



Wolverhampton Homes

Open Board Meeting

15 December 2023

Time 9.30 am **Public Meeting?** YES **Type of meeting** Wolverhampton Homes
Venue The Mount Hotel, Mount Road, Wolverhampton, WV6 8HL

Membership

Councillor Susan Roberts MBE
Councillor Jonathan Crofts
Councillor Rita Potter
Councillor Zee Russell
Christopher Lue
Joy McLaren
Sazini Malaba
Victor Browne
Craig Royall
Hajrija Dergic
Hannah Semple

Information

If you have any queries about this meeting, please contact:

Contact The Business Assurance Team
Tel/Email 01902 552956; WHSBusinessAssurance@wolverhamptonhomes.org.uk
Address The Mount Hotel, Mount Road, Wolverhampton, WV6 8HL

Copies of other agendas and reports are available from:

Website <https://wolverhamptonintranet.moderngov.co.uk>

Agenda

- | <i>Item No.</i> | <i>Title</i> |
|-----------------|---|
| 1 | Apologies |
| 2 | Declarations of interest |
| 3 | Minutes of previous Annual General Meeting - 21 September 2023 (Pages 3 - 8) |
| 4 | Minutes of previous open Board Meeting - 21 September 2023 (Pages 9 - 12) |
| 5 | Matters arising |

EXTERNAL AUDIT ITEMS

- | | |
|---|--|
| 6 | Financial Statements - External Audit (James McLarnon) (Pages 13 - 76) |
| 7 | The draft Audit Findings Report 2022 - 2023 - External Audit (Pages 77 - 106) |
| 8 | Wolverhampton Homes Letter of Representation 2022 - 2023 (Draft) - External Audit (Pages 107 - 110) |

FOR DECISION

- | | |
|----|---|
| 9 | Revenue Forecast for 2023 - 2024 as at Quarter 2 - Jo McCoy, Finance Business Partner, CWC (Pages 111 - 126) |
| 10 | Governance Arrangements - Julie Haydon, Director of Corporate Services (Pages 127 - 156) |

FOR INFORMATION

- | | |
|----|---|
| 11 | Capital Programme Delivery update Quarter 2, 2023 - 2024 - Simon Bamfield, Head of Assets and Stock Investment (Pages 157 - 164) |
| 12 | Damp, Mould and Condensation (Verbal update) - Ian Gardner, Director of Property Services |

M I N U T E S



Meeting: Annual General Meeting (AGM)
Date: Thursday 21 September 2023
Venue: Wednesfield Boardroom, Wednesfield Office, Alfred Squire Road, Wednesfield, Wolverhampton
Time: 09:30 am

MEMBERS IN ATTENDANCE: -

Steve Finegan	-	Acting Chair – Independent
Hajrija Dergic	-	Board Member – Independent
Parveen Brigue	-	Board Member – Independent
Councillor Jonathan Crofts	-	Board Member – Councillor
Councillor Rita Potter	-	Board Member – Councillor
Councillor Susan Roberts	-	Board Member – Councillor
Councillor Zee Russell	-	Board Member – Councillor
Joy McLaren	-	Board Member – Tenant
Victor Browne	-	Board Member – Tenant

STAFF IN ATTENDANCE: -

Shaun Aldis	-	Chief Executive
Ian Gardner	-	Director of Property Services
Julie Haydon	-	Director of Corporate Services
Jessica Whitehouse	-	Business Assurance Manager
Nicky Devey	-	Head of Business Services

STAFF IN ATTENDANCE – CITY OF WOLVERHAMPTON COUNCIL: -

John Roseblade	-	Director of Resident Services
Jenny Lewington	-	Deputy director of City Housing
Lynda Eytton	-	Client Relationship Manager - Housing Management Agents

EXTERNAL AUDIT IN ATTENDANCE – GRANT THORNTON: -

Willem Smit - External Audit (Grant Thornton)
 Jim McLarnon - External Audit (Grant Thornton)

OBSERVERS IN ATTENDANCE (WH): -

Craig Royall - Future Board Member – Independent
 Christopher Lue - Future Board Member – Tenant
 Sazini Malaba - Future Board Member - Tenant
 Stephen Perry - ASB Team Leader
 Rachel Fanthom - ASB Team Leader
 Nicky White-Salt - Homeless Team Leader

1.0	Apologies	
1.1	- Hannah Semple – Board member – Independent	
2.0	Declarations of Interest	
2.1	- Joy McLaren, Tenant Board Member - Victor Browne, Tenant Board Member - Christopher Lue, Tenant Board Member - Sazini Malaba, Tenant Board Member	
2.2	Noted: No specific conflict of interest identified.	
3.0	Welcome and introductions	
3.1	Board members were notified of the attendees and observers present.	
4.0	City of Wolverhampton Council - Shareholder update (Verbal)- John Roseblade, Director of City Housing and Environment	
4.1	Information was shared by the Shareholder regarding the continued positive joint working arrangements between Wolverhampton Homes (WH) and the City of Wolverhampton Council (CWC). Areas of note were shared in more detail as follows: - WH and CWC are continuing to work together to support the City and its residents in tackling the economic and housing crisis. - Introduction of the Social Housing Regulation Act 2023 – again an area where WH / CWC have been working jointly to ensure WH performs well in delivering its services. - CWC in its role as landlord, is required to seek assurance that social housing properties in the city are safe and well maintained. Work will continue in this regard in respect of	

	<p>the new Regulator inspection regime being launched in 2024.</p> <ul style="list-style-type: none"> - Customer engagement is high on the agenda, and this has to demonstrate how WH/CWC engage with tenants and residents in a meaningful way. This means the ability for tenants and residents to influence how business is done is key and to evidence how this has been acted on. - Management Agreement - continuous review of the partnership between WH/CWC to ensure it delivers what is required and is effective. The break clause in 2023 provided an opportunity n to review the existing arrangements. This is to be presented to Cabinet in due course. The next break clause is due in 2028. 	
5.0	Wolverhampton Homes - ALMO update (Verbal) - Shaun Aldis, Chief Executive - Wolverhampton Homes	
5.1	<p>Further details were shared on the specific WH priorities over the coming 12 months:</p> <ul style="list-style-type: none"> - The relationship between CWC and WH is positive and constantly evolving with the focus on delivering core services to our customers. A number of regulatory changes, including Awaab’s Law are bringing significant change to the housing arena, along with the increased scrutiny through regulation and consumer standards. - WH focus is to continue to represent the best interests of our customers while delivering against the current challenges - and is ensuring we are fully compliant with legislation and regulation governing the housing sector. - Work continues following the DAHA accreditation to promote support available along with other initiatives to ensure that WH are at the forefront of this work to keep our customers safe. 	
5.2	Board members commented on the impact of the cost-of-living crisis, which is one of the many challenges facing the organisation.	
External Audit Items		
6.0	Draft Audit Findings Report 2022 - 2023 - James McLarnon, Grant Thornton External Audit Partner	
6.1	<p>Grant Thornton’s intention is to conclude the audit findings as soon as possible. Board members were updated on the following areas:</p> <ul style="list-style-type: none"> - Page 7 of pack (introduction and status of the audit) – Grant Thornton experienced difficulty in obtaining reports in an accessible format due to system compatibility issues (now resolved). There are two areas within the Management document which Grant Thornton believe are excluded at the 	

	<p>moment, that were not picked up earlier due to a change in staff at Grant Thornton – this is linked to carbon reporting and section 172 statement in line with the Companies Act Regulations and will be discussed with WH outside of the meeting.</p> <ul style="list-style-type: none"> - Letter of support received from CWC. - Cashflow forecast currently under review and will need to work to understand resilience and test presumptions. 	
7.0	Informing the Audit Risk Assessment 2022 - 2023 - James McLarnon, Grant Thornton External Audit Partner	
7.1	Grant Thornton presented the risk assessment document with assurance given to Board members that any issues arising would be communicated.	
For Information		
8.0	Minutes of previous Annual General Meeting – 10 October 2022	
8.1	Board Members noted the minutes of the previous Annual General Meeting which were signed off at Board in December 2022.	
9.0	Matters arising	
9.1	9.5.1 - item noted as complete.	
For Decision		
10.0	<p>Annual Strategic Financial Arrangements - Julie Haydon, Company Secretary</p> <p>Resolved: Board Members approved the:</p> <ol style="list-style-type: none"> 1. WH Letter of Going Concern – September 2023 <p>Board Members noted the:</p> <ol style="list-style-type: none"> 2. Draft WH Letter of Representation – 2022 - 2023 3. Letter of Support from the City of Wolverhampton Council – September 2023 <p>The Shareholder ratified the following decisions and documents:</p> <ol style="list-style-type: none"> 4. WH Letter of Going Concern – September 2023 5. WH Letter of Representation – 2022 - 2023 	

<p>11.0</p> <p>11.1</p> <p>11.1.1</p> <p>11.2</p> <p>11.2.1</p> <p>11.3</p> <p>11.3.1</p> <p>11.4</p> <p>11.5</p>	<p>Governance Arrangements - Julie Haydon, Director - Corporate Services</p> <p>Councillor Susan Roberts confirmed an expression of interest in taking on the role of the Chair of Wolverhampton Homes Board.</p> <p>This was formally proposed by Councillor Rita Potter and seconded by Councillor Zareena Russell.</p> <p>Craig Royall, Independent member confirmed an expression of interest in taking on the role of the Vice-Chair of the Wolverhampton Homes Board.</p> <p>This was formally proposed by Joy McLaren, Tenant member and seconded by Victor Browne, Tenant member.</p> <p>Joy McLaren, Tenant member confirmed an expression of interest in continuing the role of the Chair of the Communities and Service Delivery Committee.</p> <p>This was formally proposed by Victor Browne, Tenant member and seconded by Hajrija Dergic, Independent member.</p> <p>The decision of the Chair of the Audit and Business Assurance Committee will be carried forward and discussions will take place separately with Board Members.</p> <p>The Board of Wolverhampton Homes membership was confirmed in detail for confirmation by the shareholder.</p> <p>Resolved: John Roseblade - Director of Resident Services on behalf of the Shareholder confirmed the membership of the Wolverhampton Homes Board as detailed above.</p>	
<p>12.0</p> <p>12.1</p>	<p>A.O.B.</p> <p>Board member resignations – Steve Finegan and Parveen Brigue, Independent Board members will be leaving Wolverhampton Homes Board as of today. Sincere thanks were given by Shaun Aldis, Chief Executive on behalf of colleagues and fellow Board members for the support, expertise and dedication given by each during the time with Wolverhampton Homes.</p> <p>Thanks were echoed by Board members and other attendees.</p>	
<p>13.0</p> <p>13.1</p>	<p>A.O.B.</p> <p>No other items of business were raised.</p>	

14.0	Date of next meeting - September 2024	
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M I N U T E S



Meeting: Open Board Meeting
Date: Thursday 21 September 2023
Venue: Wednesfield Boardroom, Wednesfield Office, Alfred Squire Road, Wednesfield, Wolverhampton
Time: 10:30 am

MEMBERS IN ATTENDANCE: -

Councillor Susan Roberts	-	Board Member – Councillor (Chair)
Craig Royall	-	Board Member – Independent (Vice-Chair)
Hajrija Dergic	-	Board Member – Independent
Councillor Jonathan Crofts	-	Board Member – Councillor
Councillor Rita Potter	-	Board Member – Councillor
Councillor Zee Russell	-	Board Member – Councillor
Joy McLaren	-	Board Member – Tenant
Victor Browne	-	Board Member – Tenant
Christopher Lue	-	Board Member – Tenant
Sazini Malaba	-	Board Member – Tenant

STAFF IN ATTENDANCE: -

Shaun Aldis	-	Chief Executive
Ian Gardner	-	Director - Property Services
Julie Haydon	-	Director - Corporate Services
Nicky Devey	-	Head of Business Services
Jessica Whitehouse	-	Business Assurance Manager
Simon Bamfield	-	Head of Assets and Stock Investment
Emma Rolinson	-	Head of People
Sarah Butcher	-	Head of Organisational Development and Staff Engagement

STAFF IN ATTENDANCE – CITY OF WOLVERHAMPTON COUNCIL: -

John Roseblade	-	Director of Resident Services
Jenny Lewington	-	Deputy Director of City Housing
Lynda Eyton	-	Client Relationship Manager - Housing Management Agents

OBSERVERS IN ATTENDANCE (WH): -

Stephen Perry - ASB Team Leader
Rachel Fanthom - ASB Team Leader
Nicky White-Salt - Homeless Team Leader

1.0	Apologies <ul style="list-style-type: none">- Hannah Semple, Independent Board Member	
2.0	Declarations of Interest	
2.1	<ul style="list-style-type: none">- Christopher Lue, Tenant Board Member- Joy McLaren, Tenant Board Member- Sazini Malaba, Tenant Board Member- Victor Browne, Tenant Board Member	
2.2	Noted: No specific conflict of interest identified.	
3.0	Minutes of previous open Board meeting – 30 June 2023	
3.1	Minutes of the previous open Board meeting agreed as a true record.	
4.0	Matters arising	
4.1	4.2.1 – Estate walkabouts – invitations sent to relevant Board Members - completed.	
4.1.1	Action: Councillor Potter and Councillor Russell to contact Angela Barnes to join future estate walkabouts as required.	
4.2	6.2.1 – Disciplinary outcomes to be included within reporting regime in due course.	
4.3	8.1.1 – Introductory meetings with Councillor Roberts have taken place – completed.	
For Decision		
5.0	People and Organisational Development Strategy	
5.1	It was agreed that it would be useful for representatives from the CWC Equality, Diversity and Inclusion (EDI) team to attend the EDI report slot at future Board meetings.	
5.2	Board members were provided with further EDI updates in relation to: <ul style="list-style-type: none">- WH / CWC joint working – the CWC EDI advisor the lead contact and attends a number of WH meetings.- Joint work with CWC EDI team to shape the People and Organisational Development Strategy.	

	<ul style="list-style-type: none"> - Progression opportunities across the business with support from corporate teams to enhance recruitment skills. - Board members – discussion on previous Board Champion role and this now being collective ownership of specialist areas e.g. Health and Safety / EDI. - Mentoring programme – this has received positive feedback, including the element of reverse monitoring where staff have shared their knowledge and experience with managers / members of the Senior Management Team (SMT). - 100 day planning approach for corporate services and the benefits of this. 	
5.2.1	Action: EDI team representative to attend EDI slot at future meetings.	ND
5.2.2	Action: Board members to be issued with dates of WH specialist meetings for 2024.	ND
5.3	Discussion in relation to the benefits of the new agile offices and how this allows for all tiers of staff to work across services and for senior managers to be out within the business.	
5.4	Board were advised that as with observers present today, staff are able to attend Board meetings to develop their knowledge and to gain experience of report presentation and decision making.	
5.5	Board member commented on the positive feedback they have received from Trade operatives in relation to the contact with senior management and the positive engagement at Toolbox talks.	
	Resolved: Board members approved the People and Organisational Development Strategy for Wolverhampton Homes.	
For Information		
6.0	Revenue Forecast for 2023 - 2024 as at 31 July 2023 - Julie Haydon, Director - Corporate Services	
6.1	<p>Board were updated in more detail on a number of key areas:</p> <ul style="list-style-type: none"> - Recruitment and succession planning challenges – with the turnover rate quite low, but with a number of experienced staff reaching retirement. - Increase in demand on repairs – with the focus on productivity to ensure repairs are undertaken so that properties are maintained and avoids longer term the requirement of major works. - Apprentice intake – and the success of recent recruitment which saw high interest, particularly in the Trade apprentice programme. Wolverhampton College provide these courses, and where they are unable to, WH seek alternative provision. WH has a strong relationship with City of Wolverhampton College and a member of SMT is part of their Board. 	

6.2 6.3	<ul style="list-style-type: none"> - National issues with recruiting to specialist roles e.g. Quantity surveyors, trades etc. - Management of cashflow – regular monitoring by CWC Finance. - Reserves – continued to be managed in line with invest to save initiatives with regular monitoring taking place. <p>Board commented that it is important that WH continues to review its services, particularly with the increased demand on repairs.</p> <p>Board members raised concerns as to whether there would be enough finances to decant customers if there was a major incident. Board were assured that the CWC HRA reserves should cover major emergencies as well as a separate reserve pot.</p> <p>Resolved: Board members noted the Revenue outturn forecast for 2023 - 2024.</p>	
7.0 7.1	<p>Capital Programme Delivery update - Quarter 1, 2023 - 2024 - Simon Bamfield, Head of Assets and Stock Investment</p> <p>Updates were provided on areas of progress and where there is ongoing works including:</p> <ul style="list-style-type: none"> - Lincoln House and Tremont House - brickwork panels require remedial works which will also affect other blocks on the estate. - System build retrofit programme is going well and excellent feedback has been received. The finished look of properties is of a good quality. - External façade programme – this has experienced some delays. - Void properties - overall void numbers have not increased a great deal, but WH are seeing void properties that require a greater amount of work to be carried out. 10% of properties were built prior to 1920 and the rest were built between the 1930's and 1960's which means they are in need of increasing amounts of intervention to repair and maintain them. Voids turnaround is approximately 15 - 20 days, others can be circa 50 – 60 days dependent on the works required. <p>Resolved: Board members note the performance achieved and the financial position of the delivery of the Housing Revenue Account (HRA) Capital Programme.</p>	
8.0 8.1	<p>A.O.B.</p> <p>No other items of business were raised.</p>	
9.0	<p>Date of next meeting - Friday 15 December 2023</p>	

Wolverhampton Homes Limited
Company Limited by Guarantee
FINANCIAL STATEMENTS
for the year ended
31 March 2023

Wolverhampton Homes Limited
Company Limited by Guarantee
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Wolverhampton Homes Limited
Company Limited by Guarantee
STRATEGIC REPORT

DIRECTORS

Christopher Lue
Councillor Rita Potter
Councillor Zareena Russell
Councillor Susan Roberts
Councillor Jonathon Crofts
Craig Royall
Hajrija Dergic
Hannah Semple
Joy McLaren
Sazini Malaba
Shaun Aldis
Victor Browne

EXECUTIVE MANAGEMENT TEAM

Shaun Aldis	Chief Executive
Julie Haydon	Director – Corporate Services (Company Secretary)
Angela Barnes	Director – Housing and Communities
Ian Gardner	Director – Property Services

SECRETARY

Julie Haydon	Director – Corporate Services (Company Secretary)
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REGISTERED OFFICE

Wednesfield Housing Office, Alfred Squire Road, Wolverhampton, West Midlands, England, WV11 1XU

AUDITOR

Grant Thornton UK LLP
The Colmore Building, 20 Colmore Circus, Birmingham, B4 6AT

BANKERS

HSBC
3 Trinity Court, Broadlands, Wolverhampton, WV10 6UH

ACTUARY

Hymans Robertson LLP, 1 London Wall, London EC2Y 5EA

The Directors present their Strategic Report, annual Directors' Report, and financial statements of Wolverhampton Homes Limited (the Company) for the year to 31 March 2023. The financial statements have been prepared under the International Financial Reporting Standards.

Wolverhampton Homes Limited
Company Limited by Guarantee
STRATEGIC REPORT

PRINCIPAL ACTIVITIES

The principal activity of the Company during the period was the management and maintenance of the City of Wolverhampton Council (“the Council”) owned homes in Wolverhampton.

Wolverhampton Homes Limited was established as an Arms Length Management Organisation in accordance with a Government policy initiative for local authority housing management.

REVIEW OF THE BUSINESS

Financial Performance

Wolverhampton Homes Limited was incorporated in May 2005, started trading in October 2005 and has been actively trading for over 15 years.

When an initial 10-year management agreement was nearing the end of its term in 2013, the Company signed a new fifteen year management agreement with the City Council which runs until 2028. The Council invited the Company to deliver an additional range of housing functions during 2017 - 2018 and the management agreement together with its associated schedules was updated to reflect these changes. The first formal five year review of this new agreement was successfully concluded. This gives an indication that the services of the Company are likely to be required long into the future.

The Company’s total assets as at 31st March 2023 were £54.6 million, £37.2 million more than at the same time in 2022. This position is only achieved due to the recognition of the pension benefit of £38.1 million and is recognised due to the likelihood of a future benefit realisable through reduced future contributions. Current assets exceed short-term liabilities and Wolverhampton Homes is therefore in a strong position to continue trading as a Company. Operating loss was £9.2 million in 2022-2023 consisting of an operational loss of £1.9 million and a pension cost adjustment of £7.1 million required under IAS19. Overall, the Company has done well to deliver the services required under the management agreement as it has faced both increased demand for services after the pandemic and inflationary cost pressures.

The base Management Fee for 2022 - 2023 was £42.7 million including funding for the delivery of Homelessness, Housing Options and Temporary Accommodation.

To manage the budget position, the Company has taken every opportunity to make savings, particularly from natural wastage on staffing budgets and to avoid redundancies in the short or medium term.

The Company has reserve balances of £3.3 million at 31st March 2023, compared to £5.3 million at the end of the previous financial year and fixed assets to the value of £2.5 million. This is still above the minimum reserve level of 3% of revenue budget. Previously, by holding high level of reserves, this enabled the Company to manage without inflationary or other increases in the management fee for several years.

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Company Limited by Guarantee
STRATEGIC REPORT

Going forward, the reserves will be used for the purposes of contingency and one-off investment.

In addition to holding reserves, the Company has continued to seek opportunities for business efficiency and to invest to save. Following the impact of Covid-19, work continues to support new ways of working including a review of customer contact and access needs and expectations to ensure investment in technology supports improved ways of working, which are central to supporting the company's approach to business efficiency.

Expenditure against budget and medium-term budget issues

The Company has continued to monitor expenditure against budget in a timely and systematic manner and all managers are fully engaged in this process. Since the Company's primary source of income is the management fee from the sole shareholder and there is a high level of certainty over the timing and stability of income compared to most businesses, understandably less emphasis is placed on monitoring liquidity and other linked financial ratios, in favour of monitoring spending against budget. This is monitored regularly at full Board level and with the Shareholder. Careful and consistent monitoring ensures that knowledgeable decisions can be made about new initiatives, recruitment, redundancies, and other activities and that the Board and Shareholder are apprised of the likely impact on reserves to deal with contingencies and needs.

The medium-term financial position

In 2022-2023 the Company budgeted for £1.0 million contribution from reserves to operate a balanced budget. The outturn for 2022-2023 was that the Company required a reserves contribution of £2.0 million. The budget for 2023-2024 requires a contribution of £1.0 million which will come from reserves or additional funding from the council.

Whilst reserves have been reduced, and the Company has an excellent track record of effectively managing its finances, there are ongoing inflationary pressures outside of the control of the company and Shareholder e.g. economic crisis, energy and material cost increases and demands on services and labour shortages, meaning additional efficiencies will need to be delivered. This will support expenditure being sustained in line with income which could reduce to reflect the reduction in rent to the HRA from homes lost to right to buy.

Therefore, the Company continues to review and redesign its services in line with the digital agenda to take account of customers' needs taking into account customer insight to support the changes. This approach aims to keep the customer at the heart of service delivery focusing on making the best use of cost and quality opportunities, for the Company to aim to take advantage of every opportunity to increase business efficiency. This takes into account the increased Regulatory Framework and is linked to the outcomes of the review of the Business Plan 2019 – 2023 and associated annual delivery plan. Work is underway to retain and maintain a skilled and stable workforce and a high level of staff engagement whilst actively managing risk which results in a better service for customers.

Pension Obligations

The Company's net pension benefit shows the extent to which its existing pension commitments to employees and former employees exceed the assets currently available to meet those commitments. This benefit was a movement of £90.6 million in 2022-2023 from a deficit position in 2021. The decrease in liabilities is largely due to a change in financial assumptions used by the Actuary to calculate the liability.

The current service cost charged to the profit and loss account was £9.7 million, which is a decrease of £0.5 million compared to £10.2 million in 2021-2022.

In practice, the value of the net pension's benefit or liability is not entirely meaningful and varies from year to year based on financial assumptions because pension payments will generally not need to be made for many years, and the Pension Fund plans over long timescales as a result. Furthermore, the amount the Company actually pays out to the pension fund every year is the amount of employee contributions payable plus any early retirement strain, rather than the total pension cost calculated under the accounting rules and charged to the accounts. It is also important to note that the calculation of the net pension benefit or liability relies on a number of complex judgements, assumptions and variations which can lead to significant differences in the outcome. Note 17 to the Financial Statements provides further information on employee pensions.

The latest three-year annual actuarial valuation of the fund took place on 01 October 2022 and as a result the annual contribution rate the Company will need to pay for employees who are members of the pension fund will be 13.4% of salary, a reduction from 19.2%. The next valuation is expected in late 2025.

Performance Review 2022-2023

General

Overall operational performance has been good in 2022–2023. A full performance indicator review was completed, and a new supporting suite of statistical information added along with new compliance indicators and a monthly Infographic containing all KPI's. The compliance indicators monitor the performance of the Big 6 services, Asbestos, Electric, Fire Safety, Gas, Legionella, and Lift Safety. The suite has been designed to maintain compliance with the Consumer Standards and the Housing White Paper. Data has been collected and shared with Housemark (our benchmarking Company) throughout the year to track our performance against the national picture.

Performance outcomes continue to be regularly monitored with the Shareholder and reported to Board and Committee as well as to the City of Wolverhampton Council.

The following sections offer further details around some of the key areas of service delivery.

Wolverhampton Homes Limited
Company Limited by Guarantee
STRATEGIC REPORT

Income collection performance

The Company continues to support positive performance outcomes most notably:

- The percentage of service charges collected from leaseholders finished above target at 89.39% (This indicator was redesigned, and no target was set for 2022/23).
- The percentage of rent collected (City wide including TMO/EMB's) achieved 97.32%, which met our stretched "Great" target of 97.19% target. (Standard Target 96%).
- 21.72% of all recharge monies were collected this year against our stretched "great" target of 21.12% (Standard Target 19.5%).
- The number of evictions for rent arrears was 21.

Keeping residents safe

The Company continues to ensure that services support residents feeling safe in their communities and homes. Supporting this work performance shows that:

- The indicators for the daily flat checks carried out by our Estate Services and Concierge Teams including monitoring of communal areas and landings; stair wells; bin rooms; refuse chutes; lifts and door entry systems achieved the robust target of 100%.
- The percentage of calls answered within 60 seconds by the Telecare service continued improving to 99.45% at year-end and achieved our stretched "Great" target of 98.5%.
- The percentage of valid gas safety records was 99.9%, which achieved the 99.9% target.
- Satisfaction with the way anti-social behaviour complaints were dealt with achieved our 97% target at 98.31%.

Housing Options

This is delivered against the backdrop created through the introduction of the Homelessness Reduction Act. The following is of note:

- The total number of all presentations was 7817.
- The number of customers owed a duty was 1624.
- Average time taken to repair voids: Receipt of Keys to Repairs completed (Ready to let): 54 Days against a 46-day target.
- Average time taken to re-let properties (Ready to let to new Tenancy sign up): Achieved 26 days against a 30 day target.

Repairs and Maintenance

Wolverhampton Homes continues to deliver a 24 hour repairs service. Figures have improved from the previous year and reflect:

- 98.39% of response repairs were completed within target. (98% Target).
- 97.06% of response repair appointments were made and kept (96% Target) (Target improved from 95% in 2021/22).

Business Plan 2019 – 2023

A fully refreshed business plan was developed and agreed by Board and the full Council which was implemented in 2019. This 4-year plan continues to build on the Company's collaborative approach to successfully support the Council in achieving its aspiration to be a city of opportunity.

This plan outlines the Company's response to the key strategic challenges it faces and details an ambitious transformation programme that will ensure its activities continue to:

- Enhance the community and customer focus – by embedding mobile working to deliver strong customer centric services; building resilience in communities and being responsive to the voice of customers.
- Provide safe and secure homes – by managing and maintaining homes to a high standard; looking after estates and communities; developing new and different types of housing; by adapting and improving the existing housing stock; by actively contributing to the improved supply of sustainable accommodation options across the city.
- Support people to sustain their tenancies and homes – through the provision of effective advice and support services that help customers to live independent, prosperous and fulfilling lives; by working collaboratively with other stakeholders to promote independence and individual and community resilience and continuing to provide excellent housing services.

The plan also details a proactive response to the Charter for Social Housing Residents to deliver the requirements of the Regulatory Framework. Furthermore, it demonstrates the Board's firm resolution in achieving the highest standards of governance.

Supporting local priorities and priority actions

The Business Plan is designed to be responsive to the ever-changing operating environment and in particular was influenced by:

Wolverhampton Homes Limited
 Company Limited by Guarantee
 STRATEGIC REPORT

- The wider economy and the impact of austerity that has resulted in some sections of our communities struggling financially and poverty is becoming more of a concern, and the national economic climate.
- In line with the Charter for Social Housing Residents, Wolverhampton Homes are actively reviewing all new legislation to bring forward all necessary improvements to respond to the changing regulatory environment.

To support the delivery of the new and emerging priorities, the Company have committed to:

- I. Ensuring homes are safe and decent
 - By continuing to prioritise the delivery of exemplar compliance services.
 - Renewing the customer offer.
 - The core driver is to support and sustain tenancies, prevent homelessness, reduce dependency, and promote resilience.
- II. Effective resolution of complaints
 - Maximised the capacity in the customer experience functions working to embed 'right first time' processes across all areas.
 - Reviewed the complaints policy and continue to work proactively with the housing ombudsman and use complaints outcomes to inform service improvements.
- III. Empowering residents and strengthening the Regulator
 - Working with the Shareholder to review the approach to tenant, leaseholder and customer scrutiny and improve the link that customer scrutiny has into the Company's wider governance structures.
 - Develop talent in our communities to support the Shareholder priorities.
 - The Company welcomes any extension of the regulator across the ALMO sector and will continue to evaluate the current operation against the Consumer Standards to establish where any gaps may exist.
- IV. Tackling stigma and celebrating thriving communities
 - The Company continues to review its services as part of the Our Future redesign to ensure increased capacity across the business including customer facing roles.
 - The Corporate Social Responsibility and Community Development Strategy dovetails into the ongoing skills and development framework for customers.
- V. Expanding supply and supporting home ownership
 - The Company supported the Shareholder to build new properties and make best use of infill sites across the city. These opportunities used new construction techniques and complete developments that allow the Council to have a diverse range of affordable housing across the city.

Wolverhampton Homes Limited
 Company Limited by Guarantee
 STRATEGIC REPORT

- The Company owns 19 properties as their own assets and will continue to look for other opportunities in this area.
- Working with the Council to review the private sector leasing scheme.

Operational Priorities for 2023-2024

The current Business Plan and associated annual delivery plan details the key operational priorities for the next year that will complement our core service deliverables.

Through 2023-2024 the Company continues to move forward with its Our Future redesign plans in line with the transformational #GoodtoGreat journey to:

- Continue to reimagine its workforce, digital agenda and work processes.
- Use the learning from customer feedback, taking a new approach to business by redesigning its services based on customer needs.
- A review of the Company's property portfolio to ensure the most appropriate and fit for purpose access points for our customers.
- Continue to invest in new technology to support agile working and to modernise working practices and further enhance our digital offer to customers.
- Continually focus on frontline customer services including repairs and maintenance to identify efficiencies that deliver improvements for our customers.
- Introduce a refreshed enterprise and innovation agenda specifically to:
 - Review with our shareholder, the delivery of the private sector leasing scheme.
 - Manage properties developed by WV Living – both at affordable rent and shared ownership.
 - Support the City to bring back empty homes into use and other opportunities to provide housing stock for use as social housing.
 - Develop a sustainable waste management strategy.
 - Delivery of Home Improvement Agency.
 - Support Climate Change and Sustainability by working closely with the City of Wolverhampton Council to deliver against the Future Generations Strategy commitment to be carbon neutral by 2028.

Section 172 Statement

The Role of the Board

- The Board of Wolverhampton Homes and Senior Management team are required to ensure the long-term success and sustainability of the Company; applying a value for money and sustainable approach to the delivery of high-quality services to our customers. Board and Committee meetings include a formal schedule of matters covering a number of areas such as regulation, legislation, health and safety, finance,

Wolverhampton Homes Limited
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 STRATEGIC REPORT

and customer experience. The Board also monitors the effectiveness of the company's internal controls, governance, and risk management processes.

- The Board delegates the day-to-day running of the business to the Chief Executive, supported by the Senior Management Team as well as to the wider governance structure; Audit and Business Assurance Committee / Communities and Service Delivery Committee.
- Independent scrutiny by Internal Audit, the Shareholder and tenants is provided through a number of platforms.

Board Governance

- The company's Articles of Association and Financial Regulations were updated in 2020.

Customer and Employee engagement

- Staff engagement and feedback has been gained through the Equality, Diversity and Inclusion champions group alongside staff surveys. The company launched the Our Future programme which supports the ongoing transformation and redesign of service delivery.
- Promotion of the regulatory requirements regular briefings are delivered via a number of methods including Chief Executive briefings, with a consistent tiered information cascade. The Joint Consulting Committee (JCP) are kept abreast of information sharing. We aim to attract and retain a diverse and talented workforce that mirrors the profile of our city and we have refreshed our People and Organisational Development Strategy.
- Customer engagement including the establishment of a customer involvement panel helps us to identify changing needs, to be able to set our strategy accordingly ensuring that all decisions have the customer at the heart. We continue to improve the delivery of consistently good quality homes and customer service. Communication with customers takes place in a number of ways – through our front facing staff, and via a number of communication channels.
- Our Corporate Social Responsibility and Community Development strategy launched in November 2022 and provides opportunities for us to be an active contributor to communities and businesses in Wolverhampton, supported by our Strategic Construction Partners.

Value for Money

The Company will continue a focused approach to the delivery of Value for Money during 2023-2024. Learnings continue to link to the refresh of the business plan to ensure a sustainable approach to realising efficiencies and improvements across all areas of the business.

During 2022-2023 the Company has continued to invest in the digital infrastructure to support more efficient working for staff and as an enabler for customers to access services digitally in the longer term.

Wolverhampton Homes Limited
 Company Limited by Guarantee
 STRATEGIC REPORT

During 2023-2024 it is intended to refresh its value for money strategy detailing the Company's approach to efficiency savings, invest to save and maximising staffing resource opportunities.

The Budget Position for 2023-2024 and the medium-term financial plan

The annual Management Fee from the Council has typically provided around 87 percent of the Company's income. The approved management fee for 2023-2024 totals £45.2 million which includes funding for the delivery of Homelessness, Housing Options and Temporary Accommodation. Income is then received for the provision of general fund services including Anti-Social Behaviour, Independent Living, Telecare, Housing Assistance and for capital and grant funded programmes.

The Company also earns income from delivering capital schemes for the Council's capital programme and from third parties services such as asbestos removal. The Company is planning for the continuation of this income stream and the addition to the portfolio of more enterprising opportunities through the delivery of works via the Home Improvement Agency. There are also smaller, miscellaneous income streams that will continue to be monitored and innovative opportunities explored.

The Medium-Term Financial Strategy is forecast to achieve a balanced budget; however, a contribution from either reserves or the Housing Revenue Account is planned to support the budget for 2023-2024. The reserves will provide a contingency and in addition be used to support one off investment across our core services.

Overall, the year-end position was an overspend against budget for 2022-2023 resulting in a decrease to reserves of £2.0 million. Reserve balances equal £3.3 million at 1 April 2023. Therefore, the Company can use reserve balances for one off investment to support the budget in the medium term.

Major risks and uncertainties

Managing Risk

The Company continues to refine its approach to risk management and its wider business assurance programme. The delivery of governance and business assurance programmes continues.

During 2022-2023 a full annual plan for internal audit has been delivered that provided a comprehensive programme of audit to be achieved. This incorporated many additional workstreams including core health and safety and compliance activity.

During the year it is pleasing to note that the key challenges were successfully mitigated which included:

- Monitoring and managing medium-term financial pressures.
- Continuing the delivery of the Heath Town master plan.
- Continuing to improve the digital agenda including online/automated services for customers.

Wolverhampton Homes Limited
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STRATEGIC REPORT

- Health and Safety / Fire Safety compliance.
- Continuing the programme of agile working office refurbishment arrangements.
- Utilising the learning from our customers and the Company to improve services.

The corporate risk register continues to provide a closer focus and synergy with the objectives that are derived from the business plan, continuing to concentrate on key strategic challenges.

By order of the Board.

Shaun Aldis
Chief Executive

Date

Wolverhampton Homes Limited
Company Limited by Guarantee
DIRECTORS' REPORT

In addition to their Strategic Report on pages 4 to 12, the Directors also present their annual Directors' Report and financial statements of Wolverhampton Homes Limited (the Company) for the year to 31 March 2023.

The Company has chosen, in accordance with Section 414C of the Companies Act, to set out in the Company's Strategic Report certain information which would otherwise be required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the Directors' Report.

PRINCIPAL ACTIVITIES

The principal activity of the Company during the period was the management and maintenance of Council owned homes in Wolverhampton. Wolverhampton Homes Limited was established as an Arm's Length Management Organisation in accordance with a Government policy initiative for local authority housing management.

DIRECTORS

The Directors who served the Company during the period were as follows:

Angela Davies (until 29 December 2022)
Steve Finegan (until 21 September 2023)
Councillor Rita Potter
Councillor Zareena Russell
Councillor Asha Mattu
Councillor Paul Appleby (until 30 May 2022)
Councillor Jonathon Crofts (from 01 June 2022)
Derek Allen
Hajrija Dergic
Joy McLaren
Julie Haydon
Michael Timothy Porter
Parveen Brigue
Shaun Aldis
Victor Browne

DIRECTORS' LIABILITY

The Company has arranged adequate directors' and officers' liability insurance cover for all its directors. Such insurance remains in force at the date of approving the Directors' Report.

DISABLED EMPLOYEES

The Company is committed to employing people with a disability (as defined by the Equality Act 2010) and will interview all disabled applicants who meet the minimum criteria for a job vacancy and will consider them on their abilities. If employees become disabled while in the employ of the company every effort is made to ensure that they stay in employment. There is a mechanism in place that at least once each year a discussion is held with disabled employees to ensure that appropriate support is in place.

EMPLOYEE CONSULTATION

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. This is achieved through regular briefings, team meetings, one to ones, staff communications newsletters, e-bulletins, staff surveys and Chief Executive regular briefings, and the Joint Consultative Panel (JCP).

ENVIRONMENTAL POLICY

Wolverhampton Homes supports the City of Wolverhampton Council's corporate objective to create a greener city and has adopted the environmental principles of the Council's sustainability charter, relating to local transport systems, neighbourhood environments, management of resources and waste disposal and recycling.

FINANCIAL AND RISK MANAGEMENT

Ensuring the Company continues to have a financially sustainable budget in the medium term – the Company prepares and regularly updates medium term financial plans. These are reported and discussed with the Shareholder, WH Senior Management Team and the WH Board with this being subject to close scrutiny. The medium-term financial plan provides a context for our annual budgeting cycle.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The Directors who were in office on the date of approval of these statements have confirmed, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Directors have confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITOR

A resolution to reappoint Grant Thornton UK LLP, Chartered Accountants as auditor was put to the Board at the Annual General Meeting as part of the current contracting arrangements up to 2022 – 2023 (this includes an option to extend).

By order of the Board

Wolverhampton Homes Limited
Company Limited by Guarantee
DIRECTORS' REPORT (continued)

Date

Shaun Aldis
Chief Executive

Date 2023

Chair of the Board

Wolverhampton Homes Limited
Company Limited by Guarantee
DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF
FINANCIAL STATEMENTS

The Directors are responsible for preparing the Strategic Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements of the Company in accordance with UK- adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006.

The financial statements are required by law and to present fairly the financial position and performance of the Company. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company of the Company for that period.

In preparing those financial statements, the Directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. state whether they have been prepared in accordance with UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006:
- d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

The Board of Directors is responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement on Internal Control

The Board acknowledges it has ultimate responsibility for ensuring that the Company has in place a system of controls that is appropriate to the business environment in which it operates and for maintaining robust systems of internal control and reviewing their effectiveness.

These controls are designed to give reasonable assurance with respect to the:

- reliability of financial information used within the Company or for publication;
- maintenance of proper accounting records; and
- safeguarding of assets against unauthorised use or disposal.

The systems of internal control can only provide reasonable and not absolute assurance against material misstatement or loss. The system of internal control includes the following key elements:

Corporate Governance

The Company has a balanced and formally constituted Board made up of democratically elected members, tenants and independent members. The Board has formally adopted terms of reference and is central to its strategic decision-making processes, meets regularly and receives comprehensive reports on the activities of the Company. The articles of association were reviewed during 2021-2022 with the shape of the board as twelve directors but made up of equal numbers of elected members, tenants and independent members. The shareholder fully endorsed this model. The Board is supported by two committees with defined terms of reference covering, Communities and Service Delivery, and Audit and Business Assurance matters. The Board has adopted a programme of development and training and has undertaken a process of evaluation of its own effectiveness through an internal self-assessment exercise which will continue to inform the skills analysis.

Management Control and Direction

The Company has a suitably qualified and experienced Senior Management Team with clear areas of responsibility. The Senior Management Team of Wolverhampton Homes plays a lead role in the identification, evaluation and control of significant risks facing the organisation and prioritises and directs the focus of effort and attention accordingly.

Arms Length Partnership relationship with the City of Wolverhampton Council

Although the Company operates at arms length from Wolverhampton City Council it is nevertheless subject to an appropriate framework of performance monitoring to ensure it is delivering outputs and results in line with the Management Agreement and annual action plan. The Management Agreement and its associated schedules were fully updated and agreed by the Board and full Council of the City of Wolverhampton Council during 2018.

Performance Management and Performance Indicators

The Company produces, monitors and reports performance on a regular basis against a comprehensive suite of performance indicators and information covering all the main activities of Wolverhampton Homes. There is a clear performance management and control framework which involves all staff in agreeing priorities and targets with their line managers. One to ones are held with all staff members on a regular basis. Targets are linked to the overall action plan for the Company to ensure that effort is focused on Company priorities.

Risk Assessment and Periodic Assessment of Priorities

Risk assessment plays an important part in the control framework for the Company. The management of key risks is monitored by the Board and Committee. The Company formally reassesses its risks regularly and decides on what mitigating actions to take in line with available resources. When necessary, during the financial year budget resources are realigned to take account of newly identified risks. The prioritisation of activities and the allocation of resources is set out within the Business Plan and agreed with the Shareholder.

Financial Risks

The financial risks faced by the Company are limited by the fact that the main income stream is stable, as it comes from the Council in the form of a predetermined management fee. The management fee is set every year and a schedule of payments agreed. This is paid against a timetable that coincides with the payment of salaries, wages, and creditor payments by Wolverhampton Homes. This means that cash balances are relatively low, and the scope for financial loss, is limited. The financial systems operated by the Company are robust and well tested.

Since 2014-2015 the Company has banked with the HSBC bank.

Financial Regulations

The Company has an adopted set of Financial Regulations and Standing Orders as part of its control framework. These documents are updated periodically and reviewed and agreed by the Board. The documents are underpinned by a clearly documented procedure notes that set out how staff should undertake financial transactions.

Management of Budget Pressures

Management has access to financial systems to monitor expenditure against plans and forecasts. The Director for Corporate Services is responsible for ensuring that financial risks are effectively managed and controlled. Financial reports ensure that the Senior Management Team and the Board are fully informed of key financial issues and variances from budget are investigated and addressed. Monitoring reports are taken to the Board on a regular basis.

Financial Systems

The Agresso Business World Financial systems used by Wolverhampton Homes are hosted by the City of Wolverhampton Council. These have been subject to internal audit review.

HR and Staff Management

Recruitment and employment policies and procedures ensure that properly qualified and experienced staff are recruited and managed effectively. Post-recruitment policies such as attendance management and performance management ensure that effective action is taken to monitor and develop staff performance.

Audit Activity

The activities of the Company are subject to external and internal audit review. The Company operates a Communities and Service Delivery Committee and a separate Audit and Business Assurance Committee. This highlights the importance placed on audit activity within the Company and it ensures an adequate level of focus on internal control. The brief for the Audit and Service Delivery Committee, established also scrutinises the outcome of Internal Audits and reviews compliance audits within the Company.

The Board and Senior Management Team have reviewed the effectiveness of systems of internal control in existence for the period ended 31 March 2023. No weaknesses were found in the internal controls which to the knowledge of the Board and the Senior Management Team resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements. The Board is satisfied that this remains the case up to the signing of these documents.

Shaun Aldis
Chief Executive

Date

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WOLVERHAMPTON HOMES LIMITED

Independent auditor's report to the members of Wolverhampton Homes Limited

Opinion

We have audited the financial statements of Wolverhampton Homes Limited (the 'company') for the year ended 31 March 2023, which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as the cost of living crisis, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WOLVERHAMPTON HOMES LIMITED

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Financial Statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WOLVERHAMPTON HOMES LIMITED

- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- we obtained an understanding of the legal and regulatory frameworks that are applicable to the company through our general commercial and sector experience, discussions with management and legal correspondence. We determined that the following laws and regulations were most significant: UK-adopted international accounting standards and Companies Act 2006;
- we enquired of management concerning the company's policies and procedures relating to:
 - the identification, evaluation and compliance with laws and regulations;
 - the detection and response to the risk of fraud; and
 - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations;
- we enquired of management whether they were aware of any instances of non-compliance with laws and regulations and corroborated the results of our enquiries to relevant supporting documentation and correspondence with solicitors;

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WOLVERHAMPTON HOMES LIMITED

- we assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur and the risk of management override of controls. Audit procedures performed by the engagement team included:
 - identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - challenging assumptions and judgements made by management in its significant accounting estimates;
 - identifying and testing journal entries, with a focus on unusual journals with specific risk characteristics and large value journals;
 - identifying and testing related party transactions;
 - inspecting the board and other committee minutes;
 - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item;
- these audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- the assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation;
 - knowledge of the industry in which the client operates; and
 - understanding of the legal and regulatory requirements specific to the entity including, the provisions of the applicable legislation, the regulators rules and related guidance, including guidance issued by relevant authorities that interprets those rules and the applicable statutory provision;
- the team communications in respect of potential non-compliance with laws and regulations and fraud included the potential for fraud in revenue recognition, cut off of income and management override of controls; and
- in assessing the potential risks of material misstatement, we obtained an understanding of:
 - the company's operations, including the nature of its revenue sources, products and services to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risk of material misstatement; and
 - the company's control environment, including:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WOLVERHAMPTON HOMES LIMITED

- the policies and procedures implemented by the company to ensure compliance with the requirements of the financial reporting framework and relevant laws and regulations;
- the adequacy of procedures for authorisation of transactions; and
- procedures to ensure that possible breaches of law and regulations are appropriately resolved.

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

Use of our report

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

James McLarnon

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

Birmingham

Date

Wolverhampton Homes Limited
Company Limited by Guarantee
STATEMENT OF COMPREHENSIVE INCOME
for the year to 31 March 2023

	<i>Notes</i>	2023 £'000	2022 £'000
REVENUE	3	58,973	54,860
Operating costs	4	(66,887)	(61,869)
(LOSS) FROM OPERATIONS	4	(7,914)	(7,009)
Finance income	5	65	1
Finance costs	5	(1,356)	(1,564)
Depreciation	15	(41)	(41)
(LOSS) BEFORE TAXATION		(9,246)	(8,613)
Taxation	7	(18)	(30)
(LOSS) FOR THE YEAR	13	(9,264)	(8,643)

The (loss) from operations for the year arises from the Company's continuing operations.

The (loss) for the year is entirely attributable to its sole member (note 12).

	<i>Notes</i>	2023 £'000	2022 £'000
(Loss) for the year		(9,264)	(8,643)
OTHER COMPREHENSIVE GAIN, NET OF TAX			
Actuarial gain/ (loss) on defined benefit obligations	17	90,622	33,582
TOTAL COMPREHENSIVE PROFIT FOR THE YEAR		81,358	24,939

The total comprehensive profit/(loss) for the year is entirely attributable to its sole

Wolverhampton Homes Limited
Company Limited by Guarantee
STATEMENT OF COMPREHENSIVE INCOME
for the year to 31 March 2023

member (note 12).

Wolverhampton Homes Limited
Company Limited by Guarantee
STATEMENT OF CHANGES IN EQUITY
for the year to 31 March 2023

	Retained earnings	Retained earnings
	£'000	£'000
BALANCE AT 1 APRIL 2021		(62,389)
Loss for the year	(8,643)	
Other comprehensive loss, net of tax:		
Actuarial gain on defined benefit obligations	33,582	
	<u> </u>	
TOTAL COMPREHENSIVE GAIN FOR THE YEAR		<u>24,939</u>
BALANCE AT 31 MARCH 2022		(37,450)
Loss for the year	(9,264)	
Other comprehensive gain, net of tax:		
Actuarial gain on defined benefit obligations	90,622	
	<u> </u>	
TOTAL COMPREHENSIVE GAIN FOR THE YEAR		<u>81,358</u>
BALANCE AT 31 MARCH 2023		<u><u>43,908</u></u>

The total comprehensive profit/(loss) for the year is entirely attributable to its sole member (note 12).

	<i>Notes</i>	2023 £'000	2022 £'000
ASSETS			
NON CURRENT ASSETS			
Land and Buildings	15	2,518	2,560
Right of Use Assets - Land and Buildings	16	136	519
Right of Use Assets - Motor Vehicles	16	1,211	1,899
Retirement Benefit – Net Asset	17	38,094	-
CURRENT ASSETS			
Trade and other receivables	9	9,655	8,661
Cash and cash equivalents	8	3,012	3,705
		<u>54,626</u>	<u>17,344</u>
TOTAL ASSETS			
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	(9,251)	(6,777)
Lease liabilities	16	(335)	(21)
Current tax liabilities	11	(18)	(30)
		<u>(9,604)</u>	<u>(6,828)</u>
NON-CURRENT LIABILITIES			
Lease Liabilities	16	(1,114)	(2,560)
Retirement benefit obligations	17	-	(45,404)
		<u>(1,114)</u>	<u>(45,404)</u>
TOTAL LIABILITIES			
		<u>10,718</u>	<u>(54,792)</u>
NET ASSETS/LIABILITIES			
		<u>43,908</u>	<u>(37,450)</u>
EQUITY			
Retained earnings	13	43,908	(37,450)
Fixed asset reserve			
		<u>43,908</u>	<u>(37,450)</u>
TOTAL EQUITY			
	13	<u>43,908</u>	<u>(37,450)</u>

The financial statements and notes on pages 23 to 60 were approved by the Board and authorised for issue on **xx month 2023** and are signed on its behalf by:

Date xx month 2023

Director –

Date xx month 2023

Director – Shaun Aldis

Wolverhampton Homes Limited
Company Limited by Guarantee
STATEMENT OF CASH FLOWS
for the year to 31 March 2023

	<i>Notes</i>	2023 £'000	2022 £'000
OPERATING ACTIVITIES			
Cash utilised by operations	14	(758)	(1,355)
Taxation paid		-	-
		<u> </u>	<u> </u>
NET CASH UTILISED BY OPERATING ACTIVITIES		(758)	(1,355)
INVESTING ACTIVITIES			
Interest received		65	1
Fixed Assets acquisition		-	(185)
		<u> </u>	<u> </u>
NET CASH FROM INVESTING ACTIVITIES		65	(184)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(693)	(1,539)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		3,705	5,060
		<u> </u>	<u> </u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	14	3,012	3,705
		<u> </u>	<u> </u>

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with UK-adopted International Financial Reporting Standards and IFRIC interpretations (“IFRS”) and the requirements of the Companies Act applicable to companies reporting under IFRS.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below.

REVENUE RECOGNITION

Revenue is recognised when revenue and associated costs can be measured reliably, and future economic benefits are probable. Revenue is measured at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Revenue from services is recognised on a time-apportioned basis by reference to the provision of services set out in the Management Agreement.

Sales of goods are recognised when goods are delivered, and title has passed. Delivery occurs when the products have arrived at the specified location, and the risks and rewards of ownership have been transferred to the customer.

Interest income is accrued on a time-apportioned basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount.

GOING CONCERN

The accounts are prepared on a going concern basis. Directors perform a going concern assessment annually prior to the approval of the financial statements, taking into account all available information about the foreseeable future. This includes cash flow forecasts, contracts with suppliers and confirmation of continued support from the council Directors including future funding commitment.

AGENCY ARRANGEMENTS

Income and expenditure is included in the Income Statement where the Company is acting as principal and bears the risks and rewards associated with those arrangements, rather than acting as an agent.

EXCEPTIONAL ITEMS

Exceptional items are those items that in the Directors’ view are required to be separately disclosed by virtue of their size or incidence to enable a full understanding of the Company’s financial performance.

LEASES

Wolverhampton Homes recognise a right-of-use asset and related lease liability in connection with all former operating leases with the exception of those leases with a remaining lease term of less than 12 months from the date of initial application.

Depreciation is applied to right-of-use assets on a straight-line basis from date of transition for existing leases or lease commencement date for leases entered into within the current financial year. Portfolio application is applied to leases with similar characteristics. Vehicle leases of the same length are grouped together, Private Sector Leasing property leases are also grouped together based on year of lease termination. These leases are grouped as they have similar characteristics and the effects of applying the portfolio approach is not considered material to the financial statements.

At commencement, the lease liability is initially measured at the present value of the lease payments payable over the lease term. This is discounted at the rate implicit in the lease. Interest rates implicit in Wolverhampton Homes leases is not readily determinable due to a lack of information therefore the green book treasury discount rate of 3.5% has been used.

FIXED ASSETS – Buildings

The fixed assets held by the company consist of 19 properties that are let to private renters. These are included in the Statement of Financial Position initially at cost and depreciated annually. The depreciation is calculated on a straight line by component. The depreciation period is based on the expected life of the component varying from 20 years for a kitchen, 60 years for a roof and residual structure of 100 years. An impairment review is performed annually to determine whether an impairment is required.

PENSION CONTRIBUTIONS

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each year end.

Actuarial gains and losses arising are recognised directly in other comprehensive income in the period in which they arise. Past service costs are recognised as an expense on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits have already vested, the cost is recognised immediately in profit or loss.

An asset or liability is recognised equal to the present value of the defined benefit obligation, adjusted for unrecognised past service costs, and reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the lower of the asset, and any unrecognised past service cost plus the present value of available refunds or reductions in future contributions to the plan.

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

Gains and losses on curtailments/settlements are recognised when the curtailment/settlement occurs.

TAXATION

The tax expense represents the sum of the current tax expense and deferred tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from accounting profit as reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction which affects neither the taxable profit nor the accounting profit.

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when the Company has become a party to the contractual provisions of the instrument.

Financial assets

Trade receivables

Trade receivables are classified as receivables and are initially recognised at fair value. They are subsequently measured at their amortised cost using the effective interest method less any provision for impairment. A provision for impairment is made where there is objective evidence, (including customers with financial difficulties or in default on payments), that amounts will not be recovered in accordance with original terms of the agreement. The impairment allowances are recognised on a forward-looking basis after an incurred loss event. The carrying value of the receivable is reduced through the use of an allowance account and any impairment loss is recognised in profit or loss.

Cash and cash equivalents/liquid resources

Cash and cash equivalents comprise cash at bank and in hand and other short-term deposits held by the Company with maturities of less than three months. These are measured at amortised costs.

Bank overdrafts, where applicable, are presented within current liabilities.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Trade payables

Trade payables are initially recognised at fair value and subsequently at amortised cost using the effective interest method.

Income Taxes

Tax for the current period is recognised as a liability to the extent that it has not yet been settled or an asset to the extent that the amounts already paid exceed the amounts due. Deferred tax is recognised as an asset. Measurement is at the rate expected to be paid to or recovered from HMRC.

Events after Balance Sheet Date

Events after the reporting period are considered by management with the financial statements being updated for adjusting events. Non adjusting events are disclosed where appropriate with an estimate of the financial impact or statement that a reasonable estimate is not possible.

ADOPTION OF INTERNATIONAL FINANCIAL REPORTING AND ACCOUNTING STANDARDS

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs")

Standards adopted early by the Company

The Company has adopted amendments to IAS16 Property, Plant and Equipment for the year to 31 March 2023.

Standards issued as at 31 March 2023 but not yet adopted

At the date of authorisation of these financial statements the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

New Standards

IFRS 17 Insurance Contracts

Effective Date

01 January 2022

This standard will not have a material impact on the financial statements.

1 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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.

Critical accounting estimates and assumptions

The Company 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:

- the assumptions underpinning the pension scheme valuation resulting in a pension asset of £38.1 million. see Note 17 for details of the sensitivities on key assumptions;
- the assumptions and estimates used to calculate depreciation. This is based on cost and expected life of replacement components;
- An estimate of credit losses of £196,000 (2022: £152,000) is included to cover potential non-payment of invoices. This is based on an assessment of outstanding invoices at 31 March 2023. See Note 9.

Critical areas of judgement

The following are the critical judgements, apart from those involving estimations (see above) that the directors have made in the process of applying the entity's accounting policies and that have a significant effect in the amounts recognised in the financial statements:

- The company owns 19 properties purchased to provide market rental housing. Directors consider that these 19 properties should be treated as fixed assets in line with the strategic nature of the acquisition. See Note 15.
- Due to changes in financial assumptions the IAS19 actuary report at 31st March 2023 is showing the local government pension scheme to have moved from an overall liability to a surplus position. This is recognised as an asset on the balance sheet as it is considered that there is an economic benefit available as a reduction in future contributions. There are no restrictions on the economic benefit which can be realised through a reduction in contributions, and this has been calculated in line with the provisions of IFRIC 14.

2 FINANCIAL RISK MANAGEMENT

The Company's Audit and Business Assurance Committee is responsible for reviewing the risk register and for risk management within the Company,

including financial risks. Risks are also reviewed on a regular basis at service level within Directorates and the key risks identified are kept under review by the Senior Management Team.

Monitoring exposures to financial risks forms a key part of the Company's overall risk management processes. Exposure to financial risks are monitored by the Company's Financial Management team who are required to produce monthly budget updates that include forecasts of likely expenditure and income levels and the highlighting of key risks and their potential impact on the finances of the Company.

Risk Register reports are provided to the Audit and Business Assurance Committee on a quarterly basis. The Risk Register is regularly discussed by the Senior Management team to ensure that the risk mitigation procedures are compliant with the Company policy and that any new risks are appropriately managed.

2 FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk and credit risk

Management's objective is to meet the Company's liabilities as they fall due whilst maintaining sufficient headroom to enable the Board to react to unexpected changes in market conditions. The Company is largely dependent on its largest customer, the Council, which represents 97.1% (2022: 96.0%) of its total turnover in order to maintain the necessary cash headroom to operate effectively. Payments of management fee are agreed in advance with the Council each year to ensure that there is sufficient money coming in to cover the obligations to pay staff and creditors as payments become due.

The management fees are fixed every twelve months, with the longer-term levels of management fee set indicatively within the Council's HRA business plan. Based on the Government's current housing subsidy levels and forecast future rent income levels the Company can be assured that management fee levels going forward beyond the current year will be consistent with those currently payable. The Company is also assured in the assessment by its Directors that it is a going concern by the fact that its current management agreement runs to 31 March 2028.

The Management fee from the Council is receivable monthly by Wolverhampton Homes Limited. Wolverhampton Homes Limited assesses its cash flow requirements based on its own cash flow modelling and places surplus funds on no-notice deposits. In order to mitigate against the risk of bank default, the Company places funds with highly rated banks, taking account of advice on credit risk from the City Council.

Wolverhampton Homes Limited is exposed to liquidity and credit risk principally in the event that the Council were to experience cash flow difficulties in paying the Company its management charge. Based on the Council's own high credit rating this is assessed to be a very unlikely scenario of low risk.

Credit risk, although assessed as low, arises predominantly from trade receivables (principally the Council).

Whilst the Council is the Company's largest customer, the Company has other customers. Credit exposure is managed on an individual customer basis. Company policy is to assess the credit quality of each customer internally before accepting any terms of trade. The credit quality of customers is high. Internal procedures take into account the customers' financial position as well as their reputation within the industry and past payment experience. These procedures are applied to trade receivables.

There are no borrowings in place.

2 FINANCIAL RISK MANAGEMENT (continued)

Reserves

Wolverhampton Homes sets a minimum reserve level of 3% of the turnover to manage the risks facing the Company. To put this in context, this would be equivalent to a minimum reserves base level of £1.7 million based on a turnover of £58 million. The key financial risks to the annual budget are assessed as errors in estimating the impact of inflation, errors in estimating revenue budget levels and costs arising from the impact of unplanned events.

Beyond the issue of the need to hold reserves to manage the unforeseen, reserves are also important at the current time in terms of our medium-term financial strategy.

The key medium-term financial issue for the Company at the present time has been managing within the constraints of the management fee while experiencing both increased demand and high levels of inflation. The Company has been intent on making efficiencies and streamlining processes to minimise any impact on tenant services.

The contingency element represents a level of reserves as an absolute minimum below which it would not be prudent for the Company to go. With the contingency element for 2023-2024 £1.7 million based on 3% of budgeted turnover, reserves at 31st March 2023 are above the minimum at £3.3 million (see note 13).

This takes account of allocating funding for one-off expenditure and inflation. In the context of a balanced budget the availability of funds for one off items and to invest to save is particularly important.

2 FINANCIAL RISK MANAGEMENT (continued)

Maturity analysis

The table below analyses the Company's financial liabilities on a contractual gross undiscounted cash flow basis into maturity groupings based on amounts outstanding at the reporting date up to the contractual maturity date.

Liabilities – 2023	Within 6 months £'000	6 months - 1 year £'000	1 to 5 years £'000	Over 5 years £'000	Total £'000
Trade and other payables	9,251	-	-	-	9,251
Lease liabilities	-	68	1,381	-	1,449
Current tax liabilities	-	18	-	-	18
	9,251	86	1,381	-	10,718

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

Assets – 2023	Within 6 months £'000	6 months - 1 year £'000	1 to 5 years £'000	Over 5 years £'000	Total £'000
Cash at bank and on hand	3,012	-	-	-	3,012
Trade and other receivables	9,543	-	-	-	9,543
Owned properties leased	-	-	840	185	1,025
Leased properties sublet	-	80	77	-	157
	12,555	80	917	185	13,737

The Company would normally expect that sufficient cash is generated in the operating cycle to meet the contractual cash flows as disclosed above through effective cash management.

2 FINANCIAL RISK MANAGEMENT (continued)

Liabilities – 2022

	Within 6 months £'000	6 months - 1 year £'000	1 to 5 years £'000	Over 5 years £'000	Total £'000
Trade and other payables	6,807	-	-	-	6,807
Lease Liabilities	-	21	2,218	342	2,581
Current tax liabilities	-	30	-	-	30
	6,807	51	2,218	342	9,418

Assets - 2022

	Within 6 months £'000	6 months - 1 year £'000	1 to 5 years £'000	Over 5 years £'000	Total £'000
Cash at bank and on hand	3,705	-	-	-	3,705
Trade and other receivables	8,482	-	-	-	8,482
Owned property leased	-	-	819	352	1,172
Leased properties sublet	-	169	309	5	483
	12,187	169	1,128	357	13,842

The Company would normally expect that sufficient cash is generated in the operating cycle to meet the contractual cash flows as disclosed above through effective cash management.

Interest rate risk

The Company's interest rate risk is limited to the floating rate that it earns on its deposits with its bankers, which broadly tracks base rates, dependent on the amount on the Company's reserve account.

2 FINANCIAL RISK MANAGEMENT (continued)

The table below shows the Company's financial assets and liabilities split by those bearing fixed and floating rates and those that are non-interest bearing:

Assets - 2023	Floating rate £'000	Non-interest bearing £'000	Total £'000
Cash and cash equivalents	2,984	28	3,012
Trade and other receivables		9,543	9,543
	2,984	9,571	12,555
Liabilities - 2023	Floating rate £'000	Non-interest bearing £'000	Total £'000
Trade and other payables	-	6,982	6,982
Lease liabilities	1,381	68	1,449
	1,381	7,050	8,431
Assets - 2022	Floating rate £'000	Non-interest bearing £'000	Total £'000
Cash and cash equivalents	3,680	25	3,705
Trade and other receivables	-	8,482	8,482
	3,680	8,507	12,187
Liabilities - 2022	Floating rate £'000	Non-interest bearing £'000	Total £'000
Trade and other payables	-	4,844	4,844
Lease liabilities	2,560	21	2,581
	2,560	4,865	7,425

2 FINANCIAL RISK MANAGEMENT (continued)

Credit risk

The Company's maximum exposure to credit risk, gross of any collateral held, relating to its financial assets is equivalent to their carrying value as disclosed below. All financial assets have a fair value which is equal to their carrying value.

		2023	2022
		£'000	£'000
<i>Maximum exposure to credit risk</i>			
Trade and other receivables	- Council	8,727	7,728
	- Other	928	933
Cash and cash equivalents	- Bank	3,012	3,705
		12,667	12,366
		12,667	12,366

Capital management

The Company's main objective when managing capital is to ensure that it maintains sufficient capital to ensure that the Council's tenants continue to receive an excellent housing management service from the Company. The level of management fee agreed with the Council annually in respect of the Management Agreement and the Company's level of operating efficiency are the principal determinants of the level of equity that the Company is able to retain. As a Company limited by guarantee, the only equity/capital of the Company is represented by its retained earnings reserves.

The Company has no debt. The Company does not have any externally imposed capital requirements and has not made any changes to its capital management during the year. Wolverhampton Homes as a not for profit organisation is not driven to make a surplus but for fulfilment of the Company priorities. Following the establishment of the Company as part of the Management Agreement the Company has to provide for all its own risks and costs of inflation risks and unforeseen events and this is important for the future viability of the Company.

3 REVENUE

Income was generated wholly within the United Kingdom and derived from the Company's principal activity of housing management. The Company considers that it derives its revenue from this one segment.

4 (LOSS) FROM OPERATIONS	2023 £'000	2022 £'000
(Loss) from operations is stated after charging:		
Inventories		
- amount charged (to operating costs)	3,468	3,568
Auditor's fees:		
- audit services: Grant Thornton UK LLP	37	31
- taxation: RSM UK Tax and Accounting Limited	4	4
Rentals payable under leases	1,166	1,571
	<u> </u>	<u> </u>
The following table analyses the nature of expenses:		
Staff costs	33,703	33,274
Repairs and maintenance	22,866	20,629
Other housing management costs	5,997	3,903
Corporate	2,299	1,861
Information technology	1,851	1,777
Other	171	425
	<u> </u>	<u> </u>
Total expenditure (excluding finance costs)	66,887	61,869
	<u> </u>	<u> </u>

During the year, the Company impaired certain financial assets classified as loans and receivables. Further details are provided in Note 9. No interest was generated on impaired financial assets in either the current or preceding financial years.

Wolverhampton Homes Limited
Company Limited by Guarantee
NOTES TO THE FINANCIAL STATEMENTS
for the year to 31 March 2023

5	FINANCE INCOME AND COSTS	2023 £'000	2022 £'000
	Other interest receivable	65	1
		<u>65</u>	<u>1</u>
		2023 £'000	2022 £'000
	Pension finance costs	(1,304)	(1,483)
	Amortisation of lease liability	(52)	(81)
		<u>(1,356)</u>	<u>(1,564)</u>

6	STAFF AND STAFF COSTS	2023 No.	2022 No.
	The average monthly number of persons employed by the Company during the period was:		
	Housing Management	82	146
	Property Services	302	311
	Estates Services	65	74
	Support Services	118	62
	Housing Options	86	83
		<u>653</u>	<u>676</u>
		<u>653</u>	<u>676</u>

The total number of staff in 2023 includes 6 new apprentices, work placements and trainees.

		2023 £'000	2022 £'000
	Wages and salaries	21,768	20,828
	Social security costs	2,265	2,035
	Other pension costs	9,670	10,410
		<u>33,703</u>	<u>33,273</u>
	Total expenditure	<u>33,703</u>	<u>33,273</u>

The remuneration paid to the Directors of the Company (including pension contributions and benefits in kind) for management services was £Nil (2022: £Nil). The total of directors' pension contributions was £Nil (2022: £Nil).

7 TAXATION	2023 £'000	2022 £'000
ANALYSIS OF CHARGE IN YEAR:		
Current tax:		
UK – Current year	18	30
	<u> </u>	<u> </u>
Current tax reconciliation:		
The tax assessed for the years differs from the standard rate of corporation tax as follows:		
(Loss) before tax	(9,264)	(8,614)
	<u> </u>	<u> </u>
Tax at the standard rate of corporation tax 19% (2021: 19%)	(1,760)	(1,636)
Effect of non-trading activities with member not subject to corporation tax	1,742	1,606
	<u> </u>	<u> </u>
	(18)	(30)
	<u> </u>	<u> </u>

The Company is a wholly owned subsidiary of the Council, and the majority of income is derived from services provided to the Council. HM Revenue and Customs has confirmed that transactions between ALMOs and their Councils do not amount to trading and, accordingly, any surplus or deficit arising thereon is outside the scope of corporation tax. As a result of this, the effective rate of tax is nil% (2022: nil%), which is lower than the standard UK rate of 19 % (2022: 19%).

8 FINANCIAL INSTRUMENTS

2023	Loans and receivables £'000
Current financial assets	
Trade and other receivables (less prepayments)	9,543
Cash and cash equivalents	3,012
Total	<u>12,555</u>
2023	Trade and other payables £'000
Current financial liabilities	
Trade and other payables	6,982
Lease liabilities	<u>1,449</u>
	<u>8,431</u>
2022	Loans and receivables £'000
Current financial assets	
Trade and other receivables (less prepayments)	8,482
Cash and cash equivalents	3,705
Total	<u>12,187</u>
2022	Trade and other payables £'000
Current financial liabilities	
Trade and other payables	4,844
Lease liabilities	<u>2,581</u>
	7,425



9 TRADE AND OTHER RECEIVABLES

	2023 £'000	2022 £'000
Trade receivables	9,537	8,471
Other receivables	6	11
Prepayments	112	180
	<u>9,655</u>	<u>8,662</u>

The average credit period taken on provision of services is 60 days (2022: 58 days). All trade and other receivables are denominated in sterling.

An impairment review has been undertaken at the year end to assess whether the carrying amount of financial assets is deemed recoverable. The primary credit risk relates to amounts due outside of their credit period. A provision for impairment is made on an expected loss basis taking into account historical default rates and applying to future losses. No provision for impairment has been made against any amounts due from the Council at 31 March 2023 or 2022.

The following table provides analysis of trade and other receivables (including amounts due from the Council) that were due at 31 March, but not impaired. The Company believes that the balances are ultimately recoverable based on a review of past payment history and the current financial status of the customers and the operating environment.

	2023 £'000	2022 £'000
Up to three months	1,602	247
Up to six months	77	138
Between six months and a year	2	40
	<u>1,681</u>	<u>425</u>

9 TRADE AND OTHER RECEIVABLES (continued)

The movement in the allowance account was as follows:

	2023 £'000	2022 £'000
Opening balance as at 1 April	152	146
Provision for receivables impairment	44	6
	<u>196</u>	<u>152</u>
Closing balance as at 31 March	<u>196</u>	<u>152</u>

10 TRADE AND OTHER PAYABLES

Trade and other payables are as follows:

	2023 £'000	2022 £'000
Accruals and deferred income	6,365	4,267
Other tax and social security	2,287	1,933
Other payables	617	577
	<u>9,269</u>	<u>6,777</u>
	<u>9,269</u>	<u>6,777</u>

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 35 days (2022: 25 days).

The increase in accruals compared with 2022 is due to the timing of invoicing for capital recharges by the Council for services received in 2023.

All trade and other payables are denominated in sterling.

The directors consider that the carrying amount of trade and other payables approximates to their fair value.

11 CURRENT TAX LIABILITIES

	2023 £'000	2022 £'000
Taxation	18	30
	<u>18</u>	<u>30</u>

The current tax liability is measured at the amount expected to be paid to HMRC and relates to the accounting period.

12 COMPANY LIMITED BY GUARANTEE

The Company is limited by guarantee, incorporated in the United Kingdom, and is governed by its memorandum and articles of association. The guarantor is its sole member, Wolverhampton City Council, St Peter's Square, Wolverhampton, WV1 1RL (see note 18) as listed in the Company's Register of Members. The

liabilities in respect of the guarantee are set out in the memorandum of association and are limited to £1 per member of the Company.

Wolverhampton Homes Limited
Company Limited by Guarantee
NOTES TO THE FINANCIAL STATEMENTS
for the year to 31 March 2023

13	RESERVES	2023 £'000	2022 £'000
	Retained Earnings		
	1 April	(37,450)	(62,389)
	Retained loss for the year	(9,264)	(8,643)
	Actuarial gain/(loss) (note 17)	90,622	33,582
		<hr/>	<hr/>
	At 31 March	43,908	(37,450)
		<hr/> <hr/>	<hr/> <hr/>
		2023 £'000	2022 £'000
	Analysed as:		
	Profit and loss reserve (excluding pension liability)	3,296	5,394
	Fixed Asset Reserve	2,518	2,560
	Pension Benefit Reserve	38,094	(45,404)
		<hr/>	<hr/>
		43,908	(37,450)
		<hr/> <hr/>	<hr/> <hr/>
	The profit and loss reserve is retained to provide contingency and working capital and the fixed asset reserve to reflect the value of the assets. The pension benefit reserve reflects the economic benefit of the pension asset.		
14	CASH FLOWS	2023 £'000	2022 £'000
	Reconciliation of (loss) from operations to net cash generated (utilised by) operating activities		
	(Loss) from operations	(7,914)	(7,009)
	Pension contributions paid in period (note 17)	(3,851)	(3,643)
	Pension contributions charged in the period (note 17)	9,673	10,227
	Decrease/(Increase) in trade and other receivables	(1,060)	(263)
	(Decrease)/Increase in trade and other payables	2,460	(481)
	Movement in Fixed assets	-	(185)
		<hr/>	<hr/>
	Net cash (utilised by) operating activities	(693)	(1,355)

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14 CASH FLOWS (continued)

For 2022-2023 there were no significant non-cash transactions.

*CASH AND CASH
 EQUIVALENTS*

Cash and cash equivalents
 represent:

	2023 £'000	2022 £'000	2021 £'000
Cash at bank	3,012	3,705	5,060

15 OWNED PROPERTIES

The company owns 19 properties that were purchased in 2021 and 2022.
 These are valued at cost and depreciated annually.

	2023 £'000	2022 £'000
Land and Buildings held at cost		
Brought forward Balance	2,620	2,435
Additions in year	<u>-</u>	<u>185</u>
	2,620	2,620
Depreciation		
Brought forward Balance	(61)	(20)
Charge in year	<u>(41)</u>	<u>(41)</u>
Total depreciation	(102)	(61)
Balance at 31 st March	<u>2,518</u>	<u>2,559</u>

The Company leases the properties to support the council's housing strategy
 by providing high quality homes to rent.

Wolverhampton Homes Limited
Company Limited by Guarantee
NOTES TO THE FINANCIAL STATEMENTS
for the year to 31 March 2023

16 COMMITMENTS
UNDER LEASES

Right of Use Assets	Land and Buildings £'000	Land and Buildings £'000	Motor Vehicles £'000	Total £'000
Balance at 1 April 2022	519		1,899	2,418
Depreciation charge for the year	(140)		(545)	(685)
Additions in year	-		-	-
Disposals in year	(243)		(143)	(386)
Balance at 31 March 2023	136		1,211	1,347
Total value of lease commitments	Land and buildings 2023 £'000	Land and buildings 2022 £'000	Motor Vehicles 2023 £'000	Motor Vehicles 2022 £'000
Expiry of lease:				
Within 1 year	68	287	267	524
Between 2 – 5 years	75	463	1,039	1,842
After 5 years	-	-	-	176
Total undiscounted lease liabilities at 31 March 2023	143	750	1,306	2,544
Lease Liabilities included in the statement of financial position at 31 March 2023	206	666	1,354	1,915
Current	68	21	267	-
Non-Current	75	645	1,039	1,915
	143	666	1,306	1,915

Amounts recognised in statements of comprehensive income

	2023 £'000	2022 £'000
Interest on lease liabilities	52	81
Expenses relating to short-term leases	30	64

Amounts recognised in statement of cash flows

	2023	2022
	£'000	£'000
Total cash outflow for leases	1,166	1,571

The lease right of use asset and lease liabilities included in the statement of financial position consist of 1 office building leases (2022:2), 20 private sector property leases (2022:37) and 120 vehicle leases (2022:124). The private sector properties leases are in turn sub-leased by Wolverhampton Homes.

The undiscounted lease liabilities are provided to demonstrate the actual lease expenses payable in year.

17 RETIREMENT BENEFIT OBLIGATIONS

Defined benefit plan

The Company is a scheduled member into the Local Government Pension Scheme. This is a funded defined benefit scheme. Employees are eligible to join the Local Government Pension Scheme subject to certain qualifying criteria. The pension costs that are charged to the Company's accounts in respect of those employees are equal to contributions paid to the fully funded benefit pension scheme.

The agreed employer's contribution rate for 2022-2023 was 19.2% (2021-2022: 19.2%) of pensionable earnings. The rate for 2023-2024 will be 13.4% made up of a primary rate of 22.6% plus the equivalent of a reduction of 9.2%, representing deficit funding over recovered. The employees' contribution rate is tiered starting at 5.5% for employees earning below £12,900 and rising to 7.5% for employees earning over £81,101.

The pension contributions made by the Company for the year were £3,851,000 (2022: £3,643,000).

The pension cost is assessed every three years in accordance with the advice of a qualified independent actuary. The date of the last full valuation was 31 March 2022.

At the year-end there were outstanding contributions of £450,000 (2022: £475,000), included within Other Payables in Note 10.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 31 March 2023 for the purposes of the IAS 19 valuation for inclusion in these financial statements by a registered actuary engaged by Hymans Robertson LLP. The present values of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method.

Key assumptions used:	Valuation at	
	2023	2022
	%	%
Discount rate (used for calculation of future liabilities)	4.75	2.70
Expected rate of salary increases	3.95	4.20
Future pension increases	2.95	3.20
Rate of Consumer Price Index ("CPI")	2.95	3.20

17 RETIREMENT BENEFIT OBLIGATIONS (continued)

Mortality rate assumptions are based on publicly available data in the UK. The average life expectancy for a pensioner retiring at 65 on the reporting date is:

	2023	2022
Male	19.9	21.2
Female	23.8	23.6

The average life expectancy for a pensioner retiring at 65, aged 45 at the reporting date:

Male	21.3	22.9
Female	25.1	25.4

The sensitivity of the overall pension liability to changes in the weighted principal assumptions is:

	Change in assumption	Overall impact on liability
Discount rate	Decrease of 0.1%	Decrease of £3,364,000
Pension increases	Increase of 0.1%	Increase of £2,846,000
Members' life expectancy	Increase of 1 year	Increase of £6,981,000

Amounts recognised in profit or loss in respect of these defined benefit schemes are as follows:

	2023	2022
	£'000	£'000
Current service cost	9,573	10,132
Interest cost	7,066	5,370
Administration expenses	100	95
Expected return on scheme assets	(5,762)	(3,887)
Past service cost including curtailments	-	-
	<u>10,977</u>	<u>11,710</u>

These amounts are recognised in operating cost, except for the interest cost and expected return on scheme assets which are recognised in finance income / costs (Note 5).

Actuarial gains and losses are reported in the statement of comprehensive income. The gain recognised in 2023 was £90,622,000 (2022: gain of £33,582,000), and the cumulative gain is £116,137,000 (2022: cumulative gain of £25,515,000).

17 RETIREMENT BENEFIT OBLIGATIONS (continued)

The actual return on scheme assets was £-409,000 (2022: £18,849,000).

The amounts included in the balance sheet arising from the Company's obligation in respect of defined benefit retirement schemes is as follows:

	2023 £'000	2022 £'000
Fair value of scheme assets	211,053	213,022
Present value of defined benefit obligations	(172,959)	(258,426)
Fair value adjustment	-	-
	<hr/>	<hr/>
Surplus (Deficit) in scheme	38,094	(45,404)
	<hr/> <hr/>	<hr/> <hr/>

All of the defined benefit plan obligations relate to funded schemes.

Analysis for reporting purposes:

	2023 £'000	2022 £'000
Non-current assets (liabilities)	38,094	(45,404)
	<hr/> <hr/>	<hr/> <hr/>

Movements in the present value of defined benefit obligations in the current period were as follows:

	2023 £'000	2022 £'000
At 1 April	258,426	265,092
Current service cost	9,673	10,227
Past service cost including curtailments	-	-
Interest cost	7,066	5,370
Actuarial gains/(losses)	15,372	397
Change in demographic assumptions	(11,914)	(1,457)
Change in financial assumptions	(101,363)	(18,204)
Contributions by plan participants	1,332	1,257
Benefits paid	(5,633)	(4,256)
	<hr/>	<hr/>
At 31 March	172,959	258,426
	<hr/> <hr/>	<hr/> <hr/>

17 RETIREMENT BENEFIT OBLIGATIONS (continued)

Movements in the fair value of scheme assets in the current period were as follows:

	2023 £'000	2022 £'000
At 1 April	213,022	194,173
Expected return on scheme assets	5,862	3,982
Actuarial gains/(losses)	(7,281)	14,318
Other actuarial gains	-	-
Administration expenses	(100)	(95)
Employer contributions	3,851	3,643
Employee contributions	1,332	1,257
Benefits paid	(5,633)	(4,256)
	<u>211,053</u>	<u>213,022</u>
At 31 March	<u>211,053</u>	<u>213,022</u>

The analysis of the scheme assets and the expected rate of return at the reporting date were as follows:

	Fair value of assets	
	2023 £'000	2022 £'000
Equity Instruments	116,360	114,883
Government Bonds	9,788	13,185
Other Bonds	22,678	34,653
Property	14,920	15,279
Cash/liquidity	5,073	8,366
Other assets	42,234	26,656
	<u>211,053</u>	<u>213,022</u>

17 RETIREMENT BENEFIT OBLIGATIONS (continued)

The five-year history of experience adjustments are as follows:

£'000	2023	2022	2021	2020	2019
Present value of defined benefit obligations	(174,519)	(258,426)	(265,092)	(195,933)	(200,512)
Fair value of scheme assets	212,613	213,022	194,173	161,693	160,634
Deficit in scheme	38,094	(45,404)	(70,919)	(34,240)	(39,878)
Experience adjustments on scheme liabilities	-	-	-	-	-
Experience adjustments on scheme assets	-	-	-	-	-

The estimated amount of contributions expected to be paid to the scheme during the financial year ending 31 March 2024 is £2,689,000 (2021: £3,624,000).

18 RELATED PARTY TRANSACTIONS

The Company's parent, ultimate parent and controlling party is Wolverhampton City Council.

Wolverhampton Homes Limited is an Arm's Length Management Organisation from the ultimate parent to run the management and maintenance function of the Council's homes and other buildings.

During the year, the Company supplied goods and services to Wolverhampton City Council totalling £57,271,000 (2022: £52,645,000) and purchased goods and services from the Council totalling £5,335,000 (2022: £4,574,000).

At 31 March 2023, included in Receivables is a total amount due from the Council of £8,485,000 (2022: £7,706,000) and included in Payables is a total amount due to the Council of £3,856,000 (2022: £2,012,000). The net balance owed to the Company by the Council was £4,629,000 (2022: £5,694,000 owed to the Company by the Council).

The amounts outstanding are unsecured, carry or bear no interest and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

18 RELATED PARTY TRANSACTIONS (continued)

Remuneration of key management personnel

The remuneration of the 20 (2022: 23) senior managers who are the key management personnel of the Company, is set out below in aggregate.

	2023 £'000	2022 £'000
Short-term employee benefits	1,429	1,592
Post-employment benefits	586	750
	<u>2,015</u>	<u>2,342</u>

Senior managers above include the executive management team and principal managers reporting to that team.

During the year the company also purchased goods or services from the below organisation; Wolverhampton Youth Zone. This registered charity has a director who was also a serving Board member of Wolverhampton Homes during the period.

	2023 £'000	2022 £'000
Wolverhampton Youth Zone	50	-

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The Draft Audit Findings for Wolverhampton Homes Limited

For the year ended 31 March 2023

Issue date: December 2023

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Dear Sirs

Audit Findings for Wolverhampton Homes Limited for the 31 March 2023

This Audit Findings presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process and confirmation of auditor independence, as required by International Standard on Auditing (UK) 260. Its contents will be discussed with the Audit Business Assurance Committee.

As auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of expressing our opinion on the financial statements. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify control weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might identify. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

We encourage you to read our transparency report which sets out how the firm complies with the requirements of the Audit Firm Governance Code and the steps we have taken to manage risk, quality and internal control particularly through our Quality Management Approach. The report includes information on the firm's processes and practices for quality control, for ensuring independence and objectivity, for partner remuneration, our governance, our international network arrangements and our core values, amongst other things. This report is available at www.grantthornton.co.uk/en/about-us/leadership-and-governance/transparency-report/

We would like to take this opportunity to record our appreciation for the kind assistance provided by the finance team and other staff during our audit.

Jim McLarnon

Director
For Grant Thornton UK LLP

Chartered Accountants

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Section 1: Introduction and status of the audit

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01. Introduction and status of the audit

02. Audit findings

03. Independence, ethics, fees and non-audit services

04. Additional insights

05. Appendices

Introduction and status of the audit

Engagement Lead introduction

The audit of the financial statements is substantially complete and pending receipt of the IAS 19 letter from the auditor of the West Midlands Pension Fund and resolution of an outstanding query in regard to recognition of a potential pension fund net surplus in year.

As a result of audit procedures performed to date, we have noted some none minor non-compliances with IFRS 15 and IFRS 9, which we do not anticipate will have a significant impact on the financial statements.

We have also noted that in the other information, no statement in compliance with s172 of the Companies Act had been included in the draft financial statements. It has been assessed that Wolverhampton Homes Limited meets the criteria for a large company and therefore the s172 statement is deemed to be required. The statement has been prepared by management and now forms part of the updated financial statements.

On page 15, we have reported three control recommendations. One relates directly to the company process for year end bank reconciliations while two are in relation to IT control findings identified at the City of Wolverhampton Council level but are indirectly relevant to Wolverhampton Homes as the ledger used is the same.

No material findings have been noted to date that influence the figures in the financial statements.

Recap of our audit approach

- Our final materiality is £1,371,500 (2022: £1,300,000) with our basis for materiality remaining consistent with the prior year.
- There have been no changes in our audit risk assessment

Changes in our audit strategy

- There has been no change in our audit strategy

Status of the audit

The table below can summarise our key outstanding areas:



- Pensions – we are awaiting response from the actuary to one query in relation to the recognition of the scheme surplus with management



- Receipt of the signed financial statements
- Receipt of the signed letter or representation
- Update of our post balance sheet events review to the date of sign off

Subject to satisfactory completion of the above points, we anticipate issuing a clean audit opinion.

Status

- Significant elements outstanding – high risk of material adjustment or significant change to disclosures
- Some elements outstanding – moderate risk of material adjustment or significant change to disclosures
- Not considered likely to lead to material adjustment or significant change to disclosures

Section 2: Audit findings

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01. Introduction and status of the audit

02. Audit findings

03. Independence, ethics, fees and non-audit services

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Our approach to materiality

As communicated in our Audit Plan dated 8 June 2023, we determined materiality at the planning stage based on gross Revenue. At year-end, we have reconsidered planning materiality based on the final financial statements. Materiality was not amended as no factors were identified that indicated a need to change materiality and the difference in calculation based upon draft 2022/23 financial statements was marginal.

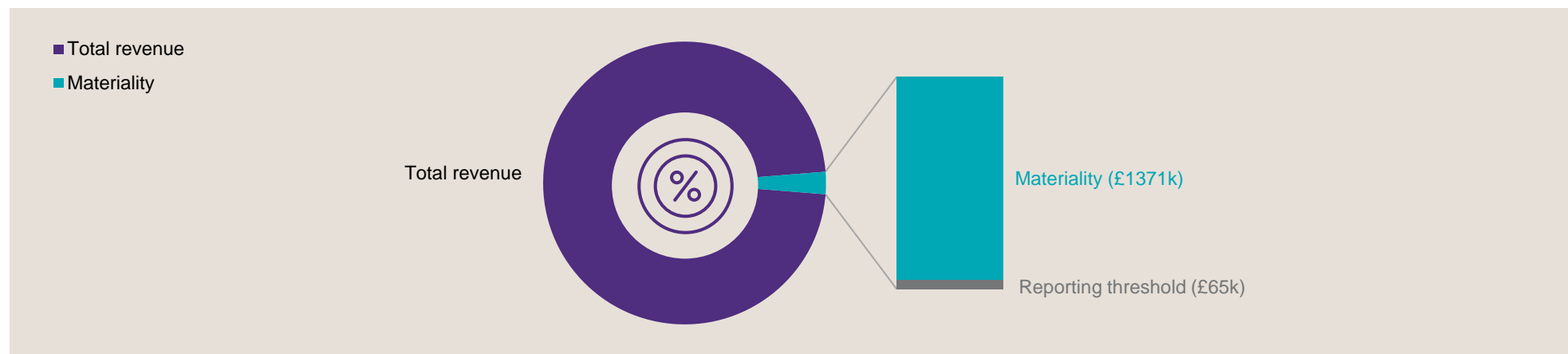
A recap of our approach to determining materiality is set out below.

Basis for our determination of materiality

- We have determined materiality at £1,372k based on professional judgment in the context of our knowledge of the entity, including consideration of factors such as owner expectations, industry developments, financial stability and reporting requirements for the financial statements.
- We have used 2.5% of total revenue as the basis for determining materiality.
- Revenue has been chosen as the benchmark as the purpose of the company is not profit orientated and therefore this is deemed less appropriate.
- The basis for calculating materiality in the prior period.

Reporting threshold

- We will report to you all misstatements identified in excess of £65k, in addition to any matters considered to be qualitatively material.



Significant risks

Management override of controls

Risk identified

Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities.

As an engagement team, we discussed the risk of fraud and identified journal entries and significant estimates as areas of potential management override of controls.

Audit procedures performed

Our audit procedures included:

- evaluating the design and implementation of relevant controls around the financial reporting process;
- challenging management's key judgements and estimates and considering whether these judgements and estimates are individually or cumulatively indicative of management bias;
- making inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity; and
- using our data analytic software ('Inflo') to interrogate journal entries, with particular focus on those journal entries that exhibited unusual characteristics. Once this is complete, a sample of high risk journal entries will then be tested to supporting documentation.

Key observations

No issues have been identified as a result of our journals work to address the significant risk of management override of control, in addition to this, we have concluded that there are no indications of management bias in estimates included in the financial statements. As part of our review of the IT general control environment, we have identified two findings which increase the risk of management override of controls, and these have been reported in further detail on pages 14 and 15.

Significant risks (continued)

Valuation of the pension fund

Risk identified

The company's employees are included in the local government pension schemes (LGPSs), which is a defined benefit scheme. Under IFRS, the company is required to carry out an actuarial valuation of the assets and liabilities of these schemes on an annual basis and to include the net amount in the year-end financial statements. The company's pension fund net liability/ surplus, represents a significant estimate due to the size of the numbers involved and the sensitivity of the estimate to changes in key assumptions.

As a result of improving funding levels and changes in the underlying assumptions, many Local Government Pension Schemes are reporting a surplus of assets over liabilities for the first time in 2023. IFRS sets out the criteria for recognition of such surpluses as assets and states that this can only be recognised where future economic benefits are available to the entity, in the form of a reduction in future contributions or a cash refund. This represents a novel and complex accounting area that requires management judgement and expertise, and further increases the risk in relation to the estimate.

Audit procedures performed

Our audit procedures included:

- Assessing the competence, capabilities and objectivity of the actuary who carried out the pension fund valuation
- Assessing the accuracy and completeness of the information provided by the entity to the actuary to calculate the estimate
- Testing the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial reports from the actuary
- Undertook procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of our internal actuary (as auditor's expert) and performing any additional procedures suggested within the report;
- Performed analytical procedures on scheme assets and liabilities
- Obtained assurance from the auditor of the pension fund in relation to the controls regarding fund asset valuation – currently outstanding
- Consideration of management's assessment in relation to the recognition of a net surplus on the pension fund at 31 March 2023

Key observations

As a result of work undertaken on the defined benefit pension scheme, we have identified the following matters:

- Benefits paid figures used by the actuary in the IAS 19 report were £1,560k less than actual benefits paid information, as provided by the West Midlands Pension Fund. As this amount is material to Wolverhampton Homes Limited, an adjustment has been made to reduce the pension fund asset and liability by £1,560k
- An adjustment has been made to recognise a non-current asset of £38,094k in relation to pension fund surplus as the company are entitled to economic benefit through a reduction in future contributions. As noted on page 5, we are currently awaiting response from the actuary to one query in relation to the IFRIC 14 asset ceiling calculation undertaken by the actuary, which may impact on this amount; and
- Work performed by the auditors of West Midlands Pension Fund identified a total understatement of £17,203k in the assets of the pension fund at 31 March 2023, Wolverhampton Homes form approximately 1.107% of the West Midlands Pension Fund's total assets and therefore this equates to c.£190k estimated understatement. As the amount is immaterial, no adjustment is required however as it is above our triviality threshold, we are obliged to report this to those charged with governance.

Significant risks (continued)

The revenue cycle includes fraudulent transactions

Risk identified

Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue.

The risk of fraud in the management fee has been rebutted as this provides limited opportunity for manipulation and as such the management fee element of revenue does not present a significant risk. We have not rebutted this risk for other external sources of income received by the company.

Audit procedures performed

Our audit procedures included:

- Reviewing and testing of revenue recognition policies
- Documenting our understanding of the controls in place around revenue recognition
- Performance of substantive testing, agreeing sample items from the ledger to supporting information of provision of services and evidence of receipt.

Key observations

No issues have been identified as a result of audit procedures performed in relation to the significant risk of fraud in revenue recognition.

Other risks identified

Risk identified

Non-pay expenses

The use of estimates in accruals for un-invoiced costs presents a risk of error.

Audit procedures

Our audit procedures included:

- Substantive testing of a sample of expenditure transactions within the financial year
- Review of the calculation of significant accruals and other liabilities, including agreement to supporting documentation
- Review of payments made after the year end date for potential unrecorded liabilities

Key observations

No issues have been identified as a result of audit procedures performed in relation to non-pay expenditure.

Other findings - Going Concern

Going concern commentary

Management's assessment process

We obtained management's letter of going concern which sets out the basis on which the Directors conclude that the company is a going concern, namely:

- The Business Plan 2019-2023
- Cash flow forecasts showing ample headroom; and
- Financial support guaranteed by the parent entity, City of Wolverhampton Council.

Auditor commentary

We consider the basis of management's assessment to be appropriate and note that this covers at least 12 months from the anticipated signing date.

The base case cash flow forecast shows that the company will have cash headroom of between £4.8m and £529k within the going concern assessment period. This relies on the continued support of City of Wolverhampton Council of which has been provided in a management letter from the parent organisation. We are satisfied that for the purpose of management's assessment, this can be relied on as the Council have sufficient resources to honour this commitment.

Current trading performance vs forecast is considered to be favourable and provides assurance over the accuracy of management's ability to forecast.

The assumptions applied in the forecast are deemed to be reasonable and in line with our understanding of the entity and wider economy, in relation to areas such as payroll increase and general inflation.

Management have not performed a sensitivity analysis or reverse stress test on the forecast as this is not deemed necessary based on their understanding of the nature of the business. We have therefore performed our own analysis to corroborate this and are satisfied that the forecast is resilient to reasonably possible downside scenarios, and likewise a change in assumption required to effectively break the model and reduce cash headroom to nil is remote.

Concluding comments

Auditor commentary

No issues have been identified from our review of management's assessment of going concern, we are satisfied that this is appropriate in the context of a funded ALMO and demonstrates that the company will have sufficient headroom to meet short term liabilities as they fall due.

Other findings – accounting policies

Accounting area	Summary of policy	Comments	Assessment
Revenue recognition	<p>Revenue is recognised when revenue and associated costs can be measured reliably, and future economic benefits are probable. Revenue is measured at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.</p> <p>Revenue from services is recognised on a time-apportioned basis by reference to the provision of services set out in the Management Agreement.</p> <p>Sales of goods are recognised when goods are delivered, and title has passed. Delivery occurs when the products have arrived at the specified location, and the risks and rewards of ownership have been transferred to the customer</p>	<ul style="list-style-type: none"> The wording of the revenue policy does not evidence compliance with IFRS 15. The policy should make reference to the identification and fulfilment of performance obligations and indicate whether the fulfilment is over a period of time or at a point in time. This however is not likely to have an impact on the figures in the financial statements but should be enhanced to ensure compliance with the financial reporting standard. 	●
Judgements and estimates - Provision for bad debt	<p>A provision for impairment is established when the carrying value of the receivable exceeds the present value of the future cash flows discounted using the original effective interest rate</p>	<ul style="list-style-type: none"> The entity has used the incurred loss model under the previous version of IAS 39 rather than the expected credit loss model under IFRS 9 for the provision for bad debt. As a result, the provision for bad debt may be slightly understated however we are comfortable this is unlikely to be material. 	●
Judgements and estimates – Defined benefit pension scheme	<p>For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each year end.</p>	<ul style="list-style-type: none"> The policy is in line with our expectation and the financial reporting standard 	●

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Assessment

- Marginal accounting policy which could potentially be open to challenge by regulators
- Accounting policy appropriate but scope for improved disclosure
- Accounting policy appropriate and disclosures sufficient

Other findings – Information Technology

This section provides an overview of results from our assessment of Information Technology (IT) environment and controls which included identifying risks from the use of IT related to business process controls relevant to the financial audit. This includes an overall IT General Control (ITGC) rating per IT system and details of the ratings assigned to individual control areas.





IT application	Level of assessment performed	Overall ITGC rating	ITGC control area rating			Related significant risks/other risks
			Security management	Technology acquisition, development and maintenance	Technology infrastructure	
Agresso	ITGC assessment (design and implementation effectiveness only)					None

The audit report prepared at the City of Wolverhampton Council level highlighted a significant deficiency in relation to IT system administrators having access to development and production environments in Agresso which creates a segregation of duties risk. We have performed a review of the ledger system users as they relate to Wolverhampton Homes and have not identified any transactions as having been posted by the individuals listed with privileged access levels and therefore have classified this as non-significant for the entity.

Likewise, a number of generic shared user accounts were identified as being active in the system which increases the risk of unauthorised or inappropriate activities. Again, we have not identified any activity by these accounts relevant to Wolverhampton Homes Limited and therefore also classify this as non-significant.

Both control deficiencies have been noted for the attention of those charged with governance on page 15.

Assessment

-  Significant deficiencies identified in IT controls relevant to the audit of financial statements
-  Non-significant deficiencies identified in IT controls relevant to the audit of financial statements/significant deficiencies identified but with sufficient mitigation of relevant risk
-  IT controls relevant to the audit of financial statements judged to be effective at the level of testing in scope
-  Not in scope for testing

Other findings – internal controls

	Transaction cycle or business model	Finding	Recommendation
1	Bank reconciliations	While there are no unreconciled items in bank and cash at period end, which is verified by the fact that balances per the TB agree directly to bank confirmation, no year end bank reconciliation is performed for the purpose of the financial statements.	We would propose that management incorporate a specific year end bank reconciliation process into their closedown procedures, this would run alongside/ compliment the normal weekly reconciliation. This will ensure where there are reconciling items as at 31st, they are presented clearly and show the differences due to timing between the bank and the general ledger.
2	System administrator access	There were fourteen (14) users with System Administrator role having access to both development and production environments of Unit4. This access grants the users the ability to develop and implement changes within the application.	Access should be based on the principle of least privilege and commensurate with job responsibilities. Management should define segregation of duty policies and processes and ensure that there is an understanding of roles, privileges assigned to those roles and where incompatible duties exist.
3	Generic shared user accounts	The use of generic or shared accounts with high-level privileges increases the risk of unauthorised or inappropriate changes to the application or database. Where unauthorised activities are performed, they will not be traceable to an individual.	Where possible, generic accounts should be removed, and individuals should have their own uniquely identifiable user accounts created to ensure accountability for actions performed.

Other findings – new matters arising

This section provides commentary on other areas which were considered during the course of the audit that do not pertain to significant or other risks previously communicated in the Audit Plan.

	Issue	Commentary	Auditor view and conclusion
1	Companies (Miscellaneous Reporting) Regulations 2018	<p>On the 18 July 2018, the BEIS committee published the final form of the Companies (Miscellaneous Reporting) Regulations 2018.</p> <p>These Regulations introduce the "s172 statement" for large companies and requirements for certain companies to report on stakeholder engagement, as well as requirements for private companies of a significant size to disclose information about their corporate governance arrangements.</p> <p>The Regulations are effective for companies with financial years beginning on or after 1 January 2019.</p>	<p>The regulations require that a qualifying entity includes a statement in the strategic report on:</p> <ul style="list-style-type: none"> • how directors have complied with their fiduciary duties • how directors have engaged with employees and taken account of their interests • how directors have engaged with suppliers, customers and others in business • how the directors have considered the impact of the entity's operations on the community and the environment <p>The draft other information did not include the required disclosures and as noted on page 5, we have discussed these requirements with management who have updated the narrative information to ensure it is compliant with the regulations.</p>
2	Lease liabilities	<p>No issues were identified in the calculation of finance lease liabilities relating to fleet however the analysis of amounts due in the relevant time period as per the draft financial statements did not reflect workings prepared by management.</p>	<p>A reclassification of £267k has been proposed to analyse lease liabilities correctly between due in one year and between 2 and 5 years.</p>

Other communication requirements

	Issue	Commentary
1	Matters in relation to fraud	We are not aware of any alleged, suspected or actual fraud that occurred during the year or that would have an impact on the current year financial statements
2	Matters in relation to related parties	As a result of audit procedures performed, we have identified related party transactions with Wolverhampton Youth Zone for £50,000 that were previously undisclosed. As a Director of the company during the year was also a director of Wolverhampton Youth Zone, they are deemed to have influence over the entities and therefore this constitutes a related party transaction. The draft disclosure in the financial statements has been updated accordingly.
3	Matters in relation to laws and regulations	The principal laws and regulations with which the company complies include the Companies Act of 2006. We are not aware of any significant incidences of non-compliance
4	Written representations	A standard letter of representation will be requested from management, a draft of this letter has been provided in the agenda pack.
5	Confirmation requests from third parties	We have written to the company's bank to confirm balances held at the year end and confirmation has been received.
6	Disclosures	Our review found omissions in the draft financial statements in relation to s172 statements as noted on page 16.

Adjusted misstatements

Journal reference	Detail	Statement of Comprehensive Income		Balance sheet		Profit/ loss effect (£000)
		Debit (£000)	Credit (£000)	Debit (£000)	Credit (£000)	
	Loss per draft accounts					(9,264)
1	Defined benefit pension scheme liabilities			1,560		
	Defined benefit pension scheme assets				(1,560)	
	Being the adjustment to recognise actual benefits paid amount for the period 31 March 2023					-
2	Defined benefit pension scheme assets			38,094		
	Actuarial gains		(38,094)			
	Being the adjustment to reduce the asset ceiling to nil					-
3	Lease liabilities - non current			267		
	Lease liabilities - current				(267)	
	Being the reclassification of non-current liabilities to current					-
	Loss per final accounts					(9,264)

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Unadjusted misstatements

Detail	Statement of Comprehensive Income		Balance sheet		Loss effect (£)	Reason for not adjusting
	Debit (£000)	Credit (£000)	Debit (£000)	Credit (£000)		
Loss per draft accounts					(9,264)	
Defined benefit pension scheme assets			190			
Actuarial gains		(190)				Immaterial
Being the adjustment to reflect the understatement in the assets as identified by the auditor of the West Midlands Pension Fund					-	
Potential loss					(9,264)	

There are no unadjusted misstatements in the prior year that have an ongoing impact on the financial statements.

Section 3: Independence, ethics, fees and non-audit services

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- 01. Introduction and status of the audit
- 02. Audit findings
- 03. Independence, ethics, fees and non-audit services**
- 04. Additional insights
- 05. Appendices

Independence and ethics

As part of our assessment of our independence we note the following matters:

Matter	Conclusion
Relationships with Grant Thornton	We are not aware of any relationships between Grant Thornton and the Company that may reasonably be thought to bear on our integrity, independence and objectivity
Employment of Grant Thornton staff	We are not aware of any former Grant Thornton partners or staff being employed, or holding discussions in respect of employment, by the Group as a director or in a senior management role covering financial, accounting or control related areas.
Business relationships	We have not identified any business relationships between Grant Thornton and the Group
Contingent fees in relation to non-audit services	No contingent fee arrangements are in place for non-audit services provided
Gifts and hospitality	We have not identified any gifts or hospitality provided to, or received from, a member of the Group's board, senior management or staff

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention and consider that an objective reasonable and informed third party would take the same view. The firm and each covered person have complied with the Financial Reporting Council's Ethical Standard and confirm that we are independent and are able to express an objective opinion on the financial statements

Following this consideration we can confirm that we are independent and are able to express an objective opinion on the financial statements.

Fees and non-audit services

The following tables below set out the total fees for audit services charged from the beginning of the financial year.

No non-audit services have been provided to the company.

The fees below reconcile to the financial statements

Audit Fees

Audit of Company	£ 36,900
Total	£ 36,900

This covers all services provided by us and our network to the group/company, its directors and senior management and its affiliates, and other services provided to other known connected parties that may reasonably be thought to bear on our integrity, objectivity or independence. (ES 1.69)

Section 4: Additional insights

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01 Introduction and status of the audit

02 Audit findings

03. Independence, ethics, fees and non-audit services

04. Additional insights

05. Appendices

Auditing developments

Revised ISAs

There are changes to ISA (UK) 220 (Revised July 2021) 'Quality Management for an Audit of Financial Statements'. A new standard was also issued, International Standard on Quality Management (ISQM) (UK) 2 'Engagement Quality Reviews' and although the standard is new, most of the requirements relating to engagement quality reviews resided in other standards .

The changes will impact audits of financial statement for periods commencing on or after 15 December 2022.

A summary of the impact of the key changes on various aspects of the audit is included below:

Area of change	Impact of changes
Direction, supervision and review of the engagement	Greater responsibilities, audit procedures and actions are assigned directly to the engagement partner, resulting in increased involvement in the performance and review of audit procedures.
Definition of engagement team	The definition of engagement team when applied in a group audit, will include both the group auditors and the component auditors. The implications of this will become clearer when the auditing standard governing special considerations for group audits is finalised. In the interim, the expectation is that this will extend a number of requirements in the standard directed at the 'engagement team' to component auditors in addition to the group auditor. <ul style="list-style-type: none"> • Consideration is also being given to the potential impacts on confidentiality and independence.
Engagement Quality (EQ) Review	The new standard extends the scope of engagement subject to EQ reviews which require us to review our criteria for determining which engagements require an EQ review as an appropriate response to address quality risk. The standard has also enhanced robustness of the requirements for the eligibility of EQ Reviewers and the performance of EQ reviews.
Documentation	The amendments to these auditing standards will also result in additional documentation requirements to demonstrate how these requirements have been addressed.

Definition of EQ review – An objective evaluation of the significant judgements made by the engagement team and the conclusions reached thereon, performed by the EQ reviewer and completed on or before the date of the engagement report.

Environmental, Social and Governance (ESG) reporting

The Financial reporting Council's (FRC) update to its '2021 Statement of Intent on ESG'*

We draw attention to the FRC's communication [News | Financial Reporting Council \(frc.org.uk\)](https://www.frc.org.uk/news/2023/01/2023-statement-of-intent-on-esg) issued in January 2023 which includes the update [ESG Statement of Intent - What's Next \(frc.org.uk\)](#)

1. Why are we communicating this to you?

Improving transparency on climate and wider ESG risks and opportunities, and related governance activities and behaviours, is a key priority of the FRC's ESG strategy. Management and Those Charged With Governance should consider the detail of the update, given the prominence placed on this area by the FRC for 2023 and beyond, how it may affect you and the actions that need to be taken.

2. What will the FRC's key areas of focus be in 2023 regarding ESG reporting?

- ESG Data – how and where to find it and use it effectively
- Materiality disclosures – what should be considered when determining what are material issues?
- Support for FRS102 Preparers
- What are the ESG reporting requirements of the Corporate Governance Code?
- The link between investors and ESG reporting

3. What does the update address?

- Areas where ongoing challenges in ESG reporting remain
- Actions for preparers to produce decision relevant information
- The FRC's plans to engage with the market to ensure that stakeholder needs are met as demand for ESG information continues to evolve

4. What resources relating to ESG reporting and governance do the update include?

To assist in navigating what remains a challenging and evolving reporting landscape, several links are included throughout the update on a wide range of material produced by the FRC.

*The FRC published its first Statement of Intent on ESG in 2021, which identified underlying issues with the production, audit and assurance, distribution, consumption, supervision and regulation of ESG information. Since then, it has undertaken a significant number of initiatives both in the UK and internationally, to assist and support its wide range of stakeholders and drive best practice in high-quality and comparable ESG reporting and disclosure.

Section 5: Appendices

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- 01. Introduction and status of the audit
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Delivering audit quality – proven success in regulatory inspections

You are working with a firm who has quality at the heart of their audit culture; a firm with a consistent track record in driving quality; and the first firm ever to have 100% of files reviewed in the highest quality gradings bracket awarded by the Financial Reporting Council (FRC) – for two consecutive years.

Consistently delivering high-quality results

- In 2022, we were the first firm to ever be awarded the highest quality gradings bracket for 100% of files reviewed by the FRC. We're delighted that this is consistent for the 2022-23 findings.
- The graph to the right shows Grant Thornton is the only firm to have all files reviewed in the highest quality gradings bracket awarded ("Good or limited improvements required"). It also shows the progress of our quality journey, following the enhancements and investments we've made in recent years.
- Furthermore, this year's report by the FRC includes findings from the ICAEW's Quality Assurance Department (QAD) where, again, 100% of those reviewed for our firm are in the highest bracket awarded.

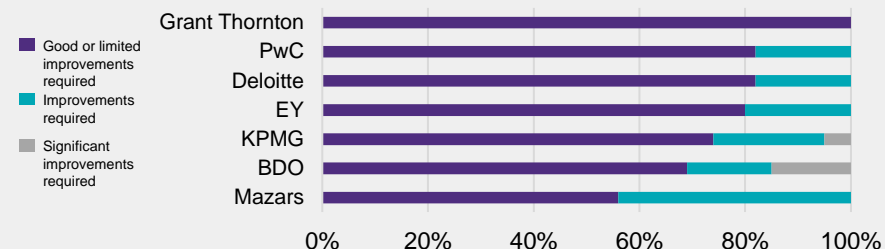
[Click here](#) to see the latest annual Audit Quality Inspection for our firm, as published by the regulator, the FRC, on 6 July 2023.

Continued commitment to audit quality

We've established a 2025 audit strategy focussed around further enhancing our audit practice to ensure we continuously deliver high-quality audits through:

- **Creating an environment which allows us to excel in our chosen markets, consistently.** We've structured our audit practice to enable our teams to work across one of three markets (public interest, private capital, or entrepreneurial services), so our people have both the experience and enthusiasm to audit similar businesses.
- **Delivering exceptional results in four key areas of Quality, Inclusion & Diversity, Environmental, Social, Governance and People Experience.** Our people and our client relationships are our greatest asset and we've cultivated a strong audit culture.
- **Investing in talent, technology and infrastructure.** We continually re-invest in the very best people, technology and infrastructure to instil a mindset of continuous improvement.

FRC's Audit Quality Inspection and Supervision Report Findings 2022-23 (%), July 2023



The FRC have introduced 'targeted activity' – extracted directly from the report, the FRC state: "targeted activity: reduce inspection and supervision activity at firms where we have seen sufficient and sustained improvements in audit quality. This is enables us to invest resources elsewhere, including at firms where quality improvements have been insufficient". We're delighted that, our firm, as a result, will see less inspections in future years.

What has the FRC said about us?

Our firm is immensely proud of the "good practice" areas highlighted by the FRC in our recent inspections, all of which remain integral to ensure we continue to deliver outstanding quality:

- Use of specialists, including at planning phases, to enhance fraud risk assessment
- Effective deployment of data analytical tools, particularly in the audit of revenue
- Robust challenge and effective assessment around capitalisation of costs, and consistency in assumptions used around valuations
- Clear oversight at group level when working with component auditors, including detailed review of working papers and evidencing interactions with component teams

We also welcome the FRC's comments around our own Internal Quality Monitoring process as "good practice" and other areas highlighted around our challenging of accounting around complex areas; holding discussions with those outside the finance team to provide broader audit evidence, and detailed and effective communication to Audit Committees.

Delivering audit quality – Quality Management Approach

Our Quality Management Approach (QMA) is structured around a number of components and is designed to meet the requirements of International Standard on Quality Management (UK) 1 as well as several other standards. The objectives of the QMA are:

- to deliver a risk-based approach to continually improving quality
- for individuals to see quality is more than just basic “tick box” compliance. Quality is at the centre of everything we do and allows us to meet our stakeholder’s expectations
- to design, implement and operate a system of quality management that provides the firm with reasonable assurance that:
 - the firm and its personnel fulfil their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and conduct engagements in accordance with such standards and requirements and
 - engagement reports issued by the firm or engagement partners are appropriate in the circumstances
- to establish and maintain a robust monitoring, reporting, root cause and remediation programme
- to ensure the firm is resilient and can identify and respond to changes in the regulatory environment.

The components of the QMA have a number of detailed objectives and requirements designed to meet the overall objectives noted above. We identify risks to the achievement of these objectives and requirements and have developed and implemented responses to these risks. Our responses are designed around our

- Underlying structures
- Policies
- Processes and
- controls

The risks identified are rated according to the firms risk taxonomy and risk rating model

The QMA has a range of monitoring activities embedded within it but is also subject to a detailed review and testing process on an annual basis. The QMA provides consistency in the quality of our audits through the breadth and depth of our responses to quality risks. Our quality components are outlined below.

Our quality components are outlined below.

Culture

We create a culture where quality is embedded in everything people do

Leadership and governance

We behave ethically and meet the expectations of our regulators and society

People

We recruit, develop and nurture people from all backgrounds. We ensure they have the skills, ability, confidence and enthusiasm to deliver quality work across the business

Risk assessment, mitigation and resilience

We manage risk and build our resilience to support the firm’s strategy and deliver quality in all our work

Operating environment and new initiatives

We monitor our operating environment for changes impacting quality. We consider quality, risk and legal requirements for new initiatives, including digital solutions, services and market offerings

Reputation

We behave ethically and meet the expectations of our regulators and society

Technology and data

We have a digital mindset. We manage our information and records to protect confidentially, maintain their integrity, ensure accessibility and support work done

Take On

We only accept and continue work with clients aligned to our purpose, where we can deliver quality and only once all legal, commercial and ethical requirements have been met.

Delivery

We provide clear and easy to understand policies and procedures to guide and support our people to deliver quality assignments. We challenge each other, prior to providing assignment delivery, to ensure our work meets our high quality standards

Monitoring, reporting and root cause analysis

We monitor processes and controls on an ongoing basis. Reporting and root cause analysis allow us to take appropriate actions to address issues and focus on continuous quality improvement.

Communication of audit matters with those charged with governance

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	•	
Overview of the planned scope and timing of the audit, form, timing and expected general content of communications including significant risks	•	
Confirmation of independence and objectivity	•	•
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	•	•
Significant matters in relation to going concern	•	•
Views about the qualitative aspects of the Group's accounting and financial reporting practices including accounting policies, accounting estimates and financial statement disclosures		•
Significant findings from the audit		•
Significant matters and issue arising during the audit and written representations that have been sought		•
Significant difficulties encountered during the audit		•
Significant deficiencies in internal control identified during the audit		•
Significant matters arising in connection with related parties		•
Identification or suspicion of fraud involving management and/or which results in material misstatement of the financial statements		•
Non-compliance with laws and regulations		•
Unadjusted misstatements and material disclosure omissions		•
Expected modifications to the auditor's report, or emphasis of matter		•

ISA (UK) 260, as well as other ISAs (UK), prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table here.

This document, the Audit Findings, outlines those key issues, findings and other matters arising from the audit, which we consider should be communicated in writing rather than orally, together with an explanation as to how these have been resolved.

Respective responsibilities

As auditor we are responsible for performing the audit in accordance with ISAs (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

Distribution of this Audit Findings report

Whilst we seek to ensure our audit findings are distributed to those individuals charged with governance, as a minimum a requirement exists for our findings to be distributed to all the company directors and those members of senior management with significant operational and strategic responsibilities. We are grateful for your specific consideration and onward distribution of our report, to those charged with governance.



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15 December 2023

Dear Grant Thornton UK LLP,

Wolverhampton Homes Limited
Financial Statements for the Year Ended 31 March 2023

This representation letter is provided in connection with the audit of the financial statements of Wolverhampton Homes Limited for the year ended 31 March 2023 for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial Statements

- i We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter, for the preparation of the financial statements in accordance with UK-adopted international accounting standards; in particular, the financial statements are fairly presented in accordance therewith.
- ii We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- iii The methods, the data and the significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition,

Chief Executive: Shaun Aldis

Registered Office: Wolverhampton Homes Limited, 29 Market Street,
Wolverhampton WV1 3AG

Wolverhampton Homes Limited, a company controlled by City of Wolverhampton Council
and limited by guarantee, registered in England and Wales no.5441967

measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

- iv Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of UK-adopted international accounting standards.
- v All events subsequent to the date of the financial statements and for which International Financial Reporting Standards require adjustment or disclosure have been adjusted or disclosed.
- vi Unadjusted misstatements reported in the appendix have not been adjusted in the financial statements as they are immaterial to the financial position of the company. The financial statements are free of material misstatements, including omissions.
- vii Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of UK-adopted international accounting standards.

Information Provided

- viii We have provided you with:
 - a. access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation, and other matters;
 - b. additional information that you have requested from us for the purpose of your audit; and
 - c. unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- ix All transactions have been recorded in the accounting records and are reflected in the financial statements.
- x We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- xi We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - a. management;
 - b. employees who have significant roles in internal control; or
 - c. others where the fraud could have a material effect on the financial statements.
- xii We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators, or others.

- xiii We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- xiv We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- xv We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

Yours faithfully,

Signed on behalf of Wolverhampton Homes Limited


Shaun Aldis, Chief Executive

Julie Haydon, Director and Company Secretary

Appendix 1 – Unadjusted misstatements

Detail	Statement of Comprehensive Income		Balance sheet		Loss effect (£)	Reason for not adjusting
	Debit (£000)	Credit (£000)	Debit (£000)	Credit (£000)		
Loss per draft accounts					(9,264)	
Defined benefit pension scheme assets			190			
Actuarial gains		(190)				Immaterial
<i>Being the adjustment to reflect the understatement in the assets as identified by the auditor of the West Midlands Pension Fund</i>					-	
Potential loss					(9,264)	

Board Report

	Agenda Item 9
	15 December 2023 Revenue Forecast for 2023 - 2024 as at Quarter 2
	Open Report
Status:	For Decision
Author and job title:	Jo McCoy – Finance Business Partner, City of Wolverhampton Council
Contact No:	01902 554415
Recommendations:	<p>Board members are asked to note:</p> <ul style="list-style-type: none"> • the Revenue outturn forecast for 2023 - 2024 • the council have approved an additional one off Management Fee payment of £1.5 million to offset repairs and maintenance pressures <p>Board members are asked to approve virements as set out in 2.4 Table 1:</p> <ul style="list-style-type: none"> • to reflect the additional Management Fee payment • other virements required to realign budgets
Key risks and contentious issues:	<p>The Management Fee payable by the council for HRA services in 2023 - 2024 is £45 million.</p> <p>The budget for 2023 - 2024 was balanced with a planned / forecast contribution from reserves of £1.0 million.</p> <p>The forecast reported to the Board in September predicted an overspend of £1.2 million. The council have since agreed to make an additional Management Fee payment</p>

	<p>of £1.5 million in 2023 - 2024. After reflecting this additional income, a balanced budget position is forecast.</p> <p>The current reserves position at 31 March 2023 was £3.2 million, use of the £1.0 million reserve as planned in the budget will leave reserve balances of £2.2 million at 31 March 2024.</p> <p>In addition, there may still be significant risks in the budget position demand for services over the winter months.</p>
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Management Summary

1.0 Purpose

- 1.1 This report is to inform the Board of the revenue outturn forecast position for 2023 - 2024 as at Quarter 2.

2.0 Revenue Forecast 2023 - 2024

- 2.1 The budget was set for 2023 - 2024, with a forecast £1 million contribution from reserves to balance the budget. The Management Fee from the council for delivery of HRA services was originally £45 million. This included a 6% increase and funding for two additional money smart posts and the management of Peter Bilson House.
- 2.2 The company has benefited from a reduction in pension contributions of £1.1 million in 2023 - 2024 but there were considerable cost pressures from cost of living pay awards, inflation, energy costs and demand for services which resulted in a £1 million budget shortfall requiring the £1 million contribution from reserves.
- 2.3 These pressures continue with the forecast budget position last reported to Board at 31 July 2023 was for a forecast of £1.2 million overspend against budget.
- 2.4 The Council have now approved an additional Management Fee payment of £1.5 million to support repairs and maintenance pressures. With this additional income the forecast is now for a balanced budget position.
- 2.5 The following virements are proposed to reflect the Management fee increase and realign income and expenditure budgets.

Table 1 – Virements:

Service	Budget	Amount £000	Reason
Management Fee Adjustment			
Business Support	Finance	(1,500)	To increase income budget for management fee
Repairs	Response Repairs	1,300	To increase the repairs budget to reflect inflation and demand pressures
Stock investment	Communal Fuel	200	To increase the budget for communal electricity to reflect price inflation
Income and Expenditure budget realignment			
Housing Options	HIA (Income)	690	Income and expenditure realignment to reflect direct charges to CWC
Housing Options	HIA (works)	(690)	As above
Repairs	District Heating (Income)	300	Realign cost recovery budget to budget for gas costs
Repairs	District Heating (Gas)	(300)	Reduce budget for gas costs in line with forecasts

The position is summarised below in Table 2 after reflecting the virements.

Table 2 – Summary Forecast Outturn for 2023 - 2024 at (including forecast pay award):

	2023-2024 Revised Budget £000	2023-2024 Forecast £000	2023-2024 Variance £000
Expenditure			
Employees	31,082	30,270	(812)
Non-Pay Costs	27,105	27,675	570
Total Expenditure	58,187	57,945	(242)
Income			
Management Fee	(46,500)	(46,500)	-
Trading Income	(8,838)	(8,694)	144
Other Income	(1,849)	(1,751)	98
Total Income	(57,187)	(56,945)	242
Net Budget position	1,000	1,000	-

2.6 The employee budget is forecast to underspend by around £812,000. The budget includes £1.6 million to fund pay award assumptions, based on the offer from the Local Government employers and equates to an increase across the board of 6%. The budget also included a vacancy factor of 3%. The underspend is due to timing of recruiting to the 83 vacant posts where recruitment was ongoing or planned for the coming year when the budget was approved in March 2023.

- 2.7 The budget continues to experience particular pressure on repairs and maintenance with costs forecast to be higher than the revised budget by around £642,000. This is due to a combination of increases to expenditure on materials and contractor costs. The response repairs non pay budgets will have increased from £4.1 million in 2022 - 2023 to £6.9 million after the budget increase proposed in 2.4. However, some of the spend on contractors can be offset by pay savings where there are trade vacancies.
- 2.8 As reported to the Board in September 2023, demand for repairs has been growing and the costs of undertaking repairs including Damp, Mould and Compensation have risen by 53% since the pre-Covid-19 period. While the number of routine repairs has remained stable, the number of same day emergency repairs has increased by approximately 50%, largely due to customers stating a vulnerability. The number of disrepair claims has also hugely increased.
- 2.9 There is also a forecast budget pressure of £160,000 against the grounds maintenance contract and a pressure on the Estates services waste disposal budget of £130,000. This is due to the price inflation and waste disposal costs due to new regulations making it more expensive to dispose of waste.
- 2.10 Income budgets are forecast to be broadly on target after adjusting for the virements to realign income and expenditure reductions. Overall, Income is projected at £242,000 under target – this is capital programme income offset by cost reduction.
- 2.11 Tables that illustrate the budget position by Income and Expenditure and by Service are shown at Appendices 1 and 2.

3.0 Commercial Activities

- 3.1 The company is only continuing with commercial income generation where it complements the activity of in-house teams in core housing management and maintenance activity.
- 3.2 The Asbestos team has been providing services to external organisations since before the existence of WH and continues to generate income of between £400,000 and £600,000 per year, which sustains the in-house team and supports the costs of maintaining the Asbestos license. In 2022 - 2023 external activity contributed a net profit of £22,000 and similar profit levels are expected in 2023 - 2024.
- 3.3 The 19 WH owned properties will generate £165,000 of rental income in line with the budget and are only expected to incur minimal repairs costs and costs of annual checks. Rent collection services to Help to Own generate £61,000 income per year in return for around the equivalent of 0.2 FTE of staff time and therefore contribute at least £40,000 of net profit.

3.4 Private Sector leasing activity has significantly reduced and is expected to have ceased completely by the end of the financial year. A one-off net loss of around £20,000 is forecast which will be offset by the income generated as detailed above.

4.0 Summary of Financial Position

4.1 The position at Quarter 2 is of an overall balanced budget for 2023 - 2024.

4.2 The budgeted £1.0 million contribution from reserves would leave reserve levels at £2.2 million. This does not leave sufficient funding available for one off investment whilst still maintaining a contingency and could make cashflow management a challenge in the future. This has been factored into discussions with the council around the Management Fee for 2024 - 2025.

4.3 WH will continue to apply a value for money approach throughout all business decisions and activity.

5.0 Financial and value for money implications

5.1 Wolverhampton Homes has a long-term record of effective budgetary control; however the current economic environment is making this more and more challenging against the backdrop of increased demand on services.

6.0 Legal and regulatory implications

6.1 There are no legal and regulatory implications of the contents of this report.

7.0 Health and safety implications

7.1 There are no proposals within this report with Human Resource implications.

8.0 Health and safety implications

8.1 There are no proposals within this report with health and safety implications.

9.0 Equalities implications

9.1 Has an equality impact assessment been carried out? No.

9.2 Explanation: There are no proposals within this report.

10.0 Impact on the environment and community

10.1 The report does not contain any proposals that affect the environment or the community.

11.0 Long term consequences for the company

11.1 Tight control of budgets and getting the best use of cash reserves is essential to ensure we have sufficient resources in the long term.

12.0 Impact on business relationships with suppliers, customers and others

12.1 Careful financial planning is required to ensure we can continue to provide the same level of service for customers and support local suppliers.

13.0 Impact on the Wolverhampton Homes' Management System

13.1 Will any new policy or policy updates have an impact on the management system? **No**

14.0 Appendices

14.1 Appendix 1: Budget Position by Income and Expenditure at 30 September 2023 (appended to this report).

14.2 Appendix 2: Budget Position by Service at 30 September 2023.

14.3 Appendix 3: Value for Money Action Plan 2023 - 2024.

Appendix 1

Budget Position by Income and Expenditure at 30 September 2023

	2023-24 Budget £000	2023-24 Forecast £000	2023-24 Variance £000	Comment
Expenditure				
Employees	31,082	30,270	(812)	Timing of recruitment of vacant posts
Repairs and Maintenance	19,211	19,853	642	Response repairs contractor spend and grounds maintenance contracts
PSL payments to landlords	130	70	(60)	Strategy to reduce number of leases
Facilities	629	635	6	
Transport	1,097	1,038	(59)	
Supplies and Services	4,052	4,093	41	
Support Services	1,986	1,986	-	
Total Expenditure	58,187	57,945	(242)	
Income				
Management Fee	(46,500)	(46,500)	-	
Trading Income	(6,231)	(6,087)	144	Less income from capital programmes – offset by cost reduction
Capitalised salaries	(2,607)	(2,607)	-	
PSL rental income	(160)	(69)	91	Strategy to reduce number of leases
Investment Property Income	(155)	(164)	(9)	
Other Income	(1,534)	(1,518)	16	
Total Income	(57,187)	(56,945)	242	
Budget surplus	1,000	1,000	-	

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Appendix 2 – Revenue budget position by service – up to 30/09/2023

Division	Service	Budget £000	Forecast £000	Variance £000	over/under %	Reasons for Variance
Corporate Services	Business improvement	1,495	1,327	(168)	(11.32)	
	Central provision for pay award	768	1,686	918	119.5	Provision for pay award held centrally net of vacancy factor. Offset by vacancies in service areas
	Customer experience	4,823	4,598	(225)	(4.7)	Salaries underspend
	Governance and Exec Support	580	619	39	6.7	Postage and subscriptions
	Human Resources	654	640	(14)	(2.1)	
	Skill Development	1,047	1,012	(35)	(3.3)	Salaries underspend
Property Services	Building Solutions	4,590	4,524	(66)	(1.4)	
	Commercial	228	340	112	49.1	Salaries – budget adjustments required
	Construction	4,805	4,636	(169)	(3.5)	
	Property Directorate	80	82	2	2.5	
	Repairs	14,180	14,150	(30)	(0.2)	
	Stock Investment	2,825	2,660	(165)	(5.8)	
Homes and Communities	HM Directorate	253	255	2	0.8	
	Housing Operations	704	649	(55)	(7.8)	
	Income	1,964	1,854	(110)	(5.6)	Salaries underspend
	Tenancy and Community	6,177	6,076	(101)	(1.6)	£0.5 m underspend on salaries, £0.2 m overspend on grounds maintenance contract, £0.1 m overspend for waste removal
	Homelessness prevention and Assistance	868	939	71	8.2	
	Housing Improvements	47	17	(30)	(63.8)	
	Housing Outreach	123	125	2	1.6	
	Housing Support	228	230	2	0.9	
	Lettings	858	852	(6)	(0.7)	
	Temporary Accommodation	203	229	26	12.8	
	Total	47,500	47,500	-	-	

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Appendix 3: Value for Money action plan 2023 - 2024

No.	Action	Aim	When	Business Area (s)	Proposed activity	Progress update
1.	Maintain compliance with Regulatory Standards	<ul style="list-style-type: none"> Meet the requirements placed upon the company, from a current and emerging regulatory perspective. 	Annual	Cross cutting	<ul style="list-style-type: none"> Review company-wide activity against the requirement of the consumer standards. Deliver fire risk assessment actions in line with the actions identified for multi-story properties and set out a plan for any necessary remedial actions. Develop tenant engagement activities to support tenants understanding of the regulation and what it means for them. Regular review of contract management with all partners. 	<ul style="list-style-type: none"> Consumer Standards project Phase 1 – reviewed for closedown. Phase 2 to be established. Inspection ready activity in progress with planned actions to be in place early in Q4. Regular reporting to CWC and to Board. Inclusion of staff from Housing Strategy team at project meetings. CWC leading on Consumer Standard compliance requirements.
2.	Drive VfM throughout the delivery of the 4-year Business Plan 2019 - 2023	<ul style="list-style-type: none"> Enhance our community and customer focus. Provide safe and secure homes. Support people to sustain their tenancies and homes. 	Quarterly	Cross cutting	<ul style="list-style-type: none"> Regular review of financial position to identify potential efficiencies and spend. Budget forecast monitoring is undertaken on a monthly basis to inform and mitigate financial pressures where possible. Medium Term Financial Planning (MTFP) - across all areas of the business which will be reviewed annually in line with the Business Plan and associated annual delivery plans. 	<ul style="list-style-type: none"> Forecasting and budget meetings take place between WH SMT and CWC Finance. Fortnightly meetings taking place with CWC Finance and SMT. Quarterly reporting to Board on Medium term financial planning / revenue forecasting and outturn. Budget for 2024 – 2025 will be presented for sign off (March 2024 Board meeting). Quarterly CWC Financial Issues Group meetings attendance.
3.	Create a better understanding of budget management and Value for Money culture throughout the company	<ul style="list-style-type: none"> Demonstrate the positive impact our services have on our customers. 	Annually	Cross cutting	<ul style="list-style-type: none"> Customer Experience update reported quarterly to Board and Communities and Service Delivery Committee – detailing any efficiencies made / invest to save. Promoting and embedding a VfM culture by: <ul style="list-style-type: none"> VfM training and awareness included in the Organisational Development Strategy. Delivering a high level of customer experience and working with customers to ensure their understanding in how value for money gains are realised. 	<ul style="list-style-type: none"> Value for Money action plan – quarterly updates to Board. Customer journey mapping overlaid with streamlining of processes continues across the business. Centralised functions to be in place by the end of the financial year to streamline requisitioner and administration functions. Process automation where possible to reduce transactional costs. WH debt management recovery process in place with reporting to Audit and

Appendix 3: Value for Money action plan 2023 - 2024

					<ul style="list-style-type: none"> ○ Using Customer insight and feedback to improve service delivery efficiencies. 	<p>Business Assurance Committee.</p> <ul style="list-style-type: none"> ● Customer app – go live completed November 2023.
4.	Monitor Value for Money via the Senior Management team (SMT)	<ul style="list-style-type: none"> ● Demonstrate the progress and delivery value to the customers benefit. 	Quarterly	Corporate Services	<ul style="list-style-type: none"> ● Change Management approach introduced. ● Project management in place. 	<ul style="list-style-type: none"> ● Finance agenda item on SMT to review forecasting, spend analysis and efficiency planning. ● Financial impact included in performance exception reports – shared through the CWC Financial Issues Group on a quarterly basis. ● Annual budget manager financial planning sessions underway. Budget holders completing forecasting monthly. ● Centralisation of requisitioner and administration service (Q4).
5	Maximise value through procurement with a focus in the city	<ul style="list-style-type: none"> ● Deliver service improvements where appropriate, via all available mechanisms, to obtain VfM from spending on goods, works and services. ● Maximising social value through procurement to the benefit of customers and local communities. ● Maintain a contract register to enable the company to demonstrate that legislative requirements have been met. 	Annually	Cross cutting	<ul style="list-style-type: none"> ● CSR - Partners and Contractors. Wolverhampton Homes develops partnerships with community groups supporting the priorities of CWC. ● Partnerships will only be entered into where the aims and objectives are clear and can be linked to the business plan, and where the company is satisfied that joining the partnership is the best way of meeting its wider objectives and associated efficiency targets. ● Our partners and contractors are briefed on how the company is approaching VfM and how they can contribute to this strategy where appropriate. 	<ul style="list-style-type: none"> ● Our Future review ongoing with efficiency approach to new ways of working and system development. ● Corporate Social Responsibility strategy in place and shared with the community. ● Work ongoing with Strategic Construction partners to positively contribute to community initiatives. ● WH Corporate Contract Register in place and regularly reviewed – new Procurement system procured by CWC for implementation in 2024. ● WH actively support the outcomes arising from the Centre for Local Economic Strategies (CLES) as part of contributing to the Wolverhampton Pound. ● Wolverhampton Homes and CWC reviewing procurement strategy.
6.	Measure the Return on Assets	<ul style="list-style-type: none"> ● WH plans to invest and build additional capacity into its stock investment and 	Quarterly	Cross cutting	<ul style="list-style-type: none"> ● The use of direct resources to achieve the right balance between frontline services, maintaining 	<ul style="list-style-type: none"> ● Accommodation review completed.

Appendix 3: Value for Money action plan 2023 - 2024

		asset planning service during the life of the 4-year Business Plan 2019 - 2023.			<ul style="list-style-type: none"> existing assets and providing new homes. Optimise the future return of WH assets. 	<ul style="list-style-type: none"> Our Future – field / fixed / flexi job role status under review with plans in place to introduce a tiered approach to customer right first time. System development regulatory reviews current systems and new systems, to meet regulatory requirements i.e. stock data condition surveys.
7.	Understand value, optimise efficiencies, and use resources effectively	<ul style="list-style-type: none"> Embed a culture across the business where our people drive the delivery of VfM across the business 	Quarterly	Cross cutting	<ul style="list-style-type: none"> A secure operating model based on sustainable finances to include a provision for stress testing of each directorate service area. Quarterly review of establishment, vacant posts, and salary implications. Continual identification of new ways of working and service delivery. Driving the digital agenda across the organisation to identify potential efficiencies and/or savings. Implementation of a full Performance Management Framework – detailing how performance will be managed across the business – including internal audits, management meetings, one to one’s and regular team performance meetings. 	<ul style="list-style-type: none"> Finance meetings regularly take place between CWC and WH with regular budget review and forecasting. CWC Financial Issues Group – quarterly attendance. Our Future programme - consideration of cost efficiencies including review of service delivery model to ensure a balanced and mixed economy of inhouse and subcontract labour to maximise productivity. Contract management – continued scrutiny to ensure efficiencies in processes and operational activity. TPGo – app used with external stores provider by all trades staff to ensure better management of stock and equipment. Vacancy management balanced by review of each role (digital agenda / new ways of working). ILM Accredited training completed. People management policies launched April 2023 – policies are being applied consistently across the organisation to ensure processes are enacted. See it, report it learning pathway designed and developed by internal L&D resource.

Appendix 3: Value for Money action plan 2023 - 2024

Page 124						<ul style="list-style-type: none"> • My Learning Hub upgrade project underway with nil project costs – including provision of individualised recommendations of learning content, a mobile app for Trades, and self-service training event booking. • Improved new employee experience with manager checklist and corporate induction training, and mandatory training in place – informed by new starter feedback. • Templates for Training Matrix and Skills Matrix in development incorporating essential qualifications. • Recruitment to a new post of Talent Attraction & Resourcing Specialist completed with an anticipated Q4 start date. This will increase capacity in HR team for people related business partnering work, reduce costs in candidate attraction, lead the project to implement a new Applicant Tracking System (ATS), and improve our employer brand and Employee Value Package.
8.	<p>Include a specific VfM section in all future key business initiatives</p>	<ul style="list-style-type: none"> • Our VfM approach drives service improvements and enhances the customer journey. 	N/A	Cross cutting	<ul style="list-style-type: none"> • IT Strategy: <ul style="list-style-type: none"> ○ IT developments and enhancements to improve customer self-serve options and to ensure staff have the right information and tools to deliver high level customer service. ○ Using IT as a way to ‘invest to save’ with a view to performance improvement and efficiency savings. • Data management: <ul style="list-style-type: none"> ○ Continually improve process and data management that improve the customer journey. ○ Use data intelligence to inform service improvements. 	<ul style="list-style-type: none"> • Value for Money implications considered in customer contact and access e.g. customer app to improve self-serve options and to reduce customer transaction costs. • Data review commenced – working in collaboration with the City of Wolverhampton’s Data and Strategy team to realise benefits from cross working and data collection / management. • System development – 100-day planning cycle to support fast pace of change. • Workshops taking place through to early 2024 to better

Appendix 3: Value for Money action plan 2023 - 2024

					<ul style="list-style-type: none"> • Innovation: <ul style="list-style-type: none"> ○ Innovation workshops completed. ○ Performance Framework review. • Customer Satisfaction: <ul style="list-style-type: none"> ○ Drive satisfaction figures to continually assess the impact that recent improvements / challenges have had on our customers' views of the organisation. ○ Comply with regulation regarding Tenant Satisfaction Measures. 	<p>understand customer behaviour and needs, based on survey feedback with regular review at SMT to understand where best to utilise the data.</p> <ul style="list-style-type: none"> • Customer Involvement panel in place - link to the city's Resident Insight strategy ensuring customer voice and involvement in service, policy and strategy design and implementation.
9.	Monitoring and review of Value for Money action plan	<ul style="list-style-type: none"> • Action plan to be developed to monitor progress against the strategy. 	Quarterly	Corporate Services	<ul style="list-style-type: none"> • Action plan developed to monitor progress against the strategy. 	<ul style="list-style-type: none"> • Value for Money action plan in place and regularly reported to Board, CWC Financial Issues Group and SMT.

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Board Report

	Agenda Item 10
	15 December 2023 Governance Arrangements
	Open Report
Status:	For Decision
Author and job title:	Julie Haydon, Director – Corporate Services (Company Secretary)
Contact No:	01902 552956
Recommendations:	<p>Board members and the Shareholder are asked to approve the:</p> <ol style="list-style-type: none"> 1. Wolverhampton Homes Annual Business Plan 2024 - 2025 at Appendix 1 2. Wolverhampton Homes Annual Delivery Plan at Appendix 2 3. Board and Committee dates 2024 at Appendix 3 4. Board and Committee Agenda Forward Plan Q4, 2024 - 2025 at Appendix 4 <p>Board members are asked to note the:</p> <ol style="list-style-type: none"> 5. CWC Housing Compliance programme at Appendix 5 6. National Federation of ALMOs Policy update - November 2023, at Appendix 6
Key risks and contentious issues:	That the company's governance structure ensures Board Members are able to discharge their leadership responsibilities; to make strong and effective strategic decisions; and to hold Senior Management to account for

	<p>the operational delivery of Wolverhampton Homes business.</p> <p>The Board as a collective, must provide adequate assurance to its shareholder and wider stakeholder groups that it is effective in its operation and able to respond effectively to the anticipated future regulatory framework.</p> <p>It is important that the work of the Company is underpinned by effective governance arrangements and the appropriate framework. The Articles of Association specifically underpin those arrangements.</p>
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Management Summary

1.0 Purpose

- 1.1 Wolverhampton Homes is required to have a strong governance structure in place to provide assurance to Board members that the company is delivering in line with the company's Articles of Association.
- 1.2 To seek Board approval for the:
- Business Plan 2024 - 2025 and associated annual Delivery Plan at Appendix 1 & 2
 - Board and Committee dates 2024 at Appendix 3
 - Board and Committee Agenda Forward Plan 2024 - 2025 at Appendix 4
- 1.3 Board are asked to note the Company's ongoing Governance arrangements along with the:
- CWC Housing Compliance programme details at Appendix 5
 - Risk Management – Sector Risk profile – November 2023 detailed at section 5.0

2.0 Business Plan 2024 - 2025

- 2.1 Wolverhampton Homes is required to have in place a Business Plan detailing its key strategic objectives and service delivery priorities.
- 2.2 The new Business Plan weaves in the golden thread of the organisation that runs through everything we do and supports the priorities in relation to the three pillars below which underpin this plan by way of:
- Enhancing our community and customer focus
 - Providing safe and secure homes
 - Supporting people to sustain their tenancies and homes

- 2.3 This plan aims to incorporate the company's commitment to changing regulation and the change in customer needs, while the overarching priorities link into the City of Wolverhampton Council's plan, ensuring WH is working towards achieving a one city approach.
- 2.4 The plan is subject to the governance approval process in advance of its launch in April 2024.

3.0 Management Agreement – Review

- 3.1 The Management Agreement details the services provided by Wolverhampton Homes on behalf of the City of Wolverhampton Council and was subject to review, in line with the break clause, in 2023. A decision was made by the council to conduct a high level review of the Management Agreement in relation to a number of areas as part of the wider governance arrangements.
- 3.2 Actions from the review are detailed as a Housing Compliance programme project and further detail can be found at Appendix 5.

4.0 Data Strategy

- 4.1 Wolverhampton Homes is working with the City of Wolverhampton Council alongside Housemark to develop a joint Data Strategy in line with the aim to hold a shared base of housing data to be able to satisfy regulatory compliance, whilst providing the council with full assurance that the data held reflects one version of the truth.
- 4.2 Work continues in collaboration with the city's Data Insight and Strategy team identifying 10 priority projects enabling development of information and reporting and continued professional development. Teams have been working across a number of organisational priorities including:
- KPI dashboard – development of the performance infographic
 - Housing performance dashboard
 - WH Councillor Ward – housing performance profiles dashboard
 - Rent review – translating use of the Power Bi reporting software suite
 - SQL Programming language training – provided to the WH Performance team
 - NEC Data Quality dashboard – initial demonstration complete

5.0 Risk Management - Sector Risk profile 2023

- 5.1 Board members are responsible for managing the risks their organisations face. The Regulator of Social Housing's Sector risk profile is intended to help boards have a better understanding of those risks, in an increasingly complex and diverse sector.
- 5.2 This document sets out the main risks facing the social housing sector, as is reviewed by the company in line with its regular review of risk:
- [Sector risk profile 2023 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/sector-risk-profile-2023)

6.0 Working with contractors

- 6.1 Wolverhampton Homes ensures robust governance practices when collaborating with contractors through the establishment of clear guidelines, expectations, and communication. Quality standards, as well as the contractor's commitment to equality, social value and other pertinent factors, are integral elements of the initial discussions and contract review.
- 6.2 Periodic and thorough assessment are regularly carried out to guarantee that the work delivered by the contract aligns with the high standards and values mandated by the company. This commitment to ongoing reviews ensures that the collaborative efforts consistently meet the required benchmark, and where any shortfalls occur, they can be immediately addressed.

7.0 Project Management

- 7.1 Wolverhampton Homes has a number of key projects across the business which support the continued review and redesign of services, in line with Our Future.
- 7.2 The introduction of the project management approach enables the company to prioritise the business priorities with the overarching strategy, ensuring that resources are invested in projects that contribute directly to the growth and success of Wolverhampton Homes.
- 7.3 The structured project management approach facilitates clear communication channels and fosters collaboration across all business areas breaking down silo working and enhancing the work of cross-functional teams. This also allows for robust monitoring of targets and risks to ensure the company is continually progressing against the individual projects.

8.0 Governance Framework

- 8.1 The Governance Structure comprises of Wolverhampton Homes Board, Audit and Business Assurance Committee, and the Communities and Service Delivery Committee.
- 8.2 When required, additional confidential matters can be added to any of the above agendas to support effective and timely decision making if needed.

9.0 Financial and value for money implications

- 9.1 Value for Money activity is embedded into business activity, to support maintaining its financial activity to ensure the company continues to operate as a Going Concern while seeking efficiencies across all areas of service delivery.

10.0 Legal and regulatory implications

- 10.1 The governance framework underpins the Articles of Association ensuring that the Board of Wolverhampton Homes operates within the Companies governance requirements to meet its legal obligations.

11.0 Human resources implications

11.1 To ensure Board are able to discharge their duties, Wolverhampton Homes deliver a number of mandatory eLearning modules alongside quarterly Board Strategy Away days. These sessions are designed to deliver the Board development programme in line with People and Organisational Development strategy.

12.0 Health and safety implications

12.1 Board members have significant responsibilities for health and safety for Wolverhampton Homes as an employer, and through the delivery of operational services.

13.0 Equalities implications

13.1 Has an equality impact assessment been carried out? Not applicable.

13.2 Explanation: Not applicable in the context of the report.

14.0 Impact on the environment and community

14.1 Effective governance of the company ensures a framework is in place to enable Board to be clear in its strategic decision making.

15.0 Long term consequences for the company

15.1 The Articles of Association enable a planned and consistent approach to ensuring business decisions are presented and considered appropriately and in a timely manner by the relevant Board or Committee which supports the company in responding to the changing operating and regulatory environment.

15.2 Wolverhampton Homes to continue to support the CWC, in the delivery of its strategic aims under the management agreement.

16.0 Impact on business relationships with suppliers, customers and others

16.1 In fulfilling its governance and business requirements Wolverhampton Homes aims to continue to engage with customers to understand their needs to ensure services are designed with that in mind.

16.2 This further supports further understanding of what impacts customer satisfaction.

17.0 Impact on Wolverhampton Homes' Management System

17.1 Will any new policy or policy updates have an impact on the management system? No.

18.0 Appendices

18.1 Appendix 1: Wolverhampton Homes Business Plan – 2024 - 2025

- 18.2 Appendix 2: Wolverhampton Homes Annual delivery plan 2024 - 2025
- 18.3 Appendix 3: Wolverhampton Homes Proposed Board and Committee dates 2024
- 18.4 Appendix 4: Board and Committee Agenda Forward Plan 2024
- 18.5 Appendix 5: CWC Housing Compliance programme
- 18.6 Appendix 6: National Federation of ALMOS Policy Update – November 2023

Appendix 3: Wolverhampton Homes Proposed Board and Committee dates 2024

<u>Board Meetings</u>	
Wednesday 13 March 2024	09:30 hrs
Wednesday 19 June 2024	09:30 hrs
Wednesday 11 September 2024	09:30 hrs
Wednesday 11 December 2024	09:30 hrs

<u>Board Strategy Away</u>	
Wednesday 07 February 2024	09:30hrs (all day)
Wednesday 13 March 2024	13:00 hrs
Wednesday 19 June 2024	13:00 hrs
Wednesday 11 September 2024	13:00 hrs

<u>Audit and Business Assurance Committee</u>	
Wednesday 24 January 2024	09:30 hrs
Wednesday 17 April 2024	09:30 hrs
Wednesday 17 July 2024	09:30 hrs
Wednesday 23 October 2024	09:30 hrs

<u>Communities and Service Delivery Committee</u>	
Wednesday 28 February 2024	09:30 hrs
Wednesday 15 May 2024	09:30 hrs
Wednesday 27 November 2024	09:30 hrs

**Appendix 4: Wolverhampton Homes Board and Committee Agenda Forward Plan
Q4, 2024 - 2025**

Board		
No.	Report Title	Directorate
1.	Budget approval 2024 - 2025	Corporate
2.	Business Assurance and Risk Management Framework	Corporate
3.	Business Continuity Planning Strategy	Corporate
4.	Corporate Services update report	Corporate
5.	Damp, Mould and Condensation update [Standing item]	Property
6.	Governance arrangements update [Standing Item]	Corporate
7.	Modern Slavery statement [Standing Item – annual]	Corporate
8.	Our Future update [Standing Item]	Corporate
9.	Procurement update [Standing Item]	Property
10.	Rent and Service Charges – annual update [Standing item]	Homes and Communities
11.	Revenue Budget Monitoring Q3 Outturn	Corporate
12.	VfM Strategy	Corporate
13.	Voids Review	Property

Audit and Business Assurance Committee meetings		
No.	Report Title	Directorate
1.	Compliance update [standing Item]	Property
2.	Corporate Risk Register and Fraud Risk Register update [standing Item]	Corporate
3.	Fraud update [standing Item]	Corporate
4.	Gender Pay Gap [Annual Report]	
5.	Health and Safety Action Plan update [standing Item]	Corporate
6.	Internal Audit Forward Plan 2024 - 2025	Internal Audit
7.	Internal Audit update [standing Item]	Internal Audit
8.	Rent and Recharge write off of irrecoverable debt	Homes and Communities
9.	WH Debt Write off report	Homes and Communities

Communities and Service Delivery Committee Meetings		
No.	Report Title	Directorate
1.	Customer Experience - update [standing Item]	Corporate
2.	Equality, Diversity and Inclusion Strategy action plan update [standing Item]	Corporate
3.	Performance framework update [standing Item]	Corporate



Business Plan
2024-2025

Wolverhampton Homes



A message from the Chief Executive

Welcome to our business plan that will underpin our work through to 2025. This is our strategic roadmap that outlines our commitment to providing high quality services that meet the needs of our diverse customer population in accordance with the priorities of the city council.



The landscape of social housing is changing rapidly, with increased regulation that will help us to drive ever-higher standards for customers. By embracing the regulatory changes and listening and acting on customer feedback, we aim to deliver great services to our customers, while delivering against regulatory requirements.

Our business plan details our commitment to our customers, to compliance and to our aim of enhancing services to ensure we continue to work towards our vision of unlocking people's potential through housing, skills and technology.

Customers have told us they want us to be there when they need us, with access to high-quality digital services and the ability to speak to our teams if they need to. We have developed a new My Account app and enhanced our website to ensure easy online access to our services.

**We have a clear mission:
To help people get
on in life.**

In pursuit of this mission we will continue to focus our efforts around three key pillars, to support the City of Wolverhampton Council's strategy:

Enhance our community and customer focus – by working in communities to deliver high quality services which keep customers at the heart and meet their changing needs and preferences.

Provide safe and secure homes – by managing and maintaining homes and neighbourhoods to a high standard, adapting and improving the existing housing stock and actively contributing to the improved supply of sustainable accommodation options across the city.

Support people to sustain their tenancies and homes – through effective advice and support services that help residents to live independent, prosperous and fulfilling lives. We will continue to work collaboratively with stakeholders to promote independence and individual and community resilience while continuing to provide excellent housing services.

Through robust community engagement initiatives, transparent communication channels and a range of options for customers to provide feedback and be involved, we will continue to strive for high standards, with strong governance and support from Wolverhampton Homes' Board.

Shaun Aldis
Chief Executive of Wolverhampton Homes

Executive Summary

Wolverhampton Homes manages properties across the city on behalf of the City of Wolverhampton Council. We also provide a wide range of support services for customers and city-wide, tenure-neutral services including the Anti Social Behaviour team and the Wolverhampton Home Improvement Agency.

We are governed by a Board of non-executive directors and led by a Senior Management team, with customer voice and influence on decision making embedded in our governance structures through the Board, our Committees and our Involvement Panel.

We have a clear vision and plan, which has been developed through customer feedback, robust data and insights, and driven by the Charter for Social Housing Residents. We believe we're in a strong position to meet the demands ahead, with a sound track record of delivering services that meet customers' needs.

It's a challenging time for social housing, and this business plan outlines how we will continue to respond to the new legislation and regulation to improve standards for customers. The plan will take us through a period of unparalleled change, and we anticipate that our role will develop and grow throughout this time, supporting the council to deliver on their priorities and creating positive change with longer, healthier lives for the residents of Wolverhampton.

CITY OF
WOLVERHAMPTON
COUNCIL

Our City, Our Plan

Wulfrunians will live longer, healthier lives.

Wolverhampton Homes Business Plan 2024/25

- Enhance our community and customer focus
- Provide safe and secure homes
- Support people to sustain their tenancies and homes

Our supporting strategies



CSR and
Community
Investment



People and
Organisational
Development



Customer
Contact



Communication



Asset
Management



Carbon
Reduction

About Wolverhampton Homes

Wolverhampton Homes is an Arm's Length Management Organisation (ALMO) that manages around 21,000 properties on behalf of the City of Wolverhampton Council.

Wolverhampton is unique in its position of having an ALMO operating alongside three smaller tenant management organisations – Bushbury Hill Estate Management Board, Dovecotes Tenant Management Organisation and New Park Village Tenant Management Co-operative.

Wolverhampton Homes manages 19,548 tenanted properties, 2,274 leaseholds, 14 shared ownership homes, 200 shops and more than 3500 garages. We deliver a wide range of services on behalf of the city council including retained responsibilities, regulatory and compliance activities for each of the tenant management organisations, ensuring all council-owned properties across the city are compliant with the highest safety standards.

We operate the city's capital programme for maintenance and regeneration and we are responsible for the delivery of the award-winning Heath Town regeneration programme – a £multi-million scheme to upgrade and enhance Health Town estate with a range of safety, security and environmental improvements.

There are more than 6,000 people currently on the council's housing register, with new applicants joining all the time, and around 800 properties a year coming available for letting. We are committed to supporting the council's Better Homes for All strategy to support those in need to of a home to explore other housing options, which could see them move to a safe and secure home more quickly.

With almost 700 employees, we are one of Wolverhampton's biggest employers and we take our responsibility to the city seriously. We support the council in delivering a number of city-wide objectives such as our recently relaunched Early Careers programmes which provide young people with the opportunity to gain valuable skills and experience in the social housing sector combined with formal learning and qualifications that will help them to develop a long and rewarding career.

It is important that our staff have access to a range of learning opportunities to help them to continually develop and grow – while being able to deliver professional services to our customers. This is done through in-person and online training, accredited courses and self-managed learning available 24/7 through our My Learning Hub virtual platform. We actively encourage managers in the business achieve Member or Fellow qualifications from the Institute of Leadership and Management.



How we work:

Our ways of working are driven by our values, creating an enabling and engaging culture, inspiring innovation and excellence, and collaborating to deliver.



Working together

We work collaboratively with our customers and colleagues. We value each other's ideas and different skill-sets, and many hands make light work so we're more efficient when we work together.



Open to new ideas

We embrace change, look in different places, ask questions and try new things. We're curious and we look for a better way. We won't always find one but that's OK because we know that 'good enough' isn't the best we can be.



Respecting differences

We treat others as we would like to be treated and we value open and honest conversations. We are encouraging of other views and we know that our greatest strength comes from our differences, so we have created a supportive environment where we can all be ourselves.



Delivering our promises

We take personal responsibility for getting things done and we do what we say we will. We are committed to providing a great service to our customers and always act with integrity.



For the 2022/23 financial year, Wolverhampton Homes:

- Collected 97.32% of rent
- Handled 178,018 calls to our customer contact centre
- Responded to 46,594 Telecare calls, supporting some of the most vulnerable residents in Wolverhampton
- Made 3,744 befriending calls through our volunteers
- Supported 20 people in the city into work, work experience, training and volunteering
- Delivered savings of £118,000 for the local NHS Trust through quicker safe hospital discharge with home adaptations completed by our Home Improvement Agency
- Completed 320 home adaptations to support people to remain living independently in their homes for longer
- Helped 4,840 customers with financial support through our Money Smart team
- Accessed £440,000 of additional funding to support those customers in the greatest need
- Completed 17,634 gas safety checks
- Allocated 801 properties and 142 home exchanges
- Let empty properties after an average of 26 days
- Spent almost £18 million on 64,980 repairs

Property Services

- Asset compliance management and assurance
- Capital programme management and delivery
- Stock condition, design, and investment planning
- Commercial services
- 24/7 response repair service
- Void property management
- Environmental management
- Retained responsibilities and support to TMOs and the EMB

Homes & Communities

- Tenancy and estate management
- Tenancy management and enforcement
- Income and sundry debt management
- Money Smart
- Tenure neutral anti-social behaviour services
- Neighbourhood Services – estates, concierge
- Home sales, shops, and leasehold management
- Lettings, allocations, and mutual exchanges
- Homeless services
- Safeguarding
- Domestic abuse
- Young persons service
- Housing Support and temporary accommodation management
- Home Improvement Agency – delivery of Housing Assistance Scheme and adaptations for social housing property

Corporate Services

- Customer contact centre
- Customer involvement and engagement
- Complaints and compliments
- CMC and Out of Hours service
- Governance, business assurance and business support
- Health and safety
- Human resources
- Learning and organisational development
- Communications
- Business improvement – system development and transformation

Governance

Over the last 18 years, Wolverhampton Homes has supported its shareholder the City of Wolverhampton Council to deliver housing management services as part of the annual management agreement.

Wolverhampton Homes Board

We are governed by a Board of 12 non-executive directors who work closely with our Senior Management team to support the strategic decision making process. Our Board is made up of four tenant Board members, four independent and four Wolverhampton councillors, who oversee the effective operation of the organisation and compliance with legal and regulatory requirements. Board and Committee meetings provide strategic direction, help to share business planning and objective setting, monitor performance, and ensure we work effectively with our customers, shareholder and other stakeholders.

Board members undertake an annual development plan, and receive bespoke training and development to ensure they are able to undertake their roles to a high standard. This includes external training to support their roles as company directors, and covers a number of key areas such as Equality and Diversity, Health and Safety, Finance and Audit.

Senior Management Team

Our Senior Management team is made up of the Chief Executive – Shaun Aldis and three directorate leads:



Julie Haydon
Director of Corporate Services



Angela Barnes
Director of Homes and Communities



Ian Gardner
Director of Property Services

Governance arrangements

To prepare for the housing sector's increase in regulation, a strategic housing review was completed. The review resulted in several recommendations that were supported by the Cabinet, and will see the following proposals implemented:

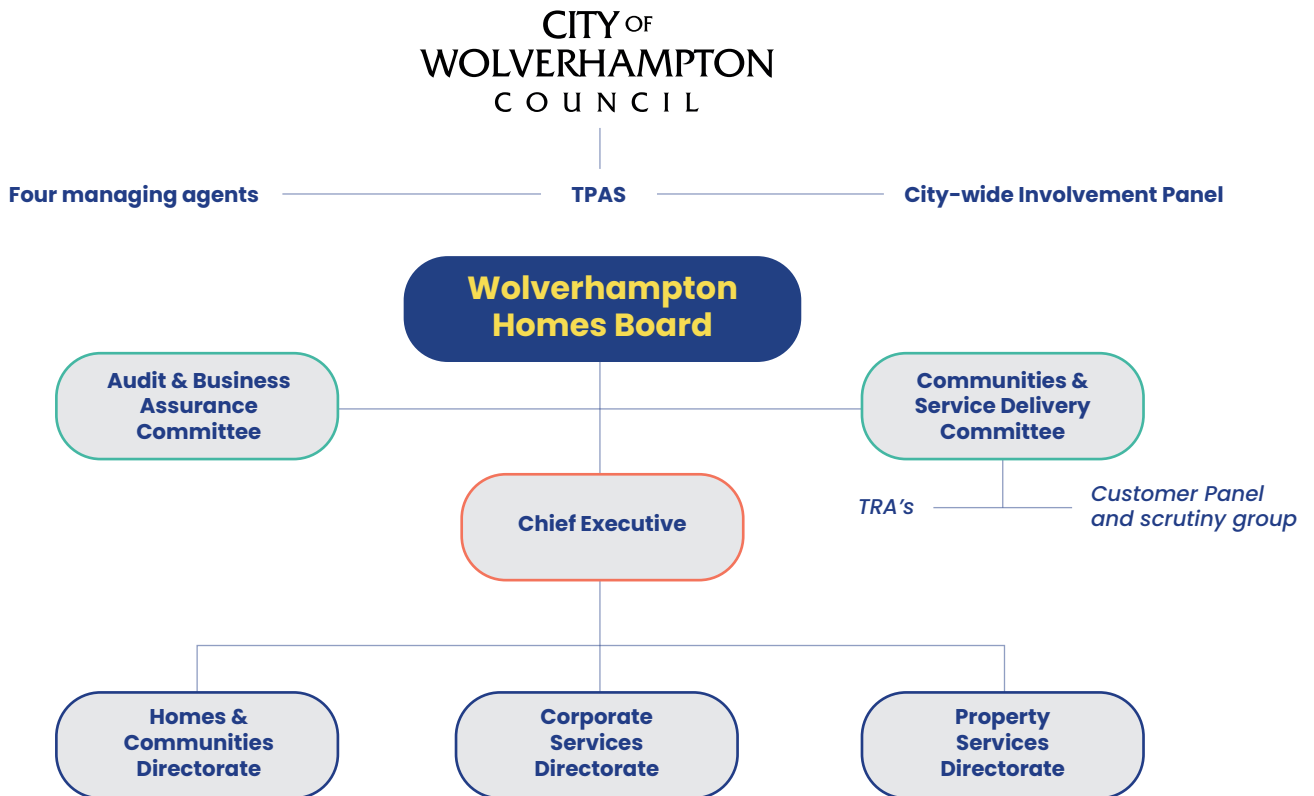
- Development of an overarching Shareholder Board as a focus for housing governance
- A review of the Management Agreement
- Creation of a shared evidence-base to ensure clarity of city-wide data
- A review of the Service Level Agreements in place between the city council and Wolverhampton Homes

Assurance is provided to the city council through robust governance structures that are continually reviewed. These governance arrangements ensure that we remain fit for purpose, continue to offer value for money to our customers, and that we meet and support the council's priorities.

Customer Involvement Panel

We have a newly established Customer Involvement Panel supported by tenants and leaseholders from across the city. The group meets quarterly and has responsibility for reviewing strategies and major service changes that could impact on customers, ensuring they are supporting us to listen and act on the customer voice. The panel also oversees the programme and delivery of our scrutiny activities and report on findings and outcomes to our Communities and Service Delivery committee.

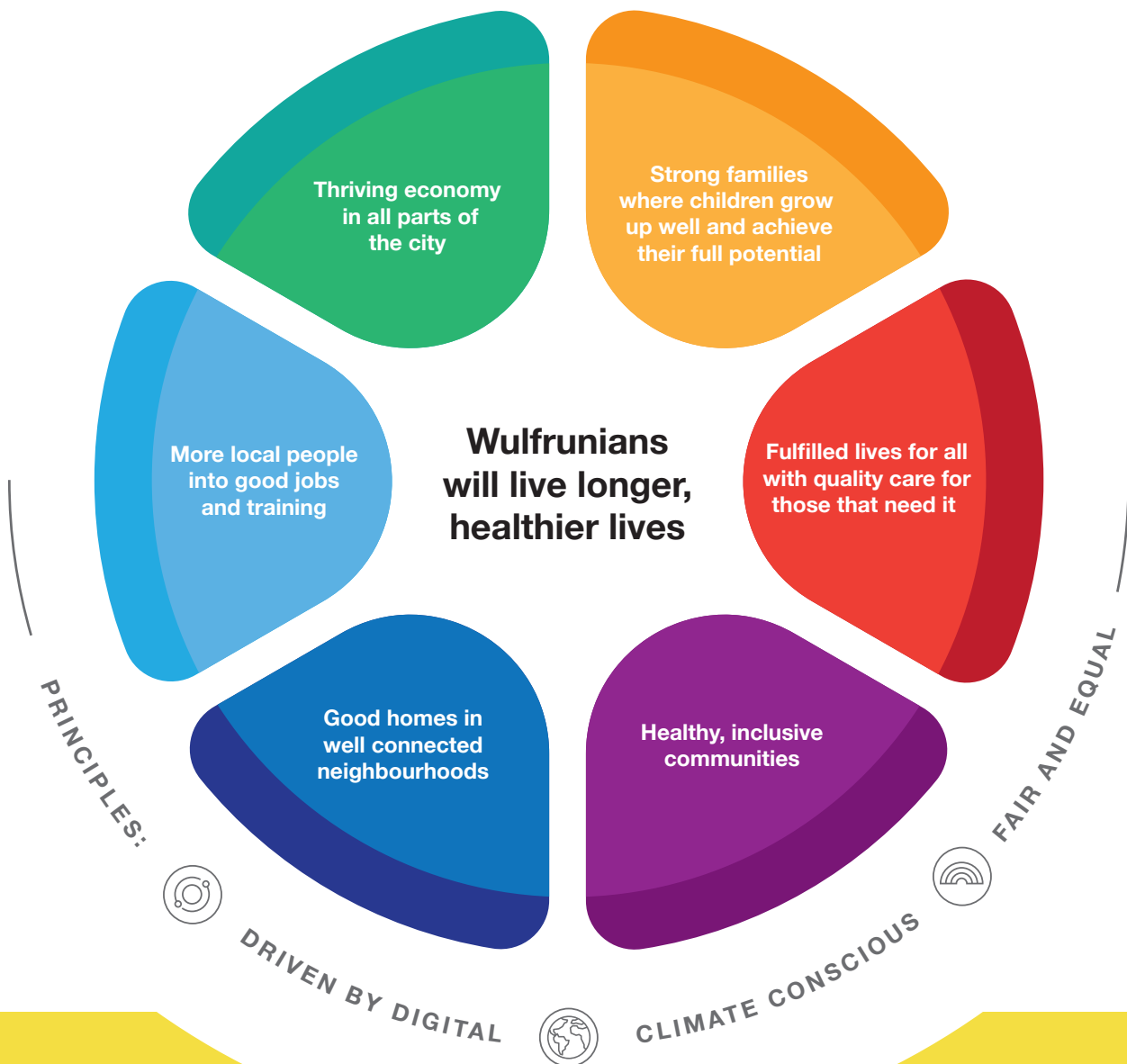
Our Customer Involvement Panel support us to listen and act on the customer voice



Supporting the city's priorities

As the largest housing management partner of the City of Wolverhampton Council we recognise the significant role and opportunity we have in supporting the council to achieve its goals.

Our business plan and key priorities are informed by Our City, Our Plan, as we deliver critical housing services in Wolverhampton.



Supporting the city's priorities *Continued*

A settled and secure home is the foundation for people and families to thrive. So alongside the standard housing management services, we provide a wide range of services to build healthy, safe and thriving neighbourhoods and communities.

We aim to tackle ASB through our dedicated, city-wide, tenure-neutral service and we strive to forge positive connections and to keep residents safe in their homes; our Money Smart team supports thousands of customers every year with the cost of living. We aim to help families with children who are attending school to ensure those children are ready to achieve their potential; and our Early Careers initiatives have supported unemployed 18-24s in the city into secure jobs with opportunities to learn and grow.

A committed supporter of the Wolverhampton Pound, we recognise the power of our supply chain in creating thriving communities. Wherever possible we award contracts locally and we encourage our suppliers to also stay local, supporting the local economy and increasing the money that is spent in local businesses.

Supporting Principles



Climate Conscious

We have committed to the 'Net Zero' carbon target for 2028 to continually improve and decarbonise the properties we manage on behalf of the city council.



Driven By Digital

We are aligned with the council aim to maximise how we use digital technologies to deliver better services and outcomes, encouraging customers to move to digital by choice.



Fair And Equal

We are passionate that everyone should have fair and equal access to services and opportunities so that they can play a positive role in their community.

Priorities for the year

As the largest housing management partner of the City of Wolverhampton Council we recognise the significant role and opportunity we have in supporting the council to achieve its goals.

The seven pillars of the Charter for Social Housing Residents sets out what our customers can expect from Wolverhampton Homes:

To be safe in your home.

The government will work with industry and landlords to ensure every home is safe and secure.



To have your **complaints dealt with promptly and fairly**, with access to a strong Ombudsman.



To know how your **landlord is performing** including on repairs, complaints and safety, and how it spends its money, so you can hold it to account.



To be treated with **respect**, backed by a strong consumer regulator and improved consumer standards for tenants.

To have a good **quality home and neighbourhood** to live in, with your landlord keeping your home in good repair.



To have your **voice heard** by your landlord, for example through regular meetings, scrutiny panels or being on its Board.



To be supported to **take your first step to ownership**, so it is a ladder to other opportunities, should your circumstances allow.



Priorities for the year *Continued*

Close performance monitoring ensures we are meeting consumer regulation through good quality, safe and secure accommodation and neighbourhoods. Our new Customer Involvement Panel and scrutiny groups will support regular, transparent performance reporting with the customer voice flowing through all our services, procedures and policies. We have redesigned our complaints process and increased resource to ensure we're responding and resolving complaints to customers' satisfaction, and that the learnings are captured and used to inform continual service improvements. And our annual 'Here when you need us' progress report will let you know how we're performing against these objectives.

Keeping customers safe, in a good quality home and neighbourhood

To ensure that estates are safe and clean, where people feel they belong and where anti-social behaviour is not tolerated

Access to a range of suitable temporary accommodation, with B&B and hotel rooms used for short-term emergencies only

Homes and communal areas are compliant with all relevant Health & Safety requirements



Develop long term investment strategies to maintain decent homes and reduce carbon emissions

Providing robust and person centred domestic abuse support



Provide an efficient and customer focussed repairs service to keep customers safe

Delivering regeneration, refurbishment and building safety projects to enhance homes and neighbourhoods across the city

Priorities for the year *Continued*

Treating customers with respect and acting on their feedback

Delivering the Our Future transformation programme to ensure that everyone at Wolverhampton Homes is skilled, engaged and able to do a great job in an inclusive and open environment.

Supporting customers to choose digital channels through providing high quality online services



Keeping customers at the heart of all decision-making, with a menu of involvement for customers to share their views in a way that suits them.



Supporting customers to maintain their tenancies through providing relevant help, advice and information



Providing a people-focused adaptations service to enable elderly, vulnerable and disabled people to lead rich and fulfilling lives through living independently at home

Enablers

We are committed to developing our people, our systems and our processes to allow us to effectively deliver against these priorities in full support of the City of Wolverhampton Council and our customers.

We will attract and retain the best people through an inclusive and diverse company culture, excellent training and development opportunities and a first-class employee experience. High-quality digital solutions will ensure customers benefit from fast and efficient online services, freeing up resource for our teams to provide more dedicated support to those who need it most. And the customer voice will be heard, with our customer panel embedded in our governance process and enhanced understanding of customer needs and preferences driving our decisions.



Conclusion

This Business Plan will guide Wolverhampton Homes and underpin its work over the coming year. This comprehensive roadmap reflects the company's commitment to providing exceptional services aligned with the priorities of the City of Wolverhampton Council.

The social housing landscape is evolving, and Wolverhampton Homes, as an ALMO, is well-positioned to navigate these changes. By embracing regulatory reforms, fostering customer-centric practices and promoting innovation, we are confident in the company's ability to not only meet but exceed the expectations of their diverse customer base.

The priorities outlined in this plan, from enhancing community focus to delivering safe and secure homes, resonate with the council's broader objectives and corporate aim, for Wulfrunians to live longer, healthier lives. We are confident that Wolverhampton Homes' leadership, staff, and governance structures have been designed and developed to deliver this business plan effectively. Through transparent communication, community engagement, and a commitment to high standards, we believe Wolverhampton Homes will continue to be a cornerstone in providing quality housing services and positively impacting the lives of Wolverhampton's residents.

Councillor Sue Roberts
Chair of the Wolverhampton Homes Board

Councillor Steve Evans
Deputy Leader and Cabinet Member for City Housing



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Appendix 2: Wolverhampton Homes Annual Delivery Plan 2024 - 2025

The new Business Plan and associated delivery weaves in the golden thread of the organisation that runs through everything we do and supports the priorities in relation to the three pillars below which underpin this plan by way of:

- Enhancing our community and customer focus
- Providing safe and secure homes
- Supporting people to sustain their tenancies and homes

No.	Priority	Wolverhampton Homes will
1.	To be safe in your home. The government will work with industry landlords to ensure every home is safe and secure.	<ul style="list-style-type: none"> - Provide an efficient and customer focussed repairs service. - Be compliant with regulatory compliance with the “Big 7”. - Understand and know the stock condition of properties and identify any areas of concern.
2.	To have your complaints dealt with promptly and fairly, with access to a strong Ombudsman.	<ul style="list-style-type: none"> - Provide complaint responses within expected timescales. - Be open and transparent when investigating and responding to your complaints. - Ensure there is a fit for purpose complaints policy in place. - Use learning from complaints to inform service improvements and demonstrate how these have been implemented to both customers and through the business. - Integration of solution focussed outcomes into business delivery – ensuring learning from complaints is identified and addressed.
3.	To know how your landlord is performing including on repairs, complaints and safety and how it spends its money, so you can hold it to account.	<ul style="list-style-type: none"> - Provide performance data on a range of services and share this information with stakeholders and customers. - Analyse data collected to help support decision making and service improvements. - Produce regular reporting detailing performance and spend.
4.	To be treated with respect, backed by a strong consumer regulator and improved consumer standards.	<ul style="list-style-type: none"> - Support customers to choose digital channels through providing high quality online services. - Keep customers at the heart of decision-making, with a menu of involvement for customers to share their views in a way that suits them. - Ensure that customers are treated fairly and equitably in relation to their identified needs. - Support customer to maintain their tenancies through providing relevant help, advice and information. - Providing a people-focused adaptations service to meet people’s needs to lead rich and fulfilling lives through living independently at home.
5.	To have a good quality home and neighbourhood to live in, with your landlord keeping your home in good repair.	<ul style="list-style-type: none"> - Provide access to a range of suitable temporary accommodation, with B&B and hotel rooms used for short-term emergencies only. - Develop long term investment strategies to maintain decent homes and reduce carbon emissions. - Provide robust and person centred domestic abuse support. - Deliver regeneration, refurbishment and building safety projects to enhance homes and neighbourhoods across the city. - Estates are kept free of litter and fly tipping, with open spaces maintained. - Anti-social behaviour is dealt with promptly and effectively, to minimise the impact on individuals and the wider community.
6.	To have your voice heard by your landlord, for example	<ul style="list-style-type: none"> - Support the delivery of the overarching customer experience strategy and associated action plans. - Ensure consistent advice is provided at all front-line touch points

	through regular meetings, scrutiny panels or being on its Board.	<ul style="list-style-type: none"> - Resident involvement, influence, and scrutiny. - Maintain effective and continuous conversation with all customers, with contact being appropriate to the individual and proportionate to the situation.
7.	To be supported to take your first step to ownership , so it is a ladder to other opportunities, should your circumstances allow.	<ul style="list-style-type: none"> - Delivery of a fit for purpose Right to Buy service. - Support customers into employment via our Reach programme.

Housing Compliance Programme

Inspection Readiness Project

Set up Policy Portal to co-ordinate policies across WH & TMOs.

Build required evidence base with shared access to data.

Organisational overview – business process map.

Design and deliver Inspection Readiness Training Programme.

Design system for operational response to inspection notification.

Regulatory Compliance Project

Setup Shareholder Board.

Review Management Agreement and Partnership Pledge.

Review clienting arrangements.

Develop Data Processing Strategy – capturing, storing and reporting performance data.

Review governance arrangements.

Tenant engagement.

SLA Review Project

SLAs in scope: ASB, Housing Options, Housing Assistance, Telecare, Out of Hours Service.

Develop Data Processing Strategy – capturing, storing and reporting performance data.

Performance Monitoring Framework.

Identify contract leads.

Budget review.

12-month performance review.

Risk assessment – likelihood and impact.

Housing Strategy

Build evidence base – identifying challenged and priorities .

Stakeholder consultation.

Develop delivery plan.

Progress through governance.

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Policy Update

NEWS AND VIEWS OF THE HOUSING WORLD

Issue #11 • November 2023



Championing
better homes and
communities

Government News

The King's Speech was delivered on 7 November 2023. This reintroduced the Renters (Reform) Bill.

Rishi Sunak has undertaken a small reshuffle of government. As part of this, Lee Rowley MP has been appointed Minister for Housing, replacing Rachel Maclean.

The Chancellor gave his [Autumn Statement](#) on 22 November. Of note:

- The LHA will rise to the 30th percentile of an area's market rents in 2024-25 but will then be frozen again from 2025-26. A corresponding raise to the benefit cap was not mentioned.
- Working age benefits will be uprated by 6.7 per cent from April 2024.
- There will be more severe measures for those long-term unemployed who receive benefits, and who the government thinks can work. The Chancellor had previously announced the [Back to Work Plan](#), a package of employment support measures for those with long-term health conditions, disabilities or who are long-term unemployed.
- £5 million extension to June 2025 of the Public Works Loan Board 'policy margin' to support local authority investment in social housing.
- £450 million to be allocated to the Local Authority Housing Fund to deliver 2,400 new 'housing units' for Afghan refugees and to ease wider housing and homelessness pressures.

NFA UPDATE

Annual Conference

The NFA annual conference will open for bookings on Monday 4 December. The conference, *Housing Knowledge: A journey, not a destination*, will take place on Thursday 25 April 2024 at the Eastside Rooms in Birmingham.

[The event programme, booking information and speakers](#) will be available on our website.

Webinars

The NFA webinar for Chief Officers and senior officers on regulation and pilot inspection will take place on the 12 December.

Consultation responses

The NFA has responded to the [Housing Ombudsman's Consultation on the Complaint Handling Code](#).

DLUHC has published its [monthly update on improving the quality of social housing](#). DLUHC's planned activity over Winter includes:

- Setting out next steps on the Decent Homes Standard, minimum energy efficiency standards, Awaab's Law, competence and conduct standards for social housing landlords, and plans for supported housing regulatory oversight.
- They also plan to publish the consultation response on changes to electrical safety requirements, and case studies on good practice approaches to dealing with ASB.

DLUHC has opened the [annual Windrush Day Grant Scheme 2024](#) which community groups and charities can bid into.

The Regulator of Social Housing (RSH)

The RSH has published its [Sector Risk Profile](#).

The Housing Ombudsman

The Housing Ombudsman has published its latest [Complaint Handling Failure Order report](#).

The Grenfell Tower Inquiry has published an [update of its progress](#).

Research & Useful Information

The CIH has published its [2023 UK Housing Review Autumn Briefing Paper](#).

The Learning and Work Institute has published a [briefing paper on out-of-work benefits](#).

The UK Collaborative Centre for Housing Evidence (CACHE) has published a [report on Heat Pumps and Domestic Heat Decarbonisation](#). **CACHE** has also published a [briefing](#) on how capital grant is an effective

intervention for stimulating supply of new social rented housing.

The Council for the Preservation of Rural England has published a [report on the chronic shortage of affordable housing in rural communities](#).

Communities that Work has published its [annual report](#), highlighting the work that has been undertaken on social housing and employment, including the NFA part-funded report, Building Opportunity.

Consultations

The Regulator of Social Housing has published a consultation on its [guidance for how it intends to use the powers set out in the Social Housing Regulation Act](#). The consultation will close on 16 January 2024.

The NFA will be responding to the consultation. Please send any comments to Lisa Birchall by Friday 5 January to help shape the response lisa.birchall@amos.org.uk.

Statistics

DLUHC has published [Affordable Housing Supply statistics for England](#) (2022-23)

NFA News

Chloe Fletcher,

NFA Policy Director, will be leaving the NFA on the 13 December to move to HQN.

Chloe has been at the heart of the NFA since 2007 and has been a tireless and brilliant champion of ALMOs, tenants and council housing.

We all wish her well for the next steps of her career.

Any policy questions can be directed to Lisa on lisa.birchall@amos.org.uk




The NFA has also responded to the [Government's consultation on the direction to the Regulator in regard to the provision of information on tenants' rights and complaints](#).

Viewpoints

A [comment piece from Mike Ainsley](#), NFA Board Chair, has been published by Inside Housing as part of their Build Social Campaign. talks about the need for us to bring social housing back into the conversation. The article can also be read [here](#).

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Board Report

	Agenda Item 11
	<p>15 December 2023 Capital Programme Delivery update - Quarter 2, 2023 - 2024</p>
	Open Report
Status:	For Information
Author and job title:	Simon Bamfield, Head of Assets and Stock Investment
Contact No:	07717 732984
Recommendations:	Board Members are asked to note the performance achieved and the financial position of the delivery of the Housing Revenue Account (HRA) Capital Programme.
Key risks and contentious issues:	<p>Construction activity, particularly in high-risk buildings, has never been more acutely regulated. The HRA Capital Programme must ensure the work it delivers meets all of the current and proposed legal standards such as the Building Regulations, and the Building Safety Act and the plethora of supporting legislation.</p> <p>Consequently, there is significant time and resource allocated to the design process, to ensure issues are identified and compliant solutions found prior to the construction phase.</p> <p>Additionally, there is a substantial amount of time and effort invested in appointing specialist contractors and material suppliers, with sufficient knowledge and experience to achieve the required competency standards. This is supported by ensuring that higher-risk activities (such as the installation of fire safety features), are delivered by third-party accredited specialists.</p>

Management Summary

1.0 Purpose

- 1.1 To confirm to members of the Board the progress attained with the delivery of the capital programme, and the level of expenditure achieved during the second quarter of the financial year 2023 - 2024.

2.0 Background

- 2.1 The Housing Revenue Account (HRA) Capital Programme for the financial year 2023 - 2024 was approved by the City of Wolverhampton Council's Cabinet on 18 January 2023. The Council delegated £97.785m of this to Wolverhampton Homes to manage and deliver. In addition, there were also some projects delivered by Wolverhampton Homes on behalf of Council budget holders (disabled adaptations, infill new build etc.); the value of this work was £8.402m, bringing the total to £106.187m.
- 2.2 The HRA Capital budgets are subject to on-going refinement, through quarterly reviews that are endorsed by the Council's Cabinet Resources Panel, to ensure that the necessary funds are allocated to the relevant budgets and that any public borrowing to support the capital programme is only obtained when appropriate.
- 2.3 Appendix 1 of this report identifies the current position against the Q2 budgets (with adjustments for any slippages or overspends from the previous financial year), showing the expenditure against and variance to each approved budget.

3.0 Financial and value for money implications

- 3.1 The forecast for the 2023 - 2024 is an unprecedented level of planned expenditure, especially when compared to the expenditure in the previous year, which was £60.92m. The increase in this year's forecast programme includes:
 - The acceleration of investment projects that will reduce tenants' heating costs through improving the levels of insulation and the efficiency of heating systems, especially on the older and the non-traditional housing stock.
 - Increases in material prices, which are proving to be stubbornly resistant, despite the supply and demand pressures experienced during the pandemic and at the beginning of the Ukraine war having eased.
 - Increases in the cost of labour due to wage inflation fuelled by the economic crisis and ongoing labour shortages, being driven by major regional projects, including HS2, the extension of the West Midlands Metro, Birmingham Airport redevelopment and the significant regeneration projects across the combined authority area.
 - The increasing age of the properties and the components within them, failures due to wear and tear and increasing performance standards.

- 3.2 The expenditure against the straight-line profiles shown in Appendix 1, is behind a straight lined profile, but this is mainly due to the planned slow start encountered when new projects / phases of work commence. We are however, based on latest cost and project reviews, confident that we will achieve the target expenditure.
- 3.3 The key delivery issues to note are:
- a. There continues to be a significant up-turn in the numbers of high-cost voids, currently averaging around 35 per month since April 23, which is double the historic norm. The extent of work that needs to be undertaken has also increased, which is due to age-related deterioration of the properties, with increases in associated work, e.g. replastering. Often the main components fitted under the Decent Homes Programme, such as kitchens need replacing, along with external works. Average void cost is currently in the region of £25,000 per property.
 - b. The refurbishment of the tower-blocks at Heath Town is progressing well, window replacements and external wall insulation work is on-going at Brockfield House and will commence shortly on Champion House. Dialogue with the telecommunications company and the City Council is continuing, and the installation of new equipment on the roof of Brockfield House is planned for Q3, which will then enable the removal of the existing equipment on Champion House in Q4. Structural repair work to the masonry panels at Lincoln House and Tremont House has commenced and once completed the installation of external wall insulation and new windows can proceed. As several emergency repairs have recently been completed on the existing district heating pipework, surveys are being undertaken to establish its condition across the network. The work on the new energy centre has also commenced with groundworks being carried out in preparation for the construction of the main structure.
 - c. The Infrastructure Programme, which includes fire safety improvements to the tower-blocks across the city and the replacement of the mechanical and electrical services, is progressing well. The work at Merry Hill and Graiseley estates is due for completion at the end of the financial year. Access to customers' homes to deliver the works remains a challenge but the improved communication and customer engagement means the extent of properties where access has been impeded is reducing.
 - d. The first 16 properties have been handed over on the System Built Retrofit Programme, which is delivering replacement roofs, windows, doors, and the installation of external wall insulation and enhanced ventilation to the properties. Customer feedback remains really high across both the Cornish and Wimpey No Fines properties.
 - e. Design works are progressing on the first phase of the External Façade Improvement Programme to the tower-blocks on the Vauxhall Estate and the second phase on the Boscobel estate. Both projects will be subject to a review by the Building Safety Regulator before works are able to commence on site. Both projects will include the replacement of windows, roofs and the installation of external wall insulation and new heating systems.

- f. There has been good progress on the elemental replacement schemes, with the replacement kitchen and bathroom programme completing a further 57 properties during Q2. The second phase of the flat entrance fire door replacement programme on the low and medium rise blocks, installed 359 doors during the same period. An additional 41 pitched roofs were also replaced in Q2, and customer satisfaction remains high across these projects.

4.0 Legal and regulatory implications

- 4.1 Wolverhampton Homes is required to meet the requirements of the Social Housing (Regulation) Act 2023, the Building Safety Act 2022, The Higher-Risk Buildings (Key Building Information etc.) (England) Regulations 2023, The Higher-Risk Buildings (Management of Safety Risks etc) (England) Regulations 2023 and the wide range of other supporting legislation.

5.0 Human resources implications

- 5.1 There are currently vacancies within the teams that deliver the capital programme. These include vacant posts for Asset Condition Surveyors and Property Supervisors.
- 5.2 There have been numerous recruitment campaigns to try to fill these vacancies, with limited success. WH are continuing to recruit to these posts through more targeted advertising or use of consultants, where appropriate. Regular dialogue continues with the University of Wolverhampton to try to attract local students to our graduate trainee programme.
- 5.3 Market forces continue to provide the company with a challenging recruitment environment. We are therefore focusing on our “growing our own” strategy to increase internal capacity, with use of external consultants remaining for the short term and to meet peak periods of demand.

6.0 Health and safety implications

- 6.1 Site health and safety of these complex construction projects is robustly managed through daily site inspections and formal meetings with our partners. Performance is also monitored via WH’s Health and Safety forums and our internal Health and Safety team. Latent building safety risks continue to be managed via our wider compliance and site inspection programmes.

7.0 Equalities implications

- 7.1 Has an equality impact assessment been carried out? No.
- 7.2 Explanation: Where equality impact assessments are required, they are prepared during the pre-construction phase of each individual project.

8.0 Impact on the environment and community

8.1 The capital programme continues to provide a significant positive impact on the environment and the local communities through the employment of local people, with circa 38% of the people employed living within Wolverhampton, and by providing safe, efficient, and comfortable homes for our customers.

9.0 Long term consequences for the company

9.1 The capital programme is focused on ensuring the long-term sustainability of the housing stock portfolio, through timely interventions. These range to the replacement of worn-out components, for example central heating boilers, through to major schemes that enhance the quality of the built assets and surrounding environment.

9.2 Failure to deliver the capital programme effectively will result in insufficient numbers of improvements being undertaken, leading to an increased pressure on the repairs service and a rise in disrepair claims.

9.3 Despite the challenges currently being encountered, the capital programme continues to be delivered efficiently, provides value for money, and focuses on the key priorities of improving building safety and maintaining the Decent Homes Standard.

10.0 Impact on business relationships with suppliers, customers, and others

10.1 Having a strong capital programme and the ability to deliver against promises helps strengthen the business relationships with the Strategic Construction Partners, their sub-contractors and key suppliers.

10.2 The approach taken through the pandemic continues to provide a nurturing environment for these companies, safeguarding the wellbeing of their employees and maintaining employment wherever possible, has further strengthened these business relationships.

10.3 There is regular engagement with customers through the design-phase of each new capital project, so WH can ensure that their views and concerns are understood and addressed prior to work starting.

10.4 Further engagement with customers is undertaken prior to work commencing and throughout this process, to ensure the appropriate support is provided.

11.0 Impact of Covid-19

11.1 The delivery of the HRA Capital Programme has faced significant challenges due to the impact of Covid-19, but there are now effective control measures in place, which allows projects to be delivered safely.

12.0 Impact on Wolverhampton Homes' Management System

12.1 Will any new policy or policy updates have an impact on the management system? No.

13.0 List of Appendices

13.1 Appendix 1: HRA Capital Programme Report 2023 - 2024 (to the end of Quarter 2).

Appendix 1: HRA Capital Programme Report 2023-24 (to the end of Quarter-2).

Item	Name of Project	Spend to end of September 2023			Forecast spend to end of March 2024	
		Total Expenditure	Budget Profile	Variance to Budget Profile	Total Expenditure	Variance to overall budget
DELEGATED PROJECTS (DELIVERED & MANAGED BY WOLVERHAMPTON HOMES)						
A	Internal Improvements					
21/A01	Refurbishment of voids	£7,936,386	£6,069,500	£1,866,886	£13,409,844	£1,270,844
21/A02	Boiler Replacement Programme	£497,905	£514,753	(£16,848)	£985,387	(£44,118)
21/A03	Internal Improvements	£5,450,422	£5,215,343	£235,079	£12,222,192	£1,791,506
B	Refurbishment Works					
21/B01	Heath Town Estate: refurbishment of the retained blocks	£7,848,567	£6,799,029	£1,049,539	£14,337,003	£738,946
23/B02/B03/B04	High Rise External Façade Works Programme; incorporating window replacement, roof replacement, external wall insulation and associated	£639,929	£826,417	(£186,488)	£1,279,858	(£372,976)
21/B02	Renewal of High-Rise Infrastructure (City-wide); incorporating retro-fitting sprinklers and fire safety improvements	£11,942,917	£10,959,182	£983,735	£22,702,009	£783,645
	Medium-rise blocks improvement programme	£705,534	£1,026,735	(£321,201)	£1,411,068	(£642,401)
	Low Rise Estate Improvement programme	£0	£1,562,500	(£1,562,500)	£0	(£3,125,000)
21/B14	Surveys of non-traditional housing (including high-rise)	£82,221	£224,993	(£142,772)	£533,177	£83,191
23/B/15	Remedial Works to System Built Properties	£6,319,500	£9,635,500	(£3,316,000)	£19,412,782	£141,782
21/B07	Lift & DDA Improvements	£0	£197,000	(£197,000)	£394,000	£0
21/B08	Door Entry/CCTB Security Programme	£62,990	£455,000	(£392,010)	£784,020	(£125,980)
21/B09	Fire Safety Improvements - Medium & Low Rise	£1,268,471	£1,538,666	(£270,195)	£3,567,972	£490,641
21/B11	Sustainable Estate Programme	£85,968	£433,500	(£347,532)	£83,436	(£783,564)
21/B06	Roof Replacement Programme (City Wide)	£2,997,273	£3,453,144	(£455,871)	£7,020,276	£113,989
21/B05	Structural Repair Works (ad-hoc, City-Wide)	£917,027	£925,523	(£8,496)	£1,635,802	(£215,243)
21/B13	Pathway Improvement & Safety Programme	£45,344	£68,537	(£23,193)	£90,688	(£46,386)
C	Miscellaneous Items					
21/C01	Legacy Final Account Close Out	£0	£0	£0	£0	£0
21/C02	Capital Programme Management (Wolverhampton Homes salaries)	£1,050,000	£1,050,000	£0	£2,100,000	£0
21/C03	Sale of Council Houses Administration (RTB)	£30,000	£30,000	£0	£60,000	£0

Appendix 1: HRA Capital Programme Report 2023-24 (to the end of Quarter-2).

Item	Name of Project	Spend to end of September 2023			Forecast spend to end of March 2024	
		Total Expenditure	Budget Profile	Variance to Budget Profile	Total Expenditure	Variance to overall budget
PROJECTS MANAGED & DELIVERED BY WOLVERHAMPTON HOMES ON BEHALF OF THE COUNCIL BUDGET HOLDER						
D	Internal Works					
21/D01	Disabled Adaptations	£619,260	£824,544	(£205,284)	£1,649,088	£0
21/D02	Bushbury Hill EMB Improvement Programme	£51,007	£79,055	(£28,048)	£158,109	£0
E	Refurbishment Works					
F	Other Projects					
21/F01	Infill New Build: Small Sites 5	£382,075	£731,860	(£349,785)	£590,909	(£872,811)
	Replacement of system-built housing (based on £200k per unit inclusive of demolition, ground remediation and construction costs)	£0	£250,000	(£250,000)	£0	(£500,000)
	Summary					
	Estimated Total Value	£48,932,796	£52,870,778	(£3,937,982)	£104,427,620	(£1,313,935)
	Comprising					
	Project budget - delegated	£46,800,454		(£3,104,865)	£99,869,514	£58,876
	Project budgets - delivered on behalf of Budget Holder	£1,052,342		(£833,117)	£2,398,106	(£1,372,811)
	Miscellaneous Items	£1,080,000		£0	£2,160,000	£0
	Non-SCP Projects	£1,307,720		(£977,107)	£4,436,360	(£133,293)
	Other Costs	£1,080,000		£0	£2,160,000	£0
	New Build	£382,075		(£599,785)	£590,909	(£1,372,811)

Original Budget (from Jan. 2023 HRA Business Plan)

£106,187,000

Budget Variance by year-end

£1,759,380

1.66%