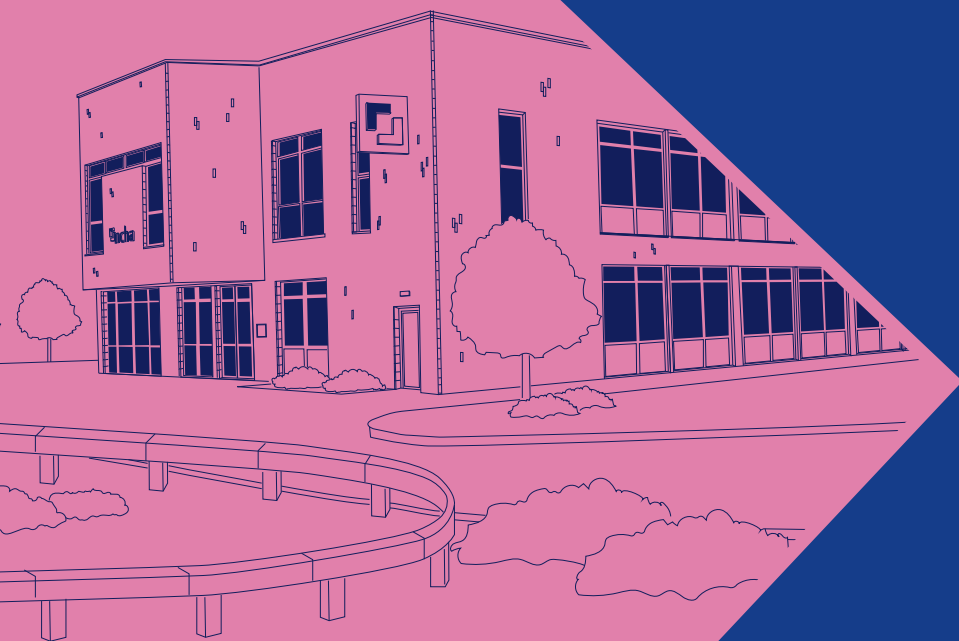


ncha Annual Report and Accounts

Nottingham Community
Housing Association Limited



for the year ended 31 March 2024

Nottingham Community Housing Association (NCHA) is a group of companies providing housing and Care and Support throughout the East Midlands.

Leading our group is Nottingham Community Housing Association – which is registered as a Community Benefit Society with charitable purpose. Founded with assistance from the charity Shelter in 1973, we remain committed to providing and managing housing for people in need and offering vital care and support services.

Our group also includes a commercial housing developer subsidiary (Pelham Homes) and almshouses. Through our joint venture partnerships we develop housing for sale and deliver training.

Whilst we have a clear commercial focus, providing care and support is an intrinsic part of what we do, through both our affordable homes and community services. Our Homes and Wellbeing team work across the region to help a diverse range of people build better lives.

We pride ourselves on being a different kind of housing association, one that has no ambition to be the biggest, but always aspires to be the best. At the heart of this philosophy are strong partnerships and a commitment to customer engagement and participation.

Our vision

More homes,
great services,
better lives

Our mission

Homes and support
by people who care

Our culture

Being the best we can
be for our customers and
colleagues by always listening
and striving to improve,
in an environment that is
supportive, inclusive and
wellbeing focused.

Our values

Caring **L**earning **E**nthusiastic **A**ccountable **R**esilient

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Board of Management



Callum Gillespie (Chair) BSc (Hons)

Appointed to the Board in 2016. Callum is a member of the Governance Committee. He brings skills and experience in housing regulation, risk management and assurance, and ICT and digitisation. Callum was appointed Chair of NCHA on 1 September 2022. **Shareholder.**



Janet Glass

Appointed, 27 September 2023
Janet is also a member of the Audit and Risk Committee. Janet is an experienced housing and repairs professional, having held senior management roles in local authority and ALMO settings for the last 15 years and is currently Head of Landlord Services at Charnwood Borough Council. **Shareholder.**



Sarah Battershall

Appointed, 27 September 2023
Sarah is also a member of the Care Committee. Sarah trained as a nurse supporting people with learning disabilities and has continued to work in Health and Social Care for 34 years. 28 of those have been in management and leadership roles. Sarah is currently the Director of Quality and Practice for a large national charity. **Shareholder.**



Natalie Robinson LL.B. (Hons), LL.M. LPC

Appointed, 27 September 2023
Natalie is also a member of the Customer Committee. Natalie is a solicitor and lecturer at Nottingham Law School. Natalie has a history of working in local and central government prior to and following her qualification as a solicitor. Natalie continues to engage in community volunteering and networking, largely based around law, politics and equality, diversity and inclusion. **Shareholder.**



David Harrison BA MCIH

Appointed to the Board in 2015, David also chairs the Care Committee and the Governance Committee. He brings skills and experience in housing regulation, property development and sales, and governance. **Shareholder.**



Andrew Kilby FCCA

Appointed to the Board on 15 September 2021, Andrew is a qualified accountant. Andrew was appointed as Chair for the Audit and Risk Committee from 1 September 2022. He brings experience in social housing finance, treasury and ICT **Shareholder.**



Donna Edwards BA, CPFA

Retired, 20 September 2023
Appointed to the Board in 2016, Donna was also an NCHA representative on Pelham Homes Board during the year. Donna is a qualified accountant. She brought skills and experience in housing regulation, finance and governance. **Shareholder.**



Chris Blackburn

Retired, 20 September 2023

Appointed to the Board in 2016, Chris was also an involved customer and member of the Customer Committee during the year. He brought skills and experience in housing regulation, governance, ICT and digitisation. **Shareholder.**



Lorelei Jarvis BSc (Hons)

Appointed to the Board in 2018, Lorelei is also a member of the Care Committee and the Customer Committee. Lorelei brings skills and experience in risk and assurance, care and support, and health and safety. **Shareholder.**



Michael Finister-Smith

Retired, 31 March 2024

Appointed to the Board in 2019, Michael is a qualified accountant and was a member of the Audit and Risk Committee. He brought skills and experience in housing regulation, finance, risk and assurance, and governance. **Shareholder.**



Pradeep Khuti

Retired, 20 September 2023

Appointed to the Board in 2019, Pradeep was a member of the Care Committee. He brought legal skills and experience in housing regulation, equality and diversity, ICT and digitisation. **Shareholder.**



Paul Parkinson BA (Hons) Dip. RSA FCIH

Appointed to the Board in 2020, Paul is also a member of the Customer Committee. Paul brings experience in housing services, performance and digital service improvements as well as aspects of compliance and safety and governance. **Shareholder.**



Leanne Monger MPA, BA Hons, CIHCM

Appointed to the Board in 2021, Leanne is also a member of the Care Committee. Leanne brings experience of strategic management, business continuity planning, care and support, and customer involvement. **Shareholder.**



Mohammed Habib FCIH MCIQB

Appointed to the Board in 2021, Mohammed is also an NCHA representative on Pelham Homes Board and a member of the Customer Committee. Mohammed brings experience in housing services, asset investment and regeneration. **Shareholder.**



Gill Callingham

Appointed to the Board in 2022, Gill is also a member of the Audit and Risk Committee. Gill brings experience of delivery in housing, economic and physical regeneration, sustainability and partnership working for the benefit of communities and business. **Shareholder.**

All Board Members served for the whole year except Janet Glass, Natalie Robinson and Sarah Battershall, as noted. Three Board members retired on 20 September 2023 and one member retired on 31 March 2024.

Executive team



Paul Moat
DMS, MBA, MRICS,
BSc (Hons)
Chief Executive

- The NCHA Group Leadership
- Corporate Governance
- Risk
- Health and Safety
- Marketing Communications



Allan Fisher BSc
(Hons), PG (DIP),
MSc
**Director of
Development
and Sustainability**

- Development
- Sales
- Pelham Architects
- Environmental Sustainability



Holly Dagnall
BA (Hons), PG
(DIP), MSc
**Director of
Homes and
Wellbeing**

- Affordable Social Housing
- Sub Market Rent
- Shared Ownership
- Care and Support
- Almshouse Charities
- Equality, Diversity and Inclusion
- Social Impact



Naomi Dobraszczyc
BA (Hons) ACA
**Director of
Finance and
Resources**

- Finance
- People
- Technology
- Transformation
- Procurement
- Information and Intelligence
- Value for Money



David Langhorne
Bsc (Hons)
**Director of Assets
and Property
Services**

- Direct Maintenance Services
- Planned Investment
- Asset Management
- Work Planning and Operational Support
- Systems Improvement

Secretary:

Sylvia Hart BA(Hons) CPFA ACG

Registered as a charitable social landlord under the Co-operative and Community Benefit Societies Act 2014, Number 7104.

Registered with the Regulator of Social Housing, Number 4817.

Auditors:

External auditors – RSM UK Audit LLP
Internal auditors – Beever and Struthers

Principal Solicitors:

Freeths LLP, Cumberland Court, 80 Mount Street, Nottingham, NG1 6HH

Principal Bankers:

Lloyds Bank plc, 25 Gresham Street, London, EC2V 7HN

Treasury Advisors:

Link Group, 65 Gresham Street, London, EC2V 7NQ

Chair's Statement



Callum Gillespie
(Chair)



I am pleased to be able to introduce our annual report and accounts for my second full year as Chair. It has been a year marked by transformation and investment, responding to feedback from customers and focusing on the great services aspect from our corporate vision. We're progressing our important work through the delivery of our existing Social Impact, Value for Money and Environmental Sustainability Strategies. We've also published two new strategies this year to consolidate and affirm our strategic plans for Customers and Properties.

It's only right to acknowledge where we have areas of performance that are below those we'd want, and recently our tenants reported that only 67.3% were satisfied with repairs services* and 46.8% with the time taken to complete a repair*. In response to this and other pressures in the service, we took the decision to bring responsive repairs in house and have planned for and delivered this transition during 2023/24, concluding with a go-live of this service in April 2024. One of the key challenges as an organisation we faced was the delivery of a reliable, timely responsive repairs service. Now we're looking forward to better services for our customers, quicker repairs times and increased satisfaction with the service, which is already starting to improve. Given this long term strategic commitment, we strengthened our Executive team and welcomed David Langhorne as our new Director of Assets and Property Services who brings the skills, experience, and capacity to make this service a success.

Another area we are changing for the better is the way we manage customer complaints. Our customers reported that only 30.0% were satisfied with complaints handling*. We listened to this feedback and to the recommendations of our Tenant Scrutiny Panel. From April 2024, we launched a new centralised complaints team. We've also improved our approach to defects management, which will help our rented and home ownership customers living in new homes. Tenant safety remains a key priority and we achieved 99.98% overall landlord Health & Safety Compliance at the year-end. During the year, our customers reported 83.3% satisfaction that their home is safe*.

Our Care and Support Services have provided a vital support network for customers and delivered fantastic social impact, with 97.1% satisfaction in our 2024 annual survey. We continue to be successful in winning and retaining our care and support contracts and in total 892,855 hours were delivered during the year. Our Care and Support services form a key part of the Better Lives aspect of our corporate vision.

I continue to be indebted to my colleagues at NCHA for the absolute dedication I see across our services. During the year, we achieved 'Great Place to Work' accreditation via our colleague engagement survey. We are using the survey feedback to respond and shape our future plans to further improve our colleagues' experiences at work. NCHA is a resilient organisation, delivering on our plans during challenging times. We've raised £50m in new finance in 2023/24 and developed 355 new homes. In April 2024, we were inspected by the Regulator of Social Housing and were proud to be awarded a grading of G1 V1 & C1. In the autumn we'll be moving to our new purpose-built head offices in Clifton, Nottingham, supporting our ambition to improve and continue to deliver more homes, great services and better lives in the years to come.




*2023/24 Tenant Satisfaction Measures

A large, stylized pink graphic in the top right corner, consisting of several nested L-shaped or corner-like elements that form a square-like shape with a central void.

Strategic Board Report

The Board presents its report and consolidated audited financial statements for the year ended 31 March 2024.

A blue geometric graphic in the bottom left corner, featuring a tilted square with a pattern of small white dots inside it, and a larger, solid blue square partially overlapping it.

Principal activities

Nottingham Community Housing Association Limited (NCHA) is registered as a charitable social landlord under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing. It was first registered on the 22 March 1973 for the benefit of the community. NCHA operates mainly within the East Midlands and has three regional offices and a number of satellite offices. Its head office is in Nottingham.

We operate in 32 local authority areas within six counties across the East Midlands.

County	General needs	Market rent	Housing with care and support	Shared ownership and leasehold	Almshouses
Derbyshire	✓	✓	✓	✓	✗
Leicestershire	✓	✓	✓	✓	✓
Lincolnshire	✓	✗	✓	✓	✓
Northamptonshire	✓	✓	✓	✓	✗
Nottinghamshire	✓	✓	✓	✓	✓
Rutland	✓	✓	✓	✓	✗
East Midlands	✓	✓	✓	✓	✓

NCHA's principal activities are the management, maintenance, improvement and development of social housing together with the provision of care and support services for those people within communities across the East Midlands with additional needs.

The Group structure is detailed overleaf. Details of Group entities are included in note 26 of the accounts.

Group structure



Almshouses
NCHA is the sole corporate trustee of Nottingham Community Almshouse Charity. Over the next five years NCAC will continue to look for merger and acquisition opportunities to protect and grow the oldest form of social housing for the benefit of the homeless and poorly housed.

Pelham Homes Ltd
Our commercial subsidiary has the strategic objective of creating profit for reinvestment in the group’s vision. Generating income from housing sales, architectural services, maintenance services and from a shareholding in Access Training (East Midlands). Pelham Homes develops properties to sell.

Value for Money (VFM) Standard

The Regulator of Social Housing has published a Value for Money (VFM) Standard. This includes a requirement for Registered Providers to fully consider the costs and benefits of alternative commercial, organisational and delivery structures. Following a group structure review by NCHA Board in 2020, the structure has been rationalised and simplified over the last four years. On 1 April 2022 Nottingham Community (Second) Housing Association, a subsidiary of NCHA, was merged with NCHA. On 20 August 2022, Nottingham Annuity Charity, a charitable trust with NCHA as the sole corporate trustee, was amalgamated with Nottingham Community Almshouse Charity. On 28 March 2023 the Blyth Cottages Charity, a charitable almshouse trust with NCHA as the sole corporate trustee, was merged with Nottingham Community Almshouse Charity. PITCH, an associated entity of the Group was also wound up in 2022/23.

Looking ahead, we plan to achieve further simplification by the closure of our development joint venture companies once they have successfully achieved their development plans. The planned closure of Pelham Waterside LLP is intended to take place in 2024/25.

In addition, NCHA annually considers whether there is any case for merger by evaluation against a set of Board approved 'merger indicators'.

The most recent evaluation was undertaken in November 2023, with the key conclusions set out as follows:

1. The Board has not identified any urgent issue or driver which would require NCHA to seek a merger partner in the short term.
2. Based on this evaluation, NCHA is in a strong position to continue to prosper as an independent entity.
3. Should NCHA be approached by a third party with a merger agenda or proposal, NCHA Board would apply a set of key questions which will form a reference point for initial dialogue.
4. NCHA will monitor the continued performance against merger indicators on an annual basis, in line with the biennial refresh of the five year Corporate Plan and the commitments of our Value for Money Strategy.
5. Where the evaluation of any merger indicators result in a red light, a set of mitigations will be agreed with the Board. It may be considered that specific indicators being amber in the short, medium or long term is an acceptable position.

Performance for the year

The NCHA Group turnover has increased from £90.3m to £99.3m. This is mainly as a result of increased rent and service charge income which are shown in Note 3. First tranche shared ownerships sales increased during the year. First tranche sales are included in turnover and these schemes support our mission to provide **"More Homes"**.

The surplus (before disposals of property, plant and equipment and before exceptional items) has increased from £15.4m to £18.0m. This has mainly been delivered through social housing lettings where the impact of inflation, pay awards and market price increases on expenditure have been managed within the additional lettings income. The surplus represents a strong result for the Group overall.

The Group has continued to secure significant gains on the disposal of property, plant and equipment in 2023/24, although these have fallen from £4.6m to £4.1m. Taking these into account, the operating surplus (including disposals of property, plant and equipment) moved from £20.0m to £22.1m, before exceptional items.

An exceptional building safety provision was recognised in 2022/23 which resulted in an overall surplus of £18.3m for the Group. Although this provision has been released in 2023/24, it has been replaced by an increased sum to reflect the need to make the gas installation compliant at the same building. This increase in this year's exceptional item has reduced the 2023/24 surplus by just under £0.756m.

During the year we spent £27.0m (2023 – £26.7m) on maintaining and improving our existing housing stock in line with the Group's objective of meeting the Decent Homes Standard, providing **"Great Services"** and contributing to **"Better Lives"** for our customers. Of this expenditure, £6.2m (2023 – £7.8m) was invested in capitalised improvements to our customers' homes.

Investment in the provision of new homes amounted to £80.8m (2023 – £48.6m). This was funded by £30.9m of Social Housing Grant (SHG) (2023 – £10.7m), net proceeds from property sales £5.2m (2023 – £5.3m), financing from newly secured loans of £50m (2023 – £55m) with the balance held as cash for future investment.

Group entity	Operating surplus/ (before exceptional item) £'000s	Operating surplus/ (after exceptional item) £'000s
Nottingham Community Housing Association	21,969	21,213
Pelham Homes Limited	(90)	(90)
Nottingham Community Almshouse Charity	187	187
TOTAL	22,066	21,310

Review of the year

NCHA Group overall

The Group has had a very successful year taking a further step forward under the five year Corporate Plan. We have retained the highest viability and governance ratings that the Regulator of Social Housing can give of V1 and G1 and obtained a rating of C1 for the new consumer standards.

NCHA's 2023/24 results for Tenant Satisfaction Measures (TSM) showed overall satisfaction with our landlord services at 67.3%. 85.4% of customers believe we treat them fairly and with respect. 75.9% of customers believe their home is well maintained. 67.7% of customers believe we make a positive contribution to their neighbourhood. Full details of TSM performance can be found on our website at www.ncha.org.uk/about-ncha/our-performance/

Fire safety

The Fire Safety (England) Regulations 2022, which created a range of new duties arising from recommendations following the Grenfell Inquiry were introduced 2022/23. This included improved information for fire rescue services and residents, additional checks of fire safety equipment in tall buildings, and fire door inspections in buildings over 11m tall. The requirements within the Regulations have been complied with or are in progress and will be completed before the due date.

The Building Safety Act 2022 ("The Act") aims to reform building safety legislation. The act requires NCHA to take reasonable steps to identify the Principal Accountable Person(s), and any other Accountable Persons. These appointments have been made, and agreed by the Health, Safety and Fire Panel. The CEO is the Principal Accountable Person, the Director of Assets and Property Services, and the Corporate H&S Manager act as accountable persons.

The Principal Accountable Person (PAP) must ensure that a Building's Safety Case report is prepared for all high-risk buildings and kept updated. Building Safety Case Reports have been created for all NCHA's high-risk properties. In addition a Safety Case Report is required, that summarises the Building's Safety Case. It identifies the building's safety risks and explains how the risks are being managed.

A Building Safety Case is a live digital repository that hosts and links to relevant data for each building, required by the Building Safety Regulator. Draft documents are in place and during the first quarter 2024/25 the Building Management Group will identify the resources for managing this data.

Fire Compliance Management Services (FCMS) have been appointed to undertake fire risk assessments on all our higher risk buildings with communal areas. Lower risk buildings were subject to an annual review in house. The decision was taken to move to annual reviews for all our properties by a specialist provider rather than completing them with in-house resources. We continue to analyse data and plan any follow-on actions but there have been no major surprises and we expect any remediation programme to fall well within budget and have minimal impact on our residents.

All buildings under our ownership falling within the remit of the Act have been extensively surveyed, and remedial works programmed where necessary.

Fire compartmentation surveys for all higher risk building 11m or higher have been commissioned. A survey of all communal fire doors was completed 2023/24, and remediation plans based on risk will be agreed early 2024/25. During 2024/25 surveys of all flat entrance doors will be completed.

Health and Safety

The Board is aware of its responsibilities on all matters relating to Health and Safety (H&S) and receives several H&S related papers during the year including an Annual Health and Safety Performance Review and competency framework.

We have continued to implement the measures within our Compliance and Safety Strategy. The lone working system introduced 2023/2024 is monitored by the H&S team and performance is reported to line managers and the Health Safety and Fire Panel (The Panel). The MMS (Managers Managing Safely) process which identifies H&S risks to individual colleagues, was launched in 2023/24, compliance is reported to The Panel.

Our Board reviewed and approved our Corporate Health, Safety and Fire Policy, which has enhanced clarity over delegated responsibility for NCHA managers, this is due for review May 2024.

We have consolidated our Gas Heating, Water, Asbestos and Electrical procedures into management plans. A new Damp, Mould, and Condensation (DMC) Policy was introduced in early 2023, with customer input. A DMC management plan is being developed.

We have continued to develop our mental health and wellbeing offer to colleagues in five key areas – emotional, physical, financial, work, and social, and monthly toolbox talks are fully embedded within our Property Services teams. The H&S Team will be conducting a review of Stress management in 2024.

Our Health, Safety and Fire Panel (the Panel) continues to oversee health and safety, reporting on progress quarterly to Audit and Risk Committee, and annually to the NCHA Board. Our health and safety and fire risk maps are now in place, and an in-depth review of each is carried out annually by the panel. The Fire Forum which manages day to day fire related items has been re-established and now meets prior to each Health, Safety and Fire Panel meetings, the Fire Forum reports directly to The Panel.

Facilities management services across all our office accommodation has this year been consolidated into a single service, and are now managed by our Corporate Services Team, to ensure consistent service standards and performance, as well as seeking better value for money.

Development and Sales

NCHA continues to be a strong developing housing association with a clear strategy for growth. This supports our vision for 'More Homes'. Despite the challenges in the market, we are on track to meet our 5 year corporate plan target to deliver 1,850 new homes. We have continued to deliver our Strategic Partnership programme commitments, assisted by grant receipts from Homes England and local authority partners, and including RCGF (Recycled Capital Grant Fund). This reflects the mixed subsidy sources in the development programme.

During the year, 394 properties started on site and 355 new homes completed across the Group. As a lead member of the Blue Skies Consortium, a collection of Housing Associations who work in partnership to deliver high-quality affordable housing, we continue to assist partners to deliver new homes across the region, enabling these organisations to access Homes England grant funding and providing fee income of £98k for NCHA in 2023/24.

The proceeds from property sales and the revenue surpluses made by the Group are a crucial source of funds necessary to enable us to continue a substantial development programme, with the Sales team delivering property sales from a range of sources and bringing in just under £17m of income into the NCHA Group. During the year 114 new shared ownership properties were sold, 3 Right to Acquire sales were made to residents, 43 stock disposals took place and 18 existing shared owners bought additional equity in their properties.

Environmental Sustainability

We have embedded our corporate strategy, and sustainability is at the heart of what NCHA does. After setting stretching and meaningful goals, at the end of March 2024 we had completed 26 of our 40 two-year targets, with a necessary focus on reducing customer fuel poverty, improving biodiversity and decarbonisation of our stock. Of the 14 remaining targets 5 are due for completion by the end of the calendar year and the remaining 9 were either cancelled in agreement with the board or changed and hence to be rolled into the new strategy.

As part of reducing our carbon footprint, we have continued to be successful in securing funds through the Department for Energy Security & Net Zero (DESNZ) Social Housing Decarbonisation Fund, with £0.8m received in year (2023 - £0.8m) and £1.6m in total at 31st March 2024.

Asset Management

We have listened to our customers' feedback and from 8 January 2024, as part of the formation of a new dedicated Directorate, the repairs service was phased back in-house with our existing planned works and relets teams. Subsequently on 8 April the new repairs service was fully operational and resourced with a new in-house team and leased van fleet. Over the summer months the new Director of Assets and Property Services will be focusing on shaping our property services offer so customers enjoy timely maintenance services in safe, warm and well maintained homes.

We have also successfully delivered over 86.50% of our planned programmes of work, although environmental and sustainability works delivered by external contractors were slightly behind programme. We delivered 114 kitchens and 79 bathrooms, which was ahead of target and undertook external decoration to 1,193 properties through our Direct Maintenance Service (DMS). The temporary re-assignment of DMS colleagues to support the transition of repairs in-house impacted on the overall performance of our void and property investment works. Supported by additional resources our planned and relet teams are now back focusing their efforts on these core areas.

Repairs satisfaction remained slightly below our target of 81.60% across all our contractors. With responsive repair service moving in-house, we are positive that customer satisfaction performance will improve in 2024/25. In January 2024 we also launched a new approach to responding to damp, mould and condensation cases in response to increasing occurrences and ahead of the conclusion of the Awaab's Law consultation and Social Housing (Regulation) Act 2023. During the course of the year, we will undertake a review with our housing and sustainability colleagues.

Our housing stock remains 99.98% compliant with the Decent Homes Standard. For the two properties, out of 8,752, which did not meet the standard at the year end, we have now completed the necessary works. We continue to undertake full stock condition surveys to ensure high levels of compliance are maintained. Through our partnership with the Midlands Net Zero Hub (MNZH) we were successful in securing funding from the BEIS Social Housing Decarbonisation Fund Wave 1 and Wave 2 to help support our decarbonisation programme. Our new Retrofit Team has successfully delivered Wave 1 with 85 very happy customers benefitting from external insulation improvements and more energy efficient and warmer homes.

Good progress continues to be made in ensuring that we meet our commitment for 100% of our housing stock to achieve a minimum Band C by 2030. To date there are 7816 properties that have achieved a minimum rating of Band C, which is 88.40% of all our homes.

We ensured overall compliance at 99.9% across the 'Big Six' areas of landlord compliance at 31 March 2024.

This year we have celebrated our four apprentices who graduated their Level 2 Property Maintenance Operative Apprenticeship and have secured a new trade specific apprenticeship with NCHA Property Services. This brings the trade apprentice number to a total of six apprentices, with a further three trade apprentices and one quantity surveyor trainee due to TUPE over from our repairs contractor.

Homes and Wellbeing

Homes and Wellbeing consists of Care and Support, Communities, Rents and Leasehold, Customer Experience and the management of Nottingham Community Almshouse Charity and other almshouse services.

Your Money Matters (Income Recovery)

Current customer arrears across NCHA at week 52 were 3.01% at the end of March 2024. This is broken down as follows:

- 2.59% Affordable and social housing customers
- 2.40% Intermediate rent
- 2.72% Leaseholders
- 3.96% Care and support.

Arrears management for all tenures is now undertaken by one team, which has led to a consistency in approach. This change has also seen a noticeable improvement in performance throughout the year within care and support and leasehold tenures. Despite the cost of living and energy price increases, this has not translated into an increase in evictions, which have largely remained stable for long standing accounts in arrears. Front line colleagues have access to a range of support and advice for customers who are financially vulnerable.

Your Home (allocations)

Affordable and social housing allocations through relets for the year increased from 376 to 464. Overall the void time for the year was 33.9 days for affordable and social lettings, compared with 37.6 days the previous year.

We allocated 26.3% of our affordable and social allocations to homeless households throughout 2023/24 (2023 – 20.6%), against a target of 25%.

In care and supported housing, void times increased to an average of 55.1 days (2023 – 53.7) because of delays to voids works and repairs and a lack of referrals from some local authorities.

We let 396 care and support properties in the year (2023 – 382).

The average time to relet a sub-market rented property was 72 days. This has been impacted by a number of properties that we were unable to let because of works within the buildings. It took longer to relet Almshouses, which each have their own eligibility criteria: 62 days. We let 154 properties in the year (2023 – 196) which fell outside Affordable and Social Housing (ASH) and Care and Support, with the largest being leasehold lettings.

Customer Experience

We have now completed the Customer Contact project which brings together all of our contact teams under one structure and aims to make contact with NCHA 'effortless'. The improvements to the online customer portal 'My NCHA' have been made and the new portal has been launched to circa 2,000 customers with high user acceptance rates. The portal is now being rolled out to all customers which will enable customers to check rent accounts and make rent payments, report repairs and manage appointments online as well as request a range of housing changes, such as applying to keep a pet.

Customer Experience colleagues are now using a unified communications solution to improve the customer experience with a first contact resolution approach through a variety of communication channels.

Our Customer Experience – Customer Wellbeing team again achieved a successful audit under our Telecare Services Association technology enabled care accreditation.

We have updated our complaints policy and processes in line with the Housing Ombudsman's Complaint Handling Code. The total number of Complaints received in 2023/24, was 1,178, which is an increase from 2022/23, with 946 complaints received. These are largely connected to the repairs performance in the financial year and were among the factors in deciding to establish an in-house responsive repairs service.

The Ombudsman Complaint Handling Code requires NCHA to publish our self-assessment against the Code in our annual reports. NCHA's annual self-assessment against the complaint handling code is reviewed by the Association's Customer Committee as well as its Board. The current self-assessment is available to customers on our website, through the following link www.ncha.org.uk/about-ncha/our-performance/

Your Community (Tenancy and Estate Management and Community Safety / Anti-Social Behaviour)

During 2023/24 the number of properties in management increased alongside an increase in the number of reported anti-social behaviour cases from 7.4 cases per month per 1,000 homes at the beginning of the year, compared to 4.9 in 2022/23. This number reduced to 5.9 cases per month per 1,000 homes at 31 March 2024, which is comparable to 2022/23. We do expect these numbers to reduce as we review the reporting of all alleged cases to ensure consistency with our ASB policy.

We have renewed our commitment to the 'Homes for Cathy' initiative and continue to deliver our action plan to reduce tenancy failure and meet the needs of those homeless or vulnerably housed. Failed tenancies as percentage of all terminated tenancies were within target at year end, for Affordable and Social Housing customers. All failed tenancies are reviewed by our Homes for Cathy group to ensure any lessons are learnt and shared in relation to future tenancy sustainment practice.

The Communities teams have a range of funds available to them to support customers, alleviate hardship including fuel poverty and sustain tenancies. The combined spend for the year was £65k against a budget of £78k.

The Community Support team worked on average with 30 households at a time, providing short term interventions for households in crisis or needing some additional help to keep in their homes and improve their wellbeing.

Customer Involvement

The voice of the customer is heard strategically through our Customer Committee. The Customer Committee is supported by the Scrutiny Panel, whose role is to scrutinise areas of activity and performance selected by the Panel. It is also supported by the Homes and Neighbourhood Panel, whose role is to deliver oversight, challenge and co-production across services that affect the customer experience.

We have launched the Care and Support Customer Voice. This group works alongside the Scrutiny Panel and Homes & Neighbourhood Panel and is an engagement offer for our care and support services. We also have a Virtual Policy Group made up of our customers. The Virtual Policy Group are consulted on all customer facing or high customer impact policies, with all feedback being reviewed and incorporated where possible. Any NCHA customers can apply to be a member of the Group through a simple email enquiry.

The Board included a customer within its membership, throughout the year.

Care and Support

Our care and support business delivered a surplus and met our golden rule for financial resilience. We responded to business growth opportunities and continued to work proactively on service redesign and development with our commissioners across the East Midlands.

We remain committed to our mission of providing services to those most in need and we continue to deliver the majority of our services to people for whom local authorities have a statutory duty to provide services.

Our quality and regulatory compliance performance was strong. The Care Committee provides oversight and assurance to the Board on performance across all regulated and non-regulated services.

97.1% of Care and Support and Independent Living customers reported that they were happy with the support they received in the annual survey.

Almshouse Services

Nottingham Community Almshouse Charity had a successful year continuing to deliver the stated public benefits of the individual schemes.

This year Nottingham Community Almshouse Charity paid annuities totaling £12k to 23 people in financial hardship (2023 – £11k to 23 people).

Resources Directorate

The centralised Resources Directorate delivers a range of core business functions and provides internal services to the teams across NCHA. The directorate comprises three separate departments: Corporate Services; People; and Finance.

Corporate Services

The Corporate Services function is made up of the following teams: Technology Services, Communications and Engagement, Business Transformation, Information and Intelligence, and Procurement and Value.

Technology Services

During the year the Technology Services Team delivered a range of corporate projects and improvements to support our Technology Strategy.

These included procurements for a new data centre facility, new core firewall and new dynamic repairs scheduling system. Implementations were completed for the upgraded housing management system, Capita One, new telephony platform, customer insight software, remote device monitoring system and new incident & change management system.

The team worked closely with Information and Intelligence colleagues to develop the second phase of reporting capability in the Data Warehouse. IT desktop hardware was refreshed across head office sites in preparation for the new hybrid way of working and move to new head offices in Clifton. Technology Services have closely supported the 'Where we work' project to provide input into the facility, systems and technical designs for Clifton.

Communications and Engagement

Our Communications and Engagement Team sit at the heart of our business and support our colleagues, customers and stakeholders to feel connected and well informed about the work of the Group.

Our team of digital specialists have overseen the migration of our website to a new content management system that protects our security and stability for the future. The development of MyNCHA, our online customer portal continues to be a priority.

Our Communications Team have led on several colleague engagement events and initiatives, including our first ever Better Lives Awards. Our intranet, Igloo, and the associated app has been reviewed and changes made to reflect business need. A new NCHA Style Guide has been produced and published, with associated Tone of Voice e-learning and face to face training for all colleagues.

The team have continued to part of the delivery of key corporate projects which support our customers. This includes supporting a programme of retrofit energy efficiency works, producing resources regarding damp, mould and condensation, the in-housing of our repairs service and a new online self-help tool for customers as part of the Pathways to Support project.

We continue to work closely with stakeholders, partner organisations and the media to raise the profile of our work, protect our reputation, improve recruitment and generate new business. The team have been commissioned to deliver Marketing and Communications services to Access Training.

Business Transformation

- Through ongoing management of the Transformation Strategic Delivery Framework, the Team have provided governance, resource and processes to ensure the successful delivery of NCHA's corporate strategies.
- We have embedded Managing Successful Programmes (MSP) methodology, which has resulted in providing a robust framework to successful manage and lead the delivery of Phase 1 of NCHA's 'In House Repairs service' programme.
- During the year, the 'Data driven transformation' project commenced. This will ensure that our transformation activity is based on key performance monitoring and customer feedback and insight.
- The Transformation Team Strategy was launched in the year.
- Large scale strategic corporate projects were delivered including:
 - Capita One Housing management system
 - Housing Association's Charitable Trust (HACT) social impact measurement tool
 - Customer insight tool
 - Defects satisfaction process improvement project.

Information and Intelligence

Data and business intelligence remain critical to understanding and improving performance across NCHA. During the year, our Information and Intelligence team have overseen:

1. New Tenants satisfaction Measures systems established and Perception results processed.
2. Second stage of Data warehouse delivered with connections to several Core Systems.
3. New Rent Change systems developed and delivered saving time and effort for the Rents and services team while improving accuracy.
4. Team expanded to include HR Analysts further rationalizing reporting across NCHA
5. Stock Appraisal system delivered through web interface combining Net Present Value with soft indicators to help effective property disposal decision making.
6. Data Quality Policy developed and ready to start implementation

Procurement and Value

1. New Procurement and Value Office Role confirmed following successful completion of an apprenticeship in CIPS (Chartered Institute of Procurement and Supply) Level 3.
2. Recruitment of new Procurement Advisor completed which will support better procurement outcomes as team capacity grows.
3. Continued focus on embedding delivery strategies of Value for Money; Social Impact; and Environmental Sustainability through our new procurement activity.
4. Preparations underway to ready the organization for the new UK procurement regulations includes understanding impacts of regulatory change and kick off training for the team
5. Governance through the Procurement Panel now fully embedded within the organisation

People

The People team consists of: Learning and Organisational Development; Environmental Sustainability; Human Resources; and Wellbeing.

Learning and Organisational Development

During the year the Learning and Organisational Development team have successfully supported a number of activities including:

1. Delivering a planned leadership development programme to a number of business leaders, with a focus on supporting existing and aspiring care and support managers.
2. Coordinated the continuation of formal coaching of colleagues to support individual development and performance.
3. Effectively supporting bespoke individual and team development solutions across all teams, as part of our business partnering learning approach.
4. Designed new e-learning solutions as part of our compliance training programme, as well as developing additional support modules in key areas.
5. Maintaining the use of apprentices throughout NCHA, ending the year at 67% usage of our apprenticeship levy funds, despite significant pressures caused by the legacy of covid and national recruitment issues.
6. Delivery of core training interventions in order to meet regulatory and team development requirements.

Environmental sustainability

1. Finalised and published our Board-approved Environmental Sustainability Strategy. This strategy is one of our core business delivery strategies and this demonstrates our commitment to this important area.
2. As well as focusing on improving biodiversity and helping to alleviate fuel poverty at a very difficult time, we are also using our strategy to review our carbon footprint, and have successfully secured funds through the Social Housing Decarbonisation Fund.

Human Resources

Recruitment and retention pressures have remained, which has meant that Human Resources work remains vital to NCHA. The Human Resources team have successfully supported:

1. The continuing use of a managed service provider approach in relation to coordinating agency workers to support our services.
2. The benchmarking of our benefits, including pay, and applying a pay increase to ensure we remain an attractive employer.

3. The broadening of our sponsorship offer for migrant workers to ensure we are positioned to use all available recruitment channels.
4. The streamlining of recruitment approaches to ensure we don't lose candidates with multiple employment offers.
5. The continuation of hybrid working approaches for office-based colleagues, as a means to ensure we maintain flexibility and attractiveness as an employer.

Wellbeing

To ensure we support colleagues to deliver effective services to our customers, we have an embedded wellbeing offer. In the last year this has included:

1. The review of our colleague wellbeing hub to ensure it continues to support colleague wellbeing based on five areas – emotional, physical, work, social and financial, with interventions and activities carried out throughout the year in relation to the areas.
2. Supporting our wellbeing champions' skills and broadening our peer support groups.
3. The continuation of our in-house counselling service and the fast-tracking of physiotherapy requirements. These approaches have ensured we remain committed to prevention of colleague absence and supporting necessary and targeted rehabilitation activities.

Finance

The Finance function plays a key role in underpinning the work of each of the directorates. To reflect business need it consists of the following three teams: Treasury Management, Finance Systems and Business Partnership.

Treasury

In December 2023 we completed our new 10 year £50m fixed rate loan with Saltaire Finance Plc under the Affordable Homes Guarantee Scheme.

Environmental, social and governance (ESG) linkage performance

NCHA's £70m Natwest Revolving Credit Facility includes two ESG KPIs. In support of our Environmental KPI NCHA has improved 582 homes to EPC C over the last three years since 1 April 2021. This has exceeded the target of 570 homes. Against our Social KPI, NCHA's managers reported BAME (Black, Asian and Minority Ethnic) diversity of 9.6% at 31 March 2024 which fell short of the target of 10%. NCHA will achieve a partial saving in loan costs as a result of this performance.

Systems and Business Partnership

The Systems team continued to deliver core transactional services and payroll throughout the year. We recognise that the local economy and many of the local businesses would be adversely affected if we were to delay payments of invoices. Therefore, as part of its social responsibility we continue to endeavor to pay all agreed invoices within thirty days of the invoice date. The Business Partnership team has worked during the year to deliver the 2023 External Audit Action Plan and to ensure budgets and forecasts are updated to reflect the changing economic conditions and the environment we work in.

Future developments

NCHA plans to develop 1,850 new homes across the Group over the next five years, including 250 for open market sale by Pelham Homes. We intend to improve key customer satisfaction measures through the delivery of a range of customer-focused projects. We are committed to measuring the social impact of our work and using this to drive decision-making and strategic priorities.

In accordance with our Environmental Sustainability Strategy, we are targeting the upgrade of all existing homes to EPC C.

We are investing in the wellbeing of our colleagues and pursuing initiatives designed to make NCHA a great place to work. Our new head office is scheduled to open in Autumn 2024

Board members and Executive Team

The board members and the Executive team of the Association are set out on pages 4 to 6.

The board members are drawn from a wide background and demonstrate a commitment to equality, diversity and inclusion particularly in relation to gender, sexuality, race, age, disability and religious belief. They are required to bring together professional, commercial and local experience and include a customer member.

NCHA has a Board member recruitment and selection policy which requires that all Board member vacancies are openly advertised and against which all written applications for Board membership are considered.

The Board agreed at the last review, to maintain a target size of twelve members. Due to one Board Member vacancy, there were 11 appointed Board Members at 31 March 2024. The Board has identified the priority skill sets outlined below for representation across its membership.

1. Strategic housing including consumer regulation
2. Financial management including third party finance
3. Risk management and assurance
4. Asset management
5. Development and Sales
6. Legal
7. Equality and diversity
8. ICT and digitisation
9. Care and Support
10. Governance
11. Compliance including Health and Safety
12. Sustainability and the Green Agenda

The above skill sets inform the Board's approved succession plan and are used to target recruitment activity. Following a successful recruitment campaign three new Board Members were recruited during the year who bring experience in health, social care and housing as well as local and central government.

The Executive team comprises of the Chief Executive, the Director of Development and Sustainability, the Director of Homes and Wellbeing, the Director of Finance and Resources and, following creation of a new post in 2023/24, the Director of Assets and Property Services.

The Executive team act as executives within the authority delegated by the Board. The Executive team complete a skills matrix each year to confirm that they have the skills and/or knowledge and/or experience to carry out their role as lead officers of the Group.

The Group has insurance policies which indemnify its Board members and Executive team against liability when acting for the Group. The insurance cover does not extend to negligent or wrongful acts.

Remuneration policy

The Governance Committee reviews the level of payment to Board and Committee members every year. To inform this process, the Committee commissions a biennial market review of member remuneration from an independent consultant. The Committee takes account of National Housing Federation (NHF) guidance, published surveys and salary settlements negotiated with staff before making a recommendation to Board on any changes to the package. The most recent review was undertaken in December 2023 for implementation from 1 April 2024. Based on the guidance, the Board agreed to implement the same pay increase to the Chief Executive as other colleagues (5%), however the Board did not apply any increase to Board and Committee positions.

The Executive team has delegated authority to set pay, benefits and terms and conditions for NCHA employees. Pay is determined using a job evaluation scheme, which references market data to ensure salaries support recruitment and retention objectives. Changes to terms and conditions are dealt with via the Association's Joint Union Negotiating Group which meets regularly.

The differential between the salaries of the lowest and highest paid employed on a 35 hours full time equivalent basis is 8.6:1 (2023 – 9.0:1).

Pensions

NCHA participates in the Social Housing Pension Scheme (SHPS) on a Defined Contribution (DC) basis. At the time of our annual pensions report during 2023/2024, NCHA had 1,097 current employees participating in the Defined Contribution Scheme, after closing the Defined Benefits Plan in April 2022. All existing colleagues, regardless of position, receive access to the same pension benefits, with the maximum matched contribution under NCHA's DC scheme being 10%.

Executive team members participate in the SHPS schemes on the same terms as all other eligible employees. The Association contributes to this scheme as well as to the National Health Service (NHS) Pension Scheme.

The NHS Pension Scheme is provided to seven employees under TUPE (Transfer of Undertakings Protection of Employment) arrangements. The Association has previously participated in the Local

Government Pension Scheme due to historic TUPE arrangements. This is no longer the case.

Members of the Executive team have permanent contracts of employment.

Employees

The strength of the Group and the Association lies in the quality and commitment of its employees which is reflected in our full employee engagement survey, undertaken in July 2023. For the first time, NCHA used the Great Place to Work survey, which recorded 69% of colleagues agreeing that NCHA is a Great Place to Work. This saw a drop when compared to our previous survey conducted by Agenda Consulting in 2022, although this was expected because of the change in question/survey approach. The next full survey was completed in July 2024. This outturn still gives NCHA accreditation in relation to being a Great Place to Work. The Group's ability to meet its objectives and commitments to customers in an efficient and effective manner depends on the contribution of employees throughout the organisation. We take this additional opportunity to thank them for their efforts in making this another successful year.

NCHA provides information on its objectives, progress and activities through regular office and departmental meetings and a monthly team brief. A performance management framework is in place and monitored through our HR system.

A Joint Union Negotiating Group comprised of the Executive team and colleague representatives and officers of the two recognised trade unions Unite and UNISON meets formally to consult with colleagues and discuss issues relevant to employees approximately six times a year.

NCHA is committed to equal opportunities for all its employees. It has an Equality, Diversity and Inclusion Strategy and associated objectives are integrated into annual team plans which are designed to encourage progress against a number of targets including employment workforce statistics and allocations etc. Progress targets are reported to Board on an annual basis.

People with disabilities

The Group's policy is to give full and fair consideration to applications for employment made by people with disabilities, having regard to their particular aptitudes and abilities. We are proud to be signed up to the Government's Disability Confident Employer scheme. Reasonable adjustments are made for people who are or become disabled during their employment to allow them to continue working, including necessary retraining.

In addition to our stated commitment to the employment of people with disabilities, where local authority support can be secured, the organisation endeavours to include a number of properties that meet mobility space standards on new build schemes, and carries out a range of adaptations to its existing homes to enable customers with disabilities to continue living in their homes.

The Care and Support Strategy will improve our homes for people with disabilities and for older people, as well as ensuring pathways to support for customers as needed. NCHA's Care and Support teams deliver a range of housing and care and support services to people with disabilities across the East Midlands, typically under local authority or NHS contracts.

Social responsibility

Throughout our 50 year history NCHA has brought national resources into local housing provision. During the year, we brought £38.8m (2023 – £17.1m) of grants including revenue grants, Social Housing Grant and other capital grants into the local economy. We are very pleased to be able to combine these monies with the support of local authorities and statutory agencies to achieve a significant impact on local housing, social and community issues.

Volunteering

Board continued to show their commitment to supporting volunteering. We employ a Volunteering Coordinator, to support colleagues to volunteer in different parts of the business, with release supported by the business. Board see the initiative as both an appropriate use of the resources to assist people in need and to provide valuable personal development for colleagues involved. The past year has seen a continuation of colleague volunteering. The Board remain committed to this charitable initiative and look forward to continuing the commitment in future years.

Housing properties

Movement on housing properties is detailed in notes 13 to 13f and a summary of housing properties owned and managed is disclosed in note 28.

Over 50% of these properties are in Nottinghamshire. The Group owns properties in a total of 32 local authority areas across the East Midlands.

Nottingham Community Housing Association provides housing properties for shared ownership with first tranche sales leading to management until the properties are fully staircased. Additionally, it sells a small number of general needs stock based on an investment re-appraisal model and also sells a small number of Rent to Homebuy properties, repossessed shared ownership properties, sales under Right to Acquire and voluntary sales of submarket rent stock.

Other fixed assets

Details of additions to other fixed assets are set out in note 14 of the Financial Statements.

Governance

The Association agreed in January 2021 to adopt the new NHF Code of Governance (2020) from 1 April 2021, having previously adopted the NHF Code of Governance (2015) up to 31 March 2021. Compliance with the code is assessed annually by the Governance Committee. The Association has a policy on terms of office for Board Members which reflects the tenure required by the NHF Code of Governance (2020). In compliance with this policy, no current members have served more than the maximum tenure of nine years, comprising of two terms of office plus three single year extensions. When individual members retire by rotation they are required, if seeking re-election, to identify their particular skills, knowledge and experience which are considered alongside the requirements of the Board as a whole. The current Chair was appointed as Chair in September 2022 and is re-elected annually.

The Board undertakes a self-evaluation of its own performance each year. The latest evaluation was in late 2023 and reported to Governance Committee and Board in early 2024; this review gave positive results across all areas of Board performance.

An independent review of governance was undertaken in late 2023. The review assessed NCHA's Board as 'high performing' and identified a few areas for further improvement to secure excellence. This has resulted in improvements in induction planning for Board members, new meetings between chairs of Boards and committees and a commitment to reviewing the voice of the customer heard at Board.

Board members achieved 86% (2023 – 93%) attendance during the year, on average against a target of 85% for average attendance.

The Board has decided not to formally adopt the NHF Code on Mergers and Partnerships as it does not feel the necessity to adopt a rigid code preferring to respond to opportunities or proposals on the merits of individual situations as it has successfully done over many years.

In 2015, the government passed an act to fight modern slavery, giving support and protection for the victims, and ensuring big businesses take responsibility for creating transparency in their business and supply chains.

NCHA is required to publish a statement that clearly states how we will improve our business activities to combat modern slavery and human trafficking in our corporate activities and supply chains.

As well as publishing our statement, we have also ensured that all our managers across the organisation received additional support to raise their awareness on modern slavery and human trafficking. We are also encouraging our employees to report any concerns they might have about a contractor, supplier or colleague being involved in modern slavery activities. NCHA Board does, however, undertake an annual assessment of merger indicators at its Away Day.

Read our full statement outlining our response to the new modern slavery legislation. NCHA

www.ncha.org.uk/modern-slavery

Transparency

NCHA carries out its work in an open, transparent and accountable manner. In order to be accountable to our customers and stakeholders we have set up sections on our website to help interested parties to see how we manage NCHA and deliver our services.

Responsibilities of the Board and its Committees

The Board meets formally at least six times a year and has conducted its meetings face to face throughout the year. It is responsible for setting the mission, vision, values, culture and aims for the Group, directing strategy and approving budgets and long term financial plans. The Board monitors performance and the delivery of the Group's Corporate Plans and strategies. The Board is also responsible for establishing and maintaining a system of internal control. The Board has delegated authority in particular areas to its Committees, as set out below.

The Group Audit and Risk Committee comprises a minimum of at least three NCHA Board members, supported by one independent member co-opted on the basis of their skills and experience. The Committee meets at least four times each year. It is responsible for overseeing external audit and the production of statutory accounts, the internal control framework, the internal audit function, the high level risk framework and other areas relating to regulation, governance and confidential reporting.

The Governance Committee comprises four NCHA Board members and meets three times a year. The purpose of the Committee is to oversee all Board and committee member remuneration, to oversee remuneration of the Chief Executive, to manage all Board and Committee nominations and succession planning, and to ensure good governance and compliance in related areas.

The Care Committee comprises four NCHA Board members and an independent member with care and support specialist knowledge. The Committee also has two experts by experience as members to provide a lived experience perspective. It meets four times a year to monitor and review the quality of care and support provided by the Association and to ensure the obligations and requirements of the Care Act 2014 are correctly discharged by the Association and the Board.

The Customer Committee is chaired by an Independent Chair and consists of three Board members and three customers. It meets four times a year. The Committee supports the work of NCHA's Board through the monitoring of performance relating to customer experience, across the NCHA Group, ensuring compliance with regulatory and other legislative standards, and to review and recommend to NCHA's Board appropriate policies and strategies related to the customer experience.

The Board and its Committees obtain external specialist advice from time to time as necessary.

Annual Compliance Statement on Governance

The Board has undertaken a self-assessment of compliance with the Regulator of Social Housing Regulatory Framework and in particular the Governance and Financial Viability Standard and satisfied itself that the Association was fully compliant for the year ended March 2024. Compliance with the selected Code of Governance is also self-assessed on an annual basis. The Board also confirms that for the year ended March 2024 it was fully compliant with its chosen code: the NHF Code of Governance (2020). In Q1 2024/25, we were inspected by the Regulator of Social Housing and were proud to be awarded a grading of G1 V1 & C1.

Statement on the system of internal control

The Board has overall responsibility for establishing and maintaining the whole system of internal control and reviewing its effectiveness.

The Board recognises that no system of internal control can provide absolute assurance against material misstatement or loss or eliminate risk of failure to achieve business objectives. The system of internal control is designed to manage key risks and to provide reasonable assurance that planned business objectives and outcomes are achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of the organisation's assets and interests.

Identification and evaluation of key risks

The Board confirms that there is a long-term ongoing review process for identifying and managing significant risks faced by the Group covering the period up to the date of the annual report. Management responsibility has been clearly defined for the identification, evaluation and control of significant risks. There is a formal and ongoing process of management review in each area of the Group's activities. The Executive team considers and receives reports on significant risks facing the Group and the Chief Executive is responsible for reporting to the Board any significant changes affecting key risks. All Board and committee reports include a section detailing the risks arising or identified as a result of any information or recommendations included in the report.

In meeting its responsibilities, the Board has adopted a risk-based approach to internal controls which are embedded within the normal management and governance processes. This approach includes the regular evaluation of the nature and extent of risks to which the organisation is exposed. The Compliance and Risk Panel, the Audit and Risk Committee and our Board of Management have continued to work together to assess the quantification of our risk appetite and have produced the following Risk Appetite statement.



The Board recognise that the Group's activities involve risk and the taking of appropriately identified, evaluated and controlled risks in pursuit of business objectives is acceptable, particularly in pursuing business opportunities for the benefit of the Group and its customers.



The risk based approach is consistent with best practice across the sector.

The process adopted by the Board in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework, includes the annual review of the Risk Management Framework and biannual review of strategic risk maps, which is an ongoing process for identifying and managing significant risks faced by the organisation. This process has been in place throughout the year under review, up to the date of the annual report and accounts, and is regularly reviewed by the Board.

In addition, the Compliance and Risk Panel annually reviews the Sector Risk Profile, and provides assurance throughout the year on key risks by way of presentations to Audit and Risk Committee.

Over the past five years the NCHA Group has developed and implemented a comprehensive Risk Management System, which clearly evidences how Board obtain assurance that the key risks have been managed and mitigated. Over the past year, this has been reviewed and one new strategic risk has been recognised. This risk relates to the strategic management of existing housing assets.

Our risk management processes were awarded a 'substantial assurance' judgement in May 2022 following an independent review by Internal Audit.

NCHA Group strategic risks

Our strategic risk map, reviewed biannually by NCHA's Board, addresses the risks associated with the following objectives, as outlined within our Group Corporate Plan:

- Complying with legal requirements together with environmental and regulatory standards.
- Ensuring that our services meet our customers' needs and expectations.
- Managing our existing housing properties to deliver well maintained, safe, quality homes.
- Ensuring that the data we keep is accurate and of good quality.
- Adequately protecting NCHA systems and data from malicious attack, data breaches and hardware failure.
- Managing partnership and counterparty risks.
- Meeting property sales targets.
- Remaining competitive and viable in care and support markets.
- Delivering a development programme via our Strategic Partnership.
- Protecting our rental income.
- Effectively managing loans, loan covenants and cash flows.
- Remaining financially viable as an organisation.
- Delivering environmental sustainability strategies.
- Delivering compliant and effective procurement processes.
- Effectively managing recruitment and retention challenges.

Strategic Risks	Detail and Impact	Our Response
Customer Satisfaction		
<p>Ensuring that our services meet our customers' needs and expectations.</p>	<p>Poor customer satisfaction due to failure to overcome customer barriers to accessing services or failure to meet customer service standards.</p> <p>Failure to learn from complaints and hear the voice of the customer, leading to poor customer experience and reputational damage for NCHA.</p>	<p>Customer Involvement Structure with Customer Committee reporting to the Board to ensure strategic overview of customer satisfaction.</p> <p>New Customer Strategy approved by Board in 2024.</p> <p>New dedicated customer experience and complaints team and system in place from April 2024.</p>
Condition of Housing Stock		
<p>Managing our existing housing properties to deliver well maintained, safe, quality homes.</p> <p>Delivering environmental sustainability strategies.</p>	<p>Poor quality and unsafe homes due to failure to comply with the Decent Homes Standard or poor landlord compliance performance including damp, mould, and condensation.</p> <p>Failure to adapt to emerging environmental legislation leading to a poor thermal standard in homes.</p>	<p>New Places Strategy approved by Board in 2024.</p> <p>Maintenance Task and Finish Group in Place with Board Members, Customers and Executive from March 2024 to December 2024 to sharpen focus on service delivery.</p> <p>Our Environmental Sustainability Strategy is approved by Board and reviewed biennially; progress, including performance against KPIs such as net carbon emissions, is reported annually.</p>
Operating Environment		
<p>Complying with legal requirements together with environmental and regulatory standards.</p> <p>Delivering compliant and effective procurement processes.</p>	<p>Breaches of requirements resulting in regulatory downgrading, fines, tribunal action and legal action.</p> <p>Any non-compliance is likely to result in reputational damage and increased intervention from the regulator.</p> <p>Poor procurement can lead to legal challenges, fines, poor contract performance, and financial loss.</p>	<p>Review of legal changes performed with Anthony Collins Solicitors in May and November each year.</p> <p>Actively working with the regulator on self-referral and full inspection in 2023 and 2024.</p> <p>Experienced and qualified team in place who support the business and ensure all procurements are conducted within the Procurement Regulations.</p>

Cyber Security and Data Protection		
Ensuring that the data we keep is accurate and of good quality. Adequately protecting NCHA systems and data from malicious attack, data breaches and hardware failure.	<p>Poor data records would result in core systems not meeting business requirements, leading to inaccurate reporting, poor customer voice and lack of assurance to the Board.</p> <p>A significant full or part system failure could result in a deterioration business performance, financial loss and reputational damage.</p>	<p>Data validation embedded in core systems where practical. Data standards being established for all key data sets along with responsibilities.</p> <p>New 2024 Data Quality Policy in place.</p> <p>Maintaining or improving our cyber security is a key part of our Board approved Technology Strategy and underpins all associated projects.</p>
Financial Resilience		
<p>Remaining competitive and viable in care and support markets.</p> <p>Remaining financially viable as an organisation.</p> <p>Protecting our rental income.</p> <p>Effectively managing loans, loan covenants and cash flows.</p>	<p>Losing Care & Support business would result in loss of up to 30% of group's income.</p> <p>If performance in financial terms is significantly worse than target may lead to a regulatory breach for NCHA group.</p> <p>Breach in covenant would lead to regulatory and financial effects, potentially leading to reduction in core activities through an inability to borrow.</p>	<p>Quarterly reports to Board on Care and Support management accounts performance, and Board reviews tender opportunities and outcomes.</p> <p>Annual and 30-year financial plans are reviewed annually and approved by the Board. Stress testing is reviewed by members as part of each budget approval.</p> <p>Annual review of Group Treasury Strategy by external consultant.</p> <p>Board approved set of Golden Rules. Stress testing is submitted to members as part of the annual budget approval which includes agreed recovery plans.</p>
Development and Sales		
<p>Delivering a development programme via our Strategic Partnership.</p> <p>Meeting property sales targets</p>	<p>Failing to meet sales targets would negatively impact the group finances.</p> <p>Failing to deliver the development plan will have a negative impact on NCHA customers, Homes England, Local Authority Partners, and Funders.</p>	<p>Programme delivery and cash flow reviews carried out by Development Investment Group.</p> <p>ET review the monthly sales report. Sales reporting is included in Development and Sales Board Report. Sales KPIs reported to Board via the monthly KPI dashboard.</p>

Environment and control procedures

The Board retains responsibility for a defined range of issues covering strategic, operational, financial and compliance issues including treasury strategy and material new investment projects. Policies and procedures cover issues such as delegated authority, segregation of duties, accounting, treasury management, health and safety, data and asset protection and fraud prevention and detection.

Information and financial reporting systems

Financial reporting procedures include detailed budgets for the year ahead, detailed management accounts produced monthly and forecasts for the remainder of the financial year and for subsequent years. The Board also regularly reviews key performance indicators to assess progress towards the achievement of key business objectives, targets and outcomes.

Monitoring and corrective action

A process of regular management reporting on control issues provides assurance to senior management and to the Board. This includes a rigorous procedure for ensuring that corrective action is taken in relation to any significant control issues, particularly those that may have a material impact on the financial statements and delivery of our services. A detailed system of performance indicators is monitored by the Executive team and corrective action identified.

The internal control framework and the risk management process are subject to regular review by Internal Audit who advise the Executive team and report to the Audit and Risk Committee. The Audit and Risk Committee considers internal control and risk at each of its meetings during the year.

The Audit and Risk Committee conducts an annual review of the effectiveness of the system of internal control and has taken account of any changes needed to maintain the effectiveness of risk management and control process. The Audit and Risk Committee makes an annual report to the Board. The Board has received this report.

In the 2023/24 year, the annual report on internal audit concluded that a reasonable level of assurance was provided on the effectiveness of the framework of governance, risk management and controls.

The Board considers an annual self-assessment against the Regulator of Social Housing's Regulatory Framework to confirm compliance with regulatory requirements under the RSH economic and consumer standards.



NCHA Value for Money Statement

In delivering NCHA's vision of "More homes, great services, better lives", NCHA needs to ensure its resources are applied as efficiently and cost effectively as possible.

Introduction

The Regulator for Social Housing (RSH) sets out its requirements in relation to Value for Money within the Governance and Financial Viability Standard. This is supported by an associated Code of Practice, also published by the RSH. NCHA's strategic approach seeks to maximise Value for Money (VFM) and to comply with RSH requirements and best practice. NCHA's reporting approach also takes account of the RSH review of VFM reporting published in February 2024 as an Annex to the 2023 Global Accounts.

NCHA's Strategic Approach

In March 2024, NCHA's Board approved the Group Value for Money Strategy 2024-2029. This strategy contributes to how Board members, colleagues and customers understand what VFM means to NCHA, how it will enable the Group to deliver more and better services and embed continuous improvement into the culture of the Group. The strategy looks across a range of indicators and activities to capture VFM performance across NCHA. These include:

- RSH VFM metrics and HouseMark Sector Medians
- Benchmarking our performance
- Social value
- Board indicators to drive performance
- Focus areas for 2024-2026.

This report comments on performance during the year, assessed against the VFM strategic areas.

VFM Standard – RSH Financial Metrics and the HouseMark Sector Scorecard

In accordance with the requirements of the RSH Value for Money Standard, the RSH Financial Metrics are used to measure economy, efficiency and effectiveness and are reported on a consolidated basis for the Group.

The NCHA results for the current year, alongside the forecast for the next year and prior year comparison are shown on the following page benchmarked against peer median from our selected benchmarking group. A brief commentary on the results is presented. NCHA has also forecast its projected Regulatory Financial Metrics for the coming year 2024/25.

In prior years NCHA has also benchmarked the VFM Metrics against sector medians from an analysis of the data carried out by Housemark and published annually in their scorecard. Since the last publication in November 2022 and following the implementation of other measures, including the Tenant Satisfaction Measures (TSMs), the scorecard is no longer produced by Housemark.

NCHA's TSM results are summarized within our Annual Report to Customers and are reported in full on our website.

Metrics for the remuneration of the highest paid director, the aggregate amount of remuneration paid to Directors and the total management costs relative to the size of NCHA are also included in Note 12

Regulatory Financial Metrics

Regulatory VFM Standard Metric		2024 NCHA Actual	2024 NCHA Forecast	2023 NCHA Actual	2023 Peer Median Actual	2023 Sector Median Actual	2025 NCHA Forecast
1	Reinvestment (%)	11.6%	12.6%	8.2%	6.7%	6.5%	11.3%
	NCHA targets high reinvestment, in line with our Group Corporate Plan, vision for 'More Homes' and status as a Homes England Strategic Partner. Development expenditure for the year ended 2024 was slightly less than originally forecast, with slippage on some development expenditure and completions but showed a significant increase from 2023. Therefore, our actual performance remains very strong and ahead of peer and sector median performance.						
2A	New supply delivered: Social housing units (%)	3.6%	3.1%	1.5%	1.3%	1.2%	3.0%
	Due to some development completions from the year ended 2023 moving into the following year, our 2024 results were higher than originally forecast. Taking this into account, the forecast for 2025 shows relatively consistent delivery over the 3 years and is in line with NCHA's annual target of 320 social and affordable homes within the Corporate Plan.						
2B	New supply delivered: Non-social housing units (%)	0%	0%	0%	0%	0%	0%
	Development of properties for market sale in Pelham Homes continues but no new properties were completed in the year ended 2024. The forecast for 2025 remains at 0%. This is because Pelham Homes is not due to complete any direct development completions for the coming year, although 34 homes will be completed by its joint venture at Pelham Waterside Two (which are not consolidated into the Group).						
3	Gearing (%)	44.7%	46.1%	45.2%	45.3%	44.9%	45.0%
	NCHA's Gearing for the year ended 2024 is lower than the 2024 forecast as cash balances were higher than anticipated due to changing development profiles. NCHA's gearing is in line with the peer group median from 2023. Looking ahead we forecast gearing to remain consistent in 2025 with 2024, which is achieved mainly due to the forecast level of Strategic Partnership Grant from Homes England that also supports the cost of housing properties being developed.						
4	EBITDA(MRI) interest cover (%)	134%	125%	120%	128%	101%	109%
	NCHA's EBITDA (MRI) interest cover was forecast to increase between 2023 and 2024 and actual performance is even higher, exceeding the sector median. Performance in excess of forecast was mainly due to strong operating surplus performance, higher interest receivable due to higher cash balances and effective investments coupled with higher depreciation and lower fixed asset surpluses than targeted. Looking ahead we forecast a decrease in EBITDA (MRI) interest cover which is driven by a 50% increase in major repairs due to ongoing asset management associated with the SHDF programme and higher interest charges.						
5	Headline social housing cost per unit (£)	£6,527	£6,224	£6,318	£4,586	£5,540	£6,940
	NCHA's cost per unit is significantly affected by the operating costs of non-accommodation based support (other social housing activities, contract income). This is a characteristic shared by some but not all of NCHA's selected peer group. Accordingly, NCHA's cost per unit is significantly higher than both the sector and peer median, but closer to the latter. Our forecast for 2025 reflects pay awards for staff, ongoing cost pressures notably for insurance costs and an increased major repairs cost associated with the SHDF programme.						
6A	Operating margin: Social housing lettings (%)	24.8%	23.3%	23.3%	19.8%	15.4%	24.2%
	NCHA's operating margin on social housing lettings is above that achieved in 2023 and that forecast for 2024 with both surplus and turnover out performing budget. NCHA's performance is also higher than both the 2023 peer and sector median scores which is very positive given this metric includes the operating costs of supported housing and residential care homes. This is a characteristic shared by some but not all of NCHA's selected peer group. Forecast performance for 2025 is slightly lower but remains well above the 2023 peer and sector median scores.						
6B	Operating margin overall (%)	18.1%	16.3%	17.0%	18.2%	19.6%	18.3%
	NCHA's operating margin overall is above both that achieved in 2023 and forecast for 2024 and in line with the 2023 sector median. Surplus excluding profit from the sale of existing properties exceeded budget and overall turnover was lower, affected by care and support closures and lower shared ownership 1st tranche income. Operating margin falls below the peer group median. Historically NCHA's overall operating margin is low compared to peers noting that this is based on all activity including Care and Support contracts. Forecast performance for 2025 is slightly higher but remains below the 2023 peer median.						
7	Return on capital employed (%)	2.7%	2.9%	2.7%	2.8%	2.2%	2.9%
	NCHA's return on capital employed falls below that forecast for 2024 but is in line with the return achieved in 2023. The main reason for this was the total operating surplus in 2024 fell below budget due to a lower profit on property sales of existing stock, which fell behind target. The return achieved falls below the sector median but is well above the peer group median. It is anticipated that the 2025 return will increase above the 2023 sector median.						

Corporate structure review

The NCHA Board and the Executive team of NCHA is committed to the delivery of the vision, values and objectives across the communities it serves, focused on delivering continued value for money (VFM) improvements for current and future customers.

NCHA's Board have considered the partnership and merger agenda and established the following merger indicators:

- NCHA as the social housing provider of choice
- NCHA as the supported housing and care provider of choice
- Customer choice and satisfaction
- Regulatory oversight and confidence
- Sustainable business plan
- Raising new finance
- Attracting talent.

The Board annually assesses NCHA's position in relation to these merger indicators. Following the most recent assessment in November 2023, the evaluation did not identify any urgent issue or driver which would require NCHA to seek a merger partner in the short term.

Based on this evaluation, NCHA's Board concluded that it is in a strong position to continue and prosper as an independent entity.

The Board of NCHA has undertaken a rationalisation and simplification of the group structure over recent years which has led to a reduction in the number of entities within the Group during both 2021/22 and 2022/23. These changes have yielded administrative savings and improved VFM. The changes in 2023 saw Blyth Cottages Charity merge into Nottingham Community Almshouse Charity on 28 March 2023.

Benchmarking services

NCHA uses HouseMark to compare its performance across a wide range of activity to its peers.

NCHA also identifies a peer group for benchmarking our Regulatory VFM Metrics. We completed a review of our established peer group during 2022/23 to ensure our peer group continues to consist of organisations sharing characteristics in common with NCHA.

The peer group takes account of the NCHA's key characteristics including: size, regional wage index, traditional funding type, levels of Care and Support activity and development programme activity, and is made up of the following 10 organisations:

1. Hightown Housing Association Limited
2. Plus Dane Housing Limited
3. East Midlands Housing Group Limited
4. Regenda Limited
5. Your Housing Group Limited
6. Mosscafe St. Vincent's Housing Group Limited
7. Orwell Housing Association Limited
8. South Yorkshire Housing Association Limited
9. Paradigm Housing Group Limited
10. PA Housing Limited

This peer group has been created to calculate the peer median for 2023 for the Regulatory Financial Metrics, as set out on the preceding pages.

Social value

Social value is the value that our customers and stakeholders experience as a result of the activities of NCHA, in addition to the activity itself. Our social value results demonstrate not only the increased value for money that our services deliver, but also the positive impact that our homes and services have on customers' and colleagues' lives. This underpins the strategic objectives in our Group Corporate Plan. We capture quantifiable social value using the HACT Social Value Bank.

Strict controls are used to strip out deadweight benefits, i.e. the positive outcomes which people would have achieved in their lives regardless of NCHA's intervention. Therefore we know that our results are the true impact of our homes and services.

Under **'More Homes'** we measure the social impact of gaining an NCHA tenancy and high quality repairs. To support our **'Great Services'** we capture the social value of qualifications and apprenticeships. Under **'Better Lives'** we have identified the benefits of some of our Care and Support services and the benefits to our engaged customers of being involved with NCHA.

In 2023/24, NCHA created £5,160,609 of social value for our customers, communities and colleagues. Social value is the additional, quantifiable value that a service provides, in addition to the service itself. We used the industry standard HACT measures to value this activity and identified a social value impact during the year. This included the activities identified below.

Starting a tenancy with NCHA	£3,205,984
Improved energy efficiency in customers' homes	£1,480,913
Customers involved with NCHA	£47,472
Qualifications and apprenticeships for colleagues	£127,062
Supporting vulnerable young people	£30,528
Support from our mental health services and learning disability services	£143,377
Support from domestic abuse services	£101,127
Homelessness prevention	£24,146
Total social value reached 2023/24	£5,160,609

Under our Social Impact Strategy, this year the focus of our social value measurement is on customer wellbeing.

Board indicators used to drive performance

During the year, NCHA's Board monitored performance against a range of measures recorded on the monthly KPI dashboard providing a regular focus on performance and progress against corporate objectives. The table and narrative below provide a summary of performance in key areas for 2023/24.

KPI performance summary for 2023/24

Indicator	Actual performance	Target performance	RAG Rating
Our Customers			
Customer satisfaction overall 2023/24 TSM	67.3%	90%	Red
Customer satisfaction Care and Support	97.1%	99%	Yellow
Complaints resolved within timescale	69.9%	100%	Red
Our Places			
New homes completed in year	355	307	Green
Percentage of homes at EPC C or above	88.4%	88.7%	Yellow
Overall health and safety compliance (big six)	99.8%	100.0%	Yellow
Our People			
Colleague satisfaction	69%	70%	Yellow
Colleague sickness absence average days per FTE	10.5	8.6	Red
Our Business			
Arrears	3.0%	3.0%	Green
Re-let days	49.9	30.0	Red

Performance is targeted to improve in the following areas.

Customer satisfaction and complaints resolution in timescale

Overall customer satisfaction for 2023-24 was 67.3%. This was based on the first year of Tenant Satisfaction Measures (TSMs) across both low cost rented and home ownership tenures. Benchmarking analysis has highlighted overall service satisfaction has been tracking downward over the last five years. The factors behind NCHA's decreasing satisfaction include complaint handling, repairs satisfaction and satisfaction with neighbourhood management. These areas are a specific focus for NCHA and we have targeted improved satisfaction going forward.

Overall health and safety compliance (big six)

Overall health and safety compliance failed to hit the 100% target due to 15 non-compliant items on gas safety (out of 19,707 components) at year end. NCHA's Board monitor all reasons for non-compliance with 'no access' being the biggest factor.

The in-house team delivering our electrical testing programme achieved 100% compliance and our gas servicing team achieved 99.8%. Our Fire Risk assessment inspection programme was 100% compliant at year end.

During 2024 issues with the gas installation at the Pinnacle building were identified and we have been informed by the gas transporter (GTC) that these are not compliant. This has now been reported to the building safety regulator (BSR) and explained further in Note 20b.

Colleague satisfaction

Colleague satisfaction is measured using Great Place to Work surveying approaches. As well as achieving accreditation, we have developed action plans in relation to the 2023 responses.

Maintaining accreditation and increasing colleague satisfaction is a key priority and we intend to support this with the use of annual Great Place to Work surveys.

Colleague sickness absence

Colleague sickness absence has improved in the last year. In 2023/24 sickness absence averaged 10.5 days per employee, which is over 20% better than 2022/23. This year, we have continued to support colleagues in two key areas, both linked to high and long-term absence (musculo-skeletal and mental health related). We have also reduced occupational sick pay for new employees starting after April 2023.

Re-let days

Re-let days has significantly underperformed against target throughout the year, with a range of factors impacting in this area. During the coming year 2024/25, we will continue to implement the improvements from our Business Transformation review in this area, and target improved responsive repairs timescales under our new arrangements.

Repairs timescales under our responsive contract have contributed to longer re-let days. In our Care & Support scheme closures and remodelling have lead to increased voids.

Reporting VFM indicators

Each year the NCHA Group reports on VFM in its annual accounts, its annual report to customers and on the corporate website.

In the annual accounts the NCHA Group reports on performance against both internal targets and against its peer group using data from HouseMark. Additionally it reports on social value and plans to identify future targets and to address areas of current perceived under-performance.

In the Annual Report to its customers the NCHA Group will summarise VFM and social value achievements in an accessible format.

On its corporate website each year the NCHA Group will publish a summary of VFM performance and achievements for the year along with a report on the social value it has generated that year.

Key focus activities during the year 2023/24

During the year, key activities in relation to NCHA's Value for Money Strategy were:

- Preparing to bring responsive repairs in house
- Effective procurement practice
- Delivering on our development plans
- Developing a centralised complaints model
- Improved defects management
- Value for Money in new financing

Bringing responsive repairs in house

During the year, the Board approved plans to transfer our contracted out responsive repairs service in-house. The new service aims to improve customer experiences by reducing repairs completion times and reducing the repairs backlog. The transfer went live as planned in April 2024, marking the completion of phase 1 of the project. Phase 2 is due to complete in Autumn 2024, with the implementation of a new system to improve efficiency and functionality in repairs management.

Effective procurement practice

This year procurement at NCHA has focused on supporting the organisation during the Property Maintenance project to ensure effective transition and onboarding of new and existing suppliers ready to support the requirements of the new service.

The e-procurement system is now fully embedded and all contractual documentation is now hosted on the system which supports our contract management activity. The system managed by the Procurement team is used for all procurements that exceed defined spend thresholds and ensures that we remain compliant with all stages of our regulated procurement activity. The procurement team have been in close contact with our system providers to ensure we fully understand the changes that will be made following the implementation of the new UK procurement regulations.

The Procurement Panel ensures the effective management of procurement across NCHA. The panel includes senior leaders, who support best practice and ensure our governance through procurement is in place. The panel review NCHA's procurement plan alongside the previous quarter's spend compliance and the effectiveness of contractor/ supplier performance. Future plans to improve procurement are also reviewed by the panel.

During 2023/24, Central Resources delivered on several key procurements with VFM being a focal point:

1. To support the move to our new Clifton site, a new data centre which included design and build was completed.
2. Our Solar design, supply and install contract including domestic boilers has delivered efficiency and cashable savings through combining the

requirements under a single contract

3. Our new Lift, Service and Repair contract was awarded following use of A Dynamic Purchasing System that supported an above threshold procurement. An 18% saving was delivered as well as time savings for the functional department and procurement team.
4. A 6% saving was achieved on our heating and plumbing materials contract through effective use of a framework. A great achievement in the market conditions at the time.

During 2023/24, we incorporated several new contracts that will support NCHA in our delivery and service to customers. Most notably these included the following:

- M & E Contract. McIntyre's – this is a three plus two year contract, with a whole life contract value of £1.5m. This contract will support NCHA's delivery access control and the servicing and inspection of fire safety equipment.
- Alternative Energy Servicing - Aaron Services were awarded a £1m contract over 5 years to undertake the maintenance of our renewable energy equipment such as solar panels.
- We have awarded a further contract to Westville to undertake Wave 2 of our SHDF programme of energy improvements following our successful bid for grant funding. We're estimating an overall investment of £8 million to retrofit over 300 properties.
- A £200k contract to undertake Fire Risk Assessments has been awarded to FCMS over the next three years
- Calandine's have again been successful in being awarded our lift service and inspection covering the next 3 years at a value of £400k

NCHA continues to review and develop our supply chain through compliant procurement routes. Some procurements currently being undertaken are:

- Passive Fire Works
- Review of Electricity and Gas Supply
- Learning Management System
- Void Relet Works
- Customer Contact Software
- Clifton Canteen Supply
- Painting Materials

As members of EEM (Efficiency East Midlands), NCHA receives a percentage of spend back as a portion of EEM's surplus; which is reinvested into communities through their Community Donation scheme.

In relation to 2023/24 NCHA received a rebate of £7k (2023 – £8k)

NCHA's in-house Property Services team completed 46.02% of the works orders for maintenance and programmed works, providing a direct saving in VAT of approximately
£553k

Delivering on our development plans

During the year, our development completions for affordable homes was ahead of target, with 355 completions,. We also made a start on site for 394 new homes including 47 new homes for sale for Pelham Homes.

Developing a centralised complaints model

Following a review by NCHA's Scrutiny Panel and in response to increasing complaints and falling satisfaction, a new target operating model was approved for complaints handling. From April 2024, all complaints will be handled by a single centralised team, with increased resource to respond to rising demand.

Improved defects management

NCHA's Business Transformation Team completed a review of defects management which has led to a new approach, increased resource and system improvements being implemented during the year.

VFM in new financing

During the year, NCHA completed on a new 10 year £50m loan agreement under the Affordable Homes Guarantee Scheme. The Scheme provides guaranteed lending to the registered provider sector at competitive rates of interest and provides excellent value for money in comparison to other alternative forms of finance.

Future value for money plans and strategy 2024-29

In the coming year we will continue to progress the objectives within our 2024 Value for Money Strategy. The objectives for 2024/25 focus on driving value from procurement activity, arranging best value in new finance, delivering our development programme and improving performance in critical areas. These areas include our areas of underperformance from the 2023/24 TSM's: satisfaction with repairs services; satisfaction with the time taken to complete repairs; satisfaction with complaint handling and satisfaction with communal areas.

Statement of the responsibility of the Board and the financial statements

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Group and Association and of the results of the Group and Association for that period of account.

In preparing those financial statements the Board is required to:

- Select suitable accounting policies and apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on a going concern basis unless it is appropriate to presume that the Association will not 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 Group and Association and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. It has general responsibility for taking reasonable steps to safeguard the assets of the Group and Association and to prevent and detect fraud and other irregularities.

The Association complies with the Regulator of Social Housing's requirements on fraud. In particular, there is a clear policy on fraud that has been approved by the Audit and Risk Committee and distributed to all colleagues. The policy requires a register to be maintained of all actual and attempted fraud. All such cases will be reported to the Committee. All cases in excess of £5k or any case involving senior management or Board irrespective of the amount must be reported promptly to the Regulator of Social Housing. The Association's policy on fraud covers the prevention and detection of fraud, the internal and external reporting requirements and the recovery of assets which include legal resolution. Furthermore, the Association also has a Whistleblowing Policy, which has also been approved by the Audit and Risk Committee.

There were no reported cases of material fraud during the year ended 31 March 2024 (2023: one). The fraud in 2022/23 concerned a potentially dishonest act carried out by a third party which resulted in a loss of £70k to NCHA. The loss has been included within the 2022/23 accounts.

The Board and Executive team who held office at the date of approval of this Board report confirm that, so far as they are aware, there is no relevant audit information of which the auditors are unaware. The Board and Executive team have taken all steps they ought to have taken as a Board and Executive team in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Post balance sheet events

We consider that there have been no events since the financial year end which have a material effect on the financial position of the Association.

Going concern

Group's financial statements have been prepared on a going concern basis which assumes an ability to continue operating for 12 months from approval of the accounts. Current forecasts and business plans show that the Group has sufficient financial resources to meet its obligations as they fall due from the date that these financial statements were approved. Accordingly the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and have concluded that forecasts show the Group has sufficient financial resources to meet its obligations as they fall due for a period of not less than 12 months from the date that these financial statements were approved.

We therefore consider it appropriate to continue to prepare the financial statements on a going concern basis.

Statement of compliance

The Board confirms that this Strategic Report has been prepared in accordance with the principles set out in 2018 SORP (Statement of Recommended Practice) for Registered Social Housing Providers.

Annual General Meeting

The Annual General Meeting will be held on 25 September 2024.

Auditors

A resolution to re-elect the Association's auditors RSM UK Audit LLP will be made at the Annual General Meeting on 25 September 2024.

The report of the Board was approved on 18 September 2024 and signed on its behalf by:



Callum Gillespie
Chair





**Report of the
Independent
Auditors to the
Members of
NCHA Limited**



Opinion

We have audited the financial statements of Nottingham Community Housing Association (the 'parent society') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the Consolidated Statements of Comprehensive Income, the Statements of Financial Position, the Consolidated Statements of Changes in Reserves, the Consolidated Cash Flow Statements and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and Association's affairs as at 31 March 2024 and of the income and expenditure of the Group and the income and expenditure of the Association 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, Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 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 the group 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 Committee of Management'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 the group's or the parent society'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 Committee of Management 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 annual report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- a satisfactory system of control over transactions has not been maintained; or
- the Association has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account of the Association; 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 Responsibilities of the Board set out on page 24, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the group's and the parent society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intends to liquidate the group or the parent society or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, 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, the Social Housing Act 2023 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included, reviewing financial statement disclosures and reviewing legal and professional costs incurred during the period.

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

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

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at:

<http://www.frc.org.uk/auditorsresponsibilities>

This description forms part of our auditor's report.



Use of our report

This report is made solely to the Society's members, as a body, in accordance with the provisions of section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Society's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and the Society's members as a body, for our audit work, for this report or for the opinions we have formed.

RSM UK Audit LLP

Date: 24/09/24

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





Consolidated Statements of Comprehensive Income



For the year ended 31 March 2024

	Note	Group		Association	
		2024	2023	2024	2023
		£'000	£'000	£'000	£'000
Turnover	2	99,271	90,349	98,628	87,943
Operating expenditure	2	(81,306)	(74,968)	(80,760)	(72,714)
Gain on disposal of property, plant and equipment (fixed assets)	6	4,101	4,622	4,101	4,622
Operating surplus		22,066	20,003	21,969	19,851
Exceptional item	20b	(756)	(1,667)	(756)	(1,667)
Operating surplus after exceptional item		21,310	18,336	21,213	18,814
Interest receivable	7	1,088	555	812	453
Interest and financing costs	8	(13,366)	(12,048)	(13,355)	(12,040)
Share of profit in joint ventures		30	579	-	-
Revaluation gain / (loss)		32	(3)	-	7
Gift Aid receivable		-	-	23	1,323
Surplus before tax	9	9,094	7,419	8,693	7,926
Taxation	9a	(2)	(6)	(2)	(5)
Surplus after tax		9,092	7,413	8,691	7,921
Actuarial loss	10	(2,268)	(1,439)	(2,268)	(1,439)
Total comprehensive income for the year		6,824	5,974	6,423	6,482

The consolidated and parent results relate wholly to continuing activities and the notes on pages 55 to 108 form an integral part of these accounts.

The financial statements on pages 47 to 108 were approved and authorised for issue by the Board on 18 September 2024 and signed on its behalf (see page 50).



Statements of Financial Position

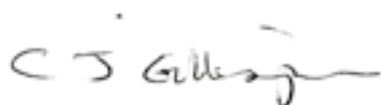


As at 31 March 2024

	Note	Group		Association	
		2024	2023	2024	2023
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible fixed assets (housing properties)	13	750,450	685,462	746,879	681,908
Tangible fixed assets (other fixed assets)	14	9,630	6,580	9,630	6,580
Investment properties	13f	31	31	-	-
Investment in subsidiaries	15	-	-	2,000	2,000
Investment in joint ventures	15	974	987	-	-
Other fixed asset investments	15	862	826	26	26
		761,947	693,886	758,535	690,514
Current assets					
Stock	16	18,576	14,137	12,666	12,796
Trade and other debtors	17	17,959	8,717	16,704	8,168
Current asset investments	18	-	24,007	-	20,007
Cash and cash equivalents	18	39,028	29,876	37,792	31,956
		75,563	76,737	67,162	72,927
Creditors					
Amounts falling due within one year	19	(28,908)	(40,532)	(28,485)	(44,512)
Net current assets		46,655	36,205	38,677	28,415
Total assets less current liabilities		808,602	730,091	797,212	718,929
Creditors					
Amounts falling due after more than one year	20	653,314	582,579	653,314	582,433
Long term provision for SHPS	10	9,748	9,337	9,748	9,337
Provision for liabilities	20a	2,400	1,859	2,400	1,832
Capital and reserves					
Non equity share capital		-	-	-	-
Income and expenditure reserves		143,140	136,316	131,750	125,327
Total		808,602	730,091	797,212	718,929

The notes on pages 55 to 108 form part of these accounts.

The financial statements on pages 47 to 108 were approved and authorised for issue by the Board 18 September 2024 and signed on its behalf by:



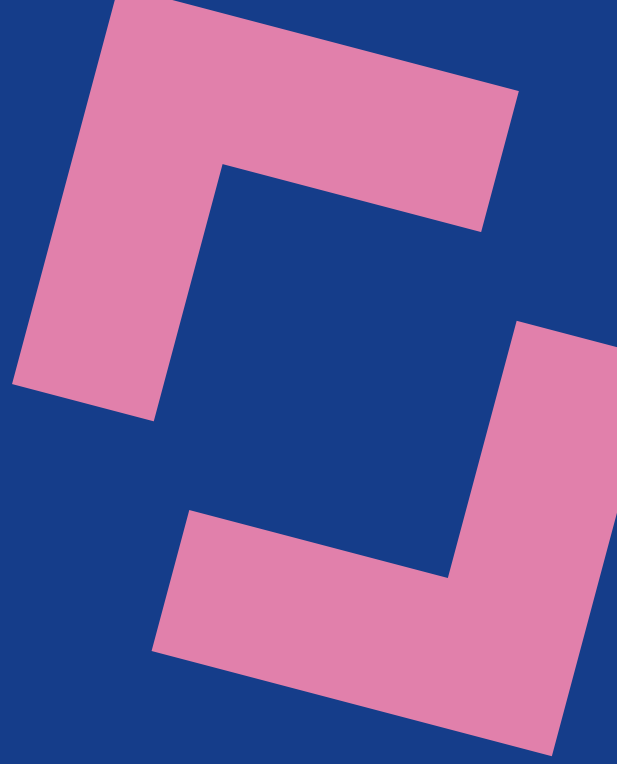
Callum Gillespie
Chair



Andrew Kilby
Board member



Sylvia Hart
Secretary



**Consolidated
Statements
of Changes in
Reserves**



For the year ended 31 March 2024

	Group	Association
	Income and Expenditure £'000	Income and Expenditure £'000
Balance at 31 March 2022	130,359	118,845
Surplus from Statement of Comprehensive Income	7,413	7,921
Actuarial loss	(1,439)	(1,439)
Revaluation of Permanent Endowment (NCAC)	(17)	-
Balance at 31 March 2023	136,316	125,327
Surplus from Statement of Comprehensive Income	9,092	8,691
Actuarial loss	(2,268)	(2,268)
Balance at 31 March 2024	143,140	131,750

The notes on pages 55 to 108 form an integral part of these accounts.





Consolidated Cash Flow Statement



For the year ended 31 March 2024

	2024	2023
	£'000	£'000
Net cash generated from operating activities	15,070	18,611
Cash flow from investing activities		
Acquisition and construction of housing properties	(82,375)	(52,778)
Proceeds from sale of housing properties (less selling costs)	16,319	15,278
Purchase of other fixed assets	(4,389)	(1,754)
Capital grants received	19,805	10,235
Interest received	1,257	273
Received from jointly controlled entities	41	530
Sub total	(49,342)	(28,216)
Cash flow from financing activities		
Interest paid	(15,319)	(13,708)
Newly secured loans	51,000	55,000
Repayment of borrowings	(16,262)	(8,609)
Investments/deposits made	24,007	(23,090)
Tax paid	(2)	(6)
Sub total	43,424	9,587
Net change in cash and cash equivalent	9,152	(18)
Cash and cash equivalents at beginning of the year	29,876	29,894
Cash and cash equivalents at end of year	39,028	29,876
Cash flow from operating activities		
Surplus for the year	6,824	5,974
Adjustments		
Actuarial loss	2,268	1,439
Pension costs less contributions payable	(2,204)	(2,182)
Depreciation and impairment charges	12,092	11,921
Amortisation of capital grants	(3,399)	(3,276)
Profit on sale of properties	(5,164)	(5,299)
Transfers to provisions	541	470
Increase in stock	(4,439)	(2,183)
(Increase) / decrease in trade and other debtors	(2,405)	1,117
Decrease in trade and other creditors	(1,368)	(316)
Loss of sales of other fixed assets	106	3
Movement in fair value of financial instruments	(32)	24
Taxation charged	2	6
Interest and financing costs	13,366	12,047
Interest receivable	(1,088)	(555)
Profit share from jointly controlled entities	(30)	(579)
Net cash generated from operating activities	15,070	18,611

The notes on pages 55 to 108 form an integral part of these accounts.



 **Notes to the
Financial
Statements**



Legal status

The Association is incorporated in England under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing as a Private Registered Provider of Social Housing. The registered office is 12-14 Pelham Road, Nottingham, NG5 1AP.

The Group comprises of the following entities as at 31 March 2024

Name	Incorporation	Registration status with the Regulator of Social Housing (RSH), National Almshouse Association (NAA) and Charity Commission (CC)
Nottingham Community Housing Association Ltd	Co-operative and Community Benefit Societies Act 2014	Registered RSH
Pelham Homes Limited	Companies Act 2006	Non-registered
Nottingham Community Almshouse Charity	Unincorporated charity	Registered CC

Notes

1. Principal accounting policies

(a) Basis of accounting

The Group's financial statements have been prepared in accordance with applicable United Kingdom Accounting Generally Accepted Accounting Practice (UK GAAP) and Statement of Recommended Practice for Registered Housing Providers: Housing SORP 2018. The financial statements for Nottingham Community Almshouse Charity have been prepared in accordance with applicable United Kingdom Accounting Generally Accepted Accounting Practice (UK GAAP) and Statement of Recommended Practice for Charities: Charities SORP 2019 (FRS 102). The Group is required under the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969 to prepare consolidated Group accounts.

The financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008, and the Accounting Direction for Private Registered Providers of Social Housing 2019. The accounts are prepared on the historical cost basis of accounting except as modified by the revaluation of investments and are presented in pounds sterling.

1. Principal accounting policies (continued)

(a) Basis of accounting (continued)

The Group's financial statements have been prepared in compliance with FRS 102. In applying FRS 102 the Group meets the definition of a public benefit entity.

Parent Association Disclosure Exemptions

In preparing the separate financial statements of the parent association, advantage has been taken of the following disclosure exemption available in FRS 102.

No separate Statement of Cash Flows has been presented for the parent association. No separate disclosure has been given for the aggregate remuneration of the key management personnel of the parent association as all colleagues are employed by the parent association and their remuneration is included in the totals for the Group as a whole.

(b) Basis of consolidation

The Group financial statements consolidate the accounts of the Group entities listed on page 56 using the appropriate method of accounting.

Where Nottingham Community Housing Association has become sole corporate trustee for Almshouse Charities, it has updated their accounting policies to become consistent with Nottingham Community Housing Association. Where required, properties have been reinstated at cost with the removal of property revaluation reserves. Group accounting and depreciation rules have been applied to all almshouse properties and designated reserves have been transferred to unrestricted reserves to reflect NCHA policies.

The principal accounting policies for the Association are those of the Group except on depreciation where no charge is made against Pelham Homes Limited as the properties are held on an investment property basis (see policy o).

An entity is treated as a joint venture where the Group holds an interest and shares control under a contractual arrangement with one or more parties external to the Group. The only joint ventures the Group is involved with are: Three Together, Pelham Waterside and Pelham Waterside Two which are controlled through Pelham Homes Limited.

An entity is treated as an associated undertaking where the Group has a participating interest and exercises significant influence over its operating and financial policies.

1. Principal accounting policies (continued)

(c) Going concern

The Group's financial statements have been prepared on a going concern basis which assumes an ability to continue operating for 12 months from approval of the accounts. Current forecasts and business plans show that the Group has sufficient financial resources to meet its obligations as they fall due from the date that these financial statements were approved. Accordingly the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and have concluded that forecasts show the Group has sufficient financial resources to meet its obligations as they fall due for a period of not less than 12 months from the date that these financial statements were approved. We therefore consider it appropriate to continue to prepare the financial statements on a going concern basis.

(d) Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the date of the Statement of Financial Position and the amounts reported for revenue and expenses during the financial year. However, the nature of estimation means that the actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on the amounts recognised in the financial statements

- i. The Group capitalises development expenditure on the basis outlined below (see policies o and q). Initial capitalisation of costs is based on management's judgement that development scheme is confirmed, usually when Board approval has taken place including access to the appropriate funding. In determining whether a project is likely to cease, management monitors the development and considers if changes have occurred that may result in impairment.
- ii. Categorisation of housing properties. The Group has undertaken a detailed review of the intended use of all housing properties. In determining the intended use, the Group has considered if the asset is held for social benefit or to earn commercial rentals. Pelham Homes Limited is the only group company that holds investment properties. These are carried at fair value with changes in fair value being recognised in the Statement of Comprehensive Income (see policy o).
- iii. The Group has reviewed the economic useful lives of its housing properties and depreciates the property cost, less freehold land, for all housing properties other than those held on an investment basis. All non-housing property fixed assets are stated at cost less accumulated depreciation. Depreciation is provided on all non-housing property fixed assets to write off the cost, less related land values, over their useful economic lives.
- iv. Review for the potential impairment of housing properties is carried on an annual basis taking account of when any triggers for impairment have occurred. Any impairment loss in a cash generating unit is recognised by a charge to the Statement of Comprehensive Income. Impairment is recognised where the carrying value of a cash generating unit exceeds the higher of its net realisable value or its value in use. The Group has identified a cash generating unit for impairment assessment purposes at a development scheme level. Following the identification of any impairment following annual review, the Group perform impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from sales transactions in an arm's length transaction on similar cash generating units (development) or observable market prices less incremental costs for disposing of the properties. The value in use calculation is based on either a depreciated replacement cost or a discounted cash flow model. The depreciated replacement cost is based on available data of the cost of constructing or acquiring replacement properties to provide the same level of service potential to the Association as the existing property.

1. Principal accounting policies (continued)

(d) Judgements and key sources of estimation uncertainty (continued)

The discounted cash flows are derived from the business plan for the next 30 years and do not include restructuring activities that the Group is not yet permitted to do or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model, estimates of the expected future cash flows and the growth rate used for extrapolation purposes.

- v. The cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate management considers the interest rates of AA rated corporate bonds in the respective currency, with maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population bonds on which the discount rate is based, on the basis that they do not represent high quality bonds. The mortality rate is based on publicly available mortality tables for the specific sector. Future salary increases and pension increases are based on expected future inflation rates for the respective sector. Further details are given in note 10.
- vi. Loan issue finance costs are amortised evenly over the life of the related loan. Loans are stated in the Statement of Financial Position at the amount of net proceeds after issue, plus any increases to account for any subsequent amounts amortised. Debt instruments that meet the conditions in paragraph 11.8(b) of FRS102 are measured at amortised cost using the effective interest method, except where the arrangement constitutes a financing transaction. In this case the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt.
- vii. Investment in Three Together Limited. The investment held in Three Together Limited is accounted for in line with the equity method. NCHA has assessed the recoverability of its investment in Three Together Limited and has concluded that this is fully recoverable.
- viii. Valuation of stock. NCHA is holding stock under construction in relation to its active development sites. The valuation of the stock has been reviewed with reference to latest scheme appraisals for the developments. This review has concluded that the valuation of stock is supported.
- ix. Interests in jointly controlled entities are accounted for using the equity method of accounting. Under this method an investment in a jointly controlled entity is initially recognised at cost and is subsequently adjusted to reflect the Group's share of the profits or losses of the joint controlled entity. Distributions received or receivable from the jointly controlled entity are recognised as a reduction in the carrying value of the investment.
- x. Recoverability of investments in jointly controlled entities. NCHA has assessed the recoverability of its development joint venture investments at Pelham Waterside and Pelham Waterside Two. This assessment has been made with reference to latest scheme appraisal, available sales data for these developments and residual assets and liabilities. Management have concluded that the investment amounts are fully recoverable.
- xi. Allocation of costs. NCHA allocates costs across activities analysed in the Notes to the Financial Statements based on the direct costs of service delivery plus a fair proportion of indirect costs and overheads according to identified cost drivers.

1. Principal accounting policies (continued)

(e) Turnover and revenue recognition

Turnover represents rental income (less loss of rent due to voids) and other charges receivable, amortised capital grant, revenue grants from local authorities, the Homes and Communities Agency, Homes England, first tranche sales of shared ownership stock, sale of Rent to Homebuy properties, outright sales of properties for Pelham Homes Limited and other income and is recognised in relation to the period when the goods and services have been supplied.

Rental income is recognised when the property is available for let, net of voids. Both 2023/24 and 2022/23 had 52 rent weeks, net of voids.

Sales of properties developed for outright sale are included in turnover and cost of sales. Income from property sales is recognised on legal completion.

(f) Support income and costs including Supporting People income and costs

Supporting People contract income received from administering authorities is accounted for as Supporting People income in turnover in note 3.

Supporting People income is recognised under contractual arrangements.

The related support costs are matched against this income in the same note.

Support charges included in the rent are included in the Statement of Comprehensive Income from social housing lettings (notes 3 and 4) and matched against the relevant costs.

(g) Service charges

Service charge income and costs are recognised on an accruals basis. The Group operates both fixed and variable service charges annually on a scheme by scheme basis in full consultation with the customers. Where variable service charges are used the charges will include an allowance for the surplus or deficit from prior years, with the surplus being returned to the residents by a reduced charge and a deficit being recovered by future higher charges. Until these are returned or recovered they are held as service charge sinking funds debtors or creditors (as applicable) due within one year in the Statement of Financial Position.

(h) Leaseholders funds

Amounts are collected from leaseholders, where agreed, for future repairs and the replacement of furniture and equipment.

Where periodic expenditure is required a provision may be built up over the years, in consultation with residents; until these costs are incurred this liability is held in the Statement of Financial Position within long-term creditors.

(i) Loan interest costs

Loan interest costs are calculated using the effective interest method of the difference between the loan amount at initial recognition and amount of maturity of the related loan.

1. Principal accounting policies (continued)

(j) Loan finance issue costs

These are amortised evenly over the life of the related loan. Loans are stated in the Statement of Financial Position at the amount of net proceeds after issue, plus any increases to account for any subsequent amounts amortised. Where loans are redeemed in the year, any redemption penalty and any connected loan finance issue costs are recognised in the Statement of Comprehensive Income in the year in which the redemption took place.

(k) Provision for bad debts

A provision for affordable and social housing and supported housing debts becoming irrecoverable is made against 100% of former customer arrears and 50% of current customer arrears for all customers more than six weeks in arrears.

No provision is made against shared ownership arrears as it is assumed that action will be taken to recover arrears against the owner's equity in the property in the event of significant levels of arrears.

Provisions are made against all other debts, 50% of overdue debts over three months old and 100% of overdue debts over six months old.

(l) Retirement benefits

The Association participates in the Social Housing Pension Scheme operated by the Pensions Trust, the NHS pension scheme and the Local Government Pension Scheme. These are final salary pension schemes and retirement benefits to the Association's employees are funded by contributions from all participating employers and employees in the scheme. Payments are made in accordance with periodic calculations by consultant actuaries and are based on pension costs applicable across the various participating associations taken as a whole.

The cost of providing retirement pensions and related benefits is charged to management expenses over the periods benefiting from the employees' services, as more fully explained in note 10.

The disclosures in these financial statements follow the requirements of Section 28 of FRS 102 in relation to multi-employer funded schemes in which the Group has a participating interest.

Contributions payable under an agreement with the Social Housing Pension Scheme to fund past deficits are recognised as a liability in the Group's financial statements calculated by the repayments known, discounted to the net present value at the end of the financial year using the required market rate discount factor. The unwinding of this discount is recognised as a finance cost in the Statement of Comprehensive Income in the period incurred.

(m) Corporation taxation

The Association has charitable status and is exempt from UK Corporation Tax on primary purpose trading. However, UK Corporation Tax is payable on profits retained in Pelham Homes Limited.

1. Principal accounting policies (continued)

(n) Value Added Tax

Although the Association is registered for VAT, most of its activities are exempt. It charges VAT on some of its income and is able to recover part of the VAT it incurs on expenditure. All amounts disclosed in these accounts are inclusive of VAT to the extent that it is suffered by the Group and is irrecoverable.

(o) Housing properties, depreciation and impairment

Social housing

The Group has reviewed the useful economic lives of its housing properties and depreciates the property cost, less freehold land and residual value, for all housing properties other than those held on an investment basis.

Future estimated lives have been determined as follows:

New build houses	100 years
New build flats and rehabilitated houses	75 years
Rehabilitated flats and care homes	60 years
Leasehold properties	The remaining lease period

Where a housing property consists of two or more major components with substantially different useful economic lives, each component is accounted for separately and depreciated over its useful economic life. Expenditure relating to the subsequent replacement or renewal of components is capitalised as incurred.

Depreciation is charged in equal annual instalments over the assets' expected useful economic lives. The useful economic lives for the identified components are as follows:

Freehold land	Not depreciated
Structure: New build houses	100 years
Structure: New build flats and rehabilitated houses	75 years
Structure: Rehabilitated flats and care homes	60 years
Roof	50 years
Lifts	50 years
Windows and doors	40 years
Alternative energy systems	25 years
Bathroom	25 years
Kitchen	20 years
Heating system	20 years
Disabled adaptations	20 years
Energy works – property insulation	30 years

Donated land is included in cost at its valuation on donation, with the donation treated as a capital grant. In the case of Section 106 land, the valuation takes account of all the conditions of sale imposed by the local authority and its value in use to the registered provider.

Housing properties in the course of construction are stated at cost and are not depreciated, and transferred to completed properties on practical completion.

1. Principal accounting policies (continued)

(o) Housing properties, depreciation and impairment (continued)

All invoices and architects' certificates relating to capital expenditure incurred in the year are included in the financial statements for the year. All invoices and architects' certificates relating to capital expenditure dated after the year end are also accrued on a pro-rata basis for the portion of work completed up to the year end.

Expenditure on schemes which are subsequently aborted is written off in the year in which it is recognised that the schemes will not be developed to completion.

Schemes constructed for shared ownership are included in housing property costs only to the extent that the proportion of the scheme is expected to be retained.

Reviews for impairment of housing properties are carried out on an annual basis and any impairment in an income generating unit is recognised by a charge to the Statement of Comprehensive Income.

Impairment is recognised where the carrying value of an income generating unit exceeds the higher of its net realisable value or its value in use. An income generating unit could be a single property but is more normally a development scheme (group of properties) whose income and expenditure can be separately identified.

Investment properties

Investment property is the housing property stock of Pelham Homes Limited. It is not held for the social benefit of the Group. Investment property is measured at cost on initial recognition, which includes purchase cost and any directly attributable expenditure, and subsequently at fair value at the reporting date. Pelham Homes Limited carries its investment properties at fair value. No depreciation is provided. The changes in fair value are recognised in the Statement of Comprehensive Income.

(p) Shared ownership and Rent to Homebuy properties

The costs of shared ownership properties are split between current and fixed assets on the basis of the first tranche portion. The first tranche portion is accounted for as a current asset and the sale proceeds shown in turnover. The remaining element of the shared ownership property is accounted for as a fixed asset and subsequent sales treated as sales of fixed assets.

Rent to Homebuy properties are held as Tangible Fixed Assets (Housing Properties) on the Statement of Financial Position until sold.

(q) Capitalisation of interest and administration costs

The NCHA Group elects to capitalise interest and other on-costs insofar as costs are identifiable as attributable to the development and sales of housing properties (note 13d). Interest on loans financing development is capitalised up to the date of completion of the scheme and only when development activity is in progress.

Administration costs relating to development activities are capitalised only to the extent that they are incremental to the development process and directly attributable to bringing the properties into their intended use.

1. Principal accounting policies (continued)

(r) Property managed by agents

The Association considers it carries the financial risk on property managed by agents and accordingly all the income and expenditure arising from the property is included in the Statement of Comprehensive Income. The assets and liabilities are included in the Group's Statement of Financial Position.

(s) Non-housing property fixed assets, depreciation and impairment

All non-housing property fixed assets are stated at cost less accumulated depreciation. Depreciation is provided on all non-housing property fixed assets to write off the cost, less related land values, over their useful economic lives on the following methods:

Offices:

Freehold offices	Equal annual instalments over 50 years
Leasehold offices	Equal annual instalments over the life of lease

Property, plant, machinery and fixtures:

Office equipment and plant	Equal annual instalments 4 and 5 years
Scheme equipment	Equal annual instalments 7 to 25 years
Care and Support project set-up costs	25% pa on a reducing balance basis

Vehicles:

Vans and cars	50% pa on a reducing balance basis
Minibuses	Equal annual instalments over 7 years
ICT equipment (purchased pre-1 April 2020)	Equal annual instalments 4 and 5 years
ICT equipment (purchased post-1 April 2020)	Equal annual instalments over 3, 4 or 5 years

The useful economic lives of tangible fixed assets are reviewed annually.

Consideration is given each year as to whether or not there is a trigger for an impairment review. Where any impairment is identified it would be recognised by a charge to the Statement of Comprehensive Income.

(t) Fixed asset investments

Valuation of investments in subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment. The fixed asset investment held by the parent association in Pelham Homes Limited as shares is measured at cost. There is no accumulated impairment. The parent association intends to hold these shares on a continuing basis.

The parent association also holds a fixed asset investment in the Nottingham Credit Union. These are shown at cost.

The Almshouse Charities hold fixed asset investments. These are shown at full market valuation at each Statement of Financial Position date.

Any gains and losses on re-measurement are disclosed in the Statement of Comprehensive Income for the period.

1. Principal accounting policies (continued)

(u) Current asset investments

Current asset investments include cash and cash equivalents invested for periods of more than 90 days. They are initially recognised at cost and subsequently at fair value at the reporting date. Any change in valuation between the reporting dates is recognised in the Statement of Comprehensive Income.

(v) Stock of materials and properties held for sale

Stocks of materials are included in the Statement of Financial Position in current assets at the lower of cost and realisable value, that being the estimated selling price less any costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

Properties developed for outright sale are included in the Statement of Financial Position in current assets as they are intended to be sold, at the lower cost or estimated selling price after costs to complete and sell.

At each reporting date both stock of materials and properties held for sale are assessed for impairment. If there was evidence of impairment the carrying value would be reduced to the recoverable value. The impairment would be recognised immediately in the Statement of Comprehensive Income.

(w) Short-term debtors and creditors

Debtors and creditors without any stated interest terms which are receivable or payable within one year are recorded at the transaction price. Should any losses be incurred as a result of impairment, these would be immediately recognised as other operating expenses in the Statement of Comprehensive Income.

(x) Social housing and other government grants

Where developments have been financed wholly or partially by social housing and other government grants, the amount of the grant received has been included as deferred income and recognised in turnover over the estimated useful life of the associated asset structure, under the accruals model.

The Social Housing Grant received for the costs non-land items written off in the Statement of Comprehensive Income, including that which relates to a proportion of the development and design administration costs, is matched against those costs as part of turnover.

When the Social Housing Grant in respect of housing properties in the course of construction exceeds the total cost to date of those housing properties, any excess is shown as a current liability.

The Social Housing Grant must be recycled by the Group under certain conditions, if a property is sold or if another relevant event takes place. In these cases, the Social Housing Grant can be used for projects approved by Homes England. However, the Social Housing Grant may have to be repaid if certain conditions are not met.

In certain circumstances the Social Housing Grant may be repayable and, in that event, is a subordinated unsecured repayable debt.

(y) Recycling of capital grant

Where the Social Housing Grant is recycled, as described above, the Social Housing Grant is credited to a fund which appears as a creditor until spent. Where the recycled grant is known to be repayable, it is shown as a creditor within one year.

1. Principal accounting policies (continued)

(z) Investments in Joint Ventures

Investments in jointly controlled entities are accounted for using the equity method of accounting. Under this method an investment in a jointly controlled entity is initially recognised at cost and is subsequently adjusted to reflect the Group's share of the profits or losses of the joint controlled entity. Distributions received or receivable from the jointly controlled entity are recognised as a reduction in the carrying value of the investment. The profits generated by joint ventures are recognised on a received basis and shown in the Statement of Comprehensive Income.

(aa) Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the date of the Statement of Financial Position and is carried forward to the next financial year. This is measured at the undiscounted salary costs of this future holiday entitlement and so is accrued at the date of the Statement of Financial Position.

(ab) Provisions

The Association recognises a provision where it has an obligation at the reporting date as a result of a past event, and it is probable that it will be required to transfer economic benefits in settlement, and the amount of the obligation can be estimated reliably.

(ac) Financial instruments

Financial assets and financial liabilities are measured at transaction price initially, plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

At the end of each reporting period, financial instruments are measured as follows, without any deduction for transaction costs the entity may incur on sale or other disposal:

Debt instruments that meet the conditions in paragraph 11.8(b) of FRS 102 are measured at amortised cost using the effective interest method, except where the arrangement constitutes a financing transaction. In this case the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt.

Commitments to receive or make a loan to another entity which meet the conditions in paragraph 11.8(c) of FRS 102 are measured at cost less impairment.

On the advice of our Treasury Advisors, Link Group, we have treated all Group bonds and loans as basic financial instruments, including those that have two-way break clauses in line with paragraph 11.9(b) of FRS 102. There are no contractual provisions that could, by their terms, result in the holders (the lenders) losing the principal amount or any interest attributable to the current period or prior periods. The fact that a debt instrument is subordinated to other debt instruments is not an example of such a contractual provision.

1. Principal accounting policies (continued)

(ac) Financial instruments (continued)

Financial instruments held by the Group are classified as follows:

- i. Financial liabilities such as bonds and loans are held at amortised cost using the effective interest method.
- ii. Loans to or from subsidiaries including those that are due on demand are held at amortised cost using the effective interest method.
- iii. An investment in another entity's equity instruments other than non-convertible preference shares and non-puttable ordinary and preference shares are held at fair value.

Financial assets and financial liabilities at fair value are classified using the following fair value hierarchy:

- i. The best evidence of fair value is a quoted price in an active market.
- ii. When quoted prices are unavailable, the price of a recent transaction for an identical asset, adjusted to reflect any circumstances specific to the sale, such as a distress sale, if appropriate.
- iii. Where there is no active market or recent transactions then a valuation technique is used to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations.

(ad) Reserves

The Association's reserves are held for general purposes.

(ae) Hire purchase and leases

Whilst the NCHA Group does not use hire purchase or finance leases it does use operating leases. Payments under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease. These are shown in the years affected (note 25).

2. Turnover, cost of sales, operating expenditure and operating surplus

	Turnover	Operating expenditure	Cost of sales	
	£'000	£'000	£'000	
Group				
Social housing lettings (note 3)	81,803	(61,496)	-	
Other social housing activities				
Contract income	6,866	(7,132)	-	
Development services	715	(773)	-	
Shared ownership first tranche sales	9,481	-	(8,418)	
Rent to Homebuy first tranche sales	156	-	(107)	
Other	163	(3,202)	-	
Activities other than social housing (note 5)				
Market rentals/shared ownership	37	(80)	-	
Other	50	(140)	-	
Open Market Sales	-	-	42	
Total	99,271	(72,823)	(8,483)	
Association				
Social housing lettings (note 4)	81,247	(61,128)	-	
Other social housing activities				
Contract income	6,866	(7,132)	-	
Development services	715	(773)	-	
Shared ownership first tranche sales	9,481	-	(8,418)	
Rent to Homebuy first tranche sales	156	-	(107)	
Other	163	(3,202)	-	
Total	98,628	(72,235)	(8,525)	

2024				2023	
Operating surplus/ (deficit)	Turnover	Operating expenditure	Cost of sales	Operating surplus/ (deficit)	
£'000	£'000	£'000	£'000	£'000	
20,307	73,052	(56,151)	-	16,901	
(266)	7,785	(8,033)	-	(248)	
(58)	776	(792)	-	(16)	
1,063	6,678	-	(6,001)	677	
49	33	-	(28)	5	
(3,039)	29	(2,197)	-	(2,168)	
(43)	62	(120)	-	(58)	
(90)	38	(77)	-	(39)	
42	1,896	-	(1,569)	327	
17,965	90,349	(67,370)	(7,598)	15,381	
20,119	72,642	(55,663)	-	16,979	
(266)	7,785	(8,033)	-	(248)	
(58)	776	(792)	-	(16)	
1,063	6,678	-	(6,001)	677	
49	33	-	(28)	5	
(3,039)	29	(2,197)	-	(2,168)	
17,868	87,943	(66,685)	(6,029)	15,229	

3. Turnover and operating expenditure from social housing lettings (Group)

	General needs housing	Supported housing and housing for older people	
	£'000	£'000	
Income			
Rents receivable net of identifiable service charges	42,821	4,305	
Service charge income	1,374	5,469	
Support charges	-	3,874	
Amortised government grants	2,652	413	
Other grants from local authorities and other agencies	1,318	6,024	
Total turnover from social housing lettings	48,165	20,084	
Operating expenditure			
Management	5,195	4,235	
Service charge costs	1,863	2,761	
Support	-	6,956	
Routine maintenance	12,665	1,224	
Cyclical maintenance	2,326	137	
Major repairs	2,989	428	
Rent losses from bad debts	215	216	
Rents payable to landlords	38	-	
Depreciation of housing properties	8,683	1,011	
Impairment of housing properties	-	-	
Total operating expenditure on social housing lettings	33,974	16,968	
Operating surplus on social housing lettings	14,192	3,116	
Void losses (being rental income lost as a result of property not being let, although available for letting)	529	1,111	

				2024	2023
Residential care homes	Shared ownership housing	Submarket lettings	Total	Total	
£'000	£'000	£'000	£'000	£'000	
5,884	3,804	2,110	58,924	54,126	
110	797	1	7,755	5,545	
-	-	-	3,871	3,713	
29	251	54	3,399	3,276	
332	14	166	7,854	6,392	
6,355	4,867	2,331	81,803	73,052	
1,041	691	646	11,808	10,565	
842	429	261	6,156	5,367	
4,451	-	-	11,408	10,527	
67	11	346	14,313	10,548	
24	2	74	2,563	2,758	
80	84	341	3,922	5,515	
(11)	1	2	423	118	
-	2	-	40	39	
64	733	373	10,863	10,714	
-	-	-	-	-	
6,558	1,954	2,043	61,496	56,151	
(203)	2,913	289	20,307	16,901	
678	-	104	2,422	1,702	

4. Turnover and operating expenditure from social housing lettings (Association)

	General needs housing	Supported housing and housing for older people	
	£'000	£'000	
Income			
Rents receivable net of identifiable service charges and net of voids	42,009	4,305	
Service charge income	1,374	5,469	
Support services	-	3,874	
Amortised government grant	2,652	413	
Other grants from local authorities and other agencies	1,574	6,024	
Total turnover from social housing lettings	47,609	20,084	
Operating expenditure			
Management	5,145	4,235	
Service charge costs	1,758	2,761	
Support	-	6,956	
Routine maintenance	12,563	1,224	
Cyclical maintenance	2,313	137	
Major repairs	3,005	428	
Rent losses from bad debts	210	216	
Rents payable to landlords	38	-	
Depreciation of housing properties	8,573	1,011	
Impairment of housing properties	-	-	
Total operating expenditure on social housing lettings	33,604	16,968	
Operating surplus on social housing lettings	14,005	3,116	
Void losses (being rental income lost as a result of property not being let, although available for letting)	509	1,111	

				2024	2023
Residential care homes	Shared ownership housing	SubMarket lettings	Total	Total	
£'000	£'000	£'000	£'000	£'000	
5,884	3,804	2,110	58,112	53,611	
110	797	1	7,755	5,534	
-	-	-	3,871	3,713	
29	251	54	3,399	3,276	
332	14	166	8,110	6,498	
6,355	4,867	2,331	81,247	72,642	
1,041	691	646	11,758	10,581	
842	429	261	6,051	5,289	
4,451	-	-	11,408	10,527	
67	11	346	14,211	10,452	
24	2	74	2,550	2,668	
80	84	341	3,938	5,388	
(11)	1	2	418	109	
-	2	-	40	39	
64	733	373	10,753	10,610	
-	-	-	-	-	
6,558	1,954	2,043	61,128	55,663	
(203)	2,913	289	20,119	16,979	
678	-	104	2,402	1,680	

5. Turnover from activities other than social housing

Non-social housing activity	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Lettings	37	62	-	-
Open Market Sales	-	1,896	-	-
Other	50	38	217	-
Total	87	1,996	217	-

6. Sale of properties not developed for outright sale

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Shared ownership staircasing sales				
Proceeds of sales	1,464	3,436	1,464	3,436
Less cost of sales	(924)	(2,170)	(924)	(2,170)
Sub total	540	1,266	540	1,266
Sales of market rented stock				
Proceeds of sales	-	-	-	-
Less cost of sales	-	-	-	-
Sub total	-	-	-	-
Sales of social housing lettings stock				
Proceeds of sales	6,057	6,055	6,057	6,055
Less cost of sales	(2,496)	(2,699)	(2,496)	(2,699)
Sub total	3,561	3,356	3,561	3,356
Total	4,101	4,622	4,101	4,622

7. Interest receivable and similar income

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
On financial assets measured at amortised cost				
Interest receivable from current accounts	270	167	270	166
Interest receivable from fixed assets investments	222	56	-	-
Interest receivable from other sources	866	498	812	453
Sub total	1,358	721	1,082	619
Transferred to RCGF	(270)	(166)	(270)	(166)
Total	1,088	555	812	453

8. Interest payable and similar charges

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Bank loans and overdrafts wholly repayable within five years	734	1,099	723	1,091
Loans repayable after more than five years	14,688	12,557	14,688	12,557
Amortisation of THFC Bond Premium	(1)	(188)	(1)	(188)
Amortisation of AHF Bond Premium	(34)	(34)	(34)	(34)
Sub total	15,386	13,434	15,375	13,426
Deferred benefit pension charge	400	244	400	244
Sub total	15,786	13,678	15,775	13,670
Less interest capitalised	(2,420)	(1,630)	(2,420)	(1,630)
Total	13,366	12,048	13,355	12,040

The weighted average rate of interest on borrowings over the course of the year of 4.28% (2023 - 4.12%) was used for calculating the association's capitalised interest.

9. Surplus for the year before taxation on ordinary activities

The operating surplus is stated after charging.	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Auditors' remuneration (excluding VAT)				
Audit of the Group financial statements	47	35	47	36
Audit of the subsidiaries	32	18	-	-
Fees payable to the company's auditor for other services to the Group				
Service charge certification	25	13	12	13
Governance framework review	-	5	-	5
Other	5	5	5	5
Operating leases				
Land and buildings	81	112	81	112
Other operating leases	31	72	31	72
Total	112	184	112	184
Amortised Social Housing Grant				
Grant total	3,399	3,276	3,399	3,276
Depreciation				
Depreciation of housing properties	10,422	9,883	10,317	9,782
Component write-offs	441	845	436	828
Sub total	10,863	10,714	10,753	10,610
Depreciation of other fixed assets	1,233	1,198	1,233	1,198
Total	12,111	11,926	11,986	11,808

9a. Taxation

The Association is a charitable social landlord under the Co-operative and Community Benefit Societies Act 2014. The Board knows of no circumstances that will affect this taxation status in the future.

The taxation charge in the accounts £2k (2023 - £5k) is based on the assessable surplus of the Association for the year. Pelham Homes Limited is liable for Corporation Tax and the charge for the year is £nil after taking advantage of relief in respect of gift aid (2023 - nil) though a small payment of £1k was made during 2022/23 for adjustments to previous periods.

10. Pension contributions

Nottingham Community Housing Association participates in the Social Housing Pension Scheme, and the National Health Service Pension Scheme.

Social Housing Pension Scheme

The company participates in the scheme, a multi-employer scheme which provides benefits to non-associated employers. The scheme is classed as a defined benefit scheme in the UK. It has previously accounted for the scheme as a defined contribution scheme.

Following a number of changes that have been made to the systems and process, sufficient information is now available that will allow the company to account for the scheme as a defined benefit scheme.

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 scheme is classified as a 'last man standing' arrangement. Therefore, the company 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.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement, the company recognises a liability for this obligation. The amount recognised is the surplus/deficit in the scheme using the defined benefit approach. The surplus/deficit is calculated using the difference between the present value of the defined benefit obligation and the fair value of the scheme assets as detailed in these disclosures.

Present value of defined benefit obligation, fair value of assets and defined benefit asset (liability)	Period ending	
	31 March 2024	31 March 2023
	£'000	£'000
Fair value of plan assets	41,099	41,622
Present value of defined obligation	50,847	50,959
Surplus (deficit) in plan	(9,748)	(9,337)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(9,748)	(9,337)
Deferred tax	-	-
Net defined benefit asset (liability) to be recognised	(9,748)	(9,337)

10. Pension contributions (continued)

Reconciliation of the impact of the asset ceiling	Period ending	
	31 March 2024	31 March 2023
	£'000	£'000
Impact of asset ceiling at start of period	-	-
Effect of the asset ceiling included in the net interest cost	-	-
Actuarial losses (gains) on asset ceiling	-	-
Impact of asset ceiling at end of period	-	-

Reconciliation of opening and closing balances of the defined benefit obligation	Period ending	
	31 March 2024	31 March 2023
	£'000	£'000
Defined benefit obligation at start of period	50,959	76,312
Current service cost	-	-
Expenses	44	43
Interest expense	2,440	2,095
Contribution by plan participants	-	-
Actuarial losses (gains) due to scheme experience	99	(3,504)
Actuarial losses (gains) due to changes in demographic assumptions	(563)	(117)
Actuarial losses (gains) due to changes in financial assumptions	(349)	(21,448)
Benefits paid and expenses	(1,783)	(2,422)
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	50,847	50,959

On 1 April 2022 all DB members were transferred into the DC Scheme. The current service cost has been nil since this date.

10. Pension contributions (continued)

Reconciliation of opening and closing balances of the fair value of plan assets	Period ending	
	31 March 2024	31 March 2023
	£'000	£'000
Fair value of plan assets at start of period	41,622	66,473
Interest income	2,040	1,851
Experience on plan assets (excluding amounts included in interest income) – gain (loss)	(3,081)	(26,508)
Contributions by the employer	2,301	2,228
Contributions by plan participants	-	-
Benefits paid and expenses	(1,783)	(2,422)
Assets acquired in a business combination	-	-
Assets distributed on settlements	-	-
Exchange rate changes	-	-
Fair value of plan assets at end of period	41,099	41,622

Defined benefit costs recognised in Statement of Comprehensive Income (SOI)	Period ending	
	31 March 2024	31 March 2023
	£'000	£'000
Current service costs	-	-
Expenses	44	43
Net interest expense	400	244
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 (SOI)	444	287

10. Pension contributions (continued)

Defined benefit costs recognised in Other Comprehensive Income (OCI)	Period ending	
	31 March 2024	31 March 2023
	£'000	£'000
Experience on plan assets (excluding amounts included in net interest cost) – (loss) / gain	(3,081)	(26,508)
Experience gains and (losses) arising on the plan liabilities	(99)	3,504
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain / (loss)	563	117
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain / (loss)	349	21,448
Total actuarial (losses) and gains (before restriction due to some of the surplus not being recognisable)	(2,268)	(1,439)
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 – (loss) / gain	(2,268)	(1,439)

Key assumptions	31 March 2024	31 March 2023
	% per annum	% per annum
Discount rate	4.91	4.86
Inflation (RPI)	3.14	3.19
Inflation (CPI)	2.78	2.77
Earnings increases	3.78	3.77
Allowance for commutation of pension for cash retirement	75% of maximum	75% of maximum

The mortality assumptions adopted at 31 March 2024 imply the following life expectancies	Life expectancy
	at age 65 (years)
Male retiring in 2024	20.5
Female retiring in 2024	23.0
Male retiring in 2044	21.8
Female retiring in 2044	24.4

10. Pension contributions (continued)

Assets	Period ending	
	31 March 2024	31 March 2023
	£'000	£'000
Global equity	4,096	777
Absolute return	1,605	450
Distressed opportunities	1,449	1,260
Credit relative value	1,347	1,571
Alternative risk premia	1,304	77
Fund of hedge funds	-	-
Emerging markets debt	532	224
Risk sharing	2,406	3,064
Insurance-linked securities	212	1,051
Property	1,650	1,792
Infrastructure	4,151	4,754
Private Equity	34	-
Private debt	1,617	1,852
Opportunistic illiquid credit	1,606	1,781
High yield	6	146
Opportunistic credit	-	3
Cash	811	300
Corporate bond fund	-	-
Liquid credit	-	-
Long lease property	265	1,256
Secured income	1,227	1,910
Liability driven investment	16,726	19,168
Currency hedging	(16)	80
Net current assets	71	106
Total assets	41,099	41,622

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

10. Pension contributions (continued)

Review of benefits provided by the Trustee

The Association has been notified by the Trustee of the Scheme that it has performed a review comparing the benefits provided to scheme members over recent years with the requirements of the Scheme documentation. Due to uncertainty as to the effect of some benefit changes, the Trustee has been advised by lawyers to seek clarification from the Court on potential changes to the pension liability. It is recognised that this could potentially impact the value of Scheme liabilities, but until the outcome of the ongoing Court process is known (which is currently expected to be February 2025), it is not possible to calculate the impact on the liabilities of this issue with any accuracy, particularly on an individual employer basis, for the purposes of the 31 March 2024 financial statements. Accordingly, no adjustment has been made in these financial statements in respect of this potential issue.

Nottingham Community Housing Association is aware that the Court of Appeal has recently upheld the decision in the Virgin Media vs NTL Pension Trustees II Limited case. The decision puts into question the validity of any amendments made in respect of the rules of a contracted-out pension scheme between 6 April 1997 and 5 April 2016. The judgment means that some historic amendments affecting s.9(2B) rights could be void if the necessary actuarial confirmation under s.37 of the Pension Schemes Act 1993 was not obtained. Until further investigations have been completed by the SHPS scheme trustees, and/or any legislative action taken by the government, the potential impact if any, on the valuation of scheme liabilities remains unknown.

National Health Service Pension Scheme

Nottingham Community Housing Association Limited participates in the National Health Service Pension Scheme, a defined benefit final salary scheme.

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

10. Pension contributions (continued)

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years”. An outline of these follows:

(a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes.

The valuation of the scheme liability as at 31 March 2023 is based on valuation data as at 31 March 2022 and updated to 31 March 2023 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

10. Pension contributions (continued)

(b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay.

During the accounting period NCHA paid contributions at the rate of 14.38% (2023 14.38%).
Member contributions range from 5.1% to 13.5% (2023 5% to 9.3%).

The actuarial valuation as at **30 September 2023** is currently underway and will set the **new past service payments due to be implemented from April 2025.**

11. Board and Executive Team emoluments

Group	2024	2023
The aggregate emoluments paid to or received by Board Members	114	106
The aggregate emoluments paid to or receivable by Executive team members (key management personnel) as listed on page six	684	648
The emoluments paid to the highest paid Executive team member of the Association: Chief Executive excluding pension contributions	180	171
The aggregate amount of Executive team members pensions	59	56
Total	1,037	981

The aggregate emoluments paid to or received by Board Members in 2022/23 have been restated to include those paid to Pelham Board Members, which were omitted from Note 11 in last years accounts.

Board Members	2024			2023
	Salary	Pension	Emoluments	Emoluments
	£	£	£	£
Callum Gillespie (NCHA Chair)	15,726	-	15,726	12,753
Claire Winfield (NCHA Chair - Part Year 2023)	-	-	-	6,143
Andrew Kilby (NCHA Audit Committee Chair)	10,136	-	10,136	8,228
David Harrison	10,136	-	10,136	9,628
Christopher Blackburn	3,277	-	3,277	6,224
Donna Edwards	3,277	-	3,277	6,224
Michael Finister-Smith	6,553	-	6,553	6,224
Lorelei Jarvis	6,553	-	6,553	6,224
Pradeep Khuti	3,277	-	3,277	6,224
Paul Parkinson	6,553	-	6,553	6,224
Mohammed Habib	6,553	-	6,553	6,224
Leanne Monger	6,553	-	6,553	6,224
Gillian Callingham	6,553	-	6,553	4,179
Janet Glass	3,811	-	3,811	-
Sarah Battershall	3,811	-	3,811	-
Natalie Robinson	5,051	-	5,051	-
Total	97,820	-	97,820	90,723

11. Board and Executive team emoluments (continued)

Board Members – Pelham Homes	2024			2023
	Salary	Pension	Emoluments	Emoluments
	£	£	£	£
Paul Adams (Pelham Homes Chair From 1st April 2023)	10,136	-	10,136	2,816
Mike Khouri Bent (Pelham Homes Chair Until 31st March 2023)	-	-	-	9,628
Paul High	2,964	-	2,964	-
Gary Reynolds	2,964	-	2,964	2,816
Total	16,064	-	16,064	15,260

Other Committee Members	2024			2023
	Salary	Pension	Emoluments	Emoluments
	£	£	£	£
Associate Board Members				
Rebecca Slack	1,482	-	1,482	1,891
Chantelle Miller	-	-	-	925
Independent Audit & Risk Members				
Donald Sadler	2,964	-	2,964	2,816
Independent Customer Committee Members				
Raj Kumar (Chair)	10,136	-	10,136	9,628
Lesley Renton	619	-	619	2,816
Angela Miller	2,964	-	2,964	2,816
Helen Dunne	1,291	-	1,291	-
Sharon Borrett	2,964	-	2,964	2,816
Natalie Robinson (Board member in 2024)	-	-	-	2,816
Independent Care Committee Members				
Helen Van Ristell	2,964	-	2,964	2,816
Sarah Wood	2,964	-	2,964	708
Damian Jameson	-	-	-	2,521
Total	28,348	-	28,348	29,753

The pension payments on behalf of the Executive team members exclude the SHPS Closed Scheme Surcharge and the SHPS annual deficit contribution. The full cost of both the deficit contribution and surcharge are detailed in note 12a.

The Chief Executive is an ordinary member of the Social Housing Pension Scheme detailed in note 10. The cost to the Association for the year was £17,161 (2023 - £16,300). No enhancements or special terms apply, nor does the Association make any other pension contributions on his behalf.

12. Employee information

Aggregate number of full-time equivalent colleagues whose remuneration exceeded £60,000 in the period excluding pension.

Salary band	Group	
	2024	2023
	No.	No.
£60,001 to £70,000	5	5
£70,001 to £80,000	4	3
£80,001 to £90,000	6	5
£90,001 to £130,000	-	-
£130,001 to £140,000	-	1
£140,001 to £150,000	3	2
£150,001 to £160,000	-	-
£160,001 to £170,000	-	-
£170,001 to £180,000	-	1
£180,001 to £190,000	1	-
Total	19	17

The remuneration of the highest paid director and the aggregate amount of remuneration paid to all Directors in 2023/24, relative to the size of NCHA, were £17.51 per unit and £76.78 per unit respectively. The total management cost relative to the size of NCHA was £1,143 per unit.

12a. Employee numbers

	Group	
	2024	2023
	No.	No.
The average weekly full-time equivalent number of persons (including the Chief Executive) employed during the year.	998	1,034

Weekly full-time hours are 35 hours for office staff and 37, 39 or 40 hours for non-office based colleagues. NCHA also employs colleagues on a zero hours basis.

12b. Employee costs (for the above persons)

	Group	
	2024	2023
	£'000	£'000
Wages and salaries	30,667	28,658
Social security costs	2,755	2,627
Other pension costs	1,863	1,722
Total	35,285	33,007

Other pension costs of £1,863k in 2024 (2023 – £1,722k) comprise employer's contributions for the SHPS DC scheme of £1,829k (2023 – £1,689k) and the NHS pension scheme of £34k (2023 – £33k). NCHA's pension contribution rate across all schemes, including surcharge payment, represents 6.60% (2023 – 6.64%) of pensionable pay.

13. Tangible fixed assets: housing properties (Group)

	Completed social housing properties	Completed shared ownership housing properties	Assets in the course of construction – social housing	Assets in the course of construction – shared ownership	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 April 2023	667,788	85,048	44,563	12,311	809,710
Works to existing properties	6,190	-	-	-	6,190
Additions to new properties	(38)	749	53,156	26,932	80,799
Schemes completed in the year	33,142	22,605	(33,142)	(22,605)	-
Disposal of components	(1,505)	-	-	-	(1,505)
Disposal of properties	(2,946)	(9,160)	-	-	(12,106)
Transfers	(130)	130	-	-	-
As at 31 March 2024	702,501	99,372	64,577	16,638	883,088
Depreciation and impairment					
At 1 April 2023	117,899	6,349	-	-	124,248
Depreciation charge for the year	10,131	732	-	-	10,863
Depreciation on disposal of components	(1,505)	-	-	-	(1,505)
Impairment on disposal of properties	-	-	-	-	-
Depreciation on disposal of properties	(928)	(40)	-	-	(968)
Depreciation transfer	(17)	17	-	-	-
As at 31 March 2024	125,580	7,058	-	16,638	132,638
Net book value at 31 March 2024	576,921	92,314	64,577	16,638	750,450
Net book value at 31 March 2023	549,889	78,699	44,563	12,311	685,462

There were 8,049 units pledged as security for liabilities as of 31 March 2024 (2023 – 7,899).

13a. Tangible fixed assets: housing properties (Association)

	Completed social housing properties	Completed shared ownership housing properties	Assets in the course of construction – social housing	Assets in the course of construction – shared ownership	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
As at 1 April 2023	663,139	85,046	44,563	12,311	805,059
Works to existing properties	6,063	-	-	-	6,063
Additions to new properties	(35)	749	53,156	26,932	80,802
Schemes completed in the year	33,142	22,605	(33,142)	(22,605)	-
Disposal of components	(1,491)	-	-	-	(1,491)
Disposal of properties	(2,946)	(9,160)	-	-	(12,106)
Transfers	(130)	130	-	-	-
As at 31 March 2024	697,742	99,370	64,577	16,638	878,327
Depreciation and impairment					
As at 1 April 2023	116,801	6,350	-	-	123,151
Depreciation charge for the year	10,021	732	-	-	10,753
Depreciation on disposal of components	(1,491)	-	-	-	(1,491)
Impairment on disposal of properties	-	-	-	-	-
Depreciation on disposal of properties	(925)	(40)	-	-	(965)
Depreciation transfer	(17)	17	-	-	-
As at 31 March 2024	124,389	7,059	-	-	131,448
Net book value at 31 March 2024	573,353	92,311	64,577	16,638	746,879
Net book value at 31 March 2023	546,338	78,696	44,563	12,311	681,908

There were 8,049 units pledged as security for liabilities as of 31 March 2024 (2023 – 7,878).

13b. Housing properties

Housing properties cost	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Freeholds	868,406	794,703	863,673	790,083
Long leaseholds	14,286	14,612	14,255	14,581
Short leaseholds	399	395	399	395
Total	883,091	809,710	878,327	805,059

13c. Social Housing Grant

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Deferred SHG in SFP (note 21)	285,073	258,318	285,073	258,318
SHG recognised in SOCI to date	67,700	64,301	67,700	64,301
The total accumulated SHG received or receivable at 31 March	352,773	322,619	352,773	322,619

13d. Capitalised interest and other on-costs

Additions to fixed assets during the year	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Capitalised interest	2,341	1,630	2,341	1,630
Capitalised improvements	6,191	7,833	6,063	7,647
Design costs	750	736	750	736
Development costs	1,236	965	1,236	965
Total	10,518	11,164	10,390	10,978

13e. Total major maintenance works

Total major maintenance works for the year	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Income and expenditure account planned works	3,922	3,790	3,938	3,664
Capitalised improvements	6,191	7,833	6,063	7,647
Total	10,113	11,623	10,001	11,311

13f. Investment properties

Investment properties held for letting	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
At start of year	31	31	-	-
Revaluation	-	-	-	-
Disposals	-	-	-	-
At end of year	31	31	-	-

Investment properties are measured at fair value at the reporting date, determined annually by valuation and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Pelham Homes sold its share of one of the two identical shared equity properties in April 2022.

Any changes in fair value are recognised in the Statement of Comprehensive Income.

No depreciation is provided.

14. Tangible fixed assets: other fixed assets (Group)

	Freehold offices	Property plant, machinery and fixtures	Vehicles	ICT equipment	Under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 April 2023	4,047	4,231	2,519	4,315	910	16,022
Additions	-	483	218	485	3,203	4,389
Disposals	(166)	(102)	(144)	(839)	-	(1,251)
As at 31 March 2024	3,881	4,612	2,593	3,961	4,113	19,160
Depreciation						
At 1 April 2022	1,264	2,779	2,081	3,318	-	9,442
Depreciation charge for the year	65	381	297	490	-	1,233
Disposal depreciation	(100)	(82)	(144)	(819)	-	(1,145)
As at 31 March 2024	1,229	3,078	2,234	2,989	-	9,530
Net book value at 31 March 2024	2,652	1,534	359	972	4,113	9,630
Net book value at 31 March 2023	2,783	1,452	438	997	910	6,580

14a. Tangible fixed assets: other fixed assets (Association)

	Freehold offices	Property plant, machinery and fixtures	Vehicles	ICT equipment	Under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 April 2022	4,047	4,231	2,519	4,315	910	16,022
Additions	-	483	218	485	3,203	4,389
Disposals	(166)	(102)	(144)	(839)	-	(1,251)
As at 31 March 2024	3,881	4,612	2,593	3,961	4,113	19,160
Depreciation						
At 1 April 2023	1,264	2,779	2,081	3,318	-	9,442
Depreciation charge for the year	65	381	297	490	-	1,233
Disposals	(100)	(82)	(144)	(819)	-	(1,145)
As at 31 March 2024	1,229	3,078	2,234	2,989	-	9,530
Net book value at 31 March 2024	2,652	1,534	359	972	4,113	9,630
Net book value at 31 March 2023	2,783	1,452	438	997	910	6,580

15. Fixed asset investments

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Investment in Subsidiaries	-	-	2,000	2,000
Investments in Joint Ventures	974	987	-	-
Other fixed asset investments				
Nottingham Credit Union	26	26	26	26
National Almshouse Association Common Investment Fund Income Shares	474	466	-	-
National Almshouse Association Common Investment Fund Accumulation Shares	97	91	-	-
COIF Income Units	7	6	-	-
COIF Investment Fund	258	237	-	-
Total	862	826	26	26

16. Shared ownership properties for sale and other stock

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Stock of properties for outright sale: under construction	5,910	1,341	-	-
Stock of shared ownership properties for sale: completed schemes	2,025	3,591	2,025	3,591
Stock of shared ownership properties for sale: under construction	10,573	9,115	10,573	9,115
Sub total	18,508	14,047	12,598	12,706
Stock of materials	68	90	68	90
Total	18,576	14,137	12,666	12,796

17. Debtors

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Amounts falling due within one year				
Rent arrears	1,169	2,875	1,143	2,856
Less provision for bad debts	(491)	(487)	(475)	(476)
Sub total	678	2,388	668	2,380
SHG receivable	140	187	140	187
Amounts owed by Group undertakings	-	-	133	148
Other debtors	15,639	5,098	12,261	4,409
Prepayments	1,502	1,044	1,502	1,044
Total within one year	17,959	8,717	14,704	8,168
Amounts falling due after one year				
Pelham Homes Limited loan	-	-	2,000	-
Total after one year	-	-	2,000	-
Total debtors	17,959	8,717	16,704	8,168

18. Cash and cash equivalents and current asset investments

Cash at bank and in hand	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Mortgaged against specific loans				
Charged funds to lenders	4,627	3,286	4,627	3,286
Unmortgaged				
Deposits for service users (note 19)	1,164	1,089	902	795
Other unmortgaged bank accounts	33,237	25,501	32,263	27,875
Total	39,028	29,876	37,792	31,956
Current asset investments				
Short term money market investment	-	24,007	-	20,007

Amounts mortgaged against specific loans are restricted cash and not available liquid resources. Deposits for service users represent funds held on behalf of service users.

19. Creditors amounts falling due **within one year**

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Housing loans (note 20)	6,275	16,231	6,275	16,231
Loan administration fees	(260)	(238)	(260)	(238)
Loan interest accruals	3,350	2,830	3,350	2,830
Premium on debenture issue	34	136	34	136
Trade creditors	1,220	2,703	1,947	2,703
Funds held for others	286	318	22	22
Rents and service charges paid in advance	1,902	1,894	1,880	1,874
Taxation and Social Security payable	756	710	756	710
Deferred Capital Grants (note 21)	3,463	3,305	3,463	3,305
Recycled Capital Grant Fund (note 22)	734	3,410	734	3,410
Other creditors	11,148	9,233	10,284	13,529
Total	28,908	40,532	28,485	44,512

20. Creditors amounts falling due **after more than one year**

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Housing loans	367,433	322,739	367,433	322,590
Loan administration fees	(1,734)	(1,360)	(1,734)	(1,357)
Premium on debenture issue	583	617	583	617
Sub total	366,282	321,996	366,282	321,850
Deferred Capital Grant	281,610	255,013	281,610	255,013
Health Grant Fund	-	146	-	146
Recycled Capital Grant Fund (note 22)	4,138	4,273	4,138	4,273
Other creditors falling due after more than one year	1,284	777	1,284	777
Social Housing Decarbonisation Fund	-	374	-	374
Total	653,314	582,579	653,314	582,433

20a. Provision for liabilities

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
As at 1 April	1,859	1,389	1,832	854
Release of provision in year major works obligation	(94)	(1,318)	(67)	(810)
Increase in provision due to major works obligation	756	1,667	756	1,667
Increase in provision due to development obligation	-	121	-	121
As at 31 March	2,400	1,859	2,400	1,832

20b. Exceptional items

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Net provision released	1,644	-	1,667	-
Provision charged	2,400	1,667	2,400	1,667
Total charge to the SOCI	756	1,667	756	1,667
Movement in exceptional item provisions:				
Opening balance	1,667		1,667	
Fire safety work	-	1,667	-	1,667
Expenditure	(23)		(23)	
Release of fire safety provision	1,644		1,644	
Gas safety work	2,400		2,400	
Total	2,400	1,667	2,400	1,667

In 2023 a provision of £1.667 million was made for estimated fire safety costs at the Pinnacle building potentially not fully conforming to current building safety regulations. Subsequently fire compartmentation at the Pinnacle has been confirmed to be satisfactory for now and the provision, net of a small cost for gas safety checks, has been released.

During 2024 issues with the gas installation at the Pinnacle were identified which we have been informed by the gas transporter (GTC) are non-compliant and have now been reported to the building safety regulator (BSR). As a result a provision for the costs expected totalling £2.4 million has been included in 2023/24 based on the latest estimate of those costs prepared by external advisors.

Given the nature of the works it has been assumed that the liability across the whole building, both freehold and leasehold flats, falls within NCHA.

21. Deferred capital grant

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Opening balance 1 April	258,692	253,454	258,692	253,454
Grants received in year	30,922	10,730	30,922	10,730
Grants disposals in year	(1,142)	(2,590)	(1,142)	(2,590)
Released to income in year	(3,399)	(3,276)	(3,399)	(3,276)
Closing balance 31 March	285,073	258,318	285,073	258,318
Due to be released in less than one year	3,463	3,305	3,463	3,305
Due to be released in more than one year	281,610	255,013	281,610	255,013
Closing balance 31 March	285,073	258,318	285,073	258,318

22. Recycled capital grant

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Opening balance 1 April	7,683	5,975	7,683	5,975
Inputs: grants recycled to RCGF: NCHA	1,500	2,202	1,500	2,202
Inputs: interest accrued	270	166	270	166
Recycling: investment in new build stock: NCHA	(4,581)	(660)	(4,581)	(660)
Closing balance 31 March	4,872	7,683	4,872	7,683
RCGF due in less than one year	734	3,410	734	3,410
RCGF due in more than one year	4,138	4,273	4,138	4,273
Total	4,872	7,683	4,872	7,683

23. Called up share capital

Group and Association	2024	2023
	£	£
Ordinary shares of £1 each allotted, issued and fully paid at the start of the year	27	26
Issued during the year	3	1
Written back during the year	-	-
At the end of the year	30	27

The ordinary shares have full voting rights. They do not have any right to distributions or capital and are not redeemable.

24. Capital commitments

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Capital expenditure that has been contracted for, but has not been provided for in the financial statements	76,351	123,419	58,255	118,464
Capital expenditure that has been authorised by the Board, but has not yet been contracted for	126,544	103,243	123,125	99,315
Investment in jointly owned entities that has been authorised by the Board, to fund capital expenditure that has not been contracted for	1,586	3,033	-	-
Investment in jointly owned entities that has been contracted for, but has not been provided for in the financial statement	208	73	-	-
Total	204,689	229,768	181,380	217,779

The Association expects to finance the expenditure above by:				
Social Housing Grant receivable and other grants receivable	61,700	64,822	61,700	64,822
Sales proceeds	59,682	51,732	38,167	42,849
Distribution from jointly controlled entities, resulting from sales proceeds	1,794	3,106	-	-
New loan finance (including refinancing)	81,513	110,108	81,513	110,108
Total	204,689	229,768	181,380	217,779

25. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

Group and Association	2024	2023
	£'000	£'000
Land and buildings		
Leases expiring within the next year	77	68
Leases expiring in the second to fifth year	20	44
Leases expiring in more than five years	-	-
Sub total	97	112
Others		
Expiring within the next year	266	20
Expiring in the second to fifth year	548	52
Expiring in more than five years	-	-
Total	911	184

26. Subsidiary undertakings

The Association is the parent organisation in a group that also includes Pelham Homes Limited and Nottingham Community Almshouse Charity. Blyth Cottages Charity was a separate charity that was part of the group until 28 March 2023 when it transferred into Nottingham Community Almshouse Charity.

Pelham Homes Limited

The Association owns 100% of the shares in Pelham Homes Limited, which is a wholly owned commercial subsidiary. Its principal activities are the development and sales of residential properties, the provision of property related services and the management of leasehold properties. Pelham Homes Limited transfers surpluses by Gift Aid to NCHA.

The transactions that have occurred between the two organisations apart from the Gift Aid are as follows below.

	2024	2023
	£'000	£'000
Loan interest	42	-
Management fee	200	174
Design fee	152	183
Maintenance fee	54	138
Property sales	-	-

There is an intercompany loan available from NCHA to Pelham Homes of up to £18m is secured by a security trust deed over all present and future assets of Pelham Homes Limited. The interest rate is based on Bank of England Base Rate + 3.7%. The management fee is determined by an intercompany Agreement for services agreed by both Boards. The design fee and maintenance fee are determined by the works carried out. Any intercompany amounts due to / from Pelham Homes from / to NCHA at the balance sheet date are disclosed in Note 30.

26. Subsidiary undertakings (continued)

Almshouse and other organisations

Nottingham Community Almshouse Charity is now the sole Almshouse organisation consolidated into these group accounts; Nottingham Annuity Charity merged into Nottingham Community Almshouse Charity on the 19 August 2021 and Blyth Cottages Charity transferred into Nottingham Community Almshouse Charity on 28 March 2023. Management fees were paid to NCHA as follows:

	2024	2023
	£'000	£'000
Nottingham Community Almshouse Charity	133	110

The Association also carried out maintenance works which were charged to the charities as follows:

	2024	2023
	£'000	£'000
Nottingham Community Almshouse Charity	34	42

Any intercompany amounts due to / from NCAC from / to NCHA at the balance sheet date are disclosed in Note 30.

Joint Ventures

Pelham Waterside LLP is jointly owned by Langar Investments Limited and Pelham Homes Limited, a wholly owned subsidiary of Nottingham Community Housing Association Limited (NCHA).

Pelham Waterside Two LLP is jointly owned by Norse Homes (Trent Lane) Limited and Pelham Homes Limited, a wholly owned subsidiary of Nottingham Community Housing Association Limited (NCHA).

Access Training is jointly owned by Futures Housing Group and Pelham Homes Limited, a wholly owned subsidiary of Nottingham Community Housing Association Limited (NCHA).

	2024	2023
	£'000	£'000
Share of profit/loss in Joint Ventures - Pelham Waterside	509	498
Share of profit/loss in Joint Ventures - Pelham Waterside Two	-	-
Share of profit/loss in Joint Ventures - Access Training	99	81

27. Post balance sheet events

We consider that there have been no other events since the financial year end which have had a material effect on the financial position of the group.

28. Units/bedspaces

	Group		Association	
	2023	2022	2023	2022
	No.	No.	No.	No.
Social housing under development at end of year				
Housing accommodation	782	887	782	887
Shared ownership	354	428	354	428
For sale	78	25	-	-
Total	1,214	1,340	1,136	1,315

28. Units/bedspaces (continued)

Group	2023	Additions	Disposals	Other movements	2024
	No.	No.	No.	No.	No.
Social housing under management at end of year					
Housing accommodation	5,703	20	(43)	1	5,681
Intermediate rent	373	13	(1)	(2)	383
Affordable rent	1,675	180	(1)	-	1,854
Supported housing	495	24	(3)	(2)	514
Care homes	91	-	(12)	-	79
Housing for older people	480	-	-	-	480
Shared ownership	1,207	135	(10)	-	1,332
Freehold interest only	133	-	-	2	135
Sub total	10,157	372	(70)	(1)	10,458
Non social housing under management at end of year					
Market rented	-	-	-	-	-
Sub total	-	-	-	-	-

Key drivers of 'other movements' are mergers into the Group and tenure conversion.

Association	2023	Additions	Disposals	Other movements	2024
	No.	No.	No.	No.	No.
Social housing under management at end of year					
Housing accommodation	5,691	20	(43)	1	5,669
Intermediate rent	373	13	(1)	(2)	383
Affordable rent	1,675	180	(1)	-	1,854
Supported housing	495	24	(3)	(2)	514
Care homes	91	-	(12)	-	79
Housing for older people	332	-	-	-	332
Shared ownership	1,206	135	(10)	-	1,331
Freehold interest only	133	-	-	2	135
Sub total	9,996	372	(70)	(1)	10,297
Non social housing under management at end of year					
Market rented	-	-	-	-	-
Sub total	-	-	-	-	-

The key driver of 'other movements' is tenure conversion.

29. Accommodation managed by agents

The Association owns units excluded from note 28 above which are managed by other bodies, as follows below. Housing accommodation is managed by High Peak Council and other housing by a range of other care and support organisations including P3 and Women's Aid (Nottinghamshire, Newark and Midlands).

Group and Association	2023	2022
	No.	No.
Housing accommodation	21	21
Supported housing, care homes and housing for older people	102	101
Total	123	123

30. Related parties

During the year, the Board had one tenant member who held a tenancy agreement on normal terms and has now resigned from the Board. Rent charged to the tenant Board member was £3.9k (2023 - £4k). During the year, a new Board member was recruited who is a shared owner leaseholder and who holds a lease on normal terms. Customers cannot use their position on the Board to their advantage.

Nottingham Community Housing Association is the sole Corporate Trustee for Nottingham Community Almshouse Charity.

As at 31 March 2024 the following balances detailed below were owed.

	Amounts owed to Trustee	Amounts due from Trustee	Amounts owed to Trustee	Amounts due from Trustee
	£'000	£'000	£'000	£'000
Nottingham Community Almshouse Charity	-	27	-	52
Total	-	27	-	52

As at 31 March 2024 there was also an inter-group loan from NCHA to Pelham homes which totalled £2 million (2023 - £0m).

31. Financial instruments and risk management

Risk management

In addition to its own accumulated resources and position, the NCHA Group makes use of bank loans and bonds to finance its development activity. Financial control forms a key part of the internal system of internal control and risk management system. In line with the Board's annually approved standing orders and financial regulations which includes the scheme of delegated authority for treasury matters, the Board holds the ultimate responsibility for the annual review and update of the treasury management strategy and the treasury management policy.

NCHA's standing orders, financial regulations, treasury strategy and treasury management policy are approved by the Board annually.



31. Financial instruments and risk management (continued)

Liquidity

The Group had total external bank loan/bond borrowing facilities of £442.7m (2023 - £409m) of which £69m (2023 - £70m) were undrawn.

The parent company NCHA holds all but a tiny proportion of these facilities. These can be summarised as:

Name	Facility	Drawn	Undrawn	Maturity	Rate	Type
	£'000	£'000	£'000		%	
Bank of Scotland	29,000	29,000	-	2042-2043	5.51	Variable
Bank of Scotland	40,000	40,000	-	2042-2043	2.68 - 5.11	Fixed
Scottish Widows	18,050	18,050	-	2038-2039	5.51 – 6.23	Variable
Scottish Widows	65,000	65,000	-	2038-2039	4.35 - 5.65	Fixed
Orchardbrook (NCHA) – RBS	1,501	1,501	-	2028-2029	10.61	Fixed
Orchardbrook (LQHA) – RBS	157	157	-	2042-2043	10.53	Fixed
AHG Bond Issue	10,500	10,500	-	2042-2043	3.80	Fixed
European Investment Bank	18,500	18,500	-	2045-2046	2.52	Fixed
Private Equity Investor	55,000	55,000	-	2048-2049	3.55	Fixed
Private Equity Investor	30,000	30,000	-	2054-2055	3.60	Fixed
NatWest Bank	70,000	1,000	69,000	2027-2028	6.25	Variable
Saltaire Finance – AHGS 1	55,000	55,000	-	2052-2053	2.71	Fixed
Saltaire Finance – AHGS 2	50,000	50,000	-	2033-2034	4.82	Fixed
Total	442,708	373,708	69,000			

During the year NCHA arranged a second loan facility under the Affordable Homes Guarantee Scheme (AHGS) of £50m. The borrowing has been drawn down and will be repaid over a loan period of 10 years.

Nottingham Community Almshouse Charity holds no facilities as at 31st March.

The following facility was repaid in full in 2023/24:

Name	Facility
	£'000
Handelsbanken	150

As at 31 March 2024 the NCHA Group held cash and cash equivalents of £39m (2023 - £29.9m).

31. Financial instruments and risk management (continued)

Debt analysis	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Loan repayable by instalments				
Within one year	5,275	3,831	5,275	3,831
In one year or more but less than two years	5,297	5,156	5,297	5,156
In two years or more but less than five years	20,085	18,211	20,085	18,211
In five years or more	141,550	148,722	141,550	148,722
Loan not repayable by instalments				
Within one year	1,000	12,400	1,000	12,400
In one year or more but less than two years	-	-	-	-
In two years or more but less than five years	-	150	-	-
In five years or more	200,500	150,500	200,500	150,500
Sub total	373,707	338,970	373,707	338,820
Less loan issue costs	(1,734)	(1,360)	(1,734)	(1,357)
Total loans	371,973	337,610	371,973	337,463

Loans are secured by specific charges on the Group's housing properties. Some loans are repayable half yearly/annually at varying rates of interest and are due to be repaid in 2054/55.

Refinancing risk is managed through the Group Treasury Management Policy.

A Board Task and Finish Group was operating during the year working closely with external partners and the Treasury team to conclude the arrangement of new facilities in line with the approved treasury strategy for the year.

All of the Group's external borrowing facilities are secured.

31. Financial instruments and risk management (continued)

Managing market risk

Interest rate risk

Interest rate risk is managed through the active application of the Treasury Management Policy.

The Interest Rate Profile of the Group at 31 March 2024 is detailed below.

	Total	Variable rate	Fixed rate	Weighted average rate	Weighted average term
	£'000	£'000	£'000	%	Years
Instalment loans	172,208	47,050	125,158	2.19%	4
Non-instalment loans	201,500	1,000	200,500	1.97%	12
Total	373,708	48,050	325,658	4.16%	

Currency risk

Currency risk is the risk that currency exchange rates impact on the Group's cash / investments assets or income returns. The NCHA Group only trades in sterling, other than where required for insubstantial incidental minor day to day purchases. It has no offices outside of the United Kingdom.

Credit risk

Credit risk is the risk that a counterparty to a financial instrument fails to discharge an obligation to the Group. Credit risk policy is governed by the application of the Treasury Management Policy.

Covenant compliance

Covenant compliance is monitored regularly by the Resources Directorate and reported to board as per the requirements of the board approved Group Standing Orders and Financial Regulations. There were no breaches identified in the year.

Financial assets and liabilities at book value and fair value

The book value of all financial assets and financial liabilities at 31 March 2024 and 31 March 2023 are deemed to be equal fair value.

31. Financial instruments and risk management (continued)

Financial instruments

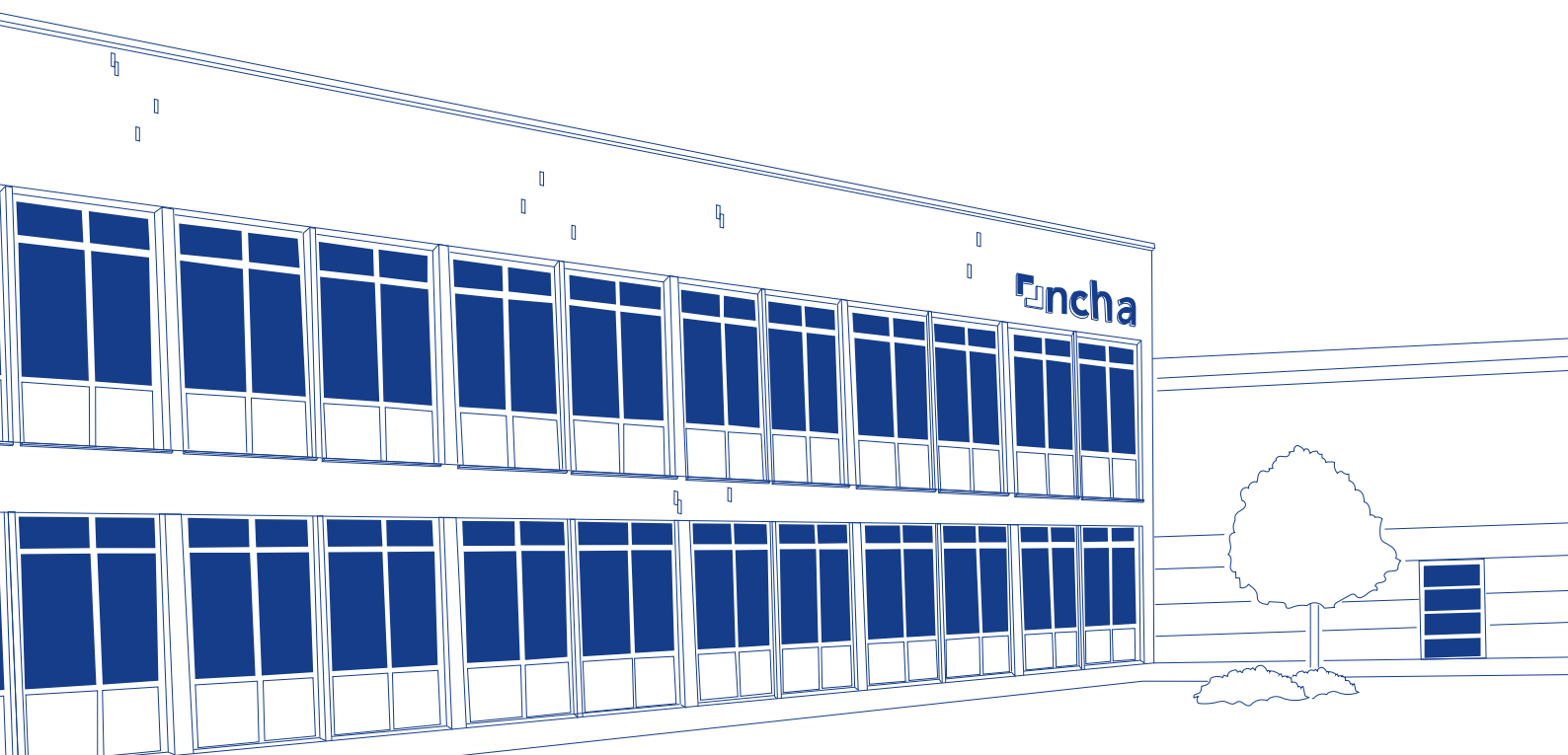
The financial instruments of the Group are summarised below.

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Assets measured at amortised cost				
Investments in subsidiaries	-	-	2,000	2,000
Investments in joint ventures	974	948	-	-
Fixed assets investments	862	826	26	26
Trade debtors	15,639	599	12,261	4,410
Current assets investments	-	920	20,626	920
Cash at bank and in hand	39,028	52,961	17,166	51,041
Total	56,503	56,254	52,079	58,397
Liabilities measured at amortised cost				
Loans	371,973	337,608	371,973	337,461
Leases	869	184	869	184
Trade creditors	1,947	2,703	1,947	2,703
Recycled Capital Grant Fund	4,872	7,683	4,872	7,683
Total	379,661	348,178	379,661	348,031


32. Analysis of changes in net debt

	Group	Cash flows	Other	Group
	At 1 April 2023		non-cash movements	At 31 March 2024
	£'000	£'000	£'000	£'000
Cash at bank and in hand	29,876	9,152	-	39,028
Borrowings				
Debt due within 12 months	(16,231)	16,231	(6,275)	(6,275)
Debt due greater than 12 months	(322,739)	(50,000)	5,306	(367,433)
Total net debt	(309,094)	(24,617)	(969)	(334,680)





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An electronic version of this report can be found on our website, www.ncha.org.uk

Nottingham Community Housing Association Limited is a charitable community benefit society, registered with the Financial Conduct Authority under number 7104.

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