001 – £120,000	-	-
£120,001 – £130,000	1	-
	<u>5</u>	<u>5</u>

INCLUSION HOUSING COMMUNITY INTEREST
COMPANY (REGISTERED NUMBER: 06169583)

10. KEY MANAGEMENT PERSONNEL EMOLUMENTS
FOR THE YEAR ENDED 31 MARCH 2021

KEY MANAGEMENT PERSONNEL ARE DEFINED AS BOARD MEMBERS, THE CHIEF EXECUTIVE AND EXECUTIVE TEAM.

The remuneration paid to the Directors of the Company was:

Executive Directors

Salaries and wages

Pension contributions

Board members emoluments

Total

**Emoluments: paid to the highest paid Director
(the Chief Executive)**

(Excluding pension contributions)

	2021 £'000	2020 £'000
	453	406
	39	31
	492	437
	64	54
	<u>556</u>	<u>491</u>
	112	102
	<u>112</u>	<u>102</u>

The Chief Executive is an ordinary member of the Company's defined contribution pension scheme.

No enhanced or special terms apply. There are no additional pension arrangements.

A contribution of £10K (2020: £8K) was made by the Company in addition to the personal contributions of the Chief Executive.

INCLUSION HOUSING COMMUNITY INTEREST COMPANY (REGISTERED NUMBER: 06169583)

11. HOUSING PROPERTIES FOR THE YEAR ENDED 31 MARCH 2021

	Social housing properties for letting completed	Total
	£000	£000
COST:		
At 1 April 2020	2,609	2,609
Additions – completed properties acquired	328	328
Disposals	-	-
	2,937	2,937
Depreciation		
At 1 April 2020	221	221
Charge for the year	54	54
Impairment	84	84
Eliminated on disposals	-	-
	359	359
Net book value		
At 31 March 2021	2,578	2,578
At 31 March 2020	2,388	2,388
Housing properties comprise:	2021	2020
	£'000	£'000
Freeholds	2,578	2,388
	2,578	2,388

Included in freehold social housing property is a property acquired in 2011 for £1 and valued at £616,982 for insurance purposes. This property is kept in perpetuity for social purpose; future disposal is restricted under the terms of the transfer agreement.

INCLUSION HOUSING COMMUNITY INTEREST
COMPANY (REGISTERED NUMBER: 06169583)

12. OTHER FIXED ASSETS
FOR THE YEAR ENDED 31 MARCH 2021

	Freehold	Furniture and office equipment	Computer Equipment	Total
	£'000	£'000	£'000	£'000
COST:				
At 1 April 2020	650	2	120	772
Additions	6	-	21	27
Disposals	(13)	-	-	(13)
At 31 March 2021	<u>643</u>	<u>2</u>	<u>141</u>	<u>786</u>
Depreciation				
At 1 April 2020	45	2	78	125
Charge for the year	15	-	19	34
Eliminated on disposals	(6)	-	-	(6)
At 31 March 2021	<u>54</u>	<u>2</u>	<u>97</u>	<u>153</u>
Net book value				
At 31 March 2021	<u>589</u>	<u>-</u>	<u>44</u>	<u>633</u>
At 31 March 2020	<u>605</u>	<u>-</u>	<u>42</u>	<u>647</u>

INCLUSION HOUSING COMMUNITY INTEREST COMPANY (REGISTERED NUMBER: 06169583)

13. DEBTORS

FOR THE YEAR ENDED 31 MARCH 2021

AMOUNTS FALLING DUE WITHIN ONE YEAR:

	2021 £'000	2020 £'000
Rental debtors	2,857	2,303
Less: Provision for bad debts	(190)	(224)
	<hr/> 2,667	<hr/> 2,079
Sales ledger balances	1,180	1,588
Amounts owed by group undertakings	17	-
Prepayments and accrued income	1,003	402
Other debtors	30	30
	<hr/> 4,897	<hr/> 4,099

14. CASH AND CASH EQUIVALENTS

	2021 £'000	2020 £'000
Cash equivalents	10,139	2,252
Cash at bank	5,364	7,265
	<hr/> 15,503	<hr/> 9,517

INCLUSION HOUSING COMMUNITY INTEREST COMPANY (REGISTERED NUMBER: 06169583)

15. CREDITORS

FOR THE YEAR ENDED 31 MARCH 2021

AMOUNTS FALLING DUE WITHIN ONE YEAR:

	2021 £'000	2020 £'000
Bank loans and overdrafts	30	30
Trade creditors	4,116	2,290
Amounts owed to group undertakings	8	-
Taxation	201	133
Rents in advance	581	338
Accruals and deferred income	1,933	1,903
Deferred revenue grants (note 19)	850	444
Other taxation and social security	94	87
Other creditors	284	44
	<hr/> 8,097 <hr/>	<hr/> 5,269 <hr/>

16. CREDITORS

AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR:

	2021 £'000	2020 £'000
Bank loans and overdrafts	306	337
Sinking fund	5,445	3,874
Deferred revenue grants (note 19)	667	705
Five year void pot	792	687
SDLT reserves	48	48
	<hr/> 7,258 <hr/>	<hr/> 5,651 <hr/>

INCLUSION HOUSING COMMUNITY INTEREST COMPANY (REGISTERED NUMBER: 06169583)

17. OPERATING LEASES

FOR THE YEAR ENDED 31 MARCH 2021

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2021 £'000	2020 £'000
Not later than one year	31,732	24,564
Later than one year and not later than five years	124,466	100,474
Later than five years	419,823	368,204
	<u>576,021</u>	<u>493,242</u>

The Company operates a lease-based model and 2,999 units are held under operating leases ranging from 3 months to 50 years.

18. SECURED DEBT

The following secured debts are included within creditors.

	2021 £'000	2020 £'000
Bank loan	336	367
	<u>336</u>	<u>367</u>

The above bank loan is secured on the office property in note 12.

INCLUSION HOUSING COMMUNITY INTEREST COMPANY (REGISTERED NUMBER: 06169583)

19. DEFERRED GRANT INCOME FOR THE YEAR ENDED 31 MARCH 2021

	2021 £'000	2020 £'000
At 1 April 2020	1,149	1,067
Grant received in the year	713	158
Grant released to income in the year	(345)	(76)
	<hr/>	<hr/>
At 31 March 2021	1,517	1,149
	<hr/>	<hr/>
Amounts due to be released < 1 year	850	444
Amounts due to be released > 1 year	667	705
	<hr/>	<hr/>
	1,517	1,149
	<hr/>	<hr/>

The weekly rent charge includes an allowance for void expenses in the event of a unit in management becoming empty for a period at some point in the future. The intended purpose is to fund costs incurred by the company during periods when the unit is not occupied. The void charge is extracted from the income collected and initially presented as deferred income on the balance sheet. Income is recognised when a void loss on these properties occurs.

20. PROVISIONS FOR LIABILITIES

	2021 £'000	2020 £'000
Deferred Tax – Accelerated Capital Allowances	<hr/> 13 <hr/>	<hr/> 9 <hr/>

INCLUSION HOUSING COMMUNITY INTEREST COMPANY (REGISTERED NUMBER: 06169583)

21. CAPITAL COMMITMENTS FOR THE YEAR ENDED 31 MARCH 2021

	2021 £'000	2020 £'000
Capital expenditure that has been contracted for but has not been provided for in the accounts:	-	-
Capital expenditure that has been authorised by the Board but has not yet been contracted for:	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

It is intended that this anticipated capital expenditure will be financed in the next 12 months by:

	2021 £'000	2020 £'000
Cash reserves	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

22. CONTINGENT LIABILITIES

At the balance sheet date there were no contingent liabilities (2020: ENil).

INCLUSION HOUSING COMMUNITY INTEREST COMPANY (REGISTERED NUMBER: 06169583)

23. PENSION SCHEME

FOR THE YEAR ENDED 31 MARCH 2021

The Company operates a defined contribution scheme for its employees.

The costs for the year were £113K (2020: £91K).

Total outstanding contributions as at 31 March 2021 were £Nil (2020: £15K).

24. ANALYSIS OF CHANGES IN NET DEBT

	As at 1 April 2020	Cash flows	Other Non- cash changes	At 31 March 2021
	£'000	£'000	£'000	£'000
Cash at bank	7,265	(1,901)	-	5,364
Cash equivalents	2,252	7,887	-	10,139
Loans falling due within one year	(30)	-	-	(30)
Loans falling due after more than one year	(337)	31	-	(306)
	9,150	6,017	-	15,167

INCLUSION HOUSING COMMUNITY INTEREST COMPANY (REGISTERED NUMBER: 06169583)

25. RELATED PARTIES FOR THE YEAR ENDED 31 MARCH 2021

Two of the non-Executive Directors of the Company and a non-Executive Director of Inclusion Group Limited, the parent company of Inclusion Housing Community Interest Company are trustees of Inclusion Foundation, a charity under the management of the Company's Executive Directors.

During the year the Company made a gift aid donation of £350K to Inclusion Foundation.

TRANSACTIONS WITH NON-REGULATED GROUP COMPANIES

Payable to the Company by non-Regulated Group Companies

The Company provides services to the other Group Companies including due diligence related to newly acquired schemes into management and Finance and Governance services. Salary and other costs are recharged based on staff time and number of units into management.

NON-REGULATED COMPANY	Recharge	Amount recharged in year	Balance due to the Company at 31 March 2021
		£'000	£'000
Inclusion Group Limited	Salaries and due diligence	27	5
Inclusion Homes Community Interest Company	Salaries and due diligence	8	4
Inclusion Property Holdings Limited	Salaries	8	8
		43	17

Payable to non-Regulated Group Companies by the Company

The Company is charged lease rent, management fees and sinking fund contributions by Inclusion Homes Community Interest Company related to schemes in management.

NON-REGULATED COMPANY	Recharge	Amount recharged in year	Balance due to the Company at 31 March 2021
		£'000	£'000
Inclusion Homes Community Interest Company	Lease rent	5	
Inclusion Homes Community Interest Company	Management fees	2	
Inclusion Homes Community Interest Company	Sinking fund	1	
		8	8

Key management personnel disclosures are included in note 10.

INCLUSION HOUSING COMMUNITY INTEREST
COMPANY (REGISTERED NUMBER: 06169583)

26. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY
FOR THE YEAR ENDED 31 MARCH 2021

The ultimate parent undertaking and controlling party of the Company is Inclusion Group Limited, a Company limited by shares and incorporated in England and Wales, registered company number 12505808.

Copies of the Group financial statements can be obtained from its registered office at 106 Heworth Green, York, YO31 7TQ.



INCLUSIONHOUSING

REGISTERED OFFICE

INCLUSION HOUSING
106 HEWORTH GREEN
YORK
YO31 7TQ

EMAIL OR CALL

WWW.INCLUSIONHOUSING.ORG.UK
HELLO@INCLUSIONHOUSING.ORG.UK
01904 675 207

INCLUSION HOUSING CIC IS A SOCIAL ENTERPRISE / COMMUNITY INTEREST COMPANY AND REGISTERED PROVIDER. INCLUSION HOUSING IS A MEMBER OF THE NATIONAL HOUSING FEDERATION (00146316) AND IS REGULATED BY THE COMMUNITY INTEREST COMPANIES REGULATOR AND THE HOMES AND COMMUNITIES AGENCY UNDER THE FOLLOWING REGISTRATIONS : COMMUNITY INTEREST COMPANY – 6169583; HOMES AND COMMUNITIES AGENCY – 4662