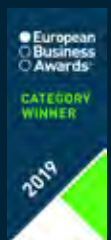




INCLUSIONHOUSING

YOUR ANNUAL REPORT 2022/2023





INCLUSIONHOUSING



INCLUSION HOUSING

ANNUAL REPORT & ACCOUNTS 2022/2023

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HELLO AND THANK YOU

THIS IS INCLUSIONS EIGHTH CONSECUTIVE YEAR OF ACHIEVEMENT AND GROWTH DEMONSTRATING THE RESILIENCE, VIABILITY AND SOUND STEWARDSHIP OF THE COMPANY WHILST DELIVERING SUBSTANTIVE SOCIAL IMPACT ACROSS THE COUNTRY. WE ARE DELIGHTED TO PRESENT THIS ANNUAL REPORT OF PROGRESS, SUCCESS AND CONTINUOUS IMPROVEMENT WHICH IS VERY MUCH ALIGNED TO OUR EXCITE VALUES OF EXCELLENCE, COLLABORATION, INNOVATION, TRUST, AND ENTERPRISE

2022/23 has been Inclusion Housing's best ever year in regard to finance, 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 to achieve 3,764 independent living tenancies under our management. Through our capability, talent, and ambition we have realised and out-performed exigent targets during the most challenging of times.

Inclusion Housing continues to out-perform the social housing market with strengthening liquidity and surpluses resisting the pressure of higher inflation and supply chain issues. Our bolstering resilience compares favourably with the majority of Registered Providers and is testament to our low cost base, increasing cash flow, strengthening balance sheet, efficient systems, effective organisation and pool of talent.

Inclusion Housing is the largest supported housing developer across Great Britain having brought 422 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. There are now more vulnerable people being supported in their own Inclusion Housing home than ever before and our report provides insight into the positive impact that we have through our social enterprise activity.

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, STRONG CASH FLOW AND STRENGTHENING BALANCE SHEET.

Overall, in the last 5 years we have more than 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.

'Doing More Good' is a key mantra and over the last eight years we have been able to provide a home to a vulnerable person every day of the year, including weekends. Through effective partnerships with commissioners, developers, care provider and financial institutions Inclusion Housing is now the most important provider of specialist supported housing in the country and we are only successful due to the strength and success of these partnerships.

Excellent 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.

We continue to hold and retain critical independent accreditations relating to systems, people, and customers; vital components of who we are, what we do and then deliver. These accreditations include:

- **Investors in Excellence**
- **Leaders in Diversity**
- **Customer Service Excellence**

Inclusion Housing would like to recognise the contribution of all our partners, employees and stakeholders; it is the strength of our partnership and collaboration that propels us forward year on year to be better, do more good and help more people.

INCLUSION HOUSING HAS NEVER BEEN STRONGER IN REGARD TO OUR CUSTOMER SERVICE, ABILITY TO RESPOND TO LOCAL NEEDS, PARTNERSHIP WORKING, RESILIENCE 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. Through this business development we will always maintain sound stewardship, resilience, diligence and credibility.

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 Gomez Balaguer
Chair, Inclusion Housing



Neil Brown
Chief Executive, Inclusion Housing

A photograph of a woman with short dark hair, wearing a grey t-shirt, sitting in a wheelchair. The entire image is overlaid with a semi-transparent red filter. A dark teal rectangular box is positioned in the lower-left quadrant, containing the text '2.0 ABOUT US' in white.

2.0 ABOUT US

ABOUT INCLUSION HOUSING

INCLUSION HOUSING (IH) IS A COMMUNITY INTEREST COMPANY (CIC – SOCIAL ENTERPRISE) REGULATED BY THE GOVERNMENT CIC REGULATOR. WE ARE A REGISTERED PROVIDER OF SOCIAL HOUSING, REGULATED BY THE REGULATOR OF SOCIAL HOUSING GRANTED IN JUNE 2011.

AS A NOT FOR PROFIT, VOLUNTARY ORGANISATION WE CONTINUE TO WORK WITH AND ON BEHALF OF VULNERABLE PEOPLE. WE SUPPORT THEM TO LIVE INDEPENDENTLY IN THEIR OWN SPECIALIST, SUPPORTED HOME ACROSS ENGLAND, SCOTLAND AND WALES.

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 3,764 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.

IH is unique in providing supported housing in every part of the country; from Scotland, through Northern England into Wales, the Midlands and East Anglia; stretching into the South West, South Coast, London and the South East. We employ local Managers in every part of the country and have a comprehensive supply chain of suppliers to service our accommodation. This is a competitive advantage which allows us to grow our portfolio without disruption and with success.

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 and 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 THE UNITED KINGDOM'S LEADING SOCIAL ENTERPRISE COMPANIES IS NOW THE MOST IMPORTANT PROVIDER OF SPECIALIST SUPPORTED HOUSING IN GREAT BRITAIN

A National Operation with a Local Presence

IH has a national portfolio of properties and provides a local service through designated local representatives who visit homes at least every two weeks complemented by a local network of service contractors. We provide intensive housing management visits to residents to help sustain tenancies, manage the signing up process and respond quickly to issues through a personalised local service. IH is currently developing new supported living schemes across Great Britain, a mix of IH owned funded from cash reserves and short/medium term leases via Institutional Investment Partners.

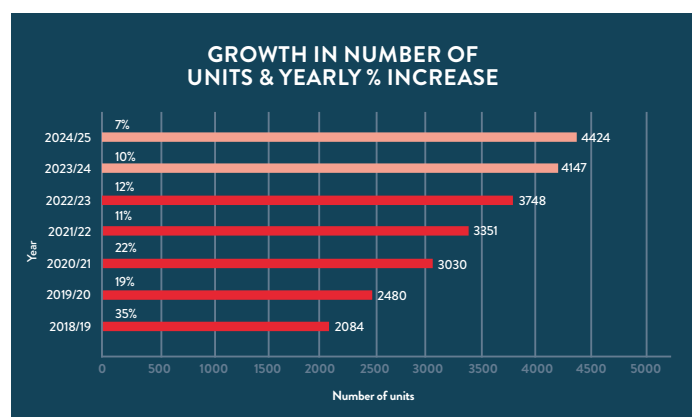


Chart 1 - Number of units in management includes freehold & held under an operating lease

The rate of growth achieved by IH over the last five years has been significant, in line with our strategic business targets to achieve 3,748 tenancies in management. Our prudent projection is for slower future growth over the next two years, in line with Graph 1, as we move toward 5,000 tenancies in management in the next five years.

IMPROVING THE LIVES OF THE MOST VULNERABLE PEOPLE IN OUR SOCIETY



3,748 UNITS IN MANAGEMENT, LOCATED ACROSS OVER 100 LOCAL AUTHORITY AREAS



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



3.0

**INCLUSION
GROUP
COMPANY
STRUCTURE**

3.0 INCLUSION GROUP COMPANY 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).

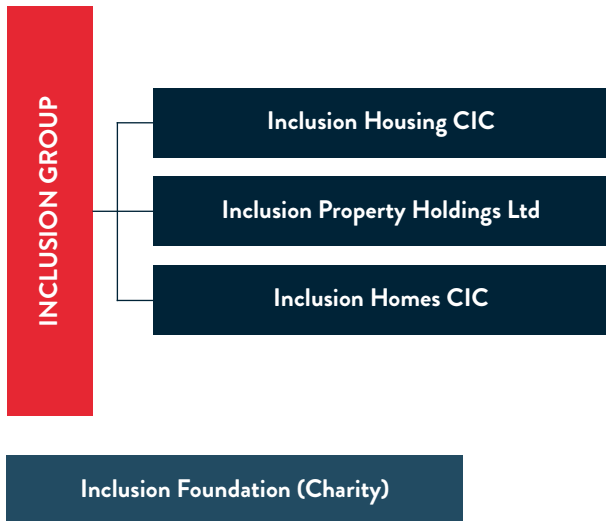


Chart 2 - Inclusion Housing group structure (above)

THE PURPOSE OF THE BUSINESS STRUCTURE IS 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 investment to facilitate delivering the development of housing stock, a financial return to investors and a surplus which may eventually 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.

Group Functions are 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.

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 Homes 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: LUKE, DERBY

Inclusions Homelife project recently helped one of our tenants in Derby to secure an allotment as he had previously expressed desire to grow his own produce; however, as he was in an apartment this was not possible.

We sourced and have provided start up funding to Luke to help him get going with a half plot. This plot was quite run down and in need of some TLC when he took over at the beginning of May.

Luke didn't waste any time and by the end of June potatoes and onions have been doing particularly well. He explained how the allotment has helped him:

“When I first saw the plot, I was so excited to be able to start growing things for myself again. I could use up all my old seeds; and get new ones to be able to grow things I have never grown before. I'm constantly learning new things and receiving a lot of help from friends, family, and the community. Having the allotment has really helped me to get outside more which has helped my mental health and thinking clearly. Its allowed me to think of the things I want to do next. I just sit down, relax and rest; it's so refreshing. It is really peaceful to be able to be amongst all God's creation and listen to the birds singing.”

Luke provided this picture of himself next to his favourite plant which is his grapevine.



4.0

**STRATEGIC
VISION &
PRIORITIES**

4.0 STRATEGIC VISION & PRIORITIES

VISION

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

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.

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 VISION & PRIORITIES

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 Below sector 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	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% Top quartile lowest average management cost per unit.	Excellence



CASE STUDY: ROBERT, STOKE-ON-TRENT

Robert moved into his apartment in December 2021. The scheme was new when Robert moved in and Robert wanted to make the scheme feel more welcoming. Robert asked if he could paint a wall to the front of the building as he has a degree in art. We agreed to this and have enjoyed watching the progress of the over the past 7 months.

After a lot of time and hard work, Robert has produced this amazing piece of art work that now welcomes visitors to the scheme. It looks fantastic!



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 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.

CUSTOMER SERVICE EXCELLENCE 2022

Our fifth CSE assessment took place in November 2022 where a dual Compliance Plus rating was awarded for our approach to leadership and management in recognition of the Gwent policing initiative.

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

Inclusion successfully achieved retention of the **Leaders in Diversity** accreditation in June 2020 which is valid for 2 years via the National Centre for Diversity. The assessor stated that the Leaders at Inclusion have created a culture where everyone is encouraged to be open and that from engagement with staff at all levels of the business everyone understood their personal responsibility when it comes to LiD. Inclusion was further commended in June 2022 by featuring in the NCFD Top 100 Most Inclusive Workplaces Index; Inclusion was ranked 38th.





CASE STUDY: CLAIRE, CAROLINE AND JUSTIN, SUNDERLAND

Following a donation from Homelife some of the residents from Sunderland – Claire, Caroline and Justin - have been busy planting new flowers in the front garden of the property.

All have said they found it really rewarding and are already looking at what they can do in the rear garden! Here's Justin watering the new plants.



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.

CONTACT CENTRE

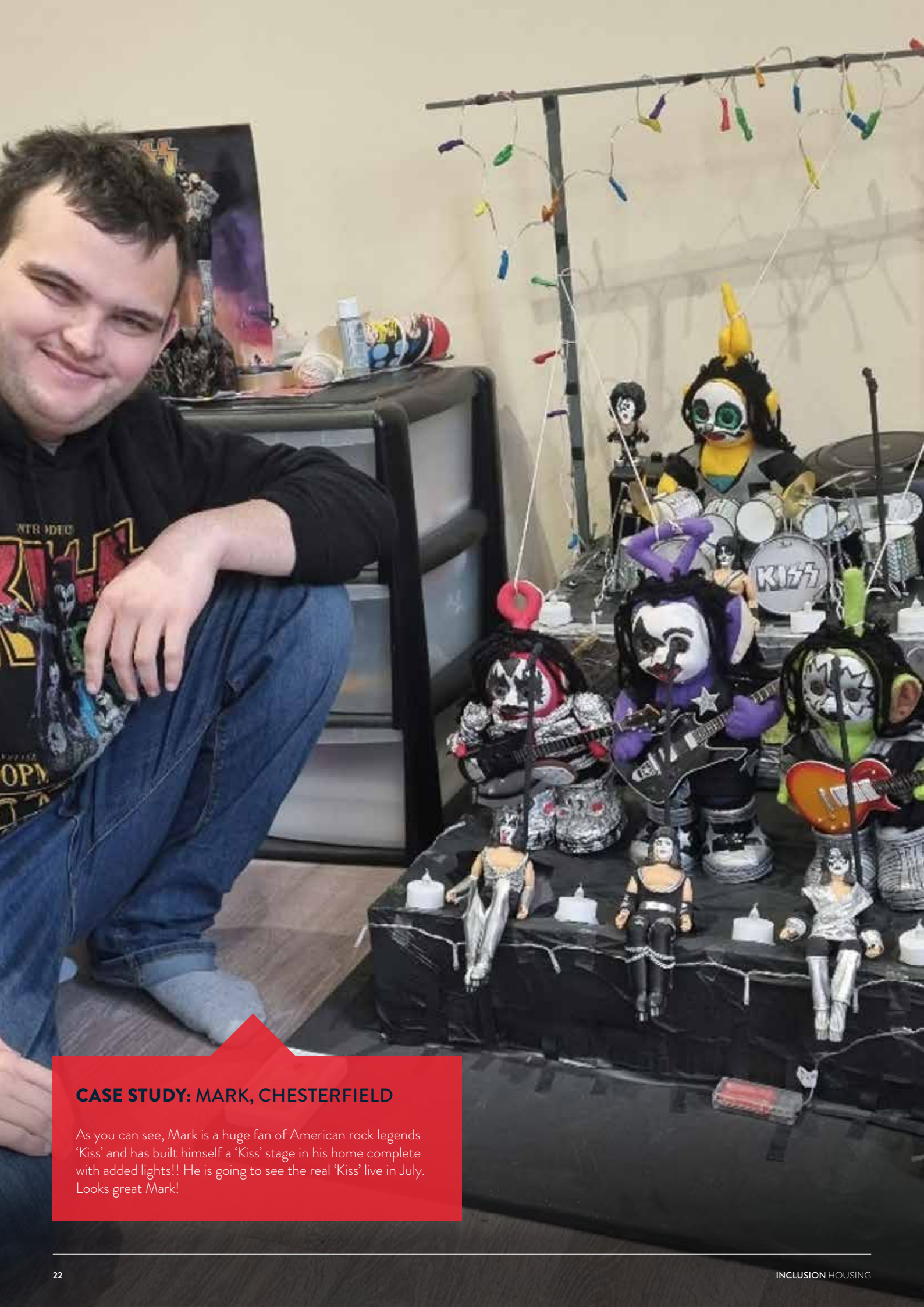
Inclusion has its own dedicated contact centre for residents and business partners to contact.

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: MARK, CHESTERFIELD

As you can see, Mark is a huge fan of American rock legends 'Kiss' and has built himself a 'Kiss' stage in his home complete with added lights!! He is going to see the real 'Kiss' live in July. Looks great Mark!



7.0

**WHERE WE
OPERATE**

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 gathers profiling data from all tenants to help us better understand our customer base and enable us to tailor our services to meet tenant needs. Some key aspects of the information we have available is detailed (right):

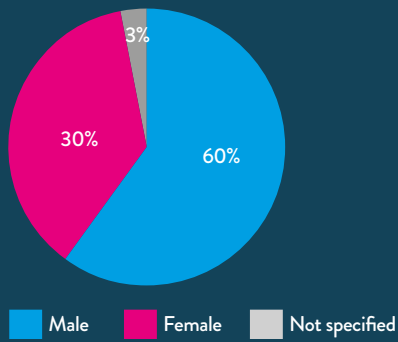
KEY FINDINGS:

- At end March 22 we had **3027 tenants** (an increase of 639 from March 21) with 2781 date of births having been recorded.
- **22 of the tenanted units have joint tenancies**, a similar position to prior year when 20 were recorded.
- The **average age of tenants is 42 years**, with the ages split across a wide range, in line with previous results.
- We hold information on **Ethnicity for 2624 tenants** (82%), decreasing from 85% in prior year.

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

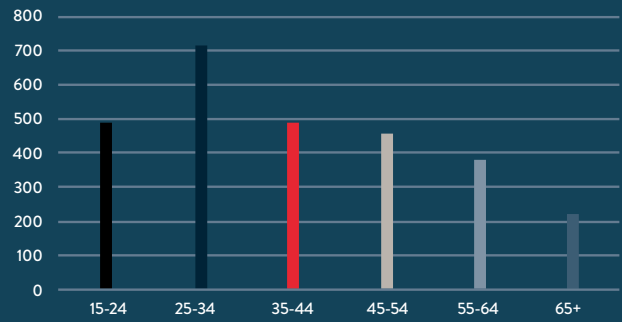


8.1 GENDER SPLIT



The gender ratios are 60% male, 30% female with 3% of people choosing not to answer. In previous years we have consistently seen the male / female ratios sit at 60% and 40% respectively.

8.2 TENANT AGE

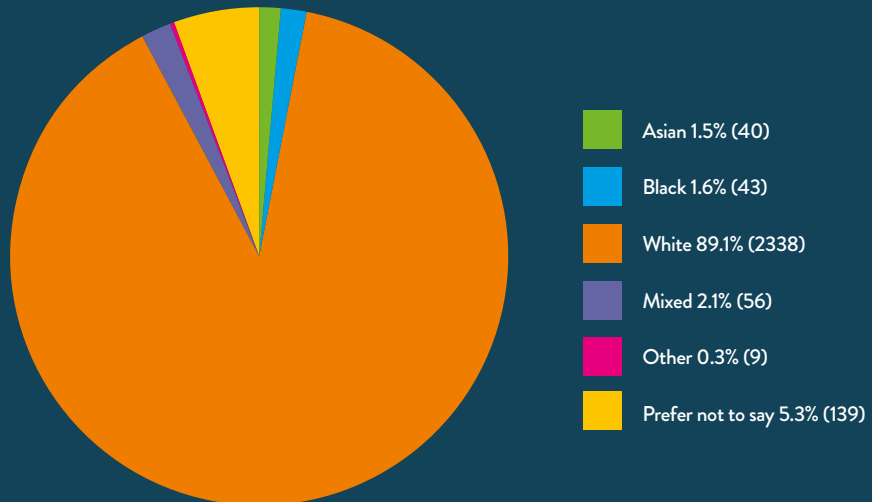


Age profiles demonstrate a diverse range across our business with 8% of tenants with a DOB recorded above 65 years (2% increase prior year), and the majority being in the 25-34 year category; Inclusions oldest tenant in the reporting period was 102 years of age.

8.3 ETHNICITY

86% (2623) of current tenants chose to complete the ethnicity section within the profiling document, the data we have tells us that:

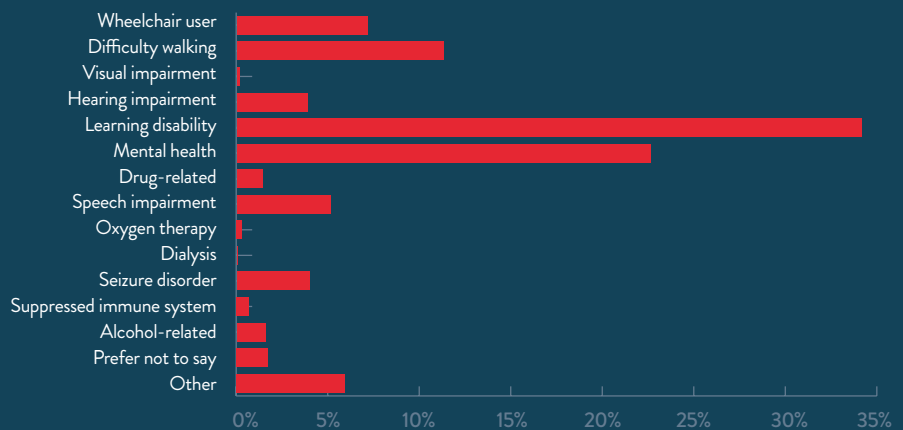
- 2338 tenants (89.1%) identify as White British.
- 1.6% identify as Black African, Black Caribbean or Black other.
- 5.3% of tenants preferred not to disclose their ethnicity to us.



8.4 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 not too dissimilar 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.

The main change has been an increase of more than 4.5% of tenants with a learning disability; this needs group now makes up more than a third of our tenants followed by mental health which is increasing toward a quarter of tenancies.



The graph above illustrates the profiling information in regard to IH's tenant disabilities, it is noted that the majority of tenants identify as having a mental health condition, learning or physical disability.



CASE STUDY: MATTHEW, WIRRAL

This is Matthew from the Wirral. With Homelife funding he has been working really hard in the garden to complete this feature wall where he lives. As a result, all the residents are really enjoying the outside space and having BBQs. Thanks for all your hard work Matthew!



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 reasonable level an actual overall satisfaction level with the service at **83%**.

We aim to achieve a Net Promoter Score of above 60 and the average is rated at **+54** across all 9 questions. The overview of the 2022 customer satisfaction survey reveals:

- Return rate of 42.1% reducing by 5% on prior survey
- Overall Satisfaction with Inclusion reduced by 3% to 83%
- Overall dissatisfaction with Inclusion is 6%, an increase of 5% in 2019.
- The average net promotor score across all service area provisions is under target at 54%

Question	Satisfaction Sept 2019	Satisfaction Sept 2022	Diff
How satisfied are you with the overall service provided by Inclusion Housing?	83%	81%	-2%
How satisfied are you with the service your Managing Agent provides?	89%	86%	-3%
How satisfied are you with the condition and repair of your home?	78%	75%	-3%
How would you rate the satisfaction of the scheme you live in?	86%	85%	-1%
How satisfied are you with our response to anti-social behaviour issues?	82%	75%	-7%
Do you feel supported to manage your tenancy?	92%	90%	-2%
Are you satisfied you are listened to by Inclusion staff?	86%	84%	-2%
Are you satisfied with how safe you feel in your home?	91%	87%	-3%
Are you satisfied that your opinions are taken seriously?	87%	84%	-3%
Overall Average for Questions	86%	83%	-3%

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, 90% of tenants feel they are supported in their home and 87% report feeling safe.

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.

Average	2019 %	2022 %	Difference %
Very satisfied	62	60	-2
Satisfied	24	23	-1
Impartial	9	11	2
Dissatisfied	3	4	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] 2020/21	2015/16 Inclusion Housing	2016/17 Inclusion Housing	2017/18 Inclusion Housing	2018/19 Inclusion Housing	2019/20 Inclusion Housing	2020/21 Inclusion Housing	2021/22 Inclusion Housing	T/L
Customer Satisfaction %	85%	72%	89%	89%	87%	86%	86%	86%	●
Complaints Resolved in timescale	83%	n/a	100%	80%	75%	75%	68%	63%	●
Landlord listens to their views	84%	70%	84%	90%	87%	87%	87%	87%	●
Satisfaction with Home Condition	90%	68%	94%	93%	92%	89%	90%	90%	●

9.0 CUSTOMER SERVICE

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.

Question	NPS 2019	NPS 2022	Variance
How satisfied are you with the overall service provided by Inclusion Housing?	+53	+51	-2
How satisfied are you with the service your Managing Agent provides?	+66	+63	-3
How satisfied are you with the condition and repair of your home?	+41	+39	-2
How would you rate the satisfaction of the scheme you live in?	+54	+52	-2
How satisfied are you with our response to anti-social behaviour issues?	+52	+42	-10
Do you feel supported to manage your tenancy?	+68	+65	-3
Are you satisfied you are listened to by Inclusion staff?	+58	+58	0
Are you satisfied with how safe you feel in your home?	+65	+60	-5
Are you satisfied that your opinions are taken seriously?	+57	+56	-1
Overall Average for Questions	+57	+54	-3



9.0 CUSTOMER SERVICE

COMPLAINTS

During 2022/23 **76** complaints were received in total. This constitutes an average of **6.3** complaints received per month, an increase against the same period for 2021-22 which reported at **3.6**.

Department	Qtr. 1	Qtr. 2	Qtr. 3	Qtr. 4	Total
Total	21	11	19	25	76
Ave / Month	7	3.6	6.3	8.3	6.3

At end March 2023 Inclusion had 3251 tenants in comparison with an average 1 complaint per 43 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
2021-22	2749	43	1/63 tenants
2022-23	3251	76	1/43 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. With increasing ombudsman complaints and negative determinations at a national level it is likely that Inclusion Housing continues to be one of the best performing customer service providers in the country.

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.

Standard	2021/22	2022/23 Actual
Average days to complete a repair	12 days	11 days
Repair completed on first visit	98%	99%
Intensive Housing Management Visits (every 2 weeks)	91%	93%
Scheme Inspection Visits (Monthly)	97%	96%
Scheme Condition	97%	96%
3%ASB cases as % of tenants	1%	1.5%
Ethnic Minority Lettings	7.5%	6%
Property Compliance Certification up to date	99.6%	99.6%
Fire Safety Actions Completed in agreed timescale	97%	98%
Average complaints	1 per 63 tenants (1.6%)	1 per 43 tenants (2.3%)
Listening to our tenants	86%	84%
Tenants opinions are taken seriously	87%	84%
Tenants feel safe in their home	91%	87%
Satisfied with the property when moving in		99%
Satisfied with the Managing Agent Service	90%	90%

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 Managements 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 2023 was **92%**.

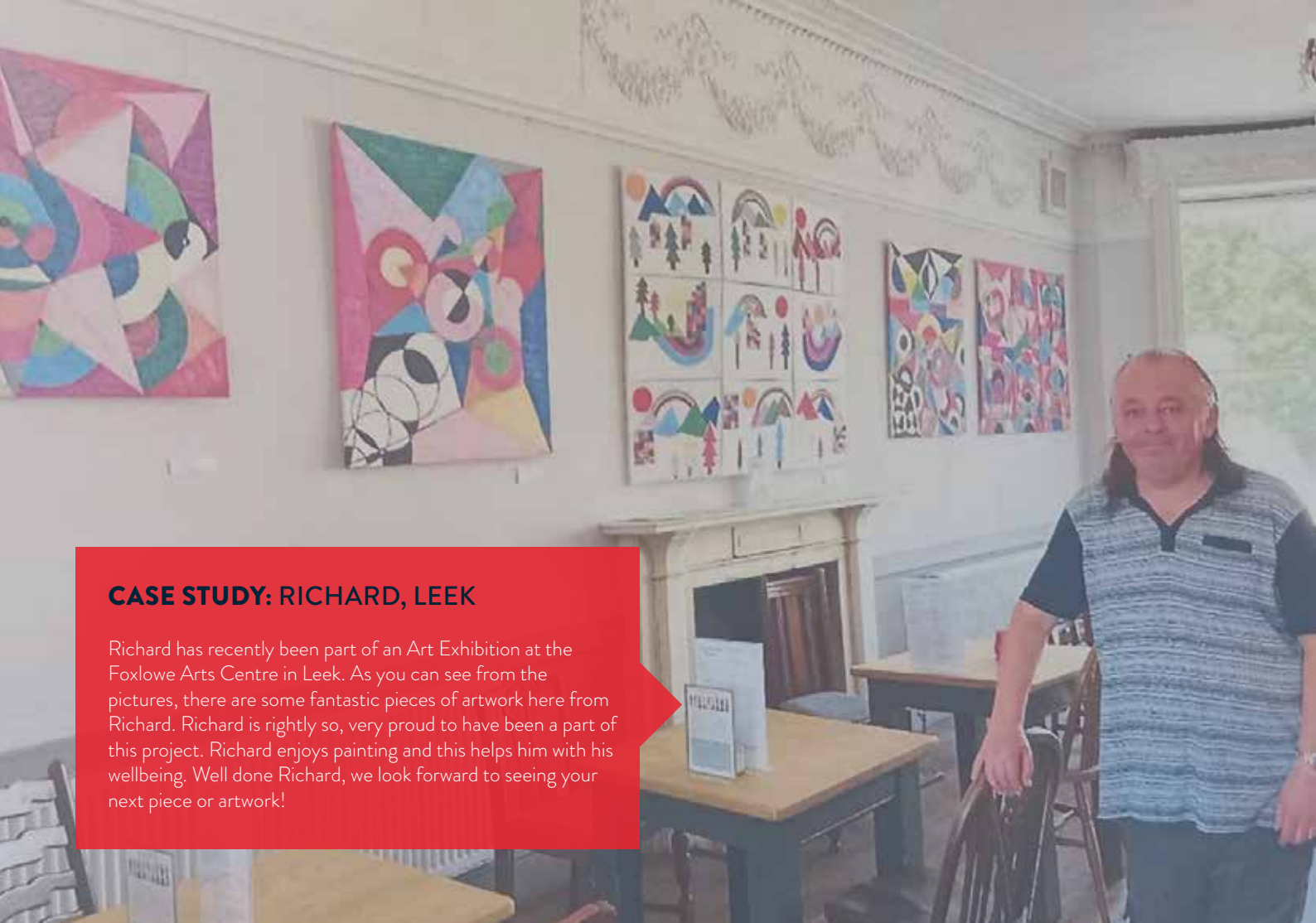
SCHEME STANDARDS

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 508 schemes in management and achieved **99% of schemes scoring good or fair** in March 2023; with the percentage of schemes rating poor dropping to less than 1%.

March 2022	Schemes	%
Good	478	94%
Fair	25	5%
Poor	5	1%
TOTAL	508	100%



CASE STUDY: RICHARD, LEEK

Richard has recently been part of an Art Exhibition at the Foxlowe Arts Centre in Leek. As you can see from the pictures, there are some fantastic pieces of artwork here from Richard. Richard is rightly so, very proud to have been a part of this project. Richard enjoys painting and this helps him with his wellbeing. Well done Richard, we look forward to seeing your next piece of artwork!



Before



After

CASE STUDY: BECKY, OSSETT

Becky has been a tenant at our Ossett scheme since March 2021, where she lives with her dog, Titch. Over the past year Becky has set herself a goal to lose weight. With some help from the Homelife fund to pay for her gym membership, Becky has lost an unbelievable 3.5 stone! Without the funding, Becky said she would have struggled to lose weight as she couldn't afford to go the gym. Becky attends the gym on a regular basis and has since taken up cycling.

Becky has kindly shared these before and after photos of herself. What an incredible achievement. Well done Becky!



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. 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.

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.

IN 2022 OUR HOMELIFE PROJECT FULLY DELIVERED 42 PROJECTS AND OTHER INITIATIVES BENEFITING OVER 590 TENANTS, MORE FOCUS HAS BEEN ON SOCIAL ACTIVITIES IN LARGER SCHEMES TO HELP REDUCE SOCIAL ISOLATION AND GARDENING PROJECTS TO ENCOURAGE TENANTS TO SPEND TIME OUTDOORS.

Tenants who benefited from wellbeing projects in prior years, such as gardening initiatives, continue to benefit year on year. A number of initiatives are also still in the pipeline, approved and waiting to start. At the end of December 2022 Inclusion had over **3000 tenants** benefiting from supported living.

	Events / Activities	No Involved	Outcomes
Consultation	Intensive Housing Management	All Tenants	<ul style="list-style-type: none"> • One to one contact • Documented requests
	Customer Satisfaction	1113	<ul style="list-style-type: none"> • Published results • Documented Improvement
	Influencing		<ul style="list-style-type: none"> • Published results • Engagement
	Access to Property Void Standards Estate Management Policy Resident Involvement Policy	261 295 652 630	<ul style="list-style-type: none"> • Influencing the Business • Making a difference • Insight and accountability
Involvement	Dedicated Managing Agent contact / scheme inspections	All Schemes	<ul style="list-style-type: none"> • Informed on Safety • Regular Visits Documented
	Resident Meetings at 78 schemes	Est 954	<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	25	<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	15 Gardening projects (courses, equipment, flowers and veg growing)	164	<ul style="list-style-type: none"> • Life enrichment • Inclusivity • Combat social isolation • Social skills • Health and Wellbeing
	3 Arts and Crafts / Xmas Card Design	180	<ul style="list-style-type: none"> • Stimulation • Combat social isolation • Inclusivity • Reminiscence • Social skills • Health and Wellbeing
	2 Health and Wellbeing	56	<ul style="list-style-type: none"> • Life enrichment • Inclusivity • Combat social isolation • Social skills • Health and Wellbeing
	1 External Courses / Activities	32	<ul style="list-style-type: none"> • Life enrichment • Inclusivity • Combat social isolation • Social skills • Health and Wellbeing • New skills • Learning / Development
	7 Parties / Social Gatherings	228	<ul style="list-style-type: none"> • Life enrichment • Inclusivity • Combat social isolation • Social skills • Health and Wellbeing • Healthy Eating

TENANT CONSULTATION

Year on year we will again 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
2021	201
2022	207





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.

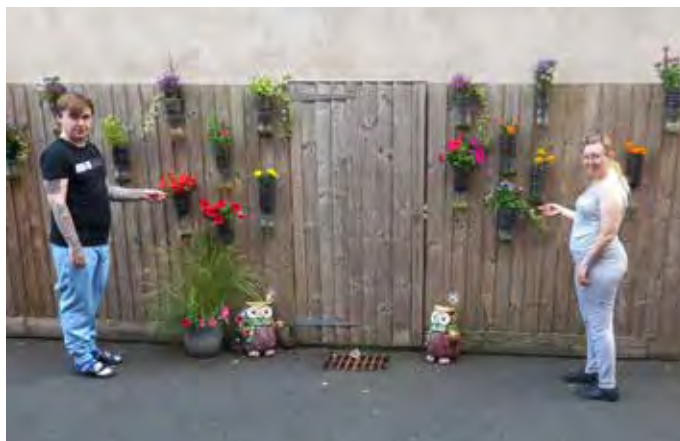
We funded 44 separate initiatives over the past year to help tenants come together, be proud of their schemes and make them feel more inviting and homely, this also encourages tenants to spend time outside being active. New and established scheme gardening projects are proving worthwhile and have a positive impact on scheme interactions and wellbeing.

SOCIAL IMPACT & VALUE

The transition of residents from their previous accommodation to Inclusion represents a saving to the public purse despite some residents moving from cheaper accommodation types, such as from family homes, the private rented sector, temporary accommodation, hostels, and sheltered accommodation.

In addition the type of care the residents receive at Inclusion is appropriate for them and will lead to greater wellbeing improvements, especially those coming from residential and hospital settings.

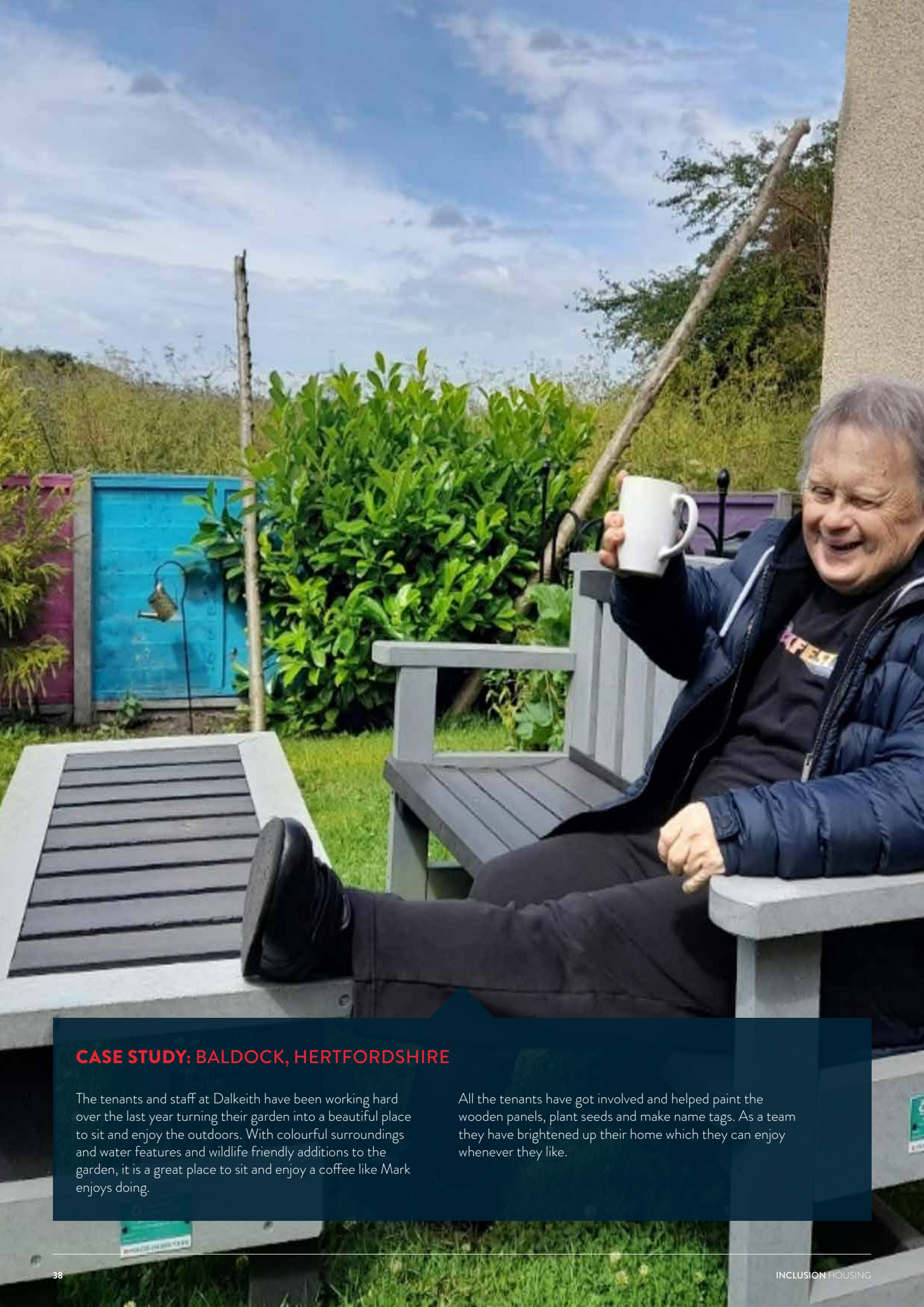
Inclusion created **£7.2M** in social value outcomes in 2021/22 alone, with a gross positive social impact of **£94M**. This compares to £56.6M in 2019/20 an improvement of **66%**.



IH Summary	Total Social Value 2019/20	Total Social Value 2020/21	Total Social Value 2021/22
Resident well-being (new)	£33,789,970	£23,855,712	
Social Impact			£4,803,357
Economic Impact			£2,269,349
Environmental Impact			£88,779
Resident Wellbeing		£32,401,113	
Savings to the public Purse	-£700,445	£2,463,635	£2,903,693
Home life activities	£422,619	£36,030	
Construction Impact	£23,113,047	£63,711,312	£84,000,000
Total Social Value	£56,625,191	£122,467,802	£94,065,178

From a residents' perspective Inclusion is undoubtedly achieving its strategic objective of providing more quality opportunity and supports the social housing purpose of a registered provider. Inclusions Social Impact Report provides an authoritative study into the 'difference' that Inclusion is making in regard to monetary value of our business activity.

We continue experienced challenges in identifying tenants to consistently engage and help shape our services as scheme representatives if you can assist us with this, please do let us know.



CASE STUDY: BALDOCK, HERTFORDSHIRE

The tenants and staff at Dalkeith have been working hard over the last year turning their garden into a beautiful place to sit and enjoy the outdoors. With colourful surroundings and water features and wildlife friendly additions to the garden, it is a great place to sit and enjoy a coffee like Mark enjoys doing.

All the tenants have got involved and helped paint the wooden panels, plant seeds and make name tags. As a team they have brightened up their home which they can enjoy whenever they like.



ALBION
MEWS

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		
	2021/22	2022/23
Average Number of Properties (Leases ended)	1695	1769
Total Planned Investment (30 Years) ¹	£40,543,870	£45,082,692
Sinking Fund Income Received	£888.16	£893.88
Annual Investment Per Unit ²	£797.17	£849.49
Percentage of Property Constructed Post 2000	75%	74%
Average SAP Rating	76.9	77.1
Percentage of Self-contained Accommodation	73%	74%
Percentage Shared Accommodation	27%	25%

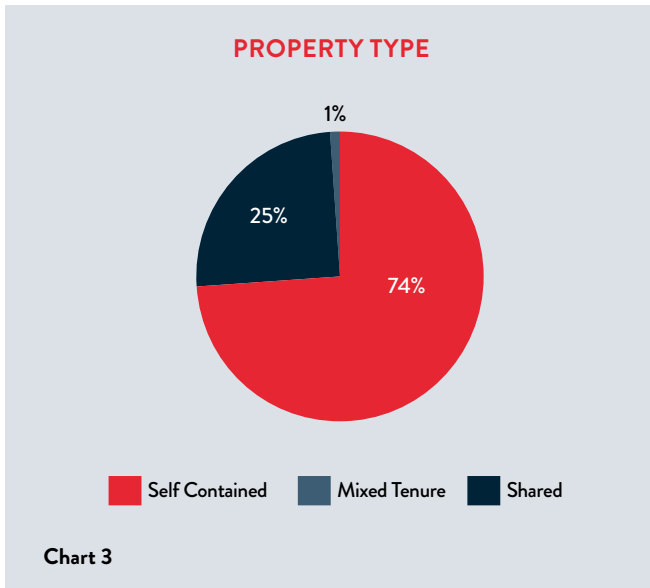
1. Total investment requirement based on all leases ending on year surrender date.

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.

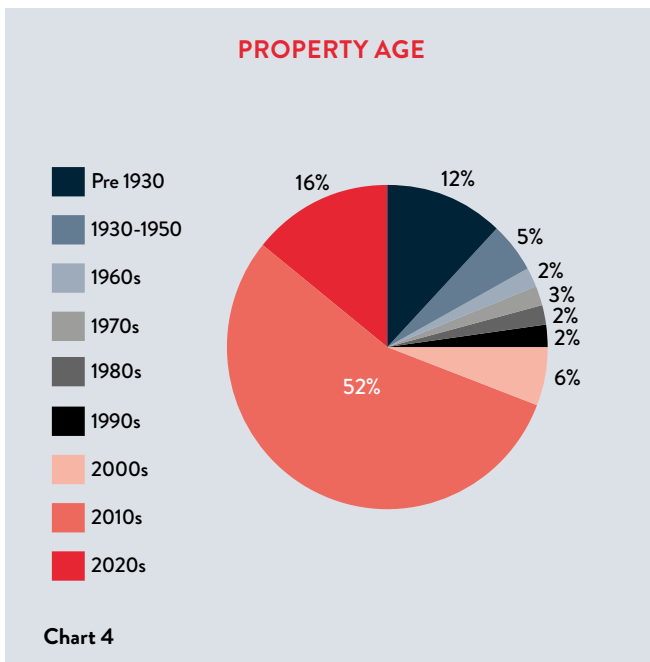
11.1 PROPERTY TYPE

74% of properties are self-contained flats while 25% of properties are shared un-licensed properties; this is equivalent to previous years.



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 2021-2022 has resulted in the percentage of post 2000 properties remaining constant at 74%. Approximately 52% of units within the future development programme are refurbished schemes with around 48% of the pipeline developments being new build, so we expect the age percentage profile of stock post 2000 to decrease slightly in 2022-2023.



11.3 REPAIRS SERVICE

24,376 works orders have been raised to the end of March 2023 resulting in a repairs and servicing expenditure in the year of £3,138,408.

The increase in repairs and servicing orders is in line with the positive growth of the business compared to the 19,140 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

The handyperson service is currently provided at 170 schemes (1850 units) which is 33% scheme coverage (**49% unit coverage**). In line with our delivery plan target we will continue to improve and review this service through repairs performance data reviews and ongoing discussions with tenants, Regional Managers and Managing Agents.



11.5 PLANNED INVESTMENT

The total 30-year investment plan budget requirement is £45,082,692 resulting in a profiled spend of £1,502,756 per year for the life of the plan. Using the raw data spend approach to component replacement is inefficient and results in replacement of sound components and inefficient resourcing of the peaks and troughs. 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.

Summary of Key Data	
30 Year Investment Plan Cost	£45,082,692
Annual Investment Plan Cost (Profiled)	£1,502,756
Number of Units	1769
Annual Investment Plan Cost Per Unit	£849.49
SF Income Per Unit Per Annum	£893.88
Surplus/(Deficit) To Sinking Fund Per unit per Annum	£44.89

11.6 SINKING FUND RESERVE

Inclusion Housing has a Property Sinking Fund Reserve of £7.153M. 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 16,100 various compliance certificates; at year end we achieved 99.6% compliance. All outstanding certificates continue to be followed up and where contractor issues are identified alternative solutions are implemented.





CASE STUDY: JAMES, EDINBURGH

James was one of the first tenants to move into our Edinburgh scheme. As one of the longest tenants, he has now become a Fire Marshal. This involves him doing weekly fire checks with the support staff and reminding other tenants to help keep the scheme safe and free from fire risks. James enjoys this role and takes his responsibility seriously. Having this role has made James think he is now ready for a job and has been enquiring about a job at the local book shop.

Here's James checking the fire panel with Dan from the Lifeways support team. Good work James!

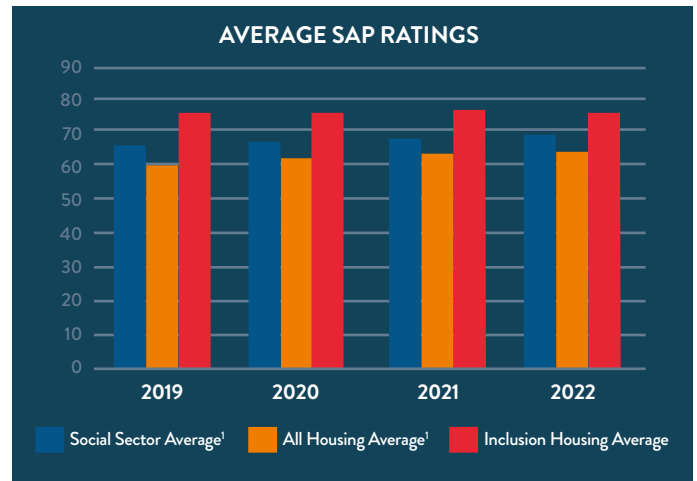


12.0

**ENERGY
EFFICIENCY**

12.1 STANDARD ASSESSMENT PROCEDURE (SAP) RATINGS

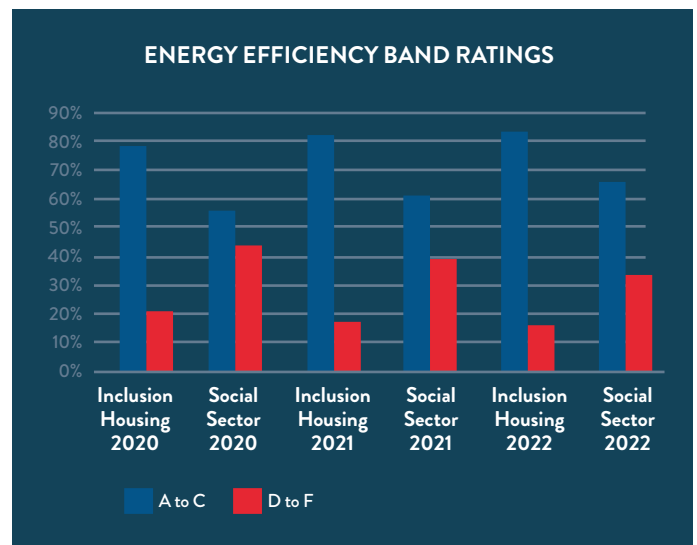
Latest information provided by the English Housing Survey¹ states that the National Average SAP rating for the social housing sector is 70 with the private sector housing average rising one point to 65. Inclusion Housings current average SAP rating has seen a slight increase from 76.97 to **77.13**. When you consider that a newly built property generally achieves an average SAP rating of **81**, the average across IH properties clearly demonstrates that the majority of our properties are energy efficient.



12.2 ENERGY EFFICIENCY BAND RATINGS (EER)

In the 2020 - 2021 English Housing Survey the distribution of EER bands varied. Only **42%** of owner-occupied and privately rented homes are in bands A to C with **58%** of dwellings in bands D to F compared to the social sector where **66%** of dwellings were in EER bands A to C and **34%** of dwellings in bands D to F.

Inclusion Housing has again seen an improvement from 82.04% to **83.10%** of dwellings in bands A to C and a reduction of properties in the lower bands from 17.96% to **16.89%** in D to E with no IH properties in band F.



¹ Data taken from the English Housing Survey 2020/21: Headline report, Ministry of Housing, Communities & Local Government.



13.0 **GROWTH**
2022/23

13.0 GROWTH 2022/23

In management, there are 507 schemes ranging from bespoke 1-unit schemes to the largest scheme of 74 units at Albion Mill, Blackburn, with the average size remaining at seven units per scheme.

GROWTH IN 2022/23

Scheme	Location	Month into Management	Units
Highburn	Cramlington	Apr	1
The Rowan	Atherstone	Apr	16
Alviston House	Darlington	May	13
Palm Street	Nottingham	May	13
Playworks	Nottingham	May	10
Wardlaw House	Dollar	May	4
Cartef Croeso	Llandybie	Jun	8
Wykin Road	Hinckley	Jun	12
Hall O'Shaw Street	Crewe	Jun	16
Brandon Road	Hinckley	Jun	4
Desmond Avenue	Hull	Jun	6
Chapel Mews	Chesterfield	Jun	8
Baingle Brea	Tullibody	Jun	6
Beckett Road	Doncaster	Jul	6
Furlong Close	Wiltshire	Jul	29
Angus Court	Carlisle	Jul	9
Oakview	Telford	Aug	1
Fernside Road	Poole	Aug	9
Bolero Court	Nottingham	Sep	9
Westfield Terrace	Loftus	Sep	3
Linegate	Market Weighton	Sep	4
Comberton Road	Kidderminster	Oct	5
Alcester Road	Birmingham	Oct	21
Galfrid Close	Seaham	Oct	1
Dudley Street	Grimsby	Oct	2
Vicarage Road	Derby	Oct	5
Wedgewood Drive	Colchester	Oct	2
Coppice Side Court	Swadlincote	Nov	18
Mill Row	Swansea	Nov	2
Hursley Close	Leicester	Nov	3
St Peters Gardens	Stafford	Nov	9
The Gables	Eston	Dec	2
Bramling	Telford	Dec	3
Scarlett House	Doncaster	Dec	9
Sutton House	Hull	Dec	2
Bennett Court	Nailsea	Dec	3
West Lodge	Sunderland	Dec	8
Pear Tree Avenue	Southampton	Dec	14
Chaucer Road	Bedford	Dec	12
Ardenlea	Gwent	Jan	5
Church Lane	Marton-in-Cleveland	Jan	1
Gilbert Close	Ilkeston	Jan	20
Corn Exchange	Alnwick	Jan	8
Bewsey House	Warrington	Jan	13
West Street	Banwell	Jan	1
Mwrrg Road	Llangennech	Feb	6
Broadbridge Lodge	Bosham	Feb	10
Uxbridge Avenue	Coventry	Feb	6
Cross Court	Birmingham	Mar	12
Harrogate Drive	Liverpool	Mar	1
Rampion Court	Stafford	Mar	8
			422

13.1 NEW DEVELOPMENTS



BENNETT COURT, BRISTOL

This is Bennett Court in Bristol, a new build scheme providing 12 flats for people with learning disabilities. The support provider is Leonard Cheshire.



ALVISTON HOUSE, DARLINGTON

Alviston House in Darlington has opened in the last 12 months providing 13 flats for people with people with Mental Health issues / Learning Disabilities.



SUTTON HOUSE, HULL

This impressive looking building is Sutton House in Hull, refurbished throughout to provide accommodation for people with learning disabilities and the need for physical support. Priory Group are the support provider.



RAMPION COURT, STAFFORD

Rampion Court is a new scheme in Stafford. It is a new build comprising of 8 self-contained flats. 2 flats are staff offices and 6 flats are for tenants with learning disabilities. The Support Provider is ECHO. There was originally a garden for the ground floor flats only, but the garden spaces have now been separated to allow each tenant both on the ground floor and the first floor to have a section of their own gardens.



PONSFORD STREET, MINEHEAD

Ponsford Street is a stunning supported living development consisting of 6 self-contained apartments, built on the site of a former hotel. It has stunning views in a quiet residential area. Discovery UK are the support provider.



CROSS COURT, BIRMINGHAM

This is Cross Court in Birmingham, a refurbishment project that now includes 12 self-contained flats for people with learning disabilities and mental health issues. The support provider is Transforming Support.



Braillelabelsmatter

33,778 have signed. You got to 31,177

At 35,000 signatures, in a petition becomes one of the top signed on Change.org

Sign this petition

Gayle Gregory started this petition to COOPERSONA and 11 others

I am a blind young woman campaigning to encourage as many brands as possible to consider putting a Braille on as many of their products as possible so that people like myself can live and shop as independently as possible. For example, how would we know whether we were using conditioner instead of dog shampoo or hand cream instead of hand wash by mistake.

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 2022/23**. 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	2021/22	2022/23	Trend
CI Score	45% (est)	76%	85%	85%	85%	89%	89%	90%	89%	+98%

This represents a **98% positive trend** improvement since 2015/16 and reflects the progress made during the few financial-years. 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	2021/22	2022/23	Trend
Risk	64%	67%	68%	79%	80%	80%	91%	96%	+ 50%
Performance	46%	71%	58%	54%	67%	71%	58%	46%	-
Delivery	94%	92%	97%	86%	100%	94%	85%	90%	-4%
Governance	93%	97%	98%	100%	100%	100%	100%	90%	-3%
Facilities	81%	89%	95%	95%	99%	100%	100%	97%	+20%
Customer Service	76%	91%	91%	92%	91%	89%	89%	86%	+13%
Development Appraisal	86%	85%	85%	82%	80%	88%	89%	89%	+3%
Development Delivery		98%	98%	96%	98%	98%	98%	99%	+1%
Property Compliance		97%	100%	96%	99%	99%	99%	100%	+3%
Board Effectiveness		82%	83%	88%	89%	84%	91%	95%	+16%
Return on Assets	75%	77%	79%	79%	82%	84%	82%	82%	+9%
Organisational Development	71%	71%	73%	73%	85%	85%	83%	83%	+17%
Compliance Scorecard							98%	100%	+2%
Rent Compliance Scorecard							96%	96%	-
Business Resilience					19%	56%	95%	100%	
Average CI Score	76%	85%	85%	85%	89%	89%	90%	89%	+17%

14.1 2022/23 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	Implement revised Governmental property compliance legislative arrangements	Enhancement of health and safety system recording, monitoring and reporting
ii	Identify and implement cost effective solutions to improve the energy efficiency band rating for all units below a rating of “D”	Enhance net zero systematic approach through discovery document and partnership

Continuous Improvement – People		
Ref	Description	Impact
i	Implement comprehensive employee coaching and mentoring programme	Develop staff capability and aid retention; achieving more return on salary
ii	Establish Strategic Board to encompass Group and IPH.	Aligned strategic decision making and more efficient operation of governance

Continuous Improvement – Innovation		
Ref	Description	Impact
i	Grow Inclusion Homes as an alternative growth route for the Group	Significant growth bring forward increases revenues, influence and doing more good.
ii	Identify and bring forward proposals for inorganic portfolio growth from other registered providers, landlords and care providers	Existing support portfolios assimilated into Group to enhance revenues, influence and do more good.

Continuous Improvement – Knowledge		
Ref	Description	Impact
i	Maintain CSE Accreditation	Excellent customer standards maintained across company
ii	Implement revised arrangements to comply with new Customer Standard Requirements	Compliance with regulatory requirements enhanced

Continuous Improvement – Efficiency		
Ref	Description	Impact
i	Review and implement approved contractor application pack and performance monitoring framework	Ensure value for money across national supply chains
ii	Deploy equity and/or debt financing into Group to enable subsidiaries to benefit from directly owned assets	Debt financing introduced to aid Group asset purchases



CASE STUDY: EMMA, LIVERPOOL

Emma has lived at our Liverpool scheme for eight years. When she first moved in her mental health was low, she rarely went out or did activities.

With help from the staff team, Emma's independence has progressed so much.

This picture is of Emma just back from work at 'The Pantry' a local food bank, where she has been volunteering for over a year now. She loves her job and loves helping people who are struggling to find affordable food to eat.

She also now regularly goes to the gym and helps out in her local church. Many thanks Emma for everything you do to help others!



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]	2016/17 Inclusion Housing	2017/18 Inclusion Housing	2018/19 Inclusion Housing	2019/20 Inclusion Housing	2020/21 Inclusion Housing	2021/22 Inclusion Housing	2022/23 Inclusion Housing	T/L
Customer Satisfaction - Net Promoter Score %	94%	89%	89%	87%	86%	86%	86%	83%	●
Complaints Resolved within timescale	88%	100%	100%	100%	75%	75%	63%	74%	●
Satisfied views taken into account	85%	-	85%	87%	87%	87%	87%	84%	●
Satisfied with Managing Agent	91%	94%	93%	92%	89%	89%	89%	86%	●

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]	2016/17 Inclusion Housing	2017/18 Inclusion Housing	2018/19 Inclusion Housing	2019/20 Inclusion Housing	2020/21 Inclusion Housing	2021/22 Inclusion Housing	2022/23 Inclusion Housing	T/L
Overhead cost per property %	18%	6.2%	6.2%	5.2%	11%	11%	10%	10%	●
Reactive spend per property per week	£18.03	£5.08	£8.10	£13.32	£6.30	£8.50	£11.42	£16.68	●
Major/Cyclical Cost per property	£729	£785	£626	£550	£408	£410	£355	£513	●
Annual Housing Mgt cost per property	£1031	£1457	£1320	£1,207	£972	£997	£984	£984	●



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]	2016/17 Inclusion Housing	2017/18 Inclusion Housing	2018/19 Inclusion Housing	2019/20 Inclusion Housing	2020/21 Inclusion Housing	2021/22 Inclusion Housing	2022/23 Inclusion Housing	T/L
Net Current Rent Arrears %	1.4%	1.9%	1.31%	2.1%	2.0%	1.5%	1.5%	2.3%	●
Former Tenant Arrears %	0.8%	0.25%	0.24%	0.2%	0.5%	0.4%	0.5%	0.25%	●
Arrears Written Off	0.2%	0.26%	0.18%	0.1%	0.2%	0.2%	0.1%	0.25%	●
Rent Collection %	99.1%	95.9%	100.2%	97.2%	98.2%	100.6%	99%	100.6%	●
Re-let Days	237	156	219	175	209	224	238	259	●
Net Void loss %	6.2%	7.7%	5.2%	7.8%	6.1%	5.6%	4.2%	3.9%	●
Workdays lost to sickness	6.3 days	4.2	6	3.7	2.8	2.1	5.8	5.1	●

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]	2016/17 Inclusion Housing	2017/18 Inclusion Housing	2018/19 Inclusion Housing	2019/20 Inclusion Housing	2020/21 Inclusion Housing	2021/22 Inclusion Housing	2022/23 Inclusion Housing	T/L
% Repairs Completed on First Visit	94%	96%	94.7%	88%	98%	96%	98%	99%	●
Routine Repairs Completed in Target Time	97%	97.3%	91%	97%	98%	96%	97%	98%	●
Repairs per property	2.9	-	2	1.7	1.6	1.6	2.3	2.0	●
Total repair spend per property per week	£32.04	-	£27.05	£29.50	£17.60	£24.42	£26.83	£26.55	●





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
- Data and cyber security

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 Housing 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
- Reduce the average length of leases and associated liability
- Enhance our terms of business and lease provision in order to mitigate risk

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 operate with a diversified range of partners currently 111.

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. 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 ARC also reviews the latest HCA regulatory requirement to identify and learn from any related issues.

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 7 (Med/Low). This is consistent with the previous financial year end. The **direction of travel is positive** with the average risk score reducing by 42% over the last 7 years.

Category	Score	2015	2016	2017	2018	2019	2020	2021	2022	2023
High	15+	5	0	1	3	1	2	0	1	1
Med/High	12-15					1	1	6	4	4
Medium	8-11	15	7	6	5	7	5	14	13	14
Med/Low	4-7	7	21	22	21	16	19	8	10	10
Low	0-3					4	4	4	4	3
Total		27	28	29	29	29	31	32	32	32
Average Score		12	8	8	9	6	6	8	7	7

* 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 the operational residual risk is lower than appetite. Overall, the difference has remained stable since the Board last reviewed the register.

	Actual Residual Score	Risk Appetite Target	Difference
Strategic	7.7	7.8	-0.1
Operational	6.0	6.5	-0.5
Overall	7.0	7.3	-0.2

The scoring and analysis indicates reduced risk in 2023 despite to the global economic challenges associated with inflation alongside supply chain and labour challenged. Overall, the Risk Register Residual scoring is better than the Appetite scoring due to the continued long term profitability of the company and strengthening balance sheet with strong cash flow.

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.

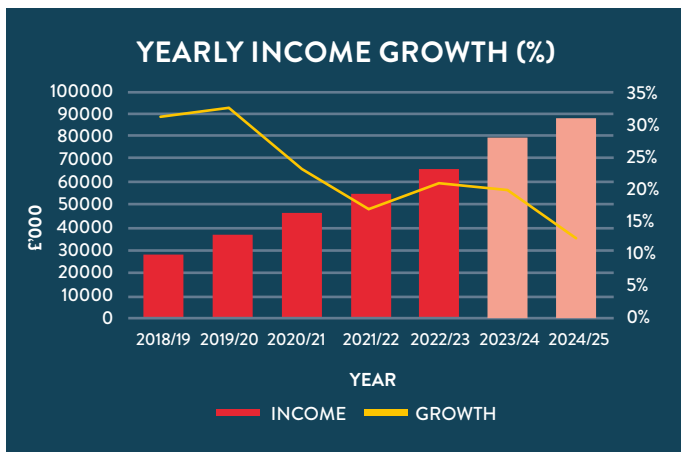


17.0 BUSINESS REVIEW

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 £3.6 Million alongside monies transferred to the property sinking fund reserve of £2.0 million, to be allocated against future investment in properties managed by IH maintaining quality homes for our residents.

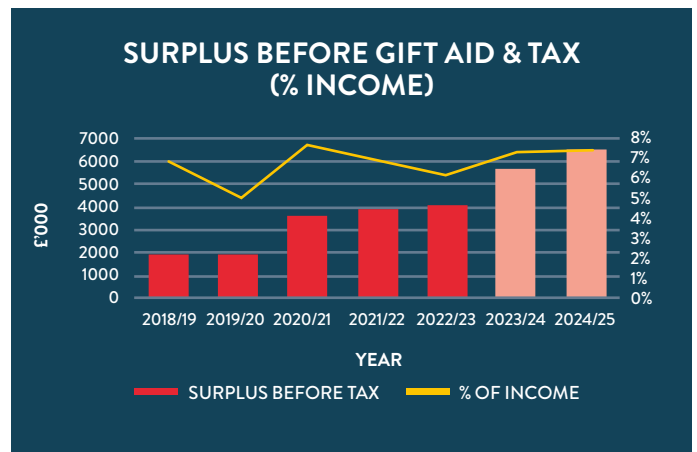
The combination of continued growth in income and the control of costs has resulted in yearly sustained surplus before gift aid & tax achieving a 7% return for the last two years . One off exceptional costs , in part due to the energy market crisis, dampened the return, in 2022/23 results at 6% slightly lower than budget expectations; the next two years financial forecast is in line with the business plan reflecting a 7% return (Graph 3).



Graph 2

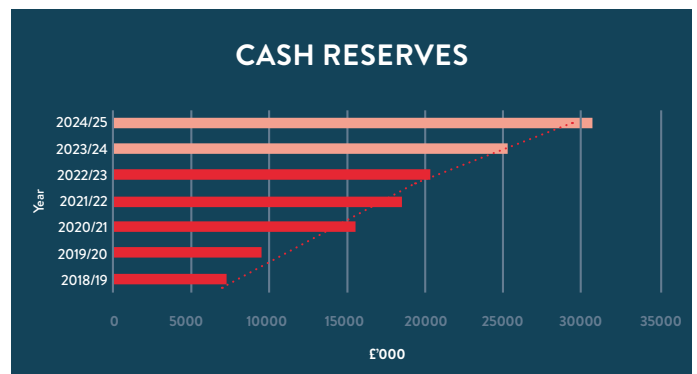
The income over the last five years (shown in graph 2) increased from £28 million to £65 million driven by the increase in the number of units in management shown in graph 1; with a projected continued sustained increase in income in 2024/25 to £78 million and £88 million a year later.

The rate of increase averaged 25% during the past five years with future yearly percentage increase in income predicted to be 16% in the business plan over the next two years



Graph 3

Strong working capital management and surplus generated has enabled cash reserves of £20.3 million to be realised and retained, including a property sinking fund of £7.3 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. (Graph 4).



Graph 4

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



NEW PROPERTY: POLKYTH, PIPPINS

According to Care Management Matters:

“Demand for supported housing from people with a learning disability is projected to increase from 38,500 units in 2015 to 59,800 units in 2030 due to population increases of people with a learning disability and national policies that promote people moving out of, or avoiding, registered care to live in community-based housing”.

Inclusion has specialist supported housing at heart, and we are proud to provide housing for the most vulnerable. Recently we took this beautiful property into management at Inclusion Homes – Polkyth, Pippins.

This is a house designed for single occupancy to provide for an individual with more complex needs. Ladies and Gentlemen, welcome to your new home!



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.

18.1 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 45 properties in management per employee in 2018/19 to 49: a 9% efficiency gain. Business plan projections indicate a sustained level of efficiency at 49 units in management per employee.

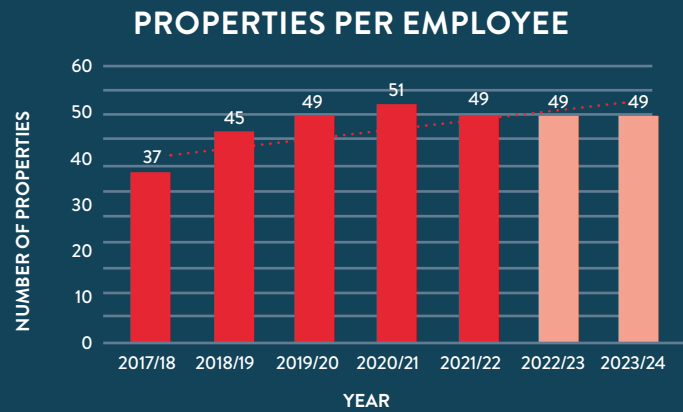


Chart 5




18.2 VALUE FOR MONEY SUMMARY TABLE

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.

Key Strategic Priority	Self-Assessment against IH Performance
<p>Asset Management</p>	<p>Growth in Business</p> <p>Completed 422 new units in management with plans to deliver future sustained growth in specialist supported housing in line with the business plan.</p> <p>Biannual 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>170 schemes 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 rehanging/fitting, bulb changes, electronic fittings (TVs/DVDs/programming/setting of electrical items) and minor furniture repairs.</p>
<p>Business Viability</p>	<p>Continuous Improvement</p> <p>Significant gains have been made in working with partners to commence new tenancies and maintain existing tenancies resulting in a fall in voids lost income from 4.2% to 4.0% of income. A saving against budget of £0.8 million. Comparing favourably to the supported housing benchmarking club median 5.8%.</p>
<p>Community</p>	<p>Homelife Project</p> <p>HomeLife Project this last year focused on social activities in larger schemes to help reduce social isolation and gardening projects benefiting over 590 tenants over 42 separate projects.</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 <p>Cost of homelife activities £24K</p>

18.2 VALUE FOR MONEY SUMMARY TABLE

Key Strategic Priority	Self-Assessment
<p>Social Impact</p>	<p>The third Social value report confirmed continued successes and the positive social and economic impact of IH through a calculation derived from the government’s own green book based on the following aspects:</p> <ul style="list-style-type: none"> • Social Impact • Economic Impact • Environmental Impact • Home life activities • Savings to the Public Purse • Construction impact of new IH Homes <p>The results were impressive and concluded that in 2022, our total social value and local economic impact was £94M 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>Gilbert Close comprises 12 apartments and eight bungalows enabling local people with physical and learning disabilities to live as independently as possible with the support of onsite care and technology. The new development has also created a number of jobs in Ilkeston.</p> <p>Developed in partnership with HBV, care provider and Derbyshire county council.</p> <p>Properties designed to help combat the cost of living for the residents by delivering dwellings that are extremely economical to run, embracing new technology.</p> <p>https://www.linkedin.com/posts/real-life-options_supportedliving-development-newhomes-activity-7049668493683609600-4V4f?utm_source=share&utm_medium=member_ios</p>
<p>Financial Viability</p>	<p>Financial Viability</p> <p>Self-insurance</p> <p>Continued self-insurance of lost income from void properties resulted in retaining £3.1 million in the business, rather than funding insurance premiums.</p> <p>Development support</p> <p>Void agreements enhanced to include recovery of council tax incurred on empty properties, additional £52K recovered in the year alongside council tax income pots secured from the developer, released in the year totalling £23K.</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</p> <p>Property Sinking Fund growth from £6.5 million to £7.1 million during the year, backed by cash reserves, supporting the 30 year asset investment plan.</p> <p>Treasury Management</p> <ul style="list-style-type: none"> • Increase in total cash balance of £1.8 million, from £18.5 million to £20.3 million. • Focused arrears management resulted in bad debt write off remaining low at £170K or 0.3% of net rental income; below the supported housing benchmarking club median of 0.6%. <p>Interest Receivable</p> <p>With no loans in place , IH was well placed with cash reserves to take advantage of rises in interest receivable , realising £361K by comparison to the previous year at £48K.</p> <p>Monies are invested with five counterparties balancing risk and reward to maximise investments in a variety of instant access and notice accounts held.</p>

18.3 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.

18.4 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, reducing overall void loss.

Performance has significantly improved from 2018/19 at 7.9%, a reduction in lost income in 2022/23 to 4.0%.

A measurable performance target of <4.6% has been set for 2023/24 by comparison to the 2022/23 target of 5.1% and supported housing benchmarking club median 5.8% , 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.
- Alternative source of referral for exempt accommodation clients.

18.5 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	IH Actual 2021/22	IH Target 2021/22	IH Target 2022/23	2021 Sector Upper Quartile	2021 Sector Medium Quartile	2021 Sector Lower Quartile	Weighted Average	Comparison to Weighted Average Trend
RSH 1	Reinvestment %	7.5%	20%	10%	8.2%	5.8%	4.0%	5.7%	●
RSH 2A	New supply delivered (Social housing units)	9.6%	10%	9%	2.0%	1.3%	0.5%	1.4%	●
RSH 2B	New supply delivered (Non social housing units)	0.0%	0%	0%	0.1%	0%	0%	0.2%	
RSH 3	Gearing % Assets Valuation	-668.2%	-400%	-600%	53.3%	43.9%	32.9%	47.2%	●
RSH 4	EBITDA MRI%	-32427.3%	-42000%	-44000%	248%	183%	134%	151%	●
RSH 5	Headline Social housing cost per unit	£13,912	£12,500	£13,000	£4,760	£3,730	£3,210	£4,150	●
IH Matrix	Headline Social housing cost per unit (Omitting Lease Rent Costs)	£4,632	N/A	£5,000	£4,760	£3,730	£3,210	£4,150	●
RSH 6 A	Operating Margin (Social housing Lettings only)	7.0%	7.2%	7.2%	32.6%	26.3%	22.2%	28.3%	●
RSH 6B	Operating Margin	6.3%	7.2%	7.2%	28.2%	23.9%	18.1%	22.3%	●
RSH 7	Return on Capital Employed	18%	20%	20%	4.2%	3.3%	2.7%	3.1%	●
IH Matrix	Units per employee	49	49	49	N/A	N/A	N/A	N/A	●
IH Matrix	Turnover per Employee	£692	£720	£720	N/A	N/A	N/A	N/A	●
IH Matrix	Salary Costs %	4.8%	5.2%	4.7%	N/A	N/A	N/A	N/A	●

Source: Value for Money metrics annex to 2021 global accounts
Summary sector trends, providers owning/ managing more than 1,000 homes

18.5 VALUE FOR MONEY METRIC

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

Number	VFM Metrics	2020/21	2021/22	2022/23	Continuous Improvement Trend
RSH 1	Reinvestment %	12.7%	7.5%	5.9%	●
RSH 2A	New supply delivered (Social housing units)	18.2%	9.6%	11.2%	●
RSH 2B	New supply delivered (Non social housing units)	0.0%	0.0%	0.0%	
RSH 3	Gearing % Assets Valuation	-588.3%	-668.2%	714.1%	●
RSH 4	EBITDA MRI%	-27075%	-3,2427.3%	-3743,456%	●
RSH 5	Headline Social housing cost per unit	£12,972	£13,912	£15,322	●
IH Matrix	Headline Social housing cost per unit (Omitting Lease Rent Costs)	£4,190	£4,632	£5,604	●
RSH 6A	Operating Margin (Social housing Lettings only)	6.7%	7.0%	5.6%	●
RSH 6B	Operating Margin	6.7%	6.3%	5.0%	●
RSH 7	Return on Capital Employed	20.1%	18.0%	14.6%	●
IH Matrix	Units per Employee	51	49	47	●
IH Matrix	Turnover per Employee	£688	£692	£724	●
IH Matrix	Salary Costs %	5.0%	4.8%	4.6%	●

RSH 1- REINVESTMENT

Over the last three years a moderate level of reinvestment has been undertaken all funded from cash reserves.

The 2023/24 business plan includes the acquisition of the equivalent of £1.5 million of unencumbered property assets, supporting a reinvestment target of 20%.

The percentage growth in 2022/23 is much in line with the sector weighted average for 2021/22 at 5.7%. (Table 1).

RSH 2 & 2A – NEW SUPPLY DELIVERED

2022/23 saw a continued strong level of performance with 11.2% new supply of social housing units just under the three-year average trend at 13%. The future trend is a slowing of new supply delivered via the lease based module with a target in 2023/24 of 9%, ahead of the sector top quartile (2021/22) of 2.0% 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 were delivered in the year in line with the business plan.

RSH 3 – GEARING % ASSETS VALUATION

IH cash balances grew over the year by £2 million, resulting in a continued improvement in the gearing ratio. 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 2022/23 by comparison to the previous year's.

RSH 5 – HEADLINE SOCIAL HOUSING COST PER UNIT

Headline social housing costs year on year trend shows a 10% rise in costs (Table 2) due to inflationary costs including the impact of the energy crisis. 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 £4,632 2021/22) reflects a cost closer to the sector top quartile of £4,760 per unit (Table 1) and much in line with other supported housing providers whose costs are on average £4,764 per unit (2021/22 SPBM Benchmarking).

18.5 VALUE FOR MONEY METRIC

RSH 6 – OPERATING MARGIN

Overall operating margin came under pressure due to the costs increases as a result of the global energy crisis by comparison to the three-year average of 6.0% at 5% this level of performance is anticipated to increase with the target for 2023/24 set at 7.0%. 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 dip in return on asset performance at 14.6% in the year, due to the low operating margin, four times higher than the sector weighted average, due to the surplus generated from a small property asset base.

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:

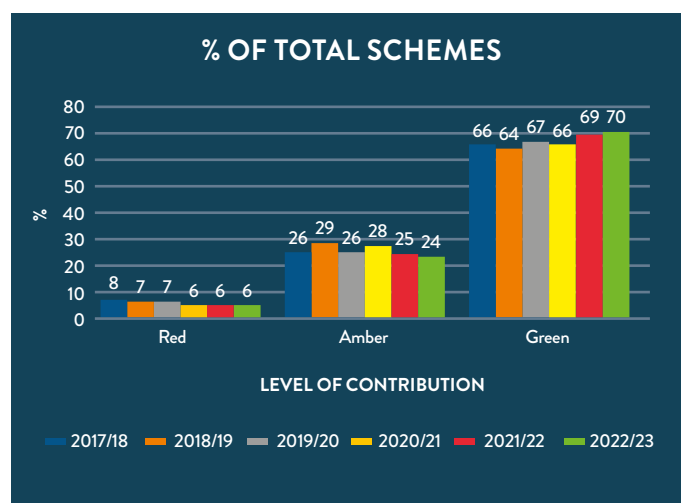
Green – Scheme returns a 19% gross contribution & above

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 2022/23 half year making them independently financially viable. The proportion of schemes in management over the last six years making a loss has fallen from 8% to 6% as the organisation has improved its void management mitigations. The analysis indicates viability is not dependent on the size or location of the scheme.





CASE STUDY: OUR RESIDENTS, BLACKBURN

The residents of our Blackburn schemes have joined together to create a wellbeing gardening group. With help from the Homelife fund they have been able to acquire gardening plants and equipment which have helped improve the garden area.

Chrissy and Brian have said:
“it is nice being able to make new friends and get outside doing something we all enjoy. We all enjoy making sure the garden is a clean, safe environment for us to get together and watching gardens transform to a beautiful space”



19.0 GOVERNANCE

19.0 GOVERNANCE

THE BOARD CONSISTS OF SEVEN 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 framework (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 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.

The Board of Inclusion Housing CIC is pleased to present its strategic report together with the audited financial statements for the year ended 31st March 2023.

Board Membership	Name	Remuneration
Chair & Group Board Member	Ruth Gomez Balaguer	£15,450
Board Member & Chair Audit & Risk Committee	Anthony Bell	£8,000
Board Member	June Grimes	£5,000
Board Member	Richard Elam	£5,000
Board Member & Homes Board Member	Parveen Rai	£6,180
Board Member & Homes Board Member	Jude Warsop	£6,180
Board Member & Homes Board Member	Tom Frank	£6,180

Remuneration & Governance Committee	Role
Guru Naidoo – Group Board Member	Chair
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	Chair
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 94% of meetings in 2022/23 and are subject to regular performance appraisals.

19.1 INVESTORS IN EXCELLENCE

Inclusion has been independently assessed and achieved with Investors in Excellence Accreditation at the HIGHER standard. Our Investors in Excellence Accreditation is testament to our sound stewardship and excellence objective.



RUTH GOMEZ BALAGUER

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 11 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.



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 the British Dental Association.



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.



RICHARD ELAM

Richard joined Inclusion's Board as a co-optee in August 21 and became a Board Director in February 2022. Richard has over 20 years' industry experience and is a Director at a Building Surveying company based in West Yorkshire. Throughout his career, Richard has held Director roles at Northern based construction organisations and through his expert knowledge and experience, he has gained membership with the Association of Project Safety and is an Associate of the Chartered Institute of Building. Richard was awarded the British Empire Medal in 2019 for services to Business and the Community.



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.



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.



JUDE WARSOP

Jude joined Inclusion's Board as a co-optee in August 21 and became a Board Director in April 2022. Jude began her career working in the communications industry and since then as a senior leader, has gained over 20 years' experience delivering measurable business value within highly complex multidisciplinary global environments. Jude brings to the Inclusion Board vast experience of operational leadership, strategy development and transformational portfolio & programme management. Jude has recently returned to academia studying an MSc in Inequalities & Social Science at the University of Leeds.



IAN HOWARD

Ian joined Inclusion in December 2022 and has over 25 years of corporate experience having held senior risk management leadership roles in global financial and professional services organisations including 14 years as Risk Management and Conflicts Leader for EY's Financial Services business. Ian has significant experience managing high profile risk matters including overseeing banking resolution/restructuring and international criminal/regulatory investigations. Ian currently leads Business Doctors in North Yorkshire providing high quality professional advice to the SME sector from start-up and micro businesses to multinational corporates as well as leading their work supporting the social enterprise and charities sectors.



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, 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 retaining our Leaders in Diversity status in January 2023 for a further 2 year period, reflecting the company's continued commitment to equality and diversity not only with our tenants but also our employees, stakeholders, partners and suppliers.





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 three 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 Group growth aspirations.

With the CIC (social enterprise) status combined with our specialist team of experts, this will help deliver more business opportunities. 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
2023

COMPANY INFORMATION

FOR THE YEAR ENDED 31 MARCH 2023

Directors:	J Grimes A Bell R Gomez Balaguer T Allen P Rai R Elam J Warsop T Frank I Howard	– Appointed 20th October 2015 – Appointed 21st June 2016 (Resigned 27th June 2023) – Appointed 29th October 2019 – Appointed 23rd January 2020 (Resigned 23rd August 2022) – Appointed 29th June 2021 – Appointed 22nd February 2022 – Appointed 26th April 2022 – Appointed 23rd August 2022 – Appointed 27th June 2023	
Company Secretary who held office during the period 1st April 2022 to the date of this report:	S Waters	– Appointed 22nd December 2015	
Registered Office:	106 Heworth Green York YO31 7TQ		
Company Registration Number:	06169583		
Regulator of Social Housing Registration Number:	4662		
External Auditors:	Beever and Struthers Statutory Auditors One Express 1 George Leigh Street Manchester M4 5DL	Solicitors:	Ward Hadaway Sandgate House 102 Quayside Newcastle Upon Tyne NE1 3DX
Bankers:	Santander UK PLC 7 High Ousegate York YO1 8RZ	Nationwide Building Society Pipers Way Swindon SN38 1NW	The Co-Operative Bank 1 Balloon Street Manchester M60 4EP
	Close Brothers 10 Crown Place London EC2A 4FT	Investec Bank PLC 30 Gresham Street London EC2V 7QP	

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

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.

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. The nation has moved to "living with Covid", IH continues to contact customers through contact by telephone or email; responding to urgent and emergency situations, visiting sites, monitoring contractors and filling voids. Our customer service centre and head office staff maintain high levels of customer service working on a hybrid basis.

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.

Publication of the Consumer standard in July 2022 establishes an increased level of regulation on resident and building safety and hearing the customer voice. IH has undertaken a self-assessment assuring both tenants and Board IH operates within the requirements and expectation of the standard.

Economic Factors

The worldwide energy market crisis resulted in a rise in yearly costs of 162% from £1million to £2.7 million, mitigated through fixed tariff contracts and rent increases, however the cost of energy provision overspent due to the exceptional external market conditions by £0.6 million. The operations team have been working closely with our tenants to help with energy management measures to reduce consumption wherever possible. Wholesale energy prices currently show signs of stabilising providing an opportunity to manage expenditure to budgets in the future.

Inflation is running at a high level influenced by worldwide events resulting in continued greater property maintenance costs incurred in 2022/23; a £0.8 million spend in excess of budget. Management controls are in place to ensure overspends are kept to a minimum whilst ensuring resident and building safety is addressed and properties are maintained to a high standard.

Inclusion is not directly impacted by rising interest costs as a result of having no existing loans. New scheme lease costs are under pressure from increases in interest rates alongside material and labour costs.

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

GOVERNMENT POLICY ON REGULATED RENTS

Following government consultation in August 2022 on maximum rent increases the autumn statement confirmed a 7% rent cap would be applied. Specialist supported housing is excluded from the requirements of the rent standard, IH took proactive action to agree a capped increase in the lease rent charged embracing the expectations of the rent standard, providing greater value for money and reduced pressure on the public purse.

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.

STREAMLINED ENERGY AND CARBON REPORTING 'SECR'

Inclusion Housing is required to provide disclosures on greenhouse gas emissions and energy consumption, as shown in the following table. Inclusion Housing acquired an additional 422 units and disposed of 15, an increase of 407.

Utility and Scope	2021/22 UK Consumption (kWh)	2022/23 UK Consumption (kWh)
Grid-Supplied Electricity (Scope 2)	4,744,352.60	6,266,181.80
Gaseous and other fuels (Scope 1)	12,984,881.69	12,630,857
Transportation (Scope 1)	0.00	0.00
Transportation (Scope 3)	380,566	307,999
Total	18,109,800.14	19,205,037.80

Consumption (kWh) totals

Utility and Scope	2021/22 UK Consumption (tCO ₂ e)	2022/23 UK Consumption (tCO ₂ e)
Grid-Supplied Electricity (Scope 2)	1,007.37	1,211.75
Gaseous and other fuels (Scope 1)	2,383.39	2,312.05
Transportation (Scope 1)	0.00	0.00
Transportation (Scope 3)	88.99	212.82
Total	3,479.75	3,736.62

Greenhouse Gas emissions (tCO₂e) totals

Scope 1 consumption and emissions relate to direct combustion of natural gas, and fuels utilised for transportation operations, such as company vehicle fleets.

Scope 2 consumption and emissions relate to indirect emissions relating to the consumption of purchased electricity in day-to-day business operations.

Scope 3 consumption and emissions relate to emissions resulting from sources not directly owned by the reporting company. For IH, this is related to grey fleet (business travel undertaken in employee-owned vehicles) and a calculation for transmission and distribution through the national grid.

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

Intensity Metric

An intensity metric of tCO₂e per Unit has been applied for the annual total consumption / emissions of IH.

Intensity Metric	2021/22 UK Intensity Metric	2022/23 UK Intensity Metric
(tCO ₂ e)	1.04	0.94

Energy Efficiency Improvements

We are committed to year-on-year improvements in our operational energy efficiency. As such, a register of energy efficiency measures available to IH has been compiled, with a view to implementing these measures in the next few years.

Journey to Net Zero

Following receipt of the IG discovery document in May 2022 a meeting was held to review the report and agree all year one actions. As is common with reporting on energy consumption in all forms of social housing the level of data available is limited due to tenants managing their own utility contracts and bills. It was agreed we would focus on energy use in all communal areas and where we as landlord hold the energy account along with improving the energy efficiency of the building fabric where cost effective to do so.

Year one actions:

- Carry out Gap Analysis on all areas within the report, address the outliers (positive or negative). **Completed.**
- Review and complete all missing data from the sheet in the report "missing data". **Ongoing.**
- Review IH specifications to ensure all components replaced as part of repairs/planned works are energy efficient. **Completed and will be reviewed annually.**
- Review all low EPCs and instruct new EPCs where works have been completed or current EPC seems inaccurate. **Ongoing new EPCs ordered.**
- Ensure accurate energy consumption figures are obtained for inclusion in the year 2 discovery document update – new broker Utility Aid are now monitoring and collecting data in this regard. **Completed.**

SECTION 172 STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

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 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 allowing Inclusion to meet its growth ambitions and continue to meet the needs of its beneficiaries.
 - Increased investment in owned property assets
- Interests of the Group's employees are protected through several 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 uplifts in line with sector averages for all staff.
 - One off non-consolidated bonus supporting staff with the cost-of-living crisis.
 - Introduction of AI software to provide effective and efficient ways of working.
- 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:

Key decisions in this area include:

- 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 all new business appraisals.
 - Agreement of Asset Investment Plan.
 - Appointment of new Board Members 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 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.
 - Investment in staffing resource to address long term empty properties.
 - Social value & local economic impact £94M

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

- The organisation maintains a reputation for high standards of business conduct. IH carries out an annual assessment of Governance compliance, 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:
 - Annual Governance Survey
- To demonstrate the need to act fairly between members of the company, the Group has in place a 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.

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 29th August 2023 and signed on its behalf by:

Mrs S Waters – Company Secretary

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 2023 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 2023 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 2022.

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.

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

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In 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 26, 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.

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

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 2022, 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.
- 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
One Express
1 George Leigh Street
Ancoats
Manchester
M4 5DL

STATEMENT OF COMPREHENSIVE INCOME

INCLUSION HOUSING COMMUNITY INTEREST COMPANY

		2023	2022
	Notes	£'000	£'000
Turnover	2	65,646	54,380
Operating expenditure	2	(62,365)	(50,955)
OPERATING SURPLUS		3,281	3,425
Interest receivable	5	361	49
Interest and financing costs	6	-	(11)
SURPLUS BEFORE TAXATION		3,642	3,463
Taxation	7	(713)	(669)
SURPLUS FOR THE YEAR	8	2,929	2,794
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,929	2,794

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 financial statements were approved and authorised for issue by the Board on 29 August 2023 and were signed on its behalf by:-

R Gomez Balaguer
Board Member

R Elam
Board Member

The notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

INCLUSION HOUSING COMMUNITY INTEREST COMPANY

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Housing properties	11	2,825		2,724	
Other fixed assets	12	604		624	
			3,429		3,348
CURRENT ASSETS					
Trade and other debtors	13	7,270		5,410	
Cash and cash equivalents	14	20,348		18,509	
			27,618		23,919
Less:					
CREDITORS					
Amounts falling due within one year	15	(8,522)		(8,234)	
NET CURRENT ASSETS			19,096		15,685
Total assets less current liabilities			22,525		19,033
CREDITORS					
Amounts falling due after more than one year	16		(8,544)		(7,985)
Provisions for liabilities	20		(15)		(11)
TOTAL NET ASSETS			13,966		11,037
RESERVES					
Income and expenditure reserve			13,966		11,037
TOTAL RESERVES			13,966		11,037

STATEMENT OF CHANGES IN RESERVES

INCLUSION HOUSING COMMUNITY INTEREST COMPANY

	Income and expenditure reserve £'000	Total £'000
BALANCE AT 1 APRIL 2021	8,243	8,243
Surplus for the year	2,794	2,794
	<hr/>	<hr/>
BALANCE AT 31 MARCH 2022	11,037	11,037
Balance at 1 April 2022	11,037	11,037
Surplus for the year	2,929	2,929
	<hr/>	<hr/>
BALANCE AT 31 MARCH 2023	13,966	13,966

The notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

INCLUSION HOUSING COMMUNITY INTEREST COMPANY

	Note	2023		2022	
		£'000	£'000	£'000	£'000
CASH FLOW FROM OPERATING ACTIVITIES	1		2,339		3,450
Interest paid			-		(11)
Taxation paid			(731)		(576)
Net cash generated from operating activities			1,608		2,863
CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of tangible fixed assets		(183)		(231)	
Grants received		359		355	
Interest received		361		49	
			537		173
CASH FLOW FROM FINANCING ACTIVITIES					
Repayments of borrowings		(306)	(306)	(30)	(30)
Net change in cash and cash equivalents			1,839		3,006
Cash and cash equivalents at beginning of year			18,509		15,503
			20,348		18,509
Note 1					
Surplus for the year			2,929		2,794
Adjustments for:					
Depreciation of tangible fixed assets			102		94
Grants utilised in the year			(460)		(364)
Increase in trade and other debtors			(1,860)		(513)
Increase in trade and other creditors			1,276		808
Interest payable			-		11
Interest receivable			(361)		(49)
Taxation			713		669
			2,339		3,450

The notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2023

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 2022. 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2023

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 pro-vider 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 in-come and expenditure account in the year.

The notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2023

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.

NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2023

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.

NOTES TO THE FINANCIAL STATEMENTS

2. PARTICULARS OF TURNOVER, OPERATING EXPENDITURE AND OPERATING SURPLUS

FOR THE YEAR ENDED 31 MARCH 2023

		2023		
		Turnover £'000	Operating Expenditure £'000	Operating Surplus £'000
SOCIAL HOUSING LETTINGS	Note 3	62,947	(59,428)	3,519
Other social housing activities				
Charges for support services		885	(887)	(2)
Recharges to group undertakings		1,391	(1,391)	-
Gift aid donation		-	(350)	(350)
Other		364	(309)	55
Activities other than social housing		59	-	59
Total		<u>65,646</u>	<u>(62,365)</u>	<u>3,281</u>

		2022		
		Turnover £'000	Operating Expenditure £'000	Operating Surplus £'000
SOCIAL HOUSING LETTINGS	Note 3	52,997	(49,276)	3,721
Other social housing activities				
Charges for support services		839	(839)	-
Recharges to group undertakings		202	(202)	-
Gift aid donation		-	(350)	(350)
Other		285	(271)	14
Activities other than social housing		57	(17)	40
Total		<u>54,380</u>	<u>(50,955)</u>	<u>3,425</u>

The notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

3. PARTICULARS OF TURNOVER AND OPERATING EXPENDITURE FROM SOCIAL HOUSING LETTINGS

FOR THE YEAR ENDED 31 MARCH 2023

	General needs housing £'000	Supported housing £'000	Total 2022 £'000	Total 2021 £'000
INCOME				
Rent receivable net of identifiable service charges	38	56,234	56,272	48,337
Service charge income	-	5,766	5,766	4,103
Other grants	5	904	909	557
Total turnover from social housing lettings	43	62,904	62,947	52,997
OPERATING EXPENDITURE				
Management	(1)	(7,334)	(7,335)	(5,377)
Service charge costs	(6)	(5,497)	(5,503)	(3,368)
Routine maintenance	(12)	(3,282)	(3,294)	(3,114)
Planned maintenance	(2)	(3,875)	(3,877)	(3,619)
Rent losses from bad debts	(1)	(169)	(170)	(98)
Depreciation of housing properties	(15)	(50)	(65)	(59)
Lease costs	(30)	(39,154)	(39,184)	(33,641)
Total operating expenditure on social housing lettings	(67)	(59,361)	(59,428)	(49,276)
Operating surplus on social housing lettings	(24)	3,543	3,519	3,721
Net void losses	13	2,602	2,615	2,343

NOTES TO THE FINANCIAL STATEMENTS

4. ACCOMMODATION OWNED, MANAGED AND IN DEVELOPMENT

FOR THE YEAR ENDED 31 MARCH 2023

	2023 Number	2022 Number
General needs	5	5
Supported housing	30	29
Total owned	<u>35</u>	<u>34</u>
General needs	2	6
Supported housing	3,596	3,190
Housing for older people	125	125
Total held under an operating lease	<u>3,723</u>	<u>3,317</u>
Accommodation managed for others	274	274
Total managed	<u>4,032</u>	<u>3,625</u>
Accommodation in development	<u>158</u>	<u>185</u>
Opening stock at 1 April 2022	3,625	
New units acquired	422	
Units Disposed	(15)	
Closing stock at 31 March 2023	<u>4,032</u>	

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

NOTES TO THE FINANCIAL STATEMENTS

5. INTEREST RECEIVABLE

FOR THE YEAR ENDED 31 MARCH 2023

	2023 £'000	2022 £'000
Bank interest receivable	<u>361</u>	<u>49</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2023 £'000	2022 £'000
Loan interest	<u>-</u>	<u>11</u>

NOTES TO THE FINANCIAL STATEMENTS

7. TAX

FOR THE YEAR ENDED 31 MARCH 2023

ANALYSIS OF CHARGE FOR THE YEAR

	2023 £'000	2022 £'000
Current tax		
UK corporation tax at 19% (2022: 19%)	709	671
Adjustment in respect of prior years	-	-
Total current tax charge	709	671
Deferred tax		
Origination and reversal of timing differences	-	(2)
Effects of changes in tax rates	2	-
Adjustment in respect of prior years	2	-
Total deferred tax charge/(credit)	4	(2)
Tax on surplus on ordinary activities	<u>713</u>	<u>669</u>
Reconciliation of tax charge		
Surplus on ordinary activities before taxation	3,642	3,463
Tax on surplus at standard corporation tax rate of 19% (2022: 19%)	692	658
Effects of:		
Expenses not deductible for tax purposes	17	2
Depreciation in excess of capital allowances	-	11
Movement in short term timing differences	-	-
Adjustments in respect of previous periods	-	-
Deferred tax – origination and reversal of timing differences	4	(2)
Tax charge for the year	<u>713</u>	<u>669</u>
Deferred tax		
Deferred tax included in the Statement of Financial Position is as follows:		
Included in provisions for liabilities (note 20)	<u>15</u>	<u>11</u>

NOTES TO THE FINANCIAL STATEMENTS

8. SURPLUS FOR THE YEAR

FOR THE YEAR ENDED 31 MARCH 2023

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

	2023 £'000	2022 £'000
Auditors' remuneration (excluding VAT):		
- In their capacity as auditors	24	21
- In respect of other services	5	5
Depreciation of housing properties	65	59
Depreciation of other tangible fixed assets	36	35
Operating lease rentals	39,275	33,641
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

9. EMPLOYEE INFORMATION

FOR THE YEAR ENDED 31 MARCH 2023

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

Key management personnel
Property
Operations
Finance
Business administration

	2023 Number	2022 Number
	5	5
	4	6
	37	30
	5	7
	11	14
	<u>62</u>	<u>62</u>

The provision of central services from Inclusion Group established last year, resulting in a fall in the numbers employed directly in the Finance, Property and Business administration departments during this transition period.

STAFF COSTS (FOR THE ABOVE PERSONS):

Wages and salaries
Social security costs
Other pension costs

	2023 £'000	2022 £'000
	2,195	1,992
	214	180
	134	122
	<u>2,543</u>	<u>2,294</u>

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

£60,000 – £70,000
£70,001 – £80,000
£80,001 – £90,000
£90,001 – £100,000
£100,001 – £110,000
£110,001 – £120,000
£120,001 – £130,000
£130,001 – £140,000

	2023 Number	2022 Number
	-	-
	-	-
	-	-
	4	4
	-	-
	-	-
	1	-
	-	1
	<u>5</u>	<u>5</u>

NOTES TO THE FINANCIAL STATEMENTS

10. KEY MANAGEMENT PERSONNEL EMOLUMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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

Employers NI

Pension contributions

Board members emoluments

Total

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

(Excluding pension contributions)

	2023 £'000	2022 £'000
	516	465
	62	58
	47	43
	<u>625</u>	<u>566</u>
	116	87
	<u>741</u>	<u>653</u>
	129	120
	<u>129</u>	<u>120</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 £12k (2022: £11k) was made by the Company in addition to the personal contributions of the Chief Executive.

NOTES TO THE FINANCIAL STATEMENTS

11. HOUSING PROPERTIES

FOR THE YEAR ENDED 31 MARCH 2023

	Social housing properties for letting completed	Total
	£000	£000
COST:		
At 1 April 2022	3,141	3,141
Additions – completed properties acquired	166	166
Prior Year Impairment adjustment	(84)	(84)
At 31 March 2023	3,223	3,223
Depreciation and impairment		
At 1 April 2022	418	418
Prior Year Impairment adjustment	(84)	(84)
Charge for the year	64	64
At 31 March 2023	398	398
Net book value		
At 31 March 2023	2,825	2,825
At 31 March 2022	2,724	2,724
Housing properties comprise:	2023	2022
	£'000	£'000
Freeholds	2,825	2,724
	2,825	2,724

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.

NOTES TO THE FINANCIAL STATEMENTS

12. OTHER FIXED ASSETS

FOR THE YEAR ENDED 31 MARCH 2023

	Freehold	Furniture and office equipment	Computer Equipment	Total
	£'000	£'000	£'000	£'000
COST:				
At 1 April 2022	643	2	167	812
Additions	1	-	16	17
At 31 March 2023	644	2	183	829
Depreciation				
At 1 April 2022	68	2	118	188
Charge for the year	14	-	23	37
At 31 March 2023	82	2	141	225
Net book value				
At 31 March 2023	562	-	42	604
At 31 March 2022	575	-	49	624

NOTES TO THE FINANCIAL STATEMENTS

13. DEBTORS

FOR THE YEAR ENDED 31 MARCH 2023

AMOUNTS FALLING DUE WITHIN ONE YEAR:

Rental debtors
Less: Provision for bad debts

2023
£'000

4,217
(370)

3,847

2022
£'000

3,360
(309)

3,051

Sales ledger balances
Amounts owed by group undertakings
Prepayments and accrued income
Other debtors

1,371
130
1,547
75

6,970

1,598
15
406
38

5,108

AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR:

Loans to group undertakings

300

302

Total debtors

7,270

5,410

14. CASH AND CASH EQUIVALENTS

Cash equivalents
Cash at bank

2023
£'000

15,851
4,497

20,348

2022
£'000

12,477
6,032

18,509

NOTES TO THE FINANCIAL STATEMENTS

15. CREDITORS

FOR THE YEAR ENDED 31 MARCH 2023

AMOUNTS FALLING DUE WITHIN ONE YEAR:

	2023 £'000	2022 £'000
Bank loans and overdrafts	-	306
Trade creditors	4,430	3,883
Amounts owed to group undertakings	167	170
Taxation	274	296
Rents in advance	749	782
Accruals and deferred income	1,893	1,777
Deferred revenue grants (note 19)	912	879
Other taxation and social security	57	52
Other creditors	40	89
	<hr/>	<hr/>
	8,522	8,234
	<hr/>	<hr/>

16. CREDITORS

AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR:

	2023 £'000	2022 £'000
Sinking fund	7,078	6,516
Deferred revenue grants (note 19)	679	629
Five year void pot	738	792
SDLT reserves	49	48
	<hr/>	<hr/>
	8,544	7,985
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

17. OPERATING LEASES

FOR THE YEAR ENDED 31 MARCH 2023

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

	2023 £'000	2022 £'000
Not later than one year	41,932	35,277
Later than one year and not later than five years	160,680	138,399
Later than five years	425,602	424,198
	<hr/> 628,214 <hr/>	<hr/> 597,874 <hr/>

The Company operates a lease-based model and 4,032 units (2022: 3,317) are held under operating leases ranging from 3 months to 50 years.

18. SECURED DEBT

The following secured debts are included within creditors.

	2023 £'000	2022 £'000
Within one year	-	306
One year or more but less than two years	-	-
Two years or more but less than three years	-	-
Five years or more	-	-
	<hr/> - <hr/>	<hr/> 306 <hr/>

The above bank loan was secured on the office property in note 12. The loan was fully repaid in April 2022.

NOTES TO THE FINANCIAL STATEMENTS

19. DEFERRED GRANT INCOME

FOR THE YEAR ENDED 31 MARCH 2023

	2023 £'000	2022 £'000
At 1 April 2022	1,508	1,517
Grant received in the year	592	355
Grant released to income in the year	(509)	(364)
	<hr/>	<hr/>
At 31 March 2023	1,591	1,508
	<hr/>	<hr/>
Amounts due to be released < 1 year	912	879
Amounts due to be released > 1 year	679	629
	<hr/>	<hr/>
	1,591	1,508
	<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 grant is received when a new scheme first comes into management initially presented as deferred income on the balance sheet. Income is recognised when a void loss on these specific properties occurs.

20. PROVISIONS FOR LIABILITIES

	2023 £'000	2022 £'000
Deferred Tax – Accelerated Capital Allowances	<hr/> 15 <hr/>	<hr/> 11 <hr/>

NOTES TO THE FINANCIAL STATEMENTS

21. CAPITAL COMMITMENTS

FOR THE YEAR ENDED 31 MARCH 2023

	2023 £'000	2022 £'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:	1,500	1,000
	<u>1,500</u>	<u>1,000</u>

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

	2023 £'000	2022 £'000
Cash reserves	1,500	1,000
	<u>1,500</u>	<u>1,000</u>

22. CONTINGENT LIABILITIES

At the balance sheet date there were no contingent liabilities (2022: £Nil).

NOTES TO THE FINANCIAL STATEMENTS

23. PENSION SCHEME

FOR THE YEAR ENDED 31 MARCH 2023

The Company operates a defined contribution scheme for its employees.

The costs for the year were £134k (2022: £122k).

Total outstanding contributions as at 31 March 2023 were £22k (2022: £20k).

24. ANALYSIS OF CHANGES IN NET DEBT

	As at 1 April 2022	Cash flows	Other Non- cash changes	At 31 March 2023
	£'000	£'000	£'000	£'000
Cash at bank	6,201	(1,704)	-	4,497
Cash equivalents	12,308	3,543	-	15,851
Loans falling due within one year	(306)	306	-	-
	<u>18,203</u>	<u>2,145</u>	<u>-</u>	<u>20,348</u>

NOTES TO THE FINANCIAL STATEMENTS

25. RELATED PARTIES

FOR THE YEAR ENDED 31 MARCH 2023

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 (2022: £350k) to Inclusion Foundation.

TRANSACTIONS WITH NON-REGULATED GROUP COMPANIES

Payable to the Company by non-Regulated Group Companies

Salary and other costs are recharged based on staff time and number of units into management.

NON-REGULATED COMPANY	Recharge	Amount recharged in year 2023	Amount recharged in year 2022
		£'000	£'000
Inclusion Group Limited	Salaries	1,193	130
Inclusion Homes Community Interest Company	Salaries	175	47
Inclusion Property Holdings Limited	Salaries	23	25
		<hr/> 1,391	<hr/> 202

NON-REGULATED COMPANY	Balance due to the Company at 31 March 2023	Balance due to the Company at 31 March 2022
	£'000	£'000
Inclusion Group Limited	98	7
Inclusion Homes Community Interest Company	30	7
Inclusion Property Holdings Limited	2	1
	<hr/> 130	<hr/> 15

NOTES TO THE FINANCIAL STATEMENTS

25. RELATED PARTIES

FOR THE YEAR ENDED 31 MARCH 2023

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 and Inclusion Property Holdings Limited related to schemes in management. Inclusion Group Limited provides central services to the Company and recharges salary and insurance costs based on staff time and number of units into management.

NON-REGULATED COMPANY	Recharge	Amount recharged in year 2023 £'000	Amount recharged in year 2022 £'000
Inclusion Group Limited	Salaries	1,503	99
Inclusion Group Limited	Insurance	35	21
Inclusion Group Limited	Due Diligence	15	-
Inclusion Homes Community Interest Company	Lease rent	1,752	305
Inclusion Homes Community Interest Company	Management fees	248	49
Inclusion Homes Community Interest Company	Sinking fund	105	25
Inclusion Property Holdings Limited	Lease rent	82	6
Inclusion Property Holdings Limited	Sinking fund	6	1
Inclusion Property Holdings Limited	Insurance	1	-
		3,747	506
NON-REGULATED COMPANY		Balance due to the Company at 31 March 2023 £'000	Balance due to the Company at 31 March 2022 £'000
Inclusion Group Limited		63	36
Inclusion Homes Community Interest Company		104	133
Inclusion Property Holdings Limited		-	1
		167	170

Key management personnel disclosures are included in note 10.

NOTES TO THE FINANCIAL STATEMENTS

26. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

FOR THE YEAR ENDED 31 MARCH 2023

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