



# Wolverhampton Homes Annual General Meeting

18 September 2020

**Time** 9.30 am      **Public Meeting?** YES      **Type of meeting** Wolverhampton Homes  
**Venue** Virtual meeting via Microsoft Teams

## Membership

Derek Allen  
Parveen Brigue  
Victor Browne  
Angela Davies  
Hajrija Dergic  
Steve Finegan  
Joy McLaren  
Councillor Lynne Moran  
Mike Porter  
Councillor Rita Potter  
Councillor Zee Russell  
Councillor Paul Singh

## Information

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

**Contact** Maya Dhanda  
**Tel/Email** 07881358595 [maya.dhanda@wolverhamptonhomes.org.uk](mailto:maya.dhanda@wolverhamptonhomes.org.uk)  
**Address** Wolverhampton Homes, 29 Market Street,  
Wolverhampton WV1 3AG

Copies of other agendas and reports are available from:

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**Email** [maya.dhanda@wolverhamptonhomes.org.uk](mailto:maya.dhanda@wolverhamptonhomes.org.uk)  
**Tel** 07881358595

# Agenda

- | <i>Item No.</i> | <i>Title</i>   |
|-----------------|--|
| 1               | <b>Apologies</b>   |
| 2               | <b>Declarations of interest</b>  |
| 3               | <b>City of Wolverhampton Council - Welcome and introduction - Councillor Sweetman</b>  |
| 4               | <b>City of Wolverhampton Council - Shareholder Update - Jenny Lewington, Service Manager - Housing Strategy &amp; Policy</b> |
| 5               | <b>Minutes of previous Annual General Meeting - 27 September 2019 (Pages 3 - 8)</b>  |
| 6               | <b>Matters arising</b>   |

## **FOR DECISION**

- |    |   |
|----|---|
| 7  | <b>Annual Strategic Financial Arrangements - Julie Haydon, Company Secretary (Pages 9 - 74)</b>                                     |
| 8  | <b>Board and Committee Schedule of Dates October 2020 to December 2021 - Nicky Devey, Head of Business Services (Pages 75 - 78)</b> |
| 9  | <b>Confirmation of Board Membership - Catherine Stewardson, Business Assurance Manager (Pages 79 - 84)</b>                          |
| 10 | <b>Electing the Chair - Catherine Stewardson, Business Assurance Manager</b>  |
| 11 | <b>Electing the Vice Chair - Catherine Stewardson, Business Assurance Manager</b>   |
| 12 | <b>Electing the Committee Chairs and Vice Chairs - Catherine Stewardson, Business Assurance Manager</b>                             |
| 13 | <b>A.O.B</b>  |

**DATE OF NEXT ANNUAL GENERAL MEETING: FRIDAY 03 SEPTEMBER 2021  
(PROPOSED)**

# M INUTES



**Meeting: ANNUAL GENERAL MEETING**

**Date: FRIDAY 27 SEPTEMBER 2019**

**Venue: WV ACTIVE, ALDERSLEY ROAD, WOLVERHAMPTON, WV6 9NW**

**Time: 9:30 AM**

## **MEMBERS IN ATTENDANCE: -**

Angela Davies	-	Interim Chair of the Board
Steve Finegan	-	Interim Vice Chair of the Board
Satvinder Goraya	-	Board Member
Joy McLaren	-	Board Member
Kevin Fearon	-	Board Member
Peter Knight	-	Board Member
Councillor Paul Singh	-	Board Member
Councillor Lynn Moran	-	Board Member
Councillor Zareena Russell	-	Board Member
Parveen Brigue	-	Board Member
Matthew Green	-	Board Member

## **STAFF IN ATTENDANCE:-**

Shaun Aldis	-	Chief Executive
Jan Lycett	-	Director of Business Support
Angela Barnes	-	Assistant Director – Housing Options
Kevin Manning	-	Assistant Director – Property
Darren Baggs	-	Assistant Director – Housing
Catherine Stewardson	-	Business Assurance Manager
Nicky Devey	-	Head of Business Services
Jessica Whitehouse	-	Business Assurance Officer

## **CITY OF WOLVERHAMPTON CITY COUNCIL REPRESENTATIVE:**

Kate Martin	-	Director of City Assets and Housing
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## **OBSERVERS IN ATTENDANCE:-**

Graham Childs	-	Representative of Wolverhampton Federation of Tenants Association
Lakhwinder Sahota	-	Housing Strategy & Development Support Officer, City of Wolverhampton Council

<b>1.0</b>	<b>Apologies</b>	
1.1	<ul style="list-style-type: none"> <li>- Councillor Peter Bilson</li> <li>- Councillor Asha Mattu</li> <li>- Councillor Rita Potter</li> <li>- Linda Middleton – Tenant Board member</li> </ul>	
<b>2.0</b>	<b>Declarations of Interest</b>	
2.1	Tenant related issues – Angela Davies and Joy McLaren.	
2.2	Noted with interest, allowed to remain and join in the debate.	
<b>3.0</b>	<b>Minutes of previous Annual General Meeting - 14 September 2018</b>	
3.1	Minutes of the previous meeting were agreed as a true record.	
<b>4.0</b>	<b>Matters arising</b>	
4.1	There were no matters arising.	
<b>5.0</b>	<b>Kate Martin, Director of City Assets and Housing</b>	
5.1	Kate Martin was introduced to the Board.	
5.2	Kate highlighted the new Housing Strategy detailing this is now in the final stage of public consultation and which will set the direction for city housing until 2024 with the driver of this strategy as 'A better home for all'.	
5.3	Wolverhampton Homes is one of the key Better Homes partners which also includes Tenant Management Organisations, WV Living and Better Homes Board.	
5.4	<p>Board were advised of the Council's housing priorities for the next 12 months including:</p> <ul style="list-style-type: none"> <li>• A secure home for all - rough sleeping, temporary accommodation, homelessness, move on arrangements and NHS partners. It was confirmed that CWC are aiming to keep the average rough sleeper figures between 0 and 10 with the aim to be supporting all rough sleepers into accommodation</li> <li>• Temporary Accommodation – looking at options of how this can be strengthened including Wolverhampton Homes utilising assets that are owned by the city to do so</li> <li>• New and supported accommodation – the City of Wolverhampton Council are looking at joint adult health and social care initiatives and would like Wolverhampton Homes to contribute to this offer</li> </ul>	

	<ul style="list-style-type: none"> <li>• CWC are working to secure more sustainable funding and are thankful to WH for contribution in particular with the rough sleeping agenda. Average figures have reduced from 45 down to single figures in the last 12 months</li> <li>• More and better homes – there are plans in place for a range of new homes including a continuation of the great development work undertaken by WH on behalf of CWC</li> <li>• Safer and healthier homes - there is a national building safety programme and it is important that we continue to respond to this. WH have stepped up and are leading the way in this area, in particular to the installation of sprinklers. There is currently an infrastructure programme in place with the first blocks to receive sprinklers at the Boscobel estate</li> <li>• CWC are working hard with private sector partners and enforcement has been taken on some privately owned high rise blocks. CWC are keen over the next couple of years to review the affordable warmth agenda. WH are leading the way compared to some other partners</li> <li>• Estate Redevelopment – this will be looked at over the next 12 months and beyond as this is ongoing, particularly in Heath Town</li> <li>• CWC have made a political commitment to the Climate Change Agenda by signing up for CWC to be carbon neutral by 2028. CWC’s challenge to WH is to how they move towards becoming a greener business in order to contribute towards this agenda. CWC Executive Team have begun scoping areas to focus on including green buildings, recycling, renewable technology and solar power</li> <li>• CWC are planning for the Housing Strategy to be presented in October to Council Members and for this to be in place from November 2019</li> </ul>	
<b>For Decision</b>		
<p><b>6.0</b></p> <p>6.1</p>	<p><b>Annual Strategic Financial Arrangements - Jan Lycett, Company Secretary</b></p> <p>Thanks were given to Kevin Fearon and Peter Knight for the work they have contributed as Board members over their terms in particular for their membership on the Resources Committee.</p> <p><b>Resolved: Board members approved:</b></p> <ol style="list-style-type: none"> <li><b>1. The Financial Statements – 2018 – 2019</b></li> <li><b>2. The Letter of Representation</b></li> </ol>	



	<b>Resolved: Angela Davies confirmed as Chair of Wolverhampton Homes' Board.</b>	
<b>9.0</b>	<b>Electing the Vice Chair - Catherine Stewardson, Business Assurance Manager</b>	
9.1	Steve Finegan confirmed his expression of interest in taking up the role of Vice Chair of the Board.	
9.2	This was formally proposed by Councillor Lynne Moran and seconded by Councillor Paul Singh.  <b>Resolved: Steve Finegan confirmed as Vice Chair of Wolverhampton Homes' Board.</b>	
<b>10.0</b>	<b>Any other Business</b>	
10.1	Date of next AGM meeting 2020 to be confirmed in due course.	

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# Board Report

	<b>Agenda Item 7</b>
	<b>18 September 2020</b> <b>Annual Strategic Financial Arrangements</b>
	<b>AGM Report</b>
<b>Status:</b>	For Decision
<b>Author and job title:</b>	Julie Haydon, Company Secretary
<b>Contact No:</b>	07870 363036
<b>Recommendations:</b>	<p><b>Board Members are asked to approve the:</b></p> <ol style="list-style-type: none"> <li><b>1. Financial Statements – 2019 - 2020</b></li> <li><b>2. Wolverhampton Homes (WH) Letter of Representation</b></li> </ol> <p><b>Board Members are asked to note:</b></p> <ol style="list-style-type: none"> <li><b>1. Confirmation of the appointment of Grant Thornton as the ongoing external auditors for the period between April 2020 to March 2023</b></li> </ol> <p><b>The Shareholder is being asked to ratify the following decisions and documents:</b></p> <ol style="list-style-type: none"> <li><b>1. Financial Statements – 2019 - 2020</b></li> <li><b>2. Letter of Representation</b></li> <li><b>3. Confirmation of the appointment of Grant Thornton as the ongoing external auditors for the between period April 2020 to March 2023</b></li> </ol>

<b>Key risks and contentious issues:</b>	<p>Failure to approve the company's annual accounts in line with Companies House requirements.</p> <p>The company is limited by guarantee as governed by its Memorandum and Articles of Association and hence is required to ensure compliance with appropriate regulation and legislation.</p> <p>The external audit process is a critical element of the company's Business Assurance framework.</p>
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## **Management Summary**

### **1.0 Purpose**

1.1 The purpose of the report is to seek Board approval for the:

- Adoption of the Financial Statements – 2019 - 2020 (Detailed at Appendix 1)
- Agreement of the WH Letter of Representation – 2019 - 2020 (Detailed at Appendix 2)

and for the Board to note:

- The Letter of Support from the City of Wolverhampton Council (Detailed at Appendix 3)
- The ongoing appointment of Grant Thornton as the external auditors for the period between April 2019 to March 2023 (in line with the Wolverhampton Homes Business Plan).

1.2 The ratification of the decisions and documents is required from the Shareholder for the:

- Financial Statements – 2019 - 2020 (Detailed at Appendix 1)
- WH Letter of Representation – 2019 - 2020 (Detailed at Appendix 2)
- Confirmation of the appointment of Grant Thornton as the external auditors continues for the period between April 2020 to March 2023

### **2.0 Background**

2.1 The Company's Memorandum and Articles of Association determines the arrangements for approval of the company's annual accounts at each Annual General Meeting including the associated letter of representation.

2.2 It is also good practice for the Board to consider the appointment of its external auditors at this meeting.

2.3 There is a requirement for the shareholder to ratify these key decisions as part of these central governance arrangements.

### **3.0 Financial Statements 2019 - 2020**

3.1 The draft Financial Statements detailed at Appendix 1 are presented to the Wolverhampton Homes Board to review and provide comments in order for due diligence to be applied.

3.2 The Letter of Representation is provided in connection with the audit of the financial statements of Wolverhampton Homes Ltd for the year ended 31 March 2020 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with UK Generally Accepted Accounting Practice. The WH Letter of Representation is detailed at Appendix 2.

- 3.3 In September 2019, the Board agreed that Grant Thornton would be the appointed external auditors for the period of the 2019 – 2023 Business Plan.
- 3.4 It is to be noted that Grant Thornton will continue to be the appointed external auditors for the City of Wolverhampton Council (CWC) for the same period.

#### **4.0 Financial and value for money implications**

- 4.1 These audited accounts are the key financial documents that underpin the company going forward.
- 4.2 The Letter of Going Concern will be submitted to Grant Thornton for the package of financial information to be submitted to Companies House.
- 4.3 In regard to the annual fee for the auditors, it is expected that the fee will remain in line with the current charge (currently £28,285), with an appropriate uplift to be applied. It is to be noted that the budget already exists for this.

#### **5.0 Legal implications**

- 5.1 These accounts and the external audit process are key to the ongoing governance arrangements.

#### **6.0 Human resources implications**

- 6.1 There are no human resources implications identified within this report.

#### **7.0 Health and safety implications**

- 7.1 There are no health and safety implications identified within this report.

#### **8.0 Equalities implications**

- 8.1 Has an Equality Impact Assessment been carried out: **NO**

#### **9.0 Impact on the environment and community**

- 9.1 There are no impacts on the environment and community identified within this report.

#### **10.0 Long term consequences for the company**

- 10.1 It is imperative that the company adheres to financial regulations and accounting requirements.

#### **11.0 Impact on business relationships with suppliers, customers and others**

- 11.1 The shareholder is required to ratify the decisions and documents as detailed within this report.

## **12.0 Impact of COVID-19**

12.1 Grant Thornton note in their Audit Findings Report that they have not had to change their Audit Plan as previously communicated to the Audit and Business Committee in May 2020.

## **13.0 List of Appendices**

13.1 Appendix 1 – Draft Financial Statements for the year ended 31 March 2020

13.2 Appendix 2 – Wolverhampton Homes Letter of Representation 2019 - 2020

13.3 Appendix 3 – Letter of Support – City of Wolverhampton Council

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Wolverhampton Homes Limited

Company Limited by Guarantee

FINANCIAL STATEMENTS

for the year ended

31 March 2020

Draft

Officers and professional advisers

Strategic report

Directors' report

Directors' responsibilities in the preparation of financial statements

Statement of corporate governance

Independent auditor's report

Statement of comprehensive income

Statement of changes in equity

Balance sheet

Statement of cash flows

Significant accounting policies

Notes to the financial statements

## DIRECTORS

Angela Davies – Chair
Steve Finegan – Vice-chair
Joy McLaren
Derek Allen
Parveen Brigue
Hajrija Dergic
Victor Browne
Linda Middleton
Councillor Rita Potter
Councillor Zareena Russell
Councillor Paul Singh
Councillor Lynne Moran

## EXECUTIVE MANAGEMENT TEAM

Shaun Aldis	Chief Executive
Julie Haydon	Assistant Director – Corporate Services
Angela Barnes	Assistant Director – Housing Options
Darren Baggs	Assistant Director – Housing
Ian Gardner	Assistant Director – Building Services
Kevin Manning	Assistant Director – Asset Management

## SECRETARY

Julie Haydon

## REGISTERED OFFICE

29 Market Street, Wolverhampton, WV1 3AG

## AUDITOR

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

## BANKERS

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

## ACTUARY

Barnett Waddingham, 163 West George Street, Glasgow, G2 2JJ

The Directors present their Strategic Report, annual Directors' Report and financial statements of Wolverhampton Homes Limited (the Company) for the year to 31 March 2020. 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 Wolverhampton City 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 almost 15 years.

When an 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. The Council invited the Company to deliver an additional range of housing functions during 2017/18 and the management agreement together with its associated schedules have been updated to reflect these changes. The first formal 5- year review of this new agreement was successfully concluded. This gives an indication that Company's services are likely to be required long into the future.

The Company's total assets as at 31st March 2020 were £20.5 million, £2.3 million less than at the same time in 2019. Current assets exceed short-term liabilities and Wolverhampton Homes is therefore in a strong position to continue trading as a company. Operating loss was £6.0 million in 2019/20 consisting of an operational loss of £2.0 million and a pension cost adjustment of £4.0 million required under IAS19. Overall, the Company has done well to deliver the services required under the management agreement with no increase to the management fee to fund pay increases. The fee was frozen to March 2020. The council approved a 2% increase from April 2020.

The base Management Fee for 2020 – 2021 totals £38,225,000 with an additional £1.6 million for the delivery of Homelessness, Housing Options and Temporary Accommodation. This includes an adjustment of £265,000 for the 152 properties transferred to Bushbury Hill EMB on 1 April 2020 as a result of the ballot that took place to increase the EMB boundary.

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

The Company has reserve balances of £9.0 million at 31st March 2020, compared to £11.0 million at the end of the previous financial year. This is still significantly above the minimum reserve level of 3% of revenue budget, as set out in the Reserves Policy. This high level of reserve has enabled the Company to manage without inflationary or other increases in the management fee for several years. The reserves will be used to off-set the impact of inflation and cover the cost of one-off expenditure.

In addition to holding reserves to cope with medium and long-term pressures, the Company has continued to seek opportunities for business efficiency and to invest to save. There is an ongoing modernisation of our workforce and the investment in technology to support improved ways of working are central to supporting our approach to business efficiency.

#### *Expenditure against budget and medium-term budget issues*

The Company has continued to monitor expenditure against budget in a timely and systematic manner and all managers are fully engaged in this process. Since the Company's primary source of income is the management fee from the sole shareholder and there is a high level of certainty over the timing and stability of income compared to most businesses, understandably less emphasis is placed on monitoring liquidity and other linked financial ratios, in favour of monitoring spending against budget. This is monitored regularly at full Board level. Careful and consistent monitoring ensures that knowledgeable decisions can be made about new initiatives, recruitment, redundancies, and other activities and that the Board is appraised of the likely impact on reserves to deal with contingencies and needs over the next 3-4 years.

#### *The medium-term financial position*

The current freeze to the management fee was extended by the Council to 2020, by which time it will have been frozen for eight years. In 2019/20 the Company budgeted for a contribution of £1.8 million from reserves to operate a balanced budget. The outturn for 2019/20 indicates that the Company was just over budget with a contribution from reserves of £2.0 million

Whilst reserves are strong, and the Company has an excellent track record of effectively managing its finances, it is expected that to maintain current spending levels beyond this point for the next five years, additional efficiencies will need to be delivered. Otherwise, by 2022/23, annual expenditure will no longer be sustainable, and the reserves strategy could have been compromised.

Therefore, the Company will be reviewing and redesigning its services to take account of customers' needs and how these might be met after the impact of Covid-19 giving consideration to insight gathered during this crisis to support the changes. This approach will keep the customer at the heart of what we do while focussing on making the best use of cost and quality opportunities, for the Company to aim to take advantage of every opportunity to increase business efficiency. This approach, which will seek full Board endorsement during 2020, will be linked to the outcomes of the review of the Business Plan 2019 – 2023 and the associated annual delivery plan and aims to generate a stable level of expenditure over the next ten years. Financial modelling indicates this is entirely possible. This approach has the added benefit of

maintaining a trained and stable workforce and a high level of staff engagement whilst actively managing risk which results in a better service for customers.

### *Pension Obligations*

The Company's net pension liability shows the extent to which its existing pension commitments to employees and former employees exceed the assets currently available to meet those commitments. This liability decreased by £5.6 million during 2019/20, made up of a decrease of £4.6 million in liabilities, and an increase of £1.0 million in assets.

The current service cost charged to the profit and loss account was £6.9 million, compared to £8.4 million in 2018/19. The cost was higher in 2018/19 due to the impact of the McCloud/Sargeant judgement relating to transitional protections on the past service cost.

In practice, the value of the net pension's liability is not entirely meaningful, 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 has to charge to its revenue accounts is the amount of employee contributions payable for the year, and not the costs calculated under the accounting rules. It is also important to note that the calculation of the net pension liability relies on a number of complex judgements, assumptions and variations which can lead to significant differences in the outcome. Note 16 to the Financial Statements provides further information on employee pensions.

The latest three-year annual actuarial valuation of the fund took place on 1<sup>st</sup> October 2019 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 unchanged at 19.2% of salary. The next valuation is expected in late 2022.

## **Performance Review 2019-2020**

### *General*

Overall operational performance has been good in 2019 - 2020 with 24 out of 28 key service targets either being met or being within tolerance levels. Furthermore, those key areas of improvement within the Delivery Plan have been implemented.

A refreshed performance management framework was introduced and with additional capacity brought into our Business Improvement team supporting this renewed focus. A systematic series of performance measures whereby senior leaders present details of their performance to the executive team. This includes trends and 'direction of travel' information as well as progress around the management of key operational challenges and risks.

Performance outcomes continue to be regularly reported to Board, Communities and Service Delivery Committee and 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 103% (this is above the extended “Great” target which was 99%).
- The percentage of rent collected (City wide including TMO/EMB’s) achieved 96.57%, which met our challenging 95.45 target.
- 19.79% of all recharge monies were collected this year against our 19.5% target.
- The number of evictions for rent arrears was 46.
- The percentage of rent lost through empty property fell to 1.66% against our target of 0.80%

### *Keeping residents safe*

The company continues to ensure that services support residents to feel 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, achieving 98.64% at year-end (97.5% Target).
- The percentage of valid gas safety records continue to achieve our 99.9% target at 99.93%.
- Estate inspections achieving a good or excellent rating, dropped slightly to 94.96% which is below our 96% target, but within an acceptable tolerance.
- Satisfaction with the way anti-social behaviour complaints were dealt with achieved target at 95.3%, which is below our 96% target but within an acceptable tolerance.

### *Housing Options*

This is the second year of delivery against the backdrop created through the introduction of the Homelessness Reduction Act. The team has had a successful year and the following is of note:

- The number of people presenting themselves as homeless (also called ‘advice cases’) totalled 3446 for the year.
- The number of Households accepted as homeless were 2508 for the year.

- Average time taken to repair voids: (Receipt of Keys to Repairs completed (Ready to let):
- In House - Standard (Minor) voids - achieved 8 days against a ten-day target
- In House - Major Voids - achieved 53 days against a 36-day target.
- Average time taken to re-let properties (ready to let to new Tenancy Start) - achieved 10 days against a 10-day target.

### **Business Plan 2019 – 2023**

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

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

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

The plan also details a proactive response to the future housing white paper and to delivering the requirements of the national Building Safety Programme. 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 and the impact of austerity that has resulted in some sections of our communities struggling financially and poverty is becoming more of a concern.

- The revision to the rent setting policy which was reviewed for 2020 - 2021 and the management fee which has been renegotiated.
- While the white paper is still awaited, the Phase 1 Grenfell enquiry recommendations were published and responded to on behalf of the company during Autumn 2019. As anticipated, this brought associated changes to fire safety regulation.

The Company established plans to support the delivery of the 5 core areas within the 'New Deal for Social Housing' Green Paper.

- I. Ensuring homes are safe and decent
  - By continuing to prioritise the delivery of exemplar compliance services.
  - Embedded the 'estate custodian' approach
  - 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 feedback function working to embed 'right first time' processes across all areas.
  - Reviewed the complaints policy and continue to work proactively with the housing ombudsman and use complaints outcomes to inform service improvements.
- III. Empowering residents and strengthening the Regulator
  - 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 the city communities to ensure that the company can continue to recruit to the Board and it is recognised there is a clear need to have a balanced skill and competence set across the Board that supports effective decision making.
  - The company welcomes any extension of the regulator across the ALMO sector and will be evaluating the current operation against the current consumer standards to establish where any gaps may exist.
- IV. Tackling stigma and celebrating thriving communities
  - The Company has increased capacity across the community engagement and communications teams specifically to strengthen the work done to support this priority.
  - A new community development strategy was launched in 2019 and will dovetail into the ongoing skills and development framework for customers.

V. Expanding supply and supporting home ownership

- The company will continue to build new properties and make best use of infill sites across the city. The company will use these as opportunities to use new construction techniques and complete developments that allow CWC to have a diverse range of affordable housing across the city.
- The company aims to become an asset owner either via transfer, direct purchase or build.
- Continue to deliver a private sector leasing scheme.
- The company will progress with the acquisition of 19 new build properties from WV Living that will be let as market rent during 2020 – 2021.
- That meets the Council's 'Rent with Confidence' scheme and that is increasingly used to support the City's aspiration to offer the full range of housing options.

**Operational Priorities for 2020 – 2021**

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

Through 2020 - 2021 the company will continue to move forward with its transformational #GoodtoGreat journey to:

- Continue to modernise its workforce and work processes
- Embed the strands of the recovery planning following the impact of Covid-19 taking a new approach to business in restoring and redesigning its services based on customer needs.
- Recovery planning across all directorates includes a review of the Company's property portfolio to ensure the most appropriate and fit for purpose access points for our customers.
- Monitor the launch of Phase 1 of the People Deal and implement Phase 2 for all members of staff.
- Continue to invest in new technology to support mobile working, maximise home working and further enhance our digital offer to customers.
- Continually review and improve services with a focus on frontline customer services including repairs and maintenance.
- Introduce a refreshed enterprise and innovation agenda specifically to:
  - Delivering a cost neutral private sector leasing scheme.
  - Managing properties developed by WV Living – both at affordable rent and shared ownership.
  - Supporting the city to bring back empty homes into use.

- Developing a sustainable waste management strategy.
- Launching the 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.

### **Value for Money**

The company will complete the refresh of its approach to the delivery of Value for Money during 2020 - 2021. The recovery planning following the impact of Covid-19 will be linked to the refresh of the business plan to ensure a sustainable approach to realising efficiencies and improvements across all areas of the business.

During 2019 - 2020 the company has:

- Made best use of HRA land to continue to deliver new build properties and improve the temporary housing stock.
- Continued to invest into the digital infrastructure to support more efficient working for staff and as an enabler for customers to access services digitally in the longer term.

During 2020 - 2021 it is intended to finalise its value for money strategy detailing the company's approach to efficiency savings, invest to save and maximising staffing resource opportunities.

### **The Budget Position for 2020 - 2021 and the medium-term financial plan**

The annual Management Fee from the Council has typically provided around 87 percent of our income. The current base management fee totals £37.731 million with an additional sum of £1.6 million for the delivery of Homelessness and 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 Affordable Warmth.

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 new Home Improvement Agency. There are also smaller, miscellaneous income streams that will continue to be monitored and innovative opportunities explored.

The management fee has been re-negotiated for 2020 - 2021 with a 2% increase to this base fee.

Consultation was undertaken during 2019 - 2020 to help inform the Council's future approach to rent setting.

The Management fee from the housing revenue account has been set at £39.3 million for 2020 - 2021. Wolverhampton Homes also receives income from the council for delivering capital and grant funded works programmes and general fund services.

The Medium-Term Financial Strategy is forecast using a reserves contribution of £2.6 million for 2020 - 2021. This plan continues to use contributions from reserves to balance the budget for the next 2 years whilst reducing the base expenditure budget to forecast income levels. The reserves will then also be used to support investment across our core services.

Overall the year end position was an underspend against budget for 2019/20 resulting in a decrease to reserves of £2.0 million. Reserve balances equal £9.0 million at 1 April 2020. Therefore, the company can use reserve balances for one off investment to support the budget in the medium term.

## **Major risks and uncertainties**

### **Managing Risk**

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

During 2019 - 2020 a full annual plan for internal audit has been delivered that enabled a more comprehensive programme of audit to be achieved. This incorporated many additional workstreams including core health and safety and compliance activity.

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

- Managing the impact of Welfare Reform on tenants/income collection.
- Monitoring and managing medium-term financial pressures.
- Continuing the delivery of the new build programme and the Heath Town master plan.
- Continuing to improve the online/automated services for customers.
- Maintaining staff engagement.
- Health and Safety compliance.
- Continuing the roll out of the mobile working and office refurbishment arrangements.
- Supporting vulnerable tenants with the embedding of the Estate Custodian model and the "See it, Report it" initiative.

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

By order of the Board

Shaun Aldis

Draft

In addition to their Strategic Report on pages 4 to 12 of this report, the Directors also present their annual Directors' Report and financial statements of Wolverhampton Homes Limited (the Company) for the year to 31 March 2020.

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 Arms 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:

Rita Potter  
Paul Singh  
Angela Davies  
Joy McLaren  
Linda Middleton  
Steve Finegan  
Zareena Russell  
Victor Browne (from 18 October 2019)  
Hajrija Dergic (from 28 October 2019)  
Derek Allen (from 19 December 2019)  
Parveen Brigue (from 28 August 2019)  
Asha Mattu (up until 22 May 2019)  
Mark Ward (up until 13 August 2019)  
Kevin Fearon (up until 27 September 2019)  
Peter Knight (up until 27 September 2019)  
Matthew Green (20 June 2019 up until 05 November 2019)  
Satvinder Goraya (12 July 2019 up until 21 October 2019)

## 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 has been approved by Job Centre Plus as a user of the disability symbol. The Company is committed to employing disabled people 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 every effort is made to ensure that they stay in employment. There is a mechanism in place to ensure that at least once each year a discussion is held with disabled employees to ensure that they can access appropriate training and learning and development so that they can develop and use their abilities.

## 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 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 to Senior Management Team, the Board and Audit and Business Assurance Committee and are 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 will be put to the Board at the Annual General Meeting as part of the current contracting arrangements up to 2022 - 2023 (this includes an option to extend for a further two years beyond that).

By order of the Board

Shaun Aldis  
Chief Executive

2020

Draft

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

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The Directors are responsible for preparing the Strategic Report and Assistant Director – Corporate Services 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 International Financial Reporting Standards (“IFRS”) as adopted by the European Union (“EU”).

The financial statements are required by law and IFRS as adopted by the EU 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 of the company and of the profit or loss 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 IFRS as adopted by the EU;
- 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;
- The maintenance of proper accounting records; and
- The safeguarding of assets against unauthorised use or disposal.

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

### **Corporate Governance**

The Company has a balanced and formally constituted Board made up of democratically elected members, tenants and independent members. The Board has formally adopted terms of reference and is central to its strategic decision-making processes, meets regularly and receives comprehensive reports on the activities of the Company. The articles of association and the membership of the board was reviewed during 2018-2019 with the shape of the board moving to twelve directors but made up of equal numbers of elected members, tenants and independent members. The shareholder fully endorsed this model. The Board is supported by two committees with defined terms of reference covering, Communities and Service Delivery, and Audit and Business Assurance matters. The Board has adopted a programme of development and training and has undertaken a process of evaluation of its own effectiveness through an internal self-assessment exercise which will inform a full skills analysis.

### **Management Control and Direction**

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

### **Arms Length Partnership relationship with the City of Wolverhampton Council**

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

### ***Performance Management and Performance Indicators***

The Company produces, monitors and reports performance on a regular basis against a comprehensive suite of performance indicators and information covering all the main activities of Wolverhampton Homes. There is a clear performance management and control framework which involves all staff in agreeing priorities and targets with their line managers. One to ones are held with all staff members on a regular basis, with a minimum of 4 meetings per year. Targets are linked to individual service delivery plans and 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 Audit and Service Delivery Committee and the Board. The Company formally reassesses its risks every year 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 Council.

### ***Financial Risks***

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

Since 2014/15 the Company has banked with the HSBC bank.

### ***Financial Regulations***

The Company adopted a set of Financial Regulations and Standing Orders soon after it was incorporated as part of its control framework. These documents are updated periodically and reviewed by the Board. The documents are underpinned by a clear 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 Assistant Director - 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 at least twice yearly.

### ***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 absence 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 in 2020, also scrutinises the outcome of Internal Audits and reviews the Health and Safety audits within the Company. The Committee has a specialist understanding of audit issues 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 2020. No weaknesses were found in the internal controls which to the knowledge of the Board and the 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.

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

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## *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 2020, which comprise of the Statement of comprehensive income, Statement of changes in equity, Balance sheet and 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### *Basis for opinion*

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

### *Who we are reporting to*

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.

### *Conclusions relating to going concern*

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least

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

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twelve months from the date when the financial statements are authorised for issue.

### *Other information*

The directors are responsible for the other information. The other information comprises the information included in the annual report,<sup>1</sup> other than the financial statements and our auditor's report thereon. 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. In connection with our audit of the financial statements, 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 or a material misstatement of the other information. 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 has 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 for the financial statements*

As explained more fully in the directors' responsibilities statement set out on page 16, 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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

William Devitt  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Birmingham  
[\*\*Date\*\*]

Wolverhampton Homes Limited  
Company Limited by Guarantee  
STATEMENT OF COMPREHENSIVE INCOME  
for the year to 31 March -2020

	<i>Notes</i>	2020 £'000	2019 £'000
REVENUE	3	50,440	49,666
Operating costs	4	<u>(55,559)</u>	<u>(54,097)</u>
(LOSS) FROM OPERATIONS	4	(5119)	(4,431)
Finance income	5	84	103
Finance costs	5	<u>(997)</u>	<u>(913)</u>
(LOSS) BEFORE TAXATION		(6,032)	(5,241)
Taxation	7	<u>16</u>	<u>11</u>
(LOSS) FOR THE YEAR	13	<u><u>(6,048)</u></u>	<u><u>(5,230)</u></u>

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

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

	<i>Notes</i>	2020 £'000	2019 £'000
(Loss) for the year		(6,048)	(5,230)
OTHER COMPREHENSIVE GAIN, NET OF TAX			
Actuarial gain on defined benefit obligations	16	<u>9,659</u>	<u>3,299</u>
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE YEAR		<u><u>3,611</u></u>	<u><u>(1,931)</u></u>

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 2020

	Retained earnings	Retained earnings
	£'000	£'000
BALANCE AT 1 APRIL 2018		(26,925)
Loss for the year	(5,230)	
Other comprehensive loss, net of tax:		
Actuarial gain on defined benefit obligations	3,299	
	<u>          </u>	
TOTAL COMPREHENSIVE PROFIT FOR THE YEAR		<u>(1,931)</u>
BALANCE AT 31 MARCH 2019		(28,865)
Loss for the year	(6,048)	
Other comprehensive loss, net of tax:		
Actuarial gain on defined benefit obligations	9,659	
	<u>          </u>	
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>3,611</u>
BALANCE AT 31 MARCH 2020		<u><u>(25,244)</u></u>

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

Wolverhampton Homes Limited  
Company Limited by Guarantee  
BALANCE SHEET  
31 March 2020

Company Registration No: 5441967

	<i>Notes</i>	2020 £'000	2019 £'000
<b>ASSETS</b>			
<b>RIGHT OF USE ASSETS</b>			
Land and Buildings	15	1,704	-
Motor Vehicles	15	681	-
<b>CURRENT ASSETS</b>			
Trade and other receivables	9	9,865	7,417
Cash and cash equivalents	8	8,220	10,836
		<u>          </u>	<u>          </u>
<b>TOTAL ASSETS</b>		<b>20,469</b>	<b>18,253</b>
		<u>          </u>	<u>          </u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	(8,950)	(7,229)
Lease liabilities	15	(59)	-
Current tax liabilities	11	(16)	-
		<u>          </u>	<u>          </u>
		(9,025)	(7,229)
<b>NON-CURRENT LIABILITIES</b>			
Lease Liabilities	15	(2,449)	-
Retirement benefit obligations	16	(34,240)	(39,878)
		<u>          </u>	<u>          </u>
<b>TOTAL LIABILITIES</b>		<b>(45,714)</b>	<b>(47,107)</b>
		<u>          </u>	<u>          </u>
<b>NET LIABILITIES</b>		<b>(25,244)</b>	<b>(28,856)</b>
		<u>          </u>	<u>          </u>
<b>EQUITY</b>			
Retained earnings	13	(25,244)	(28,856)
		<u>          </u>	<u>          </u>
<b>TOTAL EQUITY</b>	13	<b>(25,244)</b>	<b>(28,856)</b>
		<u>          </u>	<u>          </u>

The financial statements on pages 23 to 50 were approved by the Board and authorised for issue on 2020 and are signed on its behalf by:

Director –

Director—

Draft

Wolverhampton Homes Limited  
Company Limited by Guarantee  
STATEMENT OF CASH FLOWS  
for the year to 31 March 2020

	<i>Notes</i>	2020 £'000	2019 £'000
<b>OPERATING ACTIVITIES</b>			
Cash utilised by operations	14	(2,700)	(1,328)
Taxation paid		-	-
		<u>          </u>	<u>          </u>
<b>NET CASH UTILISED BY OPERATING ACTIVITIES</b>		<b>(2,700)</b>	<b>(1,328)</b>
<b>INVESTING ACTIVITIES</b>			
Interest received		84	103
		<u>          </u>	<u>          </u>
<b>NET CASH FROM INVESTING ACTIVITIES</b>		<b>84</b>	<b>103</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(2,616)</b>	<b>(1,225)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<b>10,836</b>	<b>12,061</b>
		<u>          </u>	<u>          </u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	14	<b>8,220</b>	<b>10,836</b>
		<u>          </u>	<u>          </u>

## BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations as endorsed by the EU (“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.

## 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

IFRS 16 is the new Lease Accounting Standard that has come into effect from April 2019. The adoption of this new Standard has resulted in WH recognising 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.

The new standard has been applied using the cumulative catch-up approach with the right-of-use asset under leases being measured at an amount equal to the lease liability. An adjustment to reserves is therefore not required. This new standard

includes an optional exemption that can be applied on transition, meaning that leases previously accounted for as an operating lease with a remaining term of less than 12 months can be accounted for on a straight-line basis over the remaining lease term. WH have applied this exemption to expired leases for vehicles and property leases in the final year.

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

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

## 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 loans and 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. A provision for impairment is established when the carrying value of the receivable exceeds the present value of the future cash flows discounted using the original effective interest rate. 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.

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.

### **ADOPTION OF INTERNATIONAL FINANCIAL REPORTING AND ACCOUNTING STANDARDS**

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) as adopted by the European Union.

#### ***Standards adopted early by the Company***

The Company has adopted IFRS16 Leases for the year to 31 March 2020.

#### **Standards issued as at 31 March 2020 but not yet adopted**

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

<b>New Standards</b>	<b>Effective Date</b>
IFRS 17 Insurance contracts	01 January 2021
Amendments to IAS19 Employee Benefits	01 January 2020

## 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 16 for details of the sensitivities on key assumptions.

### *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 entities accounting policies and that have a significant effect in the amounts recognised in the financial statements:

- a bad debt provision of £149,000 (2019: £146,390) is included to cover potential non-payment of invoices. This is based on an assessment of outstanding invoices at 31 March 2020. See Note 9.

## 2 FINANCIAL RISK MANAGEMENT

The Company's Audit and Service Delivery Committee is responsible for reviewing the risk register and for risk management within the Company, including financial risks. The Audit and Service Delivery Committee reports to the Board every six months on risk issues. Risks are also reviewed on a regular basis at section 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 Committee / Board of Directors every quarter. The Risk Register is discussed by the Board every six months 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 over 96.3% (2019: 96.3%) 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. 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 policy***

Wolverhampton Homes has a policy to set 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 of £50 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 freeze to its management fee, which came to an end in April 2020. The Company has been intent on making savings to manage the long term impact of this freeze and minimise its impact on tenants. With this in mind the general reserves have been broken down into three distinct elements:

Contingency element (3% of turnover)	£1.5M
Expenditure not in base budget including invest to save	£3.4M
Inflation reserves to meet the impact of the management fee freeze to 31 March 2020	£4.1M

The contingency element represents a level of reserves as an absolute minimum below which it would not be prudent for the Company to go.

The reserves strategy 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.

The inflation reserve is essential for spreading the impact of the frozen management fee period over a longer period of time and thereby smoothing out budget reductions.

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.

<b>Liabilities – 2020</b>	Within 6 months £'000	6 months - 1 year £'000	1 to 5 years £'000	Over 5 years £'000	Total £'000
Trade and other payables	6,775	-	-	-	6,775
Lease liabilities	-	883	2,180	427	3,490
Current tax liabilities	-	-	-	-	-
	<u>6,775</u>	<u>883</u>	<u>2180</u>	<u>427</u>	<u>10,265</u>

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.

<b>Assets – 2020</b>	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	8,220	-	-	-	8,220
Trade and other receivables	9,754	-	-	-	9,754
Leased properties sublet	-	-	422	449	871
	<u>17,974</u>	<u>-</u>	<u>422</u>	<u>449</u>	<u>18,845</u>

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.

<b>Liabilities – 2019</b>	Within 6 months £'000	6 months - 1 year £'000	1 to 5 years £'000	Over 5 years £'000	Total £'000
Trade and other payables	5,594	-	-	-	5,594
Current tax liabilities	-	-	-	-	-
	<u>5,594</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,594</u>

2 FINANCIAL RISK MANAGEMENT (continued)

<b>Assets - 2019</b>	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	10,836	-	-	-	10,836
Trade and other receivables	7,317	-	-	-	7,317
	18,153	-	-	-	18,153

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.

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:

<b>Assets - 2020</b>	Floating rate £'000	Non-interest bearing £'000	Total £'000
Cash and cash equivalents	8,193	27	8,220
Trade and other receivables		9,754	9,754
	8,193	9,781	17,974

  

	Floating rate £'000	Non-interest bearing £'000	Total £'000
<b>Liabilities - 2020</b>			
Trade and other payables		6,775	6,775

2 FINANCIAL RISK MANAGEMENT (continued)

<b>Assets - 2019</b>	Floating rate £'000	Non-interest bearing £'000	Total £'000
Cash and cash equivalents	10,812	24	10,836
Trade and other receivables	-	7,317	7,317
	10,812	7,341	18,153

<b>Liabilities - 2019</b>	Non- interest bearing £'000	Total £'000
Trade and other payables	5,594	5,594
	5,594	5,594

**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.

<i>Maximum exposure to credit risk</i>		2020 £'000	2019 £'000
Trade and other receivables	- Council	9,103	6,745
	- Other	651	572
Cash and cash equivalents	- Bank	8,220	10,836
		17,974	18,153

**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.

2 FINANCIAL RISK MANAGEMENT (continued)

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

Sales were made 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	2020 £'000	2019 £'000
(Loss) from operations is stated after charging:		
Inventories		
- amount charged (to operating costs)	3,270	3,440
Auditor's fees:		
- audit services: Grant Thornton UK LLP	28	28
- taxation: RSM UK Tax and Accounting Limited	4	4
Rentals payable under leases	1,448	1,487
	<u>          </u>	<u>          </u>
The following table analyses the nature of expenses:		
Staff costs	29,038	29,906
Repairs and maintenance	15,297	14,770
Other housing management costs	5,292	3,991
Corporate	3,431	3,330
Information technology	1,938	1,661
Other	524	439
	<u>          </u>	<u>          </u>
Total expenditure (excluding finance costs)	55,520	54,097
	<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.

Wolverhampton Homes Limited  
Company Limited by Guarantee  
NOTES TO THE FINANCIAL STATEMENTS  
for the year to 31 March 2020

5	FINANCE INCOME AND COSTS	2020 £'000	2019 £'000
	Other interest receivable	84	103
		<u>          </u>	<u>          </u>
		2019 £'000	2019 £'000
	Pension finance costs	(912)	(913)
	Amortisation of lease liability	(85)	-
		<u>          </u>	<u>          </u>
6	STAFF AND STAFF COSTS	2020 No.	2019 No.
	The average monthly number of persons employed by the Company during the period was:		
	Housing Management	160	155
	Property Services	348	365
	Estates Services	81	81
	Support Services	65	67
	Housing Options	71	65
		<u>          </u>	<u>          </u>
		725	733
		<u>          </u>	<u>          </u>
	The total number of staff in 2019 includes 9 new apprentices, work placements and trainees.		
		2020 £'000	2019 £'000
	Wages and salaries	20,089	19,577
	Social security costs	1,908	1,847
	Other pension costs	7,041	8,482
		<u>          </u>	<u>          </u>
	Total expenditure	29,038	29,906
		<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 (2019: £Nil). The total of directors' pension contributions was £Nil (2019: £Nil).

7	TAXATION	2020 £'000	2019 £'000
	ANALYSIS OF CHARGE IN YEAR:		
	Current tax:		
	UK – Current year	(16)	-
		<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	(6,032)	(5,241)
		<u>          </u>	<u>          </u>
	Tax at the standard rate of corporation tax 19% (2019: 19%)	(1,139)	(996)
	Effect of non-trading activities with member not subject to corporation tax	1,123	996
		<u>          </u>	<u>          </u>
		(16)	-
		<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 0.02% (2019: nil%), which is lower than the standard UK rate of 19 % (2019: 19%).

8 FINANCIAL INSTRUMENTS

<b>2020</b>	Loans and receivables £'000
<b>Current financial assets</b>	
Trade and other receivables (less prepayments)	9,754
Cash and cash equivalents	8,220
Total	<u>17,974</u>
<b>2020</b>	Trade and other payables £'000
<b>Current financial liabilities</b>	
Trade and other payables	<u>6,775</u>
<b>2019</b>	Loans and receivables £'000
<b>Current financial assets</b>	
Trade and other receivables (less prepayments)	7,317
Cash and cash equivalents	10,836
Total	<u>18,153</u>
<b>2019</b>	Trade and other payables £'000
<b>Current financial liabilities</b>	
Trade and other payables	<u>5,594</u>

9 TRADE AND OTHER RECEIVABLES

	2020 £'000	2019 £'000
Trade receivables	9,736	7,299
Other receivables	19	20
Prepayments	110	98
	<u>9,865</u>	<u>7,417</u>

The average credit period taken on provision of services is 71 days (2019: 55 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 when there is objective evidence of impairment which is usually indicated by a delay in the expected cash flows or non-payment from customers. As at 31 March 2020, £149,000 (2019: £146,000) of trade receivables were impaired in relation to customers who are known to be in financial difficulty and from whom payment was overdue by more than twelve months. No provision for impairment has been made against any amounts due from the Council at 31 March 2020 or 2019.

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.

	2020 £'000	2019 £'000
Up to three months	7,504	4,187
Up to six months	23	1
Between six months and a year	18	39
	<u>7,545</u>	<u>4,227</u>

9 TRADE AND OTHER RECEIVABLES (continued)

The movement in the allowance account was as follows:

	2020 £'000	2019 £'000
Opening balance as at 1 April	146	118
Provision for receivables impairment	3	28
	<u>149</u>	<u>146</u>
Closing balance as at 31 March	149	146

10 TRADE AND OTHER PAYABLES

	2020 £'000	2019 £'000
Trade and other payables are as follows:		
Amounts payable relating to invoiced amounts	274	791
Accruals and deferred income	5,511	4,177
Other tax and social security	2,215	1,635
Other payables	989	626
	<u>8,989</u>	<u>7,299</u>

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 38 days (2019: 35 days).

The increase in accruals compared with 2019 is due to the timing of invoicing for service level agreements by the council for services received in 2020.

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

	2020 £'000	2019 £'000
Taxation	16	-
	<u>16</u>	<u>-</u>

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, (see note 17) 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	2020 £'000	2019 £'000
	Retained Earnings		
	1 April	(28,856)	(26,925)
	Retained loss for the year	(6,047)	(5,230)
	Actuarial gain/(loss) (note 16)	9,659	3,299
		<u>          </u>	<u>          </u>
	At 31 March	(25,244)	(28,856)
		<u>          </u>	<u>          </u>
		2019 £'000	2019 £'000
	Analysed as:		
	Profit and loss reserve (excluding pension liability)	8,996	11,022
	Pension deficit	(34,240)	(39,878)
		<u>          </u>	<u>          </u>
		(25,244)	(28,856)
		<u>          </u>	<u>          </u>
14	CASH FLOWS	2020 £'000	2019 £'000
	Reconciliation of (loss) from operations to net cash generated (utilised by) operating activities		
	(Loss) from operations	(5,119)	(4,431)
	Pension contributions paid in period (note 16)	(3,859)	(3,882)
	Pension contributions charged in the period (note 16)	6,968	8,526
	Increase in trade and other receivables	(2,365)	(1,476)
	Increase in trade and other payables	1,759	(65)
		<u>          </u>	<u>          </u>
	Net cash (utilised by) operating activities	(2,616)	(1,328)
		<u>          </u>	<u>          </u>

14 CASH FLOWS (continued)

For 2019/20 there were no significant non-cash transactions.

*CASH AND CASH  
EQUIVALENTS*

Cash and cash equivalents  
represent:

	2020 £'000	2019 £'000	2018 £'000
Cash at bank	8,220	10,836	12,061

15 COMMITMENTS  
UNDER LEASES

Right of Use Assets

	Land and Buildings £'000	Motor Vehicles £'000	Total £'000
Balance at 1 April 2019	1,758	812	2,570
Depreciation charge for the year	(614)	(131)	(745)
Additions to right of use assets	560	-	560
Balance at 31 March 2020	1,704	681	2,385

	Land and buildings 2020 £'000	Land and buildings 2019 £'000	Motor Vehicles 2020 £'000	Motor Vehicles 2019 £'000
Total value of lease commitments				
Expiry of lease:				
Within 1 year	683	523	200	711
Between 2 – 5 years	1,384	1,028	796	233
After 5 years	242	267	185	-
Total undiscounted lease liabilities at 31 March 2020	2,309	1,818	1,181	944

Lease Liabilities included in the statement of financial	1,698	-	810	-
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Wolverhampton Homes Limited  
Company Limited by Guarantee  
NOTES TO THE FINANCIAL STATEMENTS  
for the year to 31 March 2020

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position at 31 March  
2020

Current	59	-	-	-
Non-Current	1,639	-	810	-
	<u>1,698</u>		<u>810</u>	

<b>Amounts recognised in statements of comprehensive income</b>	<b>2020</b>
	£'000
Interest on lease liabilities	85
Expenses relating to short-term leases	643

<b>Amounts recognised in statement of cash flows</b>	<b>2020</b>
	£'000
Total cash outflow for leases	1,448

The lease right of use asset and lease liabilities included in the statement of financial position consist of 4 office building leases, 54 private sector property leases and 51 vehicle leases. The private sector properties leases are in turn sub-leased by Wolverhampton Homes.

The cumulative catch-up approach has been used for transition to IFRS16 which does not require adjustments to the prior period Statement of Comprehensive Income or Balance Sheet. As a comparative, the Right of Use asset and lease commitment values at 2019 are provided. The undiscounted lease liabilities are provided to demonstrate the actual lease expenses payable in year.

16 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 2019/20 was 19.2% (2018/19: 19.2%) of pensionable earnings. The rate for 2020/21 will be again be 19.2% - 21.1% plus the equivalent of a reduction of 1.9%, 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 £3,859,000 (2019: £3,882,000).

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 2019.

At the year-end there were outstanding contributions of £397,000 (2019: £374,000), 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 2019 for the purposes of the IAS 19 valuation for inclusion in these financial statements by a registered actuary engaged by Barnett Waddingham. 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	
	2020 %	2019 %
Discount rate (used for calculation of future liabilities)	2.35	2.4
Expected rate of salary increases	2.85	3.9
Future pension increases	1.85	2.4
Rate of Consumer Price Index ("CPI")	1.85	2.4

16 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:

	2020	2019
Male	21.9	20.9
Female	24.1	23.2

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

Male	23.8	22.6
Female	26.0	25.0

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

	Change in assumption	Overall impact on liability
Discount rate	Increase of 0.1%	Decrease of £4,165,000
Pension increases	Increase of 0.1%	Increase of £618,000
Members' life expectancy	Increase of 1 year	Increase of £3,658,000

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

	2020 £'000	2019 £'000
Current service cost	6,764	6,200
Interest cost	4,780	4,839
Administration expenses	103	67
Expected return on scheme assets	(3,868)	(3,926)
Past service cost including curtailments	101	2,259
	<u>7,880</u>	<u>9,439</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 2020 was £9,659,000 (2019: gain of £3,299,000), and the cumulative profit is £3,778,000 (2019: cumulative loss of £5,881,000).

16 RETIREMENT BENEFIT OBLIGATIONS (continued)

The actual return on scheme assets was £6,639,000 (2019: £5,704,000).

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

	2020 £'000	2019 £'000
Fair value of scheme assets	161,693	160,634
Present value of defined benefit obligations	(195,933)	(200,512)
	<hr/>	
Deficit in scheme	(34,240)	(39,878)
	<hr/> <hr/>	

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

Analysis for reporting purposes:

	2020 £'000	2019 £'000
Non-current liabilities	(34,240)	(39,878)
	<hr/>	

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

	2020 £'000	2019 £'000
At 1 April	200,512	190,568
Current service cost	6,764	6,200
Past service cost including curtailments	101	2,259
Interest cost	4,780	4,839
Actuarial gains/(losses)	7,661	-
Change in demographic assumptions	4,546	(11,154)
Change in financial assumptions	(25,640)	9,633
Contributions by plan participants	1,173	1,156
Benefits paid	(3,964)	(2,989)
	<hr/>	
At 31 March	195,933	200,512
	<hr/> <hr/>	

16 RETIREMENT BENEFIT OBLIGATIONS (continued)

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

	2020 £'000	2019 £'000
At 1 April	160,634	152,948
Expected return on scheme assets	3,868	3,926
Actuarial gains/(losses)	(10,507)	1,778
Other actuarial gains	6,733	0
Administration expenses	(103)	(67)
Employer contributions	3,859	3,882
Employee contributions	1,173	1,156
Benefits paid	(3,964)	(2,989)
	161,693	160,634
At 31 March	161,693	160,634

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

	Fair value of assets	
	2020 £'000	2019 £'000
Equity Instruments	92,043	94,944
Government Bonds	18,794	15,432
Other Bonds	6,757	6,189
Property	14,382	13,643
Cash/liquidity	5,803	5,087
Other assets	23,914	25,339
	161,693	160,634
	161,693	160,634

16 RETIREMENT BENEFIT OBLIGATIONS (continued)

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

£'000	2020	2019	2018	2017	2016
Present value of defined benefit obligations	(195,933)	(200,512)	(190,568)	(186,865)	(148,026)
Fair value of scheme assets	161,693	160,634	152,948	151,164	118,702
Deficit in scheme	(34,240)	(39,878)	(37,620)	(35,701)	(29,324)
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 2021 is £3,681,000 (2020: £3,822,000).

17 RELATED PARTY TRANSACTIONS

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

Wolverhampton Homes Limited is an Arms 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 £48,094,000 (2019: £47,018,000) and purchased goods and services from the Council totalling £6,724,000 (2019: £6,475,000).

At 31 March 2020, included in Receivables is a total amount due from the Council of £7,890,000 (2019: £6,067,000) and included in Payables is a total amount due to the Council of £3,630,000 (2019: £3,286,000). The net balance owed to the company by the Council was £4,260,000 (2019: £2,781,000 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.

17 RELATED PARTY TRANSACTIONS (continued)

Remuneration of key management personnel

The remuneration of the 14 (2019: 10) senior managers who are the key management personnel of the Company, is set out below in aggregate.

	2020 £'000	2019 £'000
Short-term employee benefits	911	895
Post-employment benefits	300	343
	<u>1,211</u>	<u>1,238</u>

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

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Our Ref WH/BD/NP/LoR  
Your Ref

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

29 Market Street  
Wolverhampton  
WV1 3AG  
01902 552956

18 September 2020

Dear Sirs,

**Wolverhampton Homes Limited**  
**Financial Statements for the Year Ended 31 March 2020**

This representation letter is provided in connection with the audit of the financial statements of Wolverhampton Homes Limited for the year ended 31 March 2020 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with UK Generally Accepted Accounting Practice.

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

**Financial Statements**

- i We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated 17 February 2020, for the preparation of the financial statements in accordance with UK Generally Accepted Accounting Practice; in particular the financial statements give a true and fair view in accordance therewith.
- ii We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.

Chief Executive: Shaun Aldis

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

- iii Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- iv Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of UK Generally Accepted Accounting Practice.
- v All events subsequent to the date of the financial statements and for which UK Generally Accepted Accounting Practice require adjustment or disclosure have been adjusted or disclosed.
- vi The financial statements are free of material misstatements, including omissions.
- vii Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of UK Generally Accepted Accounting Practice.

### **Information Provided**

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

Chief Executive: Shaun Aldis

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

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

The financial statements and the above representations were considered and approved by the Board at its meeting on 18 September 2020.

Yours faithfully

Signed on behalf of the board of Wolverhampton Homes Ltd

Angela Davies, Chair: ..... Date: 18 September 2020

Chief Executive

Shaun Aldis: ..... Date: 18 September 2020

Assistant Director – Corporate Services & Company Secretary

Julie Haydon: ..... Date: 18 September 2020

Chief Executive: Shaun Aldis

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



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The Directors  
Wolverhampton Homes Limited  
29 Market Street  
Wolverhampton  
WV1 3AG

8 September 2020

Dear Sirs

### **Wolverhampton Homes Limited**

#### **Management Agreement**

The current Management Agreement runs to end of 31 March 2028. At present, we have no intention of ending this agreement before that date.

#### **Management fee and similar income**

The management fees for the year ended 31 March 2020 payable by the City of Wolverhampton Council to Wolverhampton Homes Limited amounted to £39.3m. Other income earned by Wolverhampton Homes Limited from the City of Wolverhampton Council in respect of the year ended 31 March 2020 was £8.8m.

These fees have been derived in the manner required in accordance with the Management Agreement between the City of Wolverhampton Council and Wolverhampton Homes Limited. We confirm that the management fee payable under the Management Agreement will be set at an adequate level to enable Wolverhampton Homes Limited to continue to provide the services under the management agreement. The level of the management fee will be arrived at through joint process, taking into account the financial needs of Wolverhampton Homes Limited, the resources adjudged to be available within the Council's Housing Revenue Account and the Council's medium term financial strategy. The management fee approved for 2020-2021 is £40.1m.

#### **Amounts due from/to Wolverhampton City Council**

We confirm that as at 31 March 2020, Wolverhampton Homes Limited is owed by the City of Wolverhampton Council a net balance of £4,260,000, comprising an amount due to the City of Wolverhampton Council of £3,630,000 and an amount owed by the City of Wolverhampton Council of £7,890,000.

Continued.....

**Confirmation of continuing support**

We confirm that we intend to support financially Wolverhampton Homes Limited for at least 12 months from the date of approval of the statutory financial statements for the year ended 31 March 2020 to enable it to meet its liabilities as they fall due.

We undertake to inform you immediately in the event that circumstances change in a manner such that it would or might no longer be open to us to continue to provide such financial support.

Yours sincerely



**Claire Nye**  
**Director of Finance**

Direct: 01902 550478

Email: [Claire.Nye@wolverhampton.gov.uk](mailto:Claire.Nye@wolverhampton.gov.uk)

# Board Report

	<b>Agenda Item 8</b>
	<p><b>18 September 2020</b>  <b>Board and Committee Schedule of Dates</b>  <b>December 2020 - December 2021</b></p>
	<b>AGM Report</b>
<b>Status:</b>	For Decision
<b>Author and job title:</b>	Nicky Devey, Head of Business Services
<b>Contact No:</b>	07773 192830
<b>Recommendations:</b>	<p><b>Board Members are asked to agree:</b></p> <ol style="list-style-type: none"> <li><b>1. Agree the provisional Board and Committee schedule of dates for December 2020 - December 2021</b></li> </ol> <p><b>And also, to note the:</b></p> <ol style="list-style-type: none"> <li><b>1. Dates from May 2021 are subject to change</b></li> <li><b>2. Dates included for October and November 2020</b></li> </ol>
<b>Key risks and contentious issues:</b>	<p>The delivery of Wolverhampton Homes Board and Committee meetings ensures effective governance arrangements are in place in line with the company's Articles of Association.</p> <p>There is a need to ensure that meetings are quorate to allow Board members to be able to discharge their responsibilities; make strong and effective strategic decisions and to hold the Senior Management Team to account for the operational delivery of Wolverhampton Homes business.</p> <p>It is imperative that Board and Committees meetings are held regularly to ensure timely decision making and information sharing, in order for the company to be supported and monitored in its delivery of its Business Plan and strategic objectives.</p>

## **Management Summary**

### **1.0 Purpose**

- 1.1 The purpose of the report is for Board to agree the provisional dates for Board and Committee for 2020 - 2021.
- 1.2 The Board and Committee dates are detailed from October 2020 with the new proposed dates starting in December 2020 through to December 2021.
- 1.3 The proposed schedule of dates is listed at Appendix 1.
- 1.4 Board are asked to note that provisional dates include those scheduled from May 2021 however, these will be confirmed at a later date in line with election outcomes and the City of Wolverhampton Council's municipal calendar.
- 1.5 Additionally, due to short timescales between the Communities and Service Delivery Committee in October and December 2020, it is proposed that the 02 December 2020 slot is utilised for an end of year Board meeting.

### **2.0 Background**

- 2.1 The Wolverhampton Homes Board and Committees are required to meet at regular intervals to include full quorum and high-level attendance at the meetings scheduled for 2020 – 2021.
- 2.2 The provision of dates in advance allows for Board Members to agree the proposals and plan-ahead to be able to provide confirmation of attendance.

### **3.0 Financial and value for money implications**

- 3.1 It is imperative that Wolverhampton Homes Board meets regularly in order for them to make strategic decisions that safeguard the financial viability of the company and ensure long term sustainability.

### **4.0 Legal implications**

- 4.1 To ensure that the Board of Wolverhampton Homes operates within the company's governance requirements and meets its legal obligations.

### **5.0 Human resources implications**

- 5.1 There are no human resources implications identified within this report.

### **6.0 Health and safety implications**

- 6.1 Board and Committee meetings must take place regularly to ensure Health and Safety monitoring is undertaken.

## **7.0 Equalities implications**

7.1 Has an equality impact assessment been carried out? **NO**

## **8.0 Impact on the environment and community**

8.1 There is no impact on the environment and community identified within this report.

## **9.0 Long term consequences for the company**

9.1 Providing a planned and consistent approach will ensure strategic business decisions are presented and considered appropriately and in a timely manner by the Board and Committees.

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

10.1 Wolverhampton Homes is required to comply with the management agreement with the City of Wolverhampton Council (CWC) in fulfilling its governance and business requirements.

## **11.0 Impact of COVID-19**

11.1 Board and Committee meetings will continue with a blended approach of on-site meetings and virtual Microsoft Teams meetings in adherence with government guidance and social distancing requirements.

## **12.0 Impact on Wolverhampton Homes' Management System**

12.1 If yes and approved by board members, update to go on the management system by:

Date: 30/09/2020

Officer responsible: Cathy Stewardson

## **13.0 List of Appendices**

13.1 Appendix 1: Board and Committee proposed schedule of dates for December 2020 to December 2021 (including pre agreed Committee dates for October and November 2020).

**Appendix 1: Board and Committee proposed schedule of dates for October 2020 to December 2021**

<b><u>Board Strategy Away</u></b>	
Wednesday 02 December 2020	11:30am
Thursday 11 March 2021	12:30pm
Thursday 10 June 2021	12:30pm
Thursday 02 September 2021	12:30 pm
Thursday 09 December 2021	12:30pm

<b><u>Board Meetings</u></b>	
Wednesday 02 December 2020	9:30am
Friday 12 March 2021	9.30am
Friday 11 June 2021	9.30am
Friday 03 September 2021 (including Annual General Meeting)	9.30am
Friday 10 December 2021	9.30am

<b><u>Audit and Business Assurance Committee</u></b>	
Friday 06 November 2020	9.30am
Wednesday 20 January 2021	9.30am
Wednesday 21 April 2021	9.30am
Wednesday 07 July 2021	9.30am
Wednesday 06 October 2021	9.30am

<b><u>Communities and Service Delivery Committee</u></b>	
Wednesday 14 October 2020 (already in diaries)	9.30am
Wednesday 10 February 2021	9.30am
Wednesday 19 May 2021	9.30am
Wednesday 28 July 2021	9.30am
Wednesday 03 November 2021	9.30am

# Board Report

	<b>Agenda Item 9</b>
	<b>18 September 2020</b> <b>Confirmation of Board Membership</b>
	<b>AGM Report</b>
<b>Status:</b>	For Decision
<b>Author and job title:</b>	Catherine Stewardson, Business Assurance Manager
<b>Contact No:</b>	07771 836171
<b>Recommendations:</b>	<b>The Shareholder is asked to:</b> <ul style="list-style-type: none"> <li>• <b>Confirm the membership of the Wolverhampton Homes Board as detailed within this report</b></li> <li>• <b>Note the inclusion of the new Company Secretary namely, Julie Haydon, Assistant Director - Corporate Services onto Companies House as detailed in section 4.0</b></li> </ul>
<b>Key risks and contentious issues:</b>	<p>The Company's Memorandum and Articles of Association determine the arrangements for the rotation, retirement and selection of Board members.</p> <p>The organisation is required by Companies House to adhere to these arrangements and this also meets the expectation of the shareholder under the Management Agreement.</p>

## **Management Summary**

### **1.0 Purpose**

- 1.1 The purpose of the report is to advise the council member of the membership of the Board for September 2020 to September 2021.

### **2.0 Background**

- 2.1 The Company's Memorandum and Articles of Association determine the arrangements for rotation and retirement of Board members at each Annual General Meeting.
- 2.2 The role of the Board Chair and Vice Chair, and the Committee Chair(s) and Vice Chair(s) will be formally considered on an annual basis at the Annual General Meeting.
- 2.3 Should there be an in-year Board member resignation, then it is usual practice for the replacement Board member to naturally fill the outgoing member role for both Board and Committee This would be considered on an individual basis should this arise.

### **3.0 Details of Membership**

- 3.1 Since the last Annual General Meeting, the following changes to membership of the Board have taken place:
- 3.2 Two Independent Board members have resigned from Board namely Satvinder Goraya on 15 October 2019 and Matthew Green on 6 November 2019.
- 3.3 Recruitment to the two independent vacancies was completed resulting in the appointment of Hajrija Dergic on 28 October 2019 and Derek Allen on 17 December 2019.
- 3.4 As noted within the AGM Confirmation of Board Membership report of 27 September 2019, Tenant Board member Mark Ward resigned on 30 July 2019.
- 3.5 Recruitment to this Tenant vacancy was completed resulting in the appointment of Victor Browne on 8 November 2019.
- 3.6 Tenant Board member Linda Middleton resigned from the Board on 13 July 2020.
- 3.7 Recruitment to this Tenant vacancy was completed resulting in the appointment of Michael Porter on 19 August 2020.

- 3.8 The Shareholder is asked to confirm that membership of the Board, following today's Annual General Meeting shall be:

**Councillor Board Members**

Lynne Moran  
Paul Singh  
Rita Potter  
Zareena Russell

**Tenant Board Members**

Angela Davies  
Joy McLaren  
Michael Porter  
Victor Browne

**Independent Board Members**

Derek Allen  
Hajrija Dergic  
Parveen Brigue  
Steve Finegan

**4.0 Company Secretary**

- 4.1 The former Company Secretary namely Janet Lycett, former Director of Business Support was terminated as Company Secretary from Companies House on 31 January 2020.
- 4.2 The role of Company Secretary is now held by Julie Haydon, Assistant Director – Corporate Services who was appointed to Companies House on 27 March 2020.

**5.0 Board Champions**

- 5.1 Board Members have significant responsibilities for Wolverhampton Homes services, both as an employer and through the operational delivery across services and the effective discharge of those responsibilities. As such, Board members will be nominated as a Board Champions to ensure such duties are discharged appropriately in the following areas:

- Customer Services
- Equalities, Diversity & Inclusion
- Health & Safety
- Safeguarding & Domestic Violence

**6.0 Financial and value for money implications**

- 6.1 It is imperative that Wolverhampton Homes Board is established in order for them to make strategic decisions that safeguard the financial viability of the company and ensure long term sustainability.

## **7.0 Legal implications**

7.1 The Company's Memorandum and Articles of Association determine the arrangements for the retirement, recruitment and selection of Board members. They underpin the Companies governance requirements and meet its legal obligations.

## **8.0 Human resources implications**

8.1 There are no human resources implications identified within this report.

## **9.0 Health and safety implications**

9.1 Wolverhampton Homes Board Members have significant responsibilities for WH Health and Safety, both as an employer and through the operational delivery of services and the effective discharge of those responsibilities.

## **10.0 Equalities implications**

10.1 Has an Equality Impact Assessment been carried out: **YES**

10.2 An Equality Impact Assessment on the Board Member Recruitment policy was completed in September 2019 and has been approved at the Equalities Circle Forum.

## **11.0 Impact on the environment and community**

11.1 There are no environment and community implications identified within this report.

## **12.0 Long term consequences for the company**

12.1 It is imperative that the organisation has a succession planning process for Board members to ensure that the Board has not only the capacity but the continuity to lead the organisation.

## **13.0 Impact on business relationships with suppliers, customers and others**

13.1 Board members are required to declare any conflict of interest when making decisions that affect stakeholders.

13.2 The Board of Wolverhampton Homes is responsible for key strategic business decisions.

#### **14.0 Impact of COVID-19**

- 14.1 The impact of COVID-19 has not affected Board membership, however, it is to be noted that all scheduled Board and Committee meetings have taken place via virtual Microsoft Teams.
- 14.2 This has ensured strategic business decisions were able to be considered by Board during this unprecedented period.

#### **15.0 Impact on Wolverhampton Homes' Management System**

- 15.1 If yes and approved by Board members, update to go on the management system by:  
**Yes**
- 15.2 Board member information will be updated accordingly.

Date: 11 October 2020

Officer responsible: Catherine Stewardson

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