
Black Country Housing Group Limited
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

Black Country Housing Group Limited

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Black Country Housing Group Limited

INFORMATION

Board

A Robson (Chair)
S Woolley (resigned 29 September 2023)
C Jones (resigned 29 September 2023)
N Wright
L Wallace-Davis (Senior Independent Director)
G Price
M Shervington (resigned 31 May 2023)
K Davis DL (appointed 1 April 2023)
N Simkins (appointed 1 July 2023)
S Brooksbank-Taylor (appointed 1 July 2023)
H Scarrett (appointed 1 May 2024, to be elected at 26 September AGM)
S Butters (appointed 1 July 2024, to be elected at 26 September AGM)
A Tomlinson (Executive Director)

Executive

A Tomlinson – Chief Executive
A Eggington – Deputy Chief Executive
K Coulthard – Director of Finance
S Farnell – Director of People

Secretary

S Woods

Registered Office

134 High Street
Blackheath
West Midlands
B65 0EE

Bankers

Lloyds Bank plc
153 High Street
Blackheath
West Midlands
B65 0EB

Auditors

RSM UK Audit LLP
10th Floor, 103 Colmore Row
Birmingham
B3 3AG

Registration

RSH Number: L1668
VAT Number: 705333170
Co-operative & Community Benefit
Society: 21157R

CHAIR'S STATEMENT

This year's Annual Report and Financial Statements are set against the national context of a new Government which will have bearing upon BCHG's future, whether through policy direction, legal and/or regulatory change, as well as determining our future investment capabilities. BCHG is resilient and able to navigate changing times, and I am confident that our future direction will continue to further our mission as A Social Business Investing in People and Communities.

2023/24 was the first year of delivery for BCHG's new Strategic Plan 2023-2026, and provided the opportunity for pushing forwards with our new strategic objectives of Trusted Landlord, Quality Homes, Thriving Communities, Outstanding Employer and Sound Business. I am very pleased to report strong performance against all of these objectives. Of note is the continued improvement in our services to our tenants as shaped through our new Customer Success Strategy and Customer Transparency Strategy. 2024 will see the publication of Tenant Satisfaction Measures; BCHG set stretching targets for customer satisfaction as we are passionate about giving our tenants the quality they deserve. Positively we have attained 88.3% overall satisfaction with BCHG as a landlord, 89.3% satisfaction that we treat tenants with respect, and 81.2% satisfaction with our repairs service.

BCHG's regrade back to G1/V1 was well received and is a strong indicator of BCHG's underlying financial health. Our core purpose is to invest in social housing, and our long-term financial plan provides the resources to do just that by ensuring our properties are maintained to a high quality, continuing to meet 100% Decent Homes Standard. We also plan to invest in further decarbonisation of our homes, supporting our customers who are in fuel poverty as well as playing an important role in reducing the impacts of climate change. Importantly BCHG recognises the challenges of a lack of affordable housing and will continue to fund the delivery of new homes as it has done for many years now. I am proud to report the completion of 54 new homes in the 2023/24 financial year, which include properties constructed through Modern Methods of Construction, as well as all homes contributing to carbon reduction through energy and water systems.

This year I will step down from the Board after seeing through my term as Chair. I have been privileged to lead the Board over the last 7 years, and to oversee the continued delivery of very strong and continually improving services to BCHG customers. This is enabled by our hugely talented and dedicated Board, and colleagues with strong values and a customer centric approach. I welcome our new Chair Sinéad Butters to the role from September onwards and know that she will bring her outstanding experience and knowledge to the organisation. I extend my huge thanks to my fellow Board members, to the Executive Team and all colleagues for your dedication and commitment.

Dr Abigail Robson
BCHG Board Chair

2023/24 was another very busy year for colleagues as we shaped our strategies and moved ahead with the plans set out within our new Strategic Plan. Performance against key metrics was strong, with minimal exceptions against targets, as reported elsewhere within these statements. It was particularly pleasing to note that rental income performance continues its improving trend with reducing rent arrears and void loss within target. Cost-of-living pressures have been worrying for our tenants, and BCHG has continued to fund its tenancy support programme to target additional assistance beyond our core housing service where tenants would benefit.

Providing Quality Homes is integral to our plans. Compliance with Health and Safety regulations is non-negotiable and BCHG has invested in all areas of compliance including fire safety works, in addition to core servicing requirements across all aspects of asset compliance. Our Damp, Mould and Condensation policy continues to evolve our approach to this important area of healthy homes, and during the year we have seen reduced numbers of cases over the previous year. 2023/24 saw a programme of energy efficiency works funded through the Social Housing Decarbonisation Fund to homes in Wolverhampton, with more homes to benefit from this in 2024.

BCHG's development strategy sets out our plans for continued supply of new homes, supported by headroom within our financial plan and covenants. During 2023/24 BCHG renewed and increased its revolving credit facility with Santander, providing security of investment to underpin our growth, while also delivering value-for-money against borrowing rates. The Treasury Strategy is regularly refreshed and updated to ensure borrowing capacity is maximised, so that we can continue to provide more for our local communities.

A key priority for improving our services to our customers and making our operations more efficient is through the implementation of two new core housing management and finance IT systems. BCHG is investing over £0.75m and implementation is underway with a target go-live date of October 2024.

Our care business continues to thrive, with New Bradley Hall care home providing quality residential care which is in high demand and generating strong surpluses during 2023/24. Supported Living services continue to provide valuable and much needed person-centred care and support to our customers with learning disabilities.

As a people-based business our employees are an important asset. We employed 255 highly engaged and committed colleagues in the year, investing £0.139m in training and development during the year as well as maintaining attractive reward packages to ensure we attract and retain talent. Colleague turnover was at its lowest level in 2023/24 for many years, partly due to the above aspects of our people strategy, and also attributable to the culture, values and ethos of our organisation that mean our people want to make a difference to people's lives.

Black Country Housing Group continues to operate successfully as a strong community-based landlord, rooted in our local places. We have many strong local partnerships which support our work and collectively Board, Executive Board, and colleagues are working together to enhance the resilience and sustainability of our neighbourhoods.

Amanda Tomlinson
BCHG Chief Executive

Principal Activities

The Group comprises Black Country Housing Group (the Association) and its subsidiaries;

- BCS Associates Limited (dormant)
- Black Country Care Services Limited (dormant)

The Association is a registered provider of social housing and has exempt charitable status. Key activities during the year included:

- managing, maintaining and developing homes for rent;
- managing a residential care home;
- providing retirement and supported living;
- supporting people into work and training;
- helping to create sustainable communities and
- providing home improvements and adaptations.

Compliance with Regulatory Standards

The Regulator of Social Housing (RSH) provides a regulatory framework which consists of Economic Standards (Governance and Financial Viability, Value for Money and Rent standards) and the Consumer Standards (Tenant Involvement and Empowerment, Home, Tenancy and Neighbourhood and Community standards).

Each year the regulator requires registered providers to assess their compliance with the standards and the Group can confirm that it complied in all material respects with the above standards that were effective until 31 March 2024. From 1 April 2024 we will be working to the new Consumer Standards of Neighbourhood & Community, Safety & Quality, Tenancy, and Transparency, Influence & Accountability.

We continue to maintain an assets & liabilities register, carry out stress testing on our financial plan and ensure that these and our annual budgets are based upon robust and prudent assumptions. We have also continued to operate a sophisticated approach to managing risk, based on risk triggers and early-warning indicators.

Governance

The BCHG Board has adopted the NHF Code of Governance 2020, and a full review of the requirements has been carried out. BCHG has already set the maximum tenure of Board Members at 6 years however to ensure stability the Board agreed a Succession Plan which addresses the balance of skills and experience on the Board to ensure fully effective governance. This means that a managed transition for succession of key postholders will take place, supporting wider compliance with all Code principles.

The Group's Board meets at least six times a year and comprises of eight non-executive members, plus one executive member, the Chief Executive. The Board met six times during 2023/24 and for part of the year carried a vacancy on the Board.

We have in place a Non-Executive Director succession plan to ensure that the BCHG Board remains effective, through the appointment of new members with the relevant skills, knowledge and

experience, to enhance the long-term performance and excellent governance of the Group. It is also important to us that the Board maintains a diverse and representative membership.

In order to deliver the requirements set out in the Board Succession Plan, recruitment for a new BCHG Board Chair and two new Non-Executive Directors took place in the year. The campaign was successful and a new Chair and two new Board members will be elected at the 2024 Annual General Meeting in September.

Current Board Member Profiles

Dr Abigail Robson (BCHG Board Chair) - Abigail is an experienced governance expert and was previously a senior manager in local government in housing policy, practice and development. Her professional background is as a quantity surveyor. Abigail is a member of Remuneration, Nominations & People Committee.

Lorna Wallace-Davis - Lorna began her career as a social worker and currently runs her own company providing culture change, facilitation, training and executive coaching in the public, housing and independent sectors. Lorna is the Senior Independent Director of BCHG and Chair of Remuneration, Nominations & People Committee.

Nicholas Simkins (Group Audit Committee Chair) – Nick is a retired audit partner and qualified accountant with an excellent understanding of corporate governance and risk management. Nick brings board member and Audit Committee chair experience as well as commercial and business knowledge and experience.

Nigel Wright - Nigel is a multi-sector independent Non-Executive Director, business owner and social entrepreneur. He brings broad commercial and digital expertise to the Board. Nigel is a member of Group Audit Committee.

Gareth Price – Gareth currently works for Trident Group, responsible for leading on property development, asset investment and delivery of the sustainable homes programme. Gareth is a member of Group Audit Committee.

Kevin Davis - Kevin is a social entrepreneur, and Group Chief Executive of the Vine Trust. He is passionate about regeneration and education and he is a social mobility champion. Kevin is an experienced board member in the health and education sectors. Kevin is a member of Remuneration, Nominations & People Committee.

Susan Brooksbank-Taylor – Susan brings 30 years' experience in the social housing, homelessness, wellbeing and recovery sectors, including Chief Executive, chair and board director roles. Susan is passionate about people, community, social purpose and solidarity. Susan is a member of Remuneration, Nominations & People Committee.

Helen Scarrett – Helen brings extensive experience as a senior executive in the social housing sector and as a charity CEO. She is a qualified housing professional with strong knowledge of housing and property management. She is an experienced Board Member and lives in the Black Country.

Sinéad Butters – Sinéad has been Chief Executive of Aspire Housing for 18 years. She is an experienced Non-Executive Director, currently serving as a NED on Goram Homes and former Chair of Berneslai Homes. She is passionate about housing and the role Housing Associations play in creating vibrant, sustainable communities.

Amanda Tomlinson (BCHG Chief Executive and Executive Board Member) - Amanda has been Chief Executive of Black Country Housing Group since 2013 and has a professional background in

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REPORT OF THE BOARD OF MANAGEMENT

Finance. Amanda is an Executive Board Member and holds a number of Non-Executive roles in other organisations.

The Group's Board has ultimate responsibility for the Group's strategic planning and risk management framework. The Board is supported by two committees, Group Audit Committee (GAC) and Remuneration, Nominations & People Committee (RNP). Both GAC and RNP comprise of four non-executive members, and each met four times during the year. All members of these committees are also members of the BCHG Board.

Internal Control

BCHG's Board is committed to the highest standards of conduct and ethical behaviour.

The Board has overall responsibility for establishing the system of internal control and for ensuring it is effective and focussed on the key risks threatening the Group's ability to meet its objectives. The Board reviews the system of internal control twice a year.

The internal control system is designed to reduce and manage risk. However the Board recognises that it provides reasonable but not absolute assurance and it does not eliminate the risk of failure to achieve Group objectives.

The Group Audit Committee received the annual report on internal control assurance at their meeting in April 2024, reviewing also the Board Assurance Map to satisfy itself of the effectiveness of the control processes.

The key components of BCHG's internal control system and the assurance they contribute towards are set out below.

Control System	Contribution to Assurance
Governance Framework	Provides an overall structure for the Group's governance arrangements and gives oversight and scrutiny of the Group's activities and performance.
Risk Management Framework	Sets out the mechanisms and framework through which the Board, Executive and management will identify, manage and mitigate risks that may impact upon delivery of strategic objectives.
Delegations Framework	Gives clarity on those responsibilities that are Matters Reserved for the Board, together with those that are delegated to committees of the Board as well as Chief Executive, Directors and Executive Board.
Terms of Reference for Group Committees, Working Groups and Panels	These set out clear delegations from BCHG Board for specific responsibilities and duties.
Financial Regulations	Annual oversight and approval by GAC controls the delegation of authority to commit and spend BCHG resources.
Strategic Plan and Financial Plan	Board's triennial approval of the long-term strategy is supported by detailed annual review of the Financial Plan. This includes 6 monthly stress testing and sensitivity analysis which ensures resources are in place to implement BCHG's long term vision, and mitigating actions are taken to preserve long-term sustainability and viability.

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REPORT OF THE BOARD OF MANAGEMENT

Approval of Strategies and Key Policies (customer-facing and corporate risk management)	Approval by Board, Committees and Executive Team confirms that strategies remain aligned to objectives, and that policies are up to date, compliant with relevant law and regulations and remain fit for purpose. All customer facing strategies and policies are subject to customer scrutiny under “No Voice, No Approval”.
Performance Monitoring	Regular dashboard and strategy performance updates are reported through Executive Board and BCHG Board. These enable adverse variances to be identified, so that prompt review and corrective action can be taken.
Customer Voice	Board receive a quarterly update on customer feedback, complaints and Tenant Satisfaction Measures. The Resident Scrutiny Voice Panel presents regular service reviews to BCHG Board.
Financial Monitoring	Annual budget approval, monthly management accounts monitoring by Executive Team and consideration of the financial position and covenant compliance by the Board at every meeting support the delivery of financial goals.
Treasury and Cash Flow Management	Annual update and approval of the Financial Plan and Treasury Strategy together with monthly reviews of cash-flow forecast enable the Executive Team and Board to assess liquidity and availability of secured funding. Monthly forecasts of golden rule and covenant performance facilitate testing of compliance with lenders’ requirements.
Assets and Liabilities Register	BCHG maintains an up-to-date register of all assets, liabilities and contracts.
Independent Assurance	External reviews are commissioned to provide independent assurance to the Board across a range of service areas. In addition, BCHG engages advisors from a range of specialisms to support the Executive Board in ensuring services meet required laws and regulations and to minimise risk.
Safeguarding	Safeguarding Panel reviews ongoing safeguarding matters, determining lessons learned and improvements required, with quarterly reporting through the governance structure.
Health & Safety	An Annual Plan approved by Executive Team and monitored by Health & Safety Panel ensures key risks are monitored effectively, BCHG Board also receives an annual review of Health & Safety. Landlord compliance (FLAGEL) reports are considered at every meeting of Group Audit Committee and are reported upon quarterly to BCHG Board.
Data Management and Cyber Security	The Data Management Panel oversees implementation of BCHG’s data management framework, taking a key role in data security. Cyber security is managed through inhouse expertise, colleague training and external support.

The Board is able to take further assurance from the following.

Risk Management

As detailed elsewhere in the Report of the Board, BCHG has a Risk Management Strategy in place and regularly maintains its strategic and operational risk registers. The Strategy is reviewed annually, whilst the Strategic Risk Register is a dynamic document reviewed monthly by Executive Team and at each meeting of BCHG Board. The Board has set its risk appetite for each category of risk and a statement of the risk appetite is included in the Risk Management Strategy. Risk Events, including

for example “near misses” are also considered by the Executive Team and reported to each Board meeting through the Risk and Assurance Update report.

Assurance Framework

BCHG has in place a Board Assurance Map to clearly illustrate to Board the various sources of assurance in accordance with the three lines model. The Board considers this at each meeting as part of its regular review of risk matters.

External Audit

RSM were appointed as BCHG’s external auditor in 2019 for a 5 year-term and are reappointed annually at the Annual General Meeting. The external audit provides assurance through the audit report and management letter that no matters have come to the auditor’s attention that would give rise to significant instances of internal control weaknesses or irregularity. The Chair of Group Audit Committee meets the lead partner at least once per year and the Committee also meet the auditor in camera without officers present at least annually.

Internal Audit

Following a full retendering process, BDO were re-appointed as BCHG’s internal auditors from 1 April 2023, after a successful initial 5-year period. BDO initially produced a three-year internal audit strategy which was supplemented by additional annual plans and they have now completed the fifth year of their annual audit plan. Positive assurance was provided to Group Audit Committee through BDO’s annual report, which summarises the assurance given throughout the year to each meeting of the Group Audit Committee. A recommendation tracker and follow-up audits ensure that recommendations are implemented.

Regulatory Engagement

BCHG embraces the Regulator of Social Housing’s ethos of co-regulation. All data submissions are completed accurately and on time having been reviewed by the Director of Finance and Chief Executive, and an open and transparent dialogue is maintained as we work to ensure compliance with the Regulatory Standards.

As a provider of registered care services BCHG works to comply with all standards set out in the Health & Social Care Act and CQC Regulations as assessed by the Care Quality Commission (CQC).

Principal Risks

The Black Country Housing Group Board has overall responsibility for the risk management strategy, framework and internal controls systems within the Group. Having regard to the risks arising from the Group’s Strategic Plan, the Sector Risk Profile, and the many external factors that challenge our services, the Group has identified its key strategic risks.

As part of the Group’s risk management strategy, the Board has set out its statement of Risk Appetite and assigns a risk category of Averse, Minimal, Cautious, Open or Hungry to each of its risks. For risks with an ‘Averse’ risk appetite, every action possible will be taken to eliminate risk, as opposed to those risks assigned a ‘Hungry’ risk appetite, where more innovative options would be taken to achieve potentially higher rewards. The Board makes decisions around what risks are captured, the mitigations/controls and further actions required to demonstrate that the risks are being managed to an appropriate level within the Group’s risk appetite. Each of the Group’s strategic risks are linked to stress testing exercises, performance indicators and other appropriate metrics.

A set of early warning indicators and risk triggers which take into consideration the risk appetite and stress testing scenarios, are monitored by the organisation’s Executive Team and the Board

REPORT OF THE BOARD OF MANAGEMENT

alongside the Group’s key performance targets. The Board has delegated responsibility for overseeing the effective day to day management of risk to the Executive Team and receives a detailed risk update at each Board meeting. During the year the Board reviewed risk appetite and elected to make amendments where applicable.

Specific Strategic Risks

The Sector Risk Profile report published by the Regulator of Social Housing for 2023 identifies access to labour and skills as an issue for the sector which links to the risk on stock quality. This risk is on BCHG’s Strategic Risk Register, however BCHG is stable in this area with staff turnover significantly decreased through the year.

The report again recognised that the sector faced a further increase in costs. CPI and RPI have decreased significantly throughout the latter part of the year and the strategic risk on BCHG’s register has changed from red to amber. Clearly the effects of increased costs will be felt for some time as supplies and services providers charges increase into the new financial year.

Data and cyber security are noted, and the section reflects on the high-profile attacks experienced within our sector. BCHG has increased its investment in protection and measures to raise awareness over the past years but this does not mean complacency. The data and cyber risks have a high number of controls in place and oversight of the Data Management Panel.

Risks & Assurance

BCHG Board Risk Appetite	
FINANCIAL VIABILITY - Cautious	PEOPLE – Open
REGULATORY COMPLIANCE - Averse	HEALTH & SAFETY - Averse
HOUSING OPERATIONS - Cautious	CARE OPERATIONS - Minimal
NEW COMMERCIAL VENTURES – Cautious	DEVELOPMENT - Open

Description of Risk	Source of Assurance
Political uncertainty and shifting government policy negatively impacts upon BCHG’s Strategic Plan and Operating Model	Experienced Executive Team and Board with updates to Board as needed. Regular stress testing and Mitigations plan in place.
The Government may cap future rent increases which would have a negative impact on income, creating a challenge for BCHG to meet rising costs.	Strong awareness of government policy changes, regular update and reporting of our financial plan, stress testing & mitigations. Effective financial reporting to identify cost pressures early.
Disposal of New Bradley Hall stalls or fails.	Experienced management team overseeing the project and with strong governance arrangements in place. Experienced consultants and legal advisors appointed. Sensitivity analysis and stress testing undertaken to assess tolerance for adverse variances.
Health and Safety policies fail resulting in serious detriment to a customer.	Bi-monthly Health & Safety Panel meetings taking place with minutes provided to the Executive Team. Policies and procedures reviewed and updated regularly. Colleagues trained in IOSH and NEBOSH. Full fire safety checks completed on all properties with cladding.
Macro / Micro economic position impacts on some or all aspects of BCHG services.	Executive Team ongoing monitoring of UK’s position. Updates from external advisors. Maintain contact with suppliers. Business continuity plan in place.

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REPORT OF THE BOARD OF MANAGEMENT

Uncertainty in development programme delivery caused by economy or government policy impacts on achievement of Development Strategy.	Appraisal model in place. Ability to switch between tenures within programme in case of market failure. Menu of developments in place from land led to section 106. Valuer led development in place. Member of the Matrix partnership.
Failure to manage Data Integrity.	Network Security Policy and Data Protection (DP) Policy in place. DP training for all colleagues. Access to systems monitored by ICT. Permissions granted and monitored by system administrators. Quarterly controls and checks. Data Management Panel meet at least quarterly.
Financial loss, disruption or damage to the reputation of the Group caused by Cyber Crime.	GDPR training and awareness programme for all colleagues. Cyber risk awareness programme and policies in place. Firewall extended to off-site devices. Anti-virus software upgraded and installed on all equipment. Sophisticated cloud back-up solution in place. Penetration testing and cyber essentials in place.
Failure to recruit and retain engaged, motivated, skilled and productive colleagues.	Annual pay review and terms and conditions regularly kept under review. Training and development programme in place. Quarterly staff engagement surveys. IIP Gold recognition. Reward Strategy in place to recognise high performance and positive contributions. Management Development Programme launched and Talent Management Plans in place.
Tenant Voice is not heard at operational and / or Board level resulting in a breach of the Consumer Standard and the Code of Governance.	Resident Scrutiny Voice Panel in place. Customer Contact Strategy. Customer Engagement Strategy. Customer Transparency Strategy. Customer Success Strategy. Independent customer surveys quarterly. Complaints Policy and Procedure. Live customer feedback facility on BCHG website.
Failure to retain skilled, knowledgeable, and experienced Executive colleagues.	Annual pay review and external benchmarking at least every three years. Terms and conditions regularly reviewed. Professional qualifications and memberships supported. People Strategy in place.
Ineffective Governance.	Annual review of Governance effectiveness. RSH stability checks and In-Depth Assessment. Annual compliance check with regulatory standards and NHF Code of Governance. Biannual review of Internal Controls. Succession planning in place for board member replacement.
Group ceases to be Financially Viable.	Financial Plan sensitivity analysis and stress testing owned by Board. Annual external audit opinion. Compliance with loan covenants and golden rules as well as cashflow and other KPIs reported to each Board meeting. Internal audit on key financial systems.
Rental Income impacted by tenants' ability to pay leading to significant increase in rent arrears.	In depth understanding of our customers through our Customer First approach. Strong and experienced leadership in place for the Operations Team. Tenancy Support Programme. Colleague training and development. Regular reporting of rent arrears and cash collection levels.
Stock may not meet revised Decent Homes Standards diverting investment plans for energy efficiency and sustainability expectations to DHS works	Asset Register in place for all properties. Asset Investment Strategy, Asset Disposal Strategy and Environmental Strategy all in place. Stock condition surveys regularly refreshed and externally validated. Investment requirements included in the 30-year Financial Plan.

REPORT OF THE BOARD OF MANAGEMENT

Responsive Repairs do not meet service expectations	Asset Investment Strategy, Asset Disposal Strategy and Environmental Strategy all in place. Repairs and Maintenance Policy in place. Risk events are reported and Sticky cases monitored. Disrepair claims are reported and monitored. Tenancy Visitation programme. Internal Stock condition 5 year visits.
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Equality, Diversity & Inclusion

At BCHG Equality, Diversity and Inclusion is reflected in everything we do, and colleagues are challenged and encouraged to view the work that they do through an EDI lens. It is important that we acknowledge and respect diverse cultures, embrace differences and have conversations without hesitation. Our EDI Strategy 2024-2027 was developed through customer and colleague consultation, underpins all of our other strategies and sets out the following objectives: Engage and listen; Lead from the top; Promote who we are; Educate and Review and Learn. In 2023 we became members of the Employers Network for Equality and Inclusion (enei) and our colleague led EDI Sounding Board continues to raise awareness of EDI amongst their peers with EDI being integral to The BCHG way.

We also publish our Gender Pay Gap annually and have recently calculated this for April 2023 which shows a mean gender pay gap of 20.43%. This is our lowest gender pay gap to date. We have a number of women in senior positions within the business, including 75% of the Executive Team, but we also have a predominantly female workforce in our care business. We are looking at ways of reducing this gap further through our approaches to recruitment, talent management and promotion. We also calculate our Ethnicity Pay Gap which in April 2023 was a positive 19.34%.

Our hybrid working policy and the flexibility this affords, benefits our colleagues, particularly those with family commitments.

Going Concern

The Group's business activities, its current financial position, and factors likely to affect its future development are set out above and within the Strategic Report.

The Group has total fixed assets of £140.720m, an increase since the previous year of £9.312m. During that time the Group has developed and acquired new housing properties.

Overall net current assets as at 31 March 2024 stand at £2.603m, an increase from the prior year mainly as a result of an increase in cash and cash equivalents. Net current liabilities include debt repayable within one year of £2.603m, Recycled Capital Grant Funding (RCGF) of £0.508m and Deferred Capital Grant of £0.592m, both of which although recognised as potential current liabilities, are usually able to be recycled within our business.

The Group has in place long term debt facilities which provide adequate resources to finance committed development and renewal programmes along with the Group's day-to-day operations. Debt totalling £54.416m was outstanding as at 31 March 2024, with £2.603m repayable within one year. There has been an increase of £10.296m in long term debt during the year, this being the main reason for an increase in long term creditors. The long-term financial plan shows that the Group is comfortably able to service its debt facilities whilst continuing to comply with loan covenants.

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REPORT OF THE BOARD OF MANAGEMENT

The statement of financial position shows a strong net asset position of £35.307m as at the 31 March 2024 and the 2024 iteration of the financial plan has been prepared and stress tested with the base financial plan compliant with all lender loan covenants and golden rules, demonstrating BCHG to be a strong, financially viable group, both in the short and longer term.

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

Post Balance Sheet Events

The financial statements for 2023/24 have not been adjusted for any post balance sheet event.

Statement of Board's responsibilities under the Co-Operative and Community Benefit Societies Act 2014 for a registered provider of social housing

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Registered Provider (RP) and of the surplus or deficit for that period. In preparing these financial statements, the board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the RP will continue in business.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the RP and to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, The Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing. It has general responsibility for taking reasonable steps to safeguard the assets of the RP and to prevent and detect fraud and other irregularities.

Auditors

All of the current board members have taken all the steps that they ought to have taken to make themselves aware of any information needed by the association's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

RSM have expressed their willingness to continue.

A resolution for the re-appointment of RSM UK Audit LLP as auditors of the Group is to be proposed at the forthcoming Annual General Meeting.

Dr Abigail Robson
BCHG Board Chair
25 July 2024

Strategic Objectives Performance

Our three-year Strategic Plan incorporates our five strategic objectives of:

- Trusted Landlord
- Quality Homes
- Thriving Communities
- Outstanding Employer
- Sound Business

There have been many positive achievements for the year as can be seen in the tables that follow.

Trusted Landlord
Key Achievements
<p>Customer overall satisfaction with BCHG as a landlord at 88.3%. BCHG treats tenants fairly and with respect at 89.3%. Annual home visit programme embedded and increased presence on estates and within neighbourhoods. Collection with care approach taken in the management of rent arrears. Support to residents in dealing with the impact of the cost of living crisis. Strong links maintained with Local Authority Anti Social Behaviour Teams, Police & other agencies. Annual Customer Conference held with a high number of residents in attendance. Neighbourhood plans developed in collaboration with local services and customers. Pathways established with the Health & Housing Forum. Service efficiency improvements made through hearing the Customer Voice. Activities to enhance customer wellbeing are being delivered within Retirement Living schemes. Money management support to residents through the Social Business Team. Promotion of a respectful and inclusive culture is having a positive impact; 27% of lettings went to ethnic minorities against a target of 20%.</p>

Quality Homes
Key Achievements
<p>Customer satisfaction with repairs at 81.2%. Satisfaction that the home is well maintained achieved 85.3%. Satisfaction that the home is safe achieved 87.3%. 100% of our homes meet or exceed the Decent Homes Standard. Capital programme of windows, doors, kitchens, bathrooms and boilers delivered. External benchmarking with Matrix peers show that our stock condition investment continues to deliver value for money for BCHG. Compliance works ensure homes and communal areas remain safe. Approach to Damp and Mould agreed by Board. Fire safety risk assessments undertaken and investment increased. Homeforce have achieved the DLO:Accredit status from HQN. Development programme has delivered 54 new homes in the year. Crowther Road refurbishment works to improve energy efficiency levels completed.</p>

Thriving Communities

Key Achievements

33 hubs in the community supporting digital skills.
Over 219 volunteers and staff in the third sector have been trained by BCHG with over 765 end users benefitting.
The Savoy Centre had footfall of over 10,880 users and a social value of over £3m.
Supported customers through Rough Sleepers Accommodation Programme, care leavers, homeless prevention and the digitally excluded.
Gifted out 350 laptops in the year to people in the community.
Worked with over 60 young people in supported living accommodation or in the care system, helping them to achieve skills for independent living.
Homeless prevention programme helped 33 people to retain or secure accommodation.
197 tenants supported through the year with a wide range of interventions and positive outcomes through the tenant support programme.
Various projects are supporting local people to access employability, digital and independent living skills.
Employability project helped 30 individuals with job seeking skills.
Loneliness and isolation reduction project has supported lonely people to connect with others.

Outstanding Employer

Key Achievements

New values embedded and linked to the Value Based Service Standards and behaviours framework (The BCHG Way).
New Equality, Diversity and Inclusion Strategy in place.
Annual EDI survey undertaken with colleagues.
The EDI Sounding Board are raising awareness on all aspects of EDI.
Employers Network for Equality and Inclusion (enei) Membership in place.
Quarterly engagement survey results exceeded the target at 8.68.
A refreshed Total Reward Strategy is in place and pay has been externally benchmarked.
'My Good Idea' generated innovation from colleagues making positive change across BCHG.
9 apprentices in post across BCHG.
Mentoring scheme created for a number of colleagues and is supporting aspiring managers.
CEO hosted a question and answer session for all colleagues.
Successful Staff Conference took place on 15 June with awards to celebrate colleagues' achievements over the year.
A number of One Team days and Staff Forum activities delivered through the year.

Sound Business

Key Achievements

G1/V1 regained.
Financial Plan approved by Board.
Lender covenants complied with.
Housemark monthly pulse benchmarking in place.
Effective management of Aged Debt.
Annual laptop health checks implemented to minimise remote working issues.
Housing and Finance software systems implementation on track for the planned go live in October 2024.
Annual Penetration Test complete.
Cyber Essential reaccreditation achieved.
Monthly Cyber Crime awareness raising.
New ICT Roadmap is in place.
Business Intelligence Plan developed.
Data Governance Framework in place.
Increased Social Media engagement on all platforms.
TSM quarterly results published on the website
Board to tenant feedback published after each meeting of the Board.

Value for Money

Our approach

At BCHG our mission is to be a Social Business Investing in People and Communities. Value for Money (VfM) is a theme which runs throughout our three-year Strategic Plan. For us this means being a well-run not-for-profit organisation, operating effectively and efficiently, generating surpluses which create social value. We will use our resources wisely to create a return, generate growth and maximise social impact whilst delivering excellent services.

BCHG has long been committed to delivering a diverse range of services to our local communities and employing local people and suppliers. VfM is about maximising the social return achievable through our investment in physical assets (including tenants' homes, ICT and our offices) and other assets (such as our people, partners and suppliers), providing homes which are safe and high-quality services, delivered by qualified and proficient colleagues, using systems that are modern and fit for purpose.

BCHG approaches VfM in a holistic way with a focus on maximising outputs and outcomes which are aligned to the achievement of our overall strategic objectives, delivering services in an effective, economic and efficient way.

Value for Money Metrics

The 2018 Value for Money Standard introduced seven metrics to be reported on across the sector. BCHG results covering a three-year period, as well as a forward look for three years have been included. Comparatives for 2022/23 for the overall social housing sector are also shown for information.

In addition to the seven metrics defined by the regulator, an adjusted headline social housing cost per unit has also been included, to remove the impact of the higher cost service provision in care. Overall, the metrics for 2023/24 demonstrate a strong, positive position. Future year projections from 2025/26 onwards are impacted by the planned disposal of New Bradley Hall residential care home as further explained below.

RSH Value for Money Metrics	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2022/23 Sector Median
	Actual			Forecast			
Reinvestment	7.7%	6.2%	8.1%	6.8%	11.0%	9.3%	6.7%
New supply delivered							
- Social Housing	0.9%	1.3%	2.4%	2.8%	0.9%	4.2%	1.3%
- Non Social Housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gearing	35.5%	30.8%	33.3%	35.0%	34.8%	37.1%	45.3%
EBITDA MRI	182.1%	185.0%	220.0%	195.7%	180.8%	169.0%	128%
Headline social housing cost per unit	£6,593	£6,270	£6,331	£6,836	£5,795	£5,674	£4,586
Adjusted social housing cost per unit	£3,674	£4,029	£4,354	£4,656	£4,998	£4,894	£4,586
Operating Margin							
- Social housing lettings	29.2%	27.5%	29.6%	30.2%	22.1%	23.5%	19.8%
- Overall	13.9%	15.6%	20.4%	19.0%	17.8%	19.1%	18.2%
Return on capital employed	2.4%	4.0%	2.9%	2.6%	2.0%	2.1%	2.8%

Metric 1 – Reinvestment (*Financial investment in acquiring and developing new properties*)

BCHG continues to invest in its existing homes and is delivering against a steady development pipeline of new affordable homes which is set to continue through to 2032/33 and beyond.

Metric 2 – New supply delivered (*The number of new social housing and non-social housing units that have been acquired or developed in the year as a proportion of total housing units and non-social housing units owned at period end*)

BCHG continues to develop new affordable homes for rent. In addition to the 54 new homes built in 2023/24, at 31 March there were 55 units on site, and all of these are expected to be completed during 2024/25. Beyond this, based on the current development programme which stretches to 2032/33, 115 new affordable homes are estimated for completion by March 2027, with a further 191 units thereafter. BCHG remains committed to developing new affordable homes under its Strategic Partnership as part of the Matrix consortium. BCHG has not developed any new units for non-social housing purposes between 2021/22 and 2023/24 and currently has no plans to do so.

Metric 3 – Gearing (*Assesses our level of debt against the value of our housing properties*)

The first £17m tranche of our £40m Private Placement issued in September 2021 contributed to a marked increase in this metric for 2021/22. During 2022/23 we received a further tranche of £10m, and the subsequent repayment of debt drawn against our revolving credit facility resulted in a lower level of gearing for 2022/23. The third and final tranche of our £13m Private Placement was issued on 3 April 2023 and as we continue to drawdown additional funding in support of us developing new

affordable housing over the short to medium term, we expect to see a steady incline in this measure, albeit this will be partly offset by an increase in the value of our housing assets and remain significantly below the sector median.

Metric 4 – Earning Before Interest, Tax, Depreciation, Amortisation – Major Repairs Included (EBITDA MRI) *(Interest cover test that is an indicator for liquidity and investment capacity)*

BCHG continues to perform very strongly against this measure in comparison with the sector as a whole, whilst ensuring that levels of interest in our assets are maintained. As a result of this investment and also additional borrowing costs in light of the new Private Placement, EBITDA MRI reduced in 2021/22, but has again increased over the previous two years.

During 2022/23 the gain achieved on the sale of assets had a positive impact on performance against this metric. In the financial year ended 31 March 2024, the result against this metric has again increased favourably, and is mainly owing to the very positive financial performance and operating surplus achieved during the year as well as favourable levels of interest received from short term investments. It should be noted that interest costs have increased during the year due to the new costs of borrowing associated with the final tranche of the long term private placement being issued, and a marginally higher proportion of variable rate borrowing compared to prior years.

Future performance against the metric is forecast to be at lower levels, due to the aforementioned interest costs, investment in our business and the continued challenges of operating in a high inflation environment, consistent with what is being experienced sector wide.

Metric 5 – Headline social housing cost per unit

Our overall headline social housing cost per unit includes costs associated with the provision of Supported Living and Residential Care and therefore is at a higher level than sector median. The predominant reason for the increased unit cost is that a significant proportion of the costs for these services are for salaries, which have seen significant increases in line with National Living Wage in recent years. Management and service charge costs have also increased due to increased investment in ICT transformation programmes, cyber security and other overheads, in support of the high level of service provision that we set out to achieve. In 2022/23 the improvement in this metric is largely attributable to the sale of the residential care home at Gower Gardens, and the associated reduction in operating costs.

As was expected, the metric result during 2023/24 increased, due to the ongoing investment in the business, an increased demand on services, and the challenging high inflationary operating environment, and looking ahead to 2024/25 this metric will again increase. The headline social housing cost per unit is projected to decrease overall in future years, due to the transfer of the remaining residential care home and the high unit costs associated with operating this part of the business.

An additional metric (5b) is also included in the table above which removes the impact of Supported Living and Residential Care, to provide greater transparency and read across to the sector comparators. Over recent years there has been increased investment in our assets both in terms of planned maintenance and capitalised component replacements, as well as continued investment in our People and ICT across the business. This has given rise to an increased cost per unit and is consistent with what is being seen in overall trends for the sector. Our unit costs remain at a lower

level than our peer comparators and forecasts suggest that this will continue to be the case, although the disposal of the remaining care home would potentially see a slight increase.

Metric 6 – Operating margin *(This aims to measure how efficient an organisation is)*

Social housing lettings – This is a metric where BCHG continues to significantly outperform the sector median, which for 2023 now levels at 19.8%. Strong levels of performance are expected to continue however this is a metric which will be adversely impacted when the New Bradley Hall residential care home is disposed, as whilst there may be reductions in overheads, these will not be linear and therefore an increased share of overheads will need to be met from social housing lettings. There has been gradual reduction in this measure across the 3 years reported and this is reflective of the additional investment and increasing costs, which is consistent with what is being experienced by the sector.

Overall - The sector trend for this metric has seen a steady decline in recent years. Whilst BCHG has traditionally compared less favourably owing to our diverse non-social housing activities, the sale of the care home in 2022/23 and strong financial performance in 2023/24 has seen us buck this trend, and an improving overall operating margin. A challenging and prudent budget and financial plan has been set for 2024/25 and beyond which continues to include resources for us to invest in our assets and our people in order to provide our customers with high-quality services.

Metric 7 – Return on capital employed *(Assesses the efficiency of capital resource investment)*

Performance against this metric largely tracks that of our overall operating margin and has been boosted in recent years by the positive operating surplus achieved. BCHG performance here largely tracks the sector median.

Director Remuneration and Management Costs Metrics

The Regulator for Social Housing has issued Value for Money guidance in respect of the Transparency, Influence and Accountability Standard which details the calculation of performance metrics for directors' remuneration and management costs. These are included below.

RSH Value for Money Metrics	2023/24 Actual
The remuneration paid to the highest paid Director relative to the size of the landlord	£66.06 per social housing unit that is owned and managed
The aggregate amount of remuneration paid to Directors relative to the size of the landlord	£236.70 per social housing unit that is owned and managed
Management costs relative to the size of the landlord	£1,307.34 per social housing unit that is owned and managed

Sector Scorecard

Several of the Sector Scorecard measures are the same as the Value for Money Metrics, however the measures below are in addition and are therefore provided for information.

Measure	2021-22 Score	2022-23 Score	2023-24 Estimated Score	Sector Median 2022/23 & BCHG Quartile
Percentage of respondents very or fairly satisfied with the overall service provided	81.17%	87.00%	88.29%	76.00%
Overhead as % of adjusted turnover	16.24%	17.31%	17.22%	11.98%
Ratio of responsive repairs to planned maintenance	1.16	1.07	0.99	0.6
Occupancy	99.7%	99.6%	99.4%	99.6%
Rent Collected from current and former tenants as a % of the rent due	99.15%	98.56%	101.10%	96.55%

Value for Money Achievements

During the last few years BCHG has undertaken refinancing exercises and took advantage of opportunities to repay existing debt and secure borrowing at preferable fixed term rates which has resulted in beneficial interest savings. During 2023/24 we placed funds on deposit with a number of our approved banking institutions in line with our Treasury Policy, this too allowed for us to take advantage of higher than usual interest rates to generate cashable benefits of £0.338m for re-investment in our business.

Continued hybrid working has led to more efficient ways of working for BCHG and our colleagues, which helps keep office costs under control and contributes to a positive environmental impact.

Housing Management

Our approach to supporting tenants through their dedicated Customer Relations Managers continues to have a positive bearing on some of our key housing management metrics, such as rent arrears and rent collection. The role of the Tenancy Support Programme, which looks to provide additional help and advice to our most vulnerable tenants, has also been successful in helping to manage arrears, but also in securing new benefits and funding available to tenants. Signposting to other agencies and means of support also adds value. High performance levels against the newly introduced Tenant Satisfaction Measures which we have seen during 2023/24 also corroborate these successes with high levels of customer satisfaction.

Development

We undertake benchmarking of our development parameters as well as development costs and also engage with employers agents on all of our development schemes to ensure that works are carried out to high standards. Our design specifications incorporate aspects which make the properties environmentally friendly and also more economical for tenants to run in terms of utility costs and the like. During 2023/24 we have completed our very first scheme using Modern Methods of Construction which means that the build phase is much shorter, allowing for rents to be realised much more quickly. This scheme also provides better energy efficiency for tenants and carbon reductions.

Treasury

Our weighted average cost of capital remains low compared to the wider sector. During the year we have renegotiated a new revolving credit facility with an improved margin and more generous headroom against both the interest cover and gearing covenants offered. Further to this, via effective

cashflow management we have been able to maximise the return on our resources, whilst also ensuring that funds remain safe and secure with trusted counterparties.

Asset Management

With a growing focus on damp, mould and compensation, during the year BCHG undertook a pilot of Property MOTs. These MOTs focused on properties identified as potentially being more prone to this issue and involved inspections being carried out to ascertain whether any works were needed. This proactive intervention would then potentially prevent more significant works needing to be carried out at a later date, which would both reduce customer satisfaction with the quality of their, and also be more costly to BCHG. We have also carried out works to a number of properties under the Social Housing Decarbonisation Fund wave 2 to improve the energy efficiency performance of these properties which will enhance the comfort of these homes to tenants, in addition to making them more fuel efficient to run.

Colleagues

Key metrics around colleague turnover, levels of sickness absence and colleague engagement have all improved during the year. Our colleagues and their wellbeing are highly important and it is paramount that in order to deliver high quality services to our customers, we must recruit and retain high performing colleagues. Significant investment has again been made in learning and development and we have also moved to a learning platform which enables a large element of our training to be delivered electronically, which is more cost effective. We have also launched a new People Strategy, EDI Strategy and continually review the benefits, rewards and other means of recognition on offer via regular surveys.

Hybrid Working

BCHG has continued to operate a hybrid working policy where colleagues generally work part of the week from their office base, and part from home. This has been in place since the pandemic and brings both cost saving benefits in terms of office running costs and fuel, but also benefits colleague wellbeing based on feedback received from surveys undertaken.

Housemark Benchmarking and Comparison to Peers

Housemark benchmarking is undertaken annually. The results of the benchmarking exercise, how BCHG compares against the peer group median, as well as the year-on-year BCHG performance are reviewed by BCHG Board. This analysis helps to identify areas where improvement in performance is sought and shapes our KPI targets for the year ahead.

Our aim is to perform at median or above for each of the key performance indicators measured by Housemark when compared with our peers. The tables below highlight where BCHG is currently below median and the corresponding KPI targets that have been set.

We benchmark ourselves against a peer group which includes traditional housing associations based in England (excluding London), with a turnover of up to £30million and up to 10,000 properties in management. Due to the timing of when benchmarking exercises are undertaken, the most recent data that we can access and compare ourselves against our peers is that from 2022/23.

In addition to the annual benchmarking, we also monitor a suite of internal Key Performance Indicators (KPIs), some of which mirror the measures captured by Housemark. Where this is the case, the result for 2023/24 alongside the target for 2024/25 is shown in the tables that follow. In evaluating our performance, the following key should be referred to:

Quartile Key	
Upper Quartile	
Middle Upper	
Median	
Middle Lower	
Lower Quartile	

Business Overview

	Score 21/22	Median 21/22	Score 22/23	Median 22/23	Peer Group Quartile	KPI Actual 23/24	KPI Target 24/25
Growth in Turnover	0.30%	1.30%	-6.40%	5%			-
Operating Margin	13.90%	20.30%	15.55%	18.56%		20.40%	19.00%
Adjusted net leverage	37.40%	36.60%	33.30%	33.84%			-

Growth in turnover during 2022/23 has been skewed as a result of the disposal of Gower Gardens and therefore shows as a decrease. Asides from this change, turnover in the remaining business increased by 7.724%, showing an increase from £17.530m in 2022/23 to £18.884m in 2023/24.

Operating margins across the 3-year period reported above show a positive increase. During 2021/22 we saw slow recovery in occupancy levels within residential care, however this was suppressed by increased costs and overheads. During 2022/23 and 2023/24 there has been continued investment in our business along with cost increases impacted by levels of higher inflation, but despite this financial performance has remained strong. The KPI target for 2023/24 is based upon the approved budget which is deemed to be prudent.

Our adjusted net leverage has remained relatively consistent and in line with the median over the past few years. It is forecast to gradually increase over the next few years as we continue to develop new affordable homes and drawdown additional borrowing to finance this.

Housing Management

	Score 21/22	Median 21/22	Score 22/23	Median 22/23	Peer Group Quartile	KPI Actual 23/24	KPI Target 24/25
Total CPP of Housing Management	£471.28	£629.34	£561.50	£685.58			-
Rent loss due to voids	0.75%	1.09%	0.76%	0.76%		0.87%	0.90%
Total arrears as % rent due (GN & HfOP)	4.43%	4.43%	3.75%	3.52%		2.49%	4.00%
Arrears written off as % of rent due	0.21%	0.31%	0.37%	0.42%			-
Rent collected as a % of rent due	99.56%	99.86%	103.01%	100.01%		100.17%	100.00%
Average re-let time in days (standard re-lets)	22.75	24.62	25.23	24.26		24.85	25
Tenancy turnover rate	7.07%	7.07%	7.13%	5.50%			-

NB CPP = Cost Per Property

When analysing housing management performance, we see that the total cost per property of housing management continues to rank in the upper quartile, despite there having been an increase in our costs between years.

BCHG performance against rent loss due to voids ranks in line with the median when compared to peers, our centralised lettings function results has resulted in a more efficient and effective process over recent years, contributing to quick void turnarounds.

Rent arrears management is a key measure and an area where we are continually seeking to improve. During this period of economic uncertainty which presents challenges for our tenants, it is positive to see that arrears have reduced across the years and this is testament to the work undertaken by our Operations team and highlights the importance of relations between our Customer Relations Managers and their customers, and the value that the Tenancy Support Programme adds. We continue to use bespoke ICT software to help give us greater intelligence on where intervention may be required to help mitigate against the impact of welfare reforms and more recently the cost-of-living crisis. The target set for 2023/24 remains at 4% and we are mindful of the impact that the 53 week rent year may have.

The latest benchmarking information for 2022/23 shows that due to continued low levels of write offs, we are still performing at median level, this is an area in which we have monitored and implemented stricter controls in recent years.

Black Country Housing Group Limited

STRATEGIC REPORT

Rent collection levels remain strong at BCHG with performance in two out of the three years reported exceeding 100%. The KPI target for 2023/24 has been set at 100% and is a key measure which is regularly monitored.

There was a spike in our average re-let times in 2022/23 which has reduced very slightly in 2023/24.

Housing Maintenance

	Score 21/22	Median 21/22	Score 22/23	Median 22/23	Peer Group Quartile	KPI Actual 23/24	KPI Target 24/25
Total CPP of Responsive Repairs & Void Works	£613.07	£1,011.26	£727.19	£1,103.60	Green		-
Average cost of a Responsive Repair	£104.25	£129.15	£122.37	£144.78	Light Green		-
Average cost of a Void Repair	£1,904.32	£2,767.60	£2,592.95	£3,155.63	Green		-
Repairs completed at the first visit %	89.29%	89.00%	87.68%	90.25%	Yellow	87.80%	89.00%
Total CPP of Major Works and Cyclical Maintenance	£1,197.19	£1,481.62	£1,338.33	£1,725.93	Green		-

NB: CPP = Cost Per Property

The Housing Maintenance results again remain very positive with the performance of BCHG being either in the upper quartile or at median for the majority of measures based on the results for both years. Although BCHG's costs have increased during the comparable financial years associated with rising costs and supply chain issues, it can also be seen that these market conditions impacted our peers and it is pleasing to see that BCHG continued to perform well when compared to the median of the peer group.

The number of repairs completed at the first visit shows a reduction in each of the three years reported. Performance in this area has been impacted by factors such as no access and recruitment challenges, this measure is a key priority and we have sought to address any barriers. Currently we have a fully recruited trades team and performance this area is expected to improve.

Overheads

	Score 21/22	Median 21/22	Score 22/23	Median 22/23	Peer Group Quartile	KPI Actual 23/24	KPI Target 24/25
Total overhead as % adjusted turnover	15.51%	16.01%	17.31%	16.39%	Yellow		-
Staff turnover in the year %	33.40%	17.90%	55.34%	19.48%	Red	16.08%	19.00%
Sickness absence average working days lost per employee	13.6	9.7	11.2	8.9	Red	8.37	11

Total overheads as a percentage of adjusted turnover has increased between years and whilst the peer median has also increased, we are at quartile 3 compared to our peers.

Staff turnover increased significantly during 2022/23. It remains a challenging measure for BCHG due to the high proportion of care staff employed within our business, with care typically being a sector which attracts higher than average turnover. The 2022/23 year was impacted exceptionally by the disposal of Gower Gardens in June 2022 (KPI excluding Gower Gardens - 19.67%), but since then this area has seen positive improvement as reflected in our 2023/24 KPI result. The target for 2024/25 has been set at 19%.

Average working days lost due to sickness absence has positively continued to decrease over the three year period. Initiatives included within the People Strategy have contributed to this and this is a measure where further improvement is sought as we have consistently performed below median. The KPI target for 2024/25 is 11 days.

Growth, Investment & Disinvestment

Development of new Affordable Homes

During the year 54 new affordable homes were completed; 33 at St Peter's Road, 8 at Goodrich Mews, 4 at Earl Street, 8 at Payne Street and 1 at Birmingham Road. At 31 March 2024 there were a further 55 units on site, with 13 units at Darkhouse Lane and 42 units at Regis Lodge (Siviter Court). All of these homes are situated locally within the Black Country and local supply chains were used as far as possible. There are other schemes in the early stages and are expected to start on site during 2024/25, that will provide a total of 91 affordable new homes funded through a mixture of grant and BCHG's own resources. Our development schemes were supported in the year by Social Housing Grant of £0.941m, RCGF of £0.486m and historic Voluntary Right to Buy Receipts of £1.162m.

Beyond the development schemes referenced above, our financial plan includes a development pipeline linked to our Development Strategy which includes plans to develop a further 215 units for affordable rent. We recognise that understanding the financial performance of our properties is fundamental to our business and that we need to invest in the right development opportunities, as well as making the best decisions about the future of our existing properties to make optimal use of resources.

We continue to use a development appraisal model which shows how our planned property investments will perform financially over the long term. It identifies how long it will take for the income from a new property to cover its costs (breakeven) and when the loan used to finance the property will be fully repaid (payback). The model enables us to compare how different tenures perform financially, so that the best combination of properties for each development opportunity can be identified. The model generates a net present value of alternative investment options, which enables us to maximise the forecast return on new developments.

Investing in our existing properties

Our stock is located within the West Midlands conurbation and includes a range of houses, bungalows, and flats with between one and six bedrooms. Our properties are relatively young with over 70% being built post 1970, and all of these meet the requirements of the Decent Homes Standard and the current Homes (Fitness for Human Habitation Act) 2018.

We continue to invest, maintaining high standards through our 30-year Asset Investment Plan and capital works programme to existing homes, including for example the replacement of kitchens, bathrooms, doors, and windows. A total of £1.816m was invested in the replacement of components and improvement works during 2023/24.

A Property MOT programme was piloted with focus on our oldest and coldest properties, and any others which were possibly more prone to damp and mould. This pro-active approach looked to identify any works required at an early stage, as opposed to this being led by customer calls or complaints. The visits covered areas including damp and mould, customer education, safety and security checks, identification of trip hazards on paved areas, condition inspection of asbestos and the installation of smoke alarms and CO detectors where needed.

Energy Efficiency and Decarbonisation

Our Environmental Strategy includes a target for our homes to achieve an EPC rating of C by 2030. Our financial plan includes for additional investment in this area over and above the 30-year Asset Investment Plan. This is an area which continues to evolve as new technological advances are made and the market adjusts and is closely linked to the matter of fuel poverty which is also very much on our radar. During 2023/24 BCHG was awarded £0.122m of funding under the Social Housing Decarbonisation Fund which has helped to resource investment in 10 existing tenants' homes, to ensure that they remain homes which are fit for purpose long into the future. The works for energy efficiency improvements to windows, doors and external insulation were completed at properties in Crowther Road, Wolverhampton. The next phase of decarbonisation works are currently being scoped and we plan to complete works at a further 11 properties during 2024/25.

Asset Disposals

Within our Asset Investment and Asset Disposal Strategies, we identify that we will look to dispose of assets that are poorly performing and to use the proceeds from these disposals to reinvest back into other properties and regeneration initiatives. It has been established that our housing stock has a positive net present value, and our stock condition database allows for this to be continually updated. In order to meet our high standards, we review all of our homes and may choose to dispose of those which are not cost effective to maintain (largely due to energy efficiency concerns and the impact that this can have on fuel poverty).

Where particular groups of assets with high levels of voids or disrepair for example are identified, options for these properties will be considered and separately reviewed.

Social Value

As a social business investing in people and communities, we strive to make a positive difference to people's lives and delivering social value is inherent in the services we provide. Inherently the provision of quality homes as a trusted landlord for people, and working in partnership to support thriving communities, has wide ranging social value across several themes and is essential to the health, wellbeing, and economic security of our customers and neighbourhoods. We continue to respond to the considerable impact the cost-of-living crisis has had on our customers, mobilising to meet local needs and support as many customers as possible, on as many different fronts, as we are able.

Where we are able, we use tools and methodologies to attribute a financial value to the social outcomes we achieve as part of our services. For the majority, this is achieved by utilising the HACT UK Social Value Bank which contains outcomes with a defined financial metric, incorporating a wellbeing value, a health top up value and, where applicable, an Exchequer value. There are however social value outcomes that we cannot measure using the UK Social Value Bank. This does not make these outcomes any less valuable to the lives of our customers, and as such we use a blended approach to measure our social value, incorporating the HACT UK Social Value Bank; project outcomes; and case studies.

Where we have had sufficient data and methodologies to calculate social value, we estimate that for every £1 spent £6.43 of social value has been generated (2022/23: £8.50).

A summary of our delivery against our strategic objectives and the social value achieved:

Trusted Landlord

We launched our Customer Transparency Strategy in 2023 which sets out our three-tiers; to build greater transparency, enable accessible influence by tenants, and to achieve meaningful impacts and accountability. The Strategy was developed after listening to our customers' feedback during our 2023 Customer Conference and from surveys and complaints. These principles guide our customer voice activities in partnership with the Resident Scrutiny Voice Panel (RSVP) and our Partnership Board, where we have sought to widen representation across our customer base. The Customer Voice groups carry out in-depth service reviews and examine evidence from complaint and survey feedback and make recommendations for improvements helping to co-design customer facing services. In addition, customers contribute to focus groups with particular emphasis on specific areas of service such as complaints management, and Equality, Diversity, and Inclusion.

We also launched our Customer Success Strategy in 2023, which sets out a plan for tenant success through a three-step journey during the tenancy lifetime: onboarding; sustainment; and moving on. The strategy aims to achieve successful tenancy sustainment services; engaged communities; improved customer wellbeing; a respectful and inclusive culture, safe and attractive communities; and ultimately a strengthened relationship with tenants. These goals have been supported by an extensive annual visit and estate visit programme and the development of neighbourhood plans to meet the priorities of individual communities.

We have collaborated with local partners to deliver additional wellbeing and insights to benefit our customers, such as Groundwork for energy efficiency advice referrals; and through membership of the Black Country Health & Housing Forum, supporting customer health and exploring social prescribing. We have sought to improve our response to domestic abuse through membership and accreditation with the Domestic Abuse Housing Alliance (DAHA). As a result of our tenant support programme, almost £35,000 of financial value has benefited customers via council tax reductions; grants; tariff benefits; and Universal Credit awards. The programme has also resulted in over £80,000 of additional income/savings to BCHG from reduction in rent arrears; Notice of Seeking Possession step-downs and Direct Housing Payments.

Quality Homes

We are committed to investing in our current homes to keep tenants in safe, secure and energy efficient living conditions. Improvement works carried out to some of our properties over the last year have produced improved Energy Performance Certificate (EPC) ratings, positively impacting both the affordability of heating the properties but also reducing the impact on the environment. We

have also responded to reports of damp, mould and condensation in our properties, making timely visits to inspect and diagnose the issue, offering advice and conducting works to resolve the problem.

As part of our Development Strategy, we continue to develop quality new homes, which are environmentally friendly and provide much need affordable homes in our communities, with 54 completed during 2023/24. Our new build developments seek to embrace Modern Methods of Construction (MMC) and where possible adopt a fabric first approach, reducing the carbon footprint of the property to support our environmental aims and assisting in minimising fuel poverty.

Thriving Communities

Our Social Business Team have continued to deliver personalised support for those who need additional assistance. The impact of their work delivers real changes to people's lives, targeting those that are often hard to reach, have complex needs, or live within deprived areas. We have delivered services covering a range of support including:

- Improving digital skills and inclusion
- Employability, welfare support, and budgeting for those at risk of losing their home
- Reducing social isolation
- Budgeting, financial confidence, and life skills
- Provision of formal and vocational training
- Supporting young people coming out of the care system to prepare them for adult life, from cooking and budgeting to employability and housing
- Gifting laptops and ipads and giving IT training to those who are digitally isolated
- Homeless prevention support for people in danger of homelessness
- Management of a multi-functional community building hosting a library; training space; meeting rooms; and affordable business space for local businesses.

Some of the outcomes our Social Business Team have achieved during 2023/24:

- Reached over 4000 people via various projects, needing additional support
- Provided food parcels to over 60 households
- Enabled training of over 3000 people in additional skills
- Provided welfare support to over 120 people
- Delivered life skills training and support to 85 young people leaving the care system
- Assisted 21 people in finding a job
- Provided employment support to nearly over 180 others
- Enabled 130 people to access social support or therapy

Outstanding Employer

Our People Strategy was launched in 2023, developed based on colleague feedback and identifies our objectives as an employer. The introduction of our Value Based Service Standards and behaviours framework: The BCHG Way, is one of the ways we are building an inclusive and respectful culture.

We have an active Equality, Diversity and Inclusion Sounding Board comprising of colleagues from across the business who publish regular articles and hold workshops for colleagues, on topics such as British Sign Language. We have sought to build a meaningful reward and recognition offering, consulting our colleagues on the benefits available by surveys and via our Staff Forum.

We are supporting young people to enter the workforce with 9 individuals enrolled on an Apprenticeship with us during the year. We have invested in learning and development with over 250 colleagues receiving job related training during 2023/24.

The provision of a safe and healthy working environment is a key objective of the People Strategy and in October 2023 the 5 Pillars of Wellbeing campaign was launched, running a series of activities around the themes of 'Connect'; 'Be Active'; 'Take Notice'; 'Give'; and 'Keep Learning', designed to promote and improve colleagues mental and physical wellbeing. These have included a number of workshops and training events delivered by third parties, such as 'Good Food, Good Mood' exploring the link between food and mood; organised volunteering opportunities with Breaking Bread Foodbank; and a Mount Snowdon challenge.

Financial and Non-Financial Key Performance Indicators (KPIs)

Our Balance Sheet as at 31 March 2024 shows net current assets of £2.603m. This includes repayments against existing loan facilities of £2.603m that are due within 2024/25, along with non-cash creditors of £0.592m in relation to deferred capital grant and £0.508m of recycled grant, assuming this is utilised in full. This demonstrates sufficient liquidity to meet ongoing operational liabilities as they fall due. In addition, £25m now remains undrawn and available against the revolving credit facility which was extended during the year and is currently secured and in place until January 2029.

Our Statement of Comprehensive Income shows an increase in the level of group operating surplus of £1.130m when compared to the previous year. Turnover year on year has increased by £1.354m and there has been an increase in operating expenditure of £0.224m. Turnover from social housing lettings has increased by £1.335m, and in our other social housing activities, increased very slightly by £0.037m; whilst there has been an increase in turnover owing to our Supported Living care services of £0.274m, there has been a reduction in turnover in residential care due to the sale of Gower Gardens in June 2022. Turnover from non-social housing activities is similar between years.

The operating costs relating to social housing lettings increased by £0.687m. Asset investment has continued to be a key focus during the year with higher levels of maintenance and repairs works of £0.140m during the year and increased housing properties depreciation costs of £0.208m owing to capital development and enhancements to assets. Service charge costs increased between years by £0.227m and management costs by £0.130m.

Operating costs relating to other social housing activities have decreased by £0.354m, which is as a result of the Gower Gardens care home disposal in June 2022.

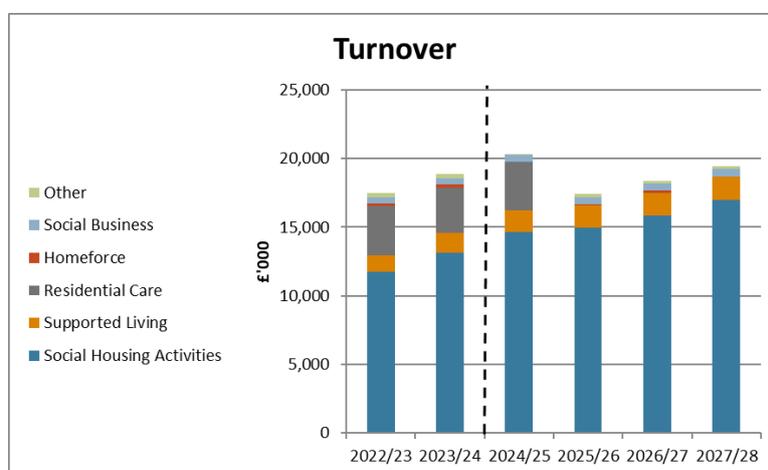
There has been an increase in overheads due to investment in colleague development, training, and ICT, to ensure that we have the right skills and systems to support our business. We have seen an increase in cyber security and insurance which have been essential to ensure that we are able to manage and mitigate the external risks to our business. The level of overheads being absorbed by the housing business has also increased as a result of the care home disposal.

The net surplus has reduced from £3.918m in 2022/23 to £2.876m in 2023/24. Gains recognised on the disposal of assets have reduced by £2.172m between years and is largely owing to the gain arising on the disposal of Gower Gardens in 2022/23. Interest and financing costs have increased by £0.318m, and whilst the level of fixed rate borrowing that we have in place means we are less vulnerable to changes in interest rates, there have also been some fixes that have ended within the year. Net repayment of borrowing in the year was £0.758m, net of finance costs.

The tables and charts below display some of the key financial and non-financial indicators for the Group, both for retrospective performance and also future projections where appropriate. Future year projections from 2024/25 onwards are impacted by the planned exit from residential care.

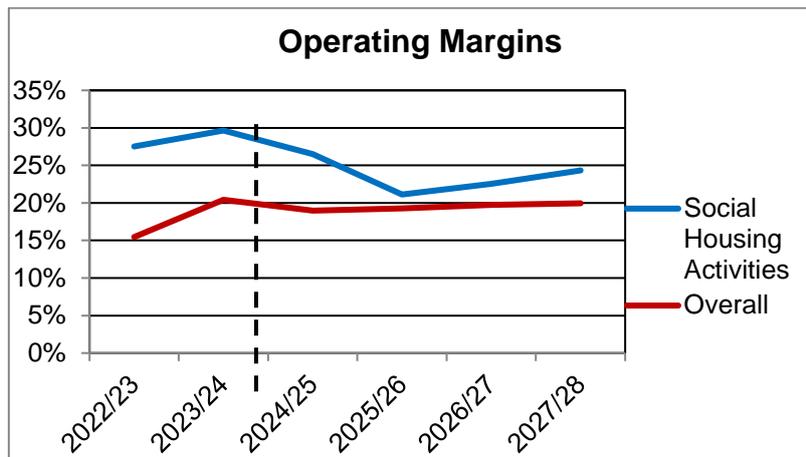
Over the comparative period, turnover shows a year-on-year increase between 2022/23 and 2023/24 although there was a notable reduction in the volume of residential care fees following the disposal of Gower Gardens in June 2022.

Turnover for 2023/24 increased due to the 7.7% annual rent uplift and rents from new affordable homes. The projections below assume that the sale of New Bradley Hall will complete at the end of 2024/25 and hence the turnover in 2025/26 is projected to decline. In the coming years growth in turnover is projected within our Social Housing activities which include annual rent increases and reflects the new affordable homes due to complete in the years to come.



Operating Margins for Social Housing activities show a gradual decline which is linked to the additional investment in the business as well as rising cost pressures, performance is still strong in comparison to our peers and wider overall sector.

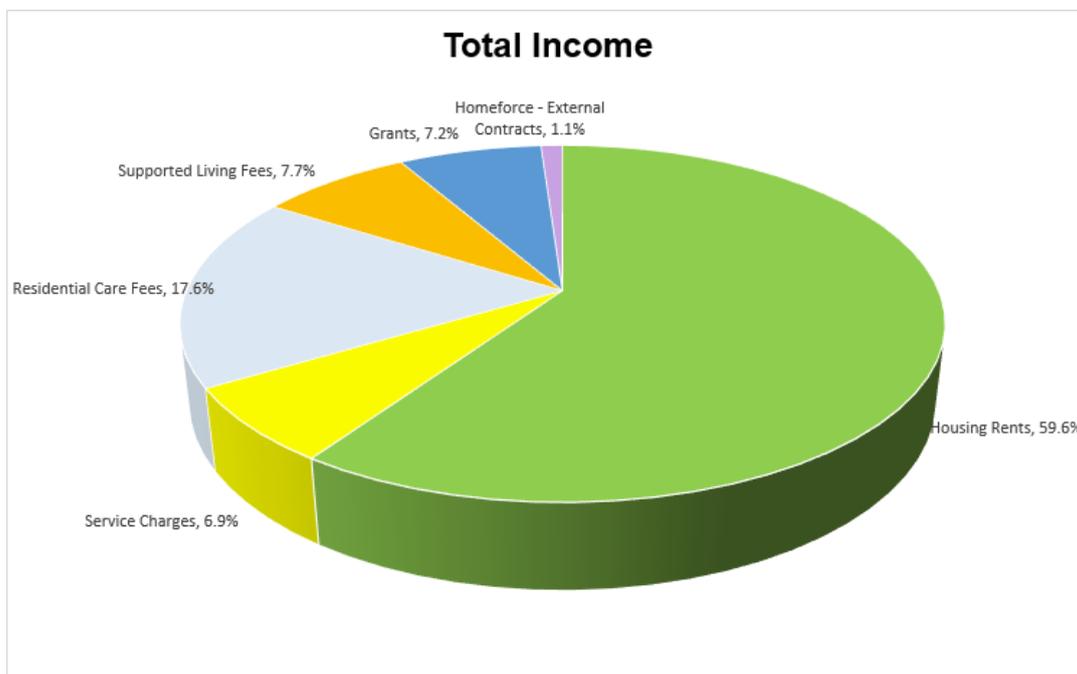
Our operating margin for 2022/23 was 15.6%, which whilst in part was due to reduced turnover from the sale of Gower Gardens, was also reflective of the investment that has been ongoing within our business in the last few years, as well as some of the cost constraints that have presented during the last 2 years. The sale of Gower Gardens as well as other property sales within the 2022/23 year meant that our net operating margin was recorded at 22.4%. Our operating margin in 2023/24 was 20.4%, we expected for this to increase between years but this exceeded the original budget plans and has been a positive year overall, despite some increased costs in areas such as service charges and repairs and maintenance. The low margins of care, combined with increased overhead costs to support the delivery of our Strategic Objectives has resulted in a gradual reduction in our overall margin over the years but the graph shows that this is forecast to recover.



Where does our income come from and what do we spend our money on?

The charts below provide an analysis in terms of where our income is derived and how we spend these resources. The first chart shows where our income comes from and the second chart provides detail of where our rents and grants support income is expended.

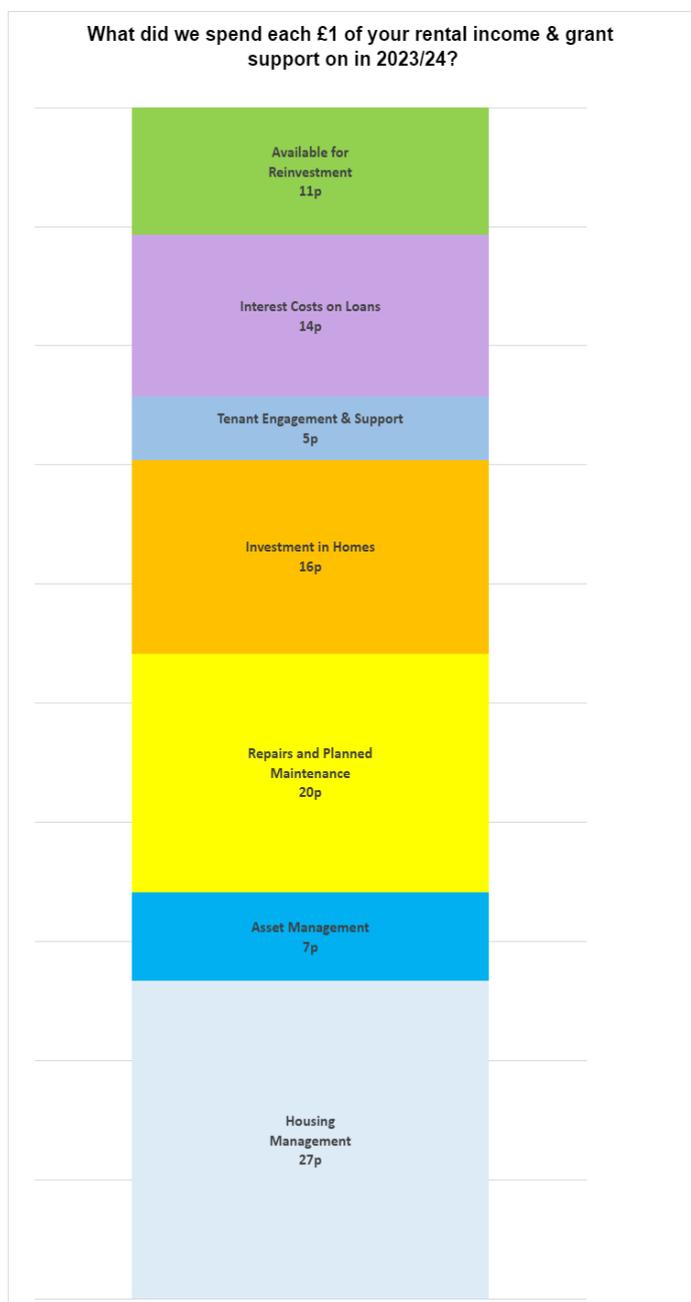
The chart below shows that our main source of income is from rents from social housing lettings, which is where c60% of our income is derived. We also receive income from other services, such as residents’ fees from New Bradley Hall care home and our Supported Living care service fees. Grant income in the chart below represents support grants that we receive to enable us to provide engagement and support services to tenants within our communities through social value activities.



STRATEGIC REPORT

The chart below shows how each £1 received through social housing rents and grant support is spent within our social housing business. As is shown in the chart, the majority of this income is used to benefit our customers both now and in the future through the provision of maintenance and safeguarding of their homes, ensuring that we are investing to provide decent, compliant and safe homes. Grant funding also helps us to deliver added social value by supporting and engaging through projects and activities within our communities.

As a Social Landlord, we must also cover our business overheads, management costs and the loan interest costs of the borrowing that we secure against our housing stock. Any surpluses that are generated at each year end, are reinvested to ensure that we are able to meet future financial liabilities and are able to sustain the continued investment in our homes, communities, colleagues and business activities over the longer term.



Treasury KPIs

Total outstanding debt at the year-end was £54.4m (2022/23 £42.2m). The third and final closing of the Private Placement funding was completed and £13m received on 3 April 2023. Our high levels of undrawn facilities and cash balances at the end of each financial year demonstrate good liquidity. Our average cost of borrowing has remained low in recent years as debt with high interest rates has been repaid and replaced with cheaper borrowing, the amount of fixed rate lending has reduced to 86% from 99% during the year as a result of fixed rate arrangements coming to an end.

The value of debt repaid in the 2023/24 financial year was £0.758m which reflects the agreed amortised debt profile of our facilities. There has been no use of the revolving credit facility during the year. The revolving credit facility that was due to end in April 2026 has been renewed for a five year period and now ends in January 2029. The value has been increased from £20m to £25m and improved terms linked to margin, interest cover and gearing covenants were also secured.

	2021/22	2022/23	2023/24
Total Borrowing	£47.4m	£42.2m	£54.4m
Undrawn Facilities	£5.5m	£20m	£25m
Cash Balances	£0.823m	£1.647m	£7.652m
Fixed Rate Borrowing %	89%	99%	86%
Average Cost of Borrowing %	2.87%	3.17%	3.31%

Loan Covenants

	Target	2021/22	2022/23	2023/24
Gearing - Debt : Historical Cost	<50%	32%	29%	33%
Interest Cover - EBITDA MRI	>110%	184%	358%	272%

Significant headroom against our Gearing covenant can be seen across all three years displayed. Our Interest Cover covenant reduced during 2021/22, which is explained by the increased revenue and capital investment during the year, and additional borrowing costs following the refinancing exercise that resulted in us obtaining £40m of new private funding to help support our development plans in the future. In 2022/23 we can see that as anticipated this increased as a result of the proceeds from the sale of Gower Gardens residential care home as well as the reduction in net operating costs from the point of sale. Moving into 2023/24 as expected the interest cover covenant reduced from this exceptional position due to the continued investment in our business. BCHG's covenant performance remains strong and the recently approved refresh of the 30-year financial plan continues to demonstrate long-term financial viability.

Future Outlook

Black Country Housing Group continues to be a well governed and financially viable organisation and successfully regained its G1/V1 rating from the Regulator of Social Housing during the year.

Our recently refreshed 30-year financial plan includes an ambitious Development Strategy, including the development of new affordable homes for both General Needs and Supported Housing accommodation. In addition to the provision of new homes, resources are also included to fund

our Asset Investment Plan, informed by our live stock condition data, ensuring that our tenants homes remain of a high standard. Our Environmental Strategy includes a target for all homes to reach an EPC rating of C by 2030 and good progress is being made in achieving this target with resources in place to enable this to continue.

Despite the challenging external environment, BCHG remain fully committed to ‘doing the right thing’ by investing in our business, going above and beyond, to ensure that the best outcomes are achieved for our customers and colleagues. Our People are our greatest asset and it’s important that they are equipped with the right skills and knowledge to continue providing excellent services to our customers. Increased requirements of the new Consumer Standards and Competence and Conduct Standard on us as a registered provider of social housing will also require investment and we feel that we are well placed to respond, with many of these requirements already being met.

The Tenant Satisfaction Measures (TSMs) were launched in April 2023 and these show our performance for the year as positive on the whole. We are continuing to hear the voice of our customers through a range of forums, and through the collection of these measures, we are listening and learning so that we can further improve our services.

We are currently in the process of implementing a significant ICT transformation project to replace both our Housing Management and Financial Management systems. This will mean that a greater level of transparency will be available to our customers and also help to ensure that we have enhanced levels of business intelligence, using the wealth of data that we have available to us. Giving colleagues access to modern, state of the art, systems will help support them to deliver high quality services to customers and to provide high quality information to aid management and strategic decision making.

During the year we continued to operate within an external environment of high levels of inflation and increasing rates of interest, and the current cost of living crisis provided challenges to both our customers and to us as a business. There remains uncertainty of a longer term rent settlement beyond April 2025, however our financial plan demonstrates BCHG to be a strong, financially viable business and, through the stress testing and mitigation plans in place, provides assurance that we are pro-active and resilient in the face of challenge. We look forward to the year ahead as we continue to do the right thing for our customers, by investing in new homes and technology, our tenants’ homes, our communities and our colleagues.

Approval

This Strategic Report was approved by the Board on 25 July 2024.

Kaye Coulthard
Director of Finance

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLACK COUNTRY HOUSING GROUP LIMITED

Opinion

We have audited the financial statements of Black Country Housing Group Limited (the 'Association') for the year ended 31 March 2024 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. 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 Association's affairs as at 31 March 2024 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Association 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 Boards' 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 Association'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.

REPORT OF THE AUDITORS

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 are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- the information given in the Board Report and Strategic Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Board

As explained more fully in the Boards' responsibilities statement set out on page 13, 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 Association'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 intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

REPORT OF THE AUDITORS

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the Association operates in and how the Association is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2019 and tax compliance legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included, reviewing financial statement disclosures and reviewing legal and professional costs incurred during the period.

The most significant laws and regulations that have an indirect impact on the financial statements are Health and Safety at Work Act 1974, the Regulator of Social Housing Regulatory Standards (both Economic and Consumer standards) and the General Data Protection Regulations as set out in the Data Protection Act 2018. We performed audit procedures to inquire of management whether the company is in compliance with these law and regulations.

REPORT OF THE AUDITORS

The audit engagement team identified the risk of management override of controls and other revenue as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and detailed substantive sample testing for other revenue.

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

Use of our report

This report is made solely to the Association's members as a body, in accordance with Part 7 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association'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 Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
10th Floor
103 Colmore Row
Birmingham
B3 3AG

Date

NOTES TO THE FINANCIAL STATEMENTS
Year Ended 31 March 2024

STATEMENT OF COMPREHENSIVE INCOME

	Notes	Group		Parent	
		2023/24 £'000	2022/23 £'000	2023/24 £'000	2022/23 £'000
Turnover	4	18,884	17,530	18,884	17,511
Operating Expenditure	4	(15,028)	(14,804)	(15,028)	(14,804)
Operating Surplus		3,856	2,726	3,856	2,707
Gain on disposal of property, plant & equipment	8	363	2,535	363	2,535
Interest receivable		338	20	338	20
Interest & financing costs	6	(1,681)	(1,363)	(1,681)	(1,363)
Surplus before tax		2,876	3,918	2,876	3,899
Taxation	10	-	-	-	-
Surplus for the year		2,876	3,918	2,876	3,899
Remeasurements - Actuarial loss in respect of pension schemes	31	(447)	(411)	(447)	(411)
Other comprehensive income / (loss)		(447)	(411)	(447)	(411)
Total comprehensive income / (loss) for the year		2,429	3,507	2,429	3,488

The consolidated results relate wholly to continuing activities. The accompanying notes form part of these financial statements.

Black Country Housing Group Limited

NOTES TO THE FINANCIAL STATEMENTS
Year Ended 31 March 2024

STATEMENT OF FINANCIAL POSITION

	Notes	Group		Parent	
		2023/24 £'000	2022/23 £'000	2023/24 £'000	2022/23 £'000
Fixed Assets					
Housing Properties	11	139,247	130,255	139,247	130,255
Other Fixed Assets	13	986	1,023	986	1,023
Intangible Fixed Assets	14	487	130	487	130
		140,720	131,408	140,720	131,408
Current Assets					
Stock	16	32	22	32	22
Trade and Other Debtors	17	1,397	1,304	1,385	1,292
Investments					
Cash & Cash Equivalents	26	7,652	1,647	7,652	1,647
Total Current Assets		9,081	2,973	9,069	2,961
Current Liabilities					
Creditors - Amounts Falling Due Within One Year	18	(6,478)	(4,411)	(6,478)	(4,411)
Net Current Assets / (Liabilities)		2,603	(1,438)	2,591	(1,450)
Total Assets Less Current Liabilities		143,323	129,970	143,311	129,958
Creditors: Amounts Falling Due After One Year	19	(106,120)	(95,291)	(106,120)	(95,292)
Pension Liability	31	(1,896)	(1,801)	(1,896)	(1,801)
Total Net Assets		35,307	32,878	35,295	32,866
Reserves					
Income & Expenditure Reserve		35,307	32,878	35,295	32,866
Total Reserves		35,307	32,878	35,295	32,866

The financial statements on pages 39 to 68 were approved by the Board and authorised for issue on 25 July 2024 and are signed on its behalf by:

Member of the Board of Management:

Member of the Board of Management:

Company Secretary:

NOTES TO THE FINANCIAL STATEMENTS
Year Ended 31 March 2024

STATEMENT OF CHANGES IN RESERVES

	Group £'000	Parent £'000
Balance as at 1 April 2022	29,371	29,378
Surplus for the year	3,918	3,899
Other comprehensive income	(411)	(411)
Balance as at 31 March 2023	32,878	32,866
Surplus for the year	2,876	2,876
Other comprehensive income / expenditure	(447)	(447)
Balance as at 31 March 2024	35,307	35,295

CONSOLIDATED STATEMENT OF CASHFLOWS

	Notes	2023/24 £'000	2022/23 £'000
Operating Activities			
Net cash generated from operations	25	4,832	4,203
Net Cash Generated from Operating Activities		4,832	4,203
Cash Flow from Investing Activities			
Purchase of tangible fixed assets		(11,314)	(8,028)
Purchase of intangible fixed assets		-	(53)
Proceeds on disposal of tangible fixed assets		793	9,258
Cost of Disposal		(18)	(252)
Grants received		940	2,352
Interest received		310	20
Net Cash (Used) / Generated in Investing Activities		(9,289)	3,297
Cash Flow from Financing Activities			
Interest paid		(1,664)	(1,426)
Cost of new borrowings		(163)	(29)
Loan Pre-payments		-	28
Proceeds of new borrowings		13,000	10,000
Repayments of borrowings		(711)	(15,249)
Net Cash Generated / (Used) in Financing Activities		10,462	(6,676)
Net Increase (Decrease) in Cash and Cash Equivalents		6,005	824
Cash and Cash Equivalents at beginning of Year		1,647	823
Cash and Cash Equivalents at end of Year	26	7,652	1,647

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2024

1. LEGAL STATUS

Black Country Housing Group Limited (“the Association”) is a charitable registered provider and a public benefit entity, incorporated under the Co-operative and Community Benefit Societies Act 2014.

The address of the Company’s registered office and principal place of business is 134 High Street, Blackheath, West Midlands, B65 0EE.

The Group comprises Black Country Housing Group (the Association), and its subsidiaries

- BCS Associates Limited (dormant)
- Black Country Care Services Limited (dormant)

The Association is a registered provider of social housing and has charitable status. Key activities during the year included:

- managing and developing homes for rent;
- providing supported housing;
- providing care to residents in our schemes;
- provision of registered care homes;
- supporting people into work and training;
- helping to create sustainable communities, and
- providing home improvements and adaptations.

2. ACCOUNTING POLICIES

i Basis of Accounting

These financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”), the Housing SORP 2018 “Statement of Recommended Practice for Registered Housing Providers” and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022, under the historical cost convention.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

ii Basis of Consolidation

The consolidated financial statements incorporate those of the Association and all of its subsidiaries. All financial statements are made up to 31 March 2024.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

iii Going Concern

The Group’s business activities, its current financial position and factors likely to affect its future development are set out within the Strategic Report.

The Group has in place long term debt facilities, including £25m which was undrawn and available as at 31 March 2024. Our £40m private placement has been fully drawn with the final tranche of

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2024

£13m received in April 2023. This provides adequate resources to finance committed development and renewal programmes along with the group's day to day operations. The long-term financial plan, and the range of modelled scenarios shows that the Group is comfortably able to service its debt facilities whilst continuing to comply with loan covenants.

Overall net current assets as at 31 March 2024 stand at £2.6m, including debt repayable within one year of £2.6m, RCGF of £508,000 and Deferred Capital Grant of £592,000.

The statement of financial position shows a strong net asset position of £35.307m as at the 31 March 2024 and the 2024 iteration of the financial plan has been prepared and stress tested with the base financial plan compliant with all lender loan covenants and golden rules, demonstrating BCHG to be a strong, financially viable group, both in the short and longer term.

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

iv Turnover and Revenue Recognition

Turnover comprises income from rental, service charges, the provision of care, shared ownership first tranche sales, other services provided at the invoice value (excluding VAT) and revenue grants receivable in the period.

Rental and service charge income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids. Income from first tranche sales is recognised at the point of legal completion of the transaction.

Revenue grants are receivable when the conditions of agreed grant funding have been met.

v Other Income

Interest income is accrued on a time-apportioned basis, by reference to the principal outstanding at the effective interest rate.

vi Tangible Fixed Assets – Housing Properties

Housing properties include assets for the provision of social housing and residential care. Our social housing assets are principally properties available for rent and shared ownership.

Completed housing properties are stated at cost less accumulated depreciation and impairment losses.

Cost includes the acquisitions of land and buildings, and expenditure incurred during the development period.

Properties in the course of construction are carried at cost, less any identified impairment loss. Cost includes professional fees and other directly attributable costs that are necessary to bring the property to its operating condition. Depreciation commences when the properties are ready for their intended use.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that enhance the economic benefits of the assets,

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2024

are capitalised as improvements. Such enhancements can occur if improvements result in either:

- an increase in rental income;
- a material reduction in future maintenance costs; and
- a significant extension to the life of the property.

Shared ownership properties are split proportionally between fixed assets and current assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset, and related sales proceeds are included in turnover. The remaining element is classed as a fixed asset and included in housing properties at cost, less any provisions needed for depreciation or impairment. Where the first tranche has been sold prior to the acquisition of the properties, these are included in fixed assets only.

vii Government Grants

Government grants include grants receivable from Homes England, local authorities and other government bodies. Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants received for housing properties are recognised as income over the useful economic life of the structure of the asset under the accruals model. Government grants relating to revenue are recognised as income over the periods when the related costs are incurred once reasonable assurance has been gained that the Association will comply with the conditions and the funds will be received.

viii Recycling of Capital Grant

Where Social Housing Grant is recycled, it is credited to the Recycled Capital Grand Fund (RCGF) and appears as a creditor until used to fund the acquisition of new properties or other permitted expenditure. Where recycled grant is known to be repayable it is shown as a creditor within one year.

ix Other Grants

Grants received from non-government sources are recognised using the performance model. Grants are recognised as income when the associated performance conditions are met.

x Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value.

xi Depreciation of Housing Properties and Residential Care Homes

Freehold land and assets under construction are not depreciated.

The Group separately identifies the major components of its housing properties and charges depreciation so as to write-down the cost of each component to its estimated residual value, on a straight-line basis over the following years:

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2024

Structure	100/150 years
Windows & Doors	30 years
Kitchens	20 years
Bathrooms	30 years
Roof	70 years
Boilers	15 years
Lifts	20 years
Solar Panels	25 years

xii Impairments of Fixed Assets

An assessment is made at each reporting date of whether there are indications that a fixed asset (including housing properties) may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Association estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use of the asset based on its service potential, are recognised as impairment losses in the income and expenditure account.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in income and expenditure. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

xiii Other Tangible Fixed Assets

Tangible fixed assets are initially measured at cost, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight-line basis over its expected useful life, as follows:

- freehold offices are depreciated at 2% per annum on cost from the date of handover;
- office furniture and equipment is depreciated at 12.5% per annum on cost;
- motor vehicles are depreciated at 25% per annum on cost;
- computer equipment is depreciated at 25% per annum on cost; and
- residential care homes' fixtures and fittings are depreciated between 5% and 12.5% per annum on cost depending on the asset type.

Properties in the course of construction are carried at cost, less any identified impairment loss. Cost includes professional fees and other directly attributable costs that are necessary to bring the property to its operating condition. Depreciation commences when the properties are ready for their intended use.

xiv Intangible Assets

Intangible fixed assets are initially measured at cost, net of depreciation and any impairment losses. Depreciation is provided on all intangible fixed assets at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight-line basis over its expected useful life. The Association depreciates computer software at 25% per annum on cost.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2024

xv Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition and construction of qualifying properties are added to the cost of those properties until such a time as the properties are ready for their intended use or sale.

All other borrowing costs are expensed as incurred.

xvi Stocks

Stocks are valued at the lower of cost and net realisable value.

xvii Schemes Managed by Agents

In respect of schemes owned by the Association where the managing agent suffers the risks and has control of benefits, only the net income receivable by the Association is included in the financial statements.

xviii Taxation

The Association has charitable status and is therefore not subject to Corporation Tax on its results for the year. Other members of the group are subject to taxation at the usual rates applicable to any taxable profits after any gift aid payment to the parent entity.

xix Operating Leases

The Association as Lessee

Rentals payable under operating leases are charged to income and expenditure on a straight-line basis over the lease term. Rent free periods or other incentives received for entering into an operating lease are accounted for as a reduction to the expense and are recognised, on a straight-line basis over the lease term.

xx Employee Benefits

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the Association is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

xxi Retirement Benefits

Defined benefit plans

The Group participated in the multi-employer defined benefit Social Housing Pension Scheme (SHPS) until 31 August 2022, at which point the scheme was closed to future accrual. Retirement benefits to colleagues were funded by contributions from all participating employers and employees in the Scheme. Payments are made to a fund operated by The Pensions Trust, an independent trust providing superannuation benefits for employees of voluntary organisations. These payments are made in accordance with periodic calculations by Actuaries and are based on pension costs applicable across the various participating Associations taken as a whole.

Actuarial assumptions are applied to determine the share of liabilities. The assumptions are updated annually, and any changes go through 'Other Comprehensive Income', and not through the normal income and expenditure account.

Calculations are carried out annually and independently of the pension triennial valuation. The rate

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2024

used to discount the benefit obligations to their present value is based on market yields for high quality corporate bonds with terms and currencies consistent with those of the benefit obligations.

Defined contribution plans

The Group continues to participate in the Social Housing Pension Defined Contribution Scheme (SHPS) where the Group and its participating colleagues currently contribute pensionable pay to the plan. The amount charged to the Statement of Comprehensive Income in respect of defined contribution plan pensions costs is the amount payable by the Group in the year.

xxii Financial Instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets - Debtors

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Rent debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract.

Financial liabilities – Trade creditors and borrowings

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

xxiii Provisions

Provisions are recognised when the Association has an obligation at the reporting date as a result of a past event which is probable to result in the transfer of economic benefits and which can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2024

the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

3. Critical Accounting Estimates and Assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Assets and Grants

The useful economic lives used to depreciate our assets and amortised social housing grant are as set out in our Accounting Policies and are periodically reviewed by management.

Social Housing Pension Scheme

The rate used to discount the SHPS benefit obligations to their present value is based upon market yields for high quality corporate bonds with terms consistent to those of the benefit obligations. Based on the actuarial assumptions, our commitment to SHPS over the next 10 years has been discounted at a rate of 4.91% (4.85% at 31 March 2023) amounting to a net present value of £1.896m at 31 March 2024 (£1.801 at 31 March 2023).

We were notified in 2021 by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee is seeking clarification from the Court on these items, and this process is ongoing with it being unlikely to be resolved before the end of 2024 at the earliest. It is estimated that this could potentially increase the value of the full Scheme liabilities by £155m.

We note that this estimate has been calculated as at 30 September 2022 on the Scheme's Technical Provisions basis. Until the Court direction is received, it is unknown whether the full (or any) increase in liabilities will apply.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2024

4. TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUS

Group and Parent

	2023/24			2022/23		
	Turnover £'000	Operating Costs £'000	Operating Surplus / (Deficit) £'000	Turnover £'000	Operating Costs £'000	Operating Surplus / (Deficit) £'000
Social Housing Lettings Activities						
Housing accommodation	10,381	(6,750)	3,631	9,305	(6,160)	3,145
Supported Housing and Retirement Living	2,273	(2,312)	(39)	2,050	(2,232)	(182)
Shared ownership	456	(161)	295	420	(144)	276
	13,110	(9,223)	3,887	11,775	(8,536)	3,239
Other Social Housing Activities						
Charges for Support Services	1,455	(1,638)	(183)	1,181	(1,344)	(163)
Residential Care	3,324	(2,959)	365	3,561	(3,704)	(143)
Development costs	-	(78)	(78)	-	(19)	(19)
Non Social Housing Activities						
Homeforce	204	(390)	(186)	230	(513)	(283)
Social Business	490	(611)	(121)	458	(549)	(91)
Other	301	(129)	172	306	(139)	167
Total	18,884	(15,028)	3,856	17,511	(14,804)	2,707

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2024

Particulars of Income and Expenditure from Social Housing Lettings

Group and Parent

	2023/24				2022/23
	Housing Accommodation £'000	Supported Housing & Retirement Living £'000	Shared Ownership £'000	Total £'000	Total £'000
Turnover from Social Housing Lettings					
Rents receivable (net of voids)	9,524	1,328	381	11,233	10,136
Service charges receivable (net of voids)	384	856	54	1,294	1,130
Net Rental Income	9,908	2,184	435	12,527	11,266
Other revenue income - non government	46	-	-	46	-
Amortised grant	427	89	21	537	509
Total Turnover	10,381	2,273	456	13,110	11,775
Expenditure on Social Housing Lettings					
Management	(2,424)	(354)	(72)	(2,850)	(2,720)
Service charge costs	(501)	(1,254)	(38)	(1,793)	(1,566)
Routine maintenance	(1,881)	(338)	(10)	(2,229)	(2,083)
Planned maintenance	(323)	(115)	(1)	(439)	(445)
Rent losses from bad debts	(26)	(14)	-	(40)	(58)
Depreciation of housing properties	(1,595)	(237)	(40)	(1,872)	(1,664)
Operating Costs on Social Housing Lettings	(6,750)	(2,312)	(161)	(9,223)	(8,536)
Operating Surplus on Social Housing Lettings	3,631	(39)	295	3,887	3,239
Rent losses from voids	82	11	6	99	101

NOTES TO THE FINANCIAL STATEMENTS
Year Ended 31 March 2024

5. ACCOMMODATION IN MANAGEMENT

Group and Parent

	2023/24 Units	2022/23 Units
General needs	1,351	1,353
General needs - Affordable	270	214
Supported housing & Retirement living	241	241
Supported housing - Affordable	24	24
Low Cost Home Ownership	132	137
Intermediate Rent	45	48
Total social housing owned and managed	2,063	2,017
Residential Care Home	66	66
Properties Owned, Managed by Others	51	51
Leaseholders	25	23
Total Housing Stock	2,205	2,157

6. INTEREST PAYABLE AND SIMILAR CHARGES

Group and Parent

	2023/24 £'000	2022/23 £'000
Interest arising on;		
- Bank loans and overdrafts	1,748	1,421
Net interest expense (SHPS)	77	44
Amortisation of issue costs of bank loan	46	61
Loan Pre-Payment fees / (gain)	-	(28)
	1,871	1,498
less: Interest capitalised	(190)	(135)
	1,681	1,363

Interest costs directly attributable to the financing of developments were capitalised based on our long-term cost of borrowings.

NOTES TO THE FINANCIAL STATEMENTS
Year Ended 31 March 2024

7. OPERATING SURPLUS

Group and Parent

	2023/24 £'000	2022/23 £'000
Operating surplus is stated after charging;		
Depreciation & Amortised Grant		
- Housing properties	2,061	1,805
- Other owned tangible fixed assets	141	135
- Other intangible assets	73	95
- Amortised grant	(589)	(563)
Operating lease rentals	106	107
Auditors Remuneration		
- Statutory audit of the company	45	34
- All other non-audit services	-	8

8. SURPLUS ON SALE OF FIXED ASSETS

Group and Parent

	2023/24 £'000	2022/23 £'000
Housing Properties		
- Disposal proceeds	793	9,164
- Cost of disposal	(430)	(6,629)
	363	2,535

9. EMPLOYEES

Average monthly full-time equivalents (FTE) (including the Executive Team) employed by the Association during the year:

	2023/24 FTE	2022/23 FTE
- Office and management	28	27
- Care and support	102	112
- Housing, maintenance and development	25	23
- Other	55	51
	210	213

Black Country Housing Group Limited

NOTES TO THE FINANCIAL STATEMENTS Year Ended 31 March 2024

Staff costs for the above persons:

	2023/24 £'000	2022/23 £'000
Wages and salaries	7,221	6,770
Social security costs	622	607
Pension costs		
- Contributions	368	276
- Current Service Costs	-	45
	8,211	7,698

Agency costs incurred during the year were £0.166m (£0.362m 2022/23).

Full time equivalent of staff who received remuneration (including employer pension contributions) greater than £60,000:

	2023/24 FTE	2022/23 FTE
£60,001 - £70,000	3	3
£70,001 - £80,000	3	4
£100,001 - £110,000	1	-
£110,001 - £120,000	1	2
£150,001 - £160,000	1	1
	9	10

Key Management Personnel

The BCHG Board at 31 March 2024 consisted of seven Non-Executive members plus the Chief Executive. The Executive Team consists of the Chief Executive, Deputy Chief Executive, Director of Finance and Director of People. The Director of People role was introduced to the Executive Team from 1 December 2023.

Executive Team Remuneration:

	2023/24 £'000	2022/23 £'000
Remuneration and fees	429	359
Company contributions to pension schemes	33	32
	462	391

Retirement benefits for all members of the Executive Team are accruing under the SHPS defined contribution scheme.

NOTES TO THE FINANCIAL STATEMENTS
Year Ended 31 March 2024

Board Members Attendance and Emoluments

Current Members	Attendance			Emoluments	
	Board	Group Audit Committee	Remuneration, Nominations & People Committee	2023/24 £	2022/23 £
A Robson - Board - Chair	5/6	(Ex-Officio)	4/4	11,500	10,173
A Tomlinson - Chief Executive	6/6	-	-	-	-
S Woolley (1)	2/2	2/2	-	2,507	6,000
C Jones (2)	2/2	2/2	-	3,500	7,000
N Wright	6/6	2/2	2/2	5,538	5,962
L Wallace-Davis - RNP Chair/Senior Independent Director	6/6	-	4/4	7,175	6,000
G Price	6/6	4/4	-	5,125	5,000
M Shervington (3)	0/1	1/1	-	833	5,000
K Davis (4)	6/6	-	4/4	5,125	-
N Simkins - Group Audit Committee Chair (5)	5/5	3/3	-	5,644	-
S Brooksbank-Taylor (6)	5/5	-	2/3	3,908	-
Former members				-	1,250
				50,855	46,385

(1) BCHG Board and Group Audit Committee until 29/09/2023

(2) BCHG Board and Group Audit Committee until 29/09/2023

(3) BCHG Board and Group Audit Committee until 31/05/2023

(4) BCHG Board and Remuneration, Nominations and People Committee from 01/04/2023

(5) BCHG Board and Group Audit Committee from 01/07/2023, Chair of Group Audit Committee from 24/10/2023

(6) BCHG Board and Remuneration, Nominations and People Committee from 01/07/2023

No members of the Board participate in the Social Housing Pension Scheme.

Highest Paid Director:

	2023/24 £'000	2022/23 £'000
Remuneration	144	148
Company contributions to pension schemes	12	8
	156	156

At 31 March 2024 the Chief Executive was a standard member of SHPS with no special arrangements or terms in place. The Chief Executive does not receive a separate emolument for being a member of the Board.

10. TAXATION

The Association has been accepted as having charitable status by HM Revenue and Customs with effect from 8 October 1997 and accordingly no tax is payable on income arising from the group's charitable activities. Trading activities carried out by Homeforce have generated a net deficit of £0.186m (£0.283m deficit 2022/23) after allowing for overheads. Therefore, there is no Corporation Tax liability in 2023/24 (£nil 2022/23).

NOTES TO THE FINANCIAL STATEMENTS
Year Ended 31 March 2024

11. TANGIBLE FIXED ASSETS – HOUSING PROPERTIES

Group and Parent

	Housing Properties £'000	Housing Properties Under Construction £'000	Shared Ownership Properties £'000	Residential Care Properties £'000	Total Housing Properties £'000
Cost					
1 April 2023	131,245	9,905	8,912	5,629	155,691
Additions	290	9,318	-	-	9,608
Properties acquired	134	-	(134)	-	0
Work to existing properties	1,816	-	-	-	1,816
Components written out	(335)	-	-	-	(335)
Schemes completed	10,128	(10,128)	-	-	-
Property disposals	(355)	-	(90)	-	(445)
31 March 2024	142,923	9,095	8,688	5,629	166,335
Depreciation and Impairment					
1 April 2023	24,137	-	569	730	25,436
Depreciation charged in year	1,788	-	37	151	1,976
Released on disposal	(72)	-	(2)	-	(74)
Depreciation on component disposal	(250)	-	-	-	(250)
31 March 2024	25,603	-	604	881	27,088
Carrying Amount					
31 March 2024	117,320	9,095	8,084	4,748	139,247
31 March 2023	107,108	9,905	8,343	4,899	130,255

Expenditure on works to existing properties:

Group and Parent

	2023/24 £'000	2022/23 £'000
Improvement works capitalised	-	52
Components capitalised	1,816	1,448
	1,816	1,500
Amounts charged to I&E account	439	445
	2,255	1,945

NOTES TO THE FINANCIAL STATEMENTS
Year Ended 31 March 2024

Total cumulative grants received or receivable at 31 March:

Group and Parent

	2023/24	2022/23
	£'000	£'000
Social Housing Grant	65,032	64,091
Other grants	3,679	3,557
	68,711	67,648

Housing properties book value net of depreciation:

Group and Parent

	2023/24	2022/23
	£'000	£'000
Freehold land and buildings	127,875	118,740
Leasehold land and buildings	11,372	11,515
	139,247	130,255

Interest capitalised in the year is £0.190m (£0.135m 2022/23). The aggregate amount of capitalised interest included in the cost of housing properties is £1.306m (£1.116m 2022/23).

12. IMPAIRMENT

BCHG has undertaken an impairment review of the carrying value of its Social Housing and Residential Care assets and is satisfied that there is no impairment.

NOTES TO THE FINANCIAL STATEMENTS
Year Ended 31 March 2024

13. TANGIBLE FIXED ASSETS – OTHER

Group and Parent

	Freehold offices £'000	Residential homes, furniture & fixtures £'000	Office computer, fixtures & vehicles £'000	Total £'000
Cost				
1 April 2023	1,409	441	455	2,305
Additions	6	57	42	105
Disposals	-	(83)	(10)	(93)
31 March 2024	1,415	415	487	2,317
Depreciation and Impairment				
1 April 2023	619	337	326	1,282
Depreciation charged in year	76	20	45	141
Released on disposal	-	(83)	(9)	(92)
31 March 2024	695	274	362	1,331
Carrying Amount				
31 March 2024	720	141	125	986
31 March 2023	790	104	129	1,023

14. INTANGIBLE ASSETS

Group and Parent

	Computer Software £'000
Cost	
1 April 2023	561
Additions	430
Disposals	-
31 March 2024	991
Depreciation and Impairment	
1 April 2023	431
Depreciation charged in year	73
31 March 2024	504
Carrying Amount	
31 March 2024	487
31 March 2023	130

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2024

15. SUBSIDIARY UNDERTAKINGS

BCS Associates Limited (Dormant) and Black Country Care Services Limited (Dormant) are both considered to be subsidiaries of BCHG by virtue of the fact that the parent controls the composition of the Boards. BCS Associates is limited by guarantee of the parent; BCHG currently holds an investment of £1. BCS Associates Limited ceased trading on 31 March 2018, previously providing personal care and support in the community.

16. STOCKS

Group and Parent

	2023/24 £'000	2022/23 £'000
Materials	32	22
	32	22

17. DEBTORS

Group

	2023/24 £'000	2022/23 £'000
Amounts falling due within one year:		
Rent and services receivable	303	302
less: Provision for bad and doubtful debts	(133)	(129)
	170	173
Housing benefit receivable	82	183
Social Housing Grant receivable	122	-
Other taxation and social security costs	17	-
Prepayments and accrued income	1,006	948
	1,397	1,304
Amounts falling due after more than one year:		
Prepayments and accrued income	-	-
	1,397	1,304

NOTES TO THE FINANCIAL STATEMENTS
Year Ended 31 March 2024

Parent

	2023/24 £'000	2022/23 £'000
Amounts falling due within one year:		
Rent and services receivable	303	302
less: Provision for bad and doubtful debts	(133)	(129)
	170	173
Housing benefit receivable	82	183
Social Housing Grant receivable	122	-
Other taxation and social security costs	17	-
Prepayments and accrued income	994	936
	1,385	1,292
Amounts falling due after more than one year:		
Prepayments and accrued income	-	-
	1,385	1,292

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Group and Parent

	2023/24 £'000	2022/23 £'000
Bank loans (Note 23)	2,603	758
Rent and service charges received in advance	422	374
Other grants received in advance	40	15
Recycled capital grant funds (Note 20)	508	550
Trade creditors	1,052	820
Other taxation and social security costs	149	133
Corporation tax	-	-
Unpaid contributions for retirement benefits	67	57
Accruals, other creditors and deferred income	1,045	1,145
Deferred capital grant (Note 21)	592	559
	6,478	4,411

NOTES TO THE FINANCIAL STATEMENTS
Year Ended 31 March 2024

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Group and Parent

	2023/24 £'000	2022/23 £'000
Debt (Note 23)	51,352	41,056
Recycled capital grant funds (Note 20)	948	1,162
Deferred capital grant (Note 21)	53,820	53,073
Accruals and deferred income	-	-
	106,120	95,291
Included in creditors are:		
Amounts repayable by instalments falling due after more than five years	45,485	34,143
	45,485	34,143

20. RECYCLED CAPITAL GRANT FUND

Group and Parent

	2023/24 £'000	2022/23 £'000
Opening balance as at 1 April	1,712	1,393
Inputs to RCGF:		
- Grants recycled	219	680
- Interest accrued	11	38
Recycling of grant:		
- New build	(286)	(399)
- Property Acquisitions	(200)	-
Closing balance as at 31 March	1,456	1,712
Amounts 3+ years old where repayment may be required	64	361

NOTES TO THE FINANCIAL STATEMENTS
Year Ended 31 March 2024

21. DEFERRED CAPITAL GRANT

Group and Parent

	2023/24 £'000	2022/23 £'000
Opening balance as at 1 April	53,632	52,185
Grant received in year	1,063	2,210
Grant recycled (to) / from RCGF	267	(281)
Capital grant released to income during the year	(589)	(563)
Write back on disposal of amounts previously amortised	39	81
Closing balance	54,412	53,632
Short term	592	559
Long term	53,820	53,073
	54,412	53,632

22. FINANCIAL INSTRUMENTS

The Group's and Association's financial instruments may be analysed as follows:

Group and Parent

	Group		Parent	
	2023/24 £'000	2022/23 £'000	2023/24 £'000	2022/23 £'000
Financial assets measured at historical cost				
- Rent receivable	170	173	170	173
- Other receivables	811	721	799	709
- Short term deposits	2,500	0	2,500	0
- Cash at bank	5,152	1,647	5,152	1,647
Total financial assets	8,633	2,541	8,621	2,529
Financial liabilities measured at amortised cost				
- Loans payable	54,416	42,174	54,416	42,174
Financial liabilities measured at historical cost				
- Trade creditors	1,052	820	1,052	820
- Other creditors	56,907	56,395	56,907	56,395
Total financial liabilities	112,375	99,389	112,375	99,389

NOTES TO THE FINANCIAL STATEMENTS
Year Ended 31 March 2024

23. BORROWINGS

Group and Parent

	2023/24 £'000	2022/23 £'000
Creditors: amounts falling due within one year:		
Housing loans	2,603	758
	2,603	758
Creditors: amounts falling due after more than one year:		
Housing loans repayable by instalments		
- between one and two years	779	2,603
- between two and five years	5,549	4,670
- repayable after five years	45,485	34,143
	51,813	41,416
less: Net finance costs	(461)	(360)
	51,352	41,056
	53,955	41,814

Housing loans from bank are secured by specific charges on the Group's housing properties and are repayable at varying rates of interest from 0.661% to 10.626%.

Within total debt of £54.416m, £1.612m is long-standing fixed rate debt and has an interest rate of 10.626%. The overall average cost of borrowing for the year is 3.31% (3.17% 2022/23).

24. SHARE CAPITAL

Group and Parent

	2023/24 £	2022/23 £
As at 1 April	7	8
Issued during the year	3	-
Cancelled during the year	(3)	(1)
As at 31 March	7	7
Number of members at 31 March	7	7

Each non-executive Board member holds one £1 share of Black Country Housing Group Limited. The shares do not have a right to any dividend or distribution in a winding up and are not redeemable. Each share has full voting rights.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2024

25. RECONCILIATION OF PROFIT AFTER TAX TO NET CASH GENERATED FROM OPERATIONS

Group and Parent

	2023/24	2022/23
	£'000	£'000
Surplus for the year	2,876	3,899
Adjustments for non-cash movements:		
Depreciation of tangible fixed assets	2,275	2,119
Amortisation of SHG	(589)	(563)
Defined benefit pension scheme	-	(16)
Past service deficit payment	(428)	(402)
(Gain) on disposal of tangible fixed assets	(363)	(2,535)
Interest receivable	(338)	(20)
Interest payable	1,681	1,363
Operating cash flows before movements in working capital	5,114	3,845
Decrease / (Increase) in stock	(10)	12
(Increase) / Decrease in trade and other debtors	2	64
Increase / (Decrease) in trade and other creditors	(274)	282
Cash generated from operations	4,832	4,203

26. CASH AND CASH EQUIVALENTS

Group and Parent

	2023/24	2022/23
	£'000	£'000
Cash at bank	5,152	1,647
Cash held on deposit	2,500	-
	7,652	1,647

27. ANALYSIS OF CHANGES IN NET DEBT

Group and Parent

	At 1 April		Other non-	At 31 March
	2023	Cash flows	cash	2024
	£'000	£'000	movements	£'000
			£'000	
Cash at bank and in hand	1,647	6,005	-	7,652
Debt due within 12 months	(758)	711	(2,556)	(2,603)
Debt due greater than 12 months	(41,056)	(13,000)	2,704	(51,352)
	(40,167)	(6,284)	148	(46,303)

NOTES TO THE FINANCIAL STATEMENTS
Year Ended 31 March 2024

28. CAPITAL COMMITMENTS AND OTHER CONTRACTUAL OBLIGATIONS

Group and Parent

	2023/24 £'000	2022/23 £'000
Capital expenditure contracted for but not provided in the financial statements	6,310	8,261
Capital expenditure authorised but not yet contracted for	8,615	5,215
	14,925	13,476

Capital expenditure will be financed by a mixture of bank finance that the Association has available, capital grants, and receipts from property sales and other third-party commitments.

29. COMMITMENTS UNDER OPERATING LEASES

No new leases were entered into during the year. The total future minimum lease payments under non-cancellable operating leases are as follows;

Group and Parent

	2023/24 £'000	2022/23 £'000
Amounts due:		
- Within one year	96	99
- Between one and five years	59	47
	155	146

30. CONTINGENT ASSETS

Additional capital grant funding of £0.442m (2022/23 £0.696m) has been approved by Homes England in relation to new social housing developments that were on site as at the year end.

31. RETIREMENT BENEFITS

Social Housing Pension Scheme

The Association participates in the Social Housing Pension Defined Contribution (DC) Scheme and the Social Housing Pension Defined Benefit (DB) Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers.

For the DC Scheme the amount charged to the Statement of Comprehensive Income are the contributions payable in the year which in 2023/24 were £0.368m (£0.266m 2022/23).

The DB Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions

Black Country Housing Group Limited

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 March 2024

Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2020. This valuation revealed a deficit of £1.560m. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028.

The Scheme is classified as a 'last-man standing arrangement'. Therefore, the Association is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

For accounting purposes, valuation of the scheme was carried out with an effective date of 30 September each year. The latest accounting valuation was carried out with an effective date of 30 September 2024. The liability figures from this valuation were rolled forward for the accounting year ending 31 March 2024.

The liabilities are compared, at the relevant accounting date, with the Association's fair share of the Scheme's total assets to calculate the Association's net deficit or surplus.

The defined benefit contributions made by the Group in year were £0.428m (£0.463m 2022/23), estimated defined benefit contributions for 2024/25 are £0.454m.

The Group elected to close the defined benefit Social Housing Pension Scheme to future accrual with effect from 1 September 2022.

Present values of defined benefit obligation, fair value of assets and defined benefit asset (liability)

	2023/24 £'000	2022/23 £'000
Fair value of plan assets	8,120	8,256
Present value of defined benefit obligation	10,016	10,057
Surplus (deficit) in plan	(1,896)	(1,801)
Defined benefit asset (liability) to be recognised	(1,896)	(1,801)

NOTES TO THE FINANCIAL STATEMENTS
Year Ended 31 March 2024

Reconciliation of opening and closing balances of the defined benefit obligation

	2023/24 £'000	2022/23 £'000
Defined benefit obligation at start of period	10,057	14,908
Current service cost	-	45
Expenses	14	14
Interest expense	481	412
Contributions by plan participants	-	41
Actuarial losses (gains) due to scheme experience	6	(483)
Actuarial losses (gains) due to changes in demographic assumptions	(115)	(24)
Actuarial losses (gains) due to changes in financial assumptions	(95)	(4,472)
Benefits paid and expenses	(331)	(384)
Defined benefit obligation at end of period	10,017	10,057

Reconciliation of opening and closing balances of the fair value of plan assets

	2023/24 £'000	2022/23 £'000
Fair value of plan assets at start of period	8,256	13,144
Interest income	404	368
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(651)	(5,390)
Contributions by the employer	442	477
Contributions by plan participants	-	41
Benefits paid and expenses	(331)	(384)
Fair value of plan assets at end of period	8,120	8,256

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2024 was a deficit of £1.400m (£5.022m 2022/23).

Defined benefit costs recognised in the Statement of Comprehensive Income

	2023/24 £'000	2022/23 £'000
Current service cost	-	45
Expenses	14	14
Net interest expense	77	44
Defined benefit costs recognised in statement of comprehensive income	91	103

NOTES TO THE FINANCIAL STATEMENTS
Year Ended 31 March 2024

Defined benefit costs recognised in the Other Comprehensive Income

	2023/24 £'000	2022/23 £'000
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(651)	(5,390)
Experience gains and losses arising on the plan liabilities - gain (loss)	(6)	483
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	115	24
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	95	4,472
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(447)	(411)
Total amount recognised in other comprehensive income - gain (loss)	(447)	(411)

Key Assumptions

	2023/24	2022/23
Discount Rate	4.91%	4.85%
Inflation (RPI)	3.14%	3.18%
Inflation (CPI)	2.78%	2.78%
Salary Growth	3.78%	3.78%
Allowance for commutation of pension for cash at retirement	75% of maximum	75% of maximum

The mortality assumptions adopted at 31 March 2024 imply the following life expectancies:

	2023/24 Life (Years)	2022/23 Life (Years)
Male retiring in 2023	20.5	21.0
Female retiring in 2023	23	23.4
Male retiring in 2043	21.8	22.2
Female retiring in 2043	24.4	24.9

NOTES TO THE FINANCIAL STATEMENTS
Year Ended 31 March 2024

Assets

	2023/24	2022/23
	£'000	£'000
Global Equity	809	154
Absolute Return	317	89
Distressed Opportunities	286	250
Credit Relative Value	266	312
Alternative Risk Premia	258	15
Emerging Markets Debt	105	44
Risk Sharing	475	608
Insurance-Linked Securities	42	208
Property	326	355
Infrastructure	820	943
Private Equity	7	-
Private Debt	320	367
Optimistic Illiquid Credit	317	353
High Yield	1	29
Opportunistic Credit	-	1
Cash	160	60
Corporate Bond Fund	-	-
Long Lease Property	52	249
Secured Income	243	379
Liability Driven Investment	3,305	3,803
Currency Hedging	(3)	16
Net Current Assets	14	21
Total assets	8,120	8,256

None of the fair values of the assets shown above include any direct investments in the company's own financial instruments or any property occupied by, or other assets used by, BCHG.

32. RELATED PARTIES

During both the 2023/24 and 2022/23 accounting period BCHG has not identified any relevant related party balances or transactions.