



Wolverhampton Homes Open Board Meeting

11 December 2024

Time 9.30 am **Public Meeting?** YES **Type of meeting** Wolverhampton Homes
Venue Boardroom, Wednesfield Office, Alfred Squire Road, Wednesfield, WV11 1XU

Membership

Councillor Rita Potter
Councillor Zareena Russell
Councillor Paul Appleby
Councillor Sally Green
Victor Browne
Christopher Lue
Sazini Malaba
Mathew Tschubenko
Ranjit Kaur
Mark Ansell
Hannah Semple
Darshan Chatha

Information

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

Contact Business Assurance team
Tel/Email 01902 552956; WHSBusinessAssurance@wolverhamptonhomes.org.uk
Address The Boardroom, Wednesfield Office, Alfred Squire Road, Wednesfield, WV11 1XU

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

Agenda

Item No. *Title*

- 1 **Apologies**
- 2 **Declarations of interest**
- 3 **Minutes of previous AGM - 11 September 2024** (Pages 3 - 8)
- 4 **Minutes of previous open Board Meeting - 11 September 2024** (Pages 9 - 14)
- 5 **Matters arising**

EXTERNAL AUDIT

- 6 **Financial Statements for the year ended 31 March 2024 - External Audit**
(Pages 15 - 76)

FOR INFORMATION

- 7 **Revenue Budget Forecast 31 October 2024 - 2025 - Jo McCoy, Finance Business Partner** (Pages 77 - 84)
- 8 **Capital Programme Outturn Report for Quarter 1 and 2 financial year 2024 - 2025 - Simon Bamfield, Head of Assets and Stock Investment and Steve North, Head of Capital Works** (Pages 85 - 94)
- 9 **Verbal update of Damp, Mould & Condensation activity and mitigation - Neil Causer**

M I N U T E S



Meeting: Annual General Meeting (AGM)
Date: Wednesday 11 September 2024
Venue: Wednesfield Boardroom, Wednesfield Office, Alfred Squire Road, Wednesfield, Wolverhampton
Time: 09:30 am

MEMBERS IN ATTENDANCE: -

Councillor Rita Potter	-	Board member (Councillor) – Acting Board Chair
Councillor Paul Appleby	-	Board member (Councillor) – Teams
Councillor Sally Green	-	Board member (Councillor)
Councillor Zareena Russell	-	Board member (Councillor)
Christopher Lue	-	Board member (Tenant)
Darshan Chatha	-	Board member (Independent)
Hannah Semple	-	Board member (Independent)
Mark Ansell	-	Board member (Independent)
Mathew Tschubenko	-	Board member (Tenant)
Ranjit Kaur	-	Board member (Independent)
Victor Browne	-	Board member (Tenant)

STAFF IN ATTENDANCE: -

Shaun Aldis	-	Chief Executive
Julie Haydon	-	Director – Corporate Services
Angela Barnes	-	Director –Homes and Communities
Ian Gardner	-	Director – Property
Nicky Devey	-	Head of Business Services
Jackie Wilkinson	-	Executive Assistant
Sarah Butcher	-	Head of Talent, Communications and Engagement

STAFF IN ATTENDANCE – CITY OF WOLVERHAMPTON COUNCIL: -

Councillor Steve Evans	-	Portfolio Holder for Housing
Jenny Lewington	-	Deputy Director of City Housing
Lynda Eyton	-	Service Lead – Housing Regulation

EXTERNAL AUDIT IN ATTENDANCE – GRANT THORNTON: -

James McLarnon	-	Grant Thornton External Audit Partner
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1.0	Apologies	
1.1	<ul style="list-style-type: none"> - John Roseblade – Director of Resident Services, City of Wolverhampton Council - Andrew Bryant – Service Manager, Landlord Services, City of Wolverhampton Council - Sazini Malaba – Board Member – Tenant 	
2.0	Declaration of Interest	
2.1	<ul style="list-style-type: none"> - Christopher Lue – Tenant Board Member - Victor Browne – Tenant Board Member <p>Noted: No specific conflict of interest identified.</p>	
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) – Councillor Steve Evans, Housing Portfolio Holder	
4.1	Councillor Evans provided an overview of the working arrangements between the council and Wolverhampton Homes with an emphasis on the importance of partnership and transparency with tenants, addressing issues such as rent collection, damp and mould, procurement, temporary accommodation, and safety regulations.	
4.2	<p>Information shared by the portfolio holder regarding the continued positive joint working arrangements between Wolverhampton Homes (WH) and the City of Wolverhampton Council (CWC) with key points detailed as follows:</p> <ul style="list-style-type: none"> • The importance of partnership and transparency with tenants, emphasizing the need for tenants to have influence and for the organization to act on collected data regarding stock condition. • The impact of the Grenfell report, highlighting the need for safe, clean, and secure homes. • Successes in rent collection, with a 98.9% collection rate despite economic challenges. • Efforts to tackle damp, mould, and condensation issues. • Challenges related to procurement, temporary accommodation, and safety regulations. • The need for further work on procurement processes and temporary accommodation to ensure they are cost-effective and meet the right criteria. • The importance of understanding and implementing the safety regulator's recommendations from the Grenfell report. 	

	<ul style="list-style-type: none"> The role of the board and the need for collaboration with the City Council to address housing challenges and deliver objectives set out in the Social Housing Act. Thanks given to the support of the Board in delivering against the company and council priorities on behalf of customers. 	
5.0	City of Wolverhampton Council - Shareholder update (Verbal)- Jenny Lewington – Deputy Director City Housing and Environment	
5.1	<p>The City of Wolverhampton Council discusses its partnership with Wolverhampton Homes and the significant regulatory changes affecting social housing including key areas:</p> <ul style="list-style-type: none"> Regulatory Changes: Recent regulations such as the Social Housing (Regulation) Act, Building Safety Act, and Fire Safety (England) Regulations have introduced new Tenant Satisfaction Measures, strengthened Consumer Standards, and the Housing Ombudsman's Complaint Handling Code amidst economic challenges and a housing crisis. Strong Partnership: The relationship between the City of Wolverhampton Council and Wolverhampton Homes remains strong, with Wolverhampton Homes assisting in critical areas like Fire and Building Safety, ensuring tenant safety and compliance with legislation. Restructuring and Oversight: The Council has restructured its Landlord Services and created a Shareholder Board to provide assurance and governance for compliance with the new regulatory regime, ensuring readiness for future inspections by the Regulator. Financial Challenges and Opportunities: Despite financial challenges, the Council's "Our Future Council" programme aims to transform service delivery and reduce costs. Wolverhampton Homes plays a crucial role in this initiative, with a focus on tenant engagement and modernising services. 	
6.0	Wolverhampton Homes - ALMO update (Verbal) - Shaun Aldis, Chief Executive - Wolverhampton Homes	
6.1	<p>Further details were shared on the specific WH priorities over the coming 12 months:</p> <ul style="list-style-type: none"> Customer demands: Emphasis on focusing on customer needs and meeting regulatory requirements. Financial stability: Efforts to deliver cost-effective services while balancing regulatory requirements. Digital engagement: Enhancing digital services for customers who can interact online, while also providing face-to-face and telephone services for those who need them. Joint working with the City Council: Ensuring joined-up service provision from customer, staffing, and data-sharing perspectives. Governance: Preparing to be inspection-ready and supporting the Shareholder in this process. 	

	<ul style="list-style-type: none"> Key priorities: Delivering safe and healthy homes, engaging with the community, ensuring compliance with health and safety and regulatory standards, advancing the digital agenda, addressing domestic abuse, and maintaining financial stability and integrity. 	
7.0	Minutes of previous AGM meeting - 21 September 2023	
7.1	Minutes of the previous AGM meeting had been agreed as a true record at the December 2023 Board. Board members were asked to note the approved minutes.	
Decision items		
8.0	Governance arrangements: Approval of governance arrangements, confirmation of board membership, election of board chair and vice-chair, and terms of reference for various committees.	
8.1	<p>The governance arrangements were presented by Nicky Devey, Head of Business Services. Key points discussed included:</p> <ul style="list-style-type: none"> Approval of the governance arrangements as detailed in the Board report. Election of board chair and vice-chair. No specific conflicts of interest were identified. The importance of being inspection-ready and supporting the Shareholder in this process. The need for clear communication and transparency between the board and the Shareholder to avoid any confusion or compromise of the board's independence. The role of the board in ensuring compliance with regulatory requirements and delivering objectives set out in the Social Housing Act. <p>Action: Board members to confirm Board role confirmation separately - All</p>	
8.1.1	Resolved - Board members and the Shareholder approved the:	
8.2	<ol style="list-style-type: none"> Confirmation of Board Membership - detailed at Appendix 1. WH Proposed Board and Committee dates 2025 detailed at Appendix 3. Terms of Reference detailed at Appendices 4 to 6 for the: <ul style="list-style-type: none"> Wolverhampton Homes Board Audit and Business Assurance Committee Communities and Service Delivery Committee <p>Board members noted the: Company's ongoing Governance Arrangements including the launch of the company's complaints policy.</p>	
8.2.1		

8.2.2	<p>Not resolved – to be confirmed by anonymous ballot with outcomes shared with Board members. Shareholder to be notified and requested to ratify at the December 2024 Board meeting:</p> <p>1. Election of Board Chair and Vice-chair / Committee Chair(s) and Member Responsible for Complaints (MRC) noting the potential changes - detailed at Appendix 2 will be confirmed separately.</p>	
External Audit Item		
9.0	Draft Audit Findings Report 2023 - 2024 - James McLarnon, Grant Thornton External Audit Partner	
9.1	The audit findings report was presented highlighting observations related to the financial reporting process and auditor independence.	
9.2	<p>Key points discussed include:</p> <ul style="list-style-type: none"> Financial stability: The audit confirmed that the organisation is financially stable and has effective financial controls in place. Compliance: The audit found that the organisation is compliant with relevant financial regulations and standards. Risk management: The audit highlighted the importance of ongoing risk management and recommended improvements in certain areas to mitigate potential risk. Areas covered include fraud risk, laws and regulations, related parties, and accounting estimates. Internal controls: The audit identified some areas where internal controls could be strengthened to enhance overall efficiency and effectiveness. 	
9.2.1	Resolved: Board members noted the draft document and confirmation provided that the external audit findings report is still being finalised, with the updated report expected to be ready by 11 October 2024.	
Decision item		
10.0	Annual Strategic Financial Arrangements – Julie Haydon, Company Secretary	
10.1	<p>The purpose of the annual financial arrangements report was shared in more detail with Board members with updates on key areas of financial planning including:</p> <ul style="list-style-type: none"> Rigorous review and auditing alongside joint working with the Finance lead at the City Council to ensure financial stability, integrity and transparency. Wolverhampton Homes has a wide range of key priorities to deliver against in the next 12 months, including compliance with 	

10.2	<p>asset health and safety regulations, enhancing digital services, and financial planning.</p> <ul style="list-style-type: none"> • The draft Financial Statements for 2023-2024 will be presented to the Wolverhampton Homes Board for review to ensure due diligence. • The draft Letter of Representation is provided in connection with the audit of the financial statements of Wolverhampton Homes Ltd for the year ended 31 March 2024. 	
10.3	<p>Resolved: Board Members approved the:</p> <p>1. WH Letter of Going Concern – September 2024</p> <p>and to note the:</p> <p>2. Draft WH Letter of Representation – 2023 - 2024</p> <p>3. Letter of Support from the City of Wolverhampton Council – September 2024</p> <p>The Shareholder ratified the following decisions and documents:</p> <p>4. WH Letter of Going Concern – September 2024</p> <p>5. WH Letter of Representation – 2023 - 2024</p>	
11.0	Any other business	
11.1	<p>Further discussion on confirming the nature of the decision for there to be a Councillor as Chair of Wolverhampton Homes Board.</p> <p>Action: Feedback from the Linked Bodies Shareholder Board to be provided as the December 2024 WH Board meeting. A copy of the LBSB Terms of Reference to be shared with Board members.</p> <p>Action: Further details to be provided to Board in relation to the CWC Governance Framework.</p>	
12.0	Date of next meeting	
	<ul style="list-style-type: none"> - Proposed for Wednesday 10 September 2025. 	

M I N U T E S



Meeting: Open Board Meeting
Date: 11 September 2024
Venue: Wednesfield Office, Board Room, Alfred Squire Road
Time: 10:30 - 11:30

MEMBERS IN ATTENDANCE: -

Councillor Rita Potter (RP)	-	Board Member – Councillor (Acting Chair)
Christopher Lue (CL)	-	Board Member – Tenant
Councillor Paul Appleby (PB)	-	Board Member – Councillor
Councillor Sally Green (SG)	-	Board Member – Councillor
Councillor Zareena Russell (ZR)	-	Board Member – Councillor
Darshan Chatha (DC)	-	Board Member – Independent
Hannah Semple (HS)	-	Board Member – Independent
Mark Ansell (MA)	-	Board Member – Independent
Mathew Tschubenko (MT)	-	Board Member – Tenant
Ranjit Kaur (RK)	-	Board Member – Independent
Victor Browne (VB)	-	Board Member – Tenant

STAFF IN ATTENDANCE: -

Shaun Aldis (SA)	-	Chief Executive
Angela Barnes (AB)	-	Director Homes and Communities
Ian Gardner (IG)	-	Director Property Services
Jackie Wilkinson (JW)	-	Executive Assistant (note taker)
Julie Haydon (JH)	-	Director Corporate Services
Julie Manning (JM)	-	Head of Homes and Communities
Nicky Devey (ND)	-	Head of Business Services
Sarah Butcher (SB)	-	Head of L&OD

STAFF IN ATTENDANCE – CITY OF WOLVERHAMPTON COUNCIL: -

Jenny Lewington (JL)	-	Deputy Director of City Housing
Lynda Eyton (LE)	-	Service Lead, Housing Regulation
Neale Ward (NW) via Teams	-	Finance Manager

1.0	Apologies	
1.1	<ul style="list-style-type: none"> - Jo McCoy – Finance Business Partner, CWC - John Roseblade - Director of Resident Services, CWC - Andrew Bryant – Service Manager, Landlord Services, CWC 	
2.0	Declaration of Interest	
2.1	<ul style="list-style-type: none"> - Christopher Lue – Tenant Board Member - Mathew Tschubenko - Tenant Board Member - Victor Browne – Tenant Board Member 	
2.2	Noted: No specific conflict of interest identified.	
3.0	Minutes of the previous meeting – 19 June 2024	
3.1	Minutes of the previous open Board meeting were agreed as a true record.	
4.0	Matters arising (19 June 2024)	
4.1	No Matters arising / actions from previous meeting.	
5.0	Repairs and Maintenance Policy update – Ian Gardner, Director of Property Services	
5.1	<p>Board members were asked to approve the updated Repairs and Maintenance Policy with highlights from the changes detailed:</p> <ul style="list-style-type: none"> - Flexibility of managing budget which will be closely monitored through customer demand. - Links to Awaab's law. - Service standards. - Methods of reporting repairs including via the Customer App - Clarification of tenant responsibilities. - Introduction of planned programme of work. - Commitment to address Cat 1 repairs. - Revised policy statement for Damp, Mould and Condensation. - Specific changes to where there is a private property impacting social housing tenant. - Empty homes. - Appendices incorporated into the summary of documents. - Equality Circle Forum approval with no further recommendations. - Incorporated fencing arrangements. 	
5.2	<p>Questions / comments:</p> <ol style="list-style-type: none"> 1. What is the process where a tenant has an issue with a homeowner? 	

	<p>Customer and homeowner engagement would be attempted, with the option to decant a customer to an alternative property / use of Legal powers.</p> <p>2. Are WH making judgements on non-urgent repairs in relation to assessing vulnerability?</p> <p>There are two key areas within the DMC action plan - risk scoring matrices with Housing Health and Safety Rating System (HHSRS) targets on groups. In terms of general vulnerabilities – with over 80% of customers confirming they have a vulnerability; risk protocols are clearly defined.</p> <p>When WH undertake inspections / repairs - and there is a particular vulnerability identified, this can be reported via See it, Report it (SIRI) and customers are also able to update their information via the app. SIRI covers a wide range of issues and provides a route where issues can be raised.</p> <p>Work is undertaken in relation to the first point of contact, through triage and digital communication for customers to flag these issues e.g. mobility / hearing impairment.</p>	
5.2.1	Action: Lettings data to include where customers have applied for housing due to overcrowding.	AB
5.3	Resolved: Board members approved the updated Repairs and Maintenance Policy.	
6.0	Revenue Budget Forecast 31 July 2024 - Jo McCoy, Finance Business Partner, City of Wolverhampton Council	
6.1	<p>Board members were asked to note the revenue budget outturn position for 2024 – 2025 with further discussion in relation to the various financial challenges and strategies to manage costs and improve efficiencies including:</p> <ul style="list-style-type: none"> • Housing and Overcrowding Issues: Potential issues of overcrowding in housing and the importance of knowing the occupants, as well as efforts to support tenants with mould and condensation problems. • Cost Management Strategies: Digital and IT services are looking at rationalising equipment usage, extending the lifespan of hardware, and managing license costs to save money. • Staff Performance and Efficiency: Efforts are being made to manage staff performance more effectively, which has led to a reduction in sickness numbers and improved productivity. • Outsourcing: The council is considering exploring outsourcing options in relation to services currently delivered inhouse to 	

6.2	<p>achieve better value for money and ensuring that standards are maintained.</p> <ul style="list-style-type: none"> • Strike Action and Vacancies: There is potential for strike action with ballot concluding on 04 October 2024, and the council is reviewing vacancies to determine which positions are necessary to support frontline services. Wolverhampton Homes has already taken steps to remove vacancies from the establishment. • Customer offer: links to customers, including the provision of Service Standards to ensure customers are aware of the service offer. Improvements to processes, with a focus on resolving contact at the first point, thus reducing touch point costs. • Service Delivery and Budget Management: The council is evaluating all services to identify potential savings and ensure that they can continue to deliver essential services despite budget constraints. Impact of market forces on recruitment of skilled trades, which is also impacting nationally. Consideration of outsourcing costs to deliver these elements of works. • Implication of regulation and compliance: It was noted that there have been a number of areas where it has been necessary to increase resources to support the increase in regulatory and compliance activity For example, the Fire Safety team. • Efficiencies and savings: WH is reviewing the establishment to ensure where natural wastage / working in new ways can offset recruitment requirements. <p>Questions / comments:</p> <ol style="list-style-type: none"> 1. Re point 3.2 of the report – has information been shared on how the council's OFC programmes is progressing and how will this impact on how WH delivers its services. <p>The council will share the OFC information as it progresses. The council is reviewing services provided to residents against the backdrop of regulatory requirements versus customer demands and expectations.</p> <ol style="list-style-type: none"> 2. Do WH have a robust approach to how it can recreate savings or reduce services? <p>WH are working closely with the council to mirror the activity being undertaken to identify and plan savings and efficiencies, both in year and for the coming financial year.</p> <ol style="list-style-type: none"> 3. What is the timeline for the OFC programme? <p>The initial savings proposal will be submitted to the council in November 2024 or sooner to incorporate oversight of WH activity in</p>	
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6.3	<p>relation to OFC. The HRA business plan is due to be published in January 2025.</p> <p>Resolved: Board members noted the content of the report.</p>	
7.0	Income Collection Annual update - Angela Barnes, Director of Homes and Communities	
7.1	<p>Board members were asked to note the contents of the report / update with detail shared on the challenges and actions related to rent increases and housing debt management including:</p> <ul style="list-style-type: none"> • Rent Increases and HRA Pressures: The City Council is facing pressures on the Housing Revenue Account (HRA) and may propose significant rent increases to keep up with costs and to be able to deliver capital projects. CWC plan to consult with councillors once the rent increase is known. • Debt Management and Tenant Support: The council is addressing issues with tenants not paying rent, which often leads to debt write-offs. They have invested in pre-tenancy support to prevent tenants from falling into debt, acknowledging that recovery can be difficult once tenants reach a crisis point. 	
7.2	Resolved: Board Members noted the content of the update.	
8.0	A.O.B.	
8.1	No items raised.	
9.0	Date of next meeting	
9.1	- 11 December 2024	

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Wolverhampton Homes Limited
Company Limited by Guarantee
FINANCIAL STATEMENTS
for the year ended
31 March 2024

Wolverhampton Homes Limited
Company Limited by Guarantee
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Wolverhampton Homes Limited
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DIRECTORS

Name	Date appointed
Christopher Lue	September 2023
Councillor Paul Appleby	June 2024
Councillor Rita Potter	May 2012
Councillor Sally Green	June 2024
Councillor Zareena Russell	May 2017
Hardarshan Chatha	February 2024
Hajrija Dergic	October 2019
Hannah Semple	September 2023
Joy McLaren	September 2016
Mark Ansell	September 2024
Mathew Tschubenko	September 2024
Ranjit Kaur	September 2024
Sazini Malaba	September 2023
Shaun Aldis	August 2019
Victor Browne	October 2019

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
17th Floor, 103 Colmore Row, Birmingham, B3 3AG

BANKERS

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

ACTUARY

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

Wolverhampton Homes Limited
Company Limited by Guarantee
STRATEGIC REPORT

The Directors present their Strategic Report, annual Directors' Report, and financial statements of Wolverhampton Homes Limited (the Company) for the year to 31 March 2024. The financial statements have been prepared under the International Financial Reporting Standards.

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 18 years.

When the initial 10-year management agreement was nearing the end of its term, in 2013 the Company signed a new 15-year management agreement with the City Council which runs until 2028. Additionally, in 2017 – 2018 the Council invited the Company to deliver an additional range of housing functions 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 in 2023. This gives an indication that the services of the Company are likely to be required into the future.

The Company's total assets as at 31st March 2024 were £13.1 million, £3.4 million less than at the same time in 2023. Wolverhampton Homes is in a strong position to continue trading as a Company. Operating loss was £4.1 million in 2023 - 2024 consisting of an operational loss of £2.6 million and a pension cost adjustment of £1.5 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 for a number of years, as well as inflationary cost pressures.

The base Management Fee for 2023 - 2024 was £46.5 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.

The Company has reserve balances of £0.7 million at 31st March 2024, compared to £3.3 million at the end of the previous financial year and fixed assets to the value of £2.5 million.

In addition to holding reserves, the Company has continued to seek opportunities for business efficiency and to invest to save opportunities. Work has continued to

Wolverhampton Homes Limited
Company Limited by Guarantee
STRATEGIC REPORT

support new ways of working including wider use of digital platforms and automated processes to make efficiencies. There is a continued approach for improving customer contact and access and this is central to supporting the company's approach to business efficiency and customer satisfaction.

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 required to be fully engaged in this process. The company's primary source of income is the management fee from the City of Wolverhampton Council as its sole Shareholder. 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. Finances are 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 appraised of likely to impact on reserves in order to deal with contingencies and needs.

The medium-term financial position

In 2023 - 2024 the Company budgeted for £1.0 million contribution from reserves to operate a balanced budget. The outturn for 2023 - 2024 was that the Company required a reserves contribution of £2.6 million. The budget for 2024 - 2025 has been balanced with no contribution from reserves.

The Company has had an excellent track record of effectively managing its finances, however 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 need to be delivered.

The Company continually reviews its services in line with the digital agenda to take account of customers' needs and expectations as well as compliance with Regulatory requirements including Consumer Standards and the new Tenant Satisfaction Measures.

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 where possible to increase the required business efficiency. This takes into account the increased Regulatory Framework and is linked to the outcomes of the review of the Business Plan 2024 - 2025 and associated annual delivery plan. Work continues to retain and maintain a skilled and stable workforce alongside high levels 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 are provided for by the assets currently available to meet those commitments. For the second year running no

Wolverhampton Homes Limited
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pension liability is shown. The decrease in liabilities from prior years 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 £4.7 million, which is a decrease of £5 million compared to £9.7 million in 2022 - 2023.

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 31 March 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. The next valuation is expected in late 2025.

Performance Review 2023 - 2024

General

Overall operational performance has been good in 2023 - 2024. 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 7 services, Asbestos, Damp, Mould & Condensation, Electric, Fire Safety, Gas, Legionella, and Lift Safety. The suite has been designed to maintain compliance with the Consumer Standards with data 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 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.

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 90.54% (Target 90%).

Wolverhampton Homes Limited
Company Limited by Guarantee
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- The percentage of rent collected (City wide including TMO/EMB's) achieved 97.42%, which met our stretched "Great" target of 97.19% target. (Standard Target 96%).
- 22.66% 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 29.

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 98.73% at year-end and achieved our stretched "Great" target of 98.5%. (Standard target 97.5%)
- 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 97.43%, which was just short of our challenging 98% target, but above our acceptable tolerance of 95.5%.

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 7228.
- The number of customers owed a duty was 3138.
- Average time taken to repair voids: Receipt of Keys to Repairs completed (Ready to let): 42 Days against a 44-day target, which is an improvement of 12 days on the previous year.
- Average time taken to re-let properties (Ready to let to new Tenancy sign up): Achieved 22 days against a 26-day target, which is an improvement of 4 days on the previous year.

Performance Review 2023 - 2024

General

Wolverhampton Homes Limited
Company Limited by Guarantee
STRATEGIC REPORT

Repairs and Maintenance

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

- 98.27% of response repairs were completed within target. (98% Target). This is monitored as a Tenant Satisfaction Measure, and our performance is top quartile when compared against our peers through Housemark.
- 97.05% of response repair appointments were made and kept (96% Target)

Damp, Mould and Condensation (DMC)

We introduced a new suite of indicators to measure DMC in our properties following the introduction of Awaab's Law in July 2023. The volume of cases across the country has been higher than expected. We have worked with our IT Provider NEC, to create a Power Bi Dashboard to help predict potential cases and identify key factors.

- The number of DMC inspections completed within 10 working days was 77.9% which is below our ambitious 95% target.
- The percentage of works completed within our target timescales was 67.7% against our 90% target.

Business Plan 2024 - 2025

A fully refreshed business plan was developed and agreed by Board and the full Council which was implemented in 2024. This 1-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.

The 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; 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.

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:

- The wider economy that has resulted in some sections of our communities struggling financially and poverty is becoming more of a concern, and the national economic climate.
- 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.
 - Annual review of the complaints policy in line with the Housing Ombudsman Code of Practice and continues to work proactively with the housing ombudsman and use complaints outcomes to inform service improvements.
 - Have a Board member responsible for complaints in line with the required regulation.
- 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 the new regulatory powers 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

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- 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 owns 19 properties as their own assets and will continue to look for other opportunities in this area where this is financially viable.

Operational Priorities for 2024 - 2025

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

Through 2024 - 2025 the Company continues to move forward with its Our Future programme to:

- Continue to reimagine its workforce, digital agenda and work processes.
- Use the learning from customer feedback, taking a new approach to business by adapting its services based on customer needs.
- Continue to invest in new technology to support the delivery of flexible services and further enhancements of our digital offer to customers.
- Continually focus on frontline customer contact and access including repairs and maintenance and housing management services to identify efficiencies that deliver improvements for our customers.
- Introduce a refreshed enterprise and innovation agenda specifically to:
 - 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, 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 & Business Assurance Committee and Communities & Service Delivery Committee.
- Independent scrutiny by Internal and External 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 continues to be gained through the Equality, Diversity and Inclusion groups alongside staff insight and surveys. The Our Future programme continues to support the ongoing transformation, redesign and realignment of service delivery.
- Promotion of the regulatory requirements are delivered via a number of methods including Chief Executive briefings, cascade of information to managers and 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 – including face to face, via the customer app and by newsletter and information on the company's website.
- Our Corporate Social Responsibility and Community Development strategy is currently under review to ensure the company can demonstrate its contribution to the communities it serves supported by our Strategic Construction Partners.

Value for Money:

Wolverhampton Homes Limited
Company Limited by Guarantee
STRATEGIC REPORT

The Company will continue a continued focused approach to the delivery of Value for Money. An ongoing VFM approach is in place to ensure sustainable practices, the realisation of efficiencies and improvements across all areas of the business.

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.

The Value for Money strategy is regularly refreshed and includes the Company's approach to efficiency savings, invest to save and maximising staffing resource opportunities.

The Budget Position for 2024 - 2025 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 2024 - 2025 totals £48.7 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; The reserves will provide a contingency.

Overall, the year-end position was an overspend against budget for 2023-2024 resulting in a decrease to reserves of £2.6 million. Reserve balances equal £0.7 million at 1 April 2024.

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 2023 - 2024 a full annual plan for internal audit has been delivered that provided a comprehensive programme of audit to be achieved. This incorporated workstreams including risk management, core health and safety and compliance activity with key challenges successfully mitigated including:

- 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.
- Health and Safety / Fire Safety compliance.

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- 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 11 December 2024

Wolverhampton Homes Limited
Company Limited by Guarantee
DIRECTORS' REPORT

In addition to their Strategic Report on pages 4 to 13, the Directors also present their annual Directors' Report and financial statements of Wolverhampton Homes Limited (the Company) for the year to 31 March 2024.

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:

Christopher Lue (from 21 September 2023)
Councillor Jonathon Crofts
Councillor Rita Potter
Councillor Susan Roberts (from 26 May 2023)
Councillor Zareena Russell
Hajrija Dergic
Hannah Semple (from 22 September 2023)
Hardashan Chatha (from 7 February 2024)
Joy McLaren
Sazini Malaba (from 22 September 2023)
Shaun Aldis
Victor Browne
Councillor Asha Mattu (until 30 May 2023)
Derek Allen (until 19 June 2023)
Michael Timothy Porter (until 14 September 2023)
Steve Finegan (until 21 September 2023)
Parveen Brigue (until 21 September 2023)
Craig Royall (from 22 September 2023 to 26 February 2024)

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 2023 – 2024 (this includes an option to extend).

By order of the Board

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

Date 11 December 2024
Shaun Aldis
Chief Executive

Date 11 December 2024
Councillor Rita Potter
Chair of the Board (Acting)

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 members including equal numbers of Councillor, tenant and independent members in line with its Articles of Association. 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 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 are agreed by the Board and full Council of the City of Wolverhampton Council.

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. Managers are required to hold regular one to ones 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.

The Company has banked with the HSBC bank since 2014 - 2015.

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 2024. 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 11 December 2024

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 2024, 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 2024 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with UK-adopted international accounting standards; and
- the financial statements 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.

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
- 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 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;
- 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:
 - 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.

Jim Mclarnon ACA

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

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

Statutory Auditor, Chartered Accountants
Birmingham

Date:

Wolverhampton Homes Limited
Company Limited by Guarantee
STATEMENT OF COMPREHENSIVE INCOME
for the year to 31 March 2024

	Notes	2024 £'000	2023 £'000
REVENUE	3	62,832	58,973
Operating costs	4	(67,084)	(66,887)
(LOSS) FROM OPERATIONS	4	(4,252)	(7,914)
Finance income	5	168	65
Finance costs	5	(70)	(1,356)
Depreciation	15	(41)	(41)
(LOSS) BEFORE TAXATION		(4,195)	(9,246)
Taxation	7	(87)	(18)
(LOSS) FOR THE YEAR	13	(4,282)	(9,264)

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).

	Notes	2024 £'000	2023 £'000
(Loss) for the year		(4,282)	(9,264)
OTHER COMPREHENSIVE GAIN, NET OF TAX			
Actuarial gain/ (loss) on defined benefit obligations	17	1,693	52,528
TOTAL COMPREHENSIVE (LOSS)/PROFIT FOR THE YEAR		(2,589)	43,264

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

Wolverhampton Homes Limited
Company Limited by Guarantee
STATEMENT OF CHANGES IN EQUITY
for the year to 31 March 2024

	Retained earnings	Retained earnings
	£'000	£'000
BALANCE AT 1 APRIL 2022		(37,450)
Loss for the year	(9,264)	
Other comprehensive loss, net of tax:		
Actuarial gain on defined benefit obligations	52,528	
	<hr/>	
TOTAL COMPREHENSIVE GAIN FOR THE YEAR		43,264
		<hr/>
BALANCE AT 31 MARCH 2023		5,814
Loss for the year	(4,282)	
Other comprehensive gain, net of tax:		
Actuarial gain on defined benefit obligations	1,693	
	<hr/>	
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(2,589)
		<hr/>
BALANCE AT 31 MARCH 2024		3,225
		<hr/> <hr/>

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

	Notes	2024 £'000	2023 £'000
ASSETS			
NON CURRENT ASSETS			
Land and Buildings	15	2,477	2,518
Right of Use Assets - Land and Buildings	16	95	136
Right of Use Assets - Motor Vehicles	16	857	1,211
CURRENT ASSETS			
Trade and other receivables	9	6,340	9,655
Cash and cash equivalents	8	3,307	3,012
		<hr/>	<hr/>
TOTAL ASSETS		13,076	16,532
		<hr/>	<hr/>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	(8,746)	(9,251)
Lease liabilities	16	(65)	(335)
Current tax liabilities	11	(87)	(18)
		<hr/>	<hr/>
		(8,898)	(9,604)
NON-CURRENT LIABILITIES			
Lease Liabilities	16	(952)	(1,114)
Retirement benefit obligations	17	-	-
		<hr/>	<hr/>
TOTAL LIABILITIES		(9,851)	10,718
		<hr/>	<hr/>
NET ASSETS		3,225	5,814
		<hr/>	<hr/>
EQUITY			
Retained earnings	13	3,225	5,814
Fixed asset reserve			
		<hr/>	<hr/>
TOTAL EQUITY	13	3,225	5,814
		<hr/>	<hr/>

The financial statements and notes on pages 23 to 60 were approved by the Board and authorised for issue on [xx month 2024] and are signed on its behalf by:

Wolverhampton Homes Limited
Company Limited by Guarantee
BALANCE SHEET
31 March 2024

Company Registration No: 05441967

Date 11 December 2024
Director –

Date 11 December 2024
Director – Shaun Aldis

Wolverhampton Homes Limited
Company Limited by Guarantee
STATEMENT OF CASH FLOWS
for the year to 31 March 2024

	<i>Notes</i>	2024 £'000	2023 £'000
OPERATING ACTIVITIES			
Cash utilised by operations	14	127	(758)
Taxation paid		-	-
		<u> </u>	<u> </u>
NET CASH UTILISED BY OPERATING ACTIVITIES		127	(758)
INVESTING ACTIVITIES			
Interest received		168	65
Fixed Assets acquisition		-	-
		<u> </u>	<u> </u>
NET CASH FROM INVESTING ACTIVITIES		168	65
		<u> </u>	<u> </u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		295	(693)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		3,012	3,705
		<u> </u>	<u> </u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	14	3,307	3,012
		<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. 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 2024.

New and revised pronouncements as at 31 March 2024

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, 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, see Note 15;
- An estimate of credit losses of £0 (2023: £196,000) is included to cover potential non-payment of invoices. This is based on an assessment of outstanding invoices at 31 March 2024. 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.
- The financial assumptions included in the IAS19 actuary report at 31st March 2024, show the local government pension scheme to be in a surplus position. This is not recognised as an asset on the balance sheet as it is considered that there would not be a future economic benefit available. It is not certain that a future refund or reduced payments would be realised and therefore the balance sheet shows a £nil liability. This is in line with the provisions of IFRIC 14. See Note 17.

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 97.9% (2023: 97.1%) 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 £1.5 million based on a turnover a Management fee of £49 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 £1.5 million based on 3% of the Management fee, reserves at 31st March 2024 are below the minimum at £0.7 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 – 2024	Within 6 months £'000	6 months - 1 year £'000	1 to 5 years £'000	Over 5 years £'000	Total £'000
Trade and other payables	6,688	-	-	-	6,688
Lease liabilities	-	65	952	-	1,017
Current tax liabilities	-	87	-	-	87
	6,688	152	952	-	7,792

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 – 2024	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	3,307	-	-	-	3,307
Trade and other receivables	6,207	-	-	-	6,207
Owned properties leased	-	-	850	-	850
Leased properties sublet	-	-	-	-	-
	9,514	-	850	-	10,364

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 – 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	-	335	1,114	-	1,449
Current tax liabilities	-	18	-	-	18
	9,251	353	1,114	-	10,718

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 property 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.

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 - 2024	Floating rate £'000	Non-interest bearing £'000	Total £'000
Cash and cash equivalents	3,223	84	3,307
Trade and other receivables		6,207	6,207
	3,223	6,291	9,514
Liabilities - 2024	Floating rate £'000	Non-interest bearing £'000	Total £'000
Trade and other payables	-	6,688	6,688
Lease liabilities	952	65	1,017
	952	6,753	7,705
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

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.

		2024 £'000	2023 £'000
<i>Maximum exposure to credit risk</i>			
Trade and other receivables	- Council	5,489	8,727
	- Other	851	928
Cash and cash equivalents	- Bank	3,307	3,012
		<u>9,647</u>	<u>12,667</u>

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	2024 £'000	2023 £'000
	(Loss) from operations is stated after charging:		
	Inventories		
	- amount charged (to operating costs)	4,167	3,468
	Auditor's fees:		
	- audit services: Grant Thornton UK LLP	41	37
	- taxation: RSM UK Tax and Accounting Limited	4	4
	Rentals payable under leases	1,040	1,166
		<u> </u>	<u> </u>
	The following table analyses the nature of expenses:		
	Staff costs	30,981	33,703
	Repairs and maintenance	25,544	22,866
	Other housing management costs	5,661	5,997
	Corporate	2,532	2,299
	Information technology	2,302	1,851
	Other	64	171
		<u> </u>	<u> </u>
	Total expenditure (excluding finance costs)	67,084	66,887
		<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 proceeding financial years.

5	FINANCE INCOME AND COSTS	2024 £'000	2023 £'000
	Other interest receivable	168	65
		<u> </u>	<u> </u>
		2024 £'000	2023 £'000
	Pension finance costs	(38)	(1,304)
	Amortisation of lease liability	(32)	(52)
		<u> </u>	<u> </u>

6	STAFF AND STAFF COSTS	2024 No.	2023 No.
	The average monthly number of persons employed by the Company during the period was:		
	Housing Management	108	82
	Property Services	323	302
	Estates Services	63	65
	Support Services	104	118
	Housing Options	93	86
		<u> </u>	<u> </u>
		691	653
		<u> </u>	<u> </u>

The total number of staff in 2024 includes 6 new apprentices, work placements and trainees.

	2024 £'000	2023 £'000
Wages and salaries	23,926	21,768
Social security costs	2,416	2,265
Other pension costs	4,639	9,670
	<u> </u>	<u> </u>
Total expenditure	30,981	33,703
	<u> </u>	<u> </u>

The remuneration paid to the Directors of the Company (including pension contributions and benefits in kind) for management services was £Nil (2023: £Nil). The total of directors' pension contributions was £Nil (2023: £Nil).

7	TAXATION	2024 £'000	2023 £'000
	ANALYSIS OF CHARGE IN YEAR:		
	Current tax:		
	UK – Current year	87	18
		<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	(4,195)	(9,264)
		<u> </u>	<u> </u>
	Tax at the standard rate of corporation tax 25% (2023: 19%)	(797)	(1,760)
	Effect of non-trading activities with member not subject to corporation tax	710	1,742
		<u> </u>	<u> </u>
		(87)	(18)
		<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% (2023: nil%), which is lower than the standard UK rate of 25% (2023: 19%).

8 FINANCIAL INSTRUMENTS

2024

Loans and
receivables
£'000

Current financial assets

Trade and other receivables (less
prepayments)

6,207

Cash and cash equivalents

3,307

Total

9,514

2024

Trade and
other
payables
£'000

Current financial liabilities

Trade and other payables

6,775

Lease liabilities

1,017

7,782

2023

Loans and
receivables
£'000

Current financial assets

Trade and other receivables (less
prepayments)

9,543

Cash and cash equivalents

3,012

Total

12,555

2023

Trade and
other
payables
£'000

Current financial liabilities

Trade and other payables

6,982

Lease liabilities

1,449

8,431

9 TRADE AND OTHER RECEIVABLES

	2024 £'000	2023 £'000
Trade receivables	6,211	9,537
Other receivables	-3	6
Prepayments	132	112
	<hr/>	<hr/>
	6,340	9,655
	<hr/> <hr/>	<hr/> <hr/>

The average credit period taken on provision of services is 37 days (2023: 60 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 2024 or 2023.

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.

	2024 £'000	2023 £'000
Up to three months	1,394	1,602
Up to six months	59	77
Between six months and a year	28	2
	<hr/>	<hr/>
	1,481	1,681
	<hr/> <hr/>	<hr/> <hr/>

9 TRADE AND OTHER RECEIVABLES (continued)

The movement in the allowance account was as follows:

	2024 £'000	2023 £'000
Opening balance as at 1 April	196	152
Provision for receivables impairment	-196	44
	<u>0</u>	<u>196</u>
Closing balance as at 31 March	<u>0</u>	<u>196</u>

10 TRADE AND OTHER PAYABLES

Trade and other payables are as follows:

	2024 £'000	2023 £'000
Accruals and deferred income	6,360	6,365
Other tax and social security	2,058	2,287
Other payables	415	617
	<u>8,833</u>	<u>9,269</u>
	<u>8,833</u>	<u>9,269</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 (2023: 35 days).

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

	2024 £'000	2023 £'000
Taxation	87	18
	<u>87</u>	<u>18</u>

The current tax liability is measured at the amount expected to be paid to HRMC 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.

13 RESERVES

	2024 £'000	2023 £'000
Retained Earnings		
1 April	5,814	(37,450)
Retained loss for the year	(4,282)	(9,264)
Actuarial gain/(loss) (note 17)	1,693	52,528
	<hr/>	<hr/>
At 31 March	3,225	5,814
	<hr/>	<hr/>
	2024 £'000	2023 £'000
Analysed as:		
Profit and loss reserve (excluding pension liability)	748	3,296
Fixed Asset Reserve	2,477	2,518
Pension Deficit	-	-
	<hr/>	<hr/>
	3,225	5,814
	<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.

14 CASH FLOWS

	2024 £'000	2023 £'000
Reconciliation of (loss) from operations to net cash generated (utilised by) operating activities		
(Loss) from operations	(4,252)	(7,914)
Pension contributions paid in period (note 17)	(3,051)	(3,851)
Pension contributions charged in the period (note 17)	4,706	9,673
Decrease/(Increase) in trade and other receivables	3,212	(1,060)
(Decrease)/Increase in trade and other payables	(489)	2,460
Movement in Fixed assets	-	-
	<hr/>	<hr/>
Net cash (utilised by) operating activities	127	(693)
	<hr/>	<hr/>

14 CASH FLOWS (continued)

For 2023-2024 there were no significant non-cash transactions.

*CASH AND CASH
EQUIVALENTS*

Cash and cash equivalents
represent:

	2024 £'000	2023 £'000	2022 £'000
Cash at bank	3,307	3,012	3,705

15 OWNED PROPERTIES

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

	2024 £'000	2023 £'000
Land and Buildings held at cost		
Brought forward Balance	2,518	2,620
<u>Additions in year</u>	<u>-</u>	<u>-</u>
	<u>2,518</u>	<u>2,620</u>
Depreciation		
Brought forward Balance	(102)	(61)
Charge in year	<u>(41)</u>	<u>(41)</u>
Total depreciation	(143)	(102)
Balance at 31 st March	<u>2,375</u>	<u>2,518</u>

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

16 COMMITMENTS
UNDER LEASES

Right of Use Assets	Land and Buildings £'000	Motor Vehicles £'000	Total £'000
Balance at 1 April 2023	136	1,211	1,347
Depreciation charge for the year	(31)	(460)	(491)
Additions in year	-	106	106
Disposals in year	(10)	-	(10)
Balance at 31 March 2024	95	857	952

Total value of lease commitments	Land and buildings 2024 £'000	Land and buildings 2023 £'000	Motor Vehicles 2024 £'000	Motor Vehicles 2023 £'000
Expiry of lease:				
Within 1 year	65	68	110	267
Between 2 – 5 years	99	75	743	1,039
After 5 years	-	-	-	-
Total undiscounted lease liabilities at 31 March 2023	99	143	853	1,306
Lease Liabilities included in the statement of financial position at 31 March 2023	164	206	853	1,354
Current	65	68	110	267
Non-Current	99	75	743	1,039
	164	143	853	1,306

Amounts recognised in statements of comprehensive income

	2024 £'000	2023 £'000
Interest on lease liabilities	32	52
Expenses relating to short-term leases	64	30

Amounts recognised in statement of cash flows

	2024	2023
	£'000	£'000
Total cash outflow for leases	1,097	1,166

The lease right of use asset and lease liabilities included in the statement of financial position consist of 1 office building leases (2023:1), 0 private sector property leases (2023:20) and 121 vehicle leases (2023:120).

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 2023-2024 was 13.4% (2022-2023: 19.2%) of pensionable earnings. The rate for 2024-2025 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 £3,051,000 (2023: £3,851,000).

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 £382,000 (2023: £450,000), 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 2024 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	
	2024	2023
	%	%
Discount rate (used for calculation of future liabilities)	4.85	4.75
Expected rate of salary increases	3.75	3.95
Future pension increases	2.75	2.95
Rate of Consumer Price Index ("CPI")	2.75	2.95

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:

	2024	2023
Male	19.8	19.9
Female	23.6	23.8

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

Male	21.2	21.3
Female	24.9	25.1

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 £3,571,000
Pension increases	Increase of 0.1%	Increase of £3,378,000
Members' life expectancy	Increase of 1 year	Increase of £7,061,000

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

	2024	2023
	£'000	£'000
Current service cost	4,596	9,573
Interest cost	8,313	7,066
Administration expenses	110	100
Expected return on scheme assets	(10,084)	(5,762)
Interest on the effect of the asset ceiling	1,809	-
	<u>4,744</u>	<u>10,977</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 2024 was £1,693,000 (2023: gain of £52,528,000), and the cumulative gain is £79,736,000 (2023: cumulative gain of £78,043,000).

17 RETIREMENT BENEFIT OBLIGATIONS (continued)

The actual return on scheme assets was £15,880,000 (2023: £-409,000).

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

	2024 £'000	2023 £'000
Fair value of scheme assets	226,933	211,053
Present value of defined benefit obligations	(174,975)	(172,959)
Impact of asset ceiling applied	(51,958)	(38,094)
Surplus (Deficit) in scheme	-	-

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

Analysis for reporting purposes:

	2024 £'000	2023 £'000
Non-current assets (liabilities)	-	-

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

	2024 £'000	2023 £'000
At 1 April 2023	172,959	258,426
Current service cost	4,706	9,673
Other experience on obligations	4,935	-
Interest cost	8,313	7,066
Actuarial gains/(losses)	-	15,372
Change in demographic assumptions	(1,062)	(11,914)
Change in financial assumptions	(11,169)	(101,363)
Contributions by plan participants	1,459	1,332
Benefits paid	(5,166)	(5,633)
At 31 March 2024	174,975	172,959

17 RETIREMENT BENEFIT OBLIGATIONS (continued)

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

	2024	2023
	£'000	£'000
At 1 April	211,053	213,022
Expected return on scheme assets	10,084	5,762
Actuarial gains/(losses)	-	(7,281)
Other actuarial gains	6,452	-
Employer contributions	3,051	3,851
Employee contributions	1,459	1,332
Benefits paid	(5,166)	(5,633)
	<u>226,933</u>	<u>211,053</u>
At 31 March	226,933	211,053

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

	Fair value of assets	
	2024	2023
	£'000	£'000
Equity Instruments	97,066	116,360
Government Bonds	29,824	9,788
Other Bonds	36,000	22,678
Property	14,623	14,920
Cash/liquidity	9,265	5,073
Other assets	40,155	42,234
	<u>226,933</u>	<u>211,053</u>

17 RETIREMENT BENEFIT OBLIGATIONS (continued)

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

£'000	2024	2023	2022	2021	2020
Present value of defined benefit obligations	(174,975)	(172,959)	(258,426)	(265,092)	(195,933)
Fair value of scheme assets	174,975	172,959	213,022	194,173	161,693
Deficit in scheme	-	-	(45,404)	(70,919)	(34,240)
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 2025 is £2,947,000 (2024: £2,689,000).

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 £61,496,000 (2023: £52,271,000) and purchased goods and services from the Council totalling £3,589,000 (2023: £5,335,000).

At 31 March 2024, included in Receivables is a total amount due from the Council of £ 5,277,000 (2023: £8,485,000) and included in Payables is a total amount due to the Council of £3,706,000 (2023: £3,856,000). The net balance owed to the Company by the Council was £1,571,000 (2023: £4,629,000 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 17 (2023: 20) senior managers who are the key management personnel of the Company, is set out below in aggregate.


	2024 £'000	2023 £'000
Short-term employee benefits	1,183	1,429
Post-employment benefits	252	586
	<u>1,435</u>	<u>2,015</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. There was no balance due at year end.

	2024 £'000	2023 £'000
Wolverhampton Youth Zone	25	50

Board Report

	Agenda Item 7
	11 December 2024 Revenue Budget Forecast 31 October 2024 - 2025
	Open Report
Status:	For Information
Author and job title:	Jo McCoy, Finance Business Partner, City of Wolverhampton Council
Contact No:	N/A
Recommendations:	Board Members are asked to note the revenue budget outturn position for 2024 - 2025.
Key risks and contentious issues:	<p>The revenue forecast for the year as at 31 October 2024 is an overspend against budget of around £3.2 million. This is an increase from the position reported to the Board in September of £0.9 million which is due to increased repairs and maintenance expenditure and a revision to trading income forecasts.</p> <p>With cash reserves currently at around £0.7 million, WH no longer has the option, as it has in previous years, to support the budget position from reserves.</p>

Management Summary

1.0 Purpose

- 1.1 This report is to inform the Board of the revenue forecast for the 2024 - 2025 financial year. The forecast is for the position at 31 October 2024 to present the Board with the most up to date information.

2.0 Revenue Forecast 2024 - 2025

- 2.1 WH set a balanced budget for 2024-2025. The management fee from the council is £48.7 million. This is an increase of £3.7 million (8.2%) over 12 months, which included an uplift of £1.5 million during 2023-2024 to support repairs pressures and then a further £2.2 million approved for 2024-2025 to continue to support the unprecedented increases, particularly in repairs, maintenance, energy costs and the annual pay award.
- 2.2 The outturn position for 2023-2024 was for an overspend against the budget of £1.5 million, demonstrating that expenditure by the end of the year had already reached a level where the management fee increase was unlikely to be sufficient to meet further cost increases in 2024-2025 such as cost of living pay awards, energy tariff increases and contract price increases.
- 2.3 The forecast to date for 2024-2025 is for an overspend of around £3.2 million. Discussions through regular meetings with the Council's Resources and Financial Assurance Group (RAFAG) about the potential for additional increases to the Management Fee from the Housing Revenue Account for 2024-2025 financial year are ongoing. The position is illustrated in Table 1.

Table 1 – Income and Expenditure Budget Forecast at 31 October 2024

Income and Expenditure	2024-2025 Budget £000	2024-2025 Forecast £000	2024-2025 Variance £000
Expenditure			
Employees	31,262	31,556	294
Non-Pay Costs	28,288	30,342	2,054
Total Expenditure	59,550	61,897	2,347
Income			
Management Fee	(48,700)	(48,700)	-
Trading Income	(8,891)	(8,120)	771
Other Income	(1,959)	(1,872)	87
Total Income	(59,550)	(58,692)	858
Net Budget overspend	-	3,205	3,205

- 2.4 The salaries budget is forecast to overspend by £294,000, which is due to the impact of the pay award and the vacancy factor. The budget included provision held corporately for a pay award of 3% and then a 5% vacancy factor was applied, based on prior year experience. The impact of the pay award, which is a pro-rata lump sum of £1,290, equates to an increase of 3.6% of the budget. The vacancy rate for the year to date is forecast at around 4%.

- 2.5 In a continuation to the trend seen since 2022-2023 onwards, repairs spend continues to increase due to demand for repairs, the impact of damp, mould and condensation as well as the additional pressure of inflation.

Response repairs budgets (non-pay) are forecast at £2.5 million higher than budget, however an additional £915,000 of income is forecast from capitalisation of programme repair and replacements. The income and expenditure for these programmes was not built into the WH revenue budget for 2024-2205, The forecast for this income has been reduced by £600,000 since the position previously reported since the nature of some of the works does not allow for the costs to be capitalised under capital accounting rules.

There is an overspend on the voids budget of £319,000, this is due to the income forecast from the capital programme being reduced by £275,000 due to the majority of major capital works on void properties being carried out by the Strategic Construction Partnership and charged directly to the HRA capital programme.

Income forecasts have also been reduced for the Adaptations budget as the in-house team have moved from installations to respond to an increase repairs of existing adaptations. The impact on this budget is £900,000 less income, however non pay costs have reduced by £352,000. This further pressure on repairs was reported in the previous report.

Income forecasts for the Asbestos service have also reduced - these are forecast at £245,000 below target, a reduction of £145,000 from the previous forecast.

There is saving forecast of £350,000 to the budget for fencing, the programme will be funded from the income generated from the fencing charge going forward.

- 2.6 The budget for facilities costs is forecast to underspend by around £60,000, this is due to efficiencies from office rationalisation now being realised – reduction to running costs, business rates and rent and service charges. However this is a reduction from the position forecast previously due to £50,000 of costs being charged to this budget for equipment and furniture which were not previously forecast.
- 2.7 The cost of the Service level Agreement with the council ICT services is forecast to be around £400,000 higher than the budget, based on projections provided for forecasting purposes. The service specification is subject to review.
- 2.8 The income generated from recovery of district heating energy costs is forecast to be under budget by £297,000 due to retrospective nature of setting the rate to customers after new energy price tariffs take effect. There is a partial offset in reduction to forecast gas and Biomass fuel costs of around £219,000.

3.0 Summary of Financial Position at 31 October 2024

2024-2025 will be another financially challenging year with an overspend of £3.2 million against the budget being forecast. £2.3 relates to expenditure pressures as Wolverhampton Homes continued to experience unprecedented high demand for services and the pressures of inflation. £0.9 million relates to a reduction of budgeted

income. The revision to income forecasts accounts for the majority of the change to the revenue forecast from the position reported to the Board in September 2024.

- 3.1 As reserves are down to around £0.7 million, the company does not have the option to use reserves to support the budget position and discussions are ongoing with the council about an increase to the management fee to fund the expenditure pressures and contingency provision from the Housing Revenue Account.

4.0 Savings and efficiencies - mitigating actions being taken by Wolverhampton Homes

- 4.1 Targeted action across a number of areas including:

- Driven by digitising transactions and back-office processes
- Managing demand and focussing on core landlord responsibilities
- Zero based budgeting of all service areas
- Prioritising spend, using risk management principles
- Deliver efficiencies and robust contract management
- Option appraisals of utilising shared services with CWC

- 4.2 Responding to increased safety and quality standards:

- Maintaining decent homes set against an aging stock
- EPC and carbon reduction
- Inflation – current economical operating environment, despite us trying to suppress construction and supplier costs
- Procurement of new term and stores contracts
- Potential use of smaller supply chain, (Wolverhampton Pound) requiring additional increases in contract management to ensure effective contractor oversight.

5.0 Financial and value for money implications

- 5.1 Financial implications are detailed within the report.

- 5.2 Wolverhampton Homes is committed to driving efficiencies by implementing new ways of working with a focus on delivering fit for purpose core services to meet customer needs while demonstrating a value for money approach.

- 5.3 We are also reviewing our financial management arrangements along due with the Council's Finance Team to further improve the accuracy of projecting costs and improving financial management. This will include enhanced use of financial intelligence from our Commercial Team, increasing the level of works liability information held within NEC Housing and improving the sensitivity of our trend analysis.

- 5.4 Further areas of active review include;

- Value for money assessments, by work stream, to optimise deployment of direct trades teams and contractors
- Insourcing stock condition and disrepair surveys
- Zero based budget review of Heat Network Tariff setting

- Active tenancy management to reduce void and repair costs
- Cost and service provision benchmarking of in-house team services and materials supply
- Reviewing the Repairs and Maintenance Policy to provide greater flexibility to manage 'responsive' demand within available revenue budgets
- Increasing supervision and performance management to improve productivity of in-house teams
- Increase the use of Data Analytics to determine future Capital Programme delivery to reduce response repairs

6.0 Legal and regulatory implications

6.1 Wolverhampton Homes is governed by its legal and regulatory responsibilities.

6.2 Wolverhampton Homes is subject to a number of increased regulatory requirements which impacts on resource allocation and demand in relation to:

- Charter for Social Housing Residents (2021) – Regulator of Social Housing
- Fire Safety Bill (2021)
- Domestic Abuse Act (2021)
- Building Safety Bill (2021)
- Housing Ombudsman requirements
- Social Housing (Regulation) Act 2023
- CWC Climate change and sustainability targets
- Consumer Standards
- Tenant Satisfaction Measures

6.3 The revision of the Consumer Standards, including a further standard due for consultation in relation to Competence and Conduct Standard, which will bring into consideration, the government's request for housing professionals to hold a housing qualification.

6.4 'Awaab's Law' is expected to take effect in Spring 2025. The proposals will further increase costs associated with property repairs and the provision of temporary accommodation.

7.0 Human resources implications

7.1 Reimagining the services the company delivers, could have an impact on the structure of the organisation and establishment head count with a focus on fit for purpose structures that are managed in line with its budget aim to deliver first time resolution for customers.

7.2 Action is taken to reduce absenteeism with early intervention and robust management.

8.0 Health and safety implications

8.1 Health and Safety requirements are included in the budget forecasting.

9.0 Equality, Diversity and Inclusion activity implications

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

9.2 Explanation: Not applicable.

10.0 Impact on the environment and community

10.1 Wolverhampton Homes will continue to work with the City of Wolverhampton Council to provide adequate access to high quality green space for the local community.

10.2 Wolverhampton Homes will embed corporate social responsibility as part of its procurement considerations.

11.0 Long term consequences for the company

11.1 Robust control and regular monitoring of budgets and getting the best use of our cash reserves is essential to ensure the company is sustainable and has sufficient resources for the long term.

12.0 Impact on business relationships with suppliers, customers and others

12.1 Careful financial planning is required to ensure the company can continue to provide more efficient service delivery to its customers, and to support local suppliers.

13.0 Impact on Wolverhampton Homes' Management System

13.1 Will any new policy or policy updates have an impact on the management system? Not applicable.

14.0 List of Appendices

14.1 Appendix 1: Income and Expenditure Outturn 2024 - 2025

14.2 Appendix 2: Budget outturn by Service


Appendix 1 - Income and Expenditure Outturn 2024 - 2025

	2024-25 Budget £000	2024-25 Outturn £000	2024-25 Variance £000	Comment
Expenditure				
Employees	31,262	31,556	294	Vacancy factor and pay award
Repairs and Maintenance	20,192	21,349	1,157	Response repairs non pay spend - contractors
Facilities	784	723	(61)	Saving against budget for office costs after rationalisation
Transport	1,162	1,220	58	
Supplies and Services	4,164	4,718	554	Response repairs and voids
Support Services	1,986	2,331	345	ICT Service level agreement
Total Expenditure	59,550	61,897	2,347	
Income				
Management Fee	(48,700)	(48,700)	-	
Trading Income	(6,407)	(5,636)	771	Voids, Adaptations and Asbestos
Capitalised salaries	(2,484)	(2,484)	-	
Investment Property Income	(164)	(209)	(45)	
Other Income	(1,795)	(1,663)	132	
Total Income	(59,550)	(59,692)	858	
Budget deficit	-	3,205	3,205	

Appendix 2 – Budget outturn by Service

Division	Service	Budget £000	Forecast £000	Variance £000	Reasons for Variance
Corporate Services	Business improvement	1,573	1,567	(6)	
	Central provision for pay award net of vacancy factor	(501)	1,080	1,581	Provision for 5% vacancy reduced by 3% pay award. Forecast is expected pay award cost
	Customer experience	4,382	4,829	447	IT SLA, net of salaries underspends
	Governance and Exec Support	996	839	(157)	salaries
	Human Resources	550	546	(4)	
	Skill Development	1,696	1,796	100	Salaries
Property Services	Building Solutions	4,547	4999	452	Voids, adaptations
	Construction	6,054	5,805	(249)	Facilities (office rent) and fencing works
	Property Directorate	208	225	17	
	Repairs	15,077	16,451	1,374	Contracts and materials
	Stock Investment	2,887	2,801	(86)	Communal fuel, net of salaries underspend
Homes and Communities	HM Directorate	455	421	(34)	salaries
	Housing Operations	696	757	61	Income - ASB
	Income	1,966	1,791	(175)	Salaries
	Tenancy and Community	5,798	5,768	(30)	
	Homelessness prevention and Assistance	938	758	(180)	Financial assistance payments, salaries
	Housing Improvements	2	0	(2)	
	Housing Outreach	117	191	74	Salaries
	Housing Support	215	143	(72)	Salaries
	Lettings	896	950	54	Salaries
	Temp Accommodation	148	188	40	Salaries
	Total	48,700	51,905	3,205	

Board Report

	Agenda Item 8
	11 December 2024 Capital Programme Outturn Report for Quarter 1 and 2 financial year 2024 - 2025
	Open Report
Status:	For Information
Author and job title:	Simon Bamfield, Head of Assets and Stock Investment Steve North, Head of Capital Works
Contact No:	Simon: 07717 732984 Steve: 07791 446112
Recommendations:	Board Members are asked to note the outturn figures and performance achieved in the delivery of the Housing Revenue Account (HRA) Capital Programme Q1 and Q2 of the 2024-2025 financial year.
Key risks and contentious issues:	<p>There are risks to the delivery of works in high-risk buildings, due to the approval timescales by the Building Safety Regulator.</p> <p>There are also risks related to the specification of materials, their fitness for purpose and the quality of their installation. Consequently, there is significant time and resource allocated to the design process, to ensure effective solutions are found to construction challenges</p> <p>The installation risks are managed on a daily basis by the Capital Works Team through the programme delivery, with support from third-party accredited specialists for higher risk activities (such as installing fire safety features).</p>

Management Summary

1.0 Purpose

- 1.1 To confirm to Board members the progress attained with the delivery of improvements to the social housing stock portfolio via the Housing Revenue Account (HRA) Capital programme, and the level of capital expenditure achieved during Q1 and Q2 of the financial year 2024 - 2025.

2.0 Background

- 2.1 The HRA for the financial year 2024 - 2025 was approved by the City of Wolverhampton Council's Cabinet on 17 January 2024. The Council delegated £105.144m of the Capital Programme to Wolverhampton Homes to manage and deliver. In addition, there were also some projects delivered by Wolverhampton Homes on behalf of Council budget holders, such as disabled adaptations, and the Tarran bungalow redevelopment, with the value of this work at £10.600m, bringing the total to £115.744m.
- 2.2 The HRA Capital budgets are subject to ongoing refinement, through quarterly reviews that are endorsed by the Council's Cabinet, to ensure that the necessary funds are allocated to the relevant budgets and that public borrowing to support the capital programme is only obtained when appropriate.
- 2.3 At the most recent revision (Q2), the capital programme budgets were refined to take account of the latest forecasts, with the amended budgets for 2024-2025 being £105.850m delegated, plus a further £4.600m delivered on behalf of Council budget holders, with a combined total of £110.450m.

3.0 Financial and value for money implications

- 3.1 The budget set for the 2024 - 2025 has expenditure levels continuing at a very high level (as seen over the previous year). The increase in expenditure is primarily due to the decision to accelerate projects that target measures to 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 as well as Building Safety improvements to high-rise buildings.
- 3.2 However, the projects to these high-rise buildings have stalled due to the new Building Safety Regulatory regime, which is requiring a significant increase in supporting documentation to go alongside the Building Regulations application, to evidence that the modifications to each building have been designed properly and by competent individuals. This is requiring the creation of a whole suite of new documents and has delayed the progression of the project, whilst work with the designers continues to put all of the evidence in place.
- 3.3 Consequently, WH have sought to bring-forward additional works to fill the gap created by these delays, and you will see that the budgets for improvements to low and medium-rise buildings, and the delivery of remedial works to system-built properties are both significantly overspent. This is an interim issue whilst the necessary governance

approvals to bring-forward the necessary funds from future years catches up. For clarity, each year the Council approves a five-year budget for the capital programme, and in this instance, we have accelerated some expenditure (to offset the aforementioned delays).

- 3.4 Appendix A to this report identifies the outturn position, showing the expenditure against and variance to each approved budget (with variance measured by comparing the outturn against the forecast expenditure predicted at Q2).
- 3.5 With the exception of the impact to the budgets described in paragraph 3.3 above, the main variances to the capital programme are:
- Delays with the delivery of internal decency (which is linked to the delays outlined below), creating an underspend of £3.2m.
 - Delays with the delivery of the energy centre at Heath Town due to the steel fabricator going into receivership, creating an underspend of £0.98m. A new fabricator has now been appointed and the steel frame is now in place.
 - An increase of £0.77m to the high-rise external works programme, due to impact of the Building Safety Act.
 - An increase of £2.7m on the high-rise building safety programme, due to rising supply chain costs.
 - An increase of £0.7m in the cost of structural repair, which is reflective of the worsening condition of the housing stock as it gets older.
- 3.6 In terms of project delivery, the key issues to note are:
- a. There continues to be a significant high number of high-cost voids being delivered via the Capital Programme. During Q1 and Q2 - 184 voids were delivered which is circa 30 properties less than the delivery at this stage but is still considerably higher than the norm (from 5-10 years ago). The contributing factors influencing this include:
 - I. The extent of work that needs to be undertaken when a property goes void has increased (due to age-related deterioration of the properties, with lots of associated work such as plastering being required).
 - II. The condition of the main components installed through the Decent Homes Programme, such as kitchens have now failed, usually with some kitchen models now being obsolete and a full replacement being required.
 - III. Additional works associated with the condition the properties / gardens are left in, increases the costs of the void delivery through the Strategic Construction Partnership.
 - b. The refurbishment of the tower-blocks at Heath Town continues to progress well. The external insulation and window replacement works to Brockfield House, Lincoln House and Tremont House has progressed to a stage where work is able to start on removing the scaffolding from these blocks. Works are progressing on Campion House and Red Oak House, with the main internal mechanical and electrical infrastructure serving the dwellings and fire safety measures across being delivered. The new telecommunications equipment installed on the roof of Brockfield House has now been switched over and is fully operational. Work on the new energy centre has

progressed however, a delay with the manufacture of the steelwork, will impact on the commissioning of the energy centre but works are continuing to mitigate any extended delays to the programme.

- c. The Infrastructure Programme, the tower-blocks across the city which includes fire safety measures and the replacement of the mechanical and electrical services, is progressing at Merry Hill and Graiseley estates. National Grid are now on both sites installing new supply to the towers and the sprinkler pump houses. The project teams are working towards a completion at Graiseley during Q3 (2024-25) and Q4 (2024-25) at Merry Hill. Access to customers' homes is still a challenge across the high-rise estates, but our improved communication with customers and across our own teams is reducing the impact of delays to the programmes.
- d. The System Built Retrofit Programme is delivering replacement roofs, windows, doors, and the installation of external wall insulation and enhanced ventilation to over 600 'hard to treat' properties. By the end of Q2, the combined total of completed properties by both construction partners was 280 delivering work to Cornish, Wimpey No Fines, BISF, Orlit and Bryant property types. The delivery of this project is supported by £5.127m of grant funding from the Social Housing Decarbonisation Fund Wave 2.2. A further 10 properties in Ettingshall were included in a Energiesprong project, which in addition to the measures with the System Built Retrofit projects, also includes air source heat pumps, solar photovoltaics and battery storage installations. This project is supported by an additional £400k of grant funding.
- e. Design work has progressed on the High-Rise Façade Improvement and Heating Replacement Programme, at the tower-blocks on the Vauxhall Estate, Boscobel estate and Chetton Green estate. These projects will need to follow the new gateway approvals process (introduced as part of the Building Safety Act provisions), whereby the Building Safety Regulator needs to review and approve (or reject) proposed designs before any work can commence. As a result, any submission of applications to the Building Safety Regulator has been delayed, on the first two projects (Vauxhall and Boscobel estates), to allow time to review the full design packages and agree the responsibility matrix so that WH are confident of future applications being successful once submitted to the Building Safety Regulator review process.
- f. The internal improvements programme (refurbishing properties to the Decent Homes Standard) is being delivered by both construction partners, and 295 properties were completed during Q1 and Q2. In addition, 263 boiler replacements, or heating upgrades were delivered during the same period.
- g. The pitched roofs replacement programme recommenced with new sub-contractors delivering this phase of works. 92 roofs were completed roofs during Q1 and Q2. In addition, work commenced on the flat roofs of the medium rise blocks at Dovedale Road and Mount Road with these blocks due for completion during Q3.

4.0 Legal and regulatory implications

- 4.1 There are no new legal and regulatory implications associated with this report.

5.0 Human resources implications

- 5.1 There are currently vacancies within the teams who work on the Capital programme, which may impact the delivery. These include vacant posts for Stock Condition Surveyors, Building Surveyors and Assistant Quantity Surveyors.
- 5.2 Contingency arrangements, such as using consultants to fill vacancies are in place, but these approaches come with their own risks.

6.0 Health and safety implications

- 6.1 With the delivery of complex construction projects, there are clearly significant health and safety issues that must be considered, however, in the context of this report, there are no specific health and safety implications.

7.0 Equalities implications

- 7.1 Has an equality impact assessment been carried out? **No** (not as part of this report).
- 7.2 Where equality impact assessments are required, they are prepared during the pre-construction phase of each individual specific project. This report summarises delivery outcomes during Q1 and Q2 of 2024 - 2025.
- 7.3 Project delivery is tailored to the needs of residents impacted upon during the works. The assigned Project Managers, closely liaise with the communication teams within WH and our partners. This ensures, through our Resident Engagement Strategy, that the needs of the community are considered in our design and project execution.
- 7.4 Communication is maintained throughout the life of the project, through a range of media, including newsletters, targeted emails, group meetings and face to face in residents' homes. Digital screens within high-rise blocks are also being introduced to improve lines of communication for customers and visitors to those blocks. Ward Councillors are also engaged in major projects to ensure the customer's voice is heard and their needs are considered.
- 7.5 Community Social Responsibility projects, delivered by our partners also add value to the locality and provide wider opportunities to engage and train local people.

8.0 Impact on the environment and community

- 8.1 The Capital programme continued to provide a 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).

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 individual worn-out components, such as central heating boilers, through to major schemes that enhance the quality of the built assets and surrounding environment.
- 9.2 Whilst the Capital programme continues to be delivered efficiently and is focused on the key priorities of improving building safety and maintaining the Decent Homes Standard, WH is seeing an increased pressure on the repairs service and rising disrepair claims. This is an impact of the increasing age and worsening condition of the housing stock, hence the desire to accelerate the delivery of certain projects to offset these pressures. The Council has an increasing desire to accelerate investment programmes to address the twin drivers of decarbonisation and fuel poverty, as these will both be positively impacted through implementing the necessary stock improvements.
- 9.3 However, these ambitions must be tempered against the backdrop of significant resource pressures within the HRA Business Plan, which currently excludes resources to deliver 'decarbonisation'. In recent years we have also seen global impacts on the availability of labour and materials, which has driven costs upwards, and effectively reduces the available headroom. Consequently, this matter continues to represent a significant risk.

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. Appendix B shows the current local spend achievements through the Strategic Construction Partners sub-contractor chain during Q1 and Q2.
- 10.2 WH will endeavour to provide a nurturing environment for these companies, safeguarding the wellbeing of their employees and maintaining employment wherever possible, which helps to strengthen these business relationships.
- 10.3 Regular engagement with customers happens through the design-phase on each new capital project, which has improved post pandemic. The engagement with customers during the delivery stage is still being carried out in person, to ensure that their views and concerns are understood and addressed prior to work starting.

11.0 Impact on Wolverhampton Homes' Management System

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

12.0 List of Appendices

- 12.1 Appendix A - HRA Capital Programme Report; Outturn for Q1 and Q2 – 2024 - 2025
- 12.2 Appendix B – Strategic Construction Partner Capital Programme Local Spend Q1 and Q2 – 2024 - 2025

Appendix A: HRA Capital Programme Report 2024-25 (to the end of Quarter-2).

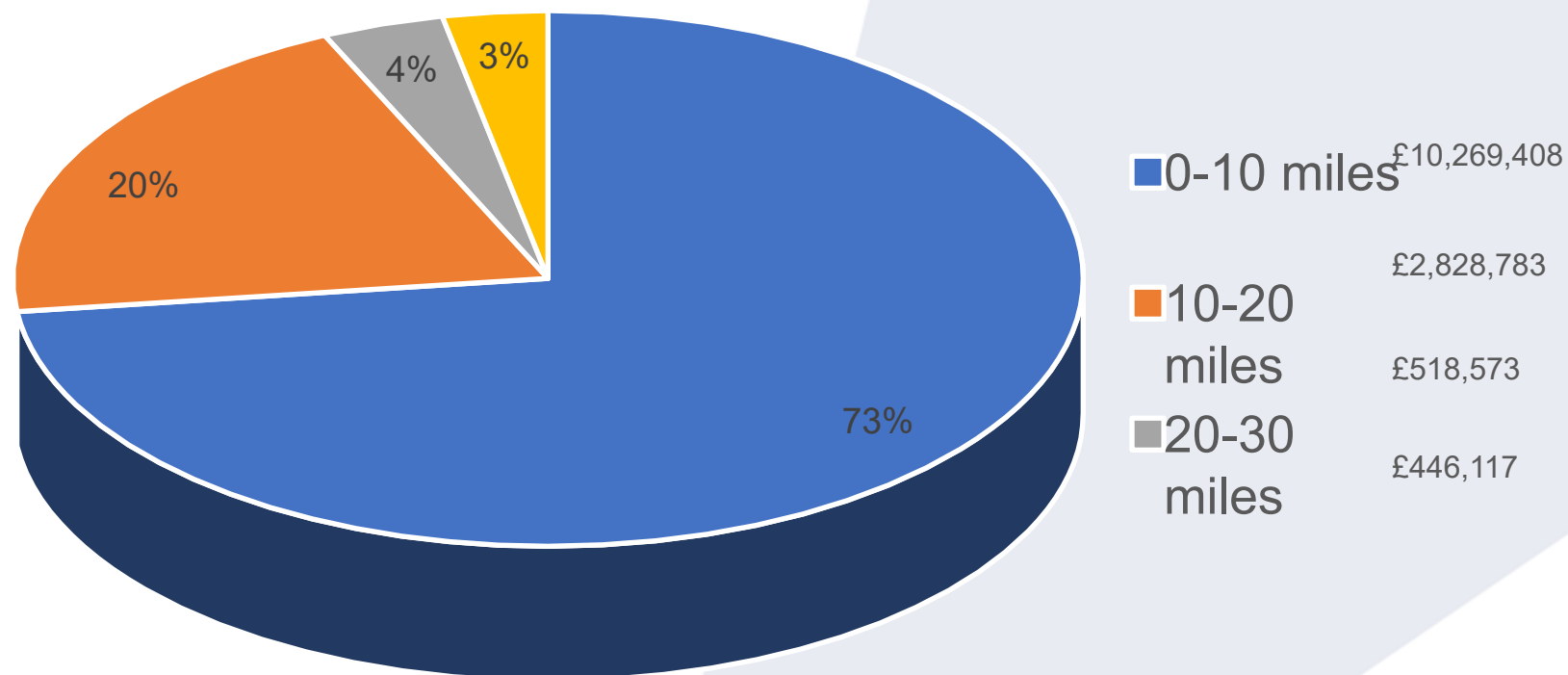
Item	Name of Project	Approved Budget 2024-25 (Q2 Adjustment)	Spend to end of September 2024			Forecast spend to end of March 2025	
			Total Expenditure	Budget Profile	Variance to Budget Profile	Total Expenditure	Variance to overall budget
DELEGATED PROJECTS (DELIVERED & MANAGED BY WOLVERHAMPTON HOMES)							
A	Internal Improvements						
21/A01	Refurbishment of voids	£15,000,000	£7,376,942	£7,500,000	(£123,058)	£14,160,314	(£839,686)
21/A02	Boiler Replacement Programme	£820,000	£488,094	£410,000	£78,094	£826,000	£6,000
21/A03	Internal Improvements	£13,000,000	£4,941,151	£6,500,000	(£1,558,849)	£9,763,270	(£3,236,730)
B	Refurbishment Works						
21/B01	Heath Town Estate: refurbishment of the retained blocks	£18,500,000	£8,560,872	£0	£8,560,872	£17,516,658	(£983,342)
23/B02/B03/B04	High Rise External Works Programme; incorporating window replacement, roof replacement, external wall insulation, heating and associated work.	£2,696,000	£1,910,703	£0	£1,910,703	£3,464,537	£768,537
21/B02	Renewal of High-Rise Infrastructure (City-wide); incorporating retro-fitting sprinklers and fire safety improvements	£19,085,000	£13,941,752	£0	£13,941,752	£21,791,607	£2,706,607
	Low and medium-rise improvement programme	£7,500,000	£3,235,400	£3,750,000	(£514,600)	£12,720,140	£5,220,140
21/B14	Surveys of non-traditional housing (including high-rise)	£500,000	£0	£250,000	(£250,000)	£50,000	(£450,000)
23/B/15	Remedial Works to System Built Properties	£18,900,000	£15,658,441	£9,450,000	£6,208,441	£25,443,709	£6,543,709
21/B07	Lift & DDA Improvements	£100,000	£50,000	£50,000	£0	£100,000	£0
21/B08	Door Entry/CCTB Security Programme	£1,023,000	£415,077	£511,500	(£96,423)	£750,000	(£273,000)
21/B09	Fire Safety Improvements - Medium & Low Rise	£481,000	£260,131	£240,500	£19,631	£600,000	£119,000
21/B11	Sustainable Estate Programme	£300,000	£34,825	£150,000	(£115,175)	£300,000	£0
21/B06	Roof Replacement Programme (City Wide)	£4,170,000	£2,721,807	£2,085,000	£636,807	£4,589,499	£419,499
21/B05	Structural Repair Works (ad-hoc, City-Wide)	£1,278,000	£703,416	£639,000	£64,416	£1,965,362	£687,362
21/B13	Pathway Improvement & Safety Programme	£237,000	£127,771	£118,500	£9,271	£253,431	£16,431
C	Miscellaneous Items						
21/C02	Capital Programme Management (Wolverhampton Homes salaries)	£2,200,000	£1,100,000	£1,100,000	£0	£2,200,000	£0
21/C03	Sale of Council Houses Administration (RTB)	£60,000	£30,000	£30,000	£0	£60,000	£0

Appendix A: HRA Capital Programme Report 2024-25 (to the end of Quarter-2).

Item	Name of Project	Approved Budget 2024-25 (Q2 Adjustment)	Spend to end of September 2024			Forecast spend to end of March 2025	
			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	£2,600,000	£1,350,000	£1,300,000	£50,000	£2,600,000	£0
21/D02							
E	Refurbishment Works						
F	Other Projects						
	Replacement of system-built housing (based on £200k per unit inclusive of demolition, ground remediation and construction costs)	£2,000,000	£377,024	£1,000,000	(£622,976)	£735,465	(£1,264,535)
	Summary						
	Estimated Total Value	£110,450,000	£63,283,406	£35,084,500	£28,198,906	£119,889,993	£9,439,993
	Comprising						
	Project budget - delegated	£103,590,000	£60,426,382		£28,771,882	£114,294,527	£10,704,527
	Project budgets - delivered on behalf of Budget Holder	£4,600,000	£1,727,024		-£572,976	£3,335,465	(£1,264,535)
	Miscellaneous Items	£2,260,000	£1,130,000		£0	£2,260,000	£0
	Non-SCP Projects	£5,280,000	£2,430,942		(£209,058)	£4,579,431	(£700,569)
	Other Costs	£2,260,000	£1,130,000		£0	£2,260,000	£0
	New Build	£2,000,000	£377,024		(£622,976)	£735,465	(£1,264,535)

SCP Wates local spend 2024/25 Q1 & Q2

#GOODTOGREAT



SCP United Living local spend 2024/25 Q1 & Q2

#GOODTOGREAT

