

Broadacres Housing Association Limited
Annual report and financial statements
for the year ended 31 March 2017

Registered number: 27656R

Broadacres Housing Association Limited

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Broadacres Housing Association Limited

BOARD, MANAGEMENT TEAM AND PROFESSIONAL ADVISERS

CHAIRMAN

Mr C Wilkie

OTHER MEMBERS

Mrs C Milbanke (Resigned 3 July 2017)
Mr P Burke (Resigned 26 September 2016)
Mrs J Osborne (Resigned 26 September 2016)
Mr P Ottowell
Mrs E Pollard (Resigned 27 March 2017)
Mrs H Wintersgill - Tenant member
Mr D Dumbleton - Tenant member
Mr M Cann
Mr L Parkinson
Mr N Bell
Mr G Roberts
Mrs J Bateson - Appointed 27 March 2017
Mr G Perry - Co-opted board member – Appointed 27 March 2017
Mr P Summers - Co-opted board member – Appointed 27 March 2017

SENIOR STAFF

S Towers (Chief Executive – Retired 14 July 2017)
A Grainger (Finance Director)
P Lightfoot (Property Services Director)
A Powell (Customer Services Director)
C Fawcett (Business Support Director)

COMPANY SECRETARY

C Fawcett

REGISTERED OFFICE

Broadacres House
Mount View
Standard Way
Northallerton
North Yorkshire
DL6 2YD

INDEPENDENT AUDITORS 2016/17

PricewaterhouseCoopers LLP
Central Square South
Orchard Street
Newcastle upon Tyne
NE1 3AZ

INTERNAL AUDITORS 2016/17

Mazars LLP
The Lexicon
Mount Street
Manchester
M2 5NT

Broadacres Housing Association Limited

STRATEGIC REPORT OF THE BOARD OF MANAGEMENT

SOLICITORS

Bond Dickinson LLP
St Ann's Wharf,
112 Quayside,
Newcastle upon Tyne,
NE1 3DX

Anthony Collins Solicitors
134 Edmund Street
Birmingham,
B3 2ES

Walker Morris LLP
Kings Court,
12 King Street,
Leeds,
LS1 2HL

Trowers and Hamblins LLP
Heron House,
Albert Square,
Manchester,
M2 5HD

Bevan Brittan LLP
Toronto Square
Toronto Street
Leeds
LS1 2HJ

Devonshires
30 Finsbury
London
EC2M 7DT

BANKERS

Barclays Bank plc
193 High Street
Northallerton
North Yorkshire
DL7 8LJ

FUNDERS

The Royal Bank of Scotland (RBS)
5th Floor
135 Bishopsgate
London
EC2M 3UR

Nationwide Building Society (Nationwide)
Kings Park Road
Moulton Park
Northampton
NN3 1NL

Barclays Corporate (Barclays)
PO Box 190
2nd Floor
1 Park Row
Leeds
LS1 5WU

Hambleton District Council
Civic Centre
Stone Cross
Northallerton
DL6 2UU

FUNDING ADVISORS

Capita Asset Services
65 Gresham Street
London
EC2V 7NQ

Broadacres Housing Association Limited

STRATEGIC REPORT OF THE BOARD OF MANAGEMENT

The board present their strategic report on the affairs of the Broadacres Housing Association (BHA) and Group, together with the financial statements and auditors' report, for the year ended 31 March 2017.

Legal Status

The association is registered under the Co-operative and Community Benefit Societies Act 2014. It is also registered with The Homes and Communities Agency (HCA) registration no LH4014. The association has charitable rules registered with HM Revenue and Customs.

Financial risk management objectives and policies

The Group's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on the use of financial derivatives to manage these risks. The Group does not use derivative financial instruments for speculative purposes.

Cash flow risk

The Group holds only basic financial instruments. The loans held by the Association are largely at fixed interest rates.

Credit risk

The Group's principal financial assets are bank balances and cash, rent arrears and other receivables, and investments.

The Group's credit risk is primarily attributable to its rent arrears. The amounts presented in the Statement of Financial Position are net of allowances for bad debts. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and tenants.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for on-going operations and future developments, the Group uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the statement of accounting policies in the financial statements.

Going Concern

The group's activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives, details of its financial instruments and derivative activities, and its exposures to credit, liquidity and cash flow risk are described below.

The group has considerable financial resources and, as a consequence, the board believe that the group is well placed to manage its business risks successfully despite current uncertainties in the social housing sector.

After making enquiries, the board have a reasonable expectation that the Association and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. More detail on the board's decision, particularly with regard to the status of Mulberry Homes Yorkshire Ltd is included in both the strategic and operational reports.

Broadacres Housing Association Limited

STRATEGIC REPORT OF THE BOARD OF MANAGEMENT

The Board of Management comprises the following people with various skills which they believe enable Broadacres to deliver its objectives.

Board Member	Occupation	Date Joined Board	Past experience / skills	Committees /Working Groups	Remuneration
Colin Wilkie	Retired	March 2014	Currently Chairman of Directors/Trustees of Northdale Horticulture and Public Governor of Tees Esk and Wear Valley NHS Foundation Trust. Previously Associate Director and General Manager with Yorkshire and York Primary Care Trust.	Broadacres Board of Management (Chairman); Broadacres Services Limited	£10,445
Hilary Wintersgill	Self-employed taxi driver	November 2008	Tenant of Broadacres Previously a member of the PTA Committee.	Broadacres Board of Management; Broadacres Services Limited	£3,655
Catherine Milbanke	Chartered Accountant	September 2012 (Resigned 3 July 2017)	A partner in a firm of Chartered Accountants and has previous experience as a non-executive on several charity boards.	Broadacres Board of Management; Audit Committee (Chairman);	£7,293
Gareth Roberts	Chartered Surveyor	January 2014	Public Sector Land and Property Management which included land acquisition and residential property services.	Broadacres Board of Management; Director Mulberry Homes Yorkshire Limited	£3,655
Mr N Bell	Retired	September 2015	An initial career in local government planning, but the majority spent in private house-building with both national and regional companies, mostly at board level	Broadacres Board of Management; Director Mulberry Homes Yorkshire Limited	£3,655

Broadacres Housing Association Limited

STRATEGIC REPORT OF THE BOARD OF MANAGEMENT

Board Member	Occupation	Date Joined Board	Past experience / skills	Committees /Working Groups	Remuneration
Peter Ottowell	Retired	September 2014	Managing Director of Three Rivers HA up until 2010 when he took early retirement. Currently Chair of Inclusion Housing in York. Key skills are governance, operational performance, property development, strategic planning and change management	Broadacres Board of Management; Mulberry Homes Yorkshire (Ltd) (Chairman)	£3,665
Elizabeth Pollard	Retired	September 2014 (Resigned 27 March 2017)	Over 35 years board level and general management experience working in non-profit and profit based organisations including 14 years in Chief Executive/Managing Director roles. Recently retired as Chief Executive of Herriot Hospice Homecare. Key skills are strategic planning and management, change management, HR strategy, income development and organisational development	Broadacres Board of Management; Audit Committee; Richmond and Hambleton Furniture Store	£3,665
Mr M Cann	Retired Chartered Town Planner	September 2015	I previously managed a local authority Planning Department, together with Building Control and Environmental Health and support services. More recently, I now work as a volunteer Advocate with North Yorkshire Advocacy and sit on their board as a trustee.	Broadacres Board of Management; Broadacres Services Limited	£3,665
Mr D Dumbleton	Fleet Manager	September 2015	I am a retired Civil Servant with experience of managing building projects and performance improvement. I now manage a fleet of vehicles for a local authority and am a member of the West Tanfield Parish Council.	Broadacres Board of Management; Diversity Champion	£3,665

Broadacres Housing Association Limited

STRATEGIC REPORT OF THE BOARD OF MANAGEMENT

Board Member	Occupation	Date Joined Board	Past experience / skills	Committees /Working Groups	Remuneration
Mr Lee Parkinson	Managing Director and Chief Executive	September 2015	Corporate leadership and senior management roles for major construction companies' procurement and supply chain management operations. Development and management of large public sector procurement frameworks for Local Authorities and Registered Providers of Social Housing. Currently Chief Executive of Efficiency North, the Yorkshire and Humber region's Homes and Communities Agency sponsored collaborative procurement consortium for social housing providers. Corporate member of the Chartered Institute of Purchasing and Supply.	Broadacres Board of Management; Audit Committee; Value for Money Champion	£3,665
Mr Gordon Perry	Chief Executive Officer at Accent Group	March 2017	20 years' experience of Chief Officer level responsibility in four large varied housing organisations with responsibility for over 100,000 tenants and leaseholders and 200 staff	Broadacres Board of Management;	£nil
Mrs Jacqui Bateson	Senior Proposition Manager at Skipton Building Society	March 2017	MBA qualified financial services professional with 20 years' experience across multiple disciplines	Broadacres Board of Management;	£nil
Mr Phil Summers	Co-Owner of R-gen Developments Ltd	March 2017	Experience in identifying development opportunities, appointing Architects, QS, consulting engineers and contractors. Detailing design briefs, marketing strategies and project management.	Broadacres Board of Management;	£nil

Members are reimbursed expenses incurred in carrying out their duties in line with HMRC guidance rates.

Board Diversity

Category			Category		
	Under 65	Over 65		No Disability	Disability
Age	11	1	Disability	12	0
	Male	Female		BME	White British
Gender	9	3	Ethnicity	0	12

Broadacres Housing Association Limited

STRATEGIC REPORT OF THE BOARD OF MANAGEMENT

Board Attendance:

BROADACRES HOUSING ASSOCIATION		
CURRENT MEMBERS' ATTENDANCE AT MEETINGS – April 2016 to March 2017		
	Possible	Actual
Mr C Wilkie	6	6
Mrs C Milbanke	6	4
Mr P Burke	2	2
Mrs J Osborne	2	2
Mr P Ottowell	6	6
Mrs E Pollard	5	5
Mr G Roberts	6	6
Mrs H Wintersgill	6	5
Mr L Parkinson	6	6
Mr N Bell	6	6
Mr M Cann	6	6
Mr D Dumbleton	6	6

Principal Activities

The principal activity of the association is to provide well managed and maintained homes for those in housing need including the elderly, the infirm, people with special needs and those that are financially unable to secure a home in the private market. The association has four subsidiaries: Broadacres Services Limited, which provides development services, The Richmond and Hambleton Furniture Store, a charity that recycles donated furniture for resale, Mulberry Homes Yorkshire Limited a development company that delivers homes for private sale and Market Gate Residential Management Company Limited which provides a property management service to the schemes at Blossomgate and Marshall Way, Ripon. Together these companies make up the Broadacres Group. Other services operated by the company are Hambleton Lifeline, an emergency call service for elderly and vulnerable customers both tenants' and other members of the community, a Home Improvement Agency providing, repairs and adaptations for homeowners together with a cleaning service.

The association has an ongoing development programme to provide additional housing stock, with 232 new properties being delivered in the year.

Broadacres Housing Association Limited

STRATEGIC REPORT OF THE BOARD OF MANAGEMENT

Results

The group's financial performance for the year shows a surplus of £1,007k. (2016- £1,462k) Further details on subsidiary results are included on pages 24-25 of these accounts. The majority of the Association's operating surplus continues to be sourced from property rentals. It is important that surpluses are generated in the long term to enable Broadacres to make on-going interest and loan repayments. The timing of required loan repayments are shown on page 24. All surpluses are re-invested in the services and properties of Broadacres.

The housing stock is shown at gross cost net of depreciation at a value of £295,854,000 (2016 £285,347,000) the pension fund liability has remained at £6.2m.

Review of the Business and Future Developments

The review of the business and future developments are discussed within the Operating and Financial Review on pages 14-45.

Changes in Fixed Assets

Details of changes in tangible fixed assets are shown in notes 11 and 12 to the financial statements. Properties are held at cost less accumulated depreciation.

Insurance

The Broadacres group maintains a range of insurance policies to protect the organisations against various risks. These are reviewed before renewal each year and cover is adjusted to take account of changing risks and value for money. The policies include Directors' and Officers' liability insurance for the Board of Management and staff.

Financial Instruments

The group's approach to financial risk management is outlined in the Operating and Financial review on pages 14-45.

Health and Safety

The board is aware of its responsibilities on all matters relating to health and safety and detailed health and safety policies have been produced together with staff training and education on health and safety matters.

Corporate Governance

Broadacres adopt and fully comply with the National Housing Federation Code of Governance 2015. We constantly review our governance arrangements and take independent assurance to ensure we have an appropriate board comprising of the right composition, skills, duties and responsibilities. Broadacres Audit Committee report directly to the board, managing the internal auditors and external auditors and monitoring the effectiveness of controls designed to manage the risks of the business in accordance with our risk appetite, set by the board. Clear working arrangements between the board and chief executive ensure the correct discussions and decisions takes place at board level. The board set the strategic direction with appropriate external advice to align the remuneration and recruitment of board members and executive directors within the objectives of Broadacres. This all works together to provide an environment and culture where all board members, directors and employees operate to the highest ethical standards of probity and conduct and comply with all relevant laws. As at 31 March 2017 Broadacres board of management comprised 12 non-executive board members which includes 2 tenant members and 2 co-opted members. Competence of the board and its individual members are appraised annually. Any training and development identified as part of this is then arranged.

Broadacres Housing Association Limited

STRATEGIC REPORT OF THE BOARD OF MANAGEMENT

Compliance with the Homes and Communities Agency (HCA) Regulatory Standards: Governance & Viability Standard

Broadacres regulatory rating is V2/G3.

The In-Depth Assessment undertaken by the regulator in April 2016 confirmed Broadacres compliant ratings (V2/G2). It identified a number of risk exposures contributing to the grade particularly related to the BHA board's control of its commercial subsidiaries that required tight management to maintain compliance

Following challenging trading conditions, detailed in last year's strategic and operational report, Mulberry Homes Yorkshire Limited again found itself in a difficult financial position. Broadacres made clear to the regulator and funders the extent of these difficulties, as well as developing a number of costed and prioritised recovery plans for resolving this situation. A report was commissioned by external consultants in August 2016 to determine the preferred option relating to subsidiary operations. On review of this report by the regulator, Broadacres was determined to have breached the governance standard in relation to historic decision making relating to Mulberry Homes, and consequently our grading was reduced to G3. In order to remedy this, a voluntary undertaking has been entered into with the regulator to ensure that Broadacres can return to a compliant status.

In terms of financial viability, the regulator concluded that Broadacres position remains strong, with the regulator concluding that "financial plans are consistent with, and support, the financial strategy of the provider. Independent legal and financial advice has confirmed that BHA can absorb the impact of an impairment of its current on-lending to the unregistered entities in the group and that BHA can continue to meet its funders' loan covenants." As a result we retained our V2 status.

Remuneration

Our board members are remunerated and the Board Chairman receives £10,445, Audit committee Chairman £7,293 and other members receive £3,655. These amounts are disclosed on pages 4-6. These levels were set on the basis of information published by the National Housing Federation which takes into account the size of an organisation and its annual turnover.

Internal Controls Assurance

The board is supported by an Audit Committee, which oversees the activities of, and receives reports from, both the internal auditors and external auditors. The audit committee review the performance of our auditors every year and usually re-tender the services of the auditors on a three yearly basis. In addition, it is responsible for reviewing and monitoring the effectiveness of internal control systems, risk management, health and safety and the association's accounting policies. The Audit Committee meets at least four times a year.

Meetings of the senior management team are held weekly and are chaired by the Chief Executive. They deal with management issues and recommend policy to the Board of Management. A full list of the Board of Management, advisors and senior management team can be found on pages 1-2.

This board has conducted an annual review of the systems of internal control within Broadacres Housing Association and its subsidiary organisations, Broadacres Services Limited, the Richmond and Hambleton Furniture Store and Mulberry Homes Yorkshire Limited. In so doing, we acknowledge:

- that this board is responsible for the organisation's systems of internal control and for reviewing their effectiveness;
- that such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss;
- that the process for identifying, evaluating and managing the significant risks faced by the organisations is ongoing and has been in place for the previous twelve months.

The board of Broadacres Housing Association takes its responsibility for ensuring that there exists effective systems of internal control and risk management very seriously.

Broadacres Housing Association Limited

STRATEGIC REPORT OF THE BOARD OF MANAGEMENT

Risk management awareness training is provided to all members of Broadacres' Board of Management and all board members elected to Broadacres' Audit Committee attend training on effective auditing.

Within the Broadacres group, the board has ultimate ownership of risk management with its sub-committee, the Audit Committee, taking the role of overseeing the risk management activities.

The Audit Committee (which meets at least four times a year) with the assistance of Broadacres' Senior Management Team and appointed internal auditors reviews risk on a regular basis. All risks are also reviewed twice yearly by Broadacres' Board of Management.

As at March 2017, those risks considered to be 'high risks' to Broadacres (determined by the residual risk score) were:

- Welfare reform changes reduces income levels;
- Lack of effective management of subsidiaries (including Mulberry Homes Yorkshire Limited and Broadacres Services Limited) leads to financial and reputational loss;
- Non-compliance with regulatory requirements leads to an adverse regulatory judgment;
- Lack of effective governance/board member skills and experience.

The board of Broadacres has put in place the following practices to review the effectiveness of the organisation's system of internal controls:

- It has established an Audit Committee which meets regularly and has delegated authority to review identified risks to Broadacres;
- The board receives regular financial and operational monitoring reports from the Senior Management Team;
- Annual budget/business plans are determined by the Broadacres' board;
- Broadacres has received external accreditation for its operating activities from Investors in People (IiP), Diversity Network Accreditation (DNA), Customer Service Excellence, the Royal Society for the Prevention of Accidents (RoSPA) and ISO14001;
- Broadacres has a risk strategy which is reviewed both by the Audit Committee and independently reviewed each year;
- Internal auditors appointed by Broadacres' Audit Committee review risks to the organisation when conducting their reviews of our operational practices;
- External audit review of Financial Statements;
- Monitoring and publication of Broadacres' performance indicators;
- Review of external regulatory reports;
- The production of an annual report from Broadacres' Chief Executive on the organisation's systems of internal control;
- Established financial procedures;
- Adoption of the National Housing Federation's Code of Governance;
- Adoption of a Probity Policy and Fraud Response Plan.

Unfortunately, despite the systems in place, the risks relating to one of our subsidiary companies, Mulberry Homes Yorkshire Limited, have materialised and as a consequence, Broadacres' governance rating has been changed from a G2 compliant grade to a non-compliant G3 grade. As a result, we have both engaged independent consultants and increased the range of skills on our board to review our systems of internal control. We are in regular contact with our regulator, the Homes and Communities Agency, to ensure that this is addressed in a structured way to their satisfaction.

With its strong asset base, the overall financial position of Broadacres remains healthy and significant resources continue to be available to the organisation to facilitate the further development of its services.

Broadacres' external auditors, having conducted their review of our financial statements, have not identified any material internal control issues, which require to be addressed.

Broadacres Housing Association Limited

STRATEGIC REPORT OF THE BOARD OF MANAGEMENT

Our internal auditors' 'Overall Conclusion' in their 2016/2017 Annual Report included the following statement:

"In our opinion, Broadacres Housing Association has in place an appropriate framework for identifying, evaluating and managing the significant risks faced by the Association.

In respect of the areas of activity which we reviewed, and subject to the weaknesses identified and reported in our internal audit reports, Broadacres Housing Association has an adequate, effective and reliable framework of internal control and effective risk management and governance processes which provides reasonable assurance regarding the effective and efficient achievement of the Association's objectives.

No instances of actual or suspected fraud have been encountered during our audit work"

Going Concern

Broadacres business activities, together with the factors likely to affect its future development, performance and position are set out in the Operating and Financial Review which starts on page 14. The financial position of the company and its borrowing facilities are described on pages 14-45.

Broadacres has considerable financial resources together with long-term income streams in the form of rental income from properties. The underlying strength of the business has not been called into question, and we have maintained a compliant V2 rating from the regulator. The exposure to trading risks in our subsidiary companies means that the board has taken the decision to de-risk subsidiary investments. The board acknowledge that this has resulted in exceptional items in the associations accounts. The impact of this is a write-off of £7.1m, which results in an overall loss in the association of £3.1m. Despite this, the operating surplus of the association remains at £11.9m, demonstrating the underlying strength of Broadacres. The board members believe that the group is well placed to manage its business risks successfully despite the changeable operating environment.

The decision to de-risk investments in subsidiaries and the subsequent loan restructure means that subsidiaries business plans see them repaying debt in the next year and entering a net asset position.

Based upon these financial projections the board members have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

FINANCIAL POLICIES AND STRATEGIES

Development

The board operates a development policy based upon clearly demonstrated housing need and the financial viability of investment proposals and focusses on developments principally within North Yorkshire. This is due to be reviewed during 2017/18.

Funding/Treasury Management

Treasury management is operated within a policy approved by the board and investments of surplus cash are made only with financial institutions agreed by the board. Regular reports are presented to the Board of Management, which provide members with a review of borrowings, covenant compliance and investment performance. We currently do not have any complex financial instruments and details of our loans and repayment profiles are shown on pages 23-24.

Rent

From April 2016 the Association, as part of the national government initiative, has implemented a reduction in social and affordable rents by 1% each year and this will continue until April 2019. The board have taken this reduction into consideration when preparing financial forecasts.

Broadacres Housing Association Limited

STRATEGIC REPORT OF THE BOARD OF MANAGEMENT

Repair, Reinvestment and Designated Reserves

The board's policy is to maintain its housing stock in a good state of repair. The association's staff are undertaking a rolling stock condition survey which aims to comprehensively survey all our stock over a period of 5 years. We are currently at 100% completion and starting the next rolling programme.

Service charges received in advance are treated as income in advance and reflects the associations' duty to replace certain equipment in our properties. This is largely in supported, extra care and housing for older person's accommodation. The annual transfer is based on income collected via service charges for these future replacements which is not incurred from income and expenditure, due to the refurbishment of one of the extra care schemes within the year there was a release from the reserve of £6k (2016 addition to the reserve of £80k).

Payments to Creditors

Broadacres Housing Association has a policy to pay all suppliers and contractors in the next available payment run following the transaction being approved. This minimises the risk of the association incurring additional charges in respect of interest on late payment but more importantly treats contractors fairly.

The creditor days (the creditor day payment period) in the year were on average 19 days (2016: 20 days).

Charitable donations

In addition to the time and support given by staff to local charities via our volunteering policy, several small donations were made during the year to local groups. The Performance Improvement Panel manages the community development fund (within criteria agreed by Broadacres Board of Management) which awards grants to applicants whose project is of benefit to the communities in which we have properties, (as per note 3 in the notes to the financial statements). The group does not make political donations of any kind. Donations made during the year included:-

Amount £'s	Reference
12,000	Community Development Fund (24 organisations)
	Some Examples , Home grown Food, Scribble Zone, Huby Playing Fields, Hunton Parent & Toddler group
50	Northallerton School Awards
325	Northallerton & Thirsk in Bloom
200	Sponsor Catterick Garrison FC
75	Christmas Tree festival
216	Matrix Neurological - Charity golf day
12,866	Total
In addition to these staff raised money via various charity events totalling £6,208	

Broadacres Housing Association Limited

STATEMENT OF RESPONSIBILITIES OF THE BOARD OF MANAGEMENT

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

The Co-operative and Community Benefit Societies Act 2014 and Housing Association legislation requires the board to prepare financial statements for each financial year. Under that legislation the board have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Housing Association legislation the board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Association and of the surplus or deficit of the Group and Association for that period. In preparing these financial statements, the board are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Association will continue in business.

The board are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Association's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Association and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing 2015.. They are also responsible for safeguarding the assets of the Group and Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Disclosure of information to auditors

Each of the board members at the date of approval of this report has confirmed that:

- As far as the board members are aware, there is no relevant audit information of which the Group's auditor is unaware; and
- The board members have taken all the steps that they ought to have taken as board members in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP were appointed as the auditors with effect from the 26th January 2015.

The report of the Board of Management was approved on 31st July 2017 and signed on its behalf by



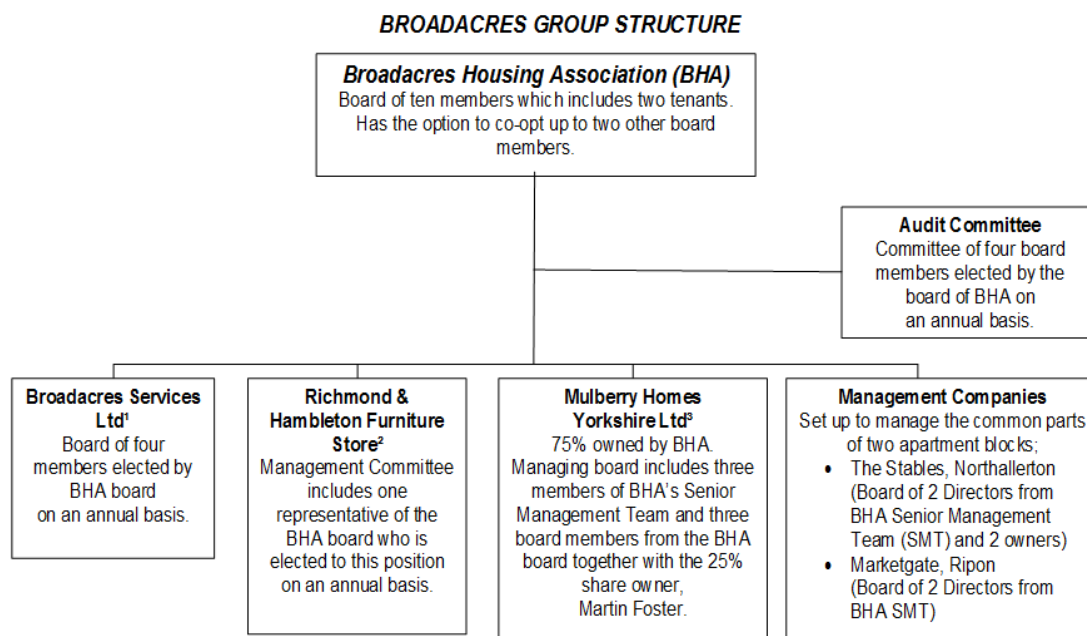
C Wilkie
Chairman

Broadacres Housing Association Limited

Report of the Board – Incorporating the Value for Money Self-Assessment

The pages following this report set out the financial results for the year and the auditors' report on them. The board is pleased to present this review which incorporates our Value for Money Self-Assessment for the year. This provides a commentary on our results and the operations of Broadacres during the year as well as looking to the future.

The Broadacres Housing Group has the following structure



¹Broadacres Services Ltd – Set up in 2002 to let house building contracts.

²Richmond & Hambleton Furniture Store – Became part of the Broadacres' Group in 2009. Based in Northallerton, the store collects and sells unwanted furniture to persons on a low income and reduces landfill waste.

³Mulberry Homes Yorkshire Ltd – BHA acquired a majority share in this company in 2012. The company builds properties for sale with 75% profit to BHA. Affordable homes built as a condition of planning requirement offered to BHA.

The group results have been consolidated and reported on pages 76-114 for more detail on the subsidiary results and their impact on the group refer to pages 24-25. The information presented below on pages 14-74 refers to Broadacres Housing Association Limited.

Principal Activities

Broadacres Housing Association is one of the largest Registered Providers based in North Yorkshire. There were 6,071 units in management at 31 March 2017.

	2017	2016	2015	2014	2013
General Needs & Sheltered Housing	5,629	5,488	5,361	5,189	5,120
Supported Housing	344	291	291	291	305
Shared Ownership	98	77	72	69	58
TOTAL	6,071	5,856	5,724	5,549	5,483

The association is regulated by the Homes and Communities Agency (HCA) with whom it is registered. As outlined in Strategic report (pages 9, 10 and 11), due to the materialisation of risks in subsidiary trading, the HCA has rated Broadacres as non-compliant for governance. The board have entered into a voluntary undertaking with the regulator in order to resolve this matter, and aim to return to a compliant rating by the next financial year end.

Broadacres Housing Association Limited

In 2016, Broadacres' Investors in People award was reviewed and the association achieved the silver standard, this is due to be reviewed in September 2019. The association also currently holds the Customer Service Excellence award and the Housing Diversity Accreditation award. In 2016 at our second time of completing the survey we were rated as 41st in the "Sunday Times Top 100 not for profit companies to work for", this survey is due to be completed again next year.

The Association is currently governed by 12 non-executive board members including 2 co-opted members and 2 tenant members. Senior members of staff attend board meetings, which are held on a two monthly cycle.

Broadacres Housing Association Operational Performance

The board, in consultation with our customers, sets out its review of the year in an Annual Report made available to all tenants and stakeholders. This includes information about customer services, support services, responsive and planned maintenance, together with development progress, performance and our delivery of Value for Money. Our current Corporate Plan runs until Dec 2017 and the board are currently developing a new corporate plan for the Association. We have consulted current and future customers as well as stakeholders and staff and the new plan is scheduled to be in place by March 2018.

Set out below are the main financial results for the year to 31 March 2017 which shows association turnover rose to £36m (£34m 2016).

BHA's operating surplus was £11.9m (2016 £10.9m), which represents 33% (2016 32%) of association turnover. The adjusted operating surplus is a key measure of Broadacres ongoing financial viability for the regulator and funders.

The Association's loss taken to reserves for the year, when taking into account adjustments relating to the de-risking of subsidiary investments, is £3.1m (2016 restated surplus £5.2m). This reflects the impact of writing off intercompany transactions including £6m loan and £2m investment offset by £1m creditor. These are exceptional adjustments that do not impact on the associations ongoing business.

Total expenditure on responsive repairs, voids and cyclical maintenance was £3.0m (2016: £3.5m). In addition, a further £2.4m of planned repairs and replacement of major components such as kitchens, bathrooms, heating etc. were undertaken (2016: £2.5m), demonstrating Broadacres' ongoing commitment to investing in its existing stock.

Association highlights, five year summary

For the year ended 31 March	2017	2016	2015	2014	2013
			previous UK GAAP	previous UK GAAP	previous UK GAAP
Statement of Comprehensive Income	£'000	£'000	£'000	£'000	£'000
Total Turnover	36,036	33,942	31,723	32,140	28,847
Operating Surplus	11,912	10,871	9,563	10,662	8,596
(Loss)/Surplus for the year transferred from/to reserves following exceptional items	<u>(3,113)</u>	<u>5,177</u>	<u>5,444</u>	<u>7,966</u>	<u>4,975</u>
Statement of Financial Position					
Housing properties, net of depreciation	295,854	285,347	272,332	234,964	223,876
Investments	3,326	5,815	5,289	3,100	3,100

Broadacres Housing Association Limited

Other fixed assets	<u>3,891</u>	<u>4,272</u>	<u>4,734</u>	<u>5,024</u>	<u>5,555</u>
Fixed Assets	303,071	295,134	282,355	243,088	232,531
Net current (liabilities) / assets	17,002	16,244	12,356	(199)	2,858
Total Assets less current liabilities	<u>320,073</u>	<u>311,379</u>	<u>294,711</u>	<u>252,195</u>	<u>240,527</u>
Debtors due after one year	<u>12,652</u>	<u>15,451</u>	<u>16,026</u>	<u>9,306</u>	<u>5,138</u>
Long term liabilities	(143,795)	(132,137)	(120,634)	101,760	98,034
Pensions liability	(6,155)	(6,163)	(6,057)	3,237	3,877
Reserves : restricted	(6,155)	(6,160)	(6,054)	(3,234)	(3,873)
: revenue	133,776	136,748	131,078	61,098	52,605
: revaluation	42,501	42,501	42,616	88,669	89,322
	<u>170,122</u>	<u>173,089</u>	<u>167,640</u>	<u>146,533</u>	<u>130,054</u>

Key Historic Performance Indicators Summary

The table below shows actual performance for 2016/17 against previous years.

Performance indicators	2017	2016	2015 restated	2014	2013
Operating margin (%)	33.0	32.0	30.1	33.2	29.8
Gross interest cover	2.40	2.01	2.35	3.09	2.22
Unit completions	232	165	173	144	187
Right to Buy properties sold	5	9	8	13	9
Overall service satisfaction*	88%	88.3%	88.3%	88.3%	93.1%
Customers Satisfied that their views have been taken into consideration	67%	72%	72%	72%	76%
Properties with current gas certificate	100%	100%	100%	100%	100%

*Survey carried out in 2016/17

Broadacres' turnover and operating surplus by activity are shown below:

	Turnover		Operating surplus	
	2017 £m	2016 £m	2017 £m	2016 £m
General Needs (including shared owners)	27.6	27.4	12.3	12.0
Supporting People	4.2	3.3	(0.7)	(0.6)
Shared ownership sales	2.7	1.1	1.1	0.2
Other	1.5	2.2	(0.8)	(0.8)
TOTAL	36.0	34.0	11.9	10.8

Broadacres Housing Association Limited

The majority of the Association's operating surplus continues to be sourced from property rentals. It is important to note that we need to continue to make a surplus to enable us to repay our loans. The timing of payments is shown on page 24.

Operating Performance

Broadacres' detailed financial results for the year are set out on pages 46-73 of this report but some of the key figures are set out below.

Statement of Comprehensive Income

The main elements of the Association's financial results are:

Key Elements	2017 £'000's	2016 £'000's	Increase / (Decrease) £'000's
Turnover on social housing lettings	30,298	29,891	360
Turnover from property sales	2,672	1,063	1,609
Supporting Peoples services income	940	994	(54)
Home Improvement Agency	611	607	4
ABLE	132	139	(7)
Broadacres Support Service & Telecare	588	609	(21)
Operating costs (including depreciation)	24,124	23,071	1,053
Housing depreciation	5,421	4,944	477
Impairment of housing properties	45	662	(617)
Impairment of investment	7,372	1,300	6,072
Interest payable and other financing costs	8,600	6,229	2,371

Key information about the results is explained as follows:

- Turnover from social housing lettings increased by £0.4m (despite the rent reduction) due to the number of available units for letting increasing through the completion of development projects.
- Turnover from property sales increased by £1.6m, we sold 28 low cost home ownerships / shared equity properties, compared to 5 in the previous year. We expect to sell around 30 in 2017/18.
- Supporting People services include a number of extra care schemes, mental health and learning disability schemes.
- Home Improvement Agency – this continued to operate in the Stockton area, however in May 2017 we were unsuccessful in retaining the tender.
- Broadacres Support Service and Telecare includes Lifeline which is our 24 hour response service for vulnerable members of our communities and enables them to call for assistance via pendants or by telephone. We also monitor fall detectors and fire alarms. ABLE is our successful Activity Based Learning Environment which provides diversionary craft activities for disabled people. Both are valued greatly by the communities and customers they assist.
- Operating costs increased due to our ongoing repairs programme and the timing of our major repairs to properties.
- Other financing costs are higher due to payments made relating to overages payable in respect of private sales made. The liability for these payments has now been fulfilled and no further payments are required.

Broadacres Housing Association Limited

Statement of Financial Position

At 31 March 2017, Broadacres' Statement of Financial Position showed total assets less current liabilities of £321m (2016 £312m). This is an increase from last year and the main points are:

- The statement of financial position includes our housing properties split into 7 main components, comprising of:
 - ◆ Land
 - ◆ Structure (excluding the roof)
 - ◆ Roof
 - ◆ Kitchen
 - ◆ Bathroom
 - ◆ Boilers
 - ◆ Heating Systems (excluding boilers)















Broadacres has adopted the accounting principle of valuing properties at cost going forward (see note 1).

- Expenditure on developments to deliver new social homes was £22m (including the landbank).
- At 31 March 2017 our current assets include £6.1m of properties/land available for sale compared to £510k last year.
- Broadacres holds £2.8m of land and properties in its land bank which is classified as an investment property.
























The Board consider that the results for the year have been as expected and that Broadacres has adequate resources to achieve the objectives set out in its Corporate Plan and Business Plan.

Key 2016/17 Operational Performance Indicators Summary

During 2016/17 we reviewed our Performance Management System and we now use a dynamic reporting tool called Covalent. This allows board members to access performance data via our board member portal at any time. In addition a summary report is presented to the board at each meeting showing progress against our Service Improvement Plan, PI data and status of key business risks.

KPI	2016/17 Value	2016/17 Target	Status	2015/16 Value	Trend from 2015/16
Average repairs satisfaction (scored out of 10).	9.68	9		9.45	
Telecare customers satisfied (scored out of 10).	9.53	8.50		9.67	
Average new tenant satisfaction (Scored out of 10).	9.24	9.00		9.40	
% resolved stage 1 complaints responded to in full within target time.	100%	96%		95%	
Contact Centre satisfaction.	94%	85%		92%	
% Variance of operating surplus vs forecast operating surplus. (1)	12.2%	+/-10%		8.1%	
Value for money (VFM) savings (£).	£235,266	£139,820		£156,277	

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KPI	2016/17 Value	2016/17 Target	Status	2015/16 Value	Trend from 2015/16
Current gross rent arrears excluding anticipated Housing Benefit.	2.09%	3.08%		2.28%	
Number of new affordable properties provided this year.	232	198		163	
Interest cover covenant.	2.40	1.2		2.32	
Debt per unit.	£22,137	£30,000		£22,213	
% of properties with valid gas safety certificate.	100%	100%		100%	
Lost time accidents over 3 days per 100 employees.	1.61	1.75		0.63	
% of Internal Audit recommendations completed.	92%	85%		70%	
Average re-let times (calendar days).	28.2	25		31.3	
% of appointments kept.	96.33%	95%		92.61%	
% Labour turnover. (2)	17.07%	15%		15.67%	
% in days sickness.	3.36%	3.40%		3.44%	
ICT service user satisfaction.	97.83%	85.00%		93.21%	

- (1) Operating variance is over the +/- 10% target, this is due to additional sales for shared ownership properties which accounts for 4.8% (see page 17).
- (2) Labour turnover is above target due to ongoing service reviews leading to a decrease in staffing levels.

Performance against the corporate plan objectives are measured by the service improvement plans. These link directly to individual staff appraisals, ensuring individual staff targets contribute to achieving the corporate objectives.

Principal Risks

The association's Audit Committee has delegated responsibility from the board for monitoring risks but the board have acknowledged that the ultimate responsibility for risk rests with them

We continue to review our risk matrix and risks are monitored via our performance management system Covalent. An example of the register showing the high risks and related risk appetite is shown below: Covalent also records all the controls in place to mitigate our risks and it is available on the board member portal. Risks are categorised into 'High, Medium or Low'. All risks are reviewed regularly by our risk champions group made up of staff from across the organisation and also reviewed monthly at the management team, as well as at all meetings of the Audit Committee. The Risk map is also reviewed twice a year by the board.

Customers

No High Risks identified

Financial Viability

Level of Risk	Description – more details on each risk available via online system.	Risk Appetite
HIGH RISK	Lack of effective management of subsidiaries (including Mulberry Homes and Broadacres Services Limited) leads to financial and/or reputational loss.	Cautious
HIGH RISK	Welfare Reform changes reduce income levels.	Minimal

Governance

Level of Risk	Description – more details on each risk available via online system.	Risk Appetite
HIGH RISK	Non-compliance with regulatory requirements leads to an adverse regulatory judgement.	Averse
HIGH RISK	Lack of effective governance/board member skills and experience.	Averse

Operations

No High Risks identified

Risk Appetite Descriptions

Averse - Avoidance of risk and uncertainty is a key organisation objective.

Minimal - Preference for ultra-safe options that are low risk and only have a potential for limited reward.

Cautious - Preference for safe options that have a low degree of risk and may only have limited potential for reward.

Open - Willing to consider all potential options and choose the one most likely to result in successful delivery, while also providing an acceptable level of reward and value for money.

Hungry - Eager to be innovative and to choose options offering potentially higher business rewards, despite greater inherent risk.

Broadacres Housing Association Limited

Board Report

Achievements to date

Broadacres' board and senior management team are continually seeking to improve services. Our achievements in the last few years have been many and varied and a flavour of our most recent successes is set out below:

- We have provided 901 additional homes over the last 5 years. The Business Plan will deliver over 700 additional affordable homes over the next 5 years.
- Made operational efficiency savings as recorded by staff of £235,266 in 2016/17.
- We have invested in an opti time system which allows us to use our resources effectively and our customers to have planned appointments.
- We have successfully completed bringing the responsive repairs and the majority of major repairs services in-house and this included procuring a fleet of vehicles, the servicing contract for vehicles, the TUPE transfer of staff and a preferred materials supplier.
- We have a mobile working solution to enable operatives to pick up work sheets and order materials direct from our preferred supplier.
- We offer a dedicated money advice service to help our customers manage their money.
- We offer an innovative scheme for our tenants who have oil heating which enables them to spread the cost over the year.
- We run a furniture store which recycles donated furniture and provides a low cost source of furniture for our communities.
- We have invested in air source heat pumps in a number of our rural properties and have installed PV panels on our main head office and also on our business property in Colburn (ABLE) with a view to reducing energy costs. Since installation the feed in Tariff income raised is £95,983.
- We provide a range of diversionary activities for young people and have played a role in establishing two boxing clubs, football competitions, fashion fests, and music events.
- We employ apprentices where possible and have also provided a work experience scheme for offenders and local school children. Over the last five years we have engaged 14 apprentices, 6 of which went on to gain permanent employment with the Association.
- We implemented a flexible benefits scheme for staff and provide total reward statements which demonstrate the overall benefits of working for Broadacres.
- We are involved with various community organisations. We were instrumental in setting up Hambleton Food Share and continue to provide in kind support with procurement, administration and accounting services. In addition several of our staff are volunteers, providing help at the drop in sessions, they take advantage of our volunteer policy and in their own time. In 2016/17 Hambleton Food Share provided 1,100 food parcels.

Welfare Reform

- We strive to produce good quality accommodation that supports the creation of sustainable communities. Currently less than 50% of our tenants are in receipt of housing benefit and of these only those of working age are currently affected by the reform. As at the 31st March 2017 we have 329 customers in receipt of universal credit (2016 – 27). Although this remains a minority nevertheless we are conscious of the increasing risk and we need to remain conscious to ensure the affordability of properties for the people who live in them. As a result we endeavour to offer properties that meet a range of housing needs.
- We have three money advisors and two tenancy support officers, who work with our customers to assist them in the challenges they face in maintaining their tenancies successfully. We also offer a floating support service to our vulnerable tenants to deal with issues such as hoarding, substance abuse and emotional problems. Income generated for clients in 2017 £1.1m (2016 £0.9m)

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Board Report

Development and Sales

During the year 232 units were constructed or acquired and Broadacres has a target to build or acquire a further 207 units in 2017/18 and a long term business plan of around 700 units. We continue to have disposals through Right to Buy (5 properties were sold during the year).

The proposed introduction of the Voluntary Right to Buy scheme (VRTB) has generated significant interest from customers and with approximately 120 customers requesting more information when it becomes available. As yet no confirmation of a start date has been received. Over the next 5 years we have estimated we will sell 40 properties under VRTB. The board will be further developing our approach to the VRTB in the next few months but we expect that a number of our properties will be lost as a result of this. We continue to have excellent relationships with local house builders and have been successful in receiving properties under S106 requirements and we expect that this will continue where planning arrangements require such provision. Through our development subsidiary, MHYL, we have secured contracts for nearly 400 S106 properties that we may not otherwise have received, as well as better quality affordable homes. Further details on the benefits of the relationship with Mulberry are provided in the Value for Money self-assessment.

We sold 28 properties via various low cost home ownership schemes and provided 64 properties for intermediate rent.

As a result of our development programme we have provided 232 new properties in 2016/17 as follows:

Kirkwood Hall	53	Sowerby Gateway	19
Garbutts Lane, Hutton Rudby	16	Leeming Gate	17
The Meadows, Huntington	18	The Nurseries Aiskew	2
South Back Lane Stillington	10	Woodside Chase	20
Stillington Rd Easingwold	12	Lime Gardens	9
Catterick Rd Catterick	14	Oxenby Place	4
Castlegate Northallerton	7	Mulberry Vale	2
Fox Covert Close	11	Mowbray View Sowerby	5
Cherwell Croft	5	Stokesley Grange	2
Hold Project, Platform for Life	2	Holme Lane Selby	1
Common room conversions	3		

Asset Management

We are pleased to report that all our homes meet the Decent Homes Standard unless tenants have declined to have work done and our current business plan allows for the relevant standards to be maintained. We currently exceed the requirements of the Decent Homes Standard in a number of key areas via our current local offers which include replacement timescales but due to the rent cuts over the next four years we have had no option other than to extend out the timescales for future replacements towards decent homes standard timescales.

At 31 March 2017, 100% of properties, where this was required, had a current gas safety certificate.

We have undertaken asbestos surveys on all property archetypes and, when required, carry out further more specific surveys to fully comply with our legal obligations. We undertake appropriate monitoring where asbestos has been identified and left in situ. Where appropriate, we undertake regular legionella tests. We also provide Energy Performance Certificates (EPCs) when letting our homes.

As a Registered provider we fund minor (disability) aids and adaptations for our customers up to a value of £2,000. Simple fixings such as lever tap handles, grab rails, small step adaptations and handrails. These are normally done on a self-assessment/referral basis direct from the customer. Anything other would have to be

Broadacres Housing Association Limited Board Report

supported or referred by an Occupational Therapist. During 2016/17 we spent £216,000 (2016 - £215,000) on these adaptations.

Capital Structure and Treasury Policy

Broadacres has a formal board approved treasury policy which follows the revised CIPFA Code of Practice. Our approach is that treasury management is a function to allow us access to funds to carry on our business; it is not a separate activity that is expected to produce surpluses. As such, whilst we endeavour to borrow at as low a cost as possible, we primarily aim to manage cash flow effectively and monitor the inherent risks in treasury activities by maintaining a reasonable split of fixed and variable loans. We only borrow or invest with financial institutions that meet strict criteria and aim to keep our fixed rate loan balances to at least 70%.

Our existing loan facilities and borrowings are set out in the following table:

Loan Portfolio March 2017

	Nationwide	RBS Syndicate	Barclays	HDC/ HC	Total Borrowing
	£000's	£000's	£000's	£000's	£000's
Fixed loans:					
Facility A 30 Jun 2036		21,250			21,250
Facility C 30 Jun 2036		8,750			8,750
Facility 10 Oct 2048			55,000		55,000
Hambleton District Council				26,200	26,200
Housing Corporation Loan				66	66
Total Fixed Loans (75%)	-	30,000	55,000	26,266	111,266
Variable loans average annual interest rate					
Facility B	13,750	7,500			21,250
Facility C		5,000			5,000
Total Variable Loans (25%)	13,750	12,500	-	-	26,250
Total loans utilised (100%)	13,750	42,500	55,000	26,266	137,516
Total Facilities	13,750	50,000	55,000	35,066	153,816

The loan with Nationwide will be repaid by March 2027 and the RBS loan will be repaid on a gradual basis commencing 2022. The Barclays loan, taken out in 2009, was a 40 year loan and repayments will not commence until 2040 and will thereafter be paid in 10 equal instalments. The Hambleton District Council loan repayments commence in 2020 and are repayable between 5 and 25 years. Our Treasury Policy also dictates that we should have access to at least 24 months of funds to meet our operating requirements and this is monitored on a quarterly basis. In addition, following the comprehensive stress testing of our business plan we will maintain a buffer of at least £3m in undrawn but available funds at all times. Current funding arrangements with HDC and RBS require that we drawdown funds prior to forecast need. Depending on the proposed development plan these funds may not be drawn.

Following a valuation in 2016 £2m of the RBS funds require security, properties are identified and this is progressing with our legal advisors. A valuation of stock with Nationwide is currently underway and it is expected that as the loan is in a repayment position stock will be available for release from charge.

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The repayment profile of our current facilities is as follows:

Current Facilities	£'000s
Maturing in:	
0 - 3 years	3,750
4 - 6 years	7,400
7 - 9 year	11,000
10 - 12 years	10,800
13 - 15 years	12,750
16 - 18 years	14,700
19 - 20 years	15,750
Over 20 years	61,100
Over 30 years	16,566
	153,816

The repayment profile of our current loan balance is:

Current Loan Portfolio	£'000s
Repayments within 1 yr or less	1,250
Repayments beyond 1 yr but less than 2 yrs	1,250
Repayments within 2 yrs but less than 5 yrs	4,750
Repayments over 5 years	130,266
	137,516

Our fixed rates vary from 2.21% to 9.5% (excluding margin).

Cashflows

Cash inflows and outflows for the year ended 31 March 2017 are set out in the cashflow statement on page 82. The net cash inflow from operating activities was £16.2m (2016: £14.3m). At the year-end the group had £16.3m of undrawn facilities. These will be required over the next 3 years to fund our on-going development programme. During the year investments in financial assets have been limited to short term deposits in line with our treasury policy.

Subsidiaries Performance

Broadacres Services Limited (BSL) made a loss before tax of £130,008 (2015/16 – surplus of £583,141) – The loss in year was as a result of a loss on a land sale, we only have one scheme currently under construction, with the first sales from this scheme forecast in 2018/19, when the subsidiary will return to profit.

Mulberry Homes Yorkshire Limited (MHYL) as previously reported the loss of the main contractor on MHYL's 2 ongoing development sites led to financial trading difficulties. As a result of this loss, MHYL planned to sell land options in order to support development costs. Following review by external consultants (PwC), the decision was taken by board to continue to build out the current sites. At completion of these sites, the likely outturn for MHYL is estimated at a £6m loss. As a decision has been made by the board to de-risk the investment in MHYL, this loss has been used as the basis for impairing the association's loans and investment in its subsidiary. Following the restructuring of the loan from BHA, the net liabilities outstanding in MHYL are £2,762k. It is envisaged that by the end of 2017/18, MHYL have repaid all creditors and returned to a net assets position. Following the completion of the current schemes, it is expected that activity will be limited to business administration for the foreseeable future.

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The Richmond & Hambleton Furniture Store (RHFS) has made a loss of £4,829 (2015/16 £5,159). The loss is due to lower income from furniture sales and no income from the old van which has yet to be sold. The store successfully diverted 53,235kg from landfill and provided a much needed low cost furniture service to those in need. This small charity currently has reserves covering nearly 9 months operating costs.

Statement of Compliance

In presenting the Operating and Financial Review on the preceding pages the board has endeavoured to follow the principles regarding purpose, audience, timeframe, reliability, comparability and financial and non-financial measures as set out in the Statement of Recommended Practice (SORP).

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Value for Money –Self Assessment

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Board Report

Introduction

Welcome to Broadacres annual Value for Money (VfM) Self-Assessment. This is a key document within which we assess our performance against the Regulators VfM Standard. The document is intended to be a transparent self-assessment which will allow the interested external observer to reach an informed conclusion about where Broadacres is doing well in providing value, and in identifying areas in which we could improve. It allows our stakeholders including our regulator, tenants and leaseholders to hold us to account.

The self-assessment includes the benchmarking of comparative costs, both within Broadacres and with comparative providers. It gives details of progress against VfM targets set for 2016/17 and identifies targets for future years. It also reports on how Broadacres assets are performing across the range of our operations.

2016/17 has been a challenging year for the sector. Housing providers have been under intensive scrutiny with regard to the value they deliver. Business and financial plans have been challenged by the programme of rent reduction which coupled with welfare reform has made for a more difficult operating environment. We believe that at Broadacres we have addressed these challenges in a way which minimises the impact on our customers, aims to maximise the value of our assets and maintains our commitment to provide new homes.

As noted in the strategic report and operating review, difficult trading conditions have impacted on the performance of our subsidiaries. This has resulted in a board decision to de-risk our investments, restructuring loans and investments that we have made. Our subsidiaries have contributed positively to our commitment to provide new homes, with over 400 additional properties being secured through direct development and collaborative agreements with other private developers. These properties have a market value of around £61m, and generate £1.5m per annum in rental income to Broadacres.

Both our board and employees will continue to deliver our commitment to ensure that driving out VfM will be a priority in shaping the future of the organisation.

The self- assessment will be published on our website and referenced in our Annual Performance Report to tenants.

The board is determined to ensure that Value for Money is central to everything we do and underpins all of our actions to enable us to deliver:

Our Vision

'To deliver an individual service which makes a real difference to people's lives'.

Our Mission

Through a committed, enthusiastic and skilled workforce, working together, we deliver:

- Homes people want to live in-
- Customer driven services-
- Value for money-
- Wider community investment through partnership working, and
- Environmental responsibility.

Our Values in delivering services

- Be approachable, accessible, fair and honest-
- Value and respect equally the contribution of all people-
- Involve customers in all aspects of our business-
- Be environmentally responsible-
- Keep promises and commitments, and
- Expect the highest standards from our own staff and those acting on our behalf.

The Association's objectives are set out in our 2012-2017 corporate plan. Progress against the objectives, is reviewed regularly by the Board of Management.

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Board Report

The strategy was formulated by the board and the delivery of the targets involves the entire organisation's staff. The plan is flexible and was adjusted in light of the recent changes to our operating environment necessitated by the recent changes to the rent regime. Nevertheless the current corporate plan sets out our corporate objectives and our priorities and these remain despite the difficulties we face. The plan was adopted by the board after taking account of and having identified via surveys and other feedback our customers' greatest concerns for the future, which were:

1. Increasing cost of living.
2. Increasing crime and antisocial behaviour.
3. Lack of affordable homes.
4. Inadequate support for the vulnerable.

The resources available to support the objectives are outlined in the organisation's business plan which has been extensively scenario and stress tested to ensure we can deliver our plans. By making VFM savings more resources can be allocated to services that our customers consider to be priorities.

As Broadacres vision is to "deliver an individual service that makes a real difference to people's lives", in that context Value for Money (VfM) for Broadacres has always been about ensuring we have the resources to deliver a service that goes the extra mile. The priorities of our customer's set out above are where we concentrate our efforts and resources.

Delivering these objectives is supported by our comprehensive VfM Strategy which sets out four key themes:

- To promote and embed a Value for Money culture
- Understand our costs, performance and how we compare with peers
- Effective procurement and partnership working
- Involve our board, customers and staff

Promote & Embed a VfM Culture

Our Value for Money Strategy clearly sets out the roles and responsibilities of stakeholders in our VfM work. The board ensure that they set the standard of what we must deliver in terms of value for money and all staff within Broadacres are expected to be aware of the need to deliver VfM in accordance with our Vision, Mission and Core Values and must seek and achieve VfM in their activities and bring to their manager's or a member of the VfM Group's attention any opportunities for improvement. VfM is discussed at team meetings and Heads of Service are responsible for the collation and recording of all service changes under their control, to ensure all possible efficiency gains are captured.

Understand our Costs and how we compare

Where appropriate, areas identified as possible efficiencies are assessed against previous period's costs and performance. We prepare comprehensive service summaries each year and present them in our VfM self – assessment. We compare ourselves with relevant peer groups and benchmark the quality and the cost of services. A reduction in costs, increase in revenues/surpluses or improvement in quality will represent a gain.

All gains are identified either at the time of setting the annual budget or additionally recorded throughout the year on Broadacres' efficiency register which is reported to the board as part of the Annual Report of the Value for Money Group.

Effective procurement and partnership working

We use a range of procurement methodologies to ensure we deliver cost savings from the use of procurement clubs & development partnerships as well as traditional tendering. We provide training to staff on effective procurement practices and we benchmark our costs where possible. We have taken the view, for example, that our properties in Harrogate can be managed by local organisations at a lower cost. However, we have monitoring in place to ensure that our customers receive a similar level of service to that provided directly by Broadacres.

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In 2016/17 our new procurement framework for capital works and consultants lead to further efficiencies in procuring contracts. Main contracts have now been through the process and contracts are in place for a minimum of the next 3 years.

Involve our board, customers and staff

Our board have set out the priorities in the VfM strategy and also appointed a board member champion to lead on VfM from their perspective.

Our customers were consulted in establishing our objectives in the current corporate plan and the customers on our Performance and Improvement Panel which is our tenant scrutiny group, undertake regular independent reviews of our services. We also have a customer feedback group and maintenance focus group of tenants who also feed into service delivery.

We have provided training on Value for Money for staff, the board and tenants.

It is expected that all members of staff within Broadacres must clearly understand how important efficiency gains and VfM are:-

- In helping Broadacres to meet new challenges such as welfare reform and the rent reductions
- In the delivery of on-going services to our existing and potentially new customers
- In providing resources for the development of new homes and improvements to our existing stock
- In ensuring Broadacres' future financial viability.

Directors ensure that VfM is being actively sought and that the board are kept up to date via the regular performance reports, VfM assessments in relevant board reports and an annual report from the VfM Group.

The VfM Group prepares an annual report which is presented to the senior management team and the board. Our Service Improvement Plan actions have a value for money section and our budgets and efficiency target is also reviewed at each meeting of the board.

Value for Money Self-Assessment Summary

The board of Broadacres believes that our self- assessment set out on the forthcoming pages demonstrates that we comply with the Value for Money Standard because we have

- Set out in detail how we use our resources to deliver services in line with our objectives.
- Provided benchmarking and comparative information.
- Set out the outcomes for each of our key services.
- Demonstrated that we understand the rate of return on our assets.
- Shown that we have made value for money savings this year and have plans for the future.
- Explained how we intend to use the savings identified to deliver new or existing services and fund our development programme.

Annual Report of the Value for Money Group

The Value for Money (VFM) working group is a cross-departmental group of Broadacres. Its objectives are:

- to continually review, manage and action Broadacres' VFM Strategy and associated action plan;
- to embed a VFM culture throughout Broadacres;
- to ensure Broadacres' continues to meet the requirements of the Homes and Communities VFM Standard;
- to ensure VFM initiatives are identified and recorded in the Efficiency Register;
- to initiate and advise on VFM reviews in key business areas; and
- to provide regular feedback to staff and an annual report to the Senior Management Team (SMT).

Broadacres Housing Association Limited Board Report

A review of the make-up of the group means that the group continues to include a Board Champion, but also a new member who is a tenant representative from the Broadacres Performance Improvement Panel.

This is the seventh annual report from the group and the activities and achievements in respect of the terms of reference are as follows:

To continually review, manage and action Broadacres' VFM Strategy and associated action plan:

The VFM Strategy was approved by the board in May last year.

The strategy reflects the impact of the rent reduction introduced by the government and recognises that savings are required in all areas of the business in order to continue to provide the level of service that our customers require.

The group reviews the action plan at each meeting, and the outturn position for each activity is shown below:

VFM activities during 2016/17	Outcome expected	Update as at 31 st March
Monitor the unit cost of major works components to ensure that VFM savings are continuing despite the lower programme numbers to be made by Broadacres Property Services (BPS). Monitor voids costs and turnaround time. Review our Asset Management Strategy.	Unit costs will increase due to lower volumes but the expectation is that delivery will continue to be in line with the current specification, the current budget and that satisfaction remains at least at current levels.	Actual costs are in line with the budget. Overall satisfaction with the repairs service is 9.6/10. The void re-let target of 25 days has not been achieved in the year (28.2 days). Asset Management Strategy was approved by the board in March 2017.
Bringing the painting service in – house – impact assessment.	The business case expected that costs would be at similar levels but satisfaction and quality would improve.	Painting services have been brought in-house at a cost equal to external contractors. Limited satisfaction data is currently available but the current outturn is 9.31 points higher than with the external contractor.
No pay award in 2016 – monitor staff satisfaction – compare to 2015/16 from staff appraisals – also Investors in People (IIP) assessment.	Changes to staff terms and conditions are expected to save around £100,000. We will monitor staff satisfaction via appraisal feedback and Investors in People survey.	Pay award of 1.5% agreed at January 2017 board. Staff new salaries to be advised along with March payslip. The satisfaction for staff has increased from the staff appraisals as of the end of April 2017 204 staff out of 239 responded with a score of 7 and above which is 85.35%. The Investors in People assessment also awarded us Silver status in September 2016.
Legal services and savings from in-house provision.	The provision of in-house legal services by employing a legal executive will save £90,000.	£50k has been saved in year with additional savings expected in 2017/18 from work being completed in-house.
Review of the implementation of job evaluation scheme.	This is expected to save on HR resources - evaluating roles and appeals and save £20,000.	We employed 43 staff from 1 April 2016 to 31 March 2017 and the savings were £23,000.

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VFM activities during 2016/17	Outcome expected	Update as at 31 st March
Deliver a pensions review and limit to future costs by moving to a Career Average Earnings (CARE) scheme from a 1/60 th Final Salary (FS) scheme.	The implementation of this is expected to reduce future costs – the difference in the level of increases in the scheme costs was 2.1% for FS scheme compared to 0.5% for CARE scheme. This will be reviewed at next renewal.	Awaiting report from Pensions Advisors due in May 2017. A bond has been put in place with the LPFA supported by the Royal Bank of Scotland – This has enabled us to reduce the cash outlay in the short term.
Review of mental health – we aim to provide additional services to more customers for the same cost as part of the tender.	Monitor the service and quality of the new service.	The new contract has started and terms and conditions of staff have been reviewed. Savings of £20k have been identified through the new contract. The team continues to support the same number of clients and survey results show customer outcomes remain in line with previous performance.
Review of Young Person's Pathway – we aim to generate additional income by reviewing the service charges and reviewing staffing in line with the revised specification.	Expected cost savings of £25,000.	24 hour service agreed at The Crossing with added security costs being met by Housing Benefit. Additional income of £8,000 means we are providing an enhanced service for similar cost.
Evaluate key BHA services to assess the social impact – e.g. provision of extra care units for Health Service and GP's in Leyburn.	Improved Social value reporting of the 2016/17 VFM Self-Assessment.	Social value has been reviewed by the VFM group and an update report is presented at each meeting to the VFM group.
Review of Older Persons Support Service.	A review of the structure of the service is expected to save £20,000.	Phase one of review will be completed in May 2017. There are issues to resolve with Supporting People going forward as to changing service provisions.
Review of Business Support.	Improvements in delivery methods and response times are expected with an ongoing cost saving of £35,000 from 2017/18.	Review ongoing - Contact centre hours have been reduced and the staffing structure of HR and Facilities has been reviewed. Carry forward saving review to 2017/18.
Review of Finance Services.	This will be reviewed across the group with a view to bringing consultancy services in-house. Estimated saving £10,000.	Upgrade of current system approved by SMT – included in capital budget for 2017/18, with a new system intended for 2018/19. Consultancy services are still being employed as part of the decision to “de-risk” Mulberry Homes.
Evaluate the procurement of HR / Payroll systems.	Ensure that VFM outcomes are specified in the tender and systems will deliver efficiency saving	The project plan has now been agreed which incorporates expected efficiency savings. These will be monitored by the group following implementation.

To embed a Vfm culture throughout Broadacres:

- VFM is included on the induction checklist for new employees

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- VFM articles have been placed in the Big Listen encouraging staff to record their efficiencies on the register.
- Relaunched the Broadnet homepage, updated with meeting minutes, presentation slides and seminars that group members attend. Also includes a VFM “infographic” that describes BHA’s approach to VFM.
- The VFM self-assessment was publicised on our website and on Broadnet for all Broadacres’ employees to consider.
- Staff appraisals included the following question: *Do you have any ideas or recommendations on how we can improve the service delivery, team and value for money? In relation to value for money please highlight any areas of waste; this can include time, material and resources.*

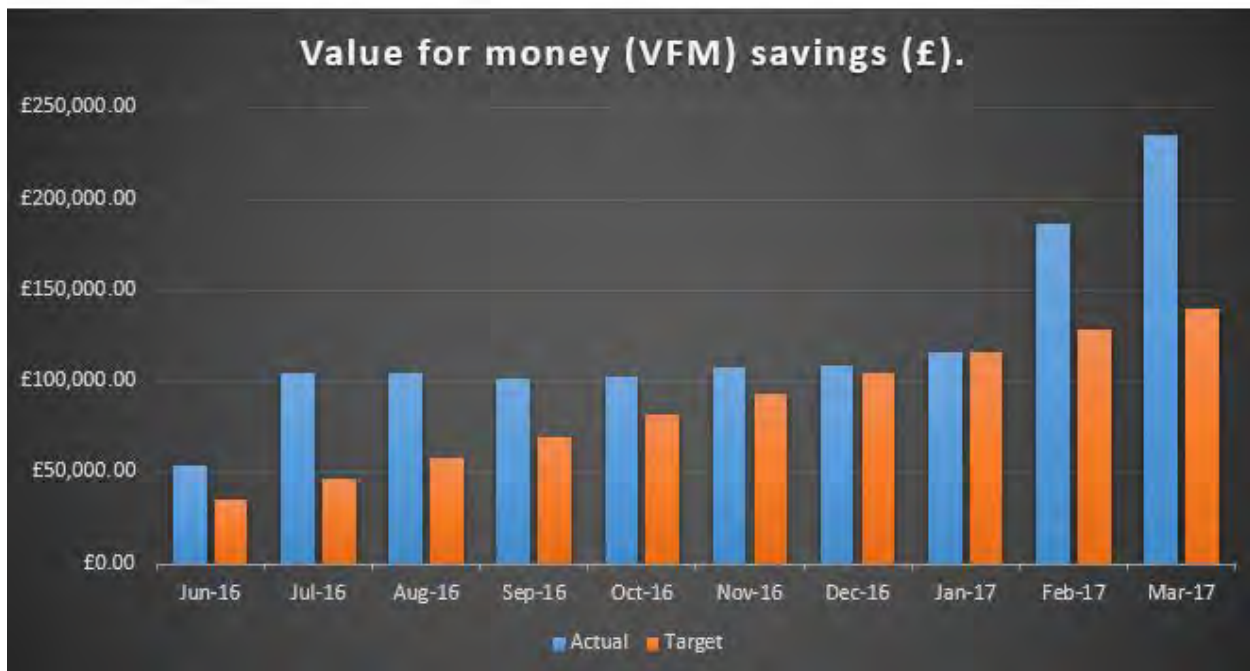
To ensure that VFM initiatives are identified and recorded on the VFM Register:

The Register is reviewed on a regular basis and discussed at each VFM group meeting. VFM is an ongoing Key Performance Indicator (KPI) and reviewed regularly at Management Team meetings. The VFM Strategy clearly sets out the responsibilities of staff, managers and the board in the delivery of VFM.

The register has been reviewed by the group and made more user-friendly. In addition, a VFM mailbox has been launched – this will enable staff to pass on VFM ideas in a simplistic and timely manner.

Items have been logged giving an annual operational efficiency saving of £235,266 in 2016/17 (£156,227 in 2015/16) which is in excess of the £140,000 target.

The chart below (also included on the Broadnet VFM homepage) shows the progress against the target throughout the year.



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Examples of some initiatives identified are:

Financial Year	Service Area	Details	Saved p/a	Frequency
2016-17	Business Support	Use of internal solicitor to complete the legal process for the sale of land at Croft	£ 1,722	One Off
2016-17	Customer Services	Assisted Living Product / Tunstall & Cirrus Maintenance - group procurement saving	£ 32,368	Ongoing
2016-17	Finance	Northern Housing Consortium Electronic Payments Contract	£ 6,178	Ongoing
2016-17	Finance	Northern Housing Consortium Free Training	£ 280	Ongoing
2016-17	Customer Services	Initial costs over the years have ranged from £1.50 to £2.40. These are normally charged back out to clients at £2.50 Negotiations and a new supplier now means we purchase at around £0.40 - £0.75 each	£ 500	Ongoing
2016-17	Business Support	As part of on-going infrastructure updates and database server consolidation initial quote £1350 for 3rd party support. Through negotiation with the Keyfax supplier Omfax this figure has now been reduced to £900.	£ 450	One Off
2016-17	Finance	Following the tender of the service we secured the same number of audit days (45) for a lower fee	£ 1,848	Ongoing
2016-17	Customer Services	IT has created a digital form for rent adjustments that enables rents staff to complete and send for authorisation and processing in an instant. Preventing around a weeks time (on average) per form from being completed to being processed on QL by finance.	£ 82	Ongoing
2016-17	Business Support	We now recognise that with the new post of legal executive the legal department has increased their hours of legal service each year. Broadacres external legal fees are subject to fluctuation depending on the nature of work each year. However we need to recognise a significant saving in running our legal services in-house based on the level of work that is undertaken by the legal executive	£ 51,581	Ongoing
2016-17	Property Services	2 members of staff have completed their qualifications for EPC meaning that we no longer need to employ a contractor to do the work	£ 1,200	Ongoing
2016-17	Finance	Booking train tickets for staff by using Trainsplitting.co.uk can save money by splitting the tickets for the same journey. The trains are the same, you have numerous tickets for each leg of the journey and you may have to move seats but look at the savings. Used for a trip to Birmingham and Sheffield resulted in a saving of £187	£ 187	Ongoing

To initiate and advise on VFM reviews in key business areas:

- The group received presentations on Social Value, service charges and management companies.
- The group reviewed and discussed the BHA approach to benchmarking, and the impact of the unit cost methodology proposed by the Homes and Communities Agency (HCA).
- The group reviewed and discussed environmental savings.
- The group reviewed the procurement of Broadacres Property Services (BPS) materials and kitchens.

To provide regular feedback to staff and an annual report to SMT:

Feedback has been provided by:

- Articles in the Big Listen (including the relaunch of VFM).
- An update to the board in each Financial Performance Report (this is then communicated to staff through the board summary).
- Departmental / Team meetings.

Key actions for 2017/18 for the VFM Group:

The group has identified the following key areas:

- Review the savings developed through the Environmental Officer post for both customers and BHA.
- Review the increase in both fieldworker productivity and customer service created through the “mobile working” Housing Management project.
- Review back-office savings generated through ICT projects.
- Assist and review the options assessment and vehicle fleet procurement exercise.

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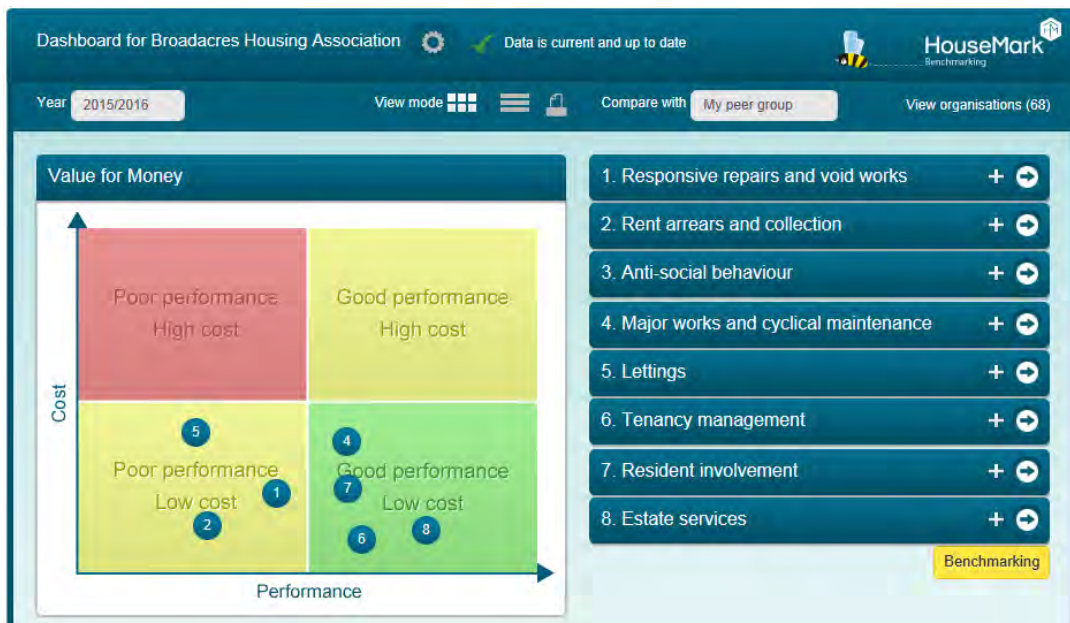
- Review the income generation plans relating to management companies and ensure VFM for our customers.
- Further develop and report on Social Value and wellbeing generation from BHA

Understanding our costs and how we compare.

Broadacres are members of a number of benchmarking groups both locally and nationally and use this information to compare our performance across a range of disciplines from Human Resources (HR) to our Contact Centre as well as our overall costs via Housemark.

The following chart is taken from the Housemark* website and is based on the 2015/16 dashboard comparing ourselves to the English HA's (Excluding London) 2,500 – 10,000 properties club. It shows the 2015/16 data in the first graph and 2014/15 data in the second graph which is the latest available. It demonstrates we are performing relatively well and shows our costs compared to performance for each activity area.

**Housemark is a benchmarking service widely used in the housing sector and enables organisations to compare the costs and customer satisfaction with services.*



*Marker for 3 ASB, is behind marker for 6 Tenancy management

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*Marker for 6 Tenancy Management, is behind 7 Resident Involvement

The peer group in 2015/16 includes the following 68 Organisations:-

Accord Group	Acis Group	Adactus Housing	Alliance Homes
Aragon Housing	Aspire Housing	Bernicia Homes	BPHA
Braknell Forest Homes	Bron Afon Community	Cartefi	Chevin
CHP	Cobalt	Community Gateway	Cross Keys homes
Derwentside Homes	East Thames Group	Eastlands Homes	Freebridge Community
Future Homescape	Golden Gates	Golding Homes	Greenfields Community
Halton Housing Trust	Havebury	Herefordshire	Irwell Valley
Liverpool	Livin	Longhurst & Havelock	Magna
Merlin	MHS	Newport City	North Herefordshire
Nottingham Community	Ongo	Paradigm	Paragon
Phoenix	Poplar HARCA	Raven	Regenda Group
Richmond	Saxon Weald	Selwood	Sentinel
Sevenside	Shoreline	Soha	South Staffordshire
Southway	Stafford & Rural	Stonewater	Swan
Tai Calon	Thames Valley	Town & Country	Trafford
Trent & Dove	Twin valley	Vale of Aylesbury	Wandle
Weaver Vale	West Kent	Wulvern	Yarlington

We have also included efficiency data comparing us with 68 housing associations from our peer group using the Housemark benchmarking web data in order to provide a more representative sample. We have taken account of the following factors

- Based in the North West, North East, in Yorkshire & Humberside and the South West. The rationale for this was to compare against local organisations in the North and also those who are likely to be facing high house prices such as in the South West.
- Organisations with between 2500-10,000 units plus additional local and other comparable organisations
- Both traditional and Large Scale Voluntary Transfer organisations are included.

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Glossary of terms

KPI – Key Performance Indicators

CPP – Cost per Property

GN- General Needs

HfO – Housing for Older People

Scorecard Year 2015-2016

Process	Value	Previous	Trend	Median	KPI
Rent collected from current and former tenants as % rent due (excl. arrears b/f)	98.7%	101.0%		99.7%	
Average re-let time (standard re-lets)	40.00	28.90		23.39	
Repairs completed at the first visit %	NoData	NoData		90.6%	
Service charges collected as % service charges due (excl. arrears b/f)	NoData	NoData		104.2%	

People	Value	Previous	Trend	Median	KPI
Staff turnover in the year %	15.6%	10.3%		16.2%	
Sickness absence average days/shifts lost per employee	9.8	9.3		9.1	
Staff satisfied with organisation as an employer %	80.3%	78.8%		82.1%	

Value	Value	Previous	Trend	Median	KPI
Satisfaction with quality of new home %	91.0%	91.0%		93.9%	
Satisfaction with service provided %	88.3%	88.3%		88.1%	
Satisfaction with repairs & maintenance %	81.6%	81.6%		82.3%	
Satisfaction with neighbourhood %	89.0%	89.0%		85.4%	
Satisfaction rent provides value for money %	86.9%	86.9%		85.2%	
Satisfaction service charges provide value for money %	70.6%	70.6%		73.8%	

Business & Financial	Value	Previous	Trend	Median	KPI
Total CPP of Housing Management	£293.06	£308.55		£434.77	
Total CPP of Responsive Repairs & Void Works	£701.50	£857.11		£804.78	
Total CPP of Major Works & Cyclical Maintenance	£1,283.49	£1,097.20		£1,428.44	
Total overhead costs as % adjusted turnover	10.4%	10.6%		10.9%	
Current tenant arrears as % rent due (excluding voids)	4.16%	3.50%		2.83%	
Rent loss due to voids as % rent due	1.97%	1.66%		0.87%	
Gross arrears written off as % rent due	0.50%	0.46%		0.41%	
Growth in turnover	7.0%	-1.3%		5.4%	
Operating margin	31.5%	34.4%		31.5%	

Trend Indicators

This represents your improvement in comparison to your peer groups' improvement.

Performance Indicators

These represent your performance in comparison to your peer group's performance.

Trend

This represents your improvement in comparison to your peer groups' improvement.

KPI











This shows how your actual performance or cost compares with your peer group















Efficiency Summary for Broadacres Housing Association

Business activity	Cost KPI	Cost KPI Quartile	Quality KPI	Quality KPI Quartile
		Broadacres Housing Association (2015/2016)		Broadacres Housing Association (2015/2016)
Overheads	Overhead costs as % adjusted turnover		Overhead costs as % direct revenue costs	
Major works & cyclical maintenance	Total CPP of Major Works & Cyclical Maintenance		Percentage of tenants satisfied with the overall quality of their home (GN & HFOP)	
			Percentage of dwellings that are non-decent	

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Responsive repairs & void works	Total CPP of Responsive Repairs & Void Works		Percentage of tenants satisfied with repairs and maintenance (GN & HfOP)	
			Average number of calendar days taken to complete repairs	
			Average re-let time in days (standard re-lets)	
Housing management	Total CPP of Housing Management		Percentage of tenants satisfied with the service provided (GN & HfOP)	
			Percentage of anti-social behaviour cases resolved successfully	
			Current tenant rent arrears as % of rent due	
Estate services	Total CPP of Estate Services		Percentage of tenants satisfied with their neighbourhood as a place to live (GN & HfOP)	

Quartile key							
	Upper Quartile	Middle Upper	Median	Middle Lower	Lower Quartile	N/A	No Data
Valid dataset							
Small dataset							

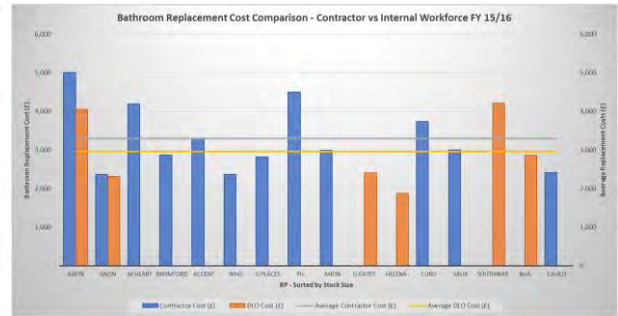
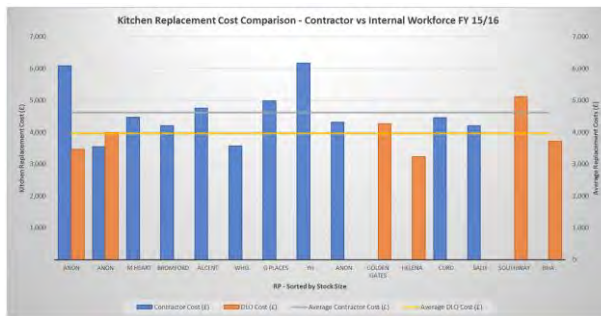
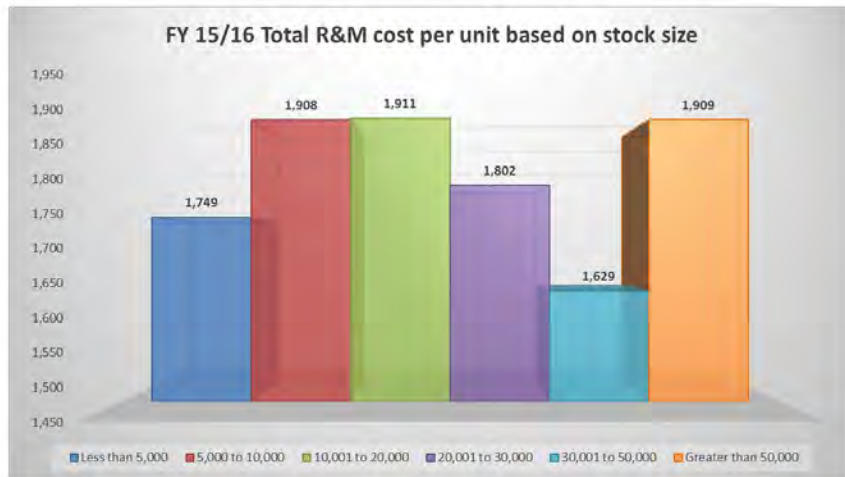
The main areas that the above highlights are:-

- Rent Collection/Rent Arrears – which can be effected by the amount of Housing Benefit outstanding at the year end.
- Average re-let time/Void Loss – it has already been recognised that we have a relatively high void standard and that this will lead to extra time being taken before voids can be re-let.
- It should be noted that since the collection of the above figures we have completed a STAR survey in which satisfaction levels have improved.

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The following graphs are an extract from Vantage Based Solutions showing comparative data for 2015/16 for both the sector and our own performance.

These show that we are performing slightly below the median in all areas.

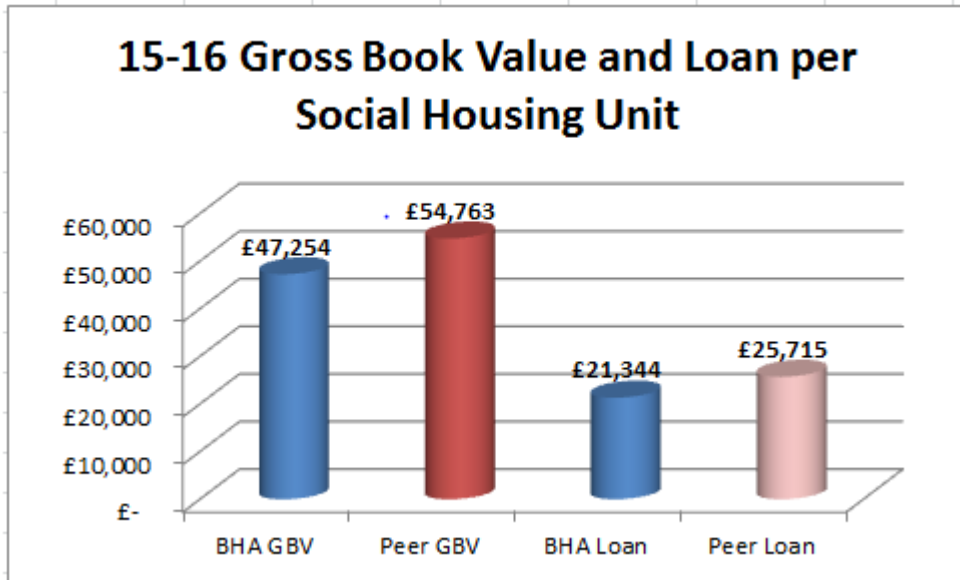


The board acknowledge the extra costs of this specification but are keen to ensure we deliver a high quality product to our customers where current satisfaction levels are high at 9.7/10. Nevertheless this will be kept under review by the board going forward.

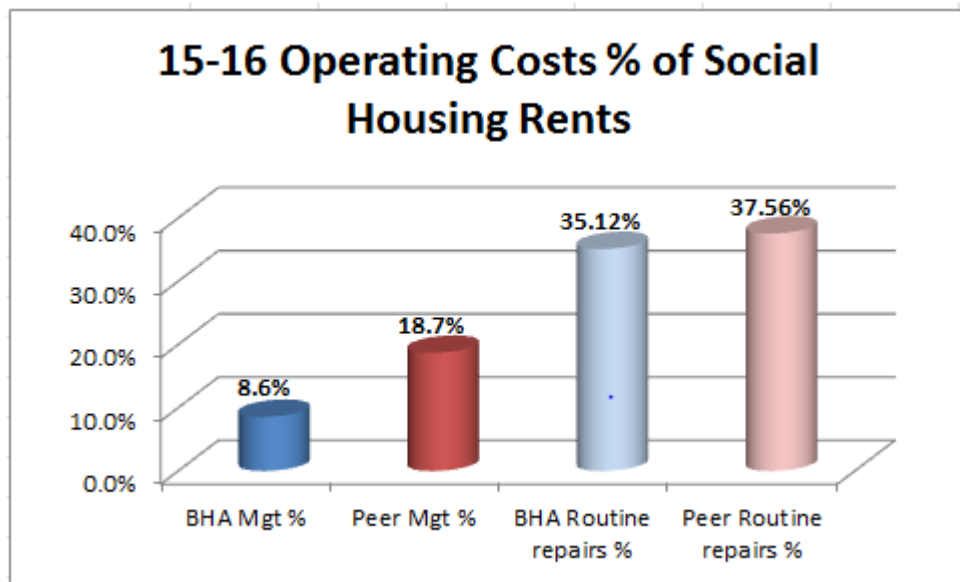
The Association has also benchmarked data from the Homes & Communities Agency (HCA) global financial statements and the following graphs show how the Association compares to other organisations in our new peer group, again the comparison data relates to 2015/16.

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Broadacres Housing Association Limited compared to organisations from our New Peer Group that have submitted information-Number of peer organisations – 68

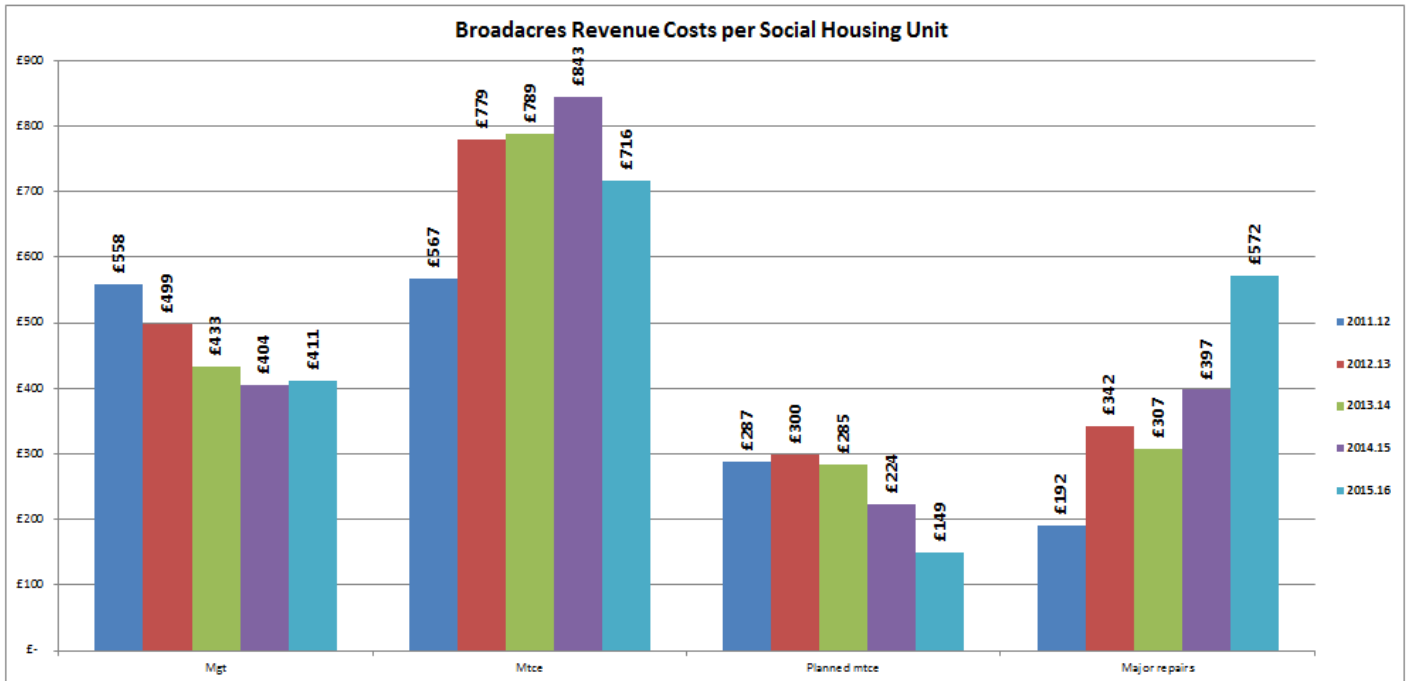


This graph shows that although our value per unit is lower than average this is matched by our lower debt profile.

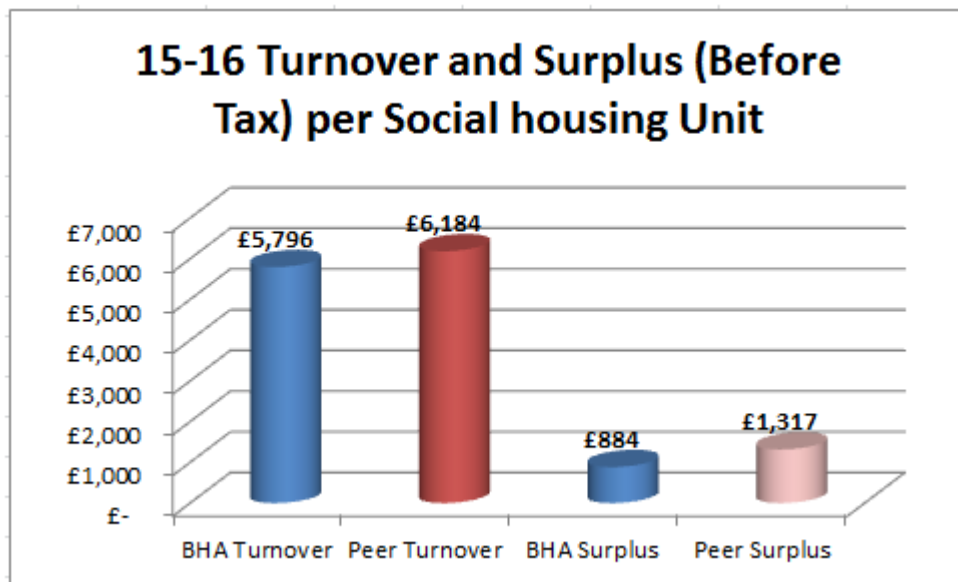


A positive performance on average housing management (Mgt) compared to the average but equally this will not take account of geographical factors and other social housing activities

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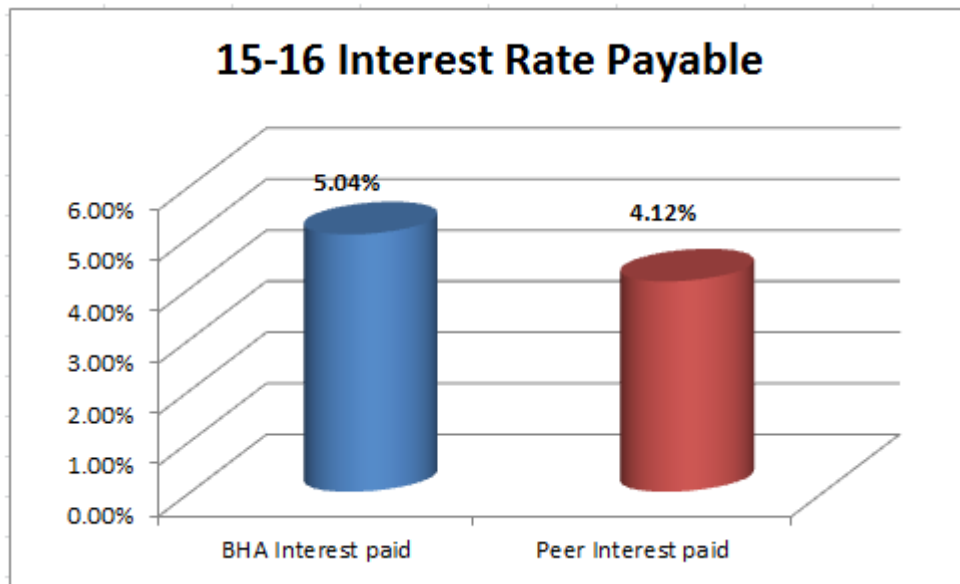


As the graph above demonstrates we continue to invest heavily in major repairs to our properties whilst maintaining the level of management costs (Mgt) despite increasing the number of units.

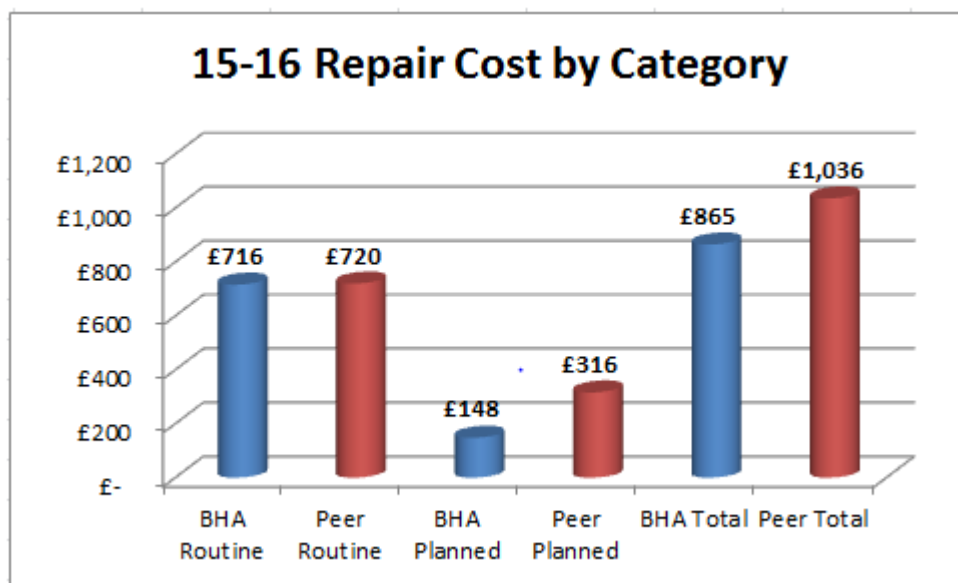


Our turnover and surplus is below the average of our peer group which reflects the effects of the rent reduction and the changes in service provision.

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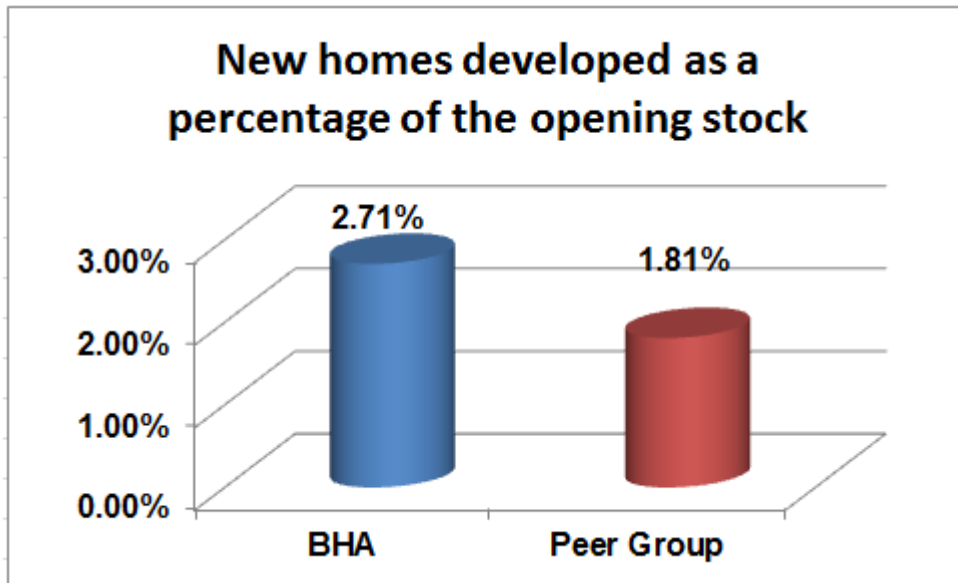


Our average interest cost has increased compared to our peer group.



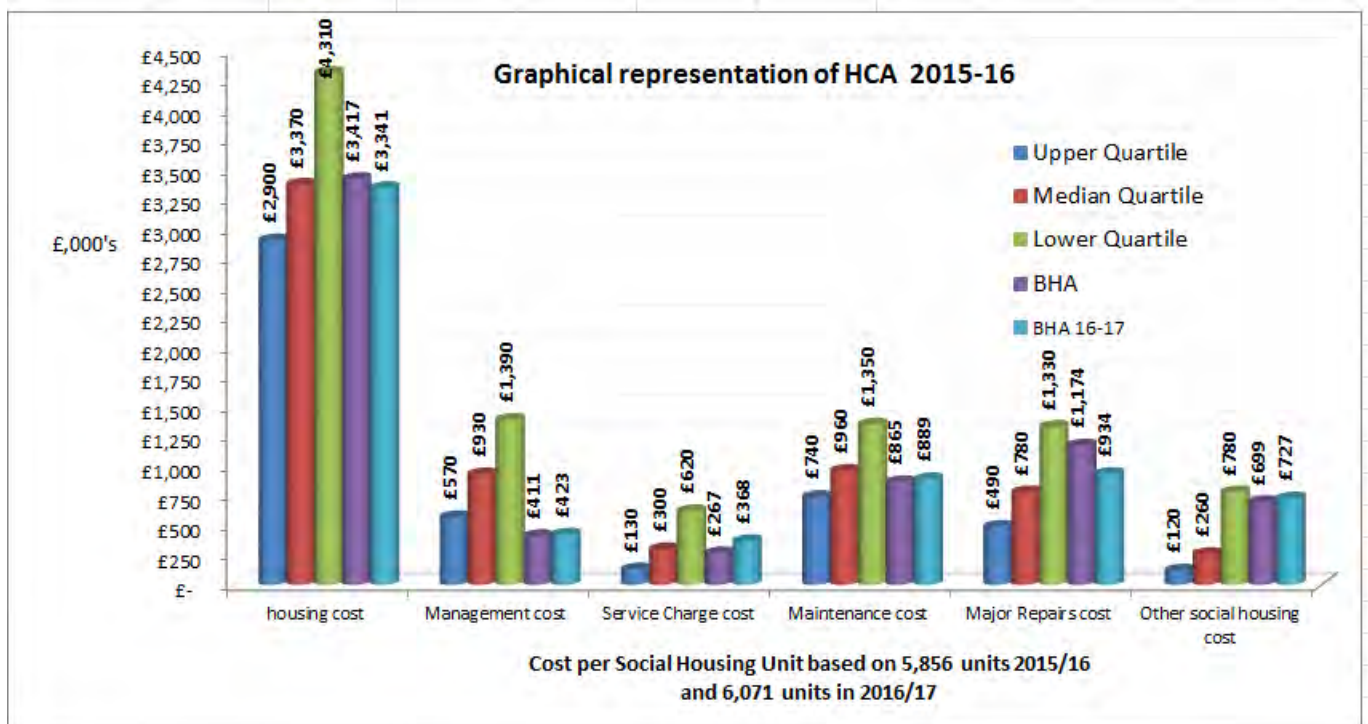
We are slightly below the average for routine repairs but considerably lower on planned repairs.

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The graph above shows that compared to our Peer group we develop above the average number of housing units.

In June 2016 the Homes and Communities Agency under took an analysis of comparative costs for our chosen peer group. This work also used the global accounts data and is based on 2015/16 data, along with our 2016/17 data. This shows that overall we are in the median quartile for overall costs.



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We are also taking part in the Sector Scorecard introduced by the HCA. So far information for comparators is not available, however the information below shows the information for our own data for 2015/16 and 2016/17

Indicator	15/16	16/17
1 Operating Margin	32.03%	33.04%
2 Increase/Decrease in Operating Margin	110.74%	109.22%
3 EBITA MRI% Interest	215.47%	235.06%
4 Units Developed in Year	189	232
5 Units Developed as % of units owned	3.23%	3.82%
6 Gearing	93.86%	106.45%
7 Customer Satisfaction that their homes provide Value for money	86.70%	86.40%
8 £'s invested for every £ generated in new housing supply	1.18	1.68
9 £'s invested for every £ generated in communities	0.22	0.33
10 Return on Capital Employed (ROCE)	3.49%	3.72%
11 Occupancy	99%	100%
12 Ratio of Responsive to Planned Maintenance	0.54	0.67
13 Headline Social Housing cost per Unit	£3,416.50	£3,340.98
Management Cost per unit	£411.37	£423.38
Service Charge Cost per unit	£266.91	£367.93
Maintenance Cost per unit	£865.10	£888.55
Major repairs Cost per unit	£1,174.18	£934.38
Other Social Housing Costs Cost per unit	£698.94	£726.73
14 Rent Collected	96.56%	97.85%
15 Overheads as a % of Adjusted Turnover	9.78%	8.14%

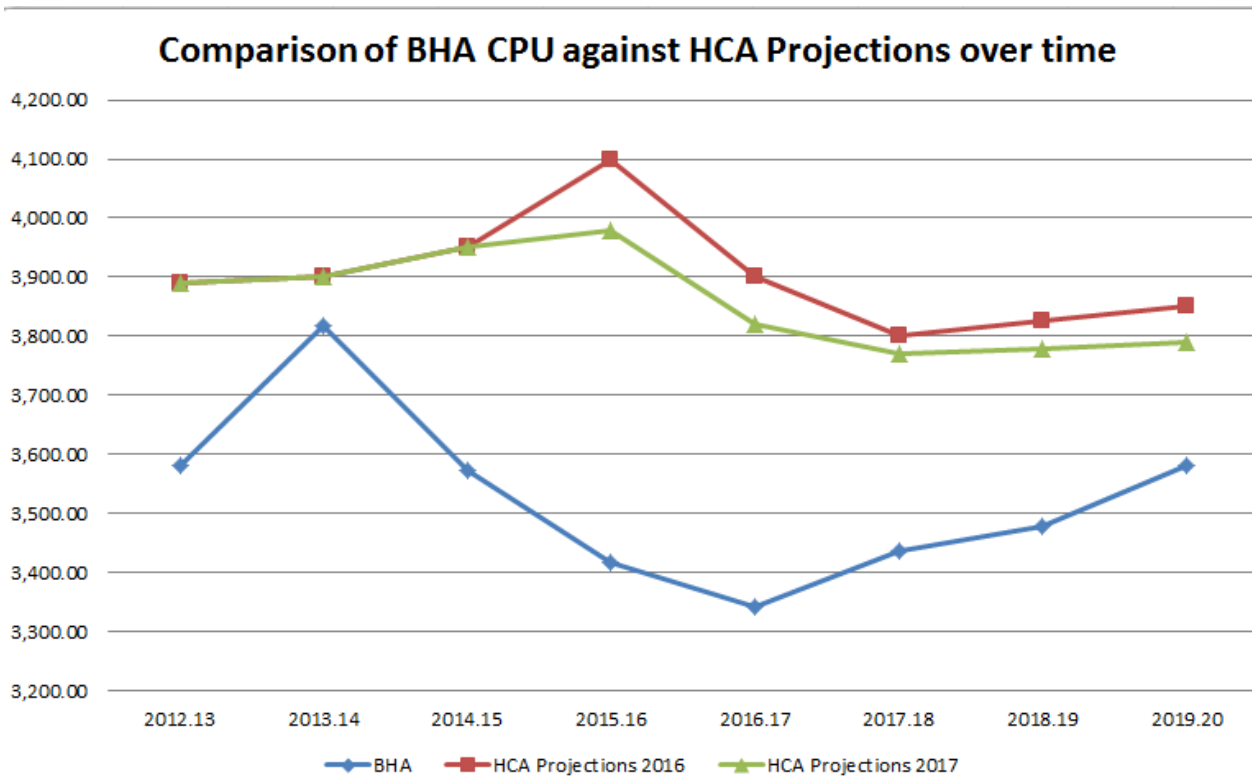
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The following graphs are taken from the HCA Global accounts, based on our current business plan. These show historic data and trends for the various areas projected to 2019-2020 for Cost per Unit (CPU).



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Our total cost per unit has reduced over the last 4 years. Future costs take into account an increase above current projected inflation levels. We are currently below the projected CPU calculated by the regulator.



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Maintenance Costs

Our Maintenance costs still appear to be relatively high despite bringing the service in house. We have benchmarking data that demonstrates our materials costs are reasonable and that our operatives are efficient in terms of the number of jobs completed per day. The analysis of the underlying data comparing our cost base now to when we made the decision to bring the service in - house suggests that overall we have saved £2m since 2013/14. We will continue to benchmark this service.

Support Services

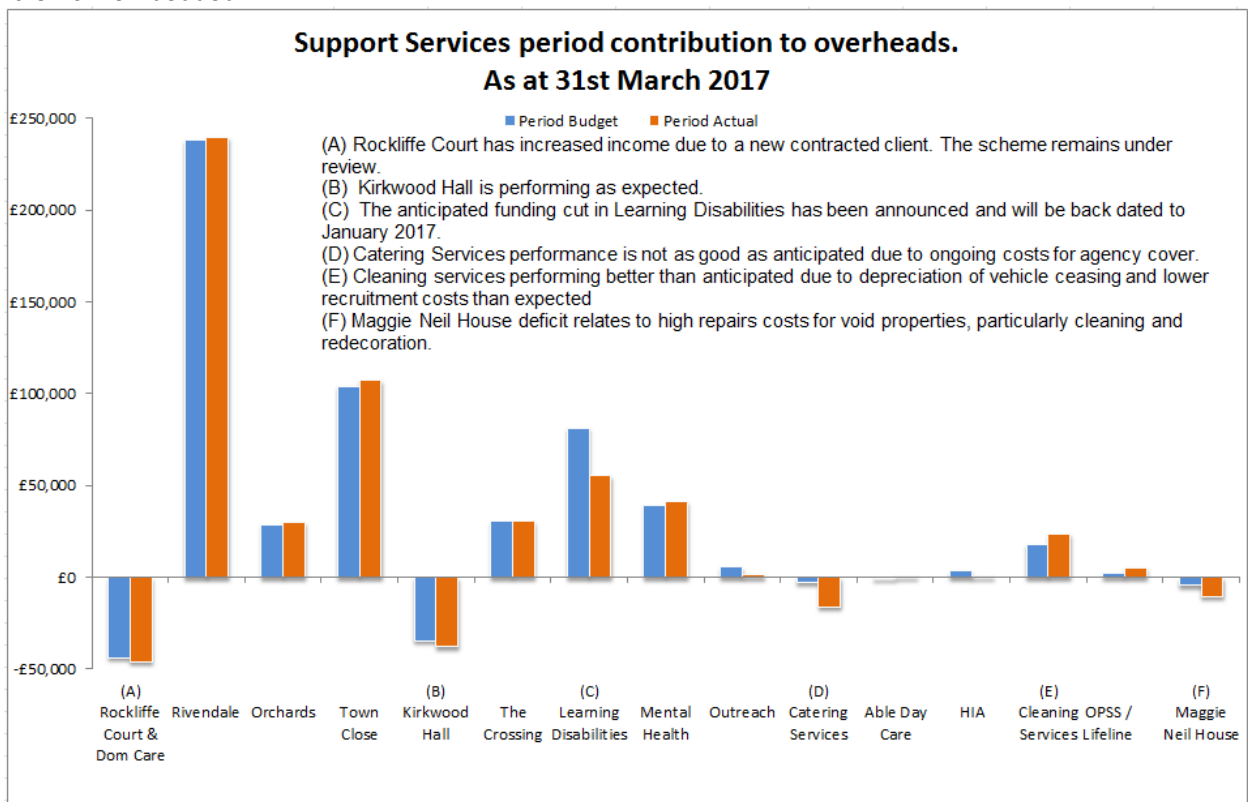
We also review in detail, the costs of all our support services and monitor the contribution towards central overheads. We have taken action where these are being subsidised and during 2016/17 we reviewed the underlying performance of our scheme at Rockliffe Court and the Older Persons Support Service/Lifeline Service. The impact of the improvements made are expected to come to fruition in 2017/18 but nevertheless, in these and other cases our board believe that where the service is crucial in delivering our objectives and supporting vulnerable people that continuing to deliver the service is more important than the pure financial results.

Our woman's refuge at Maggie Neil House required high void costs for cleaning and redecoration.

Our mental health service was subject to tender in May 2016 and we were successful in retaining the contract for the next three years.

Our Home Improvement Agency was subject to retender for the Stockton contract and unfortunately we were unsuccessful.

Our homelessness pathway provision at our scheme at "The Crossing" was subject to tender in 2016/17, and we submitted a partner bid along with Foundation, a support charity. We were successful in obtaining the contract and it is now embedded.



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Board Report

Detailed Services Summary for 2016/17

The association has a financial system that ensures costs are accurately allocated and that the running costs of the organisation are easily obtained and able to be analysed. During 2016/17 we reviewed this process and have restated the 2015/16 figures accordingly, variances between years are due to staff vacancies and reviews within departments.

As part of the business plan review process the board consider detailed budget information, performance information and customer satisfaction data. As a result of the information available the board and senior management team are able to better understand and influence the costs and outcomes for each service area. We provide a wide range of services to meet our objectives and the costs of a selection of these together with their outcomes and some case studies are set out in the following tables:

Corporate Objectives

- Cost of Living – Rent Management Service, Money Advice Service
- Crime & Anti-Social Behaviour – Tenant Involvement, Estate Management, Anti-Social Behaviour
- Deliver Affordable Homes – Development services, Repairs services, Lettings
- Support for the Vulnerable – Mental Health & Outreach, Women's Refuge, Homeless Service
- Other Services

Corporate Objective - Cost of Living	Cost of Service £'000	Human Resources involved whole time equivalent (w.t.e)
Rent Management Service – 16/17	751	16.31
Rent Management Service – 15/16	694	14.34
Inputs		
<ul style="list-style-type: none"> • Staff costs, provision of office accommodation and access to vehicles and associated equipment. 		
Investment at the Right Level		
Confirmed by:		
<ul style="list-style-type: none"> • We currently have 6 full time Rent Account Managers and 2 part time Rent Account Managers supported by 1 Manager and 1 Debt Recovery Officer. • We have 2 Tenancy Support Officers (TSOs) - within the Housing Team to provide extra support to those customers affected by welfare reform. 		
Outputs		
<ul style="list-style-type: none"> • Provision of support and advice to minimise arrears, thereby sustaining tenancies and safeguarding the income stream for the business. Gross arrears as at 31 March 2017 stood at 3.98% (up from 3.78%). With housing benefit payments arrears at 31 March 2017 of 2.09% (down from 2.17% at 31 March 2016). • Recovering monies owed by tenants, which as at 31 March 2017 was £304,730 (31 March 2016 £339,568). Over £137,000 has been recovered by our Debt Recovery Officer plus an additional £76,000 in housing benefit payments. • Cash collection was at the rate of 97.55% (previous year 98.85%) and equated to £29,999,935 collected against £30,752,180 charge (previous year £29,107,595 collected and £29,463,754 charged) If you take into account expected housing benefit at that point the collected figure would increase to £30,306,246 which is 102.86%. • In the months from April 2016 to March 2017 the TSO team brought an additional £28,788 in revenue to the business. They were involved in 804 cases. 		
Outcomes:		
Social & Economic		
<ul style="list-style-type: none"> • Sustaining tenancies minimises costs to the business as well as the wider community. By allowing customers 		

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to remain in their homes means there is no disruption to children's education and accessing health care.

- In 2016/17 we reviewed our internal systems with a view to implementing a mobile working solution. Implementation is scheduled during 2017/18.
- It is important to note that we appreciate that as a provider of rural housing with a high proportion of tenants in low paid employment that the cost of transport has a significant impact on tenants household budgets. Helping our tenants to deal with any debt issues and general cost of living problems ensures that they can meet their rental obligations.

Environmental

- By supporting tenants and helping them to maximise their income we are able to alleviate fuel poverty.

Service Quality

- The Rents Team are beginning a process of contacting each client and updating their contact preferences – with the focus being on digital outlets and self-service.
-

Evaluation & Evidence

- Success is currently measured in mainly financial terms i.e. whether the arrears have gone up or down.
- It is intended to introduce more qualitative measures to ensure that we are able to capture individual outcomes.
- We are continually reviewing the impact of Universal Credit and forecasting how this will affect Broadacres. Reports are provided to the senior management team on a monthly basis.
- Reports are produced on a regular basis to measure actual work actions carried out, as well as levels of arrears at any given moment in time. This is reported to the organisation through the monthly balanced scorecard.
- We currently complete pre-tenancy support, which includes carrying out interviews with those applicants who have never held a tenancy or who are leaving the military as these are groups of customers who often experience the biggest challenges in sustaining a tenancy.
- In addition, we are constantly reviewing the way we send out literature – and more importantly, the content – by listening to our customers. The letters, emails and texts are constantly being revamped, updated and reformatted to meet the ever changing needs of the customer base.

Case Study – income management

A tenant who moved onto Universal Credit (UC) was presented with numerous problems. Living in an area where there was limited internet signal and he actually had no access to the internet at home (due to low income).

Having made a claim for UC, which the job centre had lost, the Rent Account Manager (RAM) and the Tenancy Support Officer (TSO) supported him by taking him to the job centre, sitting in with him at his interview with his DWP Job Coach and trying to assist him getting his UC payment and UC rent set up and paid.

By providing all the necessary documents and letting the customer use our phone signal, he was able to slowly get online.

The DWP took over 4 months to get his claim up and running – and as a result he was unable to pay the rent (He had to live off friends and family hand-outs and food bank vouchers).

6 months after the UC claim was first made the RAM was able to get the backdated rent to clear his arrears, and the TSO worked with him to get all his UC payment backdated to him.

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Corporate Objective - Cost of Living	Cost of Service £'000	Human Resources involved (w.t.e)
Money Advice Service 16/17	149	3.00
Money Advice Service 15/16	134	3.00
Inputs		
<ul style="list-style-type: none"> Staff costs, provision of office accommodation and access to vehicles and associated equipment. 		
Investment at the Right Level		
Confirmed by:		
<ul style="list-style-type: none"> Customer satisfaction surveys conducted and reported to senior management team on a quarterly basis. (see results below). Quarterly statistics on customer outcomes together with case studies reviewed by senior management team. 		
Outputs		
<ul style="list-style-type: none"> Provision of an independent and confidential money management and welfare benefits service which helps Broadacres' customers and employees' access advice on budgeting, welfare benefits and financial products such as home contents insurance and basic bank accounts. The service is also a source of reference for staff across the association on welfare benefits. Production of regular social media (#moneysavingmonday) and Big Listen articles promoting financial inclusion, advice, money saving tips and promotion of associated services/products. 		
Outcomes		
Financial		
<ul style="list-style-type: none"> During the past year we have assisted 244 customers to obtain additional income of £1,122,189 from a range of grants and welfare benefits. (2015/16 215 customers and £873,723 additional income). Rent related income totalled £171,819 during 2016/17, 15.3% of the total welfare benefits obtained e.g. Housing Benefit, Discretionary Housing Benefit and Housing Benefit Exemption. 		
Social & Economic		
<ul style="list-style-type: none"> From the surveys carried out, our customers have said the service has increased their income, reduced stress, improved their standard of living and given them peace of mind. 		
Environmental		
<ul style="list-style-type: none"> As part of the service the Money Advisors review the customer's gas/electricity tariffs and work alongside the Property Services Team with issues around heating the home efficiently / best use of the heating system provided. 		
Service Quality		
<ul style="list-style-type: none"> A customer satisfaction report is compiled on a quarterly basis to demonstrate the value of the service to the customer. The results are scored using a ten point scale (10 being excellent). The results of the survey completed as at 31 March 2017 saw a score of 9.9/10 (March 2016 10/10) for the following questions: being kept informed of the progress of your case; appointments made and kept; being given helpful advice; overall handling of case and service provided. During 2015/16 we introduced criteria to the job role that all advisors must complete the Institute of Money Advisors accreditation. Two team members have now completed this and the remaining advisor is awaiting the results of the exam taken in April 2017. This service is also regulated by The Financial Conduct Authority and regular returns are required to ensure compliance. 		
Evaluation & Evidence		
<ul style="list-style-type: none"> Ongoing monitoring of case work, including peer to peer reviews. Quarterly statistics produced for senior management team, together with case studies. 		

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- Detailed casework notes are kept for each customer using a bespoke database. The database is used to review the statistics and outcomes achieved for the customer.
- Providing a customer driven service which supports customers to improve their financial position through budgeting advice, increasing income and reducing/managing debts.

Case Study – money advice service

A referral came through in early 2016 to assist a customer (Mr R) with an application for Personal Independence Payment (PIP). Mr R suffered with fibromyalgia, chronic fatigue syndrome (CFS) and depression. He is in pain the majority of the time and the CFS and depression affected one another negatively. Mr R had previously run his own business and found it difficult and frustrating to be affected by CFS and fibromyalgia. Mr R's wife had passed away suddenly a few years earlier and he was bringing up their son on his own. The customer's income was Widowed Parents Allowance (WPA), Child Benefit and Child Tax Credits.

During the appointment Mr R's, 12 year old son was discussed as he had been diagnosed with epilepsy, sleeping for him was difficult due to his sons regular seizures during the day and night which averaged 3 to 4 times/week but he could have up to four/day.

- A claim for Disability Living Allowance (DLA) for the son was made which was rejected, following this a mandatory reconsideration of the decision was requested and medical evidence was submitted in support.
- A claim for Personal Independence Payment (PIP) was submitted and awarded.

As the only adult in the home this meant Mr R qualified for an additional premium but this couldn't be attached to the WPA so a claim for Employment and Support Allowance (ESA) had to be made in order to claim the premium. Unfortunately, ESA stated that the WPA would stop and they would receive full ESA. This was incorrect as the customer should continue to get WPA topped up with ESA. A phone call to the DWP triggered an investigation and after some months the error was rectified.

During the course of the support Mr R enquired if support could be given to his parents. His mother is +80 years old and in receipt of Disability Living Allowance (DLA) and had been for many years, she is looked after by her +85 year old husband. Both were in receipt of state pensions and they paid full rent and council tax. We suggested that Mr R should be claiming the carers premium (CP) and that this might qualify them for Pension Credit (PC), housing benefit and council tax reduction. An appointment was made with the couple; at the appointment it became apparent that Mr R suffered his own health problems, including a serious heart complaint. It was agreed that an application for the CP should be made and an application also for Attendance Allowance (AA).

In the meantime a response was received from DLA advising that the decision not to award Mr R's son DLA would not be changed as they stated that his needs were no different to another child of the same age. An application was made to HMCTS for an appeal hearing to review the DWP decision.

After a short time Mr R's parents were notified that they would receive CP and that Mr R had been awarded the higher rate of AA. This qualified them for the benefits we had previously advised on, however, if we made a claim for the CP on behalf of Mrs R this would qualify for them for a higher rate of PC. An online claim was made for CP together with a telephone claim for PC, Mr R's parents were awarded both. We also advised the local authority as they now also qualified for full housing benefit and council tax reduction.

A DLA appeal hearing at Darlington County Court was set and we supported the customer at the hearing – the appeal was successful.

- The DLA was awarded and backdated to when the claim was originally made.
- We informed Child Tax Credits as the disability element would now be factored into this benefit, increasing the amount of tax credits paid.
- As Mr R's son was now in receipt of DLA, we applied for CP which would be attached to the ESA, this was successful, again increasing the household income.

To date the weekly income paid to the whole family has increased by £614/week, with both households receiving housing benefit and council tax reduction and backdated benefits totalling £5,541.

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Corporate Objective – Crime and Anti-social Behaviour	Cost of Service £'000	Human Resources involved (w.t.e)
Tenant Involvement 16/17	157	3.32
Tenant Involvement 15/16	176	2.51
Inputs		
<ul style="list-style-type: none"> Staff costs, provision of office accommodation and access to vehicles and associated equipment. Customer volunteer costs: refunding reasonable out of pocket expenses, training, refreshments, equipment. Community Development Fund Grants and contracts with the voluntary sector. 		
Investment at the Right Level		
<p>Confirmed by:</p> <ul style="list-style-type: none"> Satisfaction levels on Survey of Tenants & Residents (STAR) survey. We produce an annual assessment of the impact and value for money of key community involvement activities: Community Involvement Round Up 2016. http://www.broadacres.org.uk/Customers/Getting-involved/ A Customer Involvement Strategy and associated action plan explain and put into context our approach to customer involvement. In November 2015 we reviewed and updated our strategy and action plan with input from customers. A Community Investment statement guides the community based work undertaken. It is based on five key themes for investment: Financial inclusion, Active Living, Creating Opportunities, Easy Access and Starting Young. Involvement in this work cuts across the organisation. 		
Outputs		
<ul style="list-style-type: none"> To strive to make our involvement structures represent the diversity of our communities. Our Community Involvement Officer and Community Involvement Manager have been instrumental in effectively creating a journey map engaging customers who have experienced planned maintenance work in their homes, applied for housing with North Yorkshire Home Choice and who receive a care service at Rockliffe Court. We have assisted our Performance & Improvement Panel (PIP) to complete a review of Choice Based Lettings and are now working through their recommendations which include improvements to Broadacres website, North Yorkshire Home Choice website, publishing information on direct lets. If we were to pay an external consultant to undertake the work PIP undertake voluntarily it could have cost upwards of £33,000 in 2016/17 (£30,000 in 2015/16) and would not have come from a customer perspective. Customers, whether they are actively involved customers or engage in less time consuming activities, like completing surveys, all give up their time freely to work with us on improving services. Over 550 customers have been actively involved in helping to shape our services and contributing to their communities: both formally and informally this amounts to nearly 3,500 volunteer hours. The following are some examples of the number of people who have attended the various events / sessions we held in the year: 		

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<u>Activity</u>	<u>No of involved customers</u>
Performance and Improvement Panel:	7
Maintenance Focus Group	9
Environmental Working Group:	2
DDT	1
Local Monitors:	105
Tenants on the board	2
Community Development Fund Group	3
Focus Groups in supported housing	103
<u>Activity</u>	<u>No of involved customers</u>
Customer Feedback Group:	11
Digi Panel	84
Community projects e.g., community action with the Youth Justice Service at Rivendale, Active Living Project. (customers, residents and staff).	14
Oswaldene Residents Association – Customers and Residents	33
Coombes Close Residents Association	15
Young people’s projects -Fun Factory, Fire Place, Thirsk Youth Club, Alverton and Stokesley Breakfast Clubs: young people, volunteers (customers, residents and staff).	6
Training course attendance	27
STAR Focus Groups	166

Outcomes

Social & Economic

- Members of our Performance & Improvement Panel (PIP) have gained in depth knowledge about services, confidence in dealing with the challenges of scrutinizing different services and built positive working relationships with staff throughout the association.
- Various projects have been undertaken throughout the last financial year, which have all allowed our customers and other volunteers to improve self-confidence, communication skills, social interaction and gain awareness about the organisation.
- Various training sessions organised for involved customers to enable them to better fulfill their voluntary activities and aid in their own personal development.
- Community Investment: Projects involving local young people that have orders to complete community reparations work through the youth justice service, these activities involved young people in meaningful activities such as helping out at youth club sessions and work on transforming and area of Rivendale extra care scheme garden, Topcliffe allotments and within youth club settings.
- Community Investment: Working in partnership with Greggs Foundation we have continued to provide funding for successful free breakfast clubs at Alverton Primary School and Stokesley Primary Academy. The breakfast clubs support children from families in areas where we have housing, some of whom are vulnerable, to eat well, learn and achieve. Anecdotally we are aware they also help parents on low incomes with early morning childcare commitments by enabling them to meet work commitments both seasonal and regularly.

“The Breakfast Club at Alverton has proved to be hugely successful in providing pupils with a healthy breakfast on a morning and has helped us support numerous families in the locality by providing care from 7:45am. Numbers are growing gradually and this has also had a positive impact on the school attendance. We are extremely grateful for the support in funding the Breakfast Club as it has become a major selling point for our school when attracting new pupils. The opportunity to have a regular healthy breakfast must not be underestimated as the impact this has on the learning and attitude of pupils in school is noticeable.”

Richard Linsley, Head teacher, Alverton Community Primary School

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- Community Investment: Active Living Co-ordinator – Working in partnership with Age UK in Northallerton, the aim of the active living project is to deliver regular activities to the older residents of Broadacres supported housing schemes across the area, to help increase their health and wellbeing, and prevent social isolation 46 sessions have taken place this year, including: ceramic and craft workshops to address low self-esteem/ confidence, anxiety and core vulnerabilities. iPad sessions- to motivate participants to use new technology to be creative by using apps etc. to tap their interests and hobbies.

“It gets me out of my flat to meet other people”.

“I enjoy the company and something different at every meeting. It is good to have something to look forward to each week with other people”.

- Community Investment: Through partnership working with The Clock over 150 group and 121 sessions have taken place benefiting on average 70 young people a month, within youth clubs in Northallerton, Thirsk and Stokesley. These clubs help us invest in young people in our communities, build positive relationships and contribute to prevention work linked to anti-social behaviour.
- Community Investment: Community Development Awards Fund grants from Broadacres to local community projects so far have amounted to £12,000 in 2016/17. These grants are awarded to community and voluntary organisations whose projects bring benefits to communities broadly within the remit of our community investment statement themes.

Environmental

- We re-use many recycled elements in the craft activities at the youth clubs, eg. scrap materials, naturally occurring materials etc.
- We have a small collection of pre used unwanted gardening tools collected from void properties that we continue to use within various projects.

Service Quality

- As a result of the review PIP undertook of Choice Based Lettings in 2015/16, their recommendations for improvements to the service have been implemented in 2016/17, dependent on external partnership arrangements.
- Through all our community investment activities we are able to provide additional services for customers that are ‘not just about the bricks’.

Evaluation & Evidence

- Performance & Improvement Panel (PIP) reviews.
- Feedback from participants in organised events, including evaluation from training participants.
- Registration forms and attendance records - youth clubs, breakfast club
- Annual impact assessment
- Photos and film
- Meeting minutes
- Active Living Co-ordinator reports
- Youth Co-ordinator monthly reports
- Journey mapping reports

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Case Study – Tenant Involvement

Performance and Improvement Panel : Repairs Appointments Review

The following elements of the repairs appointments service were examined by Panel Members:

- The Panel met with: Chris Hyde, Property Services Manager twice in the early stages of the review.
- Members of the Panel observed the work of the Contact Centre and Schedulers.
- The Panel compiled a questionnaire to be completed by the Digi Panel. This is a group of younger customers that have agreed to respond to consultations regarding Broadacres services.
- Members of the Panel attended Toolbox Talks with Electricians, Heating and Plumbing Engineers, Responsive Repairs Team and Property Surveyors to find out their experiences of the service and seek constructive feedback.

Documentation which included customer satisfaction, recent complaints, feedback from the STAR survey, information given to customers using the service etc. This information was made available to Panel Members via an online portal.

Below are some of the group's recommendations and the actions Broadacres have agreed to take as a result:

PIP Recommendation	Agreed Action
Communications to customers could be enhanced by using email and text to reduce the cost of paperwork/post/printing.	Currently looking to implement a new customer portal, which will allow customers to log repairs and book their own appointments electronically. In terms of sending emails and texts, we are currently exploring how we can increase our electronic communication. We are currently carrying out a trial within our Rents Team.
Where possible if a customer can take a photograph of the repair and send it in, prior to an operative visiting, this should be encouraged.	This should be available through the customer portal when it is introduced. We are also exploring the option to set up an email address that can be used.
If there is a failure in terms of an appointment e.g. due to the lack availability of appropriate parts then the customer should be offered a specific time slot as soon as convenient and suitable for the customer, to reduce complaints and dissatisfaction. We feel the benefit of this approach far outweighs the cost of this approach. The Panel would like to be involved in the development of policies and procedures in relation to this.	We are currently producing a procedure with the Maintenance Focus Group for when 'there is a breakdown in our service delivery'
Sometimes the wrong operative is sent to a job. These occasions should be reviewed to determine how and why this happens. This could indicate what other information is required when a customer rings the Contact Centre and could save much frustration on both sides - time off work for the customer for example, as well as a continuing problem and cost for Broadacres staff in time and travel.	This should not happen. We constantly monitor the number of incidents where we could improve the service we deliver. Reports are currently being produced to identify where the incorrect operative has been sent. In addition we are reviewing the system set up to ensure all operatives have the correct skillsets assigned to them.
To develop a better understanding and appreciation between teams with different roles, we recommend work shadowing between schedulers and operatives.	We feel this is an excellent recommendation and have already had number of operatives shadowing the Scheduling Team as this is a key relationship within Property Services. We will continue to carry out job shadowing when the workload allows.

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We would like to see the operatives being sent information about their first job of the day the previous evening. This would allow them to plan their timings better so they can arrive at 8 am.	Since this report was produced we have introduced a system where the operative can contact the Scheduling Team at the end of the day, to get the location of their first job in the morning. In addition we are also reviewing the start locations within the systems to ensure that the operative is deployed to the job closest to their home.
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Corporate Objective - Crime and Antisocial Behaviour	Cost of Service £'000	Human Resources involved (w.t.e)
Estate Management 16/17	454	10.66
Estate Management 15/16	549	11.01
Inputs		
<ul style="list-style-type: none"> Staff costs, provision of office accommodation and access to vehicles and associated equipment. 		
Investment at the Right Level		
Confirmed by:		
<ul style="list-style-type: none"> Constantly reviewing the 'patches' managed by our estate management staff, taking into account the distance to travel and the needs of our customers. 		
Outputs		
<ul style="list-style-type: none"> Provide tenancy management, support and advice in customers' homes. To manage our estates, including re-letting of properties. To work with a wide range of external agencies to resolve low level anti-social behavior (ASB) cases. Support and promote the work of the Customer Involvement Team. 		
Outcomes		
Social & Economic		
<ul style="list-style-type: none"> The team is essential to addressing a customer's housing need and in helping them to sustain their home. This helps create vibrant communities where people choose to live. 		
Environmental		
<ul style="list-style-type: none"> By supporting tenants and helping them to maximise their income we are able to alleviate fuel poverty. We balance work to include phone calls, text messages etc. to reduce the need to travel. Currently working with a district council to review the refuse collection to reduce fly tipping and poor allocation of their resources. 		
Service Quality		
<ul style="list-style-type: none"> Regular surveys to all new tenants with an average of 9.1 out of 10 for overall satisfaction in 2016/17. 		
Evaluation & Evidence		
<ul style="list-style-type: none"> We monitor a range of performance indicators including the number of days to re-let a property, as well as undertaking estate inspections and monitoring ASB calls. Work together with colleagues within our Property Development Team to ensure that new developments are let without delay and therefore maximising rental income. 		

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- This team is also critical to the delivery of the crime and ASB objective and meeting the housing needs of all customers.
- Looking at mobile working to improve efficiencies and reduce administration.
- Reviewed the process of new tenant visits and completion of surveys to improve effectiveness and efficiencies.

Case Study – Estate Management

A lady living with her 21 year old son in a 4 bedroom Broadacres house approached us for help with her housing situation. Her son is severely disabled and her current property, although having had some adaptations, was no longer meeting his needs. The property had also become unaffordable for her. We arranged to visit them at their home and were able to award them Emergency Banding as her son was unable to access key facilities within the home. They have now been allocated a 2 bedroom bungalow which is more suitable for her sons long-term health needs.

A gentleman living in a 2 bedroom Broadacres house, he had been admitted to hospital due to various health issues and was unable to return back to his home as it was now unsuitable for his long-term health needs. His daughter approached us for help to re-house her father and we were able to assist her to complete an application and to liaise with the start team at the hospital with regards to her father's housing needs. We were able to place a bid on a suitable bungalow for him and he was successful in his bid.

Corporate Objective - Crime and Antisocial Behaviour	Cost of Service £'000	Human Resources involved (w.t.e)
Anti-social Behaviour (ASB) 16/17	152	2.89
Anti-social Behaviour (ASB) 15/16	171	2.87
Inputs		
<ul style="list-style-type: none"> • Staff costs, provision of office accommodation and access to vehicles and associated equipment. 		
Investment at the Right Level		
Confirmed by:		
<ul style="list-style-type: none"> • Regular use of satisfaction surveys. From July 16, partial surveys are been completed for low level cases. • Feedback from external partners e.g. Police, Safer Local Delivery Teams. 		
Outputs		
<ul style="list-style-type: none"> • Provision of support to Housing Officer Team when dealing with complex ASB cases. • Provision of support to individuals suffering from ASB. • Provision of support to external partners, such as Police to help resolve community issues. • Working with our colleagues in Community Safety Partnerships to develop new processes to implement the tools and powers set out in the Crime and Policing Act 2014. • Provision of support to external partners and customers via diversionary activity work. 		
Outcomes		
Social & Economic		
<ul style="list-style-type: none"> • We continue to support a range of diversionary activities such as youth clubs, Broadacres now runs 3 youth clubs in Hambleton, The Fire Place in Stokesley, The Fun Factory in Northallerton and Little Hands in Thirsk as well as healthy living projects. These help to promote positive behavior and minimise ASB. • By dealing with ASB we enhance people's quality of life, which otherwise can have damaging consequences for example for their health or personal relationships. 		

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Environmental

- Tenancy Relations Co-ordinator (TRCO) and other staff group their work together wherever possible to reduce travelling time and costs.

Service Quality

- We benchmark our performance through Housemark.
- We participate in external best practice groups including the Northern Housing Consortium's ASB practitioner group, which the TRCO is the Vice Chair. This ensures that our policies and procedures remain robust and up to date.
- Our ASB Strategy, Policies and Procedures have recently been revised, and the categorisation of complaints has been updated. This has enabled us to treat minor ASB cases quickly through the Contact Centre and reduces the impact and the workload on the Housing Officer to deal with major ASB Cases.

Evaluation & Evidence

- Satisfaction surveys.

Performance Indicator	2016/17	2015/16
% of respondents very or fairly satisfied with the way their complaint was dealt with	100	100
% of respondents very or fairly satisfied with the outcome of their complaint	100	100

Case Study – Anti Social Behaviour

The Housing Officer, started receiving complaints about parking issues in Todds Court, Thirsk. Todds Court is a scheme of apartments for older people with 16 apartments and 2 houses. When the site was built each property was allocated one car parking space.

Local private residents were taking advantage of the fact that not everyone had a vehicle and were using up spaces to park their own cars and in some cases more than one car per private household. We also had issues with people parking there and going into town to do their shopping. North Yorkshire Police were also receiving reports and on two separate occasions, they had to attend the scheme due to private residents parking in the allocated spaces and our residents telling them they could not, which then escalated into verbal abuse and threats from the private residents.

The Housing Officer spoke with our solicitor who advised to write to all local residents reminding them this car park is for Broadacres residents only; we also had another sign made to display this information. Unfortunately the private residents took no notice and continued to park there.

Letters were sent to all residents of Todds Court with a survey asking if they would like some sort of parking restrictions in place, every household responded and all agreed something needed to be done. The Housing Officer then arranged to visit the scheme one evening and invited everyone to meet there to discuss ideas to tackle this. A number of residents asked for individual parking barriers with a locking mechanism, they had seen these in a similar residential area in Thirsk.

The Housing Officer spoke with the Property Surveyor who got a quote for 18 Barriers including fitting into the ground. The barriers were £56 each with a 10% discount on orders of 20 or more. There was also a fitting fee.

The TRCO agreed to allocate £300 from the ASB budget and the rest came from the landscaping budget. The barriers were put in place and it was money well spent, as we no longer have to deal with multiple complaints about parking. By taking this preventative action and consultations at an early stage with our tenants, with the solution resulting in only a small amount of costs the Housing Officer can use their time and resources more effectively and peace and harmony has been restored at the elderly scheme.

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Corporate Objective - Deliver	Cost of Service £'000	Human Resources involved (w.t.e)									
Affordable Homes											
Development Services 16/17	1,008	12.97									
Development Services 15/16	957	12.79									
<ul style="list-style-type: none"> Staff costs, provision of office accommodation and access to vehicles and associated equipment. Costs & w.t.e increase reflects the additional resources introduced in the year in line with our development programme. 											
Investment at the Right Level											
Confirmed by:											
<ul style="list-style-type: none"> The board approves a set of assumptions that are used when appraising all new development schemes and the effect of all schemes is considered within the overall business plan. Customer satisfaction surveys conducted. Working with Local Authorities & Housing Management Team to ensure the right properties are being built for our customers. Funding from Homes & Community Agency (HCA). 											
Outputs											
<ul style="list-style-type: none"> Provision of housing for people in high demand areas. 											
Outcomes											
Financial <ul style="list-style-type: none"> To build quality homes at the right price. Social & Economic <ul style="list-style-type: none"> Provision of 232 new homes in 2016/17. Environmental <ul style="list-style-type: none"> All of the properties built either meet or exceed the current environmental building regulations. Service Quality <ul style="list-style-type: none"> Satisfaction surveys to those who have purchased new homes. The results for the last year are as follows:- <table border="1" data-bbox="204 1507 1256 1644"> <thead> <tr> <th></th> <th>2016/17</th> <th>2015/16</th> </tr> </thead> <tbody> <tr> <td>Quality of your home</td> <td>8.9/10</td> <td>8.1/10</td> </tr> <tr> <td>Overall service received from BHA</td> <td>9/10</td> <td>9/10</td> </tr> </tbody> </table>				2016/17	2015/16	Quality of your home	8.9/10	8.1/10	Overall service received from BHA	9/10	9/10
	2016/17	2015/16									
Quality of your home	8.9/10	8.1/10									
Overall service received from BHA	9/10	9/10									
Evaluation & Evidence											
<ul style="list-style-type: none"> Satisfaction survey results from customers who have purchased new homes. Established a number of Frameworks following OJEU process for capital works, consultants and planned works. After the board approval process, build contracts are put out to tender. These are scrutinised by our Employers Agent and we tend to use a 70:30 split value against quality. This is all reported back in the Employers Agent Tender Report. 											

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Case Study - Development

Broadacres have worked with an organisation called MySafeHome to provide Home Ownership for Learning Disabilities (HOLD). The scheme enables disabled people (this covers physical and learning disabilities, cognitive and sensory impairments and enduring mental health issues) the opportunity to part buy a home of their own on a shared ownership. The first property in North Yorkshire has been purchased by an individual who was in unsecure accommodation which was unsuitable for his needs. He is now living in his own home, close to family and friends. This was made possible through Broadacres with the help of his health trust and Homes and Community Agency providing grant funding as well as the individual taking out a private mortgage for his share in the property. This is an interest only loan and is covered by Support for Mortgage Interest (SMI) with an additional top up payment being made from other benefits received. The rent on the remaining equity is covered by Housing Benefit. Over 1200 people have been helped by the HOLD scheme nationally.

The following is a quote from the family of the resident:-

“This will allow him the security and stability that he has never had before- this is a home not just a house and a platform for a new life ahead. It is also huge for the family, knowing that he has a stable base is a massive step, something that we never thought he would have- this doesn't just change his life, it will change many more!”

“He has settled brilliantly yesterday. He introduced himself to his neighbours and met lots of other residents of The Close. He went on two long walks so that he knows where to take Woody who is moving in around five today! I honestly don't think his first day could have been any better and everyone in the village welcomed him. Already his life is changing; he was delighted to find an outdoor tap and requested he go shopping for a hosepipe to wash his own car. Whilst shopping he got very excited about having the freedom to buy things for his garden and picked up some solar lights and bird food as he wants to build a bird table with his staff. They are going to have a small vegetable patch and he can't wait to cut the lawn!

I stayed the night and he wanted to go to bed as he has a new sensory projector and went to sleep with the ocean projected on his ceiling. He slept well and saw a leaflet this morning asking for people to help clean the village by joining in on a litter pick and asked if he could join in! The staff were so excited and remarked at how much easier their job will be because he has a suitable home in the right location! We were all extremely relaxed yesterday and would like to thank you so much for everything!. We are so happy we could burst, we've got our boy settled at long last”

Corporate Affordable Homes	Objective	- Deliver	Cost of Service £'000	Human Resources involved (w.t.e)
Repairs Management 16/17	Services, including	Asset	4,236	130.63
Repairs Management 15/16	Services, including	Asset	5,321	150.79

Inputs

Direct and indirect staffing costs, provision of office accommodation, vehicle fleet and associated equipment, including Personal Digital Assistant (PDA).

Investment at the Right Level

Confirmed by:

- Continuous improvement plans and performance management are embedded within service areas. Service delivery and resources are discussed and reviewed on a weekly basis within teams.
- Service standards are reviewed regularly to assist in the streamlining of services for our customers and to ensure adequate resource and support mechanisms are in place.
- Service questionnaires, customer feedback and customer contact trends are used to hone the delivery of repairs and improvement works for our customers.
- Stock viability and investment costs are reviewed regularly which included an active asset management appraisals process as part of our relet process.

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- The 5 year rolling stock condition survey programme continued during the 2016/17. Component information gathered by our team of surveyors is used to directly support our investment programme and 30 year business plan.

Outputs

- To deliver an efficient and effective repairs service to Broadacres customers across the association's property portfolio.
- Management of component replacement cycles.
- Produce a 30 year plan of cyclical replacement of major components, such as, kitchens, bathrooms and heating systems.
- Maintain live property information within Broadacres Assets and Liabilities Register.

Outcomes

Financial

- Following on from our work in the 2015/16 financial year we adjusted the lifespans of a number of components in association with a review of their specifications. The adjustment of components is directly linked to Broadacres business plans and financial modelling. The 30 year business plan again underwent stress testing before any component replacement cycles were adjusted to ensure viability of the remodelling was achieved.
- We have re-procured our materials supply contract and work closely with the supplier to streamline van stocks and the delivery of materials to site.
- We continue to work with our material supply partners to realize saving through the revisiting of specifications and the availability of new products.

Social & Economic

- Work is undertaken to maintain Decent Homes Standards and identify failures / customer refusals. A number of internal property components are replaced ahead of Decent Homes Standards in line with our published customer offer.
- Housing Health & Safety Rating System for part of our stock condition survey to identify issues and to ensure Broadacres customers have quality homes to live in.

Environmental

- We have continued to install Air Source Heat Pumps throughout 2016/17 via our in house MCS (Micro Certification Scheme) team. We have a commitment to addressing fuel poverty and assisting customers living in properties that are off the gas network. Our rolling programme of replacing oil heating systems with Air Source Heat Pumps saw the installation of a further 18 heat pumps during the 2016/17 financial year.
- All of our homes have had cavity wall insulation installed (where the property construction permits) and all have full central heating. We have continued to revisit properties to top up cavity insulation following the settlement of previous insulation to ensure the thermal efficiency of our homes is maintained.
- The association has again achieved accreditation to the ISO14001 Environmental Standard.
- We have proactively sought out energy related support for our customers living in rural "off gas" locations, this has been in the form of free home efficiency surveys and advice.

Service Quality

- A review of the Technical Support Team was concluded in June 2016. This saw the creation of more specialist roles within the surveying team such as a structural surveyor dealing with building deficiencies and a planned maintenance surveyor responsible for the performance of external contractors.
- A robust rolling stock condition survey programme is in place to ensure lifecycle data is collected and is in turn fed directly into our 30 year business plan.

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- Upon completion of a repair/service, customer satisfaction surveys cards are left with customers to capture transactional performance. Customers informing us that they are dissatisfied are contacted by team leaders/managers performance in this area for the 2016/17 financial year was as follows:-

Satisfaction with reporting the repair.	95.40%
Satisfaction with communication throughout the process.	95.99%
Satisfaction that operatives were friendly and helpful.	98.03%
Satisfaction with the overall quality of the work.	97.47%
Satisfaction with the overall service received from Broadacres.	96.31%

Evaluation & Evidence

- A suite of KPI's have been established that look across service areas such as compliance, operative/team performance, and customer satisfaction, as shown above.
- Services are also reviewed with monthly with regards to "Value" and "Failure" feedback received from our customers via Broadacres Contact Centre. These are used to support changes in procedures and to enhance the delivery of services to our customers.
- Weekly live reports are discussed at team leader level and top level performance is reviewed at Management Team level on a monthly basis.
- Bringing services in-house has allowed for the redesign of processes and the implementation of advanced IT systems, such as the direct reordering of van stocks through the PDA's direct to Broadacres preferred supplier.

Case Study – repairs service

Feedback from our customers about the quality of our external cyclical painting programme had previously been disappointingly low. In June 2016 we commenced the self-delivery of the programme and we have since seen an increase of 9.31% in customer satisfaction for this work stream.

The self-delivery of the external programme has also allowed the association to pool the painting and decoration resources across other services such as our void property repairs team. This has allowed for the delivery of a more responsive and fluid service for our customers whilst also achieving a marked increase in customer satisfaction.

Corporate Objective - Deliver Affordable Homes	Cost of Service £'000	Human Resources involved (w.t.e)
Lettings (Incl CBL) 16/17	224	6.57
Lettings (Incl CBL) 15/16	238	5.41

Inputs

- Staff costs, provision of office accommodation and access to vehicles and associated equipment.

Investment at the Right Level

Confirmed by:

- We review the number of applications/telephone calls/messages received to ensure we make effective use of the current resources.

Outputs

- Provide a dedicated team to administer our Choice Based Lettings (CBL) service, dealing with applications, resulting enquiries and assisting customers.
- The team manages the shortlists for the allocation of properties and work with the housing officers to ensure

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properties are allocated in timely manner.

- The management of garages has been reviewed and the CBL teams as opposed to housing managers are now managing the applications and shortlists. This has streamlined the service.

Outcomes

Social & Economic

- The team is critical to addressing a customer's housing need as they maintain the CBL system which allows customers access to information about their proposed new home. This gives the customer the satisfaction of having a place to live in a neighbourhood they choose.

Environmental

- We balance work to include phone calls, text messages etc. to reduce the need to travel.

Service Quality

- The team are part of the North Yorkshire Home Choice partnership - the team leader attends the operational group meeting to discuss policy & procedures and any issues at operational level.
- The team leader monitors the system to ensure applications are dealt with in timescales.

Evaluation & Evidence

- Customer feedback results show that the team achieves a high satisfaction level from those who have been through the CBL process.
- The Performance & Improvement Panel have completed a review of the CBL process including the website and information provided to customers.

Case Studies - Lettings

A couple who are living in a 2 bedroom property with their 15 year old son, had recently had triplets and were severely over-crowded in their current accommodation. They approached us for housing and we were able to assist them to complete their application in time for them to be able to bid on a 4 bedroom house on the new development site at Sowerby Gateway. Without the team knowledge of the properties coming available and the foresight to assist this couple to complete their application and place a bid for them, they would have missed out on the opportunity to bid and be considered for the property.

In March 2017 we have had four applicants who have been assessed as Emergency Band (it is rare to have any applicants in this banding). Two of their stories are:

- AN old gentleman was living in a Broadacres 2 bedroom first floor flat applied for re-housing as he had recently suffered a stroke and was recuperating in hospital, but would be unable to return home as he could not manage the stairs. Our team worked with the various services who were supporting him and arranged for our support service to assess him for our sheltered housing scheme in Thirsk. We assisted him to bid on a suitable property and he has now been rehoused.
- A gentleman living in a 4 bedroom privately rented house, he had significant mobility issues and was unable to use the stairs in his current property. He had moved some kitchen equipment (fridge, kettle, microwave) upstairs into bedroom as unable to use the stairs and was unable to have any adaptations fitted to current property. He was confined to the upstairs of his property and this was adding to his anxiety and depression and making his health issues worse. We worked with him and his ex-wife (who was supporting him) to complete an application, we arranged for the Housing Officer to visit him at home and following this visit were able to award him additional priority in order to move to more suitable accommodation. He has since moved to a Broadacres bungalow.

Corporate Objective - Support for the Vulnerable	Cost of Service £'000	Human Resources involved (w.t.e)
Mental Health & Outreach Services 16/17	177	3.78
Mental Health & Outreach Services 15/16	179	3.71

Inputs

- Staff costs, provision of flats, communal areas including office accommodation. Provision of support to individuals in their own homes via the Outreach Service.

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Investment at the Right Level

Confirmed by:

- Quality monitoring checks in place.
- Accommodation meets the requirements of commissioners of service.
- Tender process in place for delivering the service provision.

Outputs

- Providing housing and care related support to specific client groups.

Outcomes

Social & Economic

- Service allows vulnerable people to remain in their own home and prepare them with the skills to move into general needs accommodation to gain greater independence.

Environmental

- Members of staff assist with identification of energy suppliers.
- Recycling is discussed at tenant meetings and during support sessions. Tenants are prompted to put recycling out on appropriate days for collection.

Service Quality

- We measure the progress for service users towards self-reliance or other goals.

Evaluation & Evidence

- Supporting people workbooks, showing the utilisation and throughput for the service are completed on a quarterly basis.
- Customer satisfaction surveys.

Case Study –mental health service

Miss X is a 28 year old lady with a long term eating disorder who was referred from the Retreat hospital in York to support transition between hospital and independent living and to support with tenancy sustainment and community integration. Miss X spent 23 month in the service and successfully completed all areas of support to enable a resettlement form to be completed and achieve CBL Gold band status. In October 2016 Miss X was offered a property by York Housing overlooking the Shambles.

5 Months on:

- She is loving York
- Attending dressmaking classes
- Working 15 hrs at M&S
- Continuing with craft work
- Having mentoring from York Mind
- Gentle exercise at the gym
- Eating a little better

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Corporate Objective - Support for the Vulnerable	Cost of Service £'000	Human Resources involved (w.t.e)
Women's Refuge 16/17	238	6.72
Women's Refuge 15/16	230	7.04
Inputs		
<ul style="list-style-type: none"> Staff costs, counseling service, provision of flats, communal areas including office accommodation. Provision of support to individuals in their own homes during a six week resettlement period. 		
Investment at the Right Level		
Confirmed by: <ul style="list-style-type: none"> Quality monitoring checks in place. Accommodation meets the requirements of commissioners of service. Peer audits. Completion of the Supporting People lead providers competency framework . Refuge accommodation meetings . 		
Outputs		
<ul style="list-style-type: none"> Providing housing and care related support to specific client groups. Counseling service. Multi-Agency Risk Assessment Conference (MARACS). Move on from Domestic Violence courses . Regular counseling for to staff to reduce sickness levels. 		
Outcomes		
Social & Economic <ul style="list-style-type: none"> Service allows vulnerable women and their children who are fleeing domestic abuse to stay in a safe and secure environment. Emotional and practical support is offered to empower individuals to move on from domestic abuse and live independently. Counselling service is provided for both adults and children. Programme of support and 6 week resettlement ensure that tenancies can be sustained. Environmental <ul style="list-style-type: none"> During 6 week resettlement members of staff assist with identification of energy suppliers. Recycling facilities are in place on site. Use of pool cars. Service Quality <ul style="list-style-type: none"> Satisfaction surveys carried out. Customer feedback completed quarterly. Quality assessments carried out. Joint work with lead provider ensuring consistency. Peer Audits. Clinical supervision for staff. 		

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Evaluation & Evidence

- Supporting people workbooks, showing the utilisation and throughput for the service are completed on a quarterly basis.
- Customer satisfaction surveys.
- Peer audits.
- Steering group meetings.
- Service Improvement Plan reviewed using a multi-agency approach .

Case Study – woman’s refuge

A lady presented to the service after fleeing domestic abuse and leaving a violent relationship in Manchester. She presented with a number of issues which included;

- Alcohol dependency (which she used to self-medicate)
- Debt/budgeting
- Anger verbally abusive
- Flat management and daily living skills
- Non compliancy to rules and licence agreement.
- Poor mental health
- Poor relationships choice
- Sexual health

Engagement proved difficult at first due to the ladies drinking and she would often become abusive and angry with staff members. Initially she struggled and on a number of occasions contemplated returning to the perpetrator.

The lady was allocated a key worker who built up a good working relationship built on trust, transparency and respect, and through a programme of support using a holistic and person centred approach the lady was able to address her alcohol misuse and re-enable forgotten skills which include:

- Keeping her flat in a state of good repair and cleanliness
- Shopping
- Cooking
- Sobriety
- Better mental health
- Anger management
- Managing sexual health and relationships

In addition to the above the lady also attended the moving on from domestic abuse course where she has learnt new skills and is able to now recognise the difference between an abusive and healthy relationship. She completed a number of one to one sessions with her keyworker addressing budgeting, self-esteem and healthy living

The lady spent 8 months at the refuge and has now moved on to live independently and now is in her own property. She has entered into a new relationship and is attending college.

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Corporate Objective - Support for the Vulnerable	Cost of Service £'000	Human Resources involved (w.t.e)
Homeless Service 16/17	135	2.89
Homeless Service 15/16	122	2.56
Inputs		
<ul style="list-style-type: none"> Staff and security costs, provision of flats, communal areas including office accommodation. Provision of support to individuals in their own homes during a six week resettlement period. Money has been spent on extra security. 		
Investment at the Right Level		
Confirmed by: <ul style="list-style-type: none"> Quality monitoring checks in place. Lead provider meetings. Peer audits. Pathway meetings. Contractual requirements. Additional security measures in place (contractual requirement). 		
Outputs		
<ul style="list-style-type: none"> Providing housing and care related support to specific client groups. Provide tenancy management, support and advice in a supported setting. To work with our lead provider and a wide range of external agencies to ensure individuals are equipped to move on and live independently. To use a holistic person approach to meet an individual's needs. To work towards reducing the number of tenants who are not in education, employment or training (NEET). Security service in place. 		
Outcomes		
Social & Economic <ul style="list-style-type: none"> The service gives vulnerable people who are homeless a home and tenancy related support to empower and provide the necessary skills to enable service users to move on into independent living and reach their full potential. Support is offered in areas such as training, employment and personal development, with the aim of breaking the 'no home', 'no job', 'no home' cycle. Programme of support and 6 week resettlement in an effort to ensure that tenancies are sustained. The use of Hambleton FoodShare has allowed tenants to pay their rent and stay in their flats. Concierge service in place has reduced ASB and potential damage to the property. Environmental <ul style="list-style-type: none"> During 6 week resettlement members of staff assist with identification of energy suppliers. Recycling facilities are in place on site. Use of pool cars. Service Quality <ul style="list-style-type: none"> Satisfaction surveys carried out. Customer feedback completed quarterly. Quality assessments carried out. Joint work with lead provider ensuring consistency. Complaints and compliment slips. 		

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Evaluation & Evidence

- Supporting people workbooks, showing the utilisation and throughput for the service are completed on a quarterly basis.
- Customer satisfaction surveys.
- Peer audits.
- Practitioners and pathway meetings held monthly and quarterly.
- Lead provider workbook completed.
- Supporting People's Young person's pathway report completed measuring length of stay, move on, departures, throughput, and statutory status of young person.
- Support plans completed.

Case Study – Homeless service

A young lady presented to the homeless service after a short stay in Maggie Neil House where it was identified that this was not the right place for her. The lady had poor mental health and suffered from depression, anxiety and also had a history of self-harm which had caused her to be ambulated to hospital on a number of occasions.

The young lady had been sexually and physically abused most of her childhood and into her early adult life and was known to Children and Adult Social Services and the Community Mental Health Team. This young lady was allocated a key worker from the Crossing who worked closely with her and identified a number of needs which included:

- Reducing debt and maximising income through accessing the correct benefits
- Access to doctors and mental health services
- Counselling to address her issues
- Advice around self-harm and keeping safe
- Advice around sexual health
- Daily living skills
- Tenancy related support

The relationship with her key worker was based around trust, empathy, respect and honesty and over time a positive relationship was built between them. With the support of her key worker, the young lady engaged with mental health and counselling services, where she addressed both her mental health and the issues from her childhood she is now able to cope with her feelings without self-harming.

Working closely with her key worker and other departments within Broadacres this lady was ready to move on and live independently and has now successfully moved on and lives in York where she has a number of close friends.

The young lady has been back and visited the homeless service on a number of occasions and looks like a different person to the one who first presented at The Crossing in early 2016. She feels that we all made a difference and is now looking forward to what the future offers.

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Other Service Areas

In- house Services

We have brought the following services in house in order to make savings and be able to control the quality of services provided to our residents:-

- Cleaning Services (From April 2008) With £183k savings to date
- Catering Services (From August 2014) With £77k savings to date

Other on-going services - The following services continue to be provided and some case studies are included to show in a qualitative way the social value that is provided to residents and the community:-

Case Study Lifeline & Older Person Services

John has a physical disability. He receives a daily phone call and weekly visit from his support worker. One morning he was targeted by a 'cold caller' who said he had some vouchers for him as he was on sickness benefit and he would visit him later that morning. John mentioned this to the support worker but said he didn't need her to attend. Marilyn rang John just after lunch to discover that the 'cold caller' was still there, but John didn't want her to call round. The next morning he told Marilyn that the 'cold caller' had tried to sell him a bed and they would call him later for his decision. Marilyn visited and found out they were trying to sell him a bed for £5,000 and that if he wanted to claim the vouchers he had to send a cheque for £2.50 and they would send him M&S vouchers worth £15! He asked if she would ring and tell them he didn't want the bed and to stop calling him.

Marilyn contacted Trading Standards for advice. They looked into the company to find it had stopped trading in 2014. Trading Standards visited John and he agreed to have a 'blocker device' installing on his phone to stop the nuisance calls he was receiving. However there was a further matter Trading Standards wanted to look into concerning the 'cold caller' not upholding the cancellation rights for the supply of a Niagra Therapy device that John had purchased and then later tried to cancel. This company were still taking money via a direct debit. Marilyn's intervention has made a real difference to John as he's no longer harassed daily by cold calls/scams and isn't frightened to answer his phone. The investigation by Trading Standards is continuing.

Case Study - Learning Disabilities

Tom moved in to Tinsley House in 2005. Over the time he has lived here, adaptations have been made to the property to support Tom living as independently as possible. During the twelve years he has lived in Tinsley House his health needs have significantly changed and he now is in receipt of 11 hours support per week from Broadacres staff and a further three visits a day totalling 14 hours care from a care provider. The effort from the staff in ensuring smooth multi-agency working in delivering the support to meet Tom's needs in an appropriate way is significant. He has his good days and he remains as independent as possible with the support provided. He still goes for his daily walk to town where he is well known, but more importantly he remains living in Tinsley House which he is adamant is his home and where he wants to live.

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Case Study ABLE – Day care

Mr X has been a client in ABLE for a couple of years but his needs at home were becoming more complex and unpredictable. It was eventually decided by his care practitioners and family that he should move into somewhere more able to fulfil his needs. As we had devised and implemented a range of strategies which helped us cope well with his behavioural issues, we were asked to support the staff of the home he would be moving into and support them in learning the techniques we employ to manage his behaviour and make the move less stressful for him and his family.

The move took quite some time and all through we supported all involved in making the process as easy as possible. There were times when supporting him became intense because of his behaviour but we remained constant in our approach which calmed Mr X. His family and we felt it very important to keep the family bond so we offered a weekly lunch session here in ABLE where he can interact with his mum, dad and brother, this has proved a very positive experience for him and his family.

The ABLE service has a longstanding relationship with Darlington college offering work experience placements to students to help them gain relevant experience in health & social care to support their studies.

Below are some of the reviews received from some of the students:

- I was lucky enough to be a student that attended ABLE as a part of my work placements. I and other students I know that have attended ABLE, have been so impressed by the support system that this service puts in place to make sure the students are supported in regards to their skills and work demands, in partnership with college. ABLE was one of the only health care settings that enabled me to gain work place evidence with consent from clients. This enabled me to evidence my college work and allowed me to succeed on the course. It helped me to move onto a university degree course. Without ABLE supporting me academically I would have found evidencing my work difficult. Students attending ABLE for work placements feel very lucky to have been able to work with kind professional and competent staff. *(Cameron, student)*
- ABLE has a family feel environment and you can tell all of the service users enjoy participating in the many and varied activities. Staff are knowledgeable and caring. It was a pleasure to be given the opportunity to attend. *(Elise, student)*

ABLE has helped me gain confidence and new skills. The staff have helped me gain my NVQ Level 2 in Health and Social Care, also my diversity and equality training. Recently they helped me to update my current CV. *(Neil, a volunteer)*

Case Study Domiciliary Care

Mrs X lives in our supported accommodation at Rockliffe Court; she has a physical disability due to her chronic illness which can give her low mood. Mrs X can do nothing for herself physically other than to move her head and eyes and mouth. She relies on a care and support package provided by the NHS and Social Services. The package is 49hrs and it comprises of personal care and housework as well as shopping and cooking and providing a lot of emotional support to enable her to live in her own home.

She has a husband who visit most days and friends who come once a week, her husband also lives in Rockliffe court had has the same disability however isn't as progressed as Mrs X's. We support them to maintain a good relationship and encourage them to visit each other. This lady does become depressed and staff monitor her well-being and encourage her to visit her husband to keep her spirits up, and she is closely monitored in a large care package. . She is able to make choices with staff and family supporting her and she has the opportunity to go out once a week to the shops with support staff. This lifts her mood and she is able to remain independent with the support of family, friends and staff.

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Case Study - Extra Care

Annabel has a learning disability. She has recently moved into extra care following a safeguarding concern raised by the Police.

Previously Annabel lived with her mum who had significant mental ill health. She had a difficult childhood suffering neglect. They were more recently evicted from their home and spent a period in a homeless unit. Then mum passed away and Annabel was housed in a private rented property that was damp, cold and quite run down.

Annabel had no friends and has lost contact with her only brother so she was very alone and found it difficult living on her own without support.

Annabel has now moved into extra care which is warm, clean, dry and light. Her flat overlooks the garden. She is supported by the enabling team and the on-site care team which are making sure she is able to do day to day tasks like keeping her apartment tidy and managing her life on a daily basis. Annabel has limited insight and finds it difficult to develop new relationships due to her lack of social skills. Despite this she has settled well and is taking part in activities. She is slowly gaining confidence and speaking to other people especially over lunch when she comes down for her meal. One particular resident is making sure Annabel is comfortable in her surroundings and sits with her at lunch time to make sure she is included in the conversations. Recently when the enabling team arrived Annabel had already prepared her tea.

Annabel enjoys crafts and is joining in a new activity set up by residents. Staff have shown her where the library is and she is now going on her own as well as doing little bits of shopping and going to the bank. Her life is very much improved since moving into extra care.

Case Study – Home improvement Agency

A very distraught lady rang the office, late on a Friday, for help as she had an emergency on her hands. She and her husband were elderly and due to her husband being ill he required to keep warm. The toilet had been leaking and this was seeping in through the ceiling but then into the boiler.

As an experienced provider of services and knowing what time frames we would be up against to get other parties respond, we took the following action: Our administrator reassured the client and communicated fully what was going to happen but required certain information first, like was there any Plumbing/Boiler/heating insurance available in order to fund any works. It was established there was no funding and a very low income. Via our funding on Warm Homes Healthy People (WHHP) we elected to engage a contractor who could conduct an emergency repair. The contractor was out within the hour and repaired the leak, checked the boiler for any ongoing damage and made sure it was still working effectively.

Throughout the work, and after, our administrator maintained contact with the client which was helped to reassure them.

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Social Value

This year we have also attributed a "Social Value" amount using the HACT* Community investment values from the Social Value Bank to a large number of our services. In effect for every £1 we spend we get £10 back in Social Value.

Activity	Overall budget	Overall social impact	Analysis of benefit	
			Budget : social impact	Net benefit
TOTALS:	£ 4,237,813	£ 45,621,881	1 : 10.77	£ 41,384,069
Money Advice service	£ 148,990	£ 11,390,201	1 : 76.45	£ 11,241,211
Staff regularly Volunteering	£ -	£ 44,039		£ 44,039
Apprentice scheme	£ 50,000	£ 102,348	1 : 2.05	£ 52,348
Community Involvement	£ 157,450	£ 4,537,633	1 : 28.82	£ 4,380,183
Tenants Employed	£ 10,000	£ 20,679	1 : 2.07	£ 10,679
Darlington Credit Union	£ -	£ 20,186		£ 20,186
GAYE	£ -	£ 37,738		£ 37,738
Internal Audit	£ 40,834	£ 51,816	1 : 1.27	£ 10,982
Able to insure home contents	£ -	£ 898,299		£ 898,299
Supported Groundworks to provid	£ -	£ 22,422		£ 22,422
HOLD Project	£ 3,667	£ 68,194	1 : 18.6.	£ 64,528
Income management team work	£ 750,700	£ 897,671	1 : 1.2	£ 146,971
CBL team work with customers to	£ 223,843	£ 2,992,237	1 : 13.37	£ 2,768,394
Developed an in-house referral s	£ -	£ 58,147		£ 58,147
Housing Officers responded to ov	£ 152,139	£ 3,651,226	1 : 24	£ 3,499,087
Internal Support Service to Housi	£ 30,000	£ 991,682	1 : 33.06	£ 961,682
Mental Health Support Service	£ 176,556	£ 533,508	1 : 3.02	£ 356,952
Learning Disabilities Service	£ 167,612	£ 533,508	1 : 3.18	£ 365,896
Rockliffe Court Dom Care Services	£ 477,739	£ 718,446	1 : 1.5	£ 240,707
The Crossing	£ 134,545	£ 266,952	1 : 1.98	£ 132,407
MNH	£ 238,073	£ 831,496	1 : 3.49	£ 593,423
Extra Care	£ 441,923	£ 4,416,336	1 : 9.99	£ 3,974,413
ABLE Service	£ 185,358	£ 1,003,626	1 : 5.41	£ 818,268
OPSS	£ 848,384	£ 11,533,491	1 : 13.59	£ 10,685,107

*: Community investment values from the Social Value Bank

Authors: HACT and Daniel Fujiwara (www.hact.org.uk / www.simetrica.co.uk)

Source: www.socialvaluebank.org

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Broadacres Housing Association Limited Board Report

Rate of Return on our Assets

We have a comprehensive housing management system that collects all our contacts with our customers via a Customer Relationship Management database (CRM).

The system holds all the information about our assets and their future costs profile. The e map below shows a snapshot of our property portfolio for 2016/17.



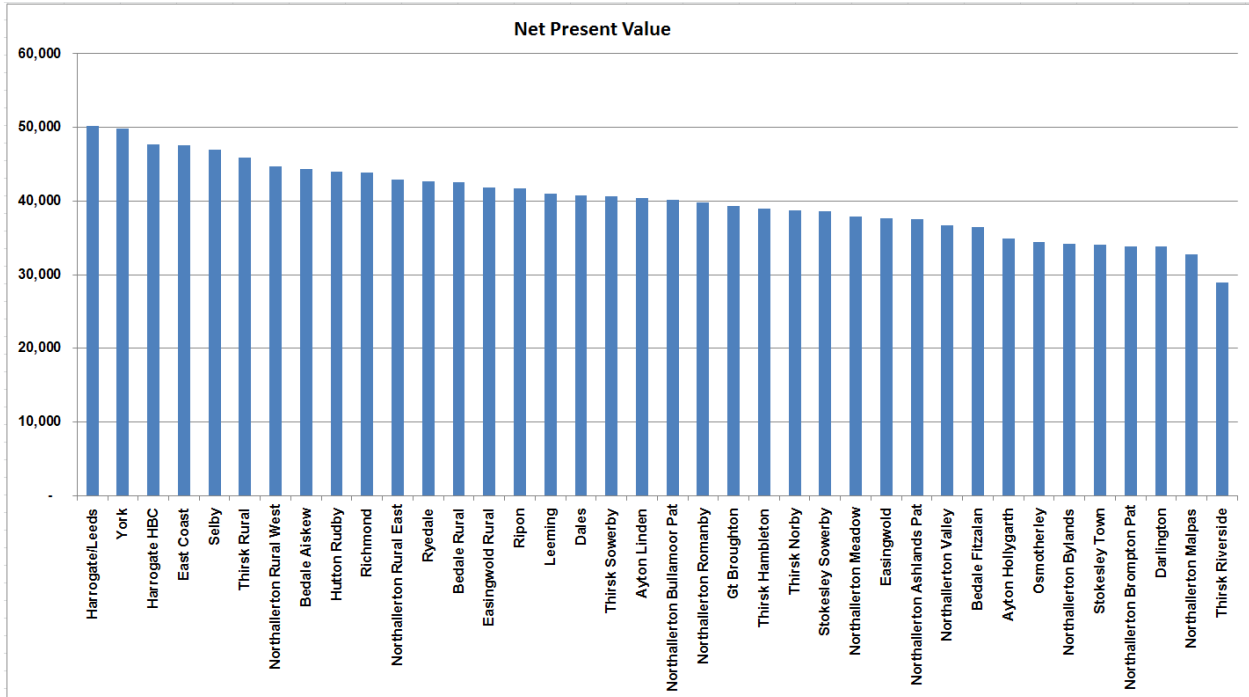
Under the Asset Management Strategy, we assess the relative performance of each asset in order to make an informed decision about future provision.

We use a number of data fields to assess each property and the main ones are shown below – the factors we have chosen are both quantitative and qualitative and using these factors we have calculated a weighted Net Present Value (NPV) for each property:

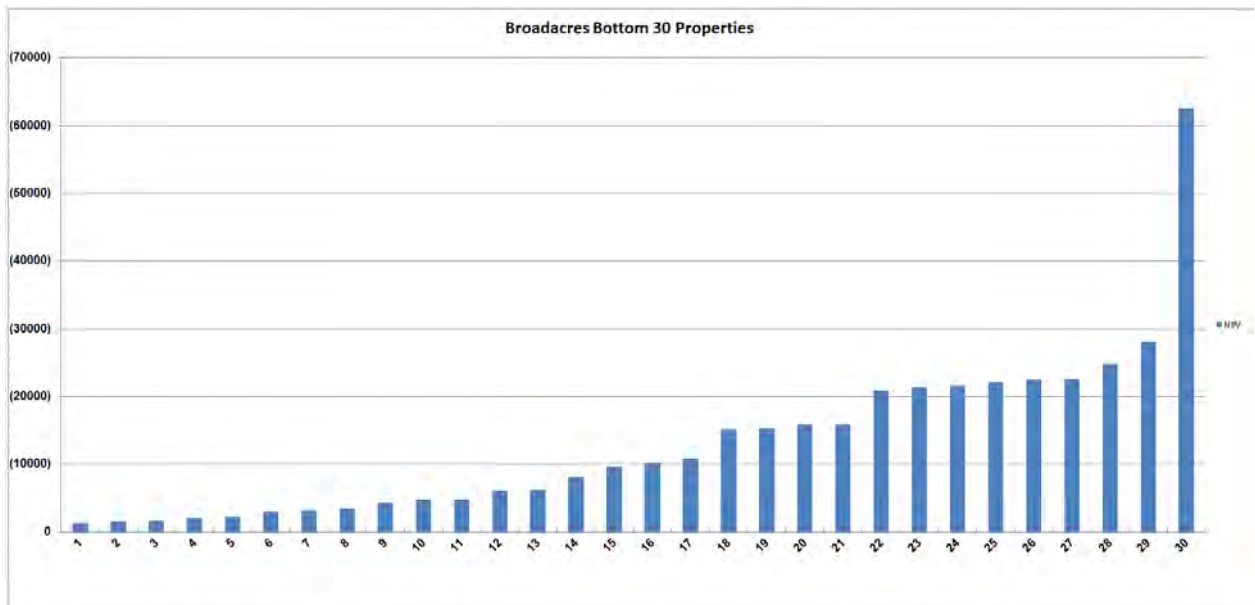
- Major works spend over the next 30 years
- % of days void in the last 2 years
- Average no of contacts in relation to rent queries
- Average no of contacts in relation to repairs
- Valuation
- Housing Management Score – rating 1-5 in terms of difficulty to manage
- Average length of tenancy in weeks.

Broadacres Housing Association Limited Board Report

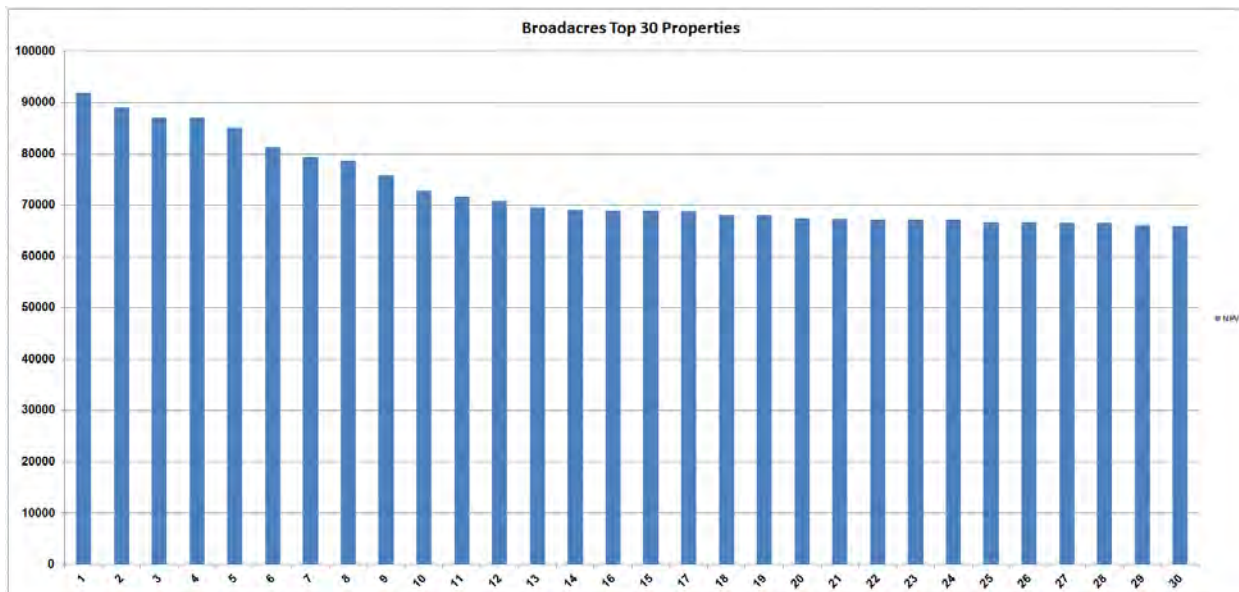
As a result we can map the relative performance of different geographical areas – shown in the following graph:



The graphs below show the 30 bottom and top rated properties in terms of Net Present Value:



Broadacres Housing Association Limited Board Report



The Asset Management team review the performance of properties on the basis of the above and with additional factors including:

- Traditional or Non-traditional build
- SAP rating
- Location and Geographical “fit”
- Links with planned development schemes

Thereafter they assign a “RAG” rating to properties.

When properties become void, an objective decision can be made as to the strategic approach to the property.

As a result of using this tool a working group of Housing and Asset Management staff meet to review each void as it becomes available and consider whether to relet, refurbish or dispose. The business plan assumes that over the next 5 years up to 10 will be sold each year. The resources released will be used to provide homes that are more suitable for our customers needs.

Broadacres Housing Association Limited

Board Report

Independent auditors' report to the members of Broadacres Housing Association

Report on the financial statements

Our opinion

In our opinion, Broadacres Housing Association Limited's (the "association's") financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the associations affairs as at 31 March 2017 and of the group's surplus and cashflows, and the association's deficit and cash flows for the year then ended; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Consolidated Accounts) Regulation 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Social Housing in England 2012.

What we have audited

The financial statements comprise:

- the consolidated and association Statements of Financial position as at 31 March 2017;
- the consolidated and association Statements of Comprehensive Income for the year then ended;
- the consolidated and association Statements of Changes in Reserves for the year then ended;
- the consolidated and association Cash Flows for the year then ended; and
- the Notes to the Financial Statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising **FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland**, and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgments, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Other matters on which we are required to report by exception

Propriety of accounting records, system of internal control and information and explanations received

Under the Co-operative and Community Benefit Societies Act 2014 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Other matters on which we are required to report by exception

Our responsibilities and those of the board

As explained more fully in the Statement of responsibilities of the Board of Management set out on page 13, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law

Broadacres Housing Association Limited

Board Report

and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for association's members as a body in accordance with Section 87 (2) and Section 98 (7) of the Co-operative and Community Benefit Societies Act 2014 and the Housing and Regeneration Act 2008 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's and the registered provider's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the board; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the board's judgments against available evidence, forming our own judgments, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Greg Wilson
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Newcastle upon Tyne
8 August 2017

- a) The maintenance and integrity of the Broadacres Housing Association website is the responsibility of the board; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Broadacres Housing Association Limited
Consolidated Statement of Comprehensive Income
For the year ended 31 March 2017

		2017	2016
	Note	£'000	£'000
Turnover		46,752	42,663
Operating expenditure		(35,464)	(32,176)
Exceptional loss on activity in the year		<u>-</u>	<u>(3,760)</u>
Operating surplus		11,288	6,727
Gain / (loss) on disposal of property, plant and equipment	4	165	948
Finance income	5	14	23
Interest and financing costs	6	(8,864)	(6,300)
Impairment of investment		(1,971)	(1,733)
Surplus / (deficit) before tax		632	(335)
Taxation		-	-
Loss in year attributable to the minority	25	380	1,797
Surplus for the year		1,012	1,462
Net transfers from pension scheme		141	-
Total comprehensive income for the year		1,153	1,462

All activities derive from continuing operations.

The notes numbered 1 to 27 form part of these financial statements.

Broadacres Housing Association Limited
Association Statement of Comprehensive Income
For the year ended 31 March 2017

		2017	2016
	Note	£'000	£'000
Turnover	3	36,036	33,942
Operating expenditure	3	(24,124)	(23,071)
		<hr/>	<hr/>
Operating surplus		11,912	10,871
Gain / (loss) on disposal of property, plant and equipment	4	165	948
Finance Income	5	1,017	886
Interest and financing costs	6	(8,836)	(6,229)
Exceptional items arising from restructure of transactions with subsidiary		(7,372)	(1,300)
		<hr/>	<hr/>
Surplus / (deficit) before tax		(3,114)	5,176
Taxation		(18)	-
		<hr/>	<hr/>
Surplus for the year		(3,132)	5,176
Net transfers from pension scheme		141	-
		<hr/>	<hr/>
Total comprehensive income for the year		(2,991)	5,176
		<hr/>	<hr/>


All results derive from continuing operations.


The notes numbered 1 to 27 form part of these financial statements


Broadacres Housing Association Limited
Consolidated Statement of Financial Position
For the year ended 31 March 2017

	Note	2017 £'000	2016 £'000
Fixed assets			
Housing properties	11	295,854	285,347
Other property, plant and equipment	12	3,918	4,282
Fixed Asset Investments	13	2,819	6,279
		<u>302,591</u>	<u>295,908</u>
Current assets			
Inventories	15	275	255
Debtors	16	3,183	2,794
Housing properties for sale	17	21,176	16,672
Cash	18	1,755	3,918
		<u>26,389</u>	<u>23,639</u>
Creditors: Amounts falling due within one year	19	(7,785)	(9,833)
Provision for the onerous contract	19	(1,791)	(3,760)
		<u>16,813</u>	<u>10,046</u>
Net current assets			
		<u>16,813</u>	<u>10,046</u>
Total assets less current liabilities		319,404	305,956
Creditors: Amounts falling due after more than one year	20	(144,877)	(132,299)
Defined benefit pension liability	21	(6,155)	(6,163)
		<u>168,372</u>	<u>167,494</u>
Net assets		168,372	167,494
Capital and reserves			
Called-up share capital		-	-
Revenue reserve		132,715	132,365
Revaluation reserve		42,501	42,501
Restricted reserve		(6,153)	(6,160)
Minority reserve		(691)	(1,212)
		<u>168,372</u>	<u>167,494</u>
Total reserves		168,372	167,494

The notes numbered 1 to 28 form part of these financial statements. The financial statements for Broadacres Housing Association Ltd (registered number 27656R); on pages 76-113 and their related notes were approved by the Board of Management on 31st July 2017 and were signed on its behalf by:

C Wilkie  Chairman


D Dumbleton  Board Member


C Fawcett  Secretary

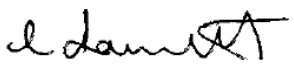
Broadacres Housing Association Limited
Association Statement of Financial Position
For the year ended 31 March 2017

	Note	2017 £'000	2016 £'000
Fixed assets			
Housing properties	11	295,854	285,347
Other property, plant and equipment	12	3,891	4,272
Fixed Asset Investments	13	3,326	2,975
Investments in subsidiaries	14	-	2,540
		<u>303,071</u>	<u>295,134</u>
Current assets			
Inventories	15	275	256
Debtors	16	14,211	17,005
Housing properties for sale	17	6,148	510
Cash	18	1,662	3,494
		<u>22,296</u>	<u>21,265</u>
Creditors: Amounts falling due within one year	19	<u>(5,312)</u>	<u>(5,021)</u>
Net current assets		<u>16,984</u>	<u>16,244</u>
Total assets less current liabilities		<u>320,055</u>	<u>311,378</u>
Creditors: Amounts falling due after more than one year	20	<u>(143,795)</u>	<u>(132,126)</u>
Defined benefit pension liability	21	<u>(6,155)</u>	<u>(6,163)</u>
Net assets		<u>170,105</u>	<u>173,089</u>
Capital and reserves			
Share capital		-	-
Revenue reserve		133,757	136,748
Revaluation reserve		42,501	42,501
Restricted reserve		(6,153)	(6,160)
Total reserves		<u>170,105</u>	<u>173,089</u>

The notes numbered 1 to 28 form part of these financial statements. The financial statements for Broadacres Housing Association Ltd (registered number 27656R), on pages 76-113, and their related notes were approved by the Board of Management on 31st July 2017 and were signed on its behalf by:

C Wilkie  Chairman

D Dumbleton  Board Member

C Fawcett  Secretary

Broadacres Housing Association Limited
Statement of Changes to Reserves
For the year ended 31 March 2017

Consolidated	Income and expenditure reserve £'000	Revaluation reserve £'000	Restricted reserve £'000	Minority reserve £'000	Total £'000
At 1 April 2016	132,365	42,501	(6,160)	(1,212)	167,494
Surplus for the year	1,012	-	-	-	1,012
Loss attributable to the minority	(803)	-	-	521	(282)
Other comprehensive income	141	-	(141)	-	-
Movement on restricted reserve	-	-	(1)	-	(1)
Revision of asset/liability value of pensions	-	-	149	-	149
At 31 March 2017	132,715	42,501	(6,153)	(691)	168,372

Association	Income and expenditure reserve £'000	Revaluation reserve £'000	Restricted reserve £'000	TOTAL £'000
At 1 April 2016	136,748	42,501	(6,160)	173,089
Loss for the year	(3,132)	-	-	(3,132)
Other comprehensive income	141	-	(141)	-
Revision of asset/liability value of pensions	-	-	149	149
Movement on restricted reserve	-	-	(1)	(1)
At 31 March 2017	133,757	42,501	(6,153)	170,105

Broadacres Housing Association Limited
Statement of Cash Flows
For the year ended 31 March 2017

Consolidated	Note	2017 £'000	2016 £'000
Net cash generated from operating activities	18	16,213	14,311
Cash flows from investing activities			
Purchase of property, plant and equipment		(21,869)	(14,541)
Purchase of Other Assets		(154)	(268)
Proceeds from sale of property, plant and equipment		1,316	948
Proceeds from Sales of Other Assets		10	
Purchase of investment property		-	(2,004)
Grants received (SHG & other)		1,234	158
Interest received		14	23
Net cash flows from investing activities		(19,449)	(15,684)
Cash flows from financing activities			
Interest paid		(9,030)	(5,497)
New loans		21,610	12,672
Repayments of borrowings		(11,506)	(4,108)
Net cash flows from financing activities		1,074	3,067
Net increase/(decrease) in cash and cash equivalents		(2,162)	1,694
Cash and cash equivalents at beginning of year		3,918	2,225
Cash and cash equivalents at end of year		1,756	3,918

Broadacres Housing Association Limited
Statement of Cash Flows
For the year ended 31 March 2017

Association	Note	2017 £'000	2016 £'000
Net cash generated from operating activities	18	12,799	15,733
Cash flows from investing activities			
Purchase of property, plant and equipment		(21,470)	(18,614)
Purchase of other assets		(136)	(268)
Proceeds from sale of property, plant and equipment		1,316	948
Purchase of investment property		(50)	(2,305)
Grants received (SHG & other)		1,234	158
Interest received		810	929
Net cash flows from investing activities		(18,296)	(19,152)
Cash flows from financing activities			
Interest paid		(7,803)	(5,426)
Interest element of finance lease rental payments		-	-
New loans		20,720	12,500
Repayments of borrowings		(9,250)	(1,375)
Net cash flows from financing activities		3,667	5,669
Net increase/(decrease) in cash and cash equivalents		(1,830)	2,280
Cash and cash equivalents at beginning of year		3,494	1,213
Cash and cash equivalents at end of year		1,663	3,494

Broadacres Housing Association Limited

Notes to the Financial Statements

For the year ended 31 March 2017

1. Accounting policies

The Registered Provider (RP) is incorporated under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Homes and Communities Agency as an RP as defined by the Housing and Regeneration Act 2008.

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and used to restate the preceding year under FRS102.

General information and basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and comply with the Statement of Recommended Practice for registered social housing providers 2014 (SORP), the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing 2015. Broadacres Housing Association Limited is a public benefit entity, as defined in FRS 102 and applies the relevant paragraphs prefixed 'PBE' in FRS 102.

Going Concern

In preparing these financial statements the directors have continued to adopt the going concern basis. Further details regarding the adoption of the going concern basis can be found in the Report of the Board of Management on page 3.

Statement of compliance

This is the second year the Group has prepared its financial statements in accordance with FRS 102.

Basis of consolidation

The Group financial statements consolidate the financial statements of the Association and its subsidiary undertakings drawn up to 31 March each year.

Details of the subsidiary undertakings are included on pages 24 & 25 in the report of the board, and details of transactions between the group are given in note 26 to the financial statements. Intra-group turnover, surpluses and balances are eliminated fully on consolidation.

The association also has a subsidiary undertaking Market Gate Residential Management Company Limited, a wholly owned subsidiary incorporated in the UK. The principal activity of Market Gate Residential Management Company Limited is the provision of property services, limited to a scheme containing 21 properties. The net assets as at 31 March 2017 were less than £9,000. This subsidiary has not been consolidated as it is not material for the purposes of giving a true and fair view.

Property, plant and equipment - housing properties

Housing properties are stated at cost (and at deemed cost for assets held at valuation at the date of transition to FRS 102) less accumulated depreciation and accumulated impairment losses. Cost includes the cost of acquiring land and buildings, directly attributable development costs and borrowing costs directly attributable to the construction of new housing properties during the development. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

Development on-costs

Staff costs and all other directly attributable costs of development incurred in the year are capitalised and treated as a deduction from operating costs. All other development costs are charged to operating costs in the period they are incurred.

Depreciation

Depreciation is charged so as to write down the net book value of housing properties to their estimated residual value, on a straight line basis, over their useful economic lives. Freehold land is not depreciated.

Broadacres Housing Association Limited

Notes to the Financial Statements

For the year ended 31 March 2017

Major components

Major components of housing properties, which have significantly different patterns of consumption of economic benefits, are treated as separate assets and depreciated over their expected useful economic lives at the following annual rates:

Structure	75-100 years
Roofs	50 years
Doors and windows	30 years
Kitchens	15 years
Bathrooms	20 years
Heating systems	30 years
Boilers	10 years

Improvements

Where there are improvements to housing properties that are expected to provide incremental future benefits, these are capitalised and added to the carrying amount of the property. Any works to housing properties which do not replace a component or result in an incremental future benefit are charged as expenditure in surplus or deficit in the Statement of Comprehensive Income.

Shared ownership 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.

Non-housing property, plant and equipment

Non-housing property, plant and equipment are stated at historic cost less accumulated depreciation and any provision for impairment. Depreciation is provided on all non-housing property, plant and equipment, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Freehold offices	50 years
Furniture, fixtures & fittings	5 years
Vehicles	4 years
Computer equipment	3-4 years

Investment properties

The classification of properties as investment property or property plant and equipment is based upon the intended use of the property. Properties held to earn commercial rentals or for capital appreciation or both are classified as investment properties. Properties that are used for administrative purposes or that are held for the provision of social housing are treated as property plant and equipment. Mixed use property is separated between investment property and property, plant and equipment.

Land is accounted for based on its intended use. Where land is acquired speculatively with the intention of generating a capital gain and/or a commercial rental return it is accounted for as investment property. Where land is acquired for use in the provision of social housing or for a social benefit it is accounted for as property, plant and equipment. Broadacres currently holds sites in its land bank valued at £2.8m. These properties are included in investments. In the year land was purchased at Boroughbridge. Now that a decision has been made to sell the property, it has been transferred at cost to assets for sale.

Investment properties are measured at fair value annually with any change recognised in surplus or deficit in the Statement of Comprehensive Income.

Broadacres Housing Association Limited

Notes to the Financial Statements

For the year ended 31 March 2017

Impairment of social housing properties

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

An assessment is made at each reporting date as to whether an indicator of impairment exists. If such an indicator exists, an impairment assessment is carried out and an estimate of the recoverable amount of the asset is made. Where the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised in surplus or deficit in the Statement of Comprehensive Income. The recoverable amount of an asset is the higher of its value in use and fair value less costs to sell. Where assets are held for their service potential, value in use is determined by the present value of the asset's remaining service potential plus the net amount expected to be received from its disposal. Depreciated replacement cost is taken as a suitable measurement model

An impairment loss is reversed if the reasons for the impairment loss have ceased to apply and included in surplus or deficit in the Statement of Comprehensive Income.

Social Housing Grant and other Government grants

Where grants are received from government agencies such as the Homes and Communities Agency, local authorities, devolved government agencies, health authorities and the European Commission which meet the definition of government grants they are recognised when there is reasonable assurance that the conditions attached to them will be complied with and that the grant will be received.

Government grants are recognised using the accrual model and are classified either as a grant relating to revenue or a grant relating to assets. Grants relating to revenue are recognised in income on a systematic basis over the period in which related costs for which the grant is intended to compensate are recognised. Where a grant is receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support with no future related costs, it is recognised as revenue in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Grants received for housing properties are recognised in income over the expected useful life of the housing property structure. Where a grant is received specifically for components of a housing property, the grant is recognised in income over the expected useful life of the component.

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

Donation or acquisition of land or other asset at below market value

Where a donation of land and/or other assets is received or land and/or other assets are acquired at below market value from a government source, this is accounted for as a non-monetary government grant. The difference between the fair value of the asset donated or acquired and the consideration paid for the asset is recognised as a government grant and included in the Statement of Financial Position as a liability.

Where a donation of land and/or other assets is received or acquisitions of land and/or other assets at below their market value from a third party that does not meet the definition of a government source the transaction is recognised as an asset in the Statement of Financial Position at fair value, taking account of any restrictions on the use of the asset and income equivalent to the difference between any amounts paid or payable for the asset and the fair value of the asset is recognised in surplus or deficit in the Statement of Comprehensive Income as a donation when future performance-related conditions are met.

Recycling of grants

Where there is a requirement to either repay or recycle a grant received for an asset that has been disposed of, a provision is included in the Statement of Financial Position to recognise this obligation as a liability. When approval is received from the funding body to use the grant for a specific development, the amount previously recognised as a provision for the recycling of the grant is reclassified as a creditor in the Statement of Financial Position.

For shared ownership stair casing sales, when full stair casing has not taken place, the recycling of the grant may be deferred if the net sales proceeds are insufficient to meet the grant obligation relating to the disposal and is not be recognised as a provision. On subsequent stair casing sales, the requirement to recycle the

Broadacres Housing Association Limited

Notes to the Financial Statements

For the year ended 31 March 2017

grant becomes an obligation if sufficient sales proceeds are generated to meet the obligation and a provision is recognised at this point.

On disposal of an asset for which government grant was received, if there is no obligation to repay the grant, any unamortised grant remaining within liabilities in the Statement of Financial Position related to this asset is derecognised as a liability and recognised as revenue in surplus or deficit in the Statement of Comprehensive Income.

Restricted reserves

Where reserves are subject to an external restriction they are separately recognised within reserves as a restricted reserve. Revenue and expenditure is included in surplus or deficit in the Statement of Comprehensive Income and a transfer is made from the general reserve to the restricted reserve.

Leased assets

At inception the Group assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

Finance leased assets

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases.

The Association does not currently hold any such leases.

Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases.

Payments under operating leases are charged to surplus or deficit in the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

Properties for outright sale

Properties developed for outright sale and land held for sale are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes materials, direct labour and an attributable proportion of overheads based on normal levels of activity.

Interest payable

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs are calculated using the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of a financial instrument and is determined on the basis of the carrying amount of the financial liability at initial recognition. Under the effective interest method, the amortised cost of a financial liability is the present value of future cash payments discounted at the effective interest rate and the interest expense in a period equals the carrying amount of the financial liability at the beginning of a period multiplied by the effective interest rate for the period

Taxation

The association has charitable rules with effect from 9 June 1998, when charitable status was obtained; the association is not liable to Corporation Tax

The Association's subsidiaries Broadacres Services Limited and Mulberry Homes Yorkshire Limited are liable to taxation within the UK. Current UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Statement of Financial Position date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the Statement of Financial Position date. Timing differences are differences between the Group's taxable surpluses and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Broadacres Housing Association Limited

Notes to the Financial Statements

For the year ended 31 March 2017

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date that are expected to apply to the reversal of the timing difference.

Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

Value added tax (VAT)

The association is registered for VAT but a large proportion of its income, including rents, is exempt from VAT. The majority of expenditure is subject to VAT which cannot be reclaimed, and expenditure is therefore shown inclusive of VAT. Partial exemption has been obtained for some business activities and the VAT recovered is credited to the income and expenditure account in the year in which they occur.

Restricted reserves

The association maintains restricted reserves for specific purposes where their use is subject to external restrictions.

Designated reserves - Service charge sinking funds and service costs

The association previously maintained one designated reserve which was set aside for a use which prevents it, in their judgement of the board, from being regarded as part of the free reserves of the association. This services reserve (which is specifically designated to reflect the association's duty to replace certain equipment in supported housing schemes) is now treated as a creditor.

Unutilised contributions to service charge sinking funds and over-recovery of service costs which are repayable to tenants or leaseholders or are intended to be reflected in reductions to future service charge contributions are recognised as a liability in the Statement of Financial Position.

Pensions

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

The Group participates in an industry wide multi-employer defined benefit pension scheme where the scheme assets and liabilities cannot be separately identified for each employer. This is accounted for as a defined contribution scheme as there is insufficient information available to account for the scheme as defined benefit. For this multi-employer scheme, there is a contractual agreement between the scheme and the Group that determines how the deficit will be funded and a liability is recognised in the Statement of Financial Position and the resulting expense in surplus or deficit in the Statement of Comprehensive Income for the present value of the contributions payable that arise from the agreement to the extent that they relate to the deficit.

Local Government Pension Scheme

The Group participates in a local government pension scheme which is a multi-employer scheme where it is possible for individual employers as admitted bodies to identify their share of the assets and liabilities of the pension scheme. For this scheme the amounts charged to operating surplus are the costs arising from employee services rendered during the period and the cost of plan introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to revenue and included within finance costs. Re-measurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each Statement of Financial Position date.

Defined contribution scheme

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

Broadacres Housing Association Limited

Notes to the Financial Statements

For the year ended 31 March 2017

Turnover

Turnover comprises:

- Rental income from tenants and leaseholders receivable in the year is recognised as it becomes due and payable.
- Revenue grants are recognised the earlier of when due under a relevant contract or when received.
- Income from other services included at the invoice date (excluding VAT) of goods and services supplied in the year are recognised when they become due and payable.
- Income from the sale of shared ownership or other properties developed for sale is recognised when received.

Support income and costs including supporting people income and costs

Supporting People (SP contract received from the administering authorities) is accounted for as SP income in the turnover, note 3). The related support costs are matched against this income in the same note.

Investments

Investments in the Group balance sheet are held at the lower of cost and net realisable value and represent an equity share of properties sold by Broadacres Services Limited at less than 100%, along with the fair value adjustment to account for the 75% holding of Mulberry Homes Yorkshire Ltd acquired in December 2012.

Investments in the Associations Statement of Financial Position represent the investment of the Association in the subsidiary companies and are carried at valuation. In the year, following the decision to de-risk the BHA investment in subsidiaries, it was determined that the value of the investment was zero, given the subsidiaries statement of financial position and the projected outturn of current schemes.

Financial instruments

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

Financial assets carried at amortised cost

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

If there is objective evidence that there is an impairment loss, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced accordingly.

A financial asset is derecognised when the contractual rights to the cash flows expire, or when the financial asset and all substantial risks and reward are transferred.

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

Bad and doubtful debts

Provision is made against rent arrears of current and former tenants as well as other miscellaneous debts to the extent that they may be irrecoverable

Onerous Contracts

Where a loss is deemed to be certain in a contract, the Association will recognise this loss as outlined in FRS102. This will lead to an exceptional item in the Statement of Comprehensive Income as well as a provision in the Statement of Financial Position relating to the estimated loss. This will then be unwound as the actual loss is realised.

Broadacres Housing Association Limited

Notes to the Financial Statements

For the year ended 31 March 2017

Financial liabilities carried at amortised cost – “basic loans”

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

Non-current debt instruments which meet the necessary conditions in FRS 102, are initially recognised at fair value adjusted for any directly attributable transaction cost and subsequently measured at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs

in the Statement of Comprehensive Income, discounting is omitted where the effect of discounting is immaterial.

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

Financing transactions – rent arrears – arrangements to pay

For rent arrears where the arrangement constitutes, in effect, a financing transaction because of extended credit arrangements the arrears are derecognised as a financial asset and a new financial asset measured at the present value of the future payments discounted at an appropriate market rate of interest. The present value adjustment is recognised in surplus or deficit in the Statement of Comprehensive Income.

Public benefit entity concessionary loans

Loans between the group are made at market rates and therefore classified as “basic loans” above.

Cash and cash equivalents

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

Gift aid payments

Gift aid payments are charged as distributions of reserves in accordance with the guidance included in the Institute of Chartered Accountants technical release ‘Guidance on donations by a company to its parent charity’.

2. Significant management judgements and key sources of estimation uncertainty

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

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

Significant management judgements

The following are management judgements in applying the accounting policies of the Group that have the most significant effect on the amounts recognised in the financial statements.

Impairment of social housing properties

The Group have to make an assessment as to whether an indicator of impairment exists. In making the judgement, management considered the detailed criteria set out in the SORP.

From 1 April 2016, Broadacres Housing Association reduced social housing rents by one per cent per annum and will continue to do so in each year until 2019/20 in accordance with Welfare Reform and Work Act 2016. Despite cost efficiency savings and other changes to Broadacres Housing Association’s business, compliance with the new rent regime has resulted in a loss of net income for certain social housing property. This is a trigger for impairment.

Broadacres Housing Association Limited

Notes to the Financial Statements

For the year ended 31 March 2017

In accordance with paragraphs 14.43 to 14.45 of the Housing SORP 2014, Broadacres is required to make the following disclosure:

- a) Judgements made in defining the CGU
- b) Estimation technique and judgement used in measuring recoverable amount
- c) When VIU-SP is used to estimate the recoverable amount, the key assumptions used and details of the method used

Broadacres estimated the recoverable amount of its housing properties as follows:

- (a) Determined the level at which the recoverable amount is to be assessed (ie the individual asset level or at cash-generating unit (CGU) level. The CGU was determined to be at a scheme level
- (b) Estimated the recoverable amount of the CGU
- (c) Calculated the carrying amount of the CGU and
- (d) Compared the carrying amount to the recoverable amount to determine if an impairment loss had occurred.

Based on this assessment, Broadacres calculated the Depreciated Replacement Cost (DRC) of each social housing property scheme, using appropriate construction costs and land prices. Comparing this to the carrying amount of each scheme, there was no impairment of social housing properties.

Estimation uncertainty

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Fair value measurement

Management uses valuation techniques to determine the fair value of assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management base the assumptions on observable data as far as possible but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual process that would be achievable in an arm's length transaction at the reporting date. As noted in the accounting policy on investments, following the decision taken by the board to de-risk the investment in subsidiaries, the valuation of the investment in MHYL has been determined to be zero.

Defined benefit pension scheme

The Group has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

Onerous Contract

The group has estimated a likely loss arising on schemes being completed by Mulberry Homes. This loss has arisen due to difficult trading conditions following the liquidation of the contractor, Southdale Homes. In estimating the potential loss, the Association has relied on 3rd party estimates and agreed contract sums where available, and projected the expected outturn position of the existing schemes.

Broadacres Housing Association Limited

Notes to the Financial Statements

For the year ended 31 March 2017

3. Particulars of turnover, cost of sales, operating costs and operating surplus – Group and Association

Association

Association	2017		
	Turnover £'000	Operating costs £'000	Operating surplus £'000
Social housing lettings	30,298	(18,118)	12,180
Other social housing activities			
Shared ownership and low cost home ownership sales	2,672	(1,535)	1,137
Supported and Extra Care Schemes	940	(1,531)	(592)
Older persons services	588	(838)	(250)
Home improvement agency	611	(683)	(72)
Able day care	132	(185)	(53)
Cleaning services	133	(186)	(53)
Development services	253	(813)	(560)
Other	409	(234)	175
Turnover from social housing activities	36,036	(24,123)	11,912
Activities other than social housing activities	1,802	(16,829)	(15,027)
Total	37,838	(40,952)	(3,114)

Association	2016		
	Turnover £'000	Operating costs £'000	Operating surplus £'000
Social housing lettings	29,891	(18,163)	11,728
Other social housing activities			
Shared ownership and low cost home ownership sales	1,063	(815)	248
Supported and Extra Care Schemes	994	(1,322)	(328)
Older persons services	609	(797)	(188)
Home improvement agency	607	(689)	(82)
Able day care	139	(167)	(28)
Cleaning services	131	(134)	(3)
Development services	143	(788)	(645)
Other	365	(195)	170
Turnover from social housing activities	33,942	(23,071)	10,871
Activities other than social housing activities	2,644	(8,338)	(5,694)
Total	36,586	(31,410)	5,176

Broadacres Housing Association Limited
Notes to the Financial Statements
For the year ended 31 March 2017

Particulars of Income and Expenditure from social housing lettings – Group and Association

The income from lettings in respect of shared ownership properties is included within General Needs. The association has 98 shared ownership properties (2016:77) generating £186k per annum in rent.

	General Needs (and Sheltered - Housing £'000	Supported Housing and housing for older people – <i>England</i>) £'000	2017 Total £'000	2016 Total £'000
Income				
Rents receivable	27,536	1,391	28,927	28,781
Service charge income	463	1,442	1,905	1,712
Amortised government grant				
Government grants taken to income	47	-	47	31
Void losses	(460)	(121)	(581)	(634)
Turnover from social housing lettings	27,586	2,712	30,298	29,891
Expenditure				
Services	474	1,715	2,189	1,563
Management	2,112	169	2,281	2,409
Routine maintenance	3,989	376	4,365	4,194
Planned maintenance	766	170	936	872
Major repairs expenditure	2,573	103	2,676	3,351
Rent loss from bad debts	184	21	205	167
Depreciation of housing properties	5,114	307	5,421	4,944
Impairment of housing properties	45	-	45	662
Operating costs	15,257	2,861	18,118	18,163
Operating surplus social housing lettings	12,329	(149)	12,180	11,728

During the year the association made £12,000 (2016: £8,910) grants from the Community Development Fund, small donations of £866 (2016: £5,808) to local groups and raised £4,250 for Matrix Neurological (2016: £6,000 for Breathing Space) through its annual charity golf day.

4. Surplus / (deficit) on disposal of property, plant and equipment

	2017 £'000	2016 £'000
Right to buy sales	280	639
Cost of Sales	(232)	(448)
Sale of void properties	505	1,119
Costs of sale	(387)	(362)
Surplus / (deficit) on disposal	166	948

Broadacres Housing Association Limited
Notes to the Financial Statements
For the year ended 31 March 2017

5. Other finance income

	Group		Association	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Intercompany loan interest	-	-	1,017	877
Bank interest receivable	14	23	9	10
	<u>14</u>	<u>23</u>	<u>1,026</u>	<u>886</u>

6. Interest and finance costs

	Group		Association	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Bank loans and overdrafts	6,368	5,551	6,341	5,480
Unwinding of discounts on provisions	-	195	-	195
Net interest on defined benefit liability	237	575	236	575
Overage costs	2,406	119	2,406	119
	<u>9,011</u>	<u>6,440</u>	<u>8,983</u>	<u>6,369</u>
Borrowing costs capitalised	(147)	(140)	(147)	(140)
	<u>8,864</u>	<u>6,299</u>	<u>8,836</u>	<u>6,229</u>

Borrowing costs have been capitalised based on a capitalisation rate of 1.56 per cent (2016 1.82 per cent) (which is the weighted average of rates applicable to the Group's general borrowings outstanding during the year).

7. Surplus on ordinary activities before taxation

Surplus on ordinary activities before taxation is stated after charging/ (crediting):

	Group		Association	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Depreciation of housing properties (Note 11)	5,421	4,944	5,421	4,944
Impairment of housing properties (Note 11)	45	662	45	662
Depreciation of other fixed assets (Note 12)	525	732	518	724
Government grants	(47)	(31)	(47)	(31)
(Gain) / loss on disposal of fixed assets	(166)	(948)	(166)	(948)
Audit fees:				
- Statutory audit	40	45	25	34
- Taxation compliance services	6	2	4	-
- Other consultancy services	43	-	43	-
Operating lease rentals	101	91	96	86
	<u>101</u>	<u>91</u>	<u>96</u>	<u>86</u>

Broadacres Housing Association Limited
Notes to the Financial Statements
For the year ended 31 March 2017

8. Staff costs

	2017	Group	Association	
	£'000	2016	2017	2016
		£'000	£'000	£'000
Wages and salaries	8,139	8,311	7,973	8,075
Social security costs	682	611	666	589
Other pension costs (see note 19)	828	796	826	794
	<u>9,649</u>	<u>9,717</u>	<u>9,465</u>	<u>9,457</u>

Salary Band £'000

	2017	2016
	Number	Number
60,000 – 69,999	6	5
70,000 – 79,999	1	1
80,000 – 89,999	1	0
90,000 – 99,999	1	1
100,000 – 109,999	1	1
110,000 – 119,999	2	2
120,000 – 129,999	0	0
130,000 – 139,999	0	0
140,000 – 149,999	1	1

The average full time equivalent number of employees was:

2017	2016
Number	Number
<u>261</u>	<u>276</u>

The calculation of the full time equivalents was on an average basis throughout the year

9. Directors' remuneration and transactions

Key management personnel remuneration - Association

	2017	2016
	£'000	£'000
Directors who are executive staff members		
Wages and salaries	506	498
Social security costs	64	54
Other pension costs	77	73
Estimated money value of any other benefits otherwise than in cash	9	9
Board members		
Wages and salaries	48	43
Expenses	3	2
	<u>707</u>	<u>680</u>

Directors are defined as the members of the Board, the Chief Executive and any other person who is a member of the Executive Management team.

Broadacres Housing Association Limited
Notes to the Financial Statements
For the year ended 31 March 2017

	2017 £'000	2016 £'000
Remuneration of the highest paid director, excluding pension contributions:	162	160
Pension contributions of the highest paid director	25	24

The pension arrangements of the Chief Executive are consistent with those offered to the group's other employees. No enhanced or special terms apply.

Broadacres Housing Association is not liable for taxation hence all corresponding association disclosures are nil. The disclosures below therefore relate to the affairs of the subsidiaries Broadacres Services Limited and Mulberry Homes Yorkshire Limited as consolidated into the group financial statements

10. Tax on surplus on ordinary activities

	2017 £'000	2016 £'000
UK corporation tax	18	-
Total current tax	18	-
Total tax per income statement	18	-

The charge for the year can be reconciled to the profit per the income statement as follows:

Loss for the period	(3,114)	-
Tax on loss at standard UK tax rate of 20.00% (2016:20.25%)	(623)	-
Effects Of:		
Expenses not deductible and income not taxable	641	-
Tax charge for the period	18	-
Income tax expense reported in the income statement	18	-

Notes to the accounts – Balance sheet amounts

31 Mar 2017 31 March 2016

Current liabilities:

Group relief creditor	18	-
	18	-

The group has utilised tax losses in subsidiaries to offset income generated in the association that is subject to corporation tax. This relates to income from "Renewable Heating Incentive" and Feed In Tariff" scheme income.

Broadacres Housing Association Limited
Notes to the Financial Statements
For the year ended 31 March 2017

11. Tangible fixed assets – freehold housing properties

Group and Association	Housing properties held for letting £'000	Housing properties under construction £'000	Total £'000
Cost			
Restated as at 1 April 2016 (net of SHG)	281,157	13,453	294,610
Additions	-	14,765	14,765
Impairment	(45)	45	-
Components capitalised	2,986	-	2,986
Transferred on completion	22,245	(22,245)	-
Completed properties acquired	-	-	-
Works to existing properties	-	-	-
Disposals	(1,942)	-	(1,942)
At 31 March 2017	304,401	6,018	310,419
Depreciation			
At 1 April 2016	(9,263)	-	(9,263)
Charge for the year	(5,421)	-	(5,421)
Eliminated on disposal	119	-	119
At 31 March 2017	289,836	6,018	295,854
Net book value			
At 31 March 2017	289,836	6,018	295,854
At 31 March 2016	271,894	13,453	285,347

On transition to FRS102, Broadacres chose to hold properties at cost less accumulated depreciation. Properties were valued by Jones Lang Lasalle Housing Investment Consultancy who are specialist affordable housing valuation surveyors working throughout the UK. The valuer is 'external' and the valuation of £246m was as at 31 March 2014 on an EUV-SH basis, with a small number of properties being valued at Market Value (MV) where considered appropriate by the valuer. The valuations have been prepared in accordance with Royal Institution of Chartered Surveyors' Valuation – Professional Standards, March 2012, Global and UK edition (commonly known as the "Red Book"). It should be noted that future growth in both capital and rental values may not occur and values can fall as well as rise.

Under FRS102, following Broadacres adaption of the accrual method of accounting SHG is held as a creditor and released to the SOCI over the useful life of the asset to which it relates. Properties have therefore been restated at gross (or deemed cost) less depreciation.

Housing property additions include £147k (2016 £140k) interest on development costs, on the basis of 1.56% (2016 1.82%) interest rate. Included within housing properties for letting are 98 (2016 77) Shared Ownership properties with a net cost of £3.5m (2016 £3.0m).

Depreciation has been charged on major components on the basis of their useful economic lives, the replacement of major components totalling £2,986k (2016 £3,525k) were capitalised in the year.

Broadacres Housing Association Limited
Notes to the Financial Statements
For the year ended 31 March 2017

Expenditure on works to existing properties

	Association	
	2017	2016
	£'000	£'000
Components capitalised	2,986	3,525
Amounts charged to the income and expenditure account:	2,437	2,507
	<u>5,423</u>	<u>6,032</u>

Social Housing Grant

	Association	
	2017	2016
	£'000	£'000
Total accumulated social housing grant received or receivable as at 31 March:		
Capital grant	<u>6,633</u>	<u>5,156</u>

Finance Costs

	Association	
	2017	2016
	£'000	£'000
Aggregate amount of finance costs included in the cost of housing properties:	<u>2,344</u>	<u>2,197</u>

Housing Properties Held

	2017	2016
General Needs & Sheltered Housing	5,629	5,488
Supported Housing	344	291
Shared Ownership	98	77
TOTAL	<u>6,071</u>	<u>5,856</u>

Broadacres Housing Association Limited
Notes to the Financial Statements
For the year ended 31 March 2017

12. Property, plant and equipment - other

Group	Investment properties £'000	Freehold offices £'000	Computer & office equipment £'000	Furniture fixtures & fittings £'000	Vehicles £'000	Group £'000	Total £'000
Cost or valuation							
At 1 April 2016	19	4,202	2,539	245	1,499	31	8,535
Additions	-	-	200	-	33	25	258
Disposals	(9)	(126)	(39)	(21)	(58)	-	(253)
At 31 March 2017	<u>10</u>	<u>4,076</u>	<u>2,700</u>	<u>224</u>	<u>1,474</u>	<u>56</u>	<u>8,540</u>
Depreciation							
At 1 April 2016	-	(694)	(2,103)	(221)	(1,214)	(21)	(4,253)
Charge for the year	-	(83)	(239)	(11)	(185)	(7)	(525)
Disposals	-	53	39	21	43	-	156
At 31 March 2017	<u>-</u>	<u>(724)</u>	<u>(2,303)</u>	<u>(211)</u>	<u>(1,356)</u>	<u>(28)</u>	<u>(4,622)</u>
Net book value							
At 31 March 2017	<u>10</u>	<u>3,352</u>	<u>397</u>	<u>13</u>	<u>118</u>	<u>28</u>	<u>3,918</u>
At 31 March 2016	<u>19</u>	<u>3,508</u>	<u>435</u>	<u>25</u>	<u>285</u>	<u>9</u>	<u>4,281</u>

The group figures include a vehicle for the furniture store with a net book value of £23,291 (2016 £1,830), computer software in Broadacres Services Ltd with a net book value of £588 (2016 £1,370) and computer software in Mulberry Homes Yorkshire Limited with a net book value of £3,156 (2016 £6,508). The net book value for the group for 2017 is £3,918,000 (2016 £4,281,903).

13. Fixed asset investments

	Group		Association	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
b/f	6,279	6,113	2,975	555
Additions	5,621	2,420	7,875	2,420
Disposals	-	(7)	(1,197)	-
Transfers	(7,109)	(514)	(6,327)	-
Impairment	(3,140)	(1,733)	-	-
	<u>2,819</u>	<u>6,279</u>	<u>3,326</u>	<u>2,975</u>

The value of the investment and land options in Mulberry Homes Yorkshire Limited (at group and Association level) is valued at fair value. Given the current trading conditions of MHYL, the investment has been written down to a value of zero.

Commercial properties are held for rental generation purposes and held at market value. Land Bank relates to future sites that BHA intends to develop. In the year land was purchased at Boroughbridge. Now that a decision has been made to sell the property, it has been transferred at cost to assets for sale.

14. Investment in Subsidiaries

As at 31 March 2017, the association has control of the following subsidiary organisations, the results of which are consolidated where required in these financial statements in accordance with Co-operative and Community Benefit Societies Act 2014. None of these subsidiaries are registered with the regulator of the Association.

Broadacres Housing Association Limited

Notes to the Financial Statements

For the year ended 31 March 2017

On review of the value of the investment in Mulberry, BHA have reached the view that given the current position of MHYL, the investment should be valued at zero, and any potential value has been impaired (Note 13). As part of the de-risking decision, a loan adjustment of £6m was made.

	Association	
	2017	2016
	£'000	£'000
b/f	2,540	4,354
Transfer from intercompany debtors (Note 16)	6,000	(1,300)
Transfers	-	(514)
Impairment	(8,540)	-
	<hr/>	<hr/>
	-	2,540

The accounting treatment of this transaction also released a creditor back to income (removing £1,169k from deferred consideration). This resulted in a SOCI impact for the association of £7,372k.

The financial statements of the Market Gate Residential Management Company Limited are not required to be consolidated as per the requirements of FRS2 as it is deemed to be immaterial.

Subsidiary Name	Country of registration	Nature of Business	Registered Provider	Shares held by BHA	Basis of Control
Broadacres Services Limited	England	Development of building projects	No	£1	100% share ownership
Richmond and Hambleton Furniture Store	England	Retail	No	-	100% control of the board of trustees
Mulberry Homes Yorkshire Limited	England	Development of building projects	No	£75	75% share ownership
Marketgate Management Company	England	Renting and operating of Housing Association real estate	No	£0	86% ownership of properties in the scheme

Broadacres Housing Association Limited
Notes to the Financial Statements
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15. Stocks

	Group		Association	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Materials for repairs and adaptations	266	252	266	251
Catering services food stock	9	4	9	4
	275	256	275	256

16. Debtors

	Group		Association	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Rent arrears	1,506	1,601	1,505	1,601
Net present value adjustment	18	20	18	20
Provision for bad and doubtful debts	(481)	(500)	(481)	(500)
Amounts owed by Group undertakings	-	-	6,996	2
Other debtors	1,537	813	96	91
Prepayments and accrued income	603	859	419	340
	3,183	2,792	8,553	1,553

Amounts falling due after more than one year:

Amounts owed by Group undertakings	-	-	5,658	15,451
Other debtors	-	2	-	-
	-	2	5,658	15,451
	3,183	2,794	14,211	17,004

17. Housing Properties for Sale

	Group		Association	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Properties intended for resale				
Completed properties	6,148	510	6,148	510
Properties under construction / Land for sale	15,028	16,162	-	-
	21,176	16,672	6,148	510

Broadacres Housing Association Limited
Notes to the Financial Statements
For the year ended 31 March 2017

18. Cash

	2017	2016
	£'000	£'000
Consolidated		
Cash flow from operating activities		
(Loss)/Surplus for the year	1,012	1,462
Adjustment for non-cash items:		
Depreciation of property, plant and equipment	5,421	4,943
Depreciation of other fixed assets	525	724
Decrease / (increase) in inventories	(19)	(92)
Decrease / (increase) in debtors	(273)	705
Increase / (decrease) in creditors	311	1,139
Pension costs less contributions payable	-	423
Carrying amount of property, plant & equipment disposals	2,253	810
Impairment loss on property, plant and equipment	45	662
Loss attributable to minority	(380)	(1,797)
Impairment of investment	<u>1,971</u>	<u>1,733</u>
	9,854	9,250
Adjustments for investing or financing activities:		
Proceeds from the sale of property, plant and equipment	(3,456)	(1,758)
Government grants utilised in the year	(47)	(31)
Interest payable	8,864	5,411
Interest received	<u>(14)</u>	<u>(23)</u>
	5,347	3,599
Cash generated by operations	16,213	14,311
Cash and cash equivalents		
Cash at bank and in hand	1,756	3,918
Cash equivalents included in current asset investments	-	-
Cash and cash equivalents	1,756	3,918

Broadacres Housing Association Limited

Notes to the Financial Statements

For the year ended 31 March 2017

	2017	2016
	£'000	£'000
Association		
Cash flow from operating activities		
Surplus for the year	(3,114)	5,176
Adjustment for non-cash items:		
Depreciation of property, plant and equipment	5,421	4,943
Depreciation of other fixed assets	518	724
Decrease / (increase) in inventories	(18)	(392)
Decrease / (increase) in debtors	(3,000)	(530)
Increase / (decrease) in creditors	1,656	(49)
Increase / (decrease) in provisions	-	-
Receipt of donated land	(8)	423
Pension costs less contributions payable		
Carrying amount of property, plant & equipment disposals	2,253	810
Impairment loss on property, plant and equipment	45	662
Impairment of investment	<u>7,372</u>	<u>1,300</u>
	14,238	7,892
Adjustments for investing or financing activities:		
Proceeds from the sale of property, plant and equipment	(3,456)	(1,758)
Government grants utilised in the year	(47)	(31)
Interest payable	6,195	5,340
Interest received	<u>(1,017)</u>	<u>(886)</u>
	1,675	2,665
Cash generated by operations	12,799	15,733
Cash and cash equivalents		
Cash at bank and in hand	1,662	3,494
Cash equivalents included in current asset investments	-	-
Cash and cash equivalents	1,662	3,494

Broadacres Housing Association Limited
Notes to the Financial Statements
For the year ended 31 March 2017

19. Creditors – amounts falling due within one year

	Group		Association	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Bank loans and overdrafts (see note 20)	1,250	3,506	1,250	1,250
Rents, service & support charges received in advance	305	304	305	304
Amounts owed to Group undertakings	-	-	540	968
Other taxation and social security	507	328	459	328
Other creditors	497	949	274	328
Government grants	66	52	66	52
Accruals and deferred income	5,160	4,694	2,418	1,791
	7,785	9,833	5,312	5,021

Due to difficult trading conditions arising from the liquidation of Southdale Construction, Mulberry Homes are projecting a significant loss on ongoing schemes. Mulberry recognised a loss under onerous contract of £3.8m in 2015/6. This provision has been released in line with sales and currently stands at £1.8m.

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

	Group		Association	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Other creditors				
Loans	137,348	124,988	136,266	124,816
Government grants (RCGF)	97	302	97	301
Deferred consideration (See note)	-	1,032	-	1,032
Government Grants	6,567	5,105	6,567	5,105
Service charge sinking fund	865	871	865	871
	144,877	132,299	143,795	132,126

Bank, Building Society, Hambleton District Council and Housing Corporation loans are secured by way of a fixed and floating charge over all the assets of the association. They include fixed term and variable loans and they bear interest at various rates over LIBOR. Bank and Building Society loans are repayable in periods of up to 40 years. Hambleton District Council loans are repayable in periods of up to 25 years.

In November 2011 the association increased its loan facility with RBS to £50m. Of this facility £5.5m remains available to the association to draw with 3 days' notice, with an additional £2m subject to a charging exercise. The facility must be fully drawn by Nov 2021. The loans are due for repayment within 25 years with capital repayment commencing in year 10.

The total accumulated amount of capital grant received or receivable at the balance sheet date is £65.4m, the creditor of £6.6m relates to grant where the conditions have not yet been met.

Broadacres Housing Association Limited

Notes to the Financial Statements

For the year ended 31 March 2017

	Group	
	2017	2016
	£'000	£'000
Deferred income - Government grants		
At 1 April 2016	(5,156)	(4,753)
Grants receivable	(1,524)	(433)
Amortisation to Statement of Comprehensive Income	47	30
At 31 March 2017	<u>(6,633)</u>	<u>(5,156)</u>
Breakdown		
Due within one year	<u>(66)</u>	<u>(51)</u>
Due after one year	<u>(6,567)</u>	<u>(5,105)</u>

	Group	
	2017	2016
	£'000	£'000
Recycled Capital Grant Fund		
At 1 April 2016	301	201
Inputs to RCGF	86	-
Recycling of grant	(290)	101
At 31 March 2017	<u>97</u>	<u>302</u>

Borrowings are repayable as follows:

	Group		Association	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Bank loans				
Between one and two years	2,332	1,422	1,250	1,250
Between two and five years	4,750	4,750	4,750	4,750
After five years	<u>130,266</u>	<u>118,816</u>	<u>130,266</u>	<u>118,816</u>
On demand or within one year	<u>137,438</u>	<u>124,988</u>	<u>136,266</u>	<u>124,816</u>
	<u>1,250</u>	<u>3,506</u>	<u>1,250</u>	<u>1,250</u>
	<u>138,598</u>	<u>128,494</u>	<u>137,516</u>	<u>126,066</u>

Broadacres Housing Association Limited

Notes to the Financial Statements

For the year ended 31 March 2017

21. Retirement benefit schemes

The Group participated in a two industry-wide funded defined benefit retirement final salary schemes and also a defined contribution retirement scheme during the financial year.

Defined benefit retirement schemes.

The group participates in two defined benefit retirement schemes for all qualifying employees. The schemes are operated by the London Pension Fund Authority (LPFA) and the Social Housing Pension Scheme (SHPS) and the assets of the schemes are held separately from those of the group under the control of Trustees. Where there are employees who leave the scheme prior to vesting fully in the contribution, the contributions payable by the group are reduced by the amount of the forfeited contributions. The total cost charged to the Statement of Comprehensive Income in the period ended 31 March 2017 was £0.1m (2016 £0.6m).

The London Pension Fund Authority Pension Fund (LPFA).

The latest actuarial valuations of scheme assets and the present value of the defined benefit obligation was carried out as at 31 March 2013 by Barnett Waddingham, an independent provider of actuarial services. The scheme is administered in accordance with the Local Government Pension Scheme Regulations 2013, is contracted out of the State Second Pension and currently provides benefits based on career average revalued salary and length of service on retirement. In order to assess the actuarial value of the fund as at 31 March 2017 the valuation was rolled forward, allowing for investment returns, contributions paid into, and estimated benefits paid from, the Fund by and in respect of Broadacres and its employees.

The actuaries state that they are satisfied that the approach of rolling forward the previous valuation data to 31 March 2017 should not introduce any material distortions in the results provided that the actual experience of the Employer and the Fund has been broadly in line with the underlying assumptions, and that the structure of the liabilities is substantially the same as the latest formal valuation.

Participating in a defined benefit pension scheme means exposure to the following risks:

- Investment risk. The Fund holds investment in asset classes, such as equities, which have volatile market values and while these assets are expected to provide real returns over the long-term, the short-term volatility can cause additional funding to be required if a deficit emerges.
- Interest rate risk. The Fund's liabilities are assessed using market yields on high quality corporate bonds to discount future liability cashflows. As the Fund holds assets such as equities the value of the assets and liabilities may not move in the same way.
- Inflation risk. All of the benefits under the Fund are linked to inflation and so deficits may emerge to the extent that the assets are not linked to inflation.
- Longevity risk. In the event that the members live longer than assumed a deficit will emerge in the Fund. There are also other demographic risks.

In addition, as many unrelated employers participate in the LPFA, there is an orphan liability risk where employers leave the Fund but with insufficient assets to cover their pension obligations so that the difference may fall on the remaining employers.

All of the risks above may be a benefit e.g. higher than expected investment returns or employers leaving the Fund with excess assets which eventually get inherited by the remaining employers.

Broadacres Housing Association Limited

Notes to the Financial Statements

For the year ended 31 March 2017

	Valuation at	
	2017	2016
Key assumptions used:		
Discount rate	2.6%	3.5%
Future pension increases	2.6%	2.3%
Salary increases	4.1%	4.1%
CPI increases	2.6%	2.3%

These assumptions are set with reference to market conditions at 31 March 2017.

The estimate of the duration of the Employers liabilities is 16 years.

The discount rate is the annualised yield at the 16 year point on the Merrill Lynch AA-rated corporate bond yield curve which has been chosen to meet the requirements of FRS102 and with consideration of the duration of the Employer's liabilities. This is consistent with the approach used at the last accounting date.

As future pension increases are expected to be based on the Consumer Prices Index (CPI) rather than RPI, the assumption is that CPI will be 0.9% p.a. below RPI (Retail Prices Index) i.e. 2.6% p.a. We believe that this is a reasonable estimate for the future differences in the indices, based on the different calculation methods and recent independent forecasts. This is consistent with the approach used at the last accounting date.

Salaries are assumed to increase at 1.5% p.a. above CPI in addition to a promotional scale. However, we have allowed for a short-term overlay from 31 March 2016 to 31 March 2020 for salaries to rise in line with CPI.

Mortality assumptions:

The post retirement mortality tables have been constructed based on Club Vita analysis. These base tables are then projected using the CMI 2012 Model, allowing for a long-term rate of improvement of 1.5% p.a. The assumed life expectations on retirement at age 65 are:

	Valuation at	
	2017 years	2016 years
Retiring today:		
Males	22.7	23.4
Females	24.5	25.0
Retiring in 20 years:		
Males	25.0	25.7
Females	26.7	27.3

Other assumptions made are:

- Members will exchange half of their commutable pension for cash at retirement.
- Members will retire at one retirement age for all tranches of benefit, which will be the pension weighted average tranche retirement age.
- The proportion of the membership that had taken up the 50:50 option at the previous valuation date will remain the same.

Broadacres Housing Association Limited
Notes to the Financial Statements
For the year ended 31 March 2017

Amounts recognised in the Statement of Comprehensive Income in respect of these defined benefit schemes are as follows:

	2017	2016
	£'000	£'000
Current service cost	213	229
Net interest cost	154	149
Administration expenses	12	14
	<u>379</u>	<u>392</u>

The amount included in the Statement of Financial Position arising from the Group's obligations in respect of its defined benefit retirement benefit schemes is as follows:

	2017	2016
	£'000	£'000
Present value of defined benefit obligations	15,939	13,807
Fair value of scheme assets (bid value)	11,449	9,422
Deficit / (Surplus)	4,490	4,385
Present value of unfunded obligation	208	189
Net liability recognised in the Statement of Financial Position	<u>4,698</u>	<u>4,574</u>

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

	2017	2016
	£'000	£'000
At 1 April 2016	13,996	14,296
Service cost	213	229
Interest cost	484	453
Change in financial assumptions	2,435	(696)
Change in demographic assumptions	(213)	-
Experience loss / (gain) on defined benefit obligation	(471)	1
Estimated benefits paid net of transfers in	(339)	(329)
Contributions by Scheme Participants	54	54
Unfunded pension payments	(12)	(12)
At 31 March 17	<u>16,147</u>	<u>13,996</u>

Broadacres Housing Association Limited

Notes to the Financial Statements

For the year ended 31 March 2017

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

	2017	2016
	£'000	£'000
At 1 April 2016	9,422	9,495
Interest on assets	330	304
Actuarial gains and losses	91	-
Return on plan assets (excluding amounts included in net interest cost)	1,607	(378)
Administration expenses	(12)	(14)
Contributions from the employer	308	302
Contributions from scheme participants	54	54
Estimated benefits paid plus unfunded net of transfers in	(351)	(341)
	<hr/>	<hr/>
At 31 March 2017	11,449	9,422
	<hr/> <hr/>	<hr/> <hr/>

The analysis of the scheme assets at the Statement of Financial Position date was as follows:

	Fair value of assets	
	2017	2016
	£'000	£'000
Equity instruments	6,784	4,378
LDI / Cashflow matching	-	955
Target return portfolio	2,419	2,004
Infrastructure	603	516
Commodities	-	42
Property	584	336
Cash	1,059	1,191
	<hr/>	<hr/>
	11,449	9,422
	<hr/> <hr/>	<hr/> <hr/>

The Pensions Trust – Social Housing Pension Scheme

The Group participates in the scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the Group to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution 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.

A full actuarial valuation for the scheme was carried out at 31 March 2016. This actuarial valuation showed assets of £3,123m, liabilities of £4,446m and a deficit of £1,323m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid to the scheme as follows:

Deficit contributions

From 1 April 2013 to 30 September 2020:

£40.6m per annum (payable monthly and increasing by 4.7% each year on 1st April)

Broadacres Housing Association Limited

Notes to the Financial Statements

For the year ended 31 March 2017

From 1 April 2016 to 30 September 2023:

£28.6m per annum (payable monthly and increasing by 4.7% each year on 1st April)

From 1 April 2016 to 30 September 2026:

£32.7m per annum (payable monthly and increasing by 3.0% each year on 1st April)

Where the scheme is in deficit and where the Group has agreed to a deficit funding arrangement the Group recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Present values of provision

	2017	2016
	£'000	£'000
Present value of provision	1,457	1,589

Reconciliation of opening and closing provisions

	2017	2016
	£'000	£'000
Provision at start of period	1,589	1,256
Unwinding of the discount factor (interest expense)	31	23
Deficit contribution paid	(202)	(152)
Remeasurements - impact of any change in assumptions	39	(9)
Remeasurements - amendments to the contribution schedule	-	471
Provision at end of period	1,457	1,589

Income and expenditure impact

	2017	2016
	£'000	£'000
Interest expense	31	23
Remeasurements - impact of any change in assumptions	205	191
Remeasurements - amendments to the contribution schedule	-	471
Costs recognised in income and expenditure account	236	685

Broadacres Housing Association Limited
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Assumptions

	2017 % per annum	2016 % per annum
Rate of discount	1.33	12.06

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The overall pension provision is as follows:

	2017 £'000	2016 £'000
LPFA	4,698	4,574
SHPS	1,457	1,589
	6,155	6,163

22. Financial instruments

The carrying values of the Group and Association's financial assets and liabilities are summarised by category below:

	Group		Association	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Financial assets				
Measured at discounted amount receivable				
• Rent arrears financing transactions (see note 15)	18	20	18	20
Measured at undiscounted amount receivable				
• Rent arrears and other debtors (see note 15)	3,165	2,772	1,541	1,532
• Amounts due from related undertakings (see note 15)	-	-	12,652	15,453
	3,183	2,792	14,211	17,005
Financial liabilities				
Measured at fair value and designated in an effective hedging relationship				
• Derivative financial liabilities	-	-	-	-
Measured at amortised cost				
• Loans payable (see note 17 & 18)	138,598	128,494	137,516	126,066
• Obligations under finance leases	-	-	-	-
Measured at undiscounted amount payable				
• Bank overdraft	-	-	-	-
• Trade and other creditors (see note 17 & 18)	14,064	13,637	11,052	10,113
• Amounts owed to related undertakings (see note 17)	-	-	522	968
	152,662	142,131	149,090	137,148

Broadacres Housing Association Limited

Notes to the Financial Statements

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The Group's income, expense, gains and losses in respect of financial instruments are summarised below:

	<u>Group</u>		<u>Association</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Interest income and expense				
Total interest income for financial assets (note 6)	(14)	(23)	(1,017)	(886)
Total interest expense for financial liabilities (note 5)	<u>6,368</u>	<u>5,551</u>	<u>6,341</u>	<u>5,480</u>
Net Cost	6,354	5,529	5,324	4,594

23. Share capital

	<u>2017</u>	<u>2016</u>
At beginning of year	71	72
Issued during the year	2	4
Cancelled during the year	<u>(26)</u>	<u>(5)</u>
At end of year	<u>47</u>	<u>71</u>

The shares provide members with the right to vote at general meetings but do not have a right to any dividend or distribution in a winding-up, and are not redeemable.

Broadacres Housing Association Limited
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24. Financial commitments

Capital commitments are as follows:

	Group		Association	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Contracted for but not provided for	19,097	31,620	13,628	15,956
Approved by the board and management but not contracted for	13,812	16,825	13,812	16,825
	32,909	48,445	27,440	32,781
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
The capital commitments above are expected to be funded as follows:				
Grants	1,440	1,790	1,440	1,790
Sales	10,537	14,026	6,148	510
Borrowings	20,932	32,630	19,852	30,481
	32,909	48,445	27,440	32,781

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

	Group		Association	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Payments due:				
– Within one year	55	60	55	60
– Within two to five years	8	-	8	-
– In five years or more	32	31	27	26
	95	91	90	86

25. Minority interest

	2017	2016
	£'000	£'000
Brought forward	(1,212)	585
Loss in year attributable to minority	(380)	(1,797)
Adjustment to reserve for loan restructuring	901	-
	(691)	(1,212)

A share of 25% of MHYL is retained by a minority shareholder.

Broadacres Housing Association Limited

Notes to the Financial Statements

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26. Related party transactions

Details of Broadacres subsidiaries and the group structure are provided on page 14 of these accounts. The Key financial transactions between the group members are summarised below:

Intercompany Loans

As at 31st March 2017, BHA had loaned £12,994k to MHYL (reduced by £6,000k following the decision to de-risk investments to £6,994k) and £5,000k to BSL. In addition BSL has loaned £4,436k to MHYL. These loans are excluded from the accounts on consolidation.

Intercompany Payments

In the year 31st March, BHA purchased affordable homes from MHYL for £584k. On consolidation, the cost of the properties is retained in BHA statement of financial position. BHA also purchased investment properties from MHYL, with £672k in the BHA statement of financial position at year end.

BHA paid a recharge to BSL of £42k for development services and recharge salary costs of £106k.

BHA recharged MHYL £147k for salary costs in the year.

27. Controlling party

The parent and the ultimate controlling party of the group is Broadacres Housing Association Limited.

