# Nehemiah

Supporting BAME communities to thrive

# Report and Financial Statements

Year End 31st March 2024



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# **Officers and Professional Advisers**

CHAIR	Bishop W Powell, OBE
VICE CHAIR	Prof M Levermore, MBE, DL
SECRETARY	Ms J Dubidat
CHIEF EXECUTIVE	Bishop L Graham
<b>REGISTERED OFFICE</b>	I - 3 Beacon Court, Birmingham Road, Great Barr, Birmingham B43 6NN
REGISTERED NUMBER	25952
<b>BUSINESS ADDRESS</b>	I-3 Beacon Court, Birmingham Road, Great Barr, Birmingham B43 6NN
BANKERS	National Westminster Bank Plc, 33 Park Street, Walsall, West Midlands WSI IER
	Santander UK Plc, Bridle Road, Bootle, Merseyside L30 4GB
EXTERNAL AUDITOR	Forvis Mazars LLP, 2 Chamberlain Square, Birmingham B3 3AX
INTERNAL AUDITOR	<b>RSM Risk Assurance Services LLP</b> , 10th Floor, 103 Colmore Row, Birmingham B2 5AF





### **Snapshot of our Business**

New Homes acquired in April 2023





Colleagues (Staff and Board Members)

Tenant Engagement Sessions

Homes owned and managed

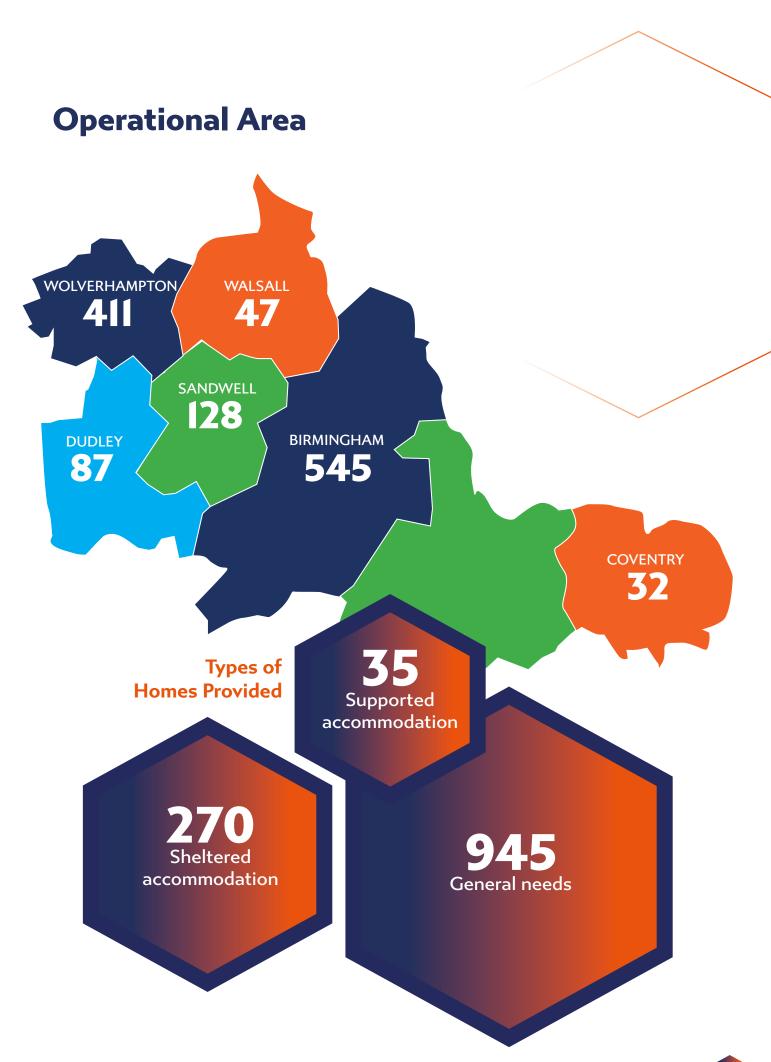
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Annual turnover

Tenants in supported accommodation





Nehemiah Housing



# **CHAIR'S STATEMENT**

As I present to you our annual report for 2023/24, I recognise it has been another challenging year for everyone. We are still in the midst of a cost-of-living crisis and this continues to be a daily struggle for many of our tenants. Political uncertainty here and around the world has made the economic context more turbulent, and there is no reason to believe that things will improve any time soon.

I am proud though of what we have achieved over the last year, producing a robust set of results that demonstrate the strength of our organisation and the ongoing commitment of our team to deliver quality services.



I have been pleased to see signs of resident satisfaction improving and the evolution of a more data-driven approach to service delivery. Although we are pleased to have made progress in many areas, there are also areas where we need to continue to improve. We will continue to work alongside tenants and colleagues to improve satisfaction with the homes and services we provide.

I'd like to thank my board colleagues for their dedication and determination to live our values and mission, creating the positive impact and flourishing communities that we stand for, together as a 'GI-V2' rated social housing business. The Board has worked together over the reported financial year to navigate the various challenges in the turbulent operating environment and I am confident that we are wellequipped to meet the challenges ahead. We can hold our heads high and know that we've strengthened our core as a business and that we've worked together to make a meaningful difference to our tenants, colleagues and communities.

We've unlocked the potential we set out to achieve in our corporate strategy and know that that strategy will form the catalyst for the bold ambition ahead for our next chapter as we strive to do more and grow.

The continued success of our organisation is built on the hard work, dedication and decision-making of all the people who work for Nehemiah. I would like to thank them all for their contributions during the year. I have little doubt and much expectation that they will rise to the new challenges and opportunities that are presented in 2024.

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**Bishop Wilton Powell, OBE** 

# **CHIEF EXECUTIVE'S STATEMENT**

I am pleased to be able to echo Chair Wilton Powell in reporting that, overall, we had a successful year, despite the challenges for us and our tenants presented by high inflation and the cost-of-living crisis.

I look back over a year that has been another period of change and challenge for the housing sector, and we at Nehemiah are not isolated from this.

The cost-of-living crisis has seen many people struggling to afford basic essentials and having to make decisions between heating and eating.

Our priority throughout the last year has remained steadfast to minimise the impact of these external factors. I believe that we dealt with the circumstances constructively and positively.



#### **Delivering Our Corporate Strategy**

This is the penultimate year of our 2020-25 corporate strategy 'Growing Stronger Together'.

Despite the national and global issues faced by our sector, we have found ways to continue delivering quality services and investing in our homes, spending  $\pounds$ 1.02Im on home improvements and  $\pounds$ 1.8m in routine repairs.

#### **Be Effective and Grow**

Whilst our growth has been limited over the past 12 months, we have successfully acquired 12 properties that we managed for Clarion Housing in Hockley. Although a modest acquisition, it is important in terms of asset growth, being purchased using cash reserves.

Our continued partnership with organisations including the NHS, Midland Heart, BME National and also being a member of the West Midland Housing Association Partnership, and many other specialist services, means that we are confident in providing the best services possible and responding effectively to future demands and changes.

#### **Deliver Excellent Services To Our Tenants**

Our Customer Service strategy alongside our Corporate Plan has really made a positive impact. We can see the new Customer Service Standards along with the appointment of new local repairs contractors improving tenants' experience of living in Nehemiah homes. Our staff have made this happen and we in turn have invested in them, enabling them to commit to Nehemiah as an employer of choice. In doing so, we have retained our Gold Investor In People status.

We have made progress listening and acting on tenants concerns and priorities, working on issues such as damp and mould and ensuring our tenants homes are safe and warm.

We have also been working on the tenant satisfaction framework so that we are ready for the new regulatory measures which took effect from I April 2024. Results from surveys commissioned by the Association during 2023/24 reported the following headlines. Overall Satisfaction with service 78% (sector median 69%, Landlord treat tenants fairly with respect 88% (sector median 76%), Satisfied that their home is safe 85% (sector median 76%).

We recognise that whilst we compare favourably with the sector there is much to be done to improve services to our tenants.

Despite the challenges of the last few years, our tenant forums continue to work with us and I would like to thank them for all their work with the Association.

We recognise that by working closely with tenants we can best determine the needs, wants and aspirations of our those we serve.



#### **Strong Financially in Governance**

We remain robust financially and will comfortably meet our financial targets. We have retained our GI (governance) and V2 (viability) rating for the past year through our ongoing stability checks with the Regulator. We are strong in financial governance and how we manage risk. For the present, we have limited our growth targets as a result of the Board managing our risk in respect of high interest rates.

I am confident that we have been able to set the right long-term plans to safeguard our finances whilst ensuring that we maintain our commitment to improving services and, investing in existing homes and continuing to deliver high-quality, affordable homes.

As we look to the next financial year, we have committed to investing more in our IT systems so that we can provide better, faster and more seamless services to our tenants.

We thank you for your continued support and look forward positively to next year.

Llewellyn Graham

Llewellyn Graham

# Highlights of the Year

We have strengthened our financial position amidst market volatility and uncertainty which has enabled us to make further important inroads across a number of areas aligned to the corporate strategy as we support existing and future customers to thrive.

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#### Delivery of New Homes

During 2023/24, the Association added I2 homes to its stock of owned properties.

#### New I.T. System

During the year, we began implementation of "HomeMaster," a web-based housing and financial system to realise organisational efficiencies and improved self-service functionality to tenants.

#### **Tenant Satisfaction**

Development of Tenant Satisfaction framework in preparation for reporting from I April 2024.

#### New Repairs and Maintenance Contract

New arrangements implemented to move away from 'price per property' model, using smaller local contractors and price per repair. Result: routine repairs 18% under-budget in 2023/24.





# **STRATEGIC REPORT**

# **Principal Activity**

The provision of accommodation for people in housing need remains the principal activity of the Association. The Association manages I,250 properties which are based in 6 Local Authority areas across the West Midlands.

Nehemiah United Churches Housing Association (hereinafter referred to as Nehemiah Housing) is charitable and operates its social housing through two key business streams, being: I) housing for rent; and 2) supported housing (for elders).



### **Strategic Plan Objectives**

The Association continues to make progress against the Corporate Strategy "Growing Stronger Together", in what has been a very challenging period. We continue to feel the impact of Brexit since January 2020 and the Covid-19 world pandemic from March 2020. This has been further compounded by the Russo-Ukraine conflict that resulted in inflation rising to over 11%. Whilst the economy is normalising, we are aware that out tenants are still facing pressures on household incomes that are affecting their ability to pay their rent and service charges.

Taking all the above into consideration, the Corporate Strategy was extended to 2025. This gives us the best opportunity to achieve our stated objectives, as outlined below:

- a) To be effective and grow
- b) Deliver excellent customer services with respect
- c) Strong governance, finance, and risk management
- d) Investing in our Homes
- e) People development and wellbeing

The Corporate Strategy will enable the Organisation to address some expectations from the Social Housing (Regulation) Act 2023 which is impacting on consumer regulations and the wider implications of the Government's Decarbonisation Agenda.

In relation to the Act , the RSH provided an outline in terms of reshaping consumer regulations in 2021. This included new Tenant Satisfactions Measures (TSM) encompassing the following themes: safety, quality, neighbourhood, transparency, engagement and accountability and tenancy. We began to collect data in April 2023 for TSM reporting in April 2024, when the Regulator will be publishing these outcomes and interacting with individual registered providers, where necessary to complete a 'deep dive', similar in focus to in-depth inspections. Obviously, consumer regulation has implications for ongoing governance compliance with the Regulator for Social Housing.

The Social Housing (Regulation) Act received royal assent in July 2023. Since April 2023, the Association has been working under the requirements of the new consumer regulatory platform.

Following stability checks from the Regulator of Social Housing, Nehemiah retained its GI/V2 status.

Significant progress has been made to towards the achievement of milestones in the Corporate Plan.

Key deliverables achieved in the year have been:

🗘 I2 homes acquired (stock transfer)	Apr 2023
•	

- New I.T. system implementation start Jun 2023
- New repairs contracts initiated Sep 2023

#### **OUR STRATEGIC OBJECTIVES ARE AS FOLLOWS:**

### I > To be Effective and Grow



The overall context of our growth strategy means we must do everything we can to maximise our contribution to dealing with the housing crisis and providing homes for the very many people unable to obtain affordable housing from the expensive commercial rental markets.

As a housing association, our priority over the next three years is to provide affordable homes at below-market rent levels. At least 90% of the homes we develop will be for social or affordable rent, which will be genuinely affordable for our customers.

Financially, delivering a minimum of 40 additional homes over the plan period means we will need to be innovative in our arrangements so that we can realise our plans within our sustainable financial capacity. We will explore different methods to create the capacity and manage the risks that achieving our ambition entails; this may include strategic partnerships.

We believe that our growth plans will succeed by us focusing on markets we know. We are not intending to expand our operational geography. Maintaining a relatively concentrated geography also helps ensure we can run our housing and property management services effectively and efficiently.

In all of this, we recognise that meeting our growth objective involves accepting a somewhat greater level of financial risk. However, we will only take on risks which we are clear we can manage. All proposed developments will be carefully assessed for risk and only those developments for which the risk is manageable will proceed.

The world we live in is changing rapidly due to the internet and technology. Our digital inclusion strategy aims to help customers of Nehemiah Housing to access the many opportunities available online, including accessing the services provided by us.

# 2 > Deliver Excellent Customer Services with Respect

We know tenant involvement makes us more successful, responsive and helps us understand the risks and challenges in our neighbourhoods. The opinions of our customers are essential to future proofing our service provision, predicting future trends, and planning for change.

Through listening, engaging, and developing our relationship with customers and acting on tenant consultation, Nehemiah will achieve customer satisfaction and a commercial advantage whilst also delivering value and outcomes for customers in the services that we provide.

We will achieve this by delivering our Tenant Engagement Strategy which provides real accountability to our customers and enables them to engage with us in a variety of ways which suits their busy lives.

We know customers give us a unique insight into what is happening in our neighbourhoods and can help us design services to maximise their satisfaction, reduce waste and support the delivery of value from the investment we make in our neighbourhoods and services.

We want to hear from the diverse tenant voice from across our business, which goes beyond traditional methods of engagement, is dynamic and interesting for customers, and enables those customers who do not have much time to engage to choose how their views can impact on our services.

Actions from the Government's 'Levelling Up' agenda has been taken on-board as well as the Regulator of Social Housing's new approach to Consumer Regulation coming out of the Social Housing Regulation Act, including the new Tenant Satisfactions Measures (TSMs).

# 89%

Satisfaction with handling of ASB cases.

> 75% Satisfied with the way complaints were handled.

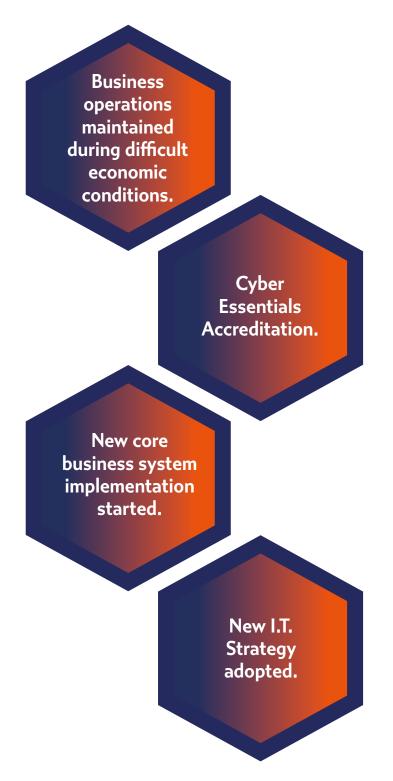
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Compliments received.

# 86%

Of complaints resolved at stage I.

# 3 > Strong Governance, Finance and Risk Management



The regulatory framework for registered providers expects the delivery of economic standards through strong governance, risk management and value for money. Co-regulation with customers and stakeholders also ensures we work together to ensure that consumer standards specified by the Regulator are met.

The Environmental, Social and Governance (ESG) agenda is also important, particularly with our potential lenders and expectations from wider society in terms of organisational responsibility. Our ESG performance was assessed in 2022 and we are working through these actions with our customers and communities within which we operate.

Nehemiah's business objectives are supported by a 30-year financial plan which includes our development aspirations as well as ensuring that our performance is within interest cover, gearing and funders' covenant targets.

To protect our social housing assets, our financial plan supports the investment in new stock as well as the continuing maintenance of our current portfolio of properties.

The financial plan also take account of potential Right to Acquire (RTA) disposals.

#### Value for Money

VFM is embedded in the Organisation by inclusion of the RSH-prescribed VFM metrics in financial reporting to the Executive Committee, Board and annual audited accounts, as well as in quarterly and annual tenants' newsletters. A VFM statement is also published annually on our website.

# 4 > Investing in Our Homes

We will invest in our homes and neighbourhoods to keep them attractive, well-maintained, safe and secure, and ensure they are fit for the future. We will deliver a high-quality and responsive repairs service and we will demand high quality services from our contractors.

Implementation of our Asset Management Strategy is demonstrating that Nehemiah has made significant progress in understanding our stock through our stock condition surveys. This has enabled us to address issues related to the Building Safety Act, increase the number of valid energy performance certificates, secure match funding for energy improvement works, commence procurement for new partners to deliver our day-to-day and void repairs programme, and introduce policies to address damp, condensation and mould.

We are in a strong position to keep the asset management implementation plan moving forward to continue to achieve full compliance, deliver excellent services to customers and to invest in our homes.

Details of our repair's performance:

- C Emergency repairs response 92% (100% Target)
- Urgent repairs response 90% (90% Target)
- Routine repairs response 86% (90% Target)

For the year ended 3Ist March 2024, there was a total investment of  $\pounds$ 2.9m in repairs and improvements in our properties. With a performance of 100% in undertaking fire risk assessments, gas safety checks, legionella, asbestos, lifts maintenance and electrical installation condition reports, this was in line with our five-year programme and best practice. The Board also receives performance reports in relation to damp and mould cases and how these are being addressed proactively. There were no category I Housing Health & Safety Rating System (HHSRS) cases. **FI.02Im** Invested in the development and improvement of our homes.

> Gas safety checks.

New repairs and maintenance contracts.

# 5 > People Development and Well-Being



Nehemiah recognises that the contribution of all staff is fundamental to the achievement of its business objectives and long-term sustainability.

The Corporate Services function is committed to developing and implementing policies and processes that not only support delivery of the Corporate Strategy but also optimises the ability to recruit, develop, retain, and reward staff, linked to the Nehemiah brand and values of Passionate, Diversity, Integrity and Sustainable.

The development of a People Development & Well-being Strategy has the clear objective of firstly providing support to the staff team but also Nehemiah and its wider strategic objectives. This approach reflects innovation, dedication and leadership embodied within this vision.

The Strategy is organised into eight main themes: Recruitment and Retention, Performance and Reward, Organisational Development, Employee Relations and Engagement, Operational Excellence, Workplace Wellbeing, Equality, Diversity & Inclusion, as well as Corporate Social Responsibility.

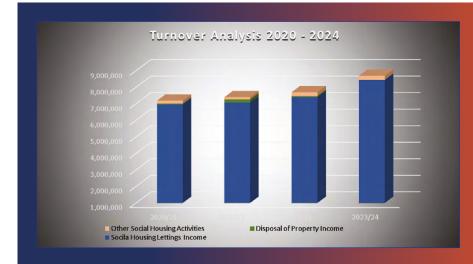


# **Operating and Financial Review**

Whilst there has been some easing of the economic pressures that drove the cost-of-living crisis, the operating environment for most of 2023/24 saw inflation stubbornly above Government targets and interest rates at a 10-year high. The Association has recorded strong performance for 2023/24, following key management decisions to control costs and improve efficiencies.

The Board are pleased to report a surplus for the year of  $\pounds$ I,23I,000 (2023:  $\pounds$ 0.688,000) from a turnover (including surplus on disposals) of  $\pounds$ 8,60I,000 (2023 -  $\pounds$ 7,690,000). Details of changes to the Association's fixed assets can be found in Notes 8 and 9 to the Financial Statements.

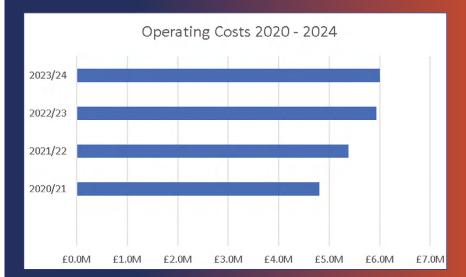
The surplus of £1,231,000 for the year to March 2024 is a 79.6% increase from the previous financial year and highlights the adverse impact of economic turbulence, cost-of-living crises and the high incidence of repairs that faced the business in the previous financial year. We are also mindful that the decision to move away from a single, national repairs contractor on a cost-per-property basis and to use smaller, local contractors is proving effective in managing routine repair costs. During 2023/24, the Association invested £1.1m in improving the homes of our tenants and stakeholders, equating to 12.8% of turnover. A further £1.8m has been spent on repairs and maintenance activity.



#### Turnover

The Association's turnover increased to £8.60Im (2023: £7.690m). Social housing remains the core of our business and contributed 97.3% of our turnover during the year, which is in line with the position for the previous year.

#### **Operating Costs**



Operating costs of £6.0m have only risen marginally during the year (2023: £5.9m), an increase of 1.6%. Routine repairs activity was reduced by £142k (7.0%) when compared to 2023.

#### **Operating Margin and Surplus**



The operating surplus of £2.60m for 2023/24 is a solid performance, given the challenges of the previous year.

The operating margin for the period was 30.2% (2023: 22.8%). This is a measure of the easing of inflationary pressures during 2022/23 and the stabilising of the economy.

#### **Operating Margin on Social Housing Lettings**



The operating margin on social housing lettings was 30.7% (2023: 21.7%).

The Board recognises that these variables will continue to impact the future trading environment both in terms of our costs and tenants' livelihoods. Void losses in the year were £106k compared to a budget of £122k. Arrears at the end of the financial year were 4.99% compared to 5.75% in 2021-22. This is consistent with pre-pandemic levels of 5% (March 2020). Financial plans will continue to budget for higher loss/arrears levels until there are signs of a more stable picture in the economic outlook.

Accounting adjustments to reflect the valuation of the Association's assets in the SHPS pension scheme show a loss of  $\pounds$ 128,000 for the year. Total comprehensive income for the year to 31st March 2023 is, therefore,  $\pounds$ 559,600.

Key results from the primary statements are summarised below:

Year Ended 31st March	2024 £ 000	2023 £ 000
Statement of Comprehensive Income		
Turnover	8,601	7,690
Operating Surplus	2,596	I,754
Surplus for the year	1,231	688
Surplus for the year (after pension charges)	1,047	560
Statement of Financial Position		
Housing properties (net of depreciation)	84,600	83,502
Other tangible assets	I,262	1,141
Net current assets	(1,346)	(386)
Creditors due after more than one year	65,794	66,582
Revenue reserves	18,722	17,675



# Value for Money (VFM)

#### Introduction

The Association is committed to demonstrating and improving value for money ("VFM") as an integral part of our corporate strategy. It remains at the centre of our plan to invest, grow and transform. In setting the strategy, the Board has the responsibility to ensure that VFM is embedded in the governance arrangements of the Association via the committee structure. This includes reviews of an annual budget, in year monitoring of performance and an annual review of our 30-year business plan.

The Board has overall responsibility for direction and governance. To ensure strong governance, the Board challenges and agrees a review of the existing VFM strategy, making sure that the Organisation maintains a healthy environment for the delivery and sustainability of a VFM culture. The responsibility is managed through the Leadership Team, Nehemiah Tenants Panel, Audit & Risk Committee, Operations Committee and Remuneration & Nominations Committee.

The Association strives to maximise the value of the 'social good' it generates by a commitment to an on-going review of its main objectives and operations. The challenge of VFM means that Nehemiah commits to a constant review of its 'efficiency' and effectiveness. The Association's current Corporate Strategy, "Growing stronger Together", sets out our objectives to March 2025. The Value for Money Strategy has been extended to 2025 and highlights how we will deliver VFM to our stakeholders across the period of the Corporate Plan. The VFM strategy is centred around 2 aims:

# Aim 1

#### **Delivering Value for Tenants**

- **01** Providing quality landlord services to our customers.
- 02 Maintain our existing homes and neighborhoods to exceed the Decent Homes Standard.
- **03** Making a positive social impact.
- **04** Being a landlord for life.
- 05 Building and supplying more homes

# Aim 2

#### Delivering Value for Money to Stakeholders

- **01** Achieving an optimal benefit (maximise margins) to reinvest.
- **02** Operating efficiently.
- 03 Operating cost-effectively.
- **04** Achieving VFM ambitions.
- 05 Meeting regulatory requirements



#### **Achieving Value for Money**

Achieving VFM is fundamental to the attainment of our mission of creating 'successful, diverse communities', shaping how the Organisation conducts its business planning, social housing and other activities. To achieve this, the Board and Leadership Team continue to embed VFM principles within the business at all levels through active engagement with staff, residents, and other key stakeholders.

Critical to the success in achieving VFM is benchmarking the Association's performance with other housing providers. To this end, the Association uses HouseMark's benchmarking service to compare how the Association performs with other housing providers.

Nehemiah Housing recognises the need to continually review and look to improve both its business performance and its contribution to both the immediate communities it serves and wider communities, and other stakeholders. The VFM strategy explains the process by which the Association regularly re-examines performance against its mission and objectives, and the way it conducts its business and social operations.

#### **Delivering Value for Customers**

- Worked in collaboration with "Everyone Prospers" to successfully connect with tenants previously considered as 'hard-to-reach'.
- Used findings from MEL Research to prioritise services, i.e. walkabouts at the least satisfied schemes.
- C Engaged with 2293 tenants to feedback on services.
- 668 meetings and tenant events.
- £1.021m spent to improve homes.
- £I.8m spent on repairs and maintenance.
- 82 estate walkabouts.

# **Delivering Value for Money to Stakeholders**

#### **Financial Framework**

The financial framework is a key part of our strategy and performance against it, is reviewed monthly and at each board meeting. In setting out aspirational targets as well as minimum thresholds for viability, it gives a focus to what the organisation is seeking to achieve over the coming years. These aspirations and golden rules drive the behaviours across the business to ensure we always seek to provide the best possible service to our tenants at the most economically advantageous price, while minimising the risk to the Association's viability.

Description	Aspiration	Golden Rule	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24
Interest Cover (EBITDA MRI/Net Interest)	140%	130%	205%	141%	136%	160%
Asset Gearing	60%	50%	37%	36%	36%	34%
Liquidity policy		£500k	£2,997k	£3,513k	£1,343k	£634k

#### **Interest Rate Management**

We use fixed rate borrowings to manage our exposure to increases in interest rates and 97% of our drawn borrowings are at fixed rates (March 2022: 97%). Over the next few years there are a number of loans that will revert to a variable rate. These will be monitored and managed via the Association's hedging strategy. The Treasury Strategy requires that the fixed-to-variable loan mix be around the 70:30 mark.

The average cost of borrowing has increased significantly in recent years which reflects the Bank of England's monetary policy to control rising inflation levels.

The Association is currently going through a refinancing exercise to provide more headroom for interest cover covenants and secure the most advantageous rates for those loans that have reverted to a variable basis.

#### Long Term Liquidity and Funding

Long-term liquidity remains a key focus area and our treasury management policies set out a prudent requirement supportive of I8 months of all operational and committed development cashflows.

The total facilities (drawn and undrawn) at the year-end were  $\pm 35.5m$  ( $\pm 36.1m$  in 2023). We ended the year with total available funds of  $\pm 3.7m$ , comprising of  $\pm 0.6m$  of cash and  $\pm 3.1m$  of undrawn facilities (all fully secured).

Interest cover 160% against funders covenant requirement of 110%

Compliance with Consumer and Economic & Viability Standard.

#### **Costs & Performance – A Comparison with Other Landlords**

We are committed to demonstrating and improving value for money (VFM) as an integral part of our Corporate Strategy "Growing Stronger Together" 2020-2025. Our financial objectives are set out in our financial framework which focuses on maximising our financial capacity. We commit to delivering financial performance within the parameters of our financial framework through frequent financial planning, from short-term budget-setting and reforecasting, through to longer term 30-year strategic planning. Targets are set in conjunction with all areas of the social housing business and are challenged through operational teams, the Executive Team and by Board via the committee structure in-line with approved governance arrangements.

We aim to ensure optimal use of our resources and assets and optimise economy, efficiency and effectiveness in the delivery of our objectives whilst balancing our commitment to maintain safe, secure and warm homes with our ambition to invest in building new ones.

#### **Value for Money Metrics**

We review a suite of metrics at each of our meetings to monitor our performance and position. In addition to the seven metrics defined by the Regulator of Social Housing, we also monitor indicators that cover each of our strategic areas of focus.

The direction of travel over the past year across the suite of metrics, taking account of recent stresses across the sector, continues to demonstrate our financial strength and is set out below. We have compared ourselves against IO housing associations with similar characteristics using the latest published data as at 3I March 2023. In the charts below, top quartile refers to performance against the comparator group.

The tables below detail Nehemiah's performance against the VFM metrics that are set out by the Regulator of Social Housing.

They show our 2023/24 results against 2022/23 results for our comparators, the parameters for determining comparators being:

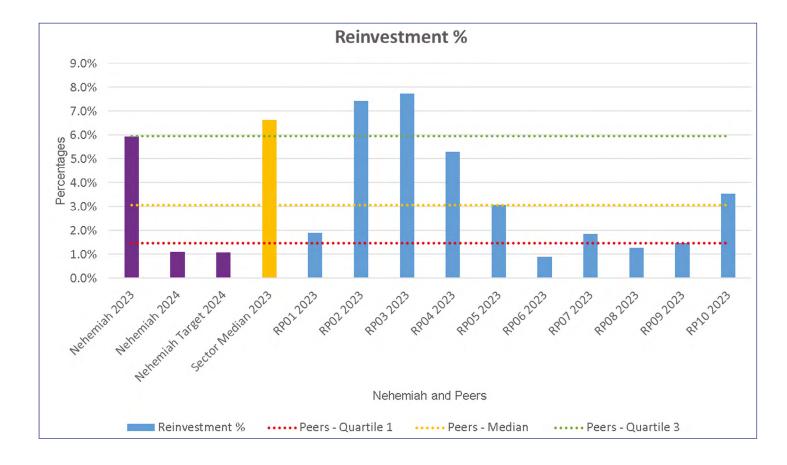
- a) Associations with I,000 I,500 units.
- b) Outside of London and Southwest areas.

Whilst there is representative peer group that fit the criteria of size and location, there are no comparators in this group with a similar mix of supported accommodation and housing for older people for which service delivery costs are higher. The peer group used remains consistent with the previous year.

Name	No. Units Owned	Location	General Needs %	Supported / HfOP %
Nehemiah	1203	West Midlands	75.0%	25%
RPOI	1343	South-East	100.0%	-
RP02	1215	North-West	99.7%	0.3%
RP03	1298	North-West	82.4%	17.6%
RP04	1316	Yorkshire & Humber	96.7%	3.3%
RP05	1105	North-West	86.7%	13.1
RP06	1275	Mixed	100.0%	-
RP07	1368	East of England	100.0%	-
RP08	1385	Yorkshire & Humber	98.6%	1.4%
RP09	1387	West Midlands	98.6%	1.4%
RPIO	1429	Yorkshire & Humber	86.6%	13.4%

Reinvestment %	Nehemiah 2022/23	Nehemiah 2023/24	Target 2023/24	Peers 2022/23	Sector Median 2022/23	Target 2024/25
This Metric looks at Nehemiah's investment in properties including existing stock and new stock. This is calculated as a percentage of total properties	5.9%	1.1%	1.1%	3.1%	6.6%	1.08%

The Association invested  $\pounds$ 1.02Im in improvement of existing homes. This performance is on par with our target for the year. Board notes that performance for the year is below that of our peers. The Association has ambitions to grow through the provision of new-build properties and retains facilities of  $\pounds$ 3.Im to fund this, and is currently seeking viable development opportunities.





New supply delivered (Social Housing) as a % of total stock	Nehemiah 2022/23	Nehemiah 2023/24	Target 2023/24	Peers 2022/23	Sector Median 2022/23	Target 2024/25
This sets out the number of new social housing units that have been acquired or developed in the year as a proportion of total units.	1.7%	0.0%	0.0%	1.1%	1.3%	0.0%

No newly built properties were acquired during the year. However, the Association added 12 additional units during the year through a stock transfer of previously managed properties. There are aspirations to build new homes during the current Corporate Plan but there are currently no named development opportunities. We continue to seek new-build schemes through our development partners.



New supply delivered (Non-Social Housing) as a % of total stock	Nehemiah 2022/23	Nehemiah 2023/24	Target 2023/24	Peers 2022/23	Sector Median 2022/23	Target 2024/25
This sets out the number of new non-social housing units that have been acquired or developed in the year as a proportion of total units.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Our priority is the provision of social housing. Therefore, in line with our target and like the rest of our peers, the Association has not made any investment in the provision of non-social housing.



Gearing	Nehemiah 2022/23	Nehemiah 2023/24	Target 2023/24	Peers 2022/23	Sector Median 2022/23	Target 2024/25
This shows the proportion of our borrowing compared to our assets. High gearing could indicate that we have taken on too much borrowing whilst low gearing could indicate that we have the capacity to borrow more.	39.0%	34.3%	35.0%	34.5%	45.5%	35.0%

Gearing has reduced to 34.3% compared to the previous year. Net debt has reduced by £0.622m (i.e. 2023/24: £32.362m; £32.984m: 2022/23) in the year due to the repayment of debt.

This position is in-step with our peers, well below the sector median of 45.5% and funders' covenant of 60.0%. Gearing will remain at this level until the delivery of new developments set out in our business plan for 2025/26.

	2024/25	2025/26	2026/27	2027/28
Gearing	35%	37%	36%	35%

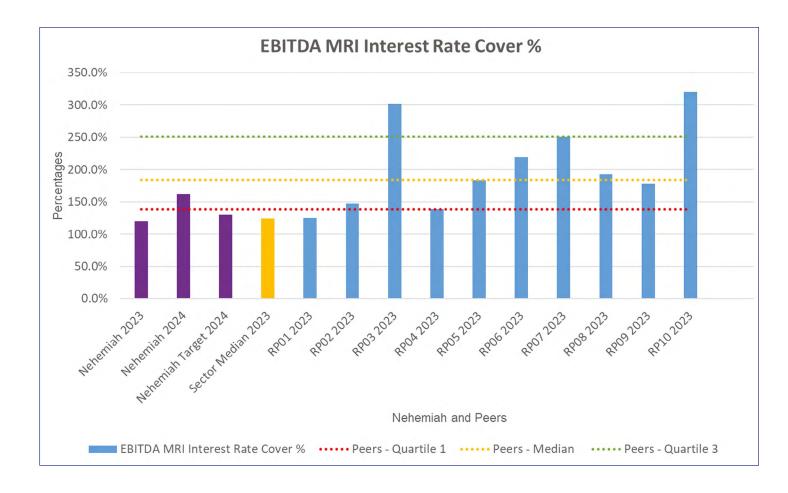


EBITDA-MRI	Nehemiah 2022/23	Nehemiah 2023/24	Target 2023/24	Peers 2022/23	Sector Median 2022/23	Target 2024/25
This shows how much cash the Organisation is generating compared to interest payments. Any result above 100% means that Nehemiah is generating surplus cash over and above interest payments.	120.0%	162.0%	130.0%	184.0%	I24.4%	130.0%

Board recognises that the EBITDA - MRI figure of 162.0% is above our target for the year and funders' covenant of 110%. The cost pressures that had affected business operations for 2022/23 were improved for 2023/24. During the year, the Association changed repairs and maintenance arrangements to use smaller, local providers and move away from a 'price per property' model. This has yielded significant savings when compared to the previous year. Utility costs that had increased by £191k in 2022/23 could be recovered through service charge income in 2023/24.

A number of loans have reached the end of fixed rate term. Interest rate increases introduced by the Bank of England to control inflationary pressures in the economy have had a bearing on the costs of loans servicing. Interest charges were  $\pounds$ 1.380m in 2023/24 and  $\pounds$ 1.081m 2022/23.

The Association is currently in the process of refinancing and renegotiating a number of loans to provide more headroom for the interest cover covenant, but recognises that the economic pressures that are driving interest rates could impact on cost of servicing loans for the medium term.

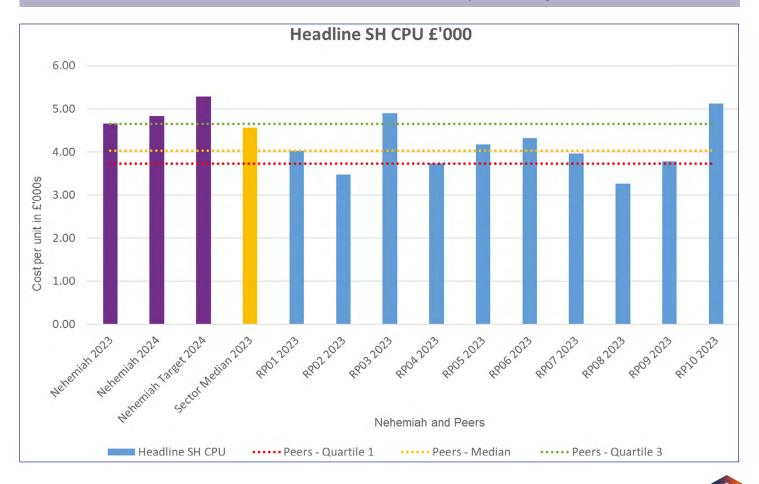


Headline social housing cost per unit (£'000)	Nehemiah 2022/23	Nehemiah 2023/24	Target 2023/24	Peers 2022/23	Sector Median 2022/23	Target 2024/25
This unit cost metric assesses the headline social housing cost per unit as defined by the Regulator of Social Housing.	4.66	4.83	4.92	4.03	4.57	5.29
a) Management Cost per unit	1.02	1.04	2.00	1.21	*	2.20
b) Service charge cost per unit	1.33	1.41	0.89	0.54	*	0.95
c) Maintenance cost per unit	1.56	1.45	1.22	1.50	*	1.35
d) Major repairs cost per unit	0.69	0.82	0.75	1.00	*	0.78
e) Other social Housing cost per unit.	0.06	0.06	0.05	0.15	*	0.02

The Board notes that headline social housing costs are higher than comparators. The usual factors being the geographical spread of housing stock across 6 Local Authority areas, and the added costs of supported housing and housing for older people, which represents 25% of our stock. The Association recognises it is difficult to find a meaningful peer group with a similar mix of homes and commitment to this type of provision. None of our peers provide a similar level of supported accommodation.

Costs associated with delivering service chargeable items has been the main disparity when compared to our peers.

Ongoing monitoring of the headline cost disparity will be maintained, but it is understood to be inherent in the nature of the services provided to the target communities.



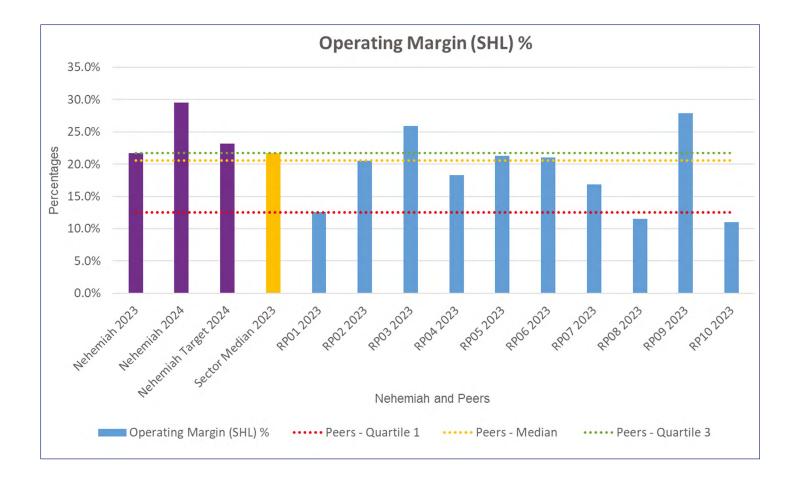
\* Sector medians are not provided in the global accounts for these indicators

Operating Margin % (Social Housing lettings only)	Nehemiah 2022/23	Nehemiah 2023/24	Target 2023/24	Peers 2022/23	Sector Median 2022/23	Target 2024/25
This is an indicator of operating efficiency and business health as it measures the amount of surplus generated from turnover on our day-to-day activities from core business activity.	21.7%	29.5%	23.2%	20.5%	21.7%	23.15%

At 29.5%, our Operating Margin % (Social Housing lettings only) is above our peers and our target of 23.2%.

Operating conditions in the year to 2023/24 have been more favourable than in 2022/23. CPI had reduced from levels of I0.I% experienced in the previous year. There were also notable savings due to the reconfiguration of repairs and maintenance provision during the year.

However, Board notes that increased demands in social housing regulatory requirements are certain to have implications on costs going forward.

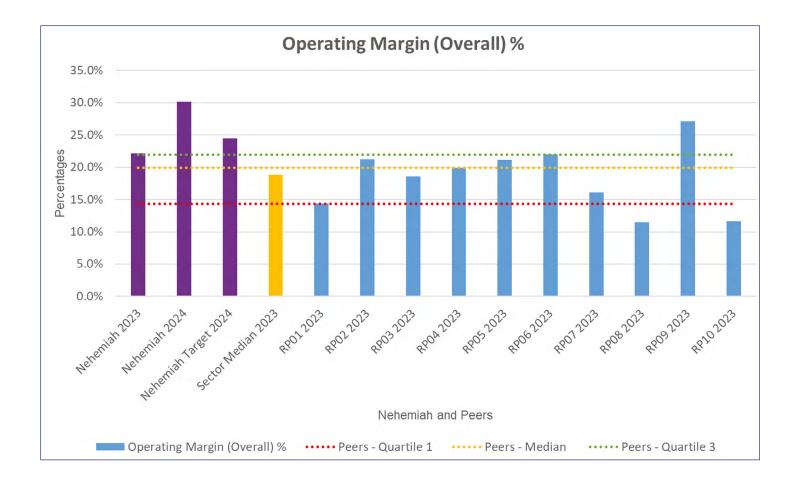


Operating Margin % Overall	Nehemiah 2022/23	Nehemiah 2023/24	Target 2023/24	Peers 2022/23	Sector Median 2022/23	Target 2024/25
This is an indicator of operating efficiency and business health as it measures the amount of surplus generated from turnover on our day-to-day activities.	22.1%	30.2%	24.5%	19.9%	18.8%	24.45%

The picture with the overall efficiency margin is consistent with "Operating Margin % (Social Housing lettings only)".

The operating margin in 2023/24 was higher than the target due to improvements in the macro and micro-economic environments:

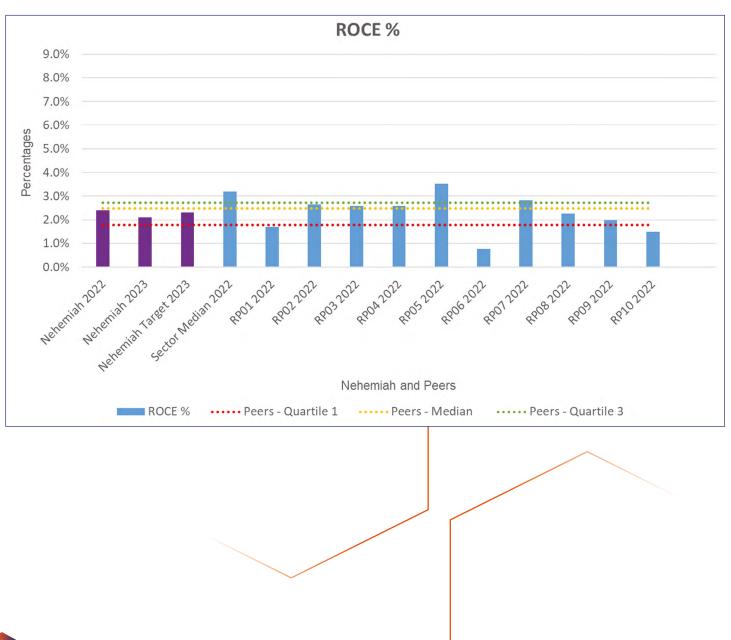
- a) Inflationary pressures in the economy reduced over year
- b) Changes in repairs and maintenance provision yielded savings in routine repair costs.
- c) Service charges set at a level that reflected the increased utility costs.



Return on capital employed (ROCE) %	Nehemiah 2022/23	Nehemiah 2023/24	Target 2023/24	Peers 2022/23	Sector Median 2022/23	Target 2024/25
This metric compares the operating surplus to total assets less current liabilities, and assesses the investment efficiency of capital resources.	2.1%	3.1%	2.7%	2.1%	2.8%	2.69%

Return on capital in 2023/24 is slightly improved on the target for the year. The Board note that ROCE for the Association is higher than the performance reported for our peers and the sector median for 2022/23. This reflects the overall improvement in the economic environment during 2023/24.

Whilst inflation is moving back towards Government targets, interest rates increases used to curb inflation are having a significant impact on the cost of business operations in the medium term.



Report and Financial Statements 2024

### **Other Metrics**

The following metrics reflect key performance information that reflect our customers satisfaction with the services received from the Association. This information is reported to Operations Committee on a quarterly basis.

Tenant Satisfaction measures has been a large focus for the Association over the course of the year MEL research has conducted a three waves of research exercises to help us assess our performance:

Tenant Satisfaction Measures	Lower Quartile	Median	Upper Quartile	Nehemiah
TPOI:				
Overall satisfaction	63.0%	69.4%	78.0%	78%
TP02:				
Satisfaction with repairs	64.5%	70.4%	78.7%	<b>79</b> %
TP03: Satisfaction with time taken to complete most recent repair	59.0%	66.4%	75.5	76%
TP04:				
Satisfaction that the home is well-maintained	63.3%	69.4%	77.8%	84%
TP05:				
Satisfaction that the home is safe	70.0%	76.1%	82.2	85%
TP06: Satisfaction that the landlord listens to tenant views and acts upon them	51.3%	58.9%	67.3%	76%
TP07:				
Satisfaction that the landlord keeps tenants informed about things that matter to them	62.7%	69.5%	76.7%	85%
TP08:				
Agreement that the landlord treats tenants fairly and with respect	70.0%	76.3	83.3	88%
TP09:				
Satisfaction with the landlord's approach to handling complaints	26.0%	33.8	40.0%	53%
TPIO:				
Satisfaction that the landlord keeps communal areas clean and well maintained	58.7%	65.5%	72.3%	77%
TPII:				
Satisfaction that the landlord makes a positive contribution to neighbourhoods	56.0%	62.5%	71.2%	78%
TPI2:				
Satisfaction with the landlord's approach to handling anti-social behaviour	51.0	57.6	63.6%	74%

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The Association also provides value for money beyond merely seeking to control costs, as below:

Value for Money through our Routine Repairs Contract:	The Association also provides value for money beyond merely seeking to control costs, as below:
	Our routine repairs contract was reconfigured during the year. A framework that uses smaller local contractors has been carefully negotiated to provide added value and contributions to our corporate objectives; namely, Delivering Excellent Services, and People Development & Wellbeing in the following four ways:
Value for Money through social empowerment:	I Jobs and Apprenticeships: We support local people into job opportunities that arise from the contract which includes a multi- skilled apprenticeship programme that includes a maintenance operative course. Great emphasis is placed on promoting these opportunities with tenants and members of their family.
	2 Work Placements: We provide opportunities for our tenants to complete work experience placements with contractors to give them 'a taste' of what it is like to work in the construction industry.
	<b>3</b> Schools and College Engagement: We provide an 'inspiration programme' which promotes workshops delivering life 'soft' skills and CV writing.
	<b>4 Training:</b> We currently fund a Sustainability Manager through the contract that delivers training to tenants on fuel efficiency in the home.
Value for Money Through our Partnerships	We are active as community champions within the local authority areas we operate in. Below are examples of added value we provide to the communities we serve in partnership with organisations having similar corporate values:
	I Wolverhampton City Council: We currently working with Wolverhampton Homes to restructure housing services to meet the needs of vulnerable migrants who are in need of short- term housing whilst long-term accommodation is being arranged.
	2 <b>Coventry Cyrenians:</b> We currently facilitate a homeless project in Coventry which provides homes and support services to young men with a view to moving them on to permanent accommodation.
	<b>3 Birmingham Mind:</b> We run two projects in Birmingham providing homes and support to people recovering from mental illness. We also provide ongoing support with housing and welfare benefits advice to tenants.

## **Equality, Diversity and Inclusion**

At Nehemiah Housing, we celebrate difference. We believe that diversity and inclusion stimulate creativity, innovation, and success.

Creating a diverse and inclusive environment is a journey of continuous improvement.

Our aim is to understand the needs of our residents, communities, and staff to be better placed to meet them. We believe that:

- Good equality and diversity practices improve organisational effectiveness, increase employee motivation and efficiency, and strengthen values within the Organisation.
- O Diverse teams are more creative, more innovative and make better decisions, which lead to more appropriate services.
- Sound equality, diversity and inclusion practices are an indicator of a modern, forward-thinking organisation that makes its work relevant to all those who need it.

#### **Awards and Recognition**

- Nehemiah was an early adopter of the Race Equality Code 2020.
- Nehemiah were successful in achieving the Investors in People Gold Standard, which has only been achieved by 17% of accredited organisations.

Approved by the Board on and signed on its behalf.

Subidat-

W Powell

Chairman

JD Dubidat Secretary



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The following members have held office during the period from 1st April 2023 to the date of this report, unless otherwise stated.



#### **Bishop Wilton Powell, OBE**

Bishop Wilton Powell, OBE is a leading advocate for international development in a theological context across denominations for the relief of poverty and improving the quality of life. Chair and founder member of RAFFA International Development Agency, a charity set up to assist and facilitate international denominational linkages between the Church of God of Prophecy and churches in developing nations.

Bishop Powell is a founding member of the Association and currently serves as its Chair. He was also instrumental in the merger of Keynote and Prime Focus Housing Associations to form Midland Heart. His OBE was awarded because of his services to social housing. He has served as a trustee for Christian Aid International Development, Evangelical Alliance, One People Commission and Queens Theological Foundation for Education.

Bishop Powell is a qualified Mechanical Engineer and Industrial Administrator with a degree in Engineering, a Master of Business Administration degree and is currently completing a Master of Theology degree.



#### Prof. Martin Levermore, MBE DL Vice Chair

Prof. Martin Levermore, MBE DL, is Vice Chair and Chair of the Audit & Risk Committee for the Association, and CEO of Medical Devices Technology International Ltd (MDTi). Martin is a Senior Associate of the Royal Society of Medicine, a Chartered Member of the Chartered Institute of Securities & Investment, and a Fellow of the Royal Society of Arts.

Prof. Levermore has been published widely in several academic journals and holds an appointment with Birmingham City University (BCU) as Visiting Professor for Health, Education and Life Science and is Non-Executive Director for the Royal Wolverhampton NHS Trust and Chair of the Royal Wolverhampton Trust Charity. He is also the Independent Adviser to the Home Secretary on the Windrush Compensation Scheme.

Martin also Chairs the Birmingham Commonwealth Association Trade and Business Group, Medilink Midlands, the regions' largest industry body for MedTECh; HDRUK Black Internship Programme for Health Data Scientists; an Advisory Board member of Cancer Research UK's Data Advisory Board; Co-Chair of WMCA Faith Strategic Partnership Homelessness Group; and is an Executive Committee Member of Greater Birmingham Global Chamber of Commerce.

He is a Member of the British Empire (MBE) for Services to West Midlands' Businesses and Deputy Lieutenant (DL) of the West Midlands.



#### Amarjit Singh BSc, MCIOB

Ammo has worked in building and construction for 40 years, focusing on social housing for the past 35 years. This has given him extensive experience at a senior level of development and asset management, especially in relationship to major works and property maintenance, including procurement. He is well-practiced in overseeing large-scale financial expenditure and contract management. He remains passionate about delivering quality products to the end users by cultivating and communicating a clear vision and values to colleagues, partners, and stakeholders. With strong strategic, business, financial and risk management skills, he has excellent experience of governance in the housing sector and completed the Effective Board Member programme with the Governance Forum.

Ammo's qualifications include MCIOB (Chartered Institute of Building) and BSc Civil Engineering. He is a member of the Board at Nehemiah Housing and Chairman of the Operations Committee.



#### Llewellyn Graham BA (Hons), MBA, MAATS

Llewellyn Graham is an experienced Chief Executive Officer, who has a proven track record of success in leadership at the highest level within the voluntary, social housing and not-for-profit sectors. He is a visionary leader and social entrepreneur who has the ability to analyse and solve complex organisational problems and implement change successfully. Llewellyn was instrumental in providing leadership and strategic direction in developing Nehemiah from its embryonic stage to being a successful, multi-millionpound social business.

He has - and continues to hold - several board appointments as a non-executive director, including chairmanship of a large Midlands-based social landlord and appointment to an NHS Integrated Care Board.



#### **Martyn Hencher CPFA**

Martyn has worked in senior finance roles in housing associations for over ten years. He is currently Finance Director at the Pioneer Group, a housing association providing 3,000 homes in Birmingham.

As well as finance, he has led on treasury management (with a loan portfolio up to  $\pm 300$  million), internal and external audit, risk and assurance, ICT, business planning, governance and HR functions.

He is a Fellow of the Chartered Institute of Public Finance and Accountancy (CIPFA)

Martyn joined the Board in 2019 and also serves on the Audit & Risk Committee



#### Juliana Crowe BA (HONS), MBA

Juliana comes with an extensive background in the social housing sector. She is currently employed as Housing and Communities Director at Rooftop Housing Group (a Midlands-based social landlord). Juliana's experience has given her exposure and responsibilities in delivery of frontline services, housing management, asset management, strategy and policy development, and support in a number of RSH In-Depth Assessment inspections.

She has also served in a non-executive capacity in a number of not-for-profit organisations such as Raglan, Stonewater and the Housing Associations Charitable Trust).

Juliana has a degree in Social Science & Administration, holds an MBA and is a Fellow of the Chartered Institute of Housing.

Juliana serves on the Operations and Audit & Risk Committees, and on the main board.



#### Tina Mustafa BA (HONS), MA

Tina has over 30 years' experience in a range of senior leadership roles with various organisations, including Walsall MBC, Wolverhampton City Council and Wolverhampton Homes. She is currently Assistant Director of Neighbourhoods for Tamworth Borough Council. Tina has substantial transformational and development skills achieved through achieving an MA (Leadership & Change) and is also a Fellow of Chartered Institute of Housing and Fellow of the Institute of Leadership & Management.

She is a member of HQN, HouseMark, the National Housing Federation and ARCH.

She is a member of the Board and sits on the Remuneration & Nominations and Operations Committees.



#### Jana Zacheva LLb

Jana Zacheva is a qualified solicitor, with more than 15 years' experience of providing specialist legal and governance advice to various commercial companies and not-for-profit organisations across the country. She brings extensive legal, governance and strategic commercial knowledge and experience to the Board.

In her career, Jana led a number of corporate functions, including Governance, Legal, Data Protection and Policy for one of the largest social housing and care providers in West Midlands. She also worked in the governance and commercial team of a highly recognised specialised law firm in Birmingham.

Jana founded the consultancy company Governance and Legal Ltd in 2020, which delivers practical and effective governance, compliance, and legal advice to not-for-profit organisations, mainly in the social housing, care and charity sectors. Jana is also a trustee on the board of Birmingham and Solihull Women's Aid. She continues to be a registered solicitor with the Law Society in England & Wales and a member of the Association of Corporate Governance Practitioners.

She serves on the Board as well as the Remuneration & Nominations Committee.



#### Norman King BSc

Norman King has almost 30 years' experience in the education sector, specialising in ICT, and brings this specialist knowledge to his role as a board member for the Association. He has worked as Head of Computing at a high-performing grammar school in Birmingham since 2013 and has successfully developed educational partnerships with several technology giants including Microsoft, Cisco Systems and Oracle, and is currently liaising with the National Cybersecurity Centre (NCSC) on the rollout of its Cyber First programme.

Norman previously worked as a consultant lecturer at Birmingham City University (BCU) for I4 years, combining his lecturing responsibilities with the delivery of Knowledge Transfer Partnerships (KTPs) and Technology Reviews to West Midlands-based companies, advising them on how to improve their ICT capabilities.

In addition to his full-time employment, Norman volunteers as Diversity and Inclusion Officer on the British Computer Society's' Information Technology Leadership Forum (ITLF), representing views from leaders within and beyond the IT industry to other audiences.

Norman's qualifications include a BSc in Information Technology, a MSc in Industrial Logistics (Information Systems) and is a Chartered Fellow of the British Computer Society (FBCS, CITP).

Winston Weir B.SC(Hons), IHMS, DMS, CPFA (Resigned Sep 2023 - end of term)



## **Executive Committee**



#### Kevin Fearon Director of Operations

Kevin has a successful career in social housing spanning over 30 years, working for some of the largest housing associations in the region. He has spearheaded and developed multi-million-pound innovative housing developments and community-based programmes with a focus on delivering culturally-based housing services, employment, and homes to black and minority ethnic communities. Kevin holds several non-executive directorships within the financial and voluntary service sectors, and always seeks opportunities to support people and organisations in achieving their full potential.

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#### Patrick Bryan Director of Finance

Patrick has been involved in social housing for over 30 years. After training and working in several audit and accounting firms, Patrick has worked in an executive finance role in a national charity, served as a board member for a regional housing group and acted as trustee for several academies in the Midlands. Patrick maintains active involvement in several charitable organisations in a non-executive capacity, making contributions to financial governance and strategic management.



#### Janet Dubidat Company Secretary

Janet currently works for Nehemiah as Head of Governance & Company Secretary, serving in an executive role within the organisational structure, reporting directly to the Chief Executive, having responsibility for the provision of the Company Secretariat function in its various aspects. In addition, she is also responsible for the Human Resources function and the Corporate Services functions. Janet serves as a key partner to the Board and Executive Team in these functional areas.

Previous experiences include serving as company secretary to a national charity with an international mission.

Qualifications include a Post-graduate Diploma in Personnel and Development and an MBA. Janet is a Chartered Member of the CIPD and is also a Member of the Association of Corporate Governance Practitioners.

## Nehemiah Statutory Accounts Governance Report 2023/2024

#### **Corporate Governance**

Nehemiah is committed to the principles of good governance, in line with its values of integrity, diversity, passion and sustainability. This is further illustrated with Nehemiah's adoption of the NHF Code of Governance 2020 and its four principles underpinning this code, namely, mission and values, strategy and delivery, board effectiveness and control and assurance.

During the last twelve months, the Board has engaged in several activities that demonstrate a continued commitment to good governance across the Organisation. There are clear and transparent processes in place which contribute to governance effectiveness and the ability to be strategic in the Boardroom.

Nehemiah's most recent annual regulatory assessment grading is GI/V2. Nehemiah continues to be compliant with the Regulator of Social Housing Regulatory Standards from an economic and consumer-level perspective. The Board is firm in its commitment to working constructively with the Regulator in the spirit of co-regulation.

Nehemiah is 100% compliant in relation to the Decent Homes Standard.

## **Declarations of Interests**

A register of interests is held, maintained and is available publicly. This document can be accessed by contacting the Company Secretary for a copy. During the year, there have been no material declarations made.

## **Board Activity**

The Board has the primary role in setting the strategic direction of the Organisation, to ensure compliance with its mission, vision, values, and objectives, and to ensure its long-term sustainability. The Board also has responsibility for the overall control of the Organisation and the conduct of its business to ensure that it is:

- Financially viable
- 🗘 Well governed;
- Properly managed, and that there are appropriate
- O Internal controls and risk management.

In addition, the Board's role is to carry out certain functions, as set out in the Organisation's Rules, and to delegate any of its powers under written terms of reference to its committees and/or Executive Team, where necessary. As at the 3Ist March 2024, there were IO board members, with 9 non-executive and I executive member. There was one member, Winston Weir, who, having reached the end of this tenure, retired in September 2023.

The Board of Nehemiah is aware that its purpose is to lead the Organisation within a framework of sound governance, continuous improvement, and prudent control, which enables risks to be properly assessed and managed. The Board also has responsibility for the oversight of equality and performance, whilst demonstrating accountability to its tenant customers.

The key activities of the Board and Committees during the financial year have included, but are not limited to:

- Review of its vision, mission, values and business objectives.
- Performance review of 'Corporate Strategy: Growing Stronger Together 2020-23', which was extended to 2025.
- Review of and embedding governance at all levels of the Business.

- Approval of Risk Management and Assurance Framework.
- Tenant Satisfaction Measures performance tracking.
- Damp & Mould Policy developed with our customers.
- Treasury Management training.
- Succession Plan for the Board, Committee and Executive Team.
- Change Management and Executive Negotiations Training.
- NED Remuneration Policy introduced.
- 🔘 Corporate Social Responsibility Policy adopted.
- 🜔 Individual Board Members appraisal.
- 🗘 Appraisal of Chair.
- 🔘 Resilience Plan review.
- Development & Growth Strategy reviewed.
- Board Skills Audit.
- Value for Money Strategy review.
- 🔘 Whole Board Appraisal.
- O Board Remuneration Benchmarking Exercise.
- Independent Board Observations Exercise.
- Environmental Sustainability Strategy adopted.
- Review Mergers and Partnership Policy and Procedures.
- Customer Engagement Strategy.
- Review of Board reporting.
- Statutory and regulatory returns.
- Internal and external audits.
- Financial planning projections and stress testing.
- 🔿 Asset & Liabilities Register review.
- 🔘 Treasury Management Strategy.
- 🔘 Asset Management Strategy.
- Oversight of statutory compliance such as health & safety, fire risk assessment, asbestos and legionella management, and damp & mould.
- Consideration of new approach to reporting of Building compliance and health and safety performance.

Board Members continue to have collective oversight and ownership of the risk management framework and of the systems of internal control and associated assurance. The Board provides clear oversight of the work of the Executive and there remains a good but challenging relationship between the Board and the Executive with the Executive being held to account for delivery of the Organisation's strategy and targets and ensuring that our tenants are at the heart of all that we do.

Board recruitment processes are followed so as to maintain an active, high-performing board and, in line with Nehemiah's succession plan, to ensure that the appropriate mix of skills and experience is maintained. A comprehensive induction programme is in place for all new members.

#### Modern Slavery Act 2015

Nehemiah Housing has a zero-tolerance approach to modern slavery and is committed to acting ethically and with integrity and transparency in all its business dealings and relationships, and to implementing and enforcing effective systems and controls to ensure that modern slavery and human trafficking are not taking place anywhere within either its own business or in any of its supply chains, consistent with its obligations under the Modern Slavery Act 2015.

The Association also expects the same standards from all its suppliers, contractors, and other business partners and, as part of its contracting processes, it includes specific prohibitions against the use of modern slavery and expects that its suppliers will, in turn, hold their own suppliers to the same standards.

#### Board Effectiveness Review (BER)

The Board Effectiveness Review was undertaken to primarily ensure that we have an appropriately skilled board in place to effectively manage the affairs of the Organisation. Also, that the Board reviews and manages its performance and continues to comply with the NHF Code of Governance.

## **Statement of Internal Control**

The systems of internal control within Nehemiah comprise the processes for assuring achievement of our strategic objectives in operational effectiveness and efficiency, reliable financial reporting, and compliance with applicable laws, regulations, and policies. The following table sets out the key components of the systems of internal control within Nehemiah together with the contribution each component makes.

Control System	Contribution
Governance Arrangements	Nehemiah's governance arrangements, as described in this report, provide regular and significant oversight of and scrutiny over the business and its performance.
Terms of Reference for the Audit and Risk Committee	Provides for a detailed system of scrutiny and checking of the effectiveness of management processes using both internal and external sources of assurance
Whistleblowing/Anti-Fraud Measures	Whistleblowing and anti-fraud policies are approved by the Board and their effectiveness monitored by Audit & Risk Committee.
Policy, Strategy and Procedure Sign-off and Ongoing Review Process	Leads to strategies, policies and procedures which are designed to comply with the law and are and remain fit for purpose. This includes the Finance Policy: Controls & Procedures which sets out the levels of financial delegation from the Board to officers.
Performance Information - Non-financial (e.g. Key Performance Indicators)	Regular reporting of operational performance information at Board, Committees, Executive Committee allows for review of performance and prompt action to be taken where performance is below target levels. This includes monitoring delivery against targets in Corporate Plan.
Performance Information – Financial (e.g. Management Accounts and Budget Reports)	Regular reporting of financial performance information to Board, Committees and Executive Committee together with a forecast of financial performance to year-end. This allows any deviation from agreed budgets or failure to meet financial KPIs (or any future risk of this occurring) to be quickly identified, and any necessary remedial measures to be agreed.
Value For Money Strategy	The strategy provides a road map to ensure that the Association is delivering services in the most efficient, effective and economic manner whilst meeting the needs of our tenants, other stakeholders, and wider communities. Striking the right balance between costs and quality will inform investment decisions that lead to recurring savings to support the ongoing viability and growth of the Organisation.
Treasury Management	Treasury management function monitoring compliance against our obligations to lenders (including in relation to performance against our financial and non- financial covenants) and external treasury risk factors, whilst also proactively taking steps to improve the efficiency -



Control System	Contribution
	and reduce the risk - of our loan book. It also ensures we have sufficient cash to meet our short-term commitments and access to loan facilities sufficient to finance our long-term plans and commitments.
Resilience Plan	The Resilience Plan is a framework outlining Nehemiah's response in the event of significant adverse events threatening the viability or management of the Business. The document has been developed in response to the Regulatory Framework and aligns with Nehemiah's:
	Risk Management & Controls Framework
	Financial Forecasts
	O Business Plan Stress Tests and application of mitigations
	Asset & Liabilities Register
Appraisal of investment decisions	All housing new build investment decisions and other major commitments are subject to appraisal and approval by the Board.
Internal Audit	Internal audits are carried out in an audit programme focusing on the areas of highest risk within the Business. This is an outsourced service which is delivered by our advisers, RSM UK. These are determined by Audit & Risk Committee annually with reference to a rolling 3-year programme which aims to ensure all key risk areas are audited at least every 3-years. Audit reports then identify any control weaknesses or areas for improvement and require management to implement corrective actions in relation to those areas of weakness/improvement.
Quality Assurance Reports	These look at specific areas of operational performance in our customer services, and the outcome of these are reviewed at Executive Committee and Operations Committee.
Regulatory Standards Compliance	An annual self-assessment report provides evidence of compliance against the RSH Regulatory Standards – both economic and consumer standards, which is reviewed by the Board and enables the Chairman, on behalf of the Board, to certify compliance against the Regulatory Standards.
Health and Safety Risk Monitoring	A Risk Management Group (incorporating Health & Safety) meets quarterly to monitor the extent to which Nehemiah is meeting Health & Safety responsibilities. Reporting of Health & Safety is reviewed by Executive, Operations and Audit & Risk Committees and the Board to determine if Health & Safety Risks are being adequately managed and where key actions are required.
Social Housing Regulation Act 2023	Introduced new measures to improve the standards, safety, and operations of social housing, receiving royal assent on 20 July 2023. The Act provides a new emphasis on consumer regulation.

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Key elements from our assurance framework are as detailed below:

- 🔘 Internal audits.
- C External audits.
- Statutory compliance performance dashboard and report to the Board relating to fire risk, asbestos, gas safety, legionella, electrical testing, lift maintenance, health & safety, damp & mould, and safeguarding.
- Business continuity planning and disaster planning which is independently assessed.
- Fraud reporting including annual fraud report submission to the Regulator of Social Housing.
- Whistleblowing reporting register checked on a quarterly basis.
- Regulator of Social Housing regulatory judgement - most recently in November 2023.

- Experienced and qualified staff who can undertake their responsibilities for business functions.
- Employee Performance Management Framework annual appraisal to assess continued performance.
- Budgets and financial planning review of prudent financial management on a consistent basis, as supported by relevant narrative.

While the Board is ultimately responsible for ensuring the implementation of an effective system of internal control which provides reasonable assurance against material loss or misstatement, both the Audit & Risk Committee and Executive acknowledge their respective responsibilities for overseeing and operating an effective system of internal control within Nehemiah.



## **Audit & Risk Committee**

The Audit & Risk Committee is chaired by **Prof. Martin Levermore MBE** and has the primary role to oversee the day-to-day audit and risk functions of the Organisation.

The Committee is responsible for six key areas, delegated to it by the Board which are:

- Monitoring the integrity and effectiveness of Financial Reporting and External Audit.
- Agreeing and monitoring the delivery of Nehemiah's Internal Audit Programme.
- Monitoring the effectiveness of Nehemiah's Risk Management and Internal Control Systems.
- Overseeing the effective implementation of Nehemiah's Health and Safety Policy.
- Oversight of the compliance with whistleblowing and fraud policies and procedures.
- Compliance with Regulatory Standards both economic and consumer standards and NHF 2020 Code of Governance.

There were four meetings of the Audit & Risk Committee which were quorate with an average attendance of 78% [89% - 2023].

The key activities of the Audit & Risk Committee during the last financial year have included, but are not limited to, the review of:

- Financial Reporting.
- Registers (fraud, gifts and hospitality, whistleblowing, data breach and health & safety).
- 🔘 General Data Protection Regulation (GDPR).
- 🔘 Resilience Plan.
- Plan Internal audit plans and reports.



- C External audit plans and reports.
- Report by the Money Laundering Reporting Officer (MLRO).
- 🔾 Value for Money (VfM).
- Review annual report detailing the Organisation's compliance with relevant laws and regulations.
- Recommendations to the Board for the appointment of external auditing services.
- Private meeting with the external auditors in the completion of the audited accounts.

#### Impact of the Committee's Work

- The work of the Committee has supported robust discussions as to the effectiveness of Nehemiah's internal controls and assurances.
- Review of rent setting process 2024/25.
- Supported compliance against Regulator of Social Housings standards.

## **Operations Committee**

#### The Operations Committee is chaired by Amarjit Singh.

Membership of the Operations Committee comprises non-executive Board members and tenant Committee members. The Committee's focus is to oversee the day-to-day operations of the Organisation's housing and property services functions. The Committee also oversees the housing and asset management function, monitoring of KPIs, income collection, and reviews the IT and development functions of the Organisation as relates to services to our tenants. In essence, its purpose is to consider overall operational effectiveness.

There were 4 meetings of the Operations Committee with an average attendance of 75% for 2024 [85% - 2023].

The key activities of the Operations Committee during the last financial year have included, but are not limited to, the review of:

- Tenant Satisfaction Measures Performance tracking.
- 🔿 Asset Management Strategy.
- 🗘 Health & Safety Compliance.
- Statutory maintenance compliance, such as for gas, legionella, fire risk assessments, lifts maintenance.
- C Tenant Engagement Strategy review.
- C Key Performance Indicators (KPIs).
- O Damp and Mould performance updates.
- Policies (including gas servicing, asbestos, and legionella).
- Internal Audit (including health & safety, electrical and fire safety).
- Regulatory Consumer Standards self-assessment review.

## Impact of the Committee's Work

The challenge and oversight of this Committee has supported the Association to perform at a high level, delivering high customer satisfaction levels.



#### Benchmarking

Tenant Satisfaction Measures	Lower Quartile	Median	Upper Quartile	Nehemiah
TP0I: Overall satisfaction	63.0%	69.4%	78.0%	78%
TP02: Satisfaction with repairs	64.5%	70.4%	78.7%	<b>79</b> %
TP03: Satisfaction with time taken to complete most recent repair	59.0%	66.4%	75.5	76%
TP04: Satisfaction that the home is well-maintained	63.3%	69.4%	77.8%	84%
TP05: Satisfaction that the home is safe	70.0%	76.1%	82.2	85%
TP06: Satisfaction that the landlord listens to tenant views and acts upon them	51.3%	58.9%	67.3%	76%
TP07: Satisfaction that the landlord keeps tenants informed about things that matter to them	62.7%	69.5%	76.7%	85%
TP08: Agreement that the landlord treats tenants fairly and with respect	70.0%	76.3	83.3	88%
TP09: Satisfaction with the landlord's approach to handling complaints	26.0%	33.8	40.0%	53%
TPI0: Satisfaction that the landlord keeps communal areas clean and well maintained	58.7%	65.5%	72.3%	77%
TPII: Satisfaction that the landlord makes a positive contribution to neighbourhoods	56.0%	62.5%	71.2%	78%
TPI2: Satisfaction with the landlord's approach to handling anti-social behaviour	51.0	57.6	63.6%	74%

Here we have benchmarked Nehemiah's position against the satisfaction TSM Benchmarking data published by HouseMark in June 2024.

Nehemiah scored above the upper quartile in all of the satisfaction measures higlighted in bold in the table.



Of Nehemiah tenants who had requested a repair in the last I2 months, 79% were satisfied with the level of service they received, and 76% with the length of time it had taken to complete these repairs.

Overall tenant satisfaction with Nehemiah was 77%, a decrease in our tenant's overall satisfaction by I4% from the previous year. Our work continues to investigate the reasons that contributed to levels of dissatisfaction as an opportunity to learn and improve services.



## Remunerations and Nominations Committee

The Remunerations & Nominations Committee is chaired by **Prof. Martin Levermore MBE**, to consider all matters regarding pay and remuneration and to monitor the progress of the Human Resources Strategy and pertinent employment policies.

There were four meetings of the Committee, with an average attendance of 95% in 2024 [76% - 2023].

The Committee ensures that the Organisation has the appropriate policies and procedures to attract, retain and motivate members of the Board, Executive Team and the wider staff team.

The Committee is also responsible for making appropriate recommendations to the Board.

The key activities of the Remunerations & Nominations Committee during the last financial year have included, but are not limited to:

- Performance review of the Chair.
- O Performance review of the Chief Executive.
- Board, Committee and Executive Succession Planning.
- O Board recruitment.
- Recommendations to Board for staff annual pay review.
- Receive the Board Remuneration Benchmarking report and make recommendations to Board, as well as an Non-Executive Remuneration Policy.
- Reviewed management KPI relating to human resources management.

- Review the Annual Equality and Diversity Performance Report.
- Terms of Reference review.
- C Executive Team review.
- 🔘 Policies cyclical review.

The Committee also considered key sector analysis reports such as the NHF Analysis: "How Diverse is the Housing Sector in England", as well as the "State of the Global Workforce 2023" report and the key lessons to be learnt, such as the challenges and need for wider representation in disability, age and gender.

#### Impact of the Committee's Work

- Facilitate strategic review of Board, Committee and Executive succession planning to maintain a sustainable organisation.
- Support organisational review.
- Pay and remuneration review.





## **Tenant Involvement**

Nehemiah recognises that tenant involvement is key to ensuring that we take account of their input in the provision of services, that there is transparency and that our performance can be scrutinised for improvement to satisfy our objective of delivering excellent tenant services with respect.

In-line with the regulatory requirements for Tenant Involvement & Empowerment Standard, Nehemiah involves as many customers as possible with the aims of sustaining tenancies and ensuring services are accessible, and that we deliver a high-quality tenant experience as well as representing value for money.

Our approach is to ensure that, where possible, there is fair and appropriate demographic and geographic representation of our customers encouraging diversity, equality, and inclusion.

The voice of our tenants is facilitated predominantly through a combination of the undertaking of independent transactional survey reviews of all our core services and the Nehemiah Tenant Panel.

We have a Tenant Engagement Strategy which is reviewed annually by the Board. In addition, we have appointed a Customer Engagement Officer to ensure that our tenants' voices are heard and are having the desired impact of holding the Organisation to account, as well as delivering relevant improvements to services.

During the year we have consulted with our tenants on policy development, review of proposed rents and service charges and the procurement of responsive repairs contractors.



"I've been with Nehemiah for a long time. Never had any issues. They always listen and when, any repair work needs to be done, they come promptly."

Facebook	'X' (Twitter)	Website	Tenant
	(Interactions)	(Reaches)	Engagement
153	1,035	14,000	2293

We also continue to signpost individuals to community support networks such as: money advice services, churches, foodbanks, and general advice services, where they can obtain additional relevant support.

## **Risk and Control**

The Risk Management & Assurance Framework allows for the Board to track risk profile movements via dynamic reports. The Risk Register is regularly presented to the Board allowing the opportunity to challenge and seek further assurances as to the management of risk, as appropriate.

The Audit & Risk Committee undertake significant scrutiny of risk and control matters, but the Board retains overall responsibility for the design and effectiveness of the risk management framework.

Assurance reports provided to the Board on key areas of risk have included:

- O Management reports, supported with appropriate commentary for clarification.
- O Quarterly management accounts
- O Review reports against Nehemiah's corporate strategies
- Report on specific activities including risk management, statutory compliance and health & safety (including damp and mould).

Rank	Risk Ref	Details	Mitigations
1	STR0007	Delays in delivery of development programme	<ul> <li>Association in dialogue with development partner regarding purchasing development projects</li> <li>Modelling scenarios of potential impact on financial plan</li> <li>Review Corporate Plan and timeframes</li> <li>Stress testing delay on financial plan</li> </ul>
2	STR0023	Government targets for zero carbon will place unsustainable demands on resources and impact on long term financial plans	<ul> <li>Costs factored into long-term financial plan and stress tested</li> <li>Apply for Social Housing Retrofit Grant</li> <li>Asset Management Strategy targets for EPC grade C by 2030</li> <li>Knowledge sharing with peers on approaches</li> <li>Commit additional resources to completion of EPC surveys</li> </ul>
3	STR0009	High Inflation / supply chain disruption due to Brexit, COVID-19, and conflict in the Ukraine.	<ul> <li>Consult with treasury consultants</li> <li>Periodic sensitivity analysis</li> </ul>
4	STR0025	Tenants homes affected by the presence of damp & mould	<ul> <li>Policy developed to document process to address damp and mould</li> <li>Board monitors via Damp and Mould dashboard including Health &amp; Safety Rating System (HHSRS) classifications</li> <li>Prioritising poor performing EPC properties for surveying</li> </ul>

Rank	Risk Ref	Details	Mitigations
5	STR0008	Planning and delivery of repairs and improvement programme compromised	<ul> <li>Have an agreed programme to clear backlogs</li> <li>Contractors to notify of any access issues</li> <li>Inter-communications with teams, such as housing, to discuss any access issues with tenant.</li> </ul>
6	STR0012	Interest Cover covenant breach.	<ul> <li>Monitor Interest cover performance metric</li> <li>Regular review via financial forecasts.</li> </ul>
7	STR00I3	Cyber Security breach	<ul> <li>Establishing a cyber security strategy</li> <li>Expert configuration of IT networks supported by appropriate firewalls, data filtering, anti-virus software, account lock out</li> <li>Vulnerability testing</li> </ul>
8	STR0020	Recruitment and retention of staff	<ul> <li>Investigating wider recruitment channels,</li> <li>Implementing key elements of HR strategy to attract and retain the best talent</li> <li>Succession Planning exercise monitored by relevant committee and Board.</li> </ul>
9	STR0026	Failure to meet the requirements of changing regulatory landscape	<ul> <li>Self-assessment against regulatory standard and implement actions, where necessary, including Board oversight</li> <li>Consumer Standard and Tenant Satisfaction Working Group to oversee ongoing performance</li> </ul>
10	STR0029	Dispensation from tenants' consultation - re 2-year deals on energy supply contracts	Legal advisers commissioned to handle the dispensation application to court.

The Risk Management Assurance Policy delegates the oversight and monitoring of the Risk Register as follows:

Risk Register	Control and Assurance
Strategic Risks, Finance & Treasury Management, Operations and Compliance	Executive Committee
Strategic Risks	Audit & Risk Committee
Top ten strategic risks	Board

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## Training, Succession and Induction

A documented, comprehensive induction process supports new Board members. The induction process also enables the identification of training and development needs to be addressed. The induction includes site visits and presentations from the Executive Team. The inductee also has an opportunity to comment on the process so that appropriate adjustments can be implemented for the future.

Regular work is undertaken on succession and skills which helps to inform recruitment campaigns.

Board members are encouraged to attend training and are supplied with details of training opportunities. In addition, training opportunities and knowledge-sharing is also part of Board meetings. The following training/ conferences have been undertaken individually and collectively by Board members during the last financial Year:

- Consumer Regulations
- 🔘 Treasury Management
- Executive Negotiation
- 🗘 'Board Under the Spotlight: Fit for Purpose Governance'

Nehemiah has adopted the NHF 2020 Code of Governance relating to tenure to encourage a continual refreshing of skills and to ensure that the right skills can be recruited to the Board to meet the evolving needs of the Organisation.

#### **Mergers and Partnerships**

Nehemiah has adopted the National Housing Federations' merger code. The principal of this code forms the basis of Nehemiah's Merger and Strategic Partnership Policy and Procedure which would provide a framework for the Board to undertake its due diligence to evaluate any such proposals.

#### Environmental, Social and Governance Performance Review 2022/23 (ESG)

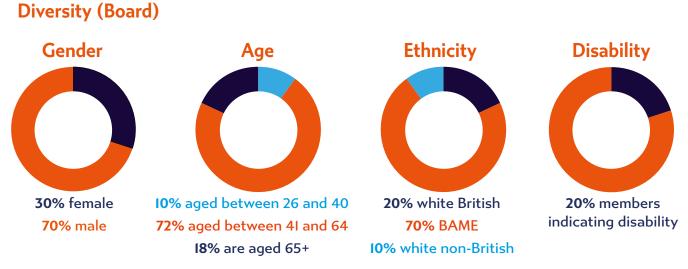
Nehemiah has made a pledge to attain the status of being a net zero-carbon organisation by 2050. This Strategy sets out our starting position, what we have done so far, and our priorities for action to reduce our carbon emissions over the next 6 years, i.e. 2024 to 2030.

Nehemiah Housing, jointly in partnership with the West Midlands Combined Authority (WMCA), was able to access funding form the Social Housing Decarbonisation Fund (SHDF) which supports the installation of energy performance measures in social homes in England. We were successful in securing £109,000 of the total cost of £231,000 for 2I homes to replace front entrance doors, to supply and install 270mm of loft insulation, and to replace existing storage heaters with LOT 20 which comes with specific features to avoid wasted energy. We will continue to work with the WMCA for future projects.

Nehemiah continues to work through the actions of its ESG Performance Review for the year ended 2021/22, utilising an assessment framework composite of the Sustainability Reporting Standards for Social Housing devised by RSM UK.

### The Board

The Board consisted of 10 members for the year ended 31st March 2024, including the Chief Executive as an Executive Board member. The Association has two tenant committee members who are not members of the Board. Eight meetings of the Board were held during the financial year. There was one Board Member resignation during this period.



\*As we are a BAME-led Organisation, it aims for its membership to reflect the communities it serves.

Board member	Main Board	Audit & Risk Committee	Operations Committee	Remuneration & Nominations Committee
Total number of meetings	8	4	4	4
Wilton Powell	8	-	-	4
Martin Levermore	6	3	-	4
Amarjit Singh	7	-	3	3
Winston Weir (retired 09/2023)	3	1	-	
Juliana Crowe	6	4	3	
Tina Mustafa	5		1	3
Martyn Hencher	5	2		
Norman King	8	4	-	-
Jana Zacheva	6	-	-	4
Llewellyn Graham	8		-	-

#### Members Attendance from 1st April 2023 to 31st March 2024

Overall Board and Committee meeting attendance was 81.5% compared to 81.7% for the same period in 2023 against a 75% target.

### **Statement of Compliance**

In preparing the Operating and Financial Review and Board report, the Board has followed the principles set out in the Housing SORP 2018 and FRS 102.

### Code of Governance and Governance Financial Viability Standards

There are no known instances of non-compliance with the NHF Code of Governance. On an annual basis, Nehemiah completes the NHF Checklist which offers the Board assurance on how the Association is complying with the Code.

The Board has formally assessed its compliance against the Governance and Financial Viability Standard of the Regulator of Social Housing and confirms that the Organisation is compliant.

#### Remuneration

Details of honoraria payments made to non-executive Board and Committee Members during the financial year are as follows:

Board member	£	Board member	£
Wilton Powell	5,457	Martin Hencher	2,729
Martin Levermore	3,274	Tina Mustafa	2,729
Amarjit Singh	3,100	Jana Zacheva*	2,729
Winston Weir**	1,501	Norman King*	2,729
Juliana Crowe	2,729	Abdul Wahidi (Committee)*	963
Miriam Campbell (Committee) *	963		

\* Appointed during the year. \*\* Resigned during the year

#### **Board Members and Executive Directors**

The Board has given delegated day-to-day management of the Association to its Executive Directors who are led by the Chief Executive and these Directors control the operations of Nehemiah Housing. The Executive Directors were as follows on 31st March 2024.

Llewellyn Graham	Chief Executive
Patrick Bryan	Director of Finance
Kevin Fearon	Director of Operations
Janet Dubidat	Head of Governance & Company Secretary

#### **Responsibility for the System of Internal Controls**

The Board acknowledges that it has the overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness to provide the necessary assurances in accordance with the NHF Code of Governance and the Regulator of Social Housing's Regulatory Standards.

#### Scope of Assurance

No system of internal control can provide absolute assurance or eliminate all risk. The system of internal control is designed to manage risk and to provide reasonable assurance that the key business objectives and expected outcomes will be achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of the Association's assets and interests.

### Policy for Dealing with Fraud

Nehemiah recognises the importance of protecting the Organisation, its operations, its employees and its assets against financial risks, operational breaches, and unethical activities. Therefore, it is incumbent upon the Board and Officers of the Association to clearly communicate the fraud prevention policy to both internal and external customers, suppliers, and partners with whom the Association is involved.

Nehemiah has adopted a zero-tolerance policy regarding fraud and corruption. All matters raised by any source will be taken seriously and appropriately investigated.

#### **Statement of Board Responsibilities**

The Co-operative and Community Benefit Societies Act 2014 and the Housing and Regeneration Act 2008 require the Board to prepare financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice, for each financial year which give a true and fair view of the state of affairs of the Association and of the surplus or deficit for that period. In preparing those financial statements, the Board is required to:

- 🔿 select suitable accounting policies and then apply them consistently.
- 🔿 make judgements and estimates that are reasonable and prudent.
- 🔿 state whether applicable accounting standards have been followed.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and enables it to ensure that the financial statements comply with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022, and the Statement of Recommended Practice for Registered Social Housing Providers 2018. It is also responsible for establishing and maintaining a satisfactory system of internal control and safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Auditor

All the current Board members have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Association's auditor for the purpose of the audit and to establish that the auditor is aware of that information. The Board members are not aware of any relevant audit information of which the auditor is unaware.

A resolution to appoint the external auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 5 July 2024 and signed on its behalf.

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JD Dubidat

Secretary

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEHEMIAH HOUSING CALLER D

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### Opinion

We have audited the financial statements of Nehemiah United Church Housing Association for the year ended 3I March 2024 which comprise Nehemiah's Statements of Comprehensive Income, Statements of Financial Position, Statement of Cash Flows and the Statements of Changes in Reserves 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 United Kingdom Accounting Standards, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"](United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the association's affairs as at 3I March 2024 and surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Social Housing in England 2022

#### **Basis for opinion**

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

#### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Nehemiah 's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board members with respect to going concern are described in the relevant sections of this report.

## **Other information**

The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. The Board members are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. We have reviewed the Board's statement on Nehemiah UCHA's compliance with the Co-operative and Community Benefit Societies Regulations 1969. We are not required to express an opinion on the effectiveness of Nehemiah UCHA's system of internal control.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

# 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 Cooperative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- the parent association has not kept proper books of account; or
- a satisfactory system of control over transactions has not been maintained; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we require for our audit.

## **Responsibilities of the Board**

As explained more fully in the Statement of the Board's responsibilities set out on page 63, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. As explained more fully in the Statement of the Board's responsibilities set out on page 63, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

# 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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation, non-compliance with implementation of government support schemes.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

Inquiring of management and, where appropriate, those charged with governance, as to whether



the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;

- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Social Housing in England 2022.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to revenue recognition (which we pinpointed to cut off), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Board and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

#### Use of the audit report

This report is made solely to Nehemiah's members as a body in accordance with Part 7 of the Co-operative and Community Benefit Societies Act 2014 and Chapter 4 of Part 2 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to Nehemiah'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 Nehemiah's members as a body for our audit work, for this report, or for the opinions we have formed.

#### Forvis Mazars LLP

**Forvis Mazars LLP** Chartered Accountants and Statutory Auditor

2 Chamberlain Square, Birmingham, B3 2AX

## Statement of Comprehensive Income

#### Year Ended 31st March 2024

	Note	2024 £ 000	2023 £ 000		
Turnover	За	8,601	7,623		
Disposal of Fixed Asset	8	-	67		
Operating costs	За	(6,005)	(5,936)		
Operating surplus	<b>3</b> a	2,596	1,754		
Finance income		15	15		
Interest and financing costs	4	(1,380)	(1,081)		
Surplus for the year	5	1,231	688		
Other comprehensive income		-	-		
Actuarial gain/loss on pension scheme		(184)	(128)		
Comprehensive Income for the year		<u> </u>	560		



## **Statement of Financial Position**

#### Year Ended 31st March 2024

		2024		2023	
	Note	£ 000	£ 000	£ 000	£ 000
FIXED ASSETS Housing properties - cost less depreciation	8		84,600		83,502
Other property, plant & equipment	9		1,262		1,141
TOTAL FIXED ASSETS			85,862		84,643
<b>CURRENT ASSETS</b> Debtors Investments Cash and cash equivalents	10 11	373 - - - - - - - - - - - - - - - - - -		509 - 1,343 1,852	
CREDITORS: amounts falling due within one year	12	(2,353)		(2,238)	
NET CURRENT ASSETS			(1,346)		(386)
TOTAL ASSETS LESS CURRENT LIABILITIES			84,516		84,257
CREDITORS: amounts falling due after more than one year	13		(65,794)		(66,582)
			18,722		17,675
CAPITAL AND RESERVES Non-equity share capital Revenue reserves ASSOCIATION'S FUNDS	16		- 		- 17,675 17,675

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The notes on pages 73 to 95 form part of these financial statements. The Financial Statements on pages 68 to 72 were approved by the Board on 5 July 2024.

Signed on behalf of the Board.

Powell  $\mathcal{N}$ 

W Powell Chairman

Subidat

JD Dubidat Secretary

#### **Statement of Changes in Reserves**

Year Ended 31st March 2024

	Revenue Reserves 2024 £ 000	Revenue Reserves 2023 £ 000
At Ist April	17,675	17,115
Total comprehensive income for the year	1,047	560
At 31st March	18,722	17,675



## **Statement of Cash Flows**

#### Year Ended 31st March 2024

		2024		2023	
	Notes	£ 000	£ 000	£ 000	£ 000
NET CASH GENERATED FROM OPERATING ACTIVITIES	A		3,297		1,953
CASH FLOWS FROM FINANCING ACTIVITIES Net interest & financing costs Housing loan repayments Housing loan received		(1,365) (624) 	(1,989)	(1,066) (171) 1,000	(237)
CASH FLOWS FROM INVESTING ACTIVITIES Purchase of housing properties Investment Refurbishment - in existing stock Investment - New components Purchase of other property, plant & equipment Proceeds from sales of property		(1,068) - (1,021) (165) -		(4,101) - (860) (49) 83	
Capital grants received			(2,017)	<u> </u>	(3,886)
NET CHANGE IN CASH AND CASH EQUIVALENTS			(709)		(2,170)
Cash and cash equivalents at the beginning of the year			<u>l,343</u>		3,513
Cash and cash equivalents at the end of the year			634		<u> </u>

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## **Statement of Cash Flows**

#### Year Ended 31st March 2024

#### A) Reconciliation of Surplus to Net Cash Generated from Operating Activities

	2024 £ 000	2023 £ 000
Surplus for the year	1,231	688
Disposal of fixed assets		(67)
Net interest payable	1,365	1,066
Movement in debtors	135	19
Movement in creditors	42	(173)
Depreciation of housing properties	992	939
Depreciation of other property, plant & equipment	44	39
Movement in non-finance long term creditors		-
Amortisation and disposal of government grants	(387)	(394)
Surplus Employer Pension Scheme Contributions	(125)	(164)
Net cash generated from operating activities	3,297	l,953

# **Notes to the Financial Statements**

# I > Accounting policies

# **Basis of accounting**

The financial statements are prepared under the historical cost convention, as modified to include certain items at fair value, in accordance with Financial Reporting Standard IO2 (FRS IO2) issued by the Financial Reporting Council and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022, the Statement of Recommended Practice for Registered Social Housing Providers 2018 (SORP) and the Housing and Regeneration Act 2008. Nehemiah Housing is a public benefit entity (PBE), as defined in FRS IO2 and applies the relevant paragraphs prefixed "PBE" in FRS IO2.

## Turnover

Turnover represents rental and service charge income (net of losses from voids), revenue grants from local authorities and Homes England, donations received from fund raising activities and other income.

# Housing properties – depreciation and impairment

Freehold land is not depreciated. Depreciation is charged to write down the cost of freehold housing properties to their estimated residual value on a straight-line basis over their expected useful economic lives as follows:

#### Housing properties:

Structure IOO years

Properties held on long leases are depreciated over their estimated useful economic lives or the life of the lease if shorter.

Major components are treated as separable assets and depreciated over their estimated useful economic lives or the lives of the properties to which they relate, if shorter, at the following annual rates:

Roofs	70 years
Kitchens	20 years
Bathrooms	30 years
Boilers	15 years
Electric heating systems	30 years
Windows and doors	30 years
Gas heating systems	30 years

# Other property, plant & equipment (PP&E) and depreciation

Other PP&E are stated at cost less accumulated depreciation. Depreciation is calculated to write off the cost of other tangible fixed assets over their expected useful economic lives at the following annual rates:

Freehold property	I% by equal annual instalments
Computer equipment	25% by equal annual instalments
Office equipment	20% by equal annual instalments
Furniture, fixtures, and fittings	15% by equal annual instalments

## **Social Housing Grants**

Grants relating to assets are recognised as income on a systematic basis over the expected useful life of the asset. Grants received for housing properties are recognised as income over the expected useful life of the housing property structure.

Grants received from non-government sources are recognised as revenue using the performance model.

#### Improvements to property

The Association capitalises improvement expenditure on housing properties, excluding components where:

- it increases net rental income or where it significantly increases its useful economic life.
- 🔘 it relates to a major overhaul of the property.

#### **Pension costs**

#### Multi-employer defined benefit pension scheme – Social Housing Pension Scheme

The Association participates in an industry wide multi-employer defined benefit pension scheme. It is the Association's policy to recognise the gains and losses on its share of the assets within the defined benefit pension scheme as advised by the pensions administrator as well as our obligations as participants of the scheme. The changes that arise because of actuarial assumptions is recognised as Other Comprehensive income. Note 18 reflects the Associations fair share of assets and obligations.

#### Defined contribution scheme

The Association also participated in a defined contribution scheme where the amount charged to surplus or deficit in the Statement of Comprehensive Income in respect of pension costs and other postretirement benefits is the contribution payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Statement of Financial Position.

## Lease costs

The Association utilises assets subject to operating leases. Their annual rentals are charged to the Statement of Comprehensive Income on a straight-line basis over the term of the lease.

# Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and demand deposits, together with other short term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of change in value.

## Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the year end and is carried forward to future years.

## **Financial instruments**

Financial assets and financial liabilities are recognised when Nehemiah becomes a party to the contractual provisions of the instrument.

# Financial assets carried at amortised cost

Financial assets carried at amortised cost comprise rent arrears, trade and other receivables and cash and cash equivalents. Financial assets are initially recognised at fair value plus directly attributable transaction costs. After initial recognition, they are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

If there is objective evidence that there is an impairment loss, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced accordingly. A financial asset is derecognised when the contractual rights to the cash flows expire, or when the financial asset and all substantial risks and reward are transferred.

If an arrangement constitutes a financing transaction, the financial asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

# Financial liabilities carried at amortised cost

These financial liabilities include trade and other payables and interest-bearing loans and borrowings.

Non-current debt instruments which meet the necessary conditions in FRS 102, are initially recognised at fair value, adjusted for any directly attributable transaction costs and subsequently measured at amortised cost, using the effective interest method, with interest-related charges recognised as an expense in finance costs in the Statement of Comprehensive Income. Discounting is omitted, where the effect of discounting is immaterial.

A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled, or expires.

## **Financing transactions**

For rent arrears where the arrangement constitutes, in effect, a financing transaction because of extended credit arrangements, the arrears are measured at the present value of the future payments discounted at an appropriate market rate of interest.

## Loan Arrangement Fees

Loan arrangement fees will be netted-off against the relevant loan and charged to revenue over 5 years from the date the charge was recognised (i.e. invoice date). Charges to revenue will be made on a straight-line basis.



# 2 > Significant Management Judgements and Key Sources of Estimation Uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

#### **Provisions**

Provision is made to recognise certain liabilities and for rent arrears that are considered uncollectable. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. The current pandemic has prompted a review of managements about arrears and potential bad debts. Therefore, the bad debt provision has been maintained at the increased levels set in 2019/20:

	2022/23	2023/24
Provision of Former Tenant Arrears going bad	100%	100%
Provision for Current Arrears	50%	50%

The provision for bad debts can be found at note 10. Note 17 details a contingent liability that management recognises at 31 March 2024.

## Defined benefit pension scheme

The Association has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including life expectancy, salary increases and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the statement of financial position. The assumptions reflect historical experience and current trends. Variations in these assumptions could significantly impact the liability.

## Components of housing properties and useful lives

Major components of housing properties have significantly different patterns of consumption of economic benefits and estimates are made to allocate the initial cost of the property to its major components and to depreciate each component separately over its useful economic life. The Association considers whether there are any indications that the useful lives require revision at each reporting date to ensure that they remain appropriate.

## **Impairment of Social Housing Properties - Impairment Review**

Properties held for their social benefit are not held solely for the cash inflows they generate and are held for their service potential.

Our various management review processes mean that there is ongoing consideration of impairment. Specifically looking at housing management, repair & maintenance obligations, stock condition surveys, the social housing regulatory framework together with our horizon scan across the economy and the social housing sector, social housing assets are considered to have indicators of impairment when:

- **a** There is a material increase in the level of voids exceeding those originally forecast and which are not anticipated to reverse in future periods without significant additional expenditure being incurred.
- **b** There is a change in in Government policy that could have a detrimental impact on the operation of a scheme/property.
- **c** There are indications of a reduction in the market value of properties with potential implications for loan security cover or shared ownership arrangements.
- d Evidence of obsolescence or physical damage with significant repair costs.
- e Any other evidence that indicates that the economic performance of an asset is, or will be, worse than expected. In this context, economic performance includes operating results and cash flows. A periodic asset grading exercise monitors cashflow performance of each asset relative to the maintenance costs to measure each property's contribution to overheads.

Measure	Assessment 31st March 2024
Voids levels	Void rates for the period to March 2024 are 1.30% set against a forecast level of 2.0%. This is an improvement on 2022/23 where void levels were 1.82%. Whilst the current economic climate remains challenging, void turnaround times due to labour and supply issues are less of an issue. General needs properties continue to be re-let quickly while sheltered accommodation turnaround times are longer, but strong demand remains for this tenure of accommodation.
Change in Government policy	Whilst inflation was above Government targets at September 2023, there was no Government intervention to cap rent increases for 2024/25.
	Whilst the social housing sector waits for the 2025 rent settlement to be agreed, there are currently no indications that rent levels will be capped or reduced in future years.
	Social housing stock values are directly impacted by Government rent policy, but market values are still greater than recorded book values (at historical cost).
Changes in market value of properties	The housing values remain strong and, since properties are held at cost, there is significant headroom between market value and cost.
Evidence of obsolescence	There remains a steady demand for properties when they are available for let. Whilst void periods are longer for supported schemes, there remains interest in that type of provision.
The economic performance of	During periodic asset management review and asset grading exercises, nothing has been highlighted to associate negative cash outflows with reviewed stock.
an asset	The next asset management strategy and asset grading exercise will consider the performance and contributions that properties make whilst also considering investment needed to work towards the Government's zero carbon targets.

Following these reviews, no impairment was recognised for the Association at 3I March 2024.

## **Going Concern Assessment**

The financial statements have been prepared on a 'going concern' basis which the directors consider to be appropriate for the following reasons:

The Association prepares a 30-year business plan which is updated and approved on an annual basis. The most recent business plan was approved in June 2024 by the Board. The base plan was subjected to a range of stress tests to assess vulnerability to a range of adverse individual and scenario stresses. As part of the adopted stress testing framework, a resilience plan has been prepared to inform Board's approach to mitigate the impact of cited stress factors.

Stresses	Tests Performed
Base Rate movements	High interest rates (testing rates between 0.25% - 2.0% above advised interest rate forecasts).
Property Prices and CPI	High inflation and low property prices – 2% above CPI and property value reductions of 17% – 20%
Further Rent Restrictions & Rent Loss	Rent loss related to voids and bad debts of 2-10%. Rent restrictions of 3 years.
Further Welfare Reform Adverse Policies	Significant increase in bad debts and arrears following changes in welfare legislation.
Health & Safety Issues	Uninsured losses up to £0.9m plus major repairs costs.
Operating Performance Issues	Operating cost increases not provided for in the Plan, using increments of 2 – 10% management costs.
Corporate Systems Failures (e.g. data breach)	Fine of 4% of annual turnover.
Development issues	Delaying development projects by I2 months.
Decarbonisation costs	Higher-than-planned decarbonisation costs over life of 30-year plan.
Nil RTA Disposals	No RTA Disposal due to high interest rates making out-right purchases unaffordable for tenants.
Fall in Property Prices	Sensitivity of unencumbered stock to property prices between 5% and 50%

• The following stresses have been used to test the Business's resilience:

O The Board have thus considered business resilience through multi-variant stress testing:

Stress testing impacts were measured against:

- loan covenants
- peak borrowing level requirements compared to agreed facilities,

Potential mitigating actions have been identified to reduce expenditure.

O The current plan provides for the following:

- Rent and Service Charge Receivable arrears and bad debts and void periods have been increased to allow for tenant difficulties in making payments (i.e. financial projections take account of future rent reductions in lieu of this).
- Liquidity currently available cash (of £0.6m) and unutilised loan facilities (of £3.1m), gives significant headroom in financing operational and capital investment programmes.
- Repairs and Component Cost Increases business plan scenarios have been modelled to take account
  of cost increases in line with current economic forecasts and delays in future uncommitted development
  projects.

It is management's view that the Association has sufficient resilience and funding capacity, and therefore expects the business to comply with its debt covenants even in severe but plausible downside scenarios.

The Directors are confident that the Association will have sufficient funds to continue to meet its liabilities as they fall due for at least I2 months after the date of the approval of the financial statements and have prepared the financial statements on a 'going concern' basis.



# 3a > Turnover and Operating Costs

	2024			2023				
	Operating turnover	Operating Costs	Disposal Property, Plant Equipment	Operating surplus/ (deficit)	Operating turnover	Operating Costs	Disposal Property, Plant Equipment	Operating surplus/ (deficit)
	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
Social Housing Lettings (note 3b)	8,420	(5,935)	<u> </u>	2,485	7,392	(5,788)		1,604
Other Social Housing Activities								
Other income receivable	17	(2)		15	17	(2)		15
Development administration		-			80	(83)		(3)
Other	164	(68)	<u> </u>	96	133	(63)	67	138
		(70)			230	(148)	67	150
	8,601	(6,005)	<u> </u>	2,596		(5,936)	67	<u> </u>



# **3b > Particulars of Income and Expenditure from Social Housing Lettings**

	General Needs Housing	Supported Housing & Housing for Older People	Shared Ownership Housing	TOTAL 2024	TOTAL 2023
	£ 000	£ 000	£ 000	£ 000	£ 000
Rent Receivable	5,038	1,440	9	6,487	5,929
Supporting People Charges	-	-	-		
Service Income	192	1,354		<u> </u>	1,083
Net Rental Income	5,230	2,794	9	8,003	7,012
Amortisation of Government Grants	237	150	<u> </u>	387	380
Total income from Social Housing Lettings	5,467	2,944	9	8,420	7,392
Management	1,031	260	1	1,292	1,095
Supporting People	-	0	-	0	-
Service Charge costs	219	1,544	-	1,763	I,656
Routine Maintenance	754	279	-	1,033	1,290
Planned Maintenance	609	168	-	777	663
Major Repairs	-	-	-	-	-
Bad Debts	-	7	-	7	46
Property Leasing Costs	71	-	-	71	100
Depreciation of Housing Properties	777	215		992	939
Operating Costs on Social Housing Lettings	3,461	2,473	1	5,935	5,788
Operating Surplus on Social Housing Lettings	2,006	471	8	2,485	1,604
Rent losses from voids	(23)	(82)		(105)	(114)

# 4 > Interest and Financing Costs

	2024 £ 000	2023 £ 000
On loans repayable by instalments, wholly or partly, after more than 5 years		<u> </u>

Not included in the amounts above are finance lease charges of £71,000 (2023 - £ 100,000 ), as set out in Note 3b

# 5 > Surplus for the Year

The surplus for the year is stated after charging / (crediting)

	2024 £ 000	2023 £ 000
Depreciation on housing properties	992	939
Depreciation on other PP&E	44	39
Amortisation and disposal of government grants	(387)	(394)
Operating leases – other	17	14
Auditor's remuneration (excluding VAT) - as auditors	17	14

## 6 > Employees

	2024 £ 000	2023 £ 000
Staff costs during the year		
Salaries	1,315	I,178
Social security costs	122	123
Pension contributions	124	300
	1,561	1,601
	2024 Number of Staff	2023 Number of Staff
The full-time equivalent number of staff who received emoluments, including pension contributions, in excess of £60,000 were as follows:		
Salary Band: £'s 60,000 - 69,999 70,000 - 79,999 80,000 - 89,999 140,000 - 149,999	- - 2 	- - 2 
The average weekly number of persons employed by the Association during the year -		
Administration	32	31
Full-time equivalent (based on a 35-hour week)	32	31

# 7 > Director's Emoluments and Expenses of Officers

	2024 £ 000	2023 £ 000
Directors' emoluments (excluding pension contributions) and emoluments of highest paid director	286	267
Number of directors contributing to pension schemes	3	3
Total contributions to pension schemes in respect of the directors	34	56

Board members emoluments and expenses during the year totalled £28,800 (2022 - £26,600).

The emoluments of the highest-paid director (who is also the Chief Executive) amounted to  $\pounds$ 131,000 (2022 -  $\pounds$ 123,000 ), excluding pension contributions.

The Chief Executive is a member of the Social Housing Pension Scheme under which no enhanced terms have been agreed.

# 8 > Housing Properties

		Freehold housing land and buildings completed schemes	Freehold housing land and buildings under development	Total
		£ 000	£ 000	£ 000
Cost At Ist April 2023 Additions Disposals At 3Ist March 2024		92,482 2,090  <b>94,572</b>	- - -	92,482 2,090  <b>94,572</b>
Accumulated depreciation At Ist April 2023 Charge for the year Disposals At 3Ist March 2024		8,980 992 		8,980 992 <b>9,972</b>
Net book value At 31st March 2024 At 31st March 2023		<b>84,600</b> 83,502		<b>84,600</b> 83,502
			2024 £ 000	2023 £ 000
Housing property additions are represented by: Stock transfers/new developments Work on existing properties Replacement of components Total Additions			1,068 - 1,021 	4,097 - <u>861</u> 4,958
	Housing Properties	Other Fixed Assets	2024	2023
	£ 000	£ 000	£ 000	£ 000
Disposal of Fixed Assets:				
Proceeds of sale Costs of sale Net book value of assets Net Surplus on Disposal	- - - -	· · ·		83 

# 9 > Other Property, Plant & Equipment

	Office land and buildings	Other fixed Assets	Total
	£ 000	£ 000	£ 000
Cost			
At Ist April 2023	1,182	347	1,529
Additions	-	165	165
Disposals	-	-	
At 31st March 2024	1,182	512	1,694
Accumulated depreciation			
At Ist April 2023	131	257	388
Charge for the year	11	33	44
Disposals		-	-
At 31st March 2024	142	290	432
Net book value			
At 31st March 2024	1,040	222	1,262
At 31st March 2023	1,051	90	1,141

# 10 > Debtors

	2024 £ 000	2023 £ 000
Due within one year Arrears of rent, service charges and support		
charges	351	354
Less: Provision for doubtful debts	(178)	(181)
	173	173
Other debtors	47	74
Prepayments and accrued income	153	260
Payments on account of capital projects	-	2
	373	509

No disclosure has been made of the net present value of rents receivable under repayment plans, as this has been deemed to be insignificant in value.

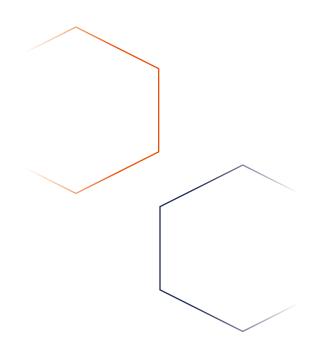
#### II > Investments

	2024 £ 000	2023 £ 000
Money market treasury accounts		<u> </u>

Nehemiah Ventures Limited is a private limited company limited by shares that is a 100% owned subsidiary of Nehemiah Housing. The company was incorporated on 25 August 2017 and has 100,  $\pounds$ I ordinary shares. At 31 March 2024, the company has yet to start trading.

# **12 > Creditors: Amounts Falling due within One Year**

	2024 £ 000	2023 £ 000
Housing loans (see note I3)	765	657
Trade creditors	560	340
Government grants (see note I4)	385	385
Other creditors	29	68
Other taxation and social security	34	34
Accruals and deferred income	580	754
	2,353	2,238



# 13 > Creditors: Amounts Falling due after more than One Year

	2024 £ 000	2023 £ 000
Government grants (see note I4)	33,193	33,344
Accruals and deferred income	20	20
Pension liability (see note 18)	948	889
Housing property finance		
Loans advanced by:		
Orchardbrook Limited	147	147
Triodos Bank	17,208	17,806
Yorkshire Building Society	6,100	6,095
GB Social Housing	8,178	8,281
Nat-West		
	31,633	32,329
	65,794	66,582

GB Social Housing Loans are net of £40,095 deferred finance costs.

The housing property finance loans are made in respect of, and secured on, the Association's housing land and buildings, as shown in note 8. The loans are repayable at rates shown below.

Lender	Interest Rate %	Fixed or Variable
GBSH	5.193	F
Orchardbrook	9.380	F
Orchardbrook	9.410	F
Orchardbrook	11.500	F
Triodos	5.858	F
Triodos	3.210	F
Triodos	3.210	F
Triodos	6.010	F
Triodos	7.170	V
Triodos	4.170	F
YBS	6.900	V
YBS	6.900	V

Housing property finance	2024 £ 000	2023 £ 000
Amounts repayable by instalments:		
Within one year or less	765	657
More than one year but not more than two years	755 8	1,500
More than two years but not more than five years	8,538	10,368
More than five years	22,339	20,522
	32,397	33,047

## 14 > Deferred Income - Government Grants

	2024 £ 000	2023 £ 000
At Ist April 2023	33,729	33,082
Grants receivable	236	1,041
Disposals	-	(15)
Amortisation to statement of comprehensive income	(387)	(379)
At 31st March 2024	33,578	33,729
Due < I year (see note I2)	385	385
Due > I year (see note I3)	33,193	33,344

The cumulative amount of Government Grant received by the Association at the year-end was  $\pounds$  39,015,343 (2023 -  $\pounds$  38,778,814).

## **15 > Financial Instruments**

The carrying values of the Association's financial assets and liabilities are set out in the following notes to the financial statements:

	2024 £ 000	2023 ₤ 000
Financial assets		
Measured at undiscounted amount receivable		
Rent arrears and other debtors (see note I0)	220	247
Financial liabilities		
Measured at amortised cost		
Loans payable (see note I3)	32,397	33,047
Measured at undiscounted amount payable		
Trade and other creditors (see note I2)	589	408
	32,986	33,455

## 16 > Non-Equity Called Up Share Capital

	2024 £ 000	2023 ₤ 000
Allotted, issued and fully paid ordinary shares of £I each:		
At Ist April New shares issued Shares cancelled	12 - -	12 - -
At 31st March	<u>    12   </u>	<u>    12   </u>

The shares provide members with the right to vote at general meetings but do not provide any right to dividends or distributions on winding up.



# 17 > Capital Commitments and Contingencies

The Association had capital commitments at 31st March 2023 of £229,853 (2023 - £402,405).

#### **18 > Pension Obligations**

The Association participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last triennial valuation of the scheme for funding purposes at 30 September 2020 revealed a deficit of  $\pounds$ 1,560m. A recovery plan is in place with the aim of removing this deficit by 30 September 2028.

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

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the association to account for the Scheme as a defined benefit scheme.

#### Fair Value of Plan Assets, Present Value of Defined Benefit Obligation, and Defined Benefit Asset (Liability)

	3I March 2024 (£ 000)	31 March 2023 (£ 000)
Fair value of plan assets	3,832	3,623
Present value of defined benefit obligation	4,780	4,512
Surplus (deficit) in plan	(948)	(889)
Unrecognised surplus		
Defined benefit asset (liability) to be recognised	(948)	(889)
Deferred tax	*	*
Defined benefit asset (liability) to be recognised	*	*

#### **Reconciliation of the Impact of the Asset Ceiling**

Period from 3I March 2023 to 3I March 2024 (£000s)		
Impact of asset ceiling at start of period	-	
Effect of the asset ceiling included in net interest cost	-	
Actuarial losses (gains) on asset ceiling	-	
Impact of asset ceiling at end of period	-	

## Pension Obligations (Continued)

#### **Reconciliation of Opening and Closing Balances of the Defined Benefit Obligation**

Period from 31 March 2023 to 31 March 2024 (£000s)				
Defined benefit obligation at start of period	4,512			
Current service cost	-			
Expenses	4			
Interest expense	219			
Member contributions	-			
Actuarial losses (gains) due to scheme experience	135			
Actuarial losses (gains) due to changes in demographic assumptions	(43)			
Actuarial losses (gains) due to changes in financial assumptions	(8)			
Benefits paid and expenses	(39)			
Liabilities acquired in a business combination	-			
Liabilities extinguished on settlements	-			
Losses (gains) on curtailments	-			
Losses (gains) due to benefit changes	-			
Exchange rate changes	-			
Defined benefit obligation at end of period	4,780			

#### Reconciliation of Opening and Closing Balances of the Fair Value of Plan Assets

Period from 3I March 2023 to 3I March 2024 (£000s)				
Fair value of plan assets at start of period	3,623			
Interest income	180			
Experience on plan assets (excluding amounts included in interest income)				
- gain (loss)	(100)			
Employer contributions	168			
Member contributions	-			
Benefits paid and expenses	(39)			
Assets acquired in a business combination	-			
Assets distributed on settlements	-			
Exchange rate changes	-			
Fair value of plan assets at end of period	3,832			

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2023 to 31 March 2024 was  $\pounds$ 80,000.

#### Defined Benefit Costs Recognised in Statement of Comprehensive Income (SOCI)

Period from 3I March 2023 to 3I March 2024 (£000s)				
Current service cost	-			
Expenses	4			
Net interest expense	39			
Losses (gains) on business combinations	-			
Losses (gains) on settlements	-			
Losses (gains) on curtailments	-			
Losses (gains) due to benefit changes	-			
Defined benefit costs recognised in Statement of Comprehensive Income				
(SoCl)	43			

#### Defined Benefit Costs Recognised in Other Comprehensive Income (OCI)

Period from 3I March 2023 to 3I March 2024 (£000s)				
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(100)			
Experience gains and losses arising on the plan liabilities - gain (loss)	(135)			
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	43			
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	8			
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(184)			
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)				
Total amount recognised in Other Comprehensive Income - gain (loss)	(184)			

# Pension Obligations (Continued)

#### Assets

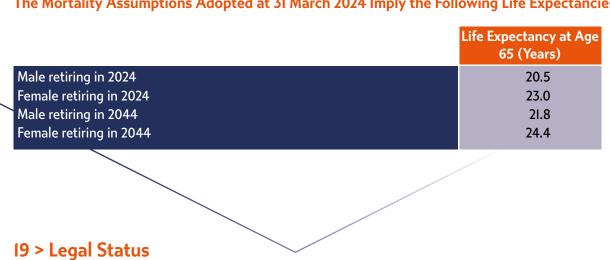
	31 March 2024 (£000s)	31 March 2023 (£000s)
Global Equity	382	68
Absolute Return	150	39
Distressed Opportunities	135	110
Credit Relative Value	125	137
Alternative Risk Premia	122	7
Fund of Hedge Funds	-	-
Emerging Markets Debt	50	19
Risk Sharing	224	267
Insurance-Linked Securities	20	91
Property	154	156
Infrastructure	387	414
Private Equity	3	
Private Debt	151	161
Opportunistic Illiquid Credit	150	155
High Yield	1	13
Opportunistic Credit	-	-
Cash	76	26
Corporate Bond Fund	-	-
Liquid Credit	-	-
Long Lease Property	25	109
Secured Income	114	166
Liability Driven Investment	I,558	1,669
Currency Hedging	(2)	7
Net Current Assets	7	9
Total assets	3,832	3,623

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

#### **Key Assumptions**

	31 March 2024 % per annum	31 March 2023 % per annum
Discount Rate	4.90%	4.87%
Inflation (RPI)	3.15%	3.19%
Inflation (CPI)	2.78%	2.75%
Salary Growth	3.78%	3.75%
Allowance for commutation of pension		
for cash at retirement	75% of maximum	75% of maximum
	allowance	allowance





The Mortality Assumptions Adopted at 31 March 2024 Imply the Following Life Expectancies:

#### The Association is a Registered Society under the Co-operative and Community Benefit Societies Act 2014.

#### 20 > Taxation Status

The Association has charitable status for tax purposes and no liability to corporation tax arises.

## 21 > Operating Lease Commitments

At 31st March 2024, the Association had total commitments, under non-cancellable operating leases of other fixed assets, as set out below:

	2024		2023	
	Land & Buildings £ 000	Other £ 000	Land & Buildings £ 000	Other £ 000
Leases which expire:				
Within one year	-	6	-	7
Within two to five years	-	13	-	4
Over five years	-	-	-	-
	·			

# 22 > Analysis of Change in Net Debt

	At 31.03.2023	Cash flows	Other changes	31.03.2024
	£ 000	£ 000	£ 000	£ 000
Cash at Bank	1,343	(709)	-	634
Overdrafts	(657)	-	-	-
Debt due in one year	(32,390)	-	(108)	(765)
Debt due after more than one year Current Assets investment		-	758	(31,632)

# 23 > Units in Ownership and Management

Units owned	At 31.03.23	Additions	Disposals		Other	At 31.03.24
Social Housing						
Owned General Needs						
- social rent	876	-	12		-	888
Owned General Needs			-			
- affordable rent	39	21			-	39
Owned General Needs			-			
- intermediate rent	-	-			-	-
Owned						
- Housing for older people						
Owned	270	-	-		-	270
- Supported Housing	35	-	-		-	35
Shared Ownership	3	-	-		-	3
Total	1,223	-	-	 	-	1,235
Non-Social Housing						
Market rented	2			 		2
Total	2	-	-	 	-	2
Total Owned	1,225	-	-		-	1,237
Linite Managad						
Units Managed Managed units general needs	25		(12)			13
Managed - Supported Housing			(12)			15
Total Managed	25			 		13
lotal managed	25	-			_	-
Total Owned and Managed	1,250	-	-		-	1,250
excluding units taken out of						
the debit (LTV)	-					-

# 24 > Contingent Liabilities

Tribunal Decision – Dispensation from the need the consult with tenants for 2-year gas and electricity supply contracts agreed in 2022.

During 2022, the Association entered into 2-year contracts for both the gas and electricity for homes where tenants are not able to have individual meters or where there are communal spaces that need heat and lighting. Since the contracts were going to exceed I2 months, there was a requirement for the Association to consult with tenants. The usual process of consultation was rendered unfeasible due the volatility of the energy markets at the time when supply prices were changing hourly. The Association has applied to a tribunal for a dispensation from the need to consult. A formal decision is expected during 2024/25. Should the decision go against the Association, service charges for utilities at the affected housing schemes would be limited to  $\pounds$ 100 per household and the Association would consequently have an estimated liability of  $\pounds$ 280,500. Management expects that the tribunal will grant the dispensation in Nehemiah's favour.



I-3 Beacon Court Birmingham Road Great Barr Birmingham West Midlands B43 6NN

- T 0121 358 0966
- (F) 0121 358 0934
- (E) contact@nehemiah.co.uk
- (W) www.nehemiah.co.uk
- (f) https://www.facebook.com/NehemiahHousingAssociation
- (X) @Nehemiahhousing



Registered office is at I-3 Beacon Court, Birmingham Road, Great Barr, Birmingham, West Midlands, B43 6NN

Nehemiah Housing is registered under the Co-operative and Communities Benefit Societies Act 2014 registration number 25952, governed by the National Housing Federation ("NHF") 2011 Model Rules. It is an exempt charity for tax purposes.

Nehemiah is a Registered Provider of Social Housing, registration number L3833 and regulated by the Regulator of Social Housing ("RSH").

Nehemiah Ventures Ltd is a subsidiary of Nehemiah Ltd is registered with the Registrar of Companies for England and Wales, registration number 10933356.