FRAMEWORK HOUSING ASSOCIATION

England & Wales · Charity number 1060941

Details

Other names	MACEDON, MACEDON & NHHA
Status	Registered
Legal form	Charitable company
Company number	03318404
Registered	1997-02-25
Register	View on the Charity Commission register

Contact

Address	Val Roberts House 25 Gregory Boulevard Nottingham NG7 6NX
Phone	01158417711
Email	webenquiries@frameworkha.org
Website	www.frameworkha.org

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Activities

Objects: (A) TO HOUSE, TREAT, REHABILITATE, EDUCATE, TRAIN AND CARE FOR PERSONS IN NEED WHO ARE HOMELESS (OR THREATENED WITH THE PROSPECT OF BECOMING HOMELESS) AND / OR SUFFERING FROM THE EFFECTS OF POVERTY, SICKNESS, DISABILITY, OLD AGE, ALCOHOLISM, DRUG ADDICTION, OFFENDING BEHAVIOUR OR ANY OTHER MENTAL OR PHYSICAL INFIRMITY;(B) THE PROVISION OF FACILITIES, RESOURCES AND SERVICES TO SUPPORT AND / OR BENEFIT PERSONS IN NEED WHO ARE HOMELESS (OR THREATENED WITH THE PROSPECT OF BECOMING HOMELESS) AND / OR SUFFERING FROM THE EFFECTS OF POVERTY, SICKNESS, DISABILITY, OLD AGE, ALCOHOLISM, DRUG ADDITION, OFFENDING BEHAVIOUR OR ANY OTHER MENTAL OR PHYSICAL INFIRMITY;(C) THE PROVISION, MAINTENANCE OR IMPROVEMENT OF PROPERTIES FOR THE HOUSING, TREATMENT, REHABILITATION, EDUCATION, TRAINING AND CARE OF PERSONS IN NEED WHO ARE HOMELESS (OR THREATENED WITH THE PROSPECT OF BECOMING HOMELESS) AND / OR SUFFERING FROM THE EFFECTS OF POVERTY, SICKNESS, DISABILITY, OLD AGE, ALCOHOLISM, DRUG ADDITION, OFFENDING BEHAVIOUR OR ANY OTHER MENTAL OR PHYSICAL INFIRMITY (INCLUDING BUT NOT LIMITED TO THE PROVISION, MAINTENANCE OR IMPROVEMENT OF A PUBLIC AMENITY IN THE VICINITY OF A LANDFILL SITE WHERE IT IS FOR THE PROTECTION OF THE ENVIRONMENT); AND(D)TO PROMOTE FURTHER STUDY OF THE NATURE, EXTENT AND CONSEQUENCES OF THE SAID SOCIAL PROBLEMS SET OUT ABOVE.

Activities: Framework exists to meet the needs of homeless and vulnerable people by providing outreach, accommodation, support, treatment, care, training, resettlement and tenancy sustainment services. The service user group includes people with drug, alcohol and mental health problems and those with complex needs.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research, Other Charitable Activities
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, Accommodation/housing, Other Charitable Purposes
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies, Other Defined Groups, The General Public/mankind

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Geography

- Derbyshire
- Leicester City
- Leicestershire
- Lincolnshire
- North Lincolnshire
- Northamptonshire
- Nottingham City
- Nottinghamshire
- Sheffield City

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£61,936,000	£59,356,000	£34,043,000	932
2024-03-31	£57,446,000	£56,129,000	£31,113,000	905
2023-03-31	£55,854,000	£55,292,000	£29,792,000	1321
2022-03-31	£50,505,000	£49,404,000	£27,257,000	1237
2021-03-31	£47,533,000	£45,292,000	£25,726,000	1118

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Trustees

Name	Role	Appointed
Ruth Hawkins	Chair	2022-03-12
Alan Olumo Davies		2023-06-05
Amy Lynn Laurie		2026-03-12
Holly Davis		2022-05-12
Jane Bethea		2025-01-01
Jonathan Eric Bemrose		2026-03-12
Neil Duncan Jones		2023-06-05
Prof Brigitte Elfriede Scammell		2023-06-05
Prof Marcus Beale		2023-06-05
Robert John Main		2023-06-05
Sarah Louise Harris		2020-02-06
Simon Tipping		2022-05-12
Thomas Jackson		2025-01-01

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FRAMEWORK HOUSING ASSOCIATION

England & Wales - Charity number 1060941

Accounts

FRAMEWORK HOUSING ASSOCIATION

STRATEGIC AND BOARD REPORT

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR TO 31st MARCH 2025

COMPANY REGISTRATION No: 3318404

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INFORMATION AS AT 31st March 2025

THE BOARD:

Ruth Hawkins	Chair		
Louise Harris	Chair of Audit and Risk Management Committee		
Catherine Arkley	Chair of the Governance, Remuneration and Appraisal Committee		
Marcus Beale	Chair of the Service Delivery Committee		
Tom Jackson	Appointed from 1st January 2025		
Jane Bethea	Appointed from 1st January 2025		
Nigel Turner	Retired on 31st March 2025		
Holly Dagnall	Alan Davies	Neil Jones	Sheona MacLeod
Rob Main	Brigitte Scammell	Paddy Tipping	

SENIOR LEADERSHIP TEAM:

Andrew Redfern	Chief Executive
Claire McGonigle	Deputy Chief Executive
Suzanne Williamson	Director of Finance, Governance and Risk
Steve Watson	Director of Homelessness Services
Apollos Clifton-Brown	Director of Health and Social Care
Dave Newmarch	Director of Corporate Services

COMPANY SECRETARY:	Suzanne Williamson
REGISTERED OFFICE:	Val Roberts House, 25 Gregory Boulevard, Nottingham NG7 6NX Tel: (0115) 841 7711 E-Mail: info@frameworkha.org
AUDITORS:	Beever and Struthers One Express, 1 George Leigh Street, Manchester M4 5DL
SOLICITORS:	Actons, 20 Regent Street, Nottingham NG1 5BQ
BANKERS:	National Westminster Bank Plc, Nottingham City Branch 148-149 Victoria Centre, Nottingham NG1 3QT

REGISTERED CHARITY No:	1060941
REGISTERED PROVIDER OF SOCIAL HOUSING No:	LH4 184
COMPANY REGISTRATION No:	331840

The Board Members present their Strategic Report, Board Report and Audited Financial Statements for the year ended 31st March 2025.

STRATEGIC REPORT

PRINCIPAL ACTIVITIES

The principal activities of Framework Housing Association are to provide accommodation, support, care, treatment, training, resettlement, and related services to homeless, vulnerable, and excluded people. At present these activities are carried out mainly in the cities of Nottingham, Lincoln, Leicester & Sheffield and the counties of Nottinghamshire, Derbyshire, Lincolnshire & Northamptonshire.

Framework's Objects, as set out in its Articles of Association, are to carry out the following activities for persons in need who are homeless (or threatened with the prospect of becoming homeless) and/ or suffering from the effects of poverty, sickness, disability, old age, alcoholism, drug addiction, offending behaviour or any other mental or physical infirmity:

- To provide housing, treatment, rehabilitation, education, training and care
- To provide facilities, resources and services to support and/ or benefit them
- To provide, maintain or improve properties to deliver the above services
- To promote further study of the nature, extent and consequences of the above social problems.

Framework's Vision, as set out in the 2022-2027 Corporate Plan is that People experiencing Homelessness and Related Disadvantage are treated with Dignity, Respect and Compassion, and are empowered to reach their full potential.

Framework's Mission Statement is:

'Working to tackle Homelessness, Ill-health, Disadvantage and Exclusion' by:

- Providing holistic, person-centred programmes of housing, health, employment and support
- Challenging systems & influencing their design to deliver integrated services with better outcomes
- Preventing homelessness and its causes
- Advocating for service users and embedding their experience in our work.

ORGANISATION STATUS

Framework is a Registered Charity (no. 1060941) and a Company Limited by Guarantee (no. 331840). In the event of winding up, the liability of each member is limited to £1.00.

Framework is also a Registered Provider of Social Housing (no. LH4 184). These accounts are prepared in accordance with the Statement of Recommended Practice for Registered Social Housing Providers (2018) and the Accounting Direction for Private Registered Providers of Social Housing (2022).

GOVERNANCE

Board

Framework is governed by a Board which is ultimately responsible for its activities and affairs. The Board Members are all Directors of the Company, Trustees of the Charity and Members of the Association. The current members of the Board are as listed above.

The Board completed a successful recruitment campaign during the year, appointing two new members which further strengthens the experience and skills among its Membership. These appointments form part of succession planning, to replace those whose expertise will be lost over the coming eighteen months as a consequence of the reduced term limits imposed by the National Housing Federation's Code of Governance (2020).

STRATEGIC REPORT (continued)

Framework's day-to-day management is delegated to its Chief Executive and Senior Leadership Team (SLT), with certain tasks passed to the Corporate Leadership Team (CLT). Oversight of other relevant activities is delegated by the Board to the Audit and Risk Management (ARM) Committee and the Service Delivery (SD) Committee. The former Governance, Remuneration and Appraisal (GRA) Committee has been replaced by a new Nominations and Remuneration (NR) Committee with effect from April 2025.

The Board has agreed a list of Key Control Policies (KCPs) that it alone can amend. Changes to other policies can be made by Committees, the Senior Leadership Team or Corporate Leadership Team in accordance with their delegated authorities.

The Board meets at least eight times per annum and holds an annual Conference. The standard term of office for each individual Board Member is three years; this may be extended subject to review. In accordance with the National Federation's Code of Governance (2020) Members usually retire after a second three-year term. Exceptionally, this six-year limit may be extended to meet specific governance or organisational needs.

Compliance with Regulator of Social Housing's Governance and Financial Viability Standards and Consumer Standards

In January 2024 Framework was the subject of an In-Depth Assessment (IDA) by the Regulator of Social Housing (RSH). The outcome was that Framework's G1 / V2 rating for its compliance with the RSH Governance and Viability Standards was retained. The IDA did not include any rating of Framework's compliance with the RSH Consumer Standards.

It is a regulatory requirement and a matter of good practice for Registered Providers of Social Housing to assess their compliance with the RSH Governance, Financial Viability and Consumer Standards. Framework's 2025 self-assessments of compliance with these have been received and discussed by the Board. It concluded the organisation remains compliant with all the RSH standards and no notifiable breaches of them have occurred in the year.

Charity Commission Public Benefit Guidance

Framework Board Members have regard to the Charity Commission's public benefit guidance when exercising their powers and carrying out the duties to which it relates. In the view of the Board, Framework's activity continues to deliver public benefit and it has not taken any decisions that depart from the guidance during the 2024-'25 financial year.

Code of Governance

Framework has adopted the National Housing Federation's (NHF) Code of Governance 2020. The Board assesses its compliance with the Code on an annual basis. The self-assessment for 2024-'25 concluded that Framework is fully compliant with the NHF Code.

Statement of Board Members' Skills, Qualities and Experience

The role of Board Members is set out in a written profile. The Board Member appraisal process assesses performance against this. The recent Board Member recruitment was informed by a Skills Audit, its outcome enhancing the housing, asset management and public health skills present on the Board, whilst also strengthening Committee membership.

Committees of the Board

The Board has established Committees, each of which have delegated authority to act on its behalf within detailed Terms of Reference (ToR). These are set out in appendices to 'Governance in Action' (Framework's Governance Policy).

STRATEGIC REPORT (continued)

In 2024/'25 there were three Committees: the Audit and Risk Management (ARM) Committee, the Service Delivery (SD) Committee and the Governance, Remuneration and Appraisal (GRA) Committee.

The decisions taken by the ARM Committee relate to the identification and assessment of risks to the achievement of Framework's objectives and the creation and monitoring of systems, policies & procedures to manage them. Its current members are Louise Harris (Chair), Alan Davies, Tom Jackson, Sheona MacLoed and Rob Main.

The SD Committee is responsible for ensuring that Framework has appropriate policies, structures, systems and procedures in place to offer safe, effective and high-quality services. It also plays the primary role in monitoring their delivery. Its current members are Marcus Beale (Chair), Holly Dagnall, Paddy Tipping, Brigitte Scammell and Jane Bethea.

The GRA Committee, which operated until March 2025, had a focus on governance structures, succession planning, skills audits, the appraisal of Board Members and staff remuneration. Its members were Catherine Arkley (Chair), Holly Dagnall, Paddy Tipping, Marcus Beale, Neil Jones and Briggitte Scammell. Following an Evaluation of Governance the Board approach the establishment of a Nominations and Remuneration (NR) Committee with a narrower remit, to replace the GRA Committee from April 2025.

The Framework Community Forum (formerly the Service User Advisory Group) facilitates regular meetings between Board Members, senior staff and service users. It provides feedback both indirectly (through reports to the Board) and directly (with up to two of its representatives entitled to attend Board Meetings at any one time).

CORPORATE STRATEGY AND OBJECTIVES

Framework's Mission, as set out in its 2022-2027 Corporate Plan is:

'Working to tackle Homelessness, Ill-health, Disadvantage and Exclusion' by:

- Providing holistic, person centred programmes of housing, health, employment & support
- Challenging systems and influencing their design to deliver integrated services with better outcomes
- Preventing homelessness and its causes
- Advocating for service users and embedding their experience in our work

This is to be achieved by providing a range of services resting on four 'pillars' that together give strategic shape to the work of the organisation:

- **Housing**
  We house and support people who are homeless, prevent others from losing their homes and help them to sustain their tenancies, because all need a place to call their home.
- **Health**
  We offer specialist clinical & treatment services to people with various health issues, because physical & emotional wellbeing is fundamental to a stable, independent and fulfilling life.
- **Employment**
  These services, including volunteering, build skills and employability, because people need financial stability, a sense of self-worth and control over their future.
- **Support and Care**
  Our support and care services add to the quality and sustainability of life, nurturing confidence, building esteem and engaging people as part of a community, because this makes us all stronger.

STRATEGIC REPORT (continued)

Statement by the Directors in performance of their statutory duties in accordance with Section 172(1) of the Companies Act 2006

The Directors (who are also the Board Members) consider that they have acted in good faith, in the way most likely to promote the success of the organisation for the benefit of its members as a whole (having regard to the stakeholders and matters set out in Section 172 (1) (a-f) of the Companies Act (hereinafter referred to as the Act)).

The likely consequences of any decision in the long term

Framework has a five-year strategic planning cycle, allowing the long-term consequences of decisions to be considered. The Corporate Plan sets out the organisation's strategic direction through the Vision and Mission Statements, Corporate Objectives, Values, Four Pillars and summaries of the Long-Term Financial Plan (LTFP) with its accompanying Strategies. The Annual Plan and Review records progress against the delivery of the Corporate Plan and reports this to the Board. The thirty-year LTFP is reviewed and updated on an annual basis and stress-tested against a range of scenarios and risks. The Financial Resilience Statement sets out the Board's approved mitigation plans and trigger points for these. All of these tools support the Board to reach decisions in the long-term interests of those who use Framework's services.

The interests of the organisation's employees

Framework recognises the importance of its employees in the delivery of its Mission and Objectives. Corporate Objective Six ('Valuing our People') describes how it seeks to recruit and maintain a skilled, motivated, and resilient workforce that embodies its values and prioritises its service users. Framework uses the 'Investors in People' standard to support the continuing development of its people strategies and employee engagement in order to deliver the Corporate Objectives agreed by the Board, promote the interests of its service users and meet their needs.

The need to foster the organisation's business relationships with suppliers, customers and others.

Framework prioritises the needs of its service users, promotes their interests and measures its success by the difference made to their lives. Service users are engaged in its decision-making processes and in wider consultation to support and drive improvement. At strategic level the relationship between the organisation and those who use its services is fostered by:

- Board Members attending meetings of the Framework Community Forum and reporting back;
- The invitation for Community Forum representation at Board Meetings and Board Conference;
- Joint presentations to the Board by staff & service users;
- Visits to services by Board Members.

Framework aims to establish, develop and nurture strong relationships with commissioners and other key stakeholders such as central government departments, elected mayors, combined & local authorities, integrated care & place-based partnerships, the health & social care communities and county police & crime commissioners. Through them it seeks to influence the planning and development of service pathways and networks that are responsive to the range of needs presented by current and future service users.

In relation to suppliers, Framework has a Procurement Policy setting out the principles and practice of its approach – this is aligned to Corporate Objective Four ('Organisational Strength and Resilience'). The Policy describes how the organisation works with its professional consultants and suppliers, in a spirit of partnership and high business ethics that reflect its Mission and Values.

Framework sustains a database of donors and other supporters - including former Board Members, staff & service users. Through this is maintains communication by providing periodic updates to individuals, faith-based and other community organisations that have traditionally supported Framework's charitable activity and advocated for its service users.

STRATEGIC REPORT (continued)

The impact of the organisation's operations on the community and environment

Framework seeks to make a positive impact in the localities and communities where it operates by providing high quality, 'fit for purpose' accommodation with accompanying complementary services, based on the 'four pillars' approach. We work closely with local and health authorities to implement their strategies for tackling and preventing homelessness, rough sleeping, social exclusion, health inequality and inactivity. The offer can be summarised as providing a safety net for some, a springboard for others and sustained engagement as needed to enhance service users' contribution to the life of the community. At its heart is an integrated plan comprising elements of housing, health, support, and skills for employment, tailored to individual needs.

The desirability of the organisation maintaining a reputation for high standards of business conduct

As a Registered Charity and a Provider of Social Housing, Framework seeks to maintain high standards of conduct. The Board carries out annual assessments of its compliance with the Regulator of Social Housing's Standards, the Housing Ombudsman's Complaints Code and the National Housing Federation's Code of Governance. Policies exist to sustain compliance with the requirements of the Charity Commission, Care Quality Commission, Data Protection Office and Health & Safety Executive, with accompanying procedures and controls to ensure adherence to all relevant laws and regulations. Framework is committed to the promotion of equity, diversity, inclusion, human rights, liberal values and the prevention of slavery & human trafficking.

The need to act fairly as between members of the organisation

The organisation's robust approach to governance is set out by 'Governance in Action', with a commitment to comply with relevant laws, regulatory standards, and codes. This Key Control Policy supports the integrity of decision making and focuses it primarily on the needs of service users rather than those of Board members, staff, volunteers or suppliers.

Principal decisions

In the past financial year, the Board has taken a substantial number of decisions to discharge its responsibilities as listed above. Among those that were material to the strategic priorities of the organisation and/ or its key stakeholder groups, were:

- Implementation of recommendations arising from the In-Depth Assessment (IDA) and subsequent Evaluation of Governance.
- Establishment of the Service Delivery Committee with significant delegated authorities, with an accompanying enhancement of the Performance Assurance Dashboard (PAD).
- Occupation of Akins House (under the Rough Sleepers Accommodation Programme), the ongoing development of Grove House and the approval of Lee House and Sincil House (a total of 50 new, high-quality units under the Single Homelessness Accommodation Programme).
- A review and update of the Long-Term Financial Plan and supporting strategies aligned to the Objectives, with accompanying stress testing, mitigations & triggers to sustain viability.
- Self-assessments against the RSH Standards, The NHF Code of Conduct and the Housing Ombudsman Complaints Code to gain assurance on our compliance with these requirements.
- A review of the Equity, Diversity, and Inclusion Policy and Action Plan to track progress, including the presentation of more detailed Service User information by service.
- The Commissioning of research to evaluate the impact of the Lincolnshire Housing-Related Support Partnership, as a Case Study to illustrate the national importance of supported housing.
- A review of performance against the Value for Money Strategy, measuring the efficiency and effectiveness of how resources are deployed to meet service users' needs.
- Review, update and approval of the following Key Control Policies in accordance with the normal three-year cycle: Safeguarding Policies for Adults and Children, Digital Strategy, Whistleblowing Policy; Treasury Policy and the new People Strategy.

STRATEGIC REPORT (continued)

CORPORATE PLANNING

Framework's 2022/'27 Corporate Plan is entitled **'Structure and Systems'**. It argues for joined-up responses to severe and multiple disadvantage, within strategies to tackle rough sleeping, prevent homelessness, promote health, bring new supply to the labour market and enhance the wellbeing of individuals and communities. Leaving aside some isolated geographical pockets and a small number of time-limited pilots, these joined-up responses do not exist. The typical government response is a call for evidence in support of the case which, when produced, is routinely ignored in favour of a failing *status quo*.

Recognising the above, the Corporate Plan attributes the catastrophic rises in homelessness, rough sleeping, inactivity & crime to deficient national strategy and local policy. These negative trends have continued, and in some instance worsened, through the life of the plan. However, **'Structure and Systems'** also has internal dimensions. It highlights the need not only to change the complex environment through which service users must navigate, but also the manner in which Framework carries out its own functions.

These internal aspects include the enhancements that have been made to governance, leadership, financial planning, risk management, culture and service delivery. A priority has been to continue delivering safe and effective services within diminished resources – which effectively means fewer staff. So, whilst continuing to pursue outward-facing opportunities to 'join-up' or complement existing work, Framework is prioritising investment in its own structures and systems to support the modernisation of its work. We are committed to meeting our statutory, regulatory, and contractual obligations whilst modernising our stock, reducing our carbon emissions and maintaining our financial viability.

The headlines of this Strategy were scrutinised during Framework's In-Depth Assessment. The outcome (retention of a G1 / V2 rating) reflects a strong track record of managing exposure to significant financial and other risks, in the context of tight operating margins. The Board commissioned an external Evaluation of Governance to build on this. Since then, it has restructured the Committees and recruited new Members under its Succession Plan. A strengthened Board is working closely with the Senior Leadership Team to implement the existing Plan and develop the strategic headlines of a new Corporate Plan from April 2027.

PRINCIPAL RISKS AND THE OPERATING ENVIRONMENT

The Association's Risk Register records its principal risks. These can be summarised as:

- Governance – failure to establish and maintain an effective Board with consequent loss or damage to commissioners and stakeholders' confidence in Framework.
- Legal & regulatory compliance – in governance, viability, consumer standards, complaints, health & safety, service user participation, diversity, inclusion and data protection.
- Human resources – failure to deliver the People Strategy, resulting in poor recruitment and retention, inability to compete in the labour market and thus to deliver services.
- New business, contract and revenue funding – such as the loss of contributing contracts or failure to secure new ones for viable, properly resourced services.
- Asset management & property development – such as failure to optimise the use of our assets through appropriate development, disposal and re-modelling.
- Infrastructure & internal services – such as key system failure, the loss of personal data, contractors failing to meet their obligations and disruption to business continuity.
- Finance & treasury management – potentially affecting covenant compliance.
- Public relations – such as failure to influence the decisions affecting those we serve.

STRATEGIC REPORT (continued)

CORPORATE OBJECTIVES AND ACTIVITY DURING THE YEAR

Framework's activity in the year to March 2025 was directed towards the achievement of the six Corporate Objectives set out in the 2022-'27 Corporate Plan. These are:

1. Growth
2. Standards
3. System Change and Joined-Up Services
4. Organisational Strength and Resilience
5. Service User Participation and Empowerment
6. Valuing our People

Each of the six Corporate Objectives is defined below, with summaries of the actions that have been taken to achieve them.

Objective 1: Growth

This Means:

A further increase in the number of people we reach.

In the year to March 2022 (the final one covered by the last Corporate Plan) Framework assisted 16,537 separate individuals. In the year to March 2025 (the third of the current plan) it served 19,172. Whilst the increase has not been linear, the long-term trend is clear. It reflects growing need, within which the complexity of the presenting need has also grown.

The Corporate Plan envisaged broad stability in the pattern and geographical spread of our services. The intention was for growth to be tailored in a way that deepens our offer in existing or contiguous geographical areas, thus enhancing the range of options for service users. This is challenging to deliver in an uncertain environment where political instability and financial constraints are a continuing factor. In practice, some services have grown, others have been re-configured and some have ceased to exist – for instance due to de-commissioning.

A numerical growth target was set for the Housing Pillar which requires capital investment for which provision has to be made within the Long-Term Financial Plan. This is not needed for the (revenue-dependant) Health, Support and Employment Pillars.

Since April 2022, Framework has completed 152 new units of high quality, purpose-built supported accommodation. This includes 30 under the Single Homelessness Accommodation Programme (SHAP) that were completed in the year under review. These comprise 15 at Grove House (Nottingham), on land purchased from the Anglican Diocese of Southwell and Nottingham – providing accommodation with intensive support for women at risk of rough sleeping; and 15 at Sincil House (Lincoln) on the site of a former public house – for both men and women with high support needs who would otherwise be sleeping rough.

Construction has recently begun on a third SHAP scheme, and two other sites are in the pipeline for bids to the Affordable Homes Programme during 2025/'26. Taking these into account we expect to reach (and slightly exceed) our target of 200 new homes over the life of the Corporate Plan, ending in March 2027.

Growth has also occurred in the non-housing pillars. New resources have been secured from the Office for Health Improvement and Disparities (OHID) through Nottingham City and Lincolnshire County Public Health teams, from the Department of Health (DoH) through the Nottinghamshire Integrated Care Board and from the Ministry of Housing, Communities and Local Government (MHCLG) through Changing Futures, to enhance and complement existing work. This has paid for proactive interventions for homeless people (including rough sleepers) with complex needs, both directly through partnerships with other specialist providers.

STRATEGIC REPORT (continued)

Objective 2: Standards

This means:

Our providing services, with accompanying systems, which are suitable for their intended purposes - such as emergency or specialist supported housing, harm reduction, recovery and resettlement; and fit for publication as good practice examples.

Service standards have a high profile in the social and affordable housing sectors. Proactive regulation of Consumer Standards by the RSH, the initiation of a Complaint Handling Code by the Housing Ombudsman, 'Awaab's Law' and the proposed Renters' Rights Bill, all reflect this. In the supported housing arena, there's an added dimension of concern about 'rogue' providers – who purport to serve vulnerable people using income that is intended for a different purpose, invariably in sub-standard accommodation.

Framework's commitment to high standards of service delivery is expressed through its Asset Management and Development Strategy, Quality Assessment Framework, Standard Operating Procedures, Performance Assurance Dashboard and the establishment of its Service Delivery Committee. All of these were either created, or strengthened, in the year under review. Their impact is corroborated by the Tenant Satisfaction (Perception) Survey, now entering its third year. The second, in July 2024, showed that 85% of the respondents were satisfied with the overall service they received – a 4% increase on the previous year. Framework is piloting a version of the TSMs for non-residents – building on the foundation created by former Service User Satisfaction Survey.

Central Government has recently consulted on its implementation of the Supported Housing (Regulatory Oversight) Act 2023, and Framework's response is robust. We regard the proposals for further regulation of supported housing as a deliberate and expensive distraction from the central issue – which is the non-resourcing of support. What is needed is a national, ring-fenced programme, as once existed, to fund the provision of housing-related support in a range of settings. Sadly, in its absence, we expect to see further rises in homelessness, rough sleeping and related social problems. The proposed system of licensing, which is complex, resource-intensive and in several respects unworkable, can only exacerbate this further.

Notwithstanding this and other threats to existing services, Framework's approach is to deliver to the highest possible standard within the available resources and other constraints. The standards set are specific to their context and communicated to service users with support to highlight any failure to meet them. Where de-commissioning or other resourcing choices embed the likelihood – perhaps the inevitability, of such failure, hard decisions are required – and have been taken. Framework will not initiate, design, amend or continue with a service without reasonable assurance of its capacity to do substantially more good than harm. Growth is not pursued at the expense of standards.

Services at Edwin House, The Level, within Nottingham Recovery Network (NRN) and in the Lincolnshire Treatment Pathway continue to be regulated by the Care Quality Commission (CQC), with the overall 'Good' rating maintained. Framework's leadership of NRN supports collaborative work with NHS and third sector partners to research and promote effective approaches to reducing the harm caused by substance misuse and its associated health complications.

From 2024/25, some of our specialist supported housing services for young people (those aged 16 and 17) have been registered with Ofsted. It remains to be seen what additional costs this will generate, and whether commissioners will cover them sufficiently for these services to remain financially viable. If not, they will be closed.

STRATEGIC REPORT (continued)

Objective 3: System Change and Joined-Up Services

This means:

Advocating for, planning and implementing System Change. Our definition of this is that it happens when services are designed and delivered around the needs of individuals not the other way round. Those presenting in need should not be expected to re-define their circumstances to fit the available offer. This 'joining-up' of services requires them to be comprehensive and diverse, with no significant gaps.

Whilst Framework can 'join-up' some of its services, it can't achieve System Change alone. To do so requires partnership with other statutory – and some voluntary, agencies to advocate for service users, promote a learning culture, share expertise and lobby for change. In particular, we are committed to:

- Participation in strategic planning and provider fora in the localities where we work.
- Building our capacity for data collection, analysis, thought leadership and research.
- Using our knowledge, learning and service data to influence commissioning decisions.
- Enhancing offers with our fundraised resources, where there is demonstrable need.
- Contributing to the policy and influencing work of national bodies.
- Campaigning for and with people who experience Severe & Multiple Disadvantage (SMD).

In an environment of scarce resources, this external-facing work can easily be subordinated to the day-to-day issues that face our services – amounting, in many instances, to a battle for survival. Nonetheless, resources have been found to:

- ❖ Meet with Members of Parliament to make the case for housing-related support.
- ❖ Engage with local authorities to reduce the impact of Housing Benefit changes.
- ❖ Respond to consultations on housing regulation – including of supported housing.
- ❖ Represent Framework at the MHCLG Ending Rough Sleeping Group, Nottinghamshire Integrated Care Partnership, Nottingham City Adult Safeguarding Board and the NHF Homelessness and Supported Housing Groups.
- ❖ Take a leading role in the Nottingham City Place-Based Partnership (Severe and Multiple Disadvantage Workstream) and the Lincolnshire Supported Housing Advisory Group.

Services for rough sleepers, and those who experience Severe and Multiple Disadvantage (SMD) remain at the heart of our work in most areas. Several services in this category are funded through central government grants, via local authorities. However, there is ongoing uncertainty about their future resourcing – itself a systemic problem that needs to be solved.

A recent innovation is the combined SMD service, integrating four strategic programmes, around the Nottingham City Rough Sleeper Prevention & Assessment Hub. It demonstrates improved outcomes through shared assessments, consent protocols, care planning and risk management. Framework regards its approach – in tailoring a seamless response around individual needs rather than organisational structures, as an example of good practice.

Fundraised income continues to complement and enhance key elements of joined-up service delivery. In 2024/'25, allocations were made towards additional staffing for the street outreach team, the operation of the 24-hour rough sleeping hotline, expanded access to the training centre, digital inclusion for service users and a dedicated social worker to help users of our young peoples' services to cope with social and interpersonal challenges. The 'Access to Work' scheme supported individuals who are transitioning from benefits into employment. In addition, fundraised income helped to complete the package of capital funding for the new service at Grove House, enabling the Board to approve it.

STRATEGIC REPORT (continued)

Objective 4: Organisational Strength and Resilience

This means:

Consolidating and valuing the organisation not as an end in itself but as a vehicle for effective service delivery. Framework must be well governed and led with effective systems, the resources to fund its operations and the capacity to withstand external shocks.

Framework has robust governance, policies, procedures, and reporting protocols to ensure compliance with the requirements of the Regulator of Social Housing (RSH), the Charity Commission, Care Quality Commission, Health & Safety Executive, Information Commissioner, and local commissioners and funders. It has a G1 / V1 grading from the RSH and an Evaluation of its Governance took place in 2024. Ongoing financial viability is seen as an essential pre-requisite for future service development.

Framework's ongoing viability, on reasonable assumptions, is demonstrated by its Long-Term Financial Plan (LTFP). This is periodically updated and stress-tested. It makes provision to invest in strong leadership, asset management, development, training, staff rewards, service user participation and carbon reduction.

To continue building Organisational Strength and Resilience Framework is committed to:

- Targeting a minimum 3.0% Operating Margin, with a minimum £4.5 million liquidity balance.
- Holding a list of mitigations (discretionary spend) to cease in response to financial pressure.
- Further increasing the efficiency of our Treasury Management (reducing the cost of liquidity)
- Further increasing the real value of salaries as and when resources permit.
- Investing in technology to facilitate agile working and improve the offer to service users.
- Identifying new sources of income to further diversify our funding sources.

The 2024/'25 Operating Surplus of £3.097 million represents a margin of 5.0% - significantly exceeding the target in the year under review. It compares with £1.748 million (3.1%) in 2023/'24. Both secured covenant compliance. These positive results were consequent to a sustained, proactive focus among leaders and managers, on income generation, cost reduction, investment for efficiency and service transformation.

Achievement of our financial targets was underpinned by better information flows – further development of the management accounts to enhance reporting and analysis at service level. This has provided more transparency on cost recovery, central overhead allocation and contribution to margin.

The current financial position can be described as one where a relatively strong balance sheet, and reasonable liquidity, offer comfort in the context of small margins and high financial risks. Framework has a degree of resilience to withstand financial pressures. But the environment remains challenging due to a combination of static contract values, cost inflation, rises in the National Living Wage and (most recently) the unexpected increase in Employers National Insurance (ENI) contributions. Whilst ENI had no impact on the results for 2024/'25 it is a significant drag on the 2025/'26 budget, whose impact will endure.

Tough decisions are required year on year, to hold Framework's expenditure within the envelope of available funding. There are many things (for instance in relation to psychologically informed environments, digital inclusion, resettlement and preparation for employment) to say nothing of proper rewards for staff, which simply can't be afforded. Unless government changes its attitude to the resourcing of services for vulnerable people – especially housing-related support, the underlying situation will not change for the foreseeable future. Indeed, it is likely to deteriorate further.

STRATEGIC REPORT (continued)

Objective 5: Service User Participation and Empowerment

This means:

Putting service users at the front and centre of decision-making. Compliance with the Tenant Involvement and Empowerment Standard is a regulatory requirement; Framework is committed to extending its principles to all service users – not just those who live in our homes. This includes those whose voice is constrained by their experience of severe and multiple disadvantage. Part of our role is in empowering them to make, and be responsible for, their own choices – this means accepting managed risk and eschewing paternalism wherever possible.

To Empower both current and future Service Users we:

- Make strategic decisions (on the provision, expansion, amendment or cessation of services) according to their interests and needs.
- Seek to embed Service User Participation in our governance, management and operations, using both formal and informal channels to consult with them on proposed changes.
- Improve service users' access to information, advice, counselling & digital services, promoting and investing in these as a route to service transformation.
- Support willing participants to be visible influencers of commissioning decisions, if necessary challenging the underlying assumptions from their experience.
- Improve equality of access to services by seeking the removal of barriers caused by unnecessary restrictions defined by political factors rather than individual need.

In March 2024, the Board approved an updated Service User Participation Strategy, which has since guided efforts to strengthen service user involvement across Framework. Subsequent to this, and throughout 2024, the Participation Manager visited a wide range of services across all four 'pillars' to gather insights directly from service users. The feedback received from this has informed the introduction of Involvement Champions, a new Service User Survey (modelled on TSMs) for non-accommodation services, and the rebranding of all participation activities under the banner of 'Framework Community'. This is the way that service users themselves have asked for their activity to be presented.

The Framework Community Forum, comprising service user representatives, is meeting regularly with Board Members and senior staff. There is a standing Agenda Item at Board meetings for feedback from the Forum, where its recommendations are formally reported and considered. In 2024 and 2025, service users have also contributed to the process of recruitment to replace key Board Members who have had to stand down under the 'six-year' rule. New mechanisms have emerged to promote service user influence on commissioning; in particular, the Expert Citizen Group is helping to shaping the Changing Futures Programme, with indirect benefits for other services across the City of Nottingham.

Framework has embedded, and continues to promote volunteering, training, and employment pathways for individuals with lived experience. These include traineeships, apprenticeships, digital engagement, and recruitment to front-line roles both within Framework and with partner providers.

In May 2025 the Board again received and approved Framework's annual self-assessment of compliance with the Housing Ombudsman's Complaints Handling Code; a 'lessons learned' approach continues to be used to drive improvement in this area – for all service users not just residents. Future strategy will continue to be influenced by Framework's values – **'Respond, Respect and Empower'.** Support for these, and adherence to them in professional practice, is an attribute that we seek to recruit, nurture and reward in its staff.

STRATEGIC REPORT (continued)

Objective 6: Valuing our People

This means:

Investing in the organisational capacity brought by effective leadership and management of a skilled, motivated and resilient workforce. Support is at the heart of Framework's offer to service users – its essence an encounter between people, one of whom helps the other to navigate an event or situation. Framework staff are known for the commitment, dedication and passion imbued in their work; sadly, financial constraints diminish the rewards for these qualities. We are committed to increasing the real value of their pay, as resources allow, and to incentivising loyalty through a positive culture with relevant supervision and training.

To acknowledge the Value of our People we:

- Are improving pay and non-pay rewards to support the recruitment and retention of high-quality staff, relief workers and volunteers.
- Offer recognition, career development, one-to-one supervision and training opportunities in an emerging culture of innovation, devolved authority and accountability.
- Have programmes to develop the business acumen, information technology, data collection, analysis and negotiation skills that will equip our workforce to respond to these changes.
- Facilitate remote working, flexible hours, holiday purchase and other work/ life balance initiatives within the constraints of efficient rota management.
- Promote an Action Plan of equality, diversity and inclusion events, activities and training overseen by the Diversity Leadership Group

In September 2024, the Board approved a new People Strategy. It sets out plans to enhance recruitment, retention, staff supervision, training and engagement. These encompass both paid staff and volunteers – including those with lived experience. Recognising that people are Framework's greatest asset, the strategy is ambitious within the available resources and financial constraints. In addition, it reinforces the organisation's commitment to creating a positive, inclusive, and supportive working environment for all.

The 2025/'26 budget for 2025/'26 included a 2.5% financial envelope for the annual Cost of Living award. Implemented from April 2025, much of the resource was directed towards the implementation of an amended pay structure for front-line delivery roles. Its purpose was to address the growing issue of pay compression issues, and to preserve some role differentials in the context of an above-inflation increase in the National Living Wage (NLW). This necessitated limitation of the increase to 1% (which is below inflation) for other posts. Future NLW increases will continue to pose this challenge, especially if they aren't matched by uplifts to the value of housing-related support and other labour-intensive contracts.

Learning and development (L&D) is a key focus of the People Strategy. Expert advice has informed the creation of a detailed plan to improve the quality, administration, and impact of L&D activities. It embodies a cultural shift towards a learner-led environment, underpinned by stronger engagement from line managers. This work will continue into 2025/'26.

The Cost-of-Living crisis has impacted on the disposable income of both staff and service users. Through the 'It Pays to Work' campaign, alongside support with benefits management and budgeting, we are promoting paid employment as route from poverty towards financial independence. The opportunities include roles within Framework itself, where lived experience contributes to the diversity, stability and capacity of the workforce. This also helps to reduce our reliance on external agency staff.

Framework is proud to have achieved, and to retain, the 'Gold' standard from Investors in People (IIP). This distinction is held by only 17% of accredited organisations.

STRATEGIC REPORT (continued)

OTHER ORGANISATIONAL PRIORITIES

Work with Rough Sleepers

This continues in the Cities of Nottingham, Lincoln and Sheffield and across the County of Nottinghamshire. Whilst core homelessness pathways are contract-funded by the relevant local authority, we work through local partnerships to influence the funding the Government allocates to support Rough Sleepers and respond to the opportunities it brings.

When combined with the allocation of fundraised income, Government funding adds specialist roles to existing street outreach teams and funds additional quick-access accommodation together with enhancements to drug, alcohol & mental health interventions. These allocations have been extended for a further year until March 2026, and it is hoped that some or most will continue beyond that point. If not, their wind-down will have a profound negative impact on service users who are not normally prioritised within the core homelessness pathways.

Within Framework's response to the Government's consultation on the implementation of the Supported Housing (Regulatory Oversight) Act, there was a strong focus on the impact for rough sleepers. The de-funding of supported housing is the biggest single factor that has driven the rise in rough sleeping over the past fifteen years. The proposed system of licensing will further exacerbate this. Our response argued against any further regulatory changes, until the fundamental issue of resourcing for support has been properly addressed.

Treatment and Healthcare Services

In April 2024, a new partnership to deliver Substance Misuse treatment services across the county of Lincolnshire, was successfully mobilised. It is led by Turning Point with Framework as a specialist sub-contractor, focusing on proactive interventions for homeless people, rough sleepers and those with a history of involvement with criminal justice. The other main partner is Double Impact, with whom we already work successfully in Nottingham.

Notwithstanding a demanding timeline, the Lincolnshire Recovery Partnership (LRP) was launched on schedule and has been fully operational for the past year. This collaboration represents a significant step forward in our strategic objective to provide more integrated and co-ordinated responses for individuals experiencing Severe Multiple Disadvantage across Lincolnshire. So far, the LRP has provided structured treatment for over 3,500 individuals – each receiving tailored support through their recovery journey. The combined staff team comprises more than 160 skilled professionals, enabling the partnership to deliver high-quality, person-centred support at scale. They have facilitated more than 1,600 recovery group meetings, fostering peer-led support networks and community resilience. 31 individuals with lived experience have taken on delivery roles within the partnership, reinforcing the value of peer insight when designing and delivering specialist treatment. The positive outcomes include a much better service for supported housing residents.

On tender, Framework was successful in securing a contract to provide Mental Health Stabilisation services in Nottingham City, from April 2024. This integrated service, co-produced with Changing Futures with input from our Clinical Psychologists, provides tailored interventions for people experiencing an exacerbation of their mental health symptoms. The initial task is to establish a baseline of stability, on which to build the initial stages of recovery. In its first year, the service received 1,185 referrals, allocating support to over 670 of these proving an effective complement to secondary mental health and social care.

STRATEGIC REPORT (continued)

OTHER ORGANISATIONAL PRIORITIES (Continued)

Service Development – Nottingham City Homelessness Pathway

The demise of the 'Supporting People' has had a multiplicity of negative impacts. Among them is the loss of arrangements for quality and outcomes monitoring, that ran alongside commissioning. It is now proposed that new National Standards be established to tackle some of the worst practices amongst poor (including some 'rogue') providers. Regrettably, the Government's concern about this encompasses no recognition of the need for a resource the provision of good quality support. In the absence of a programme to do this, protected by an iron-clad ring-fence, the proposed new standards will fail.

Framework has attempted to highlight the risks inherent in regulation without resource, so far without success. Despite these and the many other threats to existing services, we are striving to ensure that they operate as effectively as possible for as long as they continue to exist. As part of this, a comprehensive assessment of our Nottingham City Homelessness Service Group was carried out in 2023/'24. This culminated in significant enhancements that were implemented in the year under review.

The changes included a restructuring of management tiers, the introduction of more sophisticated data measurement tools and the establishment of a robust development plan centred around five core commitments. These were:

- Compliance with good practice and organisational standards - ensuring the consistent delivery of high-quality services measured against both statutory and internal benchmarks.
- A positive and integrated service user experience – the hallmark of which is planned, co-ordinated support that fosters positive outcomes.
- Empowerment towards sustainable, independent living.
- Safe, inclusive, and psychologically informed services – embedding these approaches across all elements of the offer.
- A supportive, empowering environment for competent staff - creating a workplace culture where they are engaged, developed, and empowered to succeed.

Year one has already yielded measurable results including better communication, collaboration & accountability; clearer role definitions, operational efficiencies, decreased reliance on agency staffing, reduced voids, increased collection of service charges, faster throughput and other performance improvements.

The Service Development programme will continue into 2025/'26 and be rolled out to other pathways in Nottingham City and elsewhere.

Department for Work and Pensions (DWP) – Risks to Service Users

There is a long history of policies and initiatives by the Department for Work and Pensions that are detrimental for vulnerable people. Among these are inconsistencies in the timing of welfare benefit payments, and the DWP's insistence on making large back payments directly to service users. Much financial exploitation and debt, many drug overdoses and dozens of unexpected deaths have their origins in the DWP's intransigence.

A regrettable consequence of the Supported Housing (Regulatory Oversight) Act is the cover it provides for the DWP to complicate the process of claiming and receiving Housing Benefit. It has urged local authorities to introduce new, onerous and sometimes impenetrable layers to the verification of HB claims by people living in Supported (Exempt) Accommodation. Framework is challenging this wherever possible, and highlighting the negative implications including further rises in homelessness and rough sleeping.

STRATEGIC REPORT (continued)

OTHER ORGANISATIONAL PRIORITIES (Continued)

Landlord Health and Safety – Compliance and Performance Summary

Framework's Asset Management Strategy prioritises safe, healthy environments for residents and staff, in line with evolving legislation and regulation. A robust suite of policies and procedures supports this work, reviewed every three years or sooner if circumstances necessitate it. To ensure high standards, most health & safety compliance activity is carried out by specialist external contractors.

Framework's Board receives quarterly updates on key Landlord Health & Safety Indicators. Performance in 2024/'25 has been strong across all the areas. This is corroborated by internal audits as follows:

- Water Safety – Substantial Assurance
- Lift Safety – Substantial Assurance
- Asbestos – Substantial Assurance
- Electrical Safety – Moderate Assurance
- Compliance – Biannual audits of other areas not included in the above

These results reflect an effective, proactive approach to health and safety management.

Employment and Skills

Employment and Skills Training (including opportunities to volunteer) remain an important pillar of Framework's service offer. This reflects our belief in them as powerful catalysts for positive change. Sadly, changes in the way that some of these activities are commissioned have introduced much uncertainty around their future. In particular, the transfer of some budgets from the Department for Work and Pensions (DWP) to the East Midlands Combined Authority (EMCCA) has been disruptive.

The GROW project continued to operate successfully in Nottingham City and Newark & Sherwood, supporting individuals furthest from the labour market by building confidence, life skills, and pathways to employment. Funding for the Nottingham element has ceased so, from 2025/'26, delivery will continue in Newark & Sherwood only.

We are now in the third year of the Individual Placement Support (IPS) pilot, which is hosted by Nottingham Recovery Network. The project has demonstrated the value of employment in recovery from substance misuse, and work is now underway with public health partners to trial an adapted model of IPS for people experiencing Severe and Multiple Disadvantage (SMD). It is shaped by service user feedback.

We are seeking to embed the principle that 'It Pays to Work' more firmly in support planning. A pilot programme to upskill staff on how the benefit system interacts with the funding of supported housing, was so successful that the fundraised income was allocated to expand it. Year one of the 'Skills Plus and Home Skills' programme, funded by the National Lottery Community Fund, was successfully completed and will now continue until September 2026. This work is supported by corporate partners who have donated over 270 devices and thousands of SIM cards, extending digital access across multiple sites with a focus on those who are ready to move to more independent settings.

Two major employment contracts commissioned by the DWP are due to end in December 2025. Despite this uncertainty, over 687 individuals were supported during the year, achieving 362 job starts with challenging targets met. Framework continues to develop a responsive, user-centred employability model so it remains ready to respond to future opportunities, when they appear.

STRATEGIC REPORT (continued)

Supported Housing – Quality Improvement Project

In the light of national concern about supported housing standards and the risk of badly targeted regulatory responses, Framework has an internal programme to strengthen the 'support' component of its housing offer. It reflects the decline and progressive de-funding of supported housing over the past fifteen years, with the dismantling of structures and systems to promote improvement and monitor outcomes. The proposed new licensing system does not address these issues. It would be complex and expensive to administer; the accompanying 'standards' seem designed to pigeon-hole residents into super-imposed categories and withdraw services from those who need them the most.

Framework's Quality Improvement Project is designed to pull services in the opposite direction to that proposed by central government. It aims to include rather than exclude, challenge local authority 'gatekeeping', avoid 'cherry picking' of referrals and tailor interventions flexibly to individual need. The project takes into account the absence of adequate (or even of any) resources to fund support, the ongoing genericisation of services and the limited rewards for front-line staff. Due to the rising needs profile among those referred and presenting to supported housing services, it encompasses the necessity to strike a balance between intensive management (*stopping bad things from happening*) and support (*encouraging and enabling positive things to happen*).

The Quality Improvement Project has developed new Standard Operating Procedures (SOP) for staff working in accommodation-based services. The first of these, for services with 24-hour staffing cover, forms a template for those to be used in other contexts. The SOP modernises and rationalises the approach that Framework requires to support planning, record keeping, supervision, training, handover, resettlement work and locality management. It is accompanied by detailed guidance and a self-audit tool, modelled on the former Quality Assessment Framework (as used under 'Supporting People'), which managers and staff can use to guide the development of their services.

Staff feedback on the first SOP is overwhelmingly positive, emphasising the confidence it has brought in the quality, effectiveness and safety of their work. The development of SOPs for street outreach services and dispersed accommodation is now underway – both are scheduled for implementation during the twelve months to March 2026.

Supported Housing – Implications and Regulation and Licensing

The government's approach to the future of supported housing is embodied in the Supported Housing (Regulatory Oversight) Act 2023, and the consultation on its implementation that closed on 15th May 2025. Aspects of the legislation – for instance the establishment of a new National Advisory Panel for supported housing (which is delayed) and the requirement for local authorities to create strategies for it (which is already supposed to happen) are welcome. Unfortunately, neither the Act nor the consultation document indicate an understanding by government that this is essentially a problem of strategy and resourcing, not regulation. The Ministerial Foreword states:

> *'Many providers offer safe and supportive environments for their residents, but a lack of effective regulation.....has allowed unscrupulous and exploitative actors into the market'.*

The best way to eliminate substandard services run by bad actors is to commission better ones through responsible providers. The reason this doesn't happen is not a lack of regulation. It is poverty of both strategy and resources – especially in those localities where deprivation, and consequently the need for good quality supported housing, is greatest. In the absence of a national, ring-fenced programme to fund support, the complexity of licensing and the cost of its accompanying bureaucracy, will cause services to close.

STRATEGIC REPORT (continued)

Consolidation Strategy

This describes a plan to replace 80% of Framework's inherited (and frequently dispersed) shared housing units with self-contained provision. By March 2025 the number of shared units was 76 (18%) lower than in April 2022, with 75 new self-contained units replacing them. The total number of shared units was actually eight more than in March 2024 – this reflects an increase in our contracted provision for Unaccompanied Asylum-Seeking Children (USAC) from 32 to 48. For social, service capacity and financial reasons the commissioners of supported housing for this group specify a preference for shared units.

Bids to the Affordable Housing Programme are planned for the development of two pipeline sites (one in Nottingham and other in Lincoln) that would provide another thirty units by March 2027. If successful, these may facilitate further hand backs of shared housing.

Service User Numbers

In the year to March 2025 Framework assisted 19,172 individuals. 2,543 of these lived in its supported housing, 9,281 received health interventions, 5,746 used community-based support and 1,602 accessed education, training or employment (including opportunities to volunteer). This is a small decrease of 1.9% on the total for the previous year (19,552). The number rose in both the housing (+247) and health (+951) pillars – the latter being mainly attributable to the new substance misuse treatment service in Lincolnshire. The reductions in the support and employment pillars are due to reducing contract capacities and values – an ongoing trend. Framework will continue to argue against this direction of travel, for the integrated and person-centred services that evidence shows will produce better outcomes.

Service Delivery Committee (SDC)

The SDC was established from September 2024, to strengthen the governance of Framework's front-line activities. In its early months the Committee received and considered detailed presentations on the Quality Assessment Framework, the Standard Operating Procedure for (24-hour) supported housing, and analysis of Serious and Untoward Incidents. The Committee has also undertaken an in-depth review of Complaints Reporting and Learning, and approved an enhanced version of the Performance Assurance Dashboard. It has agreed a comprehensive workplan for 2024/'25, its first full year.

Leadership Academy

During the year, sixteen staff members successfully completed the Leadership Academy Programme. This embodies Framework's commitment to succession planning, staff development, and the internal progression of leaders. The programme continues to strengthen and evolve, incorporating feedback and learning from each new cohort.

The intake of new participants will be paused for a year, partly to enable a focus on consolidating the development of individuals from the past two cohorts. This is seen as the best way to maximise the benefits of the investment made to date, both for the participants and for Framework as a whole.

Academy 'graduates' will be supported to apply their learning by working alongside experienced managers on strategic projects that contribute to the delivery of Framework's Corporate Objectives. Examples include pilots to encourage and incentivise supported housing residents into paid employment, to reduce the level and duration of voids, to increase the rate of HB-ineligible charge collection and to support the participation of service users in governance and other decision-making.

STRATEGIC REPORT (continued)

Equity, Diversity and Inclusion

The Board and Senior Leadership Team continue to foster a culture that celebrates difference, promotes respect, and values the unique contributions of all. Framework considers itself to be part of a Civil Society that values Equity, Diversity and Inclusion (EDI) as part of a healthy, vibrant community.

The 2024 Board Conference included a dedicated session on EDI whose purpose was to refresh the Board's own understanding of its legal and moral responsibilities in this regard. This will better enable it to support and scrutinise the organisation-wide approach. The session included an exercise that supported participants to recall their experiences of both privilege and unfair discrimination. The strands of reflection on this were brought together by a small Task Group, culminating in a report to the March 2025 Board Meeting. Among the decisions was the replacement of the concept of 'equality' with that of 'equity' in the organisation's EDI Policy, Action Plan and other decision making. Consideration was also given to the question of whether 'class' (or social mobility) should be added to the list of protected characteristics around which Framework gathers and analyses demographic and performance information. The decision taken was not to do so, pending the outcome of wider societal debate on the issue.

The Board received its annual update on the implementation of Framework's EDI Action Plan, noting the significant further progress made across all five of its strategic objectives. The Diversity Leadership Group (DLG) and Anti-Racism Group have both sustained their work plans – in the latter case this included a series of 'in-person' listening events in the summer of 2024, with a focus on the priorities, aspirations and views of employees from ethnic minority backgrounds. The responses are contributing to the development of the organisation's EDI agenda. Anti-racism and other diversity training remains within the core offer.

At service level, Framework continues to house and support a growing number of Unaccompanied Asylum-Seeking Children (UASC) – these numbered 48 at the end of March 2025. The political dialogue around asylum complicates this work in a way that necessitates our offering additional protection for this group of vulnerable young people – for instance from unwanted media attention, sometimes based on prejudice or the exploitation of it. The reality is that most UASCs are highly motivated to build a safe, sustainable life in which they contribute to social and economic life. We are proud to support them in realising their aspiration to do so.

Framework is enhancing it systems to collect more granular data about the profile of its service users by protected characteristics, and any patterns that can be discerned about their experience of services or the outcomes they achieve. Informed by this information we are reviewing the Equity, Diversity and Inclusion Policy in accordance with the three-year cycle. The updated version was due for presentation for the Board's approval, in May 2025.

Gender Pay Gap

At the end of the reporting year, two-thirds of Framework's workforce were female. The organisation's mean gender pay gap reduced to 5.32% (from 6.29% in 2024) compared to a national average of 9.4%. The median Gender Pay Gap remained at 0% (the same as in 2024) compared to a national average of 7%. Framework's People Strategy promotes transparency, fairness, and equity in pay across the organisation.

STRATEGIC REPORT (continued)

VALUE FOR MONEY STATEMENT

Framework is strongly committed to achieving Value for Money (VfM) in all its activity. Further success in bidding for, and winning, service contracts depends on our ability to do 'more for less' in a continuing climate of constraint in public (and especially local authority) funding. In some instances, viable bids are impossible within the financial parameters agreed by the Board to protect the organisation, so leaders can't proceed with them. In other instances, they may decide not to do so because the margins are too small or the risks too high.

The positive impact of VfM projects undertaken in the past year, on the 2024/'25 financial out-turn, is estimated at £964k. This exceeds our target. The initiatives include:

- Voids Reduction Project
- Increasing the Recovery of HB-Ineligible Service Charges.
- Utilisation of e-learning, apprenticeship levy and other efficiencies in training & development.
- Fundraising from corporate partners, some of whose 'in-kind' donations replace cash spend.
- Better Treasury Management - including the use of Revolving Credit Facilities.
- Supplier contract (including telephony) re-procurement, with accompanying re-configuration, robust negotiations and/ or market testing.
- Workforce development to reduce reliance on agency staff and external specialisms.
- Active management of furniture, fitting and equipment costs through standardisation, recycling, fundraising and repair.
- 'Added value' offers when re-negotiating contracts and grant funding with commissioners.

In addition, significant capital grants were secured through SHAP to support new development projects. These are planned to fill the gaps in existing services, thus increasing the effectiveness of the overall offer to homeless and vulnerable people.

Framework reports annually on the seven Value for Money (VfM) metrics set out by the Regulator of Social Housing in its Value for Money Standard. The figures in the table below have been calculated in accordance with the VfM standard (technical note) and are presented alongside their previous year comparators:

VfM Measure	Description	Framework 2025/'26 (Budget)	Framework 2024/'25	Framework 2023/'24	Social Hsg Median 2023/'24
1.	Reinvestment by Cost	5.38%	6.48%	4.94%	7.70%
2.	New supply delivered by Units	4.03%	0.64%	1.72%	1.40%
3.	Gearing	-0.64%	0.34%	5.63%	45.60%
4.	EBITDA-MRI Interest Cover	226.06%	638.49%	261.32%	122.00%
5.	Headline Social Housing Cost per Unit	£29.8k	£29.4k	£29.5k	£5.1k
6.	a) Operating Margin on Social Housing b) Operating Margin Overall	4.88% 2.16%	7.70% 5.00%	3.92% 3.05%	20.40% 18.50%
7.	Return on Capital Employed	2.16%	5.00%	2.13%	2.80%

Standard Metrics 1 (Reinvestment by Cost) is sensitive to the actual level of development within the financial year. Framework's development activity is dependent on the availability of capital funding and suitable sites, both of which change from year to year. In some years there may be no development at all. Standard Metric 2 (New Supply) is influenced by the same factors and by actual dates when new units become occupied.

STRATEGIC REPORT (continued)

Standard Metric 3 (Gearing) is low compared to many housing associations. This is because the primary constraints on our housing development are the availability of capital grants at levels sufficient to deliver viable schemes, and of ongoing revenue funding. Both of these are drivers of the operating margin. By contrast, the availability of loans is less constrained - it would be possible to borrow more and thus develop more quickly. However, the risks involved in doing so are higher than the Board can tolerate given the margins on our support contracts. Note that due to the timing of capital grant receipts and associated expenditure the gearing metric is forecast to turn negative by the end of March 2026, before rising to 4.47% twelve months later.

The above-average cover reported by Metric 4 (EBITDA) reflects both the level of gearing and the low interest rates on some of our existing loans. As indicated by the forecast for 2025/'26 this number is very sensitive to changes in the operating margin.

Standard Metric 5 (Headline Social Housing Cost per Unit) is significantly raised by the inclusion of Intensive Housing Management and (primarily staff-related) support costs. Framework has twenty-eight separate locations where a twenty-four-hour staffing presence is required on 365 days per annum. 5.5 full time equivalent staff are needed to maintain a single person duty rota for 168 hours per week. In practice the minimum requirement is usually a presence of three or more staff in daytime hours, and a minimum of two overnight. In addition to these 'core' housing services our dispersed (or 'move-on) units also require more visiting staff than mainstream social housing. These and other factors (the higher turnover of residents, contract clauses that artificially increase voids and greater wear & tear on buildings) are all upward drivers of unit costs, whose impact is greater at a time of salary and other cost inflation.

Standard Metrics 6a) and 6b) (Operating Margins) both show an increase in the overall margin compared to previous years. This reflects the focused work that has been done on income maximisation and efficiency. Despite our ongoing target, which is to sustain a minimum Operating Margin of 3% - ultimately rising to 4% (whilst keeping services safe and effective) the Board is not expecting this to happen in 2025/'26. Indeed, the latest Long-Term Financial Plan projection does not show us reaching this figure again until 2038 – after which it is sustained. The ongoing impact of static contract values in an environment of cost inflation is now exacerbated by rises in the National Living Wage and – most recently, in Employers' National Insurance contributions. The need for a national, ring-fenced programme to resource the provision of support, has never been greater. Until it returns the viability of supported housing and related services will continue to be marginal, at best.

Notwithstanding this ongoing challenge, our aspiration remains that the identification of new income streams combined with an enhanced Fundraising Strategy and further efficiencies both in services and the central office, will enable us to overcome it. The ideal is to keep services safe and effective whilst reaching a minimum 3.0% margin. It seems likely that this will continue to happen in some years, but not others.

Standard Metric 7 (Return on Capital Employed) reflects the same underlying factors as the operating margin. The strong performance reported for the year under review should be regarded as unusual – and unlikely to be repeated in 2025/'26 and beyond.

Framework's Additional VFM Metrics

Framework reports on its own set of VfM metrics to complement the standard ones. The 2024/'25 figures are presented overleaf, alongside comparative data for the previous year and forecasts for 2025/'26 derived from the budget that the Board has approved.

STRATEGIC REPORT (continued)

The purpose of these additional metrics is to assist the Board in assessing how efficiently the organisation is being run, the impact of changes to services and of measures to enhance efficiency. They also illustrate the variation in cost of providing services per individual and (to a lesser extent) per hour, both between and within the pillars. This arises because the specialism of the staff who deliver a service varies according to its nature.

Framework VfM Measure	Budget 2025/'26 (£)	2024/'25 (£)	2023/'24 (£)
Cost per Service User by Pillar:			
Housing	13,675	13,237	13,362
Health	1,653	1,652	1,565
Employment	1,020	961	741
Support	1,305	1,432	1,479
Cost per Hour of Service by Pillar:			
Housing	39.31	49.76	41.13
Health	42.36	41.24	43.37
Employment	27.02	23.04	23.37
Support	26.24	24.09	25.82
Central Cost as a % of the Total	20.01%	22.42%	21.82%

The housing metric (in terms of cost per service user, rather than per hour) is sensitive to small changes in the throughput to and from direct access and similar services. These residents are the sub-set of our service users with the highest and most complex needs. Increased staffing and other costs due to inflationary pressures in areas such as energy, insurance and maintenance all impact on this metric. The new properties developed or acquired as part of the Single Homelessness Accommodation Programme (SGHAP) and the Rough Sleepers Accommodation Programme (RSAP) have accompanying revenue funding to support the resettlement process – thus increasing the housing cost metric on a 'per service user' basis whilst helping to reduce the amount 'per hour'.

The health, employment and support interventions encompass a broader range of people so their cost (per person) is lower than for housing. Against this, the 'health' pillar requires more highly paid professionals (including nurses) so the cost (both per service user and per hour) is higher than for 'employment' and 'support'. 2024 saw further changes in the specifications and delivery mechanisms of support and employment services; both have helped to control the cost (per service user) whilst increasing the amount (per hour).

Value for Money in the coming year

The Value for Money (VfM) Strategy is a key element of Framework's Long-Term Financial Plan, through which we hope to sustain services for as many individuals as possible even in a challenging environment. It describes the quest for an optimal balance between high productivity, controlled costs and successful outcomes for service users. It sets targets in these and other areas and describes the actions that Framework is taking to achieve them. These include annual reporting of the Standard VfM Metrics and the use of additional ones specific to Framework. The year-on-year comparisons allow the Board to monitor the success of the Strategy in releasing resources for front-line service delivery.

Framework's Value for Money Strategy was last updated in 2022 alongside the Corporate Plan, as part of the strategic planning cycle. The next review will take place to support the new Corporate Plan from April 2027. In the meantime Board receives an annual update on delivery against the Strategy.

STRATEGIC REPORT (continued)

The approved budget for 2025/'26 includes expenditure levels with an increased efficiency target of £1.161 million. Our plans to realise it focus on the maximisation of income through proactive void management, enhancements in the collection of HB-ineligible service charges and close working with commissioners on contract values and performance. Reductions in agency costs are targeted through investment in our workforce and processes. Investment in technology continues to support agile working, process automation and the effectiveness of systems. Further efficiencies are planned and expected as a result of the Asset Management Strategy and the re-procurement of major supplies.

Another dimension of VfM is the enhancement of our service offer at a time when local authority and other statutory funding is under renewed pressure despite increased and more complex presenting needs. This is supported by the Fundraising Strategy, to resource the bespoke design of services wherever possible, around the needs of their users. Significant aspects of this 'joined-up' offer include:

- Basic items (food, toiletries and clothing) for those in immediate need.
- Our practice in PIE (Psychologically Informed Environments) & TIC (Trauma Informed Care).
- Outreach to substance misusers and people with physical & mental health issues, facilitating rapid access to specialist treatment.
- The availability of clinical psychologists, nursing and social work professionals.
- Support into employment – including training and preparation for interviews.
- An 'Access to Work' fund to assist those caught by the benefits trap.
- Rent deposits, guarantees, furniture and equipment for those establishing a tenancy.

PENSIONS

For most staff our pension contributions are on a 'defined contribution' basis – complying with the auto-enrolment law but uncompetitive with the 'defined benefit' (final salary) schemes still seen in the public sector. This is a factor in the non-retention of employees who are attracted to better paid roles with local authorities and other statutory bodies, which also carry membership of better-resourced pensions. A small number of Framework staff were inherited via TUPE with a right to remain in the Local Government Pension Scheme – hence the annual pension adjustment to the accounts based on actuary advice.

PAY RATIOS

The Board is committed to reporting on the ratio between the highest and lowest paid Framework employees. In 2024/'25 this was 5.0 (2023/'24: 5.1). The ratio between the highest salary and the median was 4.2 (2023/'24 4.4). A recent benchmarking exercise showed that in the wider third sector, the average ratio between the highest and the lowest salary is 7.0, and that between the highest and the median salary is 5.0.

STREAMLINED ENERGY AND CARBON REPORTING ('SECR')

Framework's estimated carbon dioxide emissions (CO_2e) for the year to March 2025, were 28 tonnes lower than for the previous year. Whilst the usage of gas has increased, that of electricity and fuel for transport have both decreased. This is attributable to:

- Changes in the configuration of properties
- The positive impact of our energy reduction campaign
- Greater frequency of meter readings, including the installation of smart meters.
- A decrease in staff travel due to changes in service structures.

STRATEGIC REPORT (continued)

The Asset Management Strategy approved in 2022 has been updated to increase investment in carbon emission reduction. At the end of the financial year there were ninety-six Framework properties that fell below an Energy Performance Certificate (EPC) 'C' rating. The plan is to reduce this number to zero (improvement, disposal and replacement) over the next four years. The focus of remediation work will be to optimise the thermal efficiency of the external fabric, and combine this with efficient heating & low energy lighting. The same principles are embedded in Framework's development programme (both new-build and refurbishments).

Our plans are designed to meet the recommendation by the UK Committee on Climate Change that a carbon emission position of 'net zero' must be reached by 2050. To support progress towards this target, significant upgrades are taking place to modernise heating systems. These include the retrofitting of High Heat Retention Storage Heaters at Blakeney House in Nottingham, a similar upgrade to the electric heating at Potter Street and better use of technology to optimise energy use during off-peak tariff periods. In addition a total of seventeen (A+) energy-rated gas boilers have been installed across various service locations, further enhancing the energy performance of Framework's housing stock.

A funding application has been submitted to the Midlands Net Zero Hub under the Warm Homes Fund – Wave 3. It seeks a grant of £470,000 to be match-funded by Framework, enabling energy efficiency improvement work on fifty-two residential units over a three-year period, with the objective of achieving a minimum EPC rating of 'C' for each.

All new developments are compliant, on completion, with the latest building regulations. They incorporate solar photovoltaic (PV) systems to support the on-site generation of renewable energy.

The rollout of electric vehicle (EV) charging infrastructure continues, with facilities at the Central Office, Faraday Court and (shortly) at Grove House. The medium-term plan is to extend EV charging to all locations with on-site parking, wherever it is feasible.

Framework's energy reduction campaign continued into 2024/'25. It is supported by enhanced data on energy usage at property level, informing targeted communication and focused action on those sites where the highest usage is recorded. Where feasible we continue to replace payment meters (which are expensive for residents) with 'Smart' meters, including in our leasehold properties. Residents who wish to establish their own schemes to reduce energy consumption are offered encouragement and support to do so.

The table below provides a summary of our energy use during the year in accordance with the requirements of the Streamlined Energy and Carbon Reporting legislation. The associated greenhouse gas emissions, showing a reduction of 28 tonnes compare to last year, have been calculated using the UK Government's GHG Conversion Factors for Company Reporting. Note that as in previous years the figures include no adjustment for additional carbon that may be produced due to staff working from home.

Measure	**2024/'25**	**2023/'24**
UK Energy Use in kWh (1)	11,174,326	10,851,363
Associated Greenhouse gas emissions Tonnes CO^2 equivalent	2,181.48	2,210.05
Intensity ratio Emissions per Property	1.64	1.69

(1) UK energy use covers all Framework activities.

STRATEGIC REPORT (continued)

FINANCIAL REVIEW OF THE YEAR

Financial results

Framework's turnover in 2024/'25 was £61.94 million, an increase of £4.68m on the comparable figure for 2023/'24 which was £57.26m.

A component of the increase was higher receipts from rent and service charges, due partly to the annual uprating but also to new properties coming into management. Another source of new income was from central Government for enhancements to substance misuse and mental health services - specifically for rough sleepers and those at risk of sleeping rough.

The headline operating surplus was £3.1 million (a 5.00% margin), this being an increase of £1.35 million on the 2023/'24 figure (£1.75m). In the year under review the out-turn exceeds the 3.0% (rising to 4.0%) target in the Corporate Plan. Due to rises in the National Living Wage (NLW) and Employers National Insurance (ENI) we expect the outcome for next year (2024/'25) to fall significantly below the plan target.

The 2024/'25 out-turn constitutes the baseline for an updated Long-Term Financial Plan, which is also informed by the Asset Management and Development Strategy. Provision is made for re-investment in our housing assets to sustain their quality, safety, energy efficiency, lending and book values. A comprehensive Asset and Liability Register is maintained.

Due to continuing pressures on both income and expenditure, there remains a strong organisational focus on managing the risks to Framework's financial position. In particular, the combination of static / reduced contract values and an organisational aspiration to increase the real value of salaries - not least to aid recruitment and retention, is an increasing pressure. During 2024/'25 we have embedded procedures to reduce losses from voids, maximise the collection of HB-ineligible service charges, reduce the use of agency staff, utilise new technology and further rationalise the design and delivery of services. These measures at the front-line are accompanied by further steps to drive efficiency in 'back office' functions through reductions in the cost of office furniture, training and professional fees. We have achieved a substantial reduction in the cost of maintaining liquidity by negotiating Revolving Credit Facilities and other changes in treasury management

Reserves

Reserves are retained at a level that allows Framework to continue providing and further developing its services, whilst managing the risks associated with future growth plans. The budget and thirty-year forecast are reviewed and re-set annually to achieve this.

After deduction of grant liabilities Framework had net assets of £34.04 million at 31st March 2025 (2024: £31.11m). The majority of these (£30.48m in 2025) comprise the equity in fixed assets (nearly all of which is housing stock) leaving £3.56 million of free reserves. This is just 6.0% of operating expenditure but liquidity is supported by the availability of loans and Revolving Credit Facilities, both managed tightly to control the cost of resourcing the development programme as and when funds are needed to deliver it.

Impairment

The Board has considered whether any impairment of assets should take place. After reviewing the potential indicators including empty properties, any increases in voids or falls in rental income it concluded that there is no need for a write down of any carrying value.

STRATEGIC REPORT (continued)

FINANCIAL REVIEW OF THE YEAR (continued)

Capital Structure and Treasury Policy

Framework's long-term borrowings are 20 to 25-year loans, at a combination of fixed and variable interest rates, from NatWest and Charity Bank. The value of loans outstanding at 31st March 2025 has been reduced, compared to 2024, by the establishment of an additional Revolving Credit Facility (RCF) worth £4.6 million (undrawn to date) and by loan repayments. The role of RCFs in the Treasury Strategy is to replace existing variable rate borrowing to sustain liquidity whilst minimising its cost. This was a significant factor in the improved financial out-turn for 2024/'25. In addition, our future growth plans will be part-funded by lending from a new counterparty - CAF Bank, which was finalised during the year.

Cash-flow remains strong with all banking covenants met and the projections show continued compliance. The year-end cash balances were slightly below LTFP forecasts due the timing of development schemes and their accompanying grants. Our reserves will continue to be invested primarily in asset management and property development during 2025/'26. Drawing on specialist professional advice, the Board has updated the Treasury Strategy to inform future investment and financing decisions.

Going Concern

After making appropriate enquiries the Board believes that Framework has sufficient funding in place, and expects the Association to be compliant with its debt covenants even in the event of severe but plausible downside scenarios. The Board is confident that Framework will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements. Therefore, the statements have been prepared on a 'Going Concern' basis.

INTERNAL CONTROLS ASSURANCE

The Board is responsible for ensuring that Framework has adequate systems in place to deliver effective and efficient operations, reliable internal and external reporting, and compliance with applicable laws & regulations and internal policies. The existence of such adequate systems should mean that the most significant risks to the achievement of the Association's objectives are recognised, managed and minimised. Acknowledging that no system can eliminate all risk, the internal controls must provide reasonable assurance of the identification and effective management of the major risks.

The Board has again considered and updated its Risk Appetite Statement, in the light of which the Senior Leadership Team periodically reviews the Risk Register and Heat Map. The outcomes inform oversight of risk identification and management by the Audit and Risk Management (ARM) Committee. Any necessary steps arising from this are enacted directly within the authority of the Committee or senior leaders, or recommended to the Board.

STRATEGIC REPORT (continued)

INTERNAL CONTROLS ASSURANCE (continued)

The internal controls framework has been summarised and analysed on a 'Three lines of Defence' model. The following sources of assurance were considered by the Board in reaching its conclusion on the adequacy of the internal control framework: -

- Risk Management Policy in place with active monitoring of the Risk Register by the Audit and Risk Management (ARM) Committee
- Internal management oversight from Framework's Senior Leadership Team
- Regular Review of Key Control Policies overseen by the Corporate Leadership Team
- Performance Assurance Dashboard (PAD) and the reporting of Key Performance Indicators both to the Service Delivery Committee and the Board
- Quality Assurance Framework (QAF) used by all services
- Standard Operating Procedure (SOP) used by core accommodation-based services with adaptations now in development for other services
- Reporting, monitoring and analysis of Serious and Untoward Incidents (SUIs)
- Service User Involvement and Feedback
- Health & Safety Management Systems
- External Quality Management Accreditations (including Cyber Essentials and specialist reviews for Information Security Management and Health & Safety)
- Internal Audit Programme delivered by Mazars and External Audit by Beever & Struthers
- Regulator of Social Housing rating G1 / V2 (March 2024) with annual self-assessment against the Standards
- Annual self-assessments against the National Housing Federation Code of Governance and the Housing Ombudsman's Complaint Handling Code
- Fraud Policy and Whistleblowing Policy

At its meeting on 15th May 2025, the Board considered the effectiveness of Framework's internal control systems in managing the most significant risks to the delivery of the Association's Corporate Objectives. It affirmed its satisfaction that:

- There is sufficient evidence to confirm that adequate systems of internal control existed throughout the 2024/'25 financial year and that these systems remain in operation;
- These systems are aligned to an ongoing process for the management of the most significant risks faced by the Association;
- They provide reasonable assurance that the financial and operational information produced by the Association is reliable, and that its assets and interests are safeguarded;
- There are no weaknesses in the controls that are sufficiently serious to cause a mis-statement or material loss that would require disclosure in the financial statements.

Fraud Management

Framework has a Code of Conduct and other policies designed to reduce the risk of fraud in relation to the activities of Board Members, management and staff. The Association complies with relevant regulatory requirements in this respect. A register is maintained of all actual and attempted frauds, and this is presented annually to the Board. The Chief Executive is required to bring to the Board's attention, any significant fraud that may occur during the year.

STRATEGIC REPORT (continued)

Self-Appraisal by the Board and Committees

The Board and its Committees self-appraise their own performance and Framework's compliance with the legal and regulatory frameworks in which it operates. This is supported by a Protocol on Regulatory Reporting, and by the Internal Controls Assurance Register that provides a check on compliance, monitored by the Audit and Risk Management Committee.

PUBLIC BENEFIT AND FUNDRAISING ACTIVITIES

As a Registered Charity, Framework is subject to the provisions of the Charities Acts 2011 and 2016. These create an obligation to demonstrate explicitly that the organisation's aims are for the public benefit. The Board is satisfied that by providing services to homeless, vulnerable and excluded people in furtherance of its charitable objects as described above, Framework is complying with its public benefit duty.

Framework raises funds directly from the public to resource aspects of its activity that aren't covered from statutory sources. This work is carried out by a specialist team of salaried employees, supported by volunteers. Third party professional fundraisers are not involved.

Framework is registered with the Fundraising Regulator and continues to comply fully with its Fundraising Promise. No complaints were received about fundraising activity during the year. To protect vulnerable people and others Framework does not employ cold calling for fundraising, nor are supporters approached more than three times per annum. Targeted 'asks' are restricted to those who have already indicated their support for the organisation.

Approved by the Board on 17th July 2025 and signed on its behalf by:



Ruth Hawkins (Chair)

BOARD REPORT

BOARD MEMBERSHIP

The members below, who are considered directors for Company Law purposes, have served in office from 1st April 2024 to the date of this report except where otherwise indicated.

Ruth Hawkins	Chair		
Louise Harris	Chair of Audit and Risk Management Committee		
Catherine Arkley	Chair of Governance, Remuneration & Appraisal Committee		
Marcus Beale	Appointed as Chair of the Service Delivery Committee (12.09.2025)		
Tom Jackson	Appointed 01.01.2025		
Jane Bathea	Appointed 01.01.2025		
Holly Dagnall	Alan Davies	Neil Jones	Sheona MacLeod
Rob Main	Brigitte Scammell	Paddy Tipping	

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE BOARD REPORT, AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, the Directors Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), FRS 102 *the Financial Reporting Standard applicable in the UK and Republic of Ireland.*

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company, and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they intend either to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the association's transactions, to disclose with reasonable accuracy at any time the financial position of the association and enable them to ensure that the financial statements comply with the:

- Companies Act 2006
- Housing and Regeneration Act 2008 and
- Accounting Direction for Private Registered Providers of Social Housing 2022.

Directors are responsible for internal control as they determine is necessary, enabling the preparation of financial statements that are free from material misstatement, whether due to fraud or error. They have general responsibility for taking such steps as are reasonably open to them to safeguard the association's assets and to prevent and detect fraud and other irregularities.

BOARD REPORT (continued)

DIRECTORS' INDEMNITY

Appropriate Directors' and Officers' Liability Insurance cover is in place in respect of all the Association's directors.

POLITICAL DONATIONS AND EXPENDITURE

No political donations were made in the year ended 31st March 2025 (2024 - £ nil) and there was no other expenditure on political activity in the year (2024 - £ nil).

EMPLOYMENT

Framework aspires to retain a diverse workforce with the skills and understanding to achieve its goals by the provision of quality services responsive to a range of individual needs. At 31st March 2025, 11.90% of the workforce was registered as disabled (2024 – 12.49%). On the same date 23.02% of the workforce was defined as Black, Asian, Minority Ethnic and Refugee (BAMER) (2024 – 21.35%). When calculating these statistics, the 10.05% of respondents who chose not to share this information are included in the total denominator but excluded from the numerator categories reported above.

Framework is committed to involving its employees in the planning and development of services through staff consultation, employee surveys, information-sharing and staff communication. The Staff Council, meeting six times per annum, is a formal structure through which leaders consult with elected employees and trade union representatives to inform them of, and discuss, changes affecting the organisation and its employees. Direct consultation occurs wherever there are changes that fundamentally affect the work of staff.

FINANCIAL INSTRUMENTS

The Association does not enter into any hedging transactions. It does not have any abnormal exposure to price movements, changes in credit conditions, liquidity constraints or cash flow risks arising from its trading activities.

AUDITOR

Beever and Struthers Limited were re-appointed as Framework's external auditor during the year.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors have taken all necessary steps to make the auditor aware of any relevant audit information and to establish that they are aware of that information. As far as the directors are aware, there is no relevant audit information of which the Association's auditor is unaware.

Approved by the Board on 17th July 2025 and signed on its behalf by:



Ruth Hawkins (Chair of the Board)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRAMEWORK HOUSING ASSOCIATION

Independent Auditor's Report to Framework Housing Association

Opinion

We have audited the financial statements of Framework Housing Association (the 'Company') for the year ended 31 March 2025 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies in note 1. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2025 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRAMEWORK HOUSING ASSOCIATION (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRAMEWORK HOUSING ASSOCIATION (continued)

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 30, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the Company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Companies Act 2006, the Statement of Recommended Practice for registered housing providers (Housing SORP 2018), the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022, tax legislation, health and safety legislation and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed the controls the Board has in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board has in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRAMEWORK HOUSING ASSOCIATION (continued)

- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws and regulations related to the construction and provision of social housing recognising the regulated nature of the Company's activities.
- We reviewed financial statements & disclosures and tested the supporting documentation to assess compliance with the relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

Use of our report

This report is made solely to the Company's Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Members as a body, for our audit work, for this report, or for the opinions we have formed.

Richard Graham

Richard Graham (Senior Statutory Auditor)
For and on behalf of Beever and Struthers
Statutory Auditor

One Express
1, George Leigh Street
Manchester M4 5DL

Date: 21 August 2025

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31st MARCH 2025

	Note	2024/25	2023/24
		£000	£000
Turnover	3	61,936	57,264
Operating expenditure	3	(58,839)	(55,516)
Operating surplus	3	3,097	1,748
Surplus on disposal of property		133	-
Finance income	5	228	182
Interest and financing costs	6	(517)	(613)
Surplus for the year		2,941	1,317
Actuarial (loss)/gain in respect of pension schemes	16	(11)	4
Total comprehensive income for the year		2,930	1,321

The results all relate to continuing activities.

The accompanying notes form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31st MARCH 2025

	Note	2024/25	2023/24
		£000	£000
FIXED ASSETS			
Tangible assets:			
Property, Plant and Equipment	11	102,416	96,818
Depreciation	11	(18,446)	(16,941)
		83,970	**79,877**
CURRENT ASSETS			
Debtors	12	4,379	3,700
Cash and Investments	13	8,544	6,020
		12,923	9,720
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	14	(9,364)	(7,510)
NET CURRENT ASSETS		**3,559**	**2,210**
TOTAL ASSETS LESS CURRENT LIABILITIES		**87,529**	**82,087**
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR			
Deferred government grants	15b	45,117	40,900
Long Term Loans	15a	8,369	10,074
Defined benefit pension liability	16	-	-
		53,486	50,974
NET ASSETS		**34,043**	**31,113**
CAPITAL AND RESERVES			
Called up Share Capital	17	-	-
Equity in Housing Properties & Other Fixed Assets	23	30,484	28,903
Liquid Reserves	23	3,559	2,210
		34,043	**31,113**

The financial statements on pages 36 to 59 were approved and authorised for issue by the Board and signed on its behalf on 17th July 2025 by

Ruth Hawkins Chair

Andrew Redfern Chief Executive

Suzanne Williamson Company Secretary

STATEMENT OF CHANGES IN RESERVES

INCOME & EXPENDITURE RESERVES

	Note	Equity in Housing Properties & Other Fixed Assets	Liquid Reserves	Total Reserves
		£000	£000	£000
At 1st April 2024		28,903	2,210	31,113
Surplus for year		-	2,941	2,941
Actuarial loss in respect of pension schemes	16	-	(11)	(11)
Reserves Transfer		1,581	(1,581)	-
Revenue Reserves as at 31st March 2025		30,484	3,559	34,043
		£000	£000	£000
At 1st April 2023		24,396	5,396	29,792
Surplus for year		-	1,317	1,317
Actuarial gain in respect of pension schemes	16	-	4	4
Reserves Transfer		4,507	(4,507)	-
Revenue Reserves as at 31st March 2024		28,903	2,210	31,113

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31st MARCH 2025

	Note	2024/25	2023/24
		£000	£000
Cash generated from operating activities			
Surplus for the year		2,941	1,317
Adjustment for non cash items			
Depreciation of property, plant and equipment	11	1,632	1,686
(Increase)/Decrease in Debtors	12	(679)	(1,320)
Increase/(Decrease) in Creditors	14	1,771	1,968
Pension costs less contribution payable	16	143	128
(Profit) on disposal of property, plant and equipment	-	(133)	-
Government grants utilised in the year	15b	(536)	(619)
Interest received		(228)	(182)
Interest payable		517	613
Amounts charged to financing costs	16	(143)	(124)
Cash generated by operating activities		**5,285**	**3,467**
Cash flows from investing activities			
Purchase of property, plant and equipment	11	(5,898)	(4,229)
Proceeds from the sale of property, plant and equipment		305	-
Grants received		4,809	1,435
Interest received	5	228	182
Net cash flows from investing activities		(556)	(2,612)
Cash flows from financing activities			
Interest Paid	6	(517)	(613)
New Loans		75	1,200
Loan repayments		(1,752)	(4,074)
Net cash flows from financing activities		(2,194)	(3,487)
Net(decrease)/increase in cash and cash equivalents		**2,535**	(2,632)

	Note	2024/25	2023/24
		£000	£000
Cash and cash equivalents at beginning of year	13	6,020	8,652
Net (decrease)/increase in cash and cash equivalents		2,535	(2,632)
Cash and cash equivalents at end of year	13	**8,555**	**6,020**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2025

1 ACCOUNTING POLICIES

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

General information and basis of accounting

The financial statements have been prepared under the historical cost convention, and where applicable 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 2018 (SORP), the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing 2019. Framework Housing Association is a public benefit entity, as defined in FRS 102 and applies the relevant paragraphs prefixed 'PBE' in FRS 102.

(b) Turnover and Operating Costs

Turnover represents rent and service charges receivable (net of rent and service charge losses from voids) in respect of supporting people and community care contracts, revenue grants receivable, amounts receivable in respect of service level agreements and donations.

Service charge income is recognised when expenditure is incurred as this is considered to be the point at which the service has been performed and the revenue recognition criteria met.

Operating costs incurred in the delivery of these services comprise expenditure on services, management, bad debts, fund-raising, publicity and depreciation.

(c) Property, plant and equipment - housing properties

Housing properties are stated at cost 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.

Expenditure on existing housing properties is capitalised when an identifiable component is replaced and this replacement cost is more than £5,000. Expenditure incurred on the acquisition of furniture and equipment will be recorded in the Statement of financial position where the purchased cost per item is £5,000 or more, or, where the aggregate cost of items in a single capital project, is greater than £5,000.

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.

A full years depreciation is charged on assets in the year of purchase, but no charge is made in the year of disposal.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2025

1 ACCOUNTING POLICIES (CONTINUED)

(c) Property, plant and equipment - housing properties (continued)

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.

Land	nil
Buildings- Superstructure	1.25%
Buildings-Roof	2%
Buildings-Heating Systems	2.5%
Buildings - Electrical systems	3%
Buildings - Fixtures & Fittings	5%
Furniture and Equipment	33%

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 the Statement of Comprehensive Income.

Leaseholders

Where the rights and obligations for improving a housing property reside with the leaseholder or tenant, any works to improve such properties incurred by the Association is recharged to the leaseholder and recognised in surplus or deficit in the Statement of Comprehensive Income along with the corresponding income from the leaseholder or tenant.

(d) 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.

Impairment indicators used by the Association are: empty properties without an agreed plan to bring into use, permanent increase in voids, or reduction in rental income.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2025

1 ACCOUNTING POLICIES (CONTINUED)

(e) Social Housing Grant and other Government Grants

Where grants are received from government agencies such as Homes England, 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.

(f) 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.

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.

(g) Leased assets

At inception the Association 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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2025

1 ACCOUNTING POLICIES (CONTINUED)

(h) 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.

(i) Taxation

The Association is a registered charity and is exempt from any corporation tax liabilities on its charitable activities.

(j) Pensions

Multi-employer defined benefit pension scheme- NHS

The Association participates in a 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. This defined benefit scheme is closed to new members and was set up to preserve pension arrangements for staff transferring in to the Association under TUPE Legislation.

Local Government Pension Scheme- Nottinghamshire Local Government Pension Scheme

The Association 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. Remeasurement 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 Association, 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. This defined benefit scheme is closed to new members and was set up to preserve pension arrangements for staff transferring in to the Association under TUPE legislation.

Defined Contribution Scheme - Scottish Widows

The Association 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. This scheme is open to all staff members in accordance with Auto-Enrolment legislation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2025

1 ACCOUNTING POLICIES (CONTINUED)

(k) Supported housing and other managing agents

Where the Association has ownership of a supported housing or other scheme but also has an agreement with a third party to manage the scheme (including Supporting People funded schemes or services), where there has been a substantial transfer of the risks and benefits attached to the scheme to the third party, any scheme revenue and expenditure is excluded from these financial statements.

(l) Financial Instruments

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

Financial assets carried at amortised cost

Financial assets carried at amortised cost comprise rent arrears, trade and other receivables and cash and cash equivalents. Financial assets are initially recognised at fair value plus directly attributable transaction costs. After initial recognition, they are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. If there is objective evidence that there is an impairment loss, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced accordingly. A financial asset is derecognised when the contractual rights to the cash flows expire, or when the financial asset and all substantial risks and reward are transferred. If an arrangement constitutes a financing transaction, the financial asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial liabilities carried at amortised cost.

The 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.

Cash and cash equivalents

Cash and cash equivalents comprise cash on 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. For the purposes of the cash flow statement cash, the current account and the deposit accounts are considered to be liquid resources.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2025

1 ACCOUNTING POLICIES (CONTINUED)

(m) Bad Debt Provisions

The Association's bad debt policy is to provide for 100% of debtors where there is strong evidence of non-collection, 25% of rent and eligible service charges and 75% of ineligible service charges which are still outstanding after the deduction of cash received in the new financial year.

(n) Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

(o) Value Added Tax (VAT)

The Association charges VAT on some of its income and is able to recover part of the VAT it incurs on expenditure. All amounts disclosed in the accounts are inclusive of VAT to the extent that it is suffered by the Association and not recoverable.

(p) Designated Reserves

With regard to paragraph 18.7 of the SORP, our Reserves are presented in line with the Charity SORP paragraph 10.91 which is considered more appropriate to Framework as a registered charity and to support our reliance on charitable donations. This treatment is considered appropriate to provide donors and potential donors with a more accurate presentation of Framework's financial position.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2025

2 SIGNIFICANT MANAGEMENT JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Significant management judgements

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

Impairment of social housing properties

Management has 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.

Estimation uncertainty

The Association 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.

Provisions

Provision is made for dilapidations. This provision requires management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, the timing of the cash flows and the discount rates used to establish net present value of the obligations require management's judgement.

Defined benefit pension scheme

The association has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2025

3 TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

	2024/25	2023/24
TURNOVER	**£000**	**£000**
Rent and service charges receivable	23,393	21,064
Community care contracts	1,669	1,416
	25,062	**22,480**
Statutory revenue income (Note 4)	17,952	16,002
Housing Related Support contracts	14,018	12,879
Amortised government grant	537	619
Specific charitable income (Note 4)	1,638	1,817
	59,207	**53,797**
Non specific charitable giving (Note 4)	580	689
Other	2,149	2,677
TOTAL TURNOVER	**61,936**	**57,163**
OPERATING COSTS		
Services	40,618	38,302
Management	11,170	10,391
Maintenance	4,519	4,356
Development	259	289
Fund raising	393	290
Bad debts	248	202
Depreciation	1,632	1,686
TOTAL OPERATING COSTS	**58,839**	**55,516**
OPERATING SURPLUS FOR THE YEAR	**3,097**	**1,647**
Analysis of Voids	**£000**	**£000**
Voids from lettable properties	2,357	2,451
Total Voids	**2,357**	**2,451**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2025

3a PARTICULARS OF TURNOVER, OPERATING EXPENDITURE AND OPERATING SURPLUS

	2024/25 Turnover £000	2024/25 Operating Expenditure £000	2024/25 Operating Surplus/(Deficit) £000
Social Housing Lettings (Note 3b)	30,468	28,123	2,345
Other Social Housing Activities			
Charges for support services	11,892	11,733	159
Total Social Housing	42,360	39,856	2,504
Activities other than Social Housing	19,576	18,983	593
Total Non- Social Housing	19,576	18,983	593
Total	61,936	58,839	3,097

3a PARTICULARS OF TURNOVER, OPERATING EXPENDITURE AND OPERATING SURPLUS

	2023/24 Turnover £000	2023/24 Operating Expenditure £000	2023/24 Operating Surplus/(Deficit) £000
Social Housing Lettings (Note 3b)	27,886	26,794	1,092
Other Social Housing Activities			
Charges for support services	12,694	12,658	36
Total Social Housing	40,580	39,452	1,128
Activities other than Social Housing	16,684	16,064	620
Total Non- Social Housing	16,684	16,064	620
Total	57,264	55,516	1,748

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2025

3b PARTICULARS OF TURNOVER AND OPERATING EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	Social Housing 2024/25	Social Housing 2023/24
Income	**£000**	**£000**
HB eligible rent & service charges	24,175	21,650
HB ineligible rent & service charges	886	831
Amortised government grants	527	592
Other grants	4,880	4,813
Turnover from Social Housing Lettings	**30,468**	**27,886**
Operating Expenditure		
Management	7,568	6,182
Service Charge Costs	12,049	11,487
Routine Maintenance	3,945	4,283
Planned Maintenance	1,132	1,259
Bad Debts	247	202
Depreciation of housing properties	1,324	1,305
Depreciation of other tangible fixed assets	215	289
Other costs	1,643	1,787
Operating Expenditure on Social Housing Lettings	**28,123**	**26,794**
Operating Surplus	**2,345**	**1,092**
Void Losses	**2,357**	**2,451**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2025

4 GRANTS AND DONATIONS RECEIVABLE

	2024/25	2023/24
	£000	£000
STATUTORY SOURCES		
Leicester, Leicestershire & Rutland Councils (Edwin)	419	415
DLUC - City of Lincoln Council	451	491
DLUC- Nottingham City	613	1,811
DLUC Sheffield	-	34
Nottingham City CDP (MVH)	28	-
Nottingham City Council (Rough Sleepers)	692	551
Nottingham City CDP (Clean Slate)	-	519
Nottingham City CDP (Nottingham Recovery Network)	9,530	6,837
Nottingham City CDP (Edwin)	323	286
Nottingham City CCG Mental Health & Wellbeing	-	606
Nottingham City CDP (HALT)	112	100
Sheffield City Council (Street outreach/SMHIS)	217	273
DLUC - Ashfield DC (SOT County)	729	380
Ashfield DC	142	-
Homes England (RSAP)	602	488
Other Statutory Grants	4,094	3,211
Total	**17,952**	**16,002**
SPECIFIC CHARITABLE SOURCES		
Big Lottery	152	-
SSBC (Family Mentor & Aspley Mentor)	1,279	1,447
MIND	138	-
Other Specific Grants	69	370
Total	**1,638**	**1,817**
OTHER GRANTS AND DONATIONS		
Grants and Donations	580	689
Total	**580**	**689**
Grand Total	**20,170**	**18,508**

Most statutory and charitable grants are restricted to the delivery of specific services as determined by the funders.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2025

5 FINANCE INCOME

	2024/25	2023/24
	£000	£000
Bank interest receivable	228	182
	228	182

6 INTEREST AND FINANCING COSTS

	2024/25	2023/24
	£000	£000
Bank loans and overdrafts	531	694
Costs associated with financing	-	-
Net interest on defined benefit liability (Note 16)	(14)	- 2
	517	692
Borrowing costs capitalised	-	(79)
	517	613

7 SURPLUS FOR THE YEAR

	2024/25	2023/24
	£000	£000
Surplus for the year is stated after charging:		
Depreciation on housing properties	1,352	1,383
Depreciation on other fixed assets	281	302
External Auditor's Remuneration (excluding VAT)		
- Audit-related assurance services	31	31
Operating lease charges on land and buildings	2,439	2,009
Operating lease charges on other assets	253	214

8 TAXATION

No taxation charge arises as the Association is an exempt charity and only undertakes charitable activities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2025

9 STAFF COSTS

	2024/25 £000	2023/24 £000
Staff costs including directors:		
Wages and salaries	29,812	27,841
Redundancy costs	384	73
Social security costs	2,518	2,239
Other pension costs	1,150	1,074
Total	**33,864**	**31,227**

The full Time Equivalent number of staff who received emoluments, including pension contribution, in excess of £60,000 are shown below.

	2024/25 No.	2023/24 No.
Salary Band £000		
60,000 - 69,999	11	7
70,000 - 79,999	2	1
80,000 - 89,999	1	-
90,000 - 99,999	2	3
100,000-109,000	2	1

Average number of full time equivalent persons (FTE) employed:	2024/25 No.	2023/24 No.
Supported Housing	350	383
Tenancy Sustainment	175	132
Fundraising and Communications	15	15
Management and Administration (Central Office)	82	82
Care Home	57	61
Non Housing related service staff	253	232
Average number of FTE employees during the year	**932**	**905**

The basis of the calculation of full time equivalents is the average of contracted employees at each year end.

10 DIRECTORS' REMUNERATION AND TRANSACTIONS

Key management personnel remuneration

	2024/25 £000	2023/24 £000
Directors who are executive staff members		
Wages and salaries	523	511
Loss of Office payment	-	-
Social security costs	61	59
Other pension costs	24	24

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2025

10 DIRECTORS' REMUNERATION AND TRANSACTIONS (Continued)

Board Members

No remuneration was paid to board members in their capacity as directors of the Association. Incidental travel expenses are claimed in order for the board to carry out their duties. Travel expenses paid to board members to 31st March 2025 were £186 (2024 £306)

Remuneration of the highest paid director, excluding pension contributions

	2024/25 £000	2023/24 £000
Emoluments	106	102

11 PROPERTY, PLANT AND EQUIPMENT

	Properties in Management	Properties in Development	Plant and Equipment	Total
	£000	£000	£000	£000
COST				
At 1st April 2024	91,944	2,123	2,751	96,818
Additions during the year	191	4,429	483	5,103
Capitalised Repairs	795	-	-	795
Transferred on completion	1,406	(1,406)	-	-
Disposals during the year	(300)	-	-	(300)
Total at 31st March 2025	**94,036**	**5,146**	**3,234**	**102,416**
DEPRECIATION				
At 1st April 2024	14,413	-	2,528	16,941
Charge for the year	1,352	-	281	1,633
Disposals during the year	(128)	-	-	(128)
Total at 31st March 2025	**15,637**	**-**	**2,809**	**18,446**
NET BOOK VALUE				
At 1st April 2024	**77,531**	**2,123**	**223**	**79,877**
At 31st March 2025	**78,399**	**5,146**	**425**	**83,970**

Included in properties in management is Anvil House (formerly "Scotter House") which is subject to a 60 year lease at a net book value of £1,590k.

Expenditure on own properties	2024/25 £000	2023/24 £000
Capitalised development costs	5,415	3,661
Repairs and Maintenance charged to operating expenditure	2,126	1,998
Total expenditure on own properties	**7,541**	**5,659**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2025

12 DEBTORS

	2024/25 £000	2023/24 £000
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Rent, service, support and community care charges (Note below *)	1,782	1,200
Less: Provision for bad debts	(271)	(268)
Net rent, service and support charges	**1,511**	**932**
Prepayments and accrued income	1,548	1,179
Grants and loans receivable	1,320	1,589
Other taxation and social security	-	-
Debtors at 31st March	**4,379**	**3,700**

* No disclosure has been made of the amount of the net present value adjustment where a repayment schedule is in place as the amount is considered to be minimal.

13 CASH AND INVESTMENTS

	2024/25 £000	2023/24 £000
Cash	199	156
Cash and cash equivalents	8,345	5,864
Cash and Investments at 31st March	**8,544**	**6,020**

14 CREDITORS

AMOUNTS FALLING DUE WITHIN ONE YEAR	2024/25 £000	2023/24 £000
Accruals and deferred income	5,262	3,849
Trade creditors	2,928	2,378
Other creditors	23	97
Other taxation and social security	35	153
Government grants (Note 15b)	656	601
Principal Loan repayments (Note 15a)	460	432
Creditors at 31st March	**9,364**	**7,510**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2025

15 CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2024/25 £000	2023/24 £000
Long Term Loans	8,369	10,074
Deferred Government Grants	45,117	40,900
	53,486	**50,974**

The loans are secured on freehold housing properties with a carrying value of £24,517k.
These freehold properties provide a total of 385 units of accommodation. Interest is payable at variable rates between 2.86% - 6.35%
The total accumulated amount of capital grants received at the balance sheet date is £54,099,967

15a Loan analysis

	2024/25 £000	2023/24 £000
Loans repayable by instalments		
Within one year or less	460	432
More than one year but not more than two years	425	479
More than two years but not more than five years	1,501	1,668
More than five years	6,443	7,927
	8,829	**10,506**

15b Deferred government grant

	2024/25 £000	2023/24 £000
Deferred capital grant as at 1st April	41,500	40,684
Grants received in the year	4,809	1,435
Grant repayments during the year	0	0
Amortised to Statement of Comprehensive Income	(536)	(619)
Deferred capital grant as at 31 March	**45,773**	**41,500**
Amount to be released within one year	656	600
Amount to be released after one year	45,117	40,900

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2025

16 PENSION OBLIGATIONS

1 Defined contribution pension scheme

The Association operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Association in an independently administered fund.
The total expense charged to Statement of Comprehensive Income in the year to 31st March 2025 was £1,061k (2024 £981k)

2 Defined Benefit Scheme - NHS Scheme

The NHS pension scheme is an unfunded, defined benefit scheme that covers NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The cost to the Association participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period. The total expense charged to Statement of Comprehensive Income in the year to 31st March 2025 was £15k (2024 £18k)

3 Local Government Pension Scheme - Nottinghamshire Pension Scheme

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate funds administered by Nottinghamshire Local Authority. The total contributions made for the year ended 31st March 2025 were £99k (2024 £102k), of which employer's contributions totalled £74k (2024 £75k) and employees contributions totalled £25k (2024 £27k). The agreed contribution rates for future years are 19.0% (2024 19.0%) for employers and range from 5.5% to 6.8% for employees, depending on salary.

The following information is based upon a full actuarial valuation of the fund at 31st March 2022 by a qualified independent actuary.

	At 31st March 2025	At 31st March 2024
	%	%
Rate of increase in salaries	3.85%	3.90%
Rate of increase for pension in payment/inflation	2.85%	2.90%
Discount rate for scheme liabilities	5.85%	4.95%
Inflation assumption (CPI)	2.85%	2.90%

It has been assumed that members will exchange half their commutable pension for cash at retirement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2025

16 PENSION OBLIGATIONS (continued)

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	At 31st March 2025	At 31st March 2024
Retiring today	Years	Years
Males	20.4	20.8
Females	23.3	23.6
Retiring in 20 years		
Males	21.7	22.1
Females	24.7	25.1

The estimated asset allocation for the Association as at 31 March 2025 is a follows:

	At 31st March 2025	At 31st March 2024
Equities	55%	59%
Gilts	5%	3%
Other Bonds	7%	5%
Property	10%	11%
Cash	5%	6%
Inflation-linked pooled fund	7%	5%
Infrastructure	7%	8%
Private Equities	3%	3%
Total	**100%**	**100%**

Analysis of the amount charged to operating costs in the Statement of Comprehensive Income.

	At 31st March 2025	At 31st March 2024
	£000	£000
Employer service cost (net of employee contributions)	(2)	(5)
Total operating charge	(2)	(5)
Analysis of pension finance income/(costs)		
Expected return on pension scheme assets	(143)	(124)
Interest on pension liabilities	129	122
Amounts (credited)/charged to financing costs	(14)	(2)
Amount of gains and losses recognised in the Statement of Comprehensive Income		
Actuarial gains on pension scheme assets.	506	66
Actuarial gains/(losses) on scheme liabilities	(152)	163
Adjustment for gains not recognised	(365)	(225)
Actuarial (loss)/gain recognised	(11)	4

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2025

16 PENSION OBLIGATIONS (continued)

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

	At 31st March 2025	At 31st March 2024
Movement in surplus/(deficit) during year	**£000**	**£000**
(Deficit) in scheme at 1 April	0	0
Employer service cost	(76)	(80)
Employer contributions	74	75
Return on assets	(171)	12
Remeasurements	173	(7)
Surplus/(Deficit) in scheme at 31 March	0	0

Asset and Liability Reconciliation

	At 31st March 2025	At 31st March 2024
	£000	**£000**
Opening defined benefit obligation	2,615	2,604
Service Cost	76	80
Interest Cost	129	122
Change in financial assumptions	(464)	(79)
Change in demographic assumptions	(40)	-
Experience (gain)/loss on defined benefit obligation	(2)	13
Estimated benefits paid net of transfers in	(32)	(152)
Past service costs, including curtailments	-	-
Contributions by Scheme participants and other employers	25	27
Closing defined benefit obligation	2,307	2,615
Assets at start of period	2,850	2,614
Interest on assets	143	124
Return on assets less interest	(152)	163
Other actuarial (losses)	-	-
Administration Expenses	(1)	(1)
Contributions by employer including unfunded	74	75
Contributions by Scheme participants and other employers	25	27
Estimated benefits paid net of transfers in	(32)	(152)
Settlement prices received/(paid)	-	-
Assets at end of period	2,907	2,850
Actual return on plan scheme assets	(9)	287

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2025

17 CALLED UP SHARE CAPITAL

The Association is a company limited by guarantee and does not therefore have any share capital.

18 RELATED PARTY TRANSACTIONS

There are no related party transactions to disclose. All procurement negotiations for goods and servies are carried out on normal commercial terms.

19 CAPITAL COMMITMENTS

	2024/25 £000	2023/24 £000
Capital expenditure contracted for at 31st March but not provided for in the financial statements	4,443	4,588
Less funding allocations	(1,375)	(3,939)
Internal funding commitment	**3,068**	**649**

20 OTHER FINANCIAL COMMITMENTS

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

	2024/25 Land and Buildings £000	2024/25 Other £000	2023/24 Land and Buildings £000	2023/24 Other £000
Operating leases which expire:				
Within one year	2,439	253	2,009	214
Within two to five years	2,012	55	1,308	55
After five years	44	55	558	55
	4,495	**363**	**2,998**	**431**

21 HOUSING STOCK

NUMBER OF UNITS IN MANAGEMENT	2024/25	2023/24
Social Housing	**No.**	**No.**
Social rent supported housing	1,076	1,037
Affordable rent supported housing	103	123
Care Homes	63	63
Social housing units managed but not owned	86	86
TOTAL	**1,328**	**1,309**

RECONCILIATION OF MOVEMENT OF UNITS IN MANAGEMENT	2024/25	2023/24
	No.	**No.**
Opening Units in Management	**1,309**	**1,224**
Newly built rental accommodation	8	6
Units purchased by the RP for rent	-	15
All other gains from outside existing social housing stock	53	37
Loss of social housing due to end of lease	(20)	(41)
All other losses to existing housing stock	(20)	(17)
Sales to the open market	(2)	-
Gain of managed units	-	-
Loss of managed units	-	-
Closing Units in Management	**1,328**	**1,309**

22 LEGISLATIVE PROVISIONS

The Association is incorporated under the Companies Act 2006 and is a Registered Social Landlord.

23 RESERVES CALCULATION

	2024/25	2023/24
Total net book value (NBV) of fixed assets	83,970	79,877
Less: Deferred Capital Grants	(45,117)	(40,900)
Less: Loans	(8,369)	(10,074)
Equity in Housing Properties & Other Fixed Assets	**30,484**	**28,903**
Total Reserves Balance	34,043	31,113
Less: Equity in Housing Properties & Other Fixed Assets	(30,484)	(28,903)
Liquid Reserves	**3,559**	**2,210**

In 2024/25, a change has been made in response to feedback from Stakeholders, on the previous use of designated reserves to describe the equity held in Frameworks housing properties. The reserves have been amended to distinguish more clearly between illiquid equity in the properties and other fixed assets and the liquid reserves that are available for day to day use.

FRAMEWORK HOUSING ASSOCIATION

England & Wales - Charity number 1060941

Accounts

FRAMEWORK HOUSING ASSOCIATION

STRATEGIC AND BOARD REPORT

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR TO 31st MARCH 2024

COMPANY REGISTRATION No: 3318404

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INFORMATION AS AT 31st March 2024

THE BOARD:

Ruth Hawkins	Appointed as Chair (previously interim) from 14.09.23.
Patrick Mitchell	Vice Chair (retired 31.03.2024)
Louise Harris	Appointed Chair of Audit and Risk Management Committee (previously interim) from 14.09.2023
Catherine Arkley	Chair of the Governance, Remuneration and Appraisal Committee
Tim Gallimore	Resigned 13.07.2023
Vinay Shankar	Retired 31.03.2024
Alan Davies	Appointed 14.09.2023
Sheona MacLoed	Appointed 14.09.2023
Rob Main	Appointed 14.09.2023
Brigitte Scammell	Appointed 14.09.2023
Neil Jones	Appointed 14.09.2023
Marcus Beale	Appointed 14.09.2023
Paddy Tipping	Holly Dagnall Nigel Turner

SENIOR LEADERSHIP TEAM:

Andrew Redfern	Chief Executive
Claire McGonigle	Deputy Chief Executive
Suzanne Williamson	Director of Finance, Governance and Risk
Dave Smith	Services Director (Retired 31/07/2023)
Steve Watson	Director of Homelessness Services (Appointed 03/07/2023)
Apollos Clifton-Brown	Director of Health and Social Care
Dave Newmarch	Director of Corporate Services

COMPANY SECRETARY:	Suzanne Williamson
REGISTERED OFFICE:	Val Roberts House, 25 Gregory Boulevard, Nottingham NG7 6NX Tel: (0115) 841 7711 E-Mail: info@frameworkha.org
AUDITORS:	Beever and Struthers, One Express, 1 George Leigh Street, Manchester M4 5DL
SOLICITORS:	Actons, 20 Regent Street, Nottingham NG1 5BQ
BANKERS:	National Westminster Bank Plc, Nottingham City Branch 148-149 Victoria Centre, Nottingham NG1 3QT

REGISTERED CHARITY No:	1060941
REGISTERED PROVIDER OF SOCIAL HOUSING No:	LH4 184
COMPANY REGISTRATION No:	331840

The Board Members present their Strategic Report, Board Report and Audited Financial Statements for the year ended 31st March 2024.

STRATEGIC REPORT

PRINCIPAL ACTIVITIES

The principal activities of Framework Housing Association are to provide accommodation, support, care, treatment, training, resettlement, and related services to homeless, vulnerable, and excluded people. At present these activities are carried out mainly in the cities of Nottingham, Lincoln, Leicester & Sheffield and the counties of Nottinghamshire, Derbyshire, Lincolnshire & Northamptonshire.

Framework's Objects, as set out in its Articles of Association, are to carry out the following activities for persons in need who are homeless (or threatened with the prospect of becoming homeless) and/ or suffering from the effects of poverty, sickness, disability, old age, alcoholism, drug addiction, offending behaviour or any other mental or physical infirmity:

- To provide housing, treatment, rehabilitation, education, training and care
- To provide facilities, resources and services to support and/ or benefit them
- To provide, maintain or improve properties to deliver the above services
- To promote further study of the nature, extent and consequences of the above social problems.

Framework's Vision, as set out in the 2022-'27 Corporate Plan is that People experiencing Homelessness and Related Disadvantage are treated with Dignity, Respect and Compassion, and are empowered to reach their full potential.

Framework's Mission Statement is:

'Working to tackle Homelessness, Ill-health, Disadvantage and Exclusion' by:

- Providing holistic, person-centred programmes of housing, health, employment and support
- Challenging systems & influencing their design to deliver integrated services with better outcomes
- Preventing homelessness and its causes
- Advocating for service users and embedding their experience in our work.

ORGANISATION STATUS

Framework is a Registered Charity (no. 1060941) and a Company Limited by Guarantee (no. 331840). In the event of winding up, the liability of each member is limited to £1.

Framework is also a Registered Provider of Social Housing (no. LH4 184). These accounts are prepared in accordance with the Statement of Recommended Practice for Registered Social Housing Providers 2018 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

GOVERNANCE

Board

Framework is governed by a Board which is ultimately responsible for its activities and affairs. The Board members are all Directors of the Company, Trustees of the Charity and Members of the Association. The current members of the Board are listed above. In September 2023 Ruth Hawkins was appointed as the permanent chair, having previously held the position on an interim basis since March 2022. This appointment means that Framework has a credible, experienced Leader providing stability at a time when there is change in the membership of the Board.

STRATEGIC REPORT (continued)

As part of its succession planning strategy, the Board completed a successful recruitment campaign in the summer of 2023. This resulted in the appointment of six new Members. The outcome further strengthens the experience and skills of the Board considering two retirements in March 2024, and further planned retirements in the medium term.

The day-to-day management of the Charity is delegated to its Chief Executive and Senior Leadership Team (SLT), with certain tasks passed to the Corporate Leadership Team (CLT). Other delegations for oversight of relevant activities are made by the Board to the Audit and Risk Management (ARM) Committee and to the Governance, Remuneration and Appraisal (GRA) Committee. The Board has decided to establish a new Service Delivery (SD) Committee with effect from September 2024.

The Board has agreed a list of Key Control Policies (KCPs) that it alone can amend. Changes to other policies can be made by the GRA Committee, the SLT or be delegated to the Corporate Leadership Team (CLT).

The Board meets at least eight times per annum and holds an annual Conference. The standard term of office for each individual Board Member is three years, which may be extended subject to review. In accordance with the National Federation's Code of Governance (2020) Members usually retire after a second three-year term. Exceptionally, the normal six-year limit may be extended to meet specific organisational needs.

Compliance with Regulator of Social Housing's Governance and Financial Viability Standards and Consumer Standards.

In January 2024 Framework was the subject of an In-Depth Assessment (IDA) by the Regulator of Social Housing (RSH). The outcome was that Framework's G1/ V2 rating for compliance with the RSH Governance and Viability Standards was retained.

It is a regulatory requirement and a matter of good practice for Registered Providers of Social Housing to assess their compliance with the RSH Governance, Financial Viability and Consumer Standards. Framework's 2024 self-assessments of compliance with these standards have been received and discussed by the Board. It concluded the organisation is compliant with these standards and there have been no notifiable breaches of them during the year.

Charity Commission Public Benefit Guidance

Framework Board Members have regard to the Charity Commission's public benefit guidance when exercising their powers and duties to which this guidance is relevant. In the view of the Board, Framework's activity continues to deliver public benefit and it has not taken any decision that departs from the guidance during the 2023-'24 financial year.

Code of Governance

Framework has adopted the National Housing Federation's (NHF) Code of Governance 2020. The Board assesses its compliance with the Code on an annual basis. The self-assessment for 2023-'24 concluded that Framework is fully compliant with the NHF Code.

Statement of Board Members' Skills, Qualities and Experience

The role of Board Members is set out in a written profile for the role. The Board Member appraisal process assesses performance against this. The recent Board Member recruitment was informed by a Skills Audit. Its outcome enhanced the housing, asset management and business skills present on the Board, whilst also strengthening the membership of the two Committees.

STRATEGIC REPORT (continued)

Committees of the Board

The Board has established two Committees, both of which have delegated authority to act on its behalf within detailed Terms of Reference. These are set out in appendices to 'Governance in Action' (Framework's Governance Policy). The two Committees are the Audit and Risk Management (ARM) Committee and the Governance, Remuneration and Appraisal (GRA) Committee.

The decisions taken by the ARM Committee relate to the identification and assessment of risks to the achievement of Framework's objectives and the creation and monitoring of systems, policies & procedures to manage them. Its current members are: Louise Harris (Chair), Nigel Turner, Rob Main, Alan Davies and Sheona MacLeod.

The GRA Committee's work focuses on the structures and processes by which Framework is governed, succession planning, skills audit, staff remuneration and the appraisal of Board Members & the Chief Executive. Its current members are: Catherine Arkley (Chair), Holly Dagnall, Paddy Tipping. Marcus Beale, Neil Jones and Brigitte Scammell.

Framework has a Service User Advisory Group (SUAG) through which those using its services can influence the Board's decisions and participate in other aspects of governance. Two Board Members attend the SUAG meetings on a regular basis and there is a standing Board Agenda item to facilitate their feedback. The SUAG may nominate up to two service user representatives at any one time, who are entitled to attend meetings of the Board.

CORPORATE STRATEGY AND OBJECTIVES

Framework's Mission, as set out in its 2022-2027 Corporate Plan is:

'Working to tackle Homelessness, Ill-health, Disadvantage and Exclusion' by:

- Providing holistic, person centred programmes of housing, health, employment & support
- Challenging systems and influencing their design to deliver integrated services with better outcomes
- Preventing homelessness and its causes
- Advocating for service users and embedding their experience in our work

This is to be achieved by providing a range of services resting on four 'pillars' that together give strategic shape to the work of the organisation:

- **Housing**
  We house and support people who are homeless, prevent others from losing their homes and help them to sustain their tenancies, because all need a place to call their home.
- **Health**
  We offer specialist health and clinical services to people with all kinds of health issues, because physical and emotional wellbeing is fundamental to a stable, independent and fulfilling life.
- **Employment**
  These services, including volunteering, build skills and employability, because people need financial stability, a sense of self-worth and control over their future.
- **Support and Care**
  Our support and care services add to the quality and sustainability of life, nurturing confidence, building esteem and engaging people as part of a community, because this makes us all stronger.

STRATEGIC REPORT (continued)

Statement by the Directors in performance of their statutory duties in accordance with Section 172(1) of the Companies Act 2006

The Directors (who are also the Board Members) consider that they have acted in good faith, in the way most likely to promote the success of the organisation for the benefit of its members as a whole (having regard to the stakeholders and matters set out in Section 172 (1) (a-f) of the Act).

The likely consequences of any decision in the long term

Framework has a five-year strategic planning cycle, allowing the long-term consequences of decisions to be considered. The Corporate Plan sets out the organisation's strategic direction through the Vision and Mission Statements, Corporate Objectives, Values, Four Pillars and summaries of the Long-Term Financial Plan (LTFP) with its accompanying Strategies. The Annual Plan and Review records progress against the delivery of the Corporate Plan. The thirty-year LTFP is reviewed and updated on an annual basis and stress-tested against a range of scenarios and risks, enabling the Board to approve mitigation plans and trigger points for these.

The interests of the organisation's employees

Framework recognises the importance of its employees in the delivery of its Mission and Objectives. Corporate Objective Six ('Valuing our People') describes how it seeks to recruit and maintain a skilled, motivated, and resilient workforce that embodies its values and prioritises its service users. Framework uses the 'Investors in People' standard to support the continuing development of its people strategies and employee engagement, to deliver the Corporate Objectives agreed by the Board, promote the interests of its service users and meet their needs.

The need to foster the organisation's business relationships with suppliers, customers and others.

Framework prioritises the needs of its service users, promotes their interests and measures its success by the difference made to their lives. Service users are engaged in its decision-making processes and in wider consultation to support and drive improvement. At strategic level the relationship between the organisation and those who use its services is fostered by Board Members attending those of the Service User Advisory Group (SUAG) and reporting back to the Board; through the invitation for SUAG to be represented at Board Meetings and the annual Board Conference; through joint presentations to the Board by staff & service users and by Board Member visits to services. SUAG is assisted and promoted independently by Service User Empowerment and Advocacy (SEA), a separate organisation contracted by Framework specifically for this purpose.

Framework aims to establish, develop and nurture strong relationships with commissioners and other key stakeholders such as central government departments, local authorities, place-based partnerships, the health & social care communities, police & crime commissioners. Through them it seeks to influence the planning and development of service pathways and networks that are responsive to the range of needs presented by current and future service users.

In relation to suppliers, Framework has a Procurement Policy setting out the principles and practice of its approach, aligned to Corporate Objective Four ('Organisational Strength and Resilience'). It describes how the organisation works with its professional consultants and suppliers, in a spirit of partnership and high business ethics that reflect its Mission and Values.

The impact of the organisation's operations on the community and environment

Framework seeks to make a positive impact in the geographical areas and communities where it operates by providing high quality, 'fit for purpose' accommodation with accompanying complementary services, based on the 'four pillars' approach. The offer can be summarised as providing a safety net for some, a springboard for others and sustained engagement where needed to enhance service users' contribution to the life of the wider community.

STRATEGIC REPORT (continued)

Framework is a point of reference and stability for many who have nowhere else to turn, providing basic emergency assistance, a safe place to stay with access to specialist services, needs and risk assessment. These culminate in the formulation of an integrated plan comprising elements of housing, health, support, and skills for employment, tailored to the individual circumstances of each person. We work closely with local and health authorities to implement their strategies for tackling and preventing homelessness, rough sleeping, social exclusion, health inequality and inactivity.

Framework is striving to reduce the carbon footprint and other negative externalities from its activities. The Asset Management Strategy includes plans for better utilisation of low carbon technologies and greater energy efficiency. The IT Transformation Strategy is accompanied by investment to modernise the delivery of services.

The desirability of the organisation maintaining a reputation for high standards of business conduct

As a Registered Charity and a Registered Provider of Social Housing, Framework seeks to maintain high standards of conduct. The Board carries out annual assessments of its compliance with the RSH Regulatory Standards, NHF Code of Governance and the Housing Ombudsman's Complaints Code. Policies exist to sustain compliance with the requirements of the Charity Commission, Care Quality Commission, Data Protection Office and Health & Safety Executive, with accompanying procedures and internal controls to ensure adherence to all relevant laws and regulations. Framework is committed to the promotion of equality, diversity, inclusion, human rights and the prevention of slavery & human trafficking.

The need to act fairly as between members of the organisation

The organisation's robust approach to governance is set out by 'Governance in Action', with a commitment to comply with relevant laws, regulatory standards, and codes. This Key Control Policy supports the integrity of decision making and focuses it primarily on the needs of service users rather than those of Board members, staff or volunteers.

Principal decisions

In the past financial year, the Board has taken a substantial number of decisions to discharge its responsibilities as listed above. Among those that were material to the strategic priorities of the organisation and/ or its key stakeholder groups, were:

- A review and update of the Long-Term Financial Plan and supporting strategies aligned to the Objectives, with accompanying stress testing, mitigations & triggers to sustain viability.
- Self-assessments of compliance against the RSH Standards, The NHF Code of Conduct and the Housing Ombudsman Complaints Code to maintain high standards of governance and gain assurance on compliance with legal & regulatory requirements.
- A review and update of the Service User Participation Strategy and of the Equality, Diversity, and Inclusion Action Plan to track the progress of their delivery, and reflect new and emerging themes.
- The approval of two new supported housing schemes delivering 30 high-quality self-contained units as part of the programme to develop a total of 50 between April 2023 and March 2025.
- A review of performance against the Value for Money Strategy, measuring the efficiency and effectiveness of how resources are deployed to meet service users' needs.
- Review, update and approval of the following Key Control Policies in accordance with the normal three-year cycle: Whistle Blowing; Safety, Health, Environment and Quality; Governance in Action, Complaints and Compliments (including evaluation and learning) and Risk Management.
- Recruitment and appointment of six new Board Members as part of succession planning, further strengthening the composition and skill-set of the Board.
- Prioritisation of the available resources to maximise the pay award for the fifth successive year as part of a wider recruitment and retention strategy.

STRATEGIC REPORT (continued)

CORPORATE PLANNING

The 2022/'27 Corporate Plan describes a set of circumstances - joined-up responses to severe and multiple disadvantage, which ought to exist, but doesn't. The plan attributes this primarily to deficient national and local policy and strategy. The title **Structure and Systems'** has both internal and external dimensions. It highlights the need for change not only in the external structures and systems that Framework helps its service users to navigate, but also in those by which the organisation carries out its own functions.

The internal aspects include enhancements to governance, leadership, financial planning, risk management, culture and service delivery. A priority for leaders is to find ways of delivering safe and effective services with fewer staff who can be trained, developed and rewarded as professionals. So, whilst continuing to pursue outward-facing opportunities to 'join-up' or complement existing work, Framework will prioritise investment in its own structure & systems to support the modernisation of its work. We are committed to meeting our statutory, regulatory, and contractual obligations whilst simultaneously re-investing to modernise our stock, reduce our carbon emissions and maintain our financial viability.

In September 2023 the Board has appointed a substantive Chair, recruited new Members, completed a review of Governance In Action (Framework's Governance Policy) and successfully maintained Framework's G1 / V2 rating as the outcome of an In-Depth Assessment (IDA) by the Regulator of Social Housing. Building on these achievements, a strengthened Board and Senior Leadership Team are working together to implement the Corporate Plan and monitor delivery against the accompanying targets.

The Plan describes how Framework will work towards the realisation of its Mission over the five years from April 2022 to March 2027. Resting on the four pillars, this activity is driven by six Corporate Objectives, as listed overleaf. The manner of pursuing them continues to be influenced by Framework's values – **'Respond, Respect and Empower'.** Support for these and adherence to them in professional practice, is an attribute that we seek to recruit, nurture and reward in our staff.

PRINCIPAL RISKS AND THE OPERATING ENVIRONMENT

The Association's Risk Register records its principal risks. These can be summarised as:

- Governance – failure to establish and maintain an effective Board with consequent loss or damage to commissioners and stakeholders' confidence in Framework.
- Legal & regulatory compliance – in governance, viability, consumer standards, complaints, health & safety, service user participation, diversity, inclusion and data protection.
- Human resources – such as failure to recruit suitable staff or remain competitive in the labour market, or to engage positively employees and/ or their representatives.
- Finance & treasury management – such as downward pressure on income or increased on staffing, non-staffing, development or interest costs thus affecting covenant compliance.
- Business, contract, and revenue funding – such as the loss of contributing contracts, or failure to secure new, viable services and to innovate within existing service models.
- Asset management & property development – such as failure to optimise the use of our assets through appropriate development, disposal and re-modelling.
- Infrastructure & internal services – such as key system failure, the loss of personal data, contractors failing to meet their obligations and disruption to business continuity.
- Fundraising & Public Relations – such as failure to deliver our fundraising targets or inability to influence external decisions for the benefit of those we serve.

STRATEGIC REPORT (continued)

CORPORATE OBJECTIVES AND ACTIVITY DURING THE YEAR

Framework's activity in the year to March 2024 was directed towards the achievement of the six Corporate Objectives set out in the Corporate Plan. These are:

1. Growth
2. Standards
3. System Change and Joined-Up Services
4. Organisational Strength and Resilience
5. Service User Participation and Empowerment
6. Valuing our People

Each of the six Corporate Objectives is defined below, with summaries of the actions that have been taken to achieve them.

Objective 1: Growth

This Means:

A further increase in the number of people we reach. Subject to their viability, most existing services will continue throughout the period of the Corporate Plan. Some will be enlarged and others complemented by new provision. Growth will be tailored to deepen our offer in existing or contiguous geographical areas and enhance the range of options for service users. It will improve, and not undermine, the quality and standard of our services. A numerical growth target is set for the housing pillar which requires capital investment, but this is not needed for the revenue-dependant Health, Support and Employment Pillars.

To achieve this Growth we will:

- Develop additional units of high-quality, self-contained supported housing.
- Further expand our health, support, and employment provision (subject to funding)
- Strengthen our relationships with commissioners, funders and their partners.
- Withdraw from localities where it has not been possible to establish a viable operating base.
- Pursue opportunities to join-up services through partnership as well as direct provision.
- Utilise new models for asset procurement (including high quality leases where affordable)
- Develop a new Fundraising Strategy to add value to commissioned services.
- Explore the case for a merger if it is demonstrably in the interests of our service users.

In the course of the year, 20 additional homes were developed under the Rough Sleepers Accommodation Programme (RSAP). This targets the group of service users who can't or won't be housed by other landlords. The 2023/'24 completions include 8 new flats at Birkin Avenue and 6 at Premier Road, both in Nottingham. In addition, six flats purchased in the previous year were refurbished and brought into management at South Park in Lincoln.

Two further schemes have begun on-site at High Street in Lincoln and St Matthews House in Nottingham, each comprising 15 units making a total of 30 that are scheduled for completion in 2024/'25. Land has been identified for a third scheme of 20 units, which we hope to commence this year for completion in 2025/'26. All three of these are part-funded with capital and revenue grant through the Single Homelessness Accommodation Programme (SHAP), which will offer longer-term tenancies for people with enduring and complex support needs. The capital budget also includes a component of bank lending and the re-investment of generated surplus, including the proceeds of capital fundraising.

Framework is a member of the Lincolnshire Recovery Partnership that has won the contract to provide the alcohol and substance misuse treatment pathway across the county. Our role targets the most vulnerable people including rough sleepers and those involved with criminal justice. The new pathway will complement existing services, expanding their reach and joining-up delivery with housing-related and specialist floating support.

STRATEGIC REPORT (continued)

Objective 2: Standards

This means:

Our services and systems will be suitable for their intended purposes - such as emergency or specialist supported housing, harm reduction, recovery and resettlement; and fit for publication as good practice examples. Our standards drive services' capacity to deliver the best possible outcomes for their users. Systems of assurance to the Board and Senior Leadership Team will draw on the experience of staff, service users and other stakeholders. Standards will be specific to their context and communicated to service users with support to highlight any failure to meet them. Decisions on the initiation, design, amendment and cessation of services will be guided by Framework's ability to deliver them safely, effectively and to the agreed standards. Growth will not be pursued if it compromises standards.

To meet these Standards we will:

- Consult with service users and other stakeholders on standards for each type of provision.
- Publicise these, inviting and facilitating feedback on our adherence to them.
- Utilise fundraising to raise the offer of services beyond their commissioned minimum.
- Engage with commissioners to address unnecessary barriers to access.
- Withdraw from contracts whose specification or circumstances prevent effective delivery.
- Avoid involvement in any initiative or offer that is unsafe or not in service users' interests.
- Maintain compliance with legislative and regulatory requirements that relate to our services.
- Embrace partnerships to underpin or enhance our offer to service users.

An In-Depth Assessment (IDA) in January 2024, confirmed Framework's G1 / V2 rating for compliance with the Regulator of Social Housing's Governance and Viability Standards. This highest rating for Governance reflects a suite of further improvements to policies, systems and processes since the last IDA in 2020. The V2 (second highest) rating for viability is compliant and (since much of Framework's income is of a contractual nature with short time horizons and tight operating margins) considered satisfactory. Areas of strength highlighted at the IDA's culmination included governance, financial planning & stress testing, risk management, stock quality, a track record of good financial management (despite the uncertainty of funding streams) and the successful completion of development schemes.

The Board receives annual Self-Assessments demonstrating compliance with the RSH Standards and the Housing Ombudsman's Complaints Handling Code. In addition, the new set of Tenant Satisfaction Measures (TSM) show that 81% of Framework's residents are satisfied with the overall service it provides. Our performance exceeds the median across all twelve areas when compared with others using the same provider to carry out the TSM Perception Survey. Learning from it will be used to inform quality and service development.

Services at Edwin House, The Level and within Nottingham Recovery Network (NRN) are all regulated by the Care Quality Commission (CQC) whose overall 'Good' rating has been maintained. Framework's leadership of NRN enables collaboration with both NHS and third sector partners in researching and publicising the effectiveness of different approaches to reduce the harm caused by substance misuse and its physical complications. With effect from 2024/'25 our supported housing for young people will be regulated by Ofsted.

Policies, procedures and reporting protocols are in place to ensure compliance with the requirements of the Charity Commission, Health & Safety Executive, Information Commissioner together with those of local commissioners and funders.

STRATEGIC REPORT (continued)

Objective 3: System Change and Joined-Up Services

This means:

Advocating for, planning and implementing System Change. Services should be designed and delivered around the needs of individuals not the other way round. Those presenting in need should not be expected to re-define their circumstances to fit the available offer. This 'joining-up' of services requires them to be comprehensive and diverse, with no significant gaps. Framework can't achieve this alone – it will work closely with like-minded statutory and voluntary partners to promote a learning culture, sharing expertise and models of good practice to 'add value' for users.

To promote System Change we will:

- Participate in strategic planning and provider fora in the localities where we work.
- Develop an aspirational model of systemic responses applicable to all geographies.
- Build our capacity for data collection, analysis, thought leadership and research.
- Use our knowledge, learning and service-based data to influence commissioning decisions.
- Enhance offers with our fundraised resources, where there is demonstrable need.
- Respond to government and council consultations drawing on evidence from service users.
- Contribute to the policy and influencing work of national bodies.
- Campaign for and with people who experience Severe and Multiple Disadvantage (SMD).
- Network with Ministers, Civil Servants and other stakeholders and interested parties.

Services for rough sleepers, and those who experience Severe and Multiple Disadvantage, are at the heart of our work in most areas. To 'join up' these offers we have remained proactive in business development across all four 'pillars'. Most of our existing contracts for baseline supported housing services have been extended or renewed, with the notable exception of Anvil House (in Scunthorpe) where the existing quick access service will cease from May 2024. The adverse 'knock on' implications for other services (including RSAP units promoted by the same local authority) illustrates the challenge not only of creating system change, but also of sustaining it.

Developments in other localities have been more positive. Our work in the cities of Nottingham and Sheffield continue to be enriched by the 'Changing Futures' Programme, and by specialist additions to housing advice and substance misuse teams with a focus on rough sleepers and those who experience severe and multiple disadvantage. The missing link in these (and other) places is an acute shortage of suitable permanent accommodation – both supported and unsupported. Single people with a history of rent arrears, anti-social behaviour or involvement with the criminal justice system are a low priority for social housing. At the same time, quality and affordability combine to create high barriers of access to the private rented sector.

Experience shows that *System Change* is a process rather than an event. Multiple elements are needed to 'join-up' services. Even in the localities where most of them are in place, the task is to defend what exists whilst pursuing opportunities to complete the jig-saw. Framework is primarily a service provider, but the nature of its work brings unique insight and knowledge to lay on the policy table. It is legitimate for a charity to engage in dialogue with politicians and civil servants on the whole range of matters that impact on our service users. In advance of a General Election this is especially important. Senior Leaders are meeting with current MPs and parliamentary candidates seeking access to relevant Ministers to make the case for Supported Housing as an essential component of System Change. This investment of time and resources will continue into the next Parliament.

STRATEGIC REPORT (continued)

Objective 4: Organisational Strength and Resilience

This means:

Consolidating and valuing the organisation not as an end in itself but as a vehicle for effective service delivery. Framework must be well governed and led with effective systems, the resources to fund its operations and the capacity to withstand external shocks. The Long-Term Financial Plan, demonstrating our viability on reasonable assumptions, is regularly updated and stress-tested. It provides for investment in strong leadership, asset management & development, staff rewards, service user participation and carbon reduction.

To build Organisational Strength and Resilience we will:

- Target a minimum Operating Margin of 3.0%.
- Maintain a cash balance of at least £4.5 million to ensure liquidity.
- Increase the real value of salaries by a minimum of 10% over the life of the plan.
- Identify mitigations in the form of discretionary spend (e.g. specialist workers, rough sleeper support & skills training) for removal unless funded, to sustain viability.
- Consolidate existing arrangements to reduce the number of service delivery partners.
- Design, pilot and implement opportunities to transform the delivery of existing and future services with smaller numbers of (better paid) staff.
- Negotiate additional borrowing/ funding capacity to a maximum of £20 million.
- Invest in technology to facilitate efficient agile working and a better offer to service users.
- Further diversify our funding sources.

The 2023/'24 Operating Surplus of £1.748 million represents a margin of 3.05% - slightly exceeding the initial target. This compares to £0.972 million (1.78%) in 2022/'23. It should not be assumed from this that the future path is one of linear improvement – in a challenging environment, difficult decisions are required each and every year to hold expenditure within the envelope of available funding. The value of these resources continues to decrease in real terms, and is palpably inadequate when set against the presenting needs.

In this context the 2023/'24 result was satisfactory. It exceeded the budget and secured covenant compliance due to proactivity in income generation, further efficiency initiatives and service transformation supported by investment. The management accounts have been further developed to improve service-level reporting and analysis, with greater transparency on cost recovery, central overhead allocation and financial contribution.

The Cost-of-Living crisis has impacted negatively on the disposable income of Framework's service users. For those who are sick or unemployed, inflation has run higher than compensatory rises in benefits. Residents of 'core' accommodation-based services pay some of their bills indirectly, excluding them from some of the assistance that central government has made available to others. In response to lobbying by Framework and others on this issue the Energy Bill Support (Alternative Funding) Scheme was launched, and we worked with our service users to access it and target the resources as intended.

The Long-Term Financial Plan (LTFP) has been reviewed and updated with accompanying stress tests and mitigations, to support the Objectives of the Corporate Plan. It maintains provision for asset management and new supported housing development, financed by additional loans. Future revenue projections show achievement of the 3% target from year 5 and it remains a shared Board / SLT aspiration to exceed this in subsequent years. The LTFP also indicates continuing covenant compliance for the whole of the 30-year projection, with the minimum liquidity requirements maintained throughout the period.

STRATEGIC REPORT (continued)

Objective 5: Service User Participation and Empowerment

This means:

Putting service users at the front and centre of decision-making. The Corporate Plan affirms our role as a needs-driven charity. Tenant Participation is a regulatory requirement, whose principles we extend to all service users including those who experience severe and multiple disadvantage. Beyond this, we must empower them to make and be responsible for their own choices - accepting managed risk and avoiding needless paternalism.

To Empower Service Users we will:

- Make strategic decisions (on the provision, expansion, amendment or cessation of services) according to the interests and needs of our current and future service users.
- Embed Service User Participation in our governance, management and operations, using these and other channels to consult with them on proposed changes.
- Improve service users' access to information, advice, counselling & digital services, promoting and investing in these as a route to service transformation.
- Support willing participants to be visible influencers of commissioning decisions, if necessary challenging the underlying assumptions from their experience.
- Improve equality of access to services by seeking the removal of barriers caused by unnecessary restrictions defined by political factors rather than individual need.
- Sustain funding for independent advocacy and empowerment mechanisms to support Framework's Service User Participation Policy and the accompanying Action Plan.
- Resource the implementation of Framework's Equality & Diversity Policy and Action Plan, supported by the Anti-Racism Statement and embedded training for managers and staff.

In March 2024 the Board approved its updated Service User Participation Strategy. This reshapes how we will empower service users to participate in both the internal and external work of Framework. It describes a three-year plan to deepen the use of service user insight and strengthen their influence at individual, service, organisational, and 'system' level.

The Service User Advisory Group (SUAG) comprises service user representatives. Its meetings are attended by senior staff and Board members. Facilitated by Service User Empowerment and Advocacy (SEA) an independent organisation commissioned and funded by Framework for the purpose, it gathers evidence to assist the scrutiny of our services. There is a standing Board Agenda Item to report back on SUAG meetings and present any recommendations it may wish to make for discussion and approval.

Service user representatives took part both the Chair and Board recruitment exercises during 2023. They also participate in the recruitment of senior staff and service managers. Mechanisms have been developed to facilitate service user influence on commissioning – this was especially impactful in the re-design of Nottingham Recovery Network during 2023.

Another development area is the use of volunteering, training and employment pathways to maximise the opportunities for service users and others with relevant 'lived experience' to be gainfully employed by Framework. The options include traineeships, apprenticeships, digital engagement and mainstream roles at 'front-line' service level.

The Board has received and considered a second annual Self-Assessment of Framework's compliance with the Housing Ombudsman's Complaints Handling Code. It highlights SEA's role as a specialist resource to assist service users who wish to complain, express concern (or appreciation) about any aspect of their Framework experience. This helps to clarify the issue, facilitate investigation and inform the response, including learning from the case.

STRATEGIC REPORT (continued)

Objective 6: Valuing our People

This means:

Investing in the organisational capacity brought by effective leadership and management of a skilled, motivated and resilient workforce. The essence of support is an encounter between people, one of whom needs help to navigate an event or situation. Framework staff are known for the commitment, dedication and passion imbued in their work. Financial constraints diminish the rewards for these qualities. We plan a 10% increase in the real value of pay with accompanying, cost-effective non-salary measures.

To acknowledge the Value of our People we will:

- Improve pay and non-pay rewards to support the recruitment and retention of high-quality staff, relief workers and volunteers.
- Offer recognition, career development, supervision and training opportunities in an emerging culture of innovation, devolved authority and accountability.
- Develop the business acumen, information technology, data collection, analysis and negotiation skills that will equip our workforce to respond to these changes.
- Facilitate remote working, flexible hours, holiday purchase and other work/ life balance initiatives within the constraints of efficient rota management.
- Reduce absence through an appropriate combination of challenge, intervention, specialist support and reasonable adjustments.
- Promote an Action Plan of equality, diversity and inclusion events, activities and training overseen by the Diversity Leadership Group
- Maintain the 'Investor in People' (IIP) 'Gold' Standard & enshrine its ethos in our strategies.

Only 17% of IIP accredited organisations reach the 'Gold' standard; Framework is proud to have done so and sustained it. Building on this, the new role of Staff Wellbeing Practitioner is at the heart of a comprehensive welfare offer. A full review of staff training needs has been undertaken, resulting in a new induction programme that underpins an apparent stabilisation of staff retention. New learning sets have been established within a more sophisticated training programme to equip managers and staff with the attributes they need to deliver personalised, joined-up and psychologically informed services.

Sickness levels remain above target. Detailed analysis shows that long-term absence is well managed so the primary focus is on short-term absence. This includes training for managers through the new learning sets, on how to deal with it in a manner that is appropriately robust and compassionate.

The pay offer to accommodation-based and street outreach staff (essentially those working shifts) has been bolstered by completion of the 'Transformation' Programme whereby a 10% uplift was contingent on efficiency savings. The accompanying recruitment processes have been amended to highlight both the rewards and the expectations. This is having a positive impact in those areas where vacancies and the associated reliance on agency staffing has been greatest. By filling more vacancies with in-house staff we are saving money and improving the experience of those service users who rely on us the most.

The Board continues to prioritise salaries within the budget. The baseline pay award (3.1%) from April 2024 was below the comparator inflation rate (3.4%). This must be considered in the context of 9.8% rise in the National Living Wage, which affects a growing proportion of Framework staff. Additional resources were also allocated to sustain part of the differential created by the Transformation Programme. The average salary increase was 5.1%.

STRATEGIC REPORT (continued)

Other Organisational Priorities

Work with Rough Sleepers

This continues in the Cities of Nottingham, Lincoln and Sheffield and across the County of Nottinghamshire. Whilst core homelessness pathways are contract-funded by the relevant local authority, we work through local partnerships to influence the Government's Rough Sleepers Initiative (RSI) and respond to the opportunities it brings. When combined with the allocation of fundraised income, RSI adds specialist roles to existing street outreach teams and funds additional quick-access accommodation together with enhancements to drug, alcohol & mental health interventions thus improving access to mainstream services. Most of the RSI-funded contracts are due to expire in March 2025 and it is hoped that some or most will be extended at that point. If not, their wind-down will have a profound negative impact on service users who are not normally prioritised within the core pathways.

An example is the Rough Sleeping Prevention and Assessment Hub, a new service sited at London Road, which opened in 2023 – but currently has a limited lifespan. It offers 20 emergency bedspaces with a wide range of intensive support for rough sleepers referred by the Nottingham Street Outreach Team. Most of these clients have multiple or complex needs and could not otherwise be placed quickly in suitable accommodation. The P & A Hub 'buys time' to identify a medium/ long-term solution – which could be one of the new SHAP-funded services described below. It remains to be seen whether the Hub's funding will last for long enough to overlap (or at least coincide) with their opening.

The temporary enhancement of emergency and short-term responses has been complemented by new supported tenancies for former rough sleepers, initially through the Rough Sleepers Accommodation Programme (RSAP) which has now ended. Its successor is the Single Homelessness Accommodation Programme (SHAP) to which Framework has made three successful bids for capital and revenue funding. The completion of all three schemes will deliver a total of 50 units (35 in Nottingham and 15 in Lincoln) by the end of the 2025 calendar year.

In the meantime we have re-provisioned the 20 London Road bedspaces that now comprise the P & A Hub, to leased properties on two separate sites – this further enhances short-term capacity. It is not envisaged that these replacements will remain far beyond the Hub's cessation. However, we will be able to exercise flexibility in the timing of their closure so it dovetails with the completion of new SHAP schemes.

An added dimension to the problem of rough sleeping in 2023, was the Home Office decision to evict refugees from its accommodation soon after they are granted 'leave to remain'. It is frequently observed that a single government department can't solve homelessness on its own. By contrast, this is an example of one that has consciously acted to make it worse, and succeeded in doing so. Working with City Council colleagues we acted promptly to bring an empty property (40 Forest Road) back into use as 12 units for refugees who have presented as homeless in the City of Nottingham consequential to this national directive.

In 2023 Framework responded to a re-procurement of Nottingham City Council's Framework for the commissioning of Services to Rough Sleepers. This enormous exercise occupied much senior staff time and intellectual resource. The outcome was success in some categories (such as the P & A Hub), the continuation of others (eg. Street Outreach) and the loss of Housing First resources to a different provider. Another competitor won the contract to provide 20 additional units of temporary accommodation for specific target groups. It has since failed to deliver so Framework is exploring ways of responding to the Council's request for us to fill the gap.

STRATEGIC REPORT (continued)

Other Organisational Priorities

Supported Accommodation for Young People

In 2021 Framework tendered unsuccessfully to retain its existing contracts for Transitions (North) and Transitions (South). These provided supported accommodation for young homeless people (including Care Leavers) in parts of Nottinghamshire. The tender specifications implied a welcome step change in the quality and configuration of the properties to be deployed, but were unrealistic on both timescale and the cost – which fell far short of coverage by the contract value. Framework took the commissioners at their word by submitting realistic responses that would ultimately have delivered what was required, but its tenders were rejected as non-compliant because their value exceeded the funding envelope. It subsequently transpired that the commissioners weren't serious about their intentions – relaxing their expectations when it became clear that they couldn't be met.

Both contracts were lost and transferred to different providers. The handovers were partially delayed due to the non-availability of sufficient housing properties and whilst Transitions (North) has now ceased, we continue to run the 'core' element of Transitions (South). This is based on an interim contracting arrangement on the principle of full cost recovery. One of the properties used is Trent Boulevard (West Bridgford) which is planned for disposal when the contract finally ends. The other is Ivy House (Carlton) which will either be handed back to its owner or transferred to another service, depending on the timescale. It is feared that the new provider's replacement core provision may not become available until 2026.

In the meantime Framework continues to deliver this and other supported housing for young people in the City of Nottingham and the Boroughs of Amber Valley, Erewash and South Derbyshire. It is complemented by specific provision for Unaccompanied Asylum Seeking Children (UASC) some of whom have arrived in the United Kingdom via 'small boats'.

The challenge of resourcing these services is now exacerbated by onerous administrative requirements associated with Ofsted's new national role as the regulator of supported housing for children and young people aged 16 to 17. A complication is that the contracts cover a broader age range and it is unclear whether physical separation is expected. For now, it is too soon to judge whether Ofsted's poor reputation as schools inspector will translate to this new function. Framework will continue to monitor the cost implications of their involvement, in the expectation that these will be fully recovered from commissioners. If not we will have no option but to plan for withdrawal from the provision of supported accommodation for young people.

Employment and Skills

In May 23 Opportunity & Change, a significant employment and skills programme funded jointly by the Big Lottery Fund and European Union, ended. Framework was instrumental in securing partial replacement funding (including for partner providers) from the UK Shared Prosperity Fund. The GROW project is targeted on the City of Nottingham and the District of Newark & Sherwood. It works to improve the confidence and wellbeing of individuals considered furthest away from the labour market, building their life skills and signposting them towards suitable employment.

In addition the Big Lottery (Reaching Communities) Fund has awarded £460k to sustain Framework's 'Skills Plus and Home Plus' programme until September 2026. This targets people who are preparing to move on from supported housing and need to develop the attributes required for independent living.

STRATEGIC REPORT (continued)

Other Organisational Priorities

Employment and Skills (continued)

Framework's Employment and Skills offer is enriched by strong relationships with several corporate partners who are donating Information and Communication Technology to us. This supports a 'digital inclusion' offer across multiple sites in Nottinghamshire. So far more than 350 items (including desktops, laptops and mobile phones) have been distributed together with thousands of Sim Cards to people using services across all four pillars.

A new Volunteer Pathway was launched in 2023, with more structured opportunities to develop skills, gain experience and progress towards paid employment. Of nine participants to date, two have gained employment with Framework. Historically, the Employment and Skills team have a specific commitment to work with Afghan and Syrian refugees in Newark & Sherwood, initially helping them to volunteer and then to access paid work. New funding was recently secured to continue this for two more years.

A new Department for Work and Pensions pilot contract ('Pioneer') began in September 2023 and Framework has been involved. Pioneer is expected to inform the development of the DWP's new Universal Support Programme that is due for launch in 2025.

Consolidation Strategy

This describes a plan to replace 80% of Framework's inherited (and frequently dispersed) shared housing units with self-contained provision. By March 2024 the number of shared units has been reduced by 84 (21%) with 64 new self-contained units replacing them. The numbers would have been higher but for a requirement, for social reasons, to retain shared housing within the Unaccompanied Asylum-Seeking Children (USAC) contract.

The cessation of Transitions (North) and the cluster element of Transitions (South) has given impetus to Consolidation over the past twelve months. One outcome to date is that Framework no longer manages any shared housing in either the Ashfield or the Mansfield District of Nottinghamshire. The completion of twenty new self-contained flats in Nottingham and Lincoln is a further contribution to the strategy, which is already impacting positively on occupancy levels, void losses and management costs. The three SHAP projects that are planned to deliver fifty new units in 2025, may facilitate further handbacks of shared housing.

Supported Housing – Quality Improvement Project

Pending the finalisation of the new national standards, Framework has an internal initiative to improve the 'support' element of its housing offer. It reflects an awareness that much has changed in supported housing over the past fifteen years. The Quality Assessment Framework (QAF) that once accompanied 'Supporting People' contracts has ceased to exist. With resourcing much diminished, the emphasis has switched from 'support' (making positive things happen) to 'management' (preventing negative things from happening).

This combined with the genericization of services, and constraints on the salaries of those delivering them, has impacted on the culture of services. The purpose of the Quality Improvement Project is to create a new Standard Operating Procedure (SOP) for accommodation-based services and to update support planning, record keeping, supervision, training and handover practice. The accompanying guidance includes a service self-audit tool (akin to the former QAF) with associated assurance processes. Excellent progress has been made with this project during 2023/'24 and it will continue into 2024/'25.

STRATEGIC REPORT (continued)

Other Organisational Priorities

Leadership Academy

During the year, eight staff members successfully completed the Leadership Academy Programme. This is part of our commitment to succession planning, people development and the internal progression of managers & future leaders. Building on the learning from each new cohort the Leadership Academy Programme goes from strength to strength. Recruitment of the 2024/'25 entrants has just commenced.

Regulator of Social Housing – Consumer Standards

The Regulator of Social Housing's new Consumer Standards came into force from April 2024. Framework has prepared for this by expanding the Self-Assessment of Compliance presented to the Board, and through the decision to create a new Service Delivery Committee whose work will commence in September 2024. The latter's purpose is to improve the visibility of service-related issues (including outputs, outcomes and safeguarding) among Board Members and at a strategic level.

Framework carried out its Tenant Satisfaction (Perception) Survey in May 2023. It showed that 81% of its residents were satisfied with the overall service they received. 86% considered that they are treated fairly and with respect. All the measures achieved 71% or higher; the data so far indicates good performance when compared to other landlords.

These Survey results were complemented by feedback from three 'tenant roadshows' where focus groups discussed repairs & maintenance, anti-social behaviour, complaints and engagement with the local community. They also considered how Framework could better support its residents to feedback on our performance, informing future Self-Assessments of Compliance with the Consumer Standards, through Service User Voice.

A focus on the new Consumer Standards will remain throughout 2024/'25 and beyond. The Board will seek assurance of our compliance with them through Annual Self-Assessments, the work of the Service Delivery Committee, the annual Tenant Perception Survey and the quarterly Performance Assurance Dashboard. These will be complemented by the work of the Service User Advisory Group (SUAG) who will continue to influence and scrutinise our work. New information made available on the website will allow individual residents to analyse our performance and raise issues about it directly with the organisation.

Supported Housing (Regulatory Oversight) Act 2023

This legislation has its origins in the demise of 'Supporting People'. Commissioned supported housing, with the accompanying arrangements for quality and outcomes monitoring, was lost. Several local authorities (including some of the largest 'cutters') raised concern about new providers filling the consequent gaps in supply. Frequently, their offer comprised poor quality housing with low (or even zero) support funded mainly through Housing Benefit. Regrettably, Government's concern about the paucity (or absence) of support encompasses no recognition of the need for a programme to resource it.

Aspects of the legislation – for instance the establishment of a new National Advisory Panel for Supported Housing and the requirement for local authorities to create strategies for it, are welcome. However, the proposed National Standards can only succeed if accompanied by new resources to deliver them. In the meantime, new guidelines issued by the Department for Work and Pensions under the cover of the Act, are making it harder to sustain existing work regardless of its quality. Framework has attempted to highlight the risk of further closures, so far without success.

STRATEGIC REPORT (continued)

Fundraising Strategy

In 2022 the Board approved a new Fundraising Strategy to secure complementary resources that will add value to commissioned services. This includes a new focus on developing the digital fundraising offer, the enhancement of the donor database & journey and appropriate support for those considering a legacy to Framework in their will. In the summer of 2023 we held the Young Supporters Awards, an uplifting event celebrating the contribution of young people who are raising money for Framework.

Equality, Diversity and Inclusion

In accordance with its Policy the Board has reviewed Framework's Equality, Diversity and Inclusion Action Plan. It concluded that significant progress has been made across all five of the plan objectives. The Diversity Leadership Group (DLG) has now produced toolkits for services to include equality and diversity targets in their own development plans. Peer-led 'safe spaces' have been established for Black and Brown staff, LGBTQ+ and Menopause support, with a Disability safe space scheduled to begin in 2024.

All managers have completed Anti-Racism training in the past year. The Anti-Racism Group is leading on the development of a further training package to be rolled out to other staff in the next twelve months. Framework is a member of the Nottingham Place-Based Partnership's Health Inequality (Race) Workstream. In this capacity we have helped to develop a health inequality matrix that is now being piloted in several Framework services.

The DLG has a workstream that focuses on reducing barriers to the recruitment and retention of staff (including managers and leaders) with protected characteristics.

Service User Numbers

In the year to March 2024 Framework assisted 19,552 individuals. 2,296 of these lived in its supported housing, 8,330 received health interventions, 6,588 used community-based support and 2,338 accessed education, training or employment interventions (including opportunities to volunteer).

When compared to the 17,979 people who used our services in the previous year, this represents an overall rise of 9%. Three of the pillars saw an increase, the exception being Housing where the number fell slightly by 158. This is partly attributable to contract changes in the early part of the year, which impacted temporarily on the availability of properties. Another factor is extended lengths of stay in 'core' accommodation services due to the scarcity of suitable move-on options. We hope to address this issue through further development of move-on units will help to address this issue in the coming years.

Gender Pay Gap

Two thirds of Framework's staff are female. At the end of the year our mean gender pay gap was 6.29% (compared to a national average of 12.8%). The median gap was 0% (compared to a national average of 12%). The Pay and Grading structure initiated in 2018 has been a factor in minimising (and on one occasion, reversing) Framework's Gender Pay Gap over the past five years.

STRATEGIC REPORT (continued)

VALUE FOR MONEY STATEMENT

Framework is strongly committed to achieving Value for Money (VfM) in all its activity. Further success in bidding for and winning service contracts clearly depends on our ability to do 'more for less' in the continuing climate of restrictions in public (especially local authority) funding. In some instances viable bids are not possible within the financial parameters that the Board has agreed to protect the organisation when reaching these decisions.

The positive impact of VfM projects undertaken in the past year, on the 2023/'24 financial out-turn, is estimated at £712k. This exceeds our target. They include:

- Voids Reduction Project
- Increasing the Recovery of HB-Ineligible Service Charges.
- Utilisation of e-learning, apprenticeship levy and other efficiencies in training & development.
- Fundraising from corporate partners, some of whose 'in-kind' donations replace cash spend.
- Treasury Management, including the use of a Revolving Credit Facility.
- Contract re-procurement, re-configuration and robust negotiations.
- Workforce development to reduce reliance on agency staff and external specialisms.
- Active management of furniture & fitting costs through standardisation, recycling, fundraising and repair.
- Completion of the Transformation Project in accommodation-based and outreach settings.
- 'Added value' offers when re-negotiating contracts and grant funding with commissioners.

In addition, significant capital grants were secured to support development projects both to upgrade existing housing units and acquire/ build new ones – in particular through RSAP, SHAP and the Affordable Homes Programme.

Framework reports annually on the seven Value for Money (VfM) metrics set out by the Regulator of Social Housing in its Value for Money Standard. The figures in the table below have been calculated in accordance with the VfM standard (technical note) and are presented with their previous year comparators:

VfM Measure	Description	Framework 2024/'25 (Budget)	Framework 2023/'24	Framework 2022/'23	Social Hsg Median 2022/'23
1.	Reinvestment by Cost	8.64%	4.94%	6.45%	6.60%
2.	New supply delivered by Units	3.70%	1.72%	4.42%	1.30%
3.	Gearing	7.35%	5.63%	6.13%	45.5%
4.	EBITDA-MRI Interest Cover	238.90%	261.32%	269.44%	124.4%
5.	Headline Social Housing Cost per Unit	£29.9k	£29.5k	£27.7k	£4.6k
6.	a) Operating Margin on Social Housing b) Operating Margin Overall	3.80% 3.28%	3.92% 3.05%	2.76% 1.78%	19.9% 18.8%
7.	Return on Capital Employed	2.31%	2.13%	1.17%	2.80%

Standard Metrics 1 (Reinvestment by Cost) and 2 (New Supply) are both sensitive to the actual level of development within the financial year. Framework's development activity is dependent on the availability of capital funding and suitable sites, both of which change from year to year. In some years there may be no development at all.

STRATEGIC REPORT (continued)

Standard Metric 3 (Gearing) is low compared to many housing associations. This is because the primary constraint on our housing development is the availability of capital grants and ongoing revenue funding, both of which affect operating margins, rather than loan finance. It would be possible to borrow more and thus develop more quickly, but the risks involved in doing so are higher than the Board can accept given the margins on our support contracts.

The above-average cover reported by Metric 4 (EBITDA) reflects both the level of gearing and the low interest rates on some of our existing loans.

Standard Metric 5 (Headline Social Housing Cost per Unit) is significantly raised by the inclusion of Intensive Housing Management and (primarily staff-related) support costs. Framework has over thirty separate locations where a twenty-four-hour staffing presence is required on 365 days per annum. 5.5 full time equivalent staff are needed to maintain a single person duty rota for 168 hours per week. In practice the minimum requirement is usually three or more staff at a time in daytime hours, and a minimum of two overnight. In addition to these 'core' housing services our dispersed (or 'move-on) units also require more visiting staff than mainstream social housing. These and other factors (the higher turnover of residents, contract clauses that artificially increase voids and greater wear & tear on buildings) all drive unit costs, and their impact is greater at a time of cost inflation.

Standard Metrics 6a) and 6b) (Operating Margins) show an increase in the overall margin that is attributable to the non-housing pillars. This reflects the focused work that has been done on income maximisation and efficiency. Our target for the next five years is to establish and sustain a minimum Operating Margin of 3% rising to 4%, whilst keeping services safe and effective. The challenge this involves is reflected in the narrative of this report, and the fact that the Long-Term Financial Plan projection does not reach the 4% target margin until the medium term. Our aspiration is that the continued identification of new income streams, the enhanced Fundraising Strategy and further efficiencies in services and the central office, will enable us to achieve both the service-oriented Objectives of the Corporate Plan and its accompanying financial targets.

Standard Metric 7 (Return on Capital Employed) reflects the same underlying factors as the operating margin.

Framework's Additional VFM Metrics

Framework reports on its own set of VfM metrics to complement the standard ones. The 2023-'24 figures are presented overleaf, with comparative data for the previous year and the 2024-'25 budget forecasts.

The purpose of these additional metrics is to assist the Board in assessing how efficiently the organisation is being run, the impact of changes to services and of measures to enhance efficiency. They also illustrate the variation in cost of providing these services per individual and (to a lesser extent) per hour, both between (and within) the pillars. This is because the nature of the service varies according to the specialism of the staff who deliver it.

The housing metric (cost per service user rather than per hour) is sensitive to small changes in the throughput to and from direct access and similar services. Their residents are the sub-set of our service users with the highest and most complex needs. Increased costs due to inflationary pressures in areas such as energy, insurance and maintenance have impacted on this metric. The new properties developed or acquired as part of the Rough Sleepers Accommodation Programme carry revenue funding to support former rough sleepers in their resettlement from the streets – contributing to a rise in the housing cost metric on a 'per service user' basis whilst helping to reduce the amount 'per hour'.

STRATEGIC REPORT (continued)

Framework VfM Measure	Budget 2024/'25 (£)	2023/'24 (£)	2022/'23 (£)
Cost per Service User by Pillar:			
Housing	13,501	13,362	11,716
Health	1,658	1,565	1,556
Employment	644	741	1,332
Support	1,181	1,479	1,597
Cost per Hour of Service by Pillar:			
Housing	39.13	41.13	36.04
Health	39.20	43.37	43.23
Employment	22.88	23.37	32.42
Support	23.07	25.82	24.75
Central Cost as a % of the Total	21.33%	21.82%	18.90%

The health, employment and support interventions encompass a broader range of people so their cost (per person) is lower than for housing. Against this, the 'health' pillar requires more highly paid professionals (including nurses) and the specialist elements have been enhanced by new funding in the past year – thus driving an increase in the (but not hourly) cost. 2023 saw further changes in the specifications and delivery mechanisms of support and employment services; consequently both the unit ('per service user') and hourly costs have fallen in the past year.

Value for Money in the coming year

The Value for Money (VfM) Strategy is a key element of Framework's Long-Term Financial Plan, through which we hope to sustain services for as many individuals as possible even in a challenging environment. It describes the quest for an optimal balance between high productivity, controlled costs and successful outcomes for service users. It sets targets in these and other areas and describes the actions that Framework is taking to achieve them. These include annual reporting of the Standard VfM Metrics and the use of additional ones specific to Framework. The year-on-year comparisons allow the Board to monitor the success of the Strategy in releasing resources for front-line service delivery.

The VfM Strategy was updated in 2022, and the efficiency target for the current year (2024/25) is increased at 1,050k. Our plans to realise it focus on the maximisation of income through proactive management of voids, enhancements in the collection of HB-ineligible service charges and close working with Commissioners on contract values and performance. Reductions in agency costs are targeted through investment in our workforce and processes. Technological development continues to support agile working, process automation and the effectiveness of systems. Further efficiencies are planned and expected as a result of the Asset Management Strategy and the re-procurement of major supplies.

Another dimension of VfM is the enhancement of our service offer at a time when local authority and other statutory funding is under renewed pressure despite increased and more complex presenting need. This is supported by the Fundraising Strategy, to resource the bespoke design of services wherever possible, around the needs of their users.

STRATEGIC REPORT (continued)

Significant aspects of this 'joined-up' offer include:

- Basic items (food, toiletries and clothing) for those in immediate need.
- Our practice in PIE (Psychologically Informed Environments) & TIC (Trauma Informed Care).
- Outreach to substance misusers and people with physical & mental health issues.
- Rapid access to specialist treatment for the above.
- The availability of clinical psychologists and social work professionals.
- An 'Access to Work' fund to assist those caught by the benefits trap.
- Rent deposits, guarantees, furniture and equipment for those establishing a tenancy.

PENSIONS

For most staff our pension contributions are on a 'defined contribution' basis – complying with the auto-enrolment law but uncompetitive with the 'defined benefit' (final salary) schemes still seen in the public sector. This is a factor in the non-retention of employees attracted to better paid roles with local authorities and other statutory bodies. A small number of Framework staff were inherited via TUPE with a right to remain in the Local Government Pension Scheme – hence the annual pension adjustment to the accounts.

PAY RATIOS

The Board is committed to reporting on the ratio between the highest and lowest paid Framework employees. In 2023/'24 this was 5.11 (2022/23: 5.33). The ratio between the highest salary and the median was 4.37 (unchanged from 2022/'23. A recent benchmarking exercise showed that in the wider third sector, the average ratio between the highest and the lowest salary is 7.00, and that between the highest and the median salary is 5.00.

STREAMLINED ENERGY AND CARBON REPORTING ('SECR')

The current emissions (for April 2023 to March 2024) have decreased by 270 tonnes of CO2e compared to the base year (2022/'23). However, these figures include an adjustment for gas relating to previous years; when this is excluded there is an increase of 99 tonnes (4.6%). Whilst the usage of gas has increased, that of electricity has decreased. This is due to a combination of:

- Changes in the configuration of properties during the year
- The positive impact of our energy reduction campaign
- Greater frequency of meter readings
- An increase in staff travel due to more face-to-face work post-Covid.

The Asset Management Strategy was reviewed during 2021/'22 and updated to increase investment in carbon emission reduction. As part of this, work was carried out to identify the number of Framework that currently fall below an Energy Performance Certificate (EPC) 'C' rating. There seventy of these, and the plan is to eradicate them (through development, improvement and disposal) over the next four years. Remediation work will optimise the thermal efficiency of the external fabric and combine this with efficient heating & low energy lighting.

The same principles are embedded in Framework's development programme (both new-build and refurbishments. Our plans incorporate the recommendation of the UK Committee on Climate Change that from 2025, no new home should be connected to a gas grid and a carbon emission position of 'net zero' must be reached by 2050.

STRATEGIC REPORT (continued)

During the year Framework commenced an £80k programme of energy efficiency work that is 50% funded by the Social Housing Decarbonisation Fund. On completion, this will upgrade 15 properties that currently have an EPC rating of D or E, to grade C or above. We plan to make further bids to the fund on a similar basis, to upgrade more properties in the coming years.

Framework's energy reduction campaign continues into 2024/'25. It is supported by enhanced data on energy usage at property level, informing targeted communication and focused action on the higher usage sites. Smart meters continued to be implemented where applicable, replacing pre-payment meters (which are expensive for residents) in our leasehold properties. Residents who wish to establish their own schemes to reduce energy consumption are offered encouragement and support to do so. Staff who invest in electric vehicles can utilise two charging points in the Central Office car park. This facility reserves 8% of our parking for those with electric vehicles, and we hope to extend it to other locations in the future.

The table below provides a summary of our energy use during the year in accordance with the requirements of the Streamlined Energy and Carbon Reporting legislation. The associated greenhouse gases have been calculated using the UK Government's GHG Conversion Factors for Company Reporting. Note that these figures include no adjustment for additional carbon that may be produced due to staff working from home.

Measure	**2023/'24**	**2022/'23**
UK energy use (1) kWh	11,038,813	20,845,423
Associated Greenhouse gas emissions Tonnes CO^2 equivalent	2245.40	3,968.66
Intensity ratio Emissions per property	1.72	3.03

1) UK energy use covers all Framework activities.

STRATEGIC REPORT (continued)

FINANCIAL REVIEW OF THE YEAR

Financial results

Framework's turnover in 2023/'24 was £57.26 million, an increase of £2.73m on the comparable figure for 2022/'23 which was £54.53m.

A component of the increase was higher rent and service charge receipts, due partly to the annual uprating but also to new properties coming into management. Another source of new income was from central Government for enhancements to substance misuse and mental health services specifically for rough sleepers and those at risk of sleeping rough.

The headline operating surplus was £1.75 million (3.05% margin), an increase of £0.78 million on the 2022/'23 figure (£0.97m). This slightly exceeds the 3% target in the Corporate Plan. The 2023/'24 out-turn constitutes the baseline for an updated Long-Term Financial Plan, which is also informed by the Asset Management and Development Strategy. Provision is made for re-investment in our housing assets to sustain their quality, safety, energy efficiency, lending and book values. A comprehensive Asset and Liability Register is maintained.

There is a strong organisational focus on managing the risks to Framework's financial position. In particular, the combination of static / reduced contract values and an organisational aspiration to increase the real value of salaries - not least to aid recruitment and retention, is a considerable and growing pressure. During 2023/'24 we have embedded principles such as agile working, training tools, and transformed models of service delivery in our 'business as usual' operation. These are accompanied by further steps to drive efficiency in the provision of 'back office' functions through cost reductions in recruitment, office furniture, training and professional fees.

Reserves

Reserves are retained at a level that allow Framework to continue providing its services whilst managing the risks associated with future growth plans. The budget and thirty-year forecast are reviewed and re-set annually to achieve this. The revenue reserve was £31.1 million at 31st March 2024, but free reserves were substantially less due to grant liabilities.

Capital Structure and Treasury Policy

Framework's long-term borrowings are 20-25 year loans, at a combination of fixed and variable interest rates, from Charity Bank, NatWest and Nottingham Building Society. The value of loans outstanding at the year-end has been reduced, when compared to the previous year, by the establishment of a Revolving Credit Facility (RCF). Undrawn to date, this £3.6 million RCF agreed during the year. Within the Treasury Strategy it replaces existing variable rate loans to sustain liquidity whilst minimizing its cost. This was a significant factor in the improved financial out-turn for 2023/'24. In view of this we have started conversations with an existing lenders on the progression of a further RCF to be completed during 2024. In addition, the onward growth plans will be part-funded by lending from a new counter-party, also to be finalised this year.

Cash-flow remains strong with all banking covenants met and the projections show continued compliance. The year-end cash balances were higher than LTFP forecasts due the timing of growth opportunities. Our cash resources will be invested primarily in asset management and property development during 2024/'25. Drawing on specialist professional advice, the Board has updated the Treasury Strategy to inform future investment and financing decisions.

STRATEGIC REPORT (continued)

FINANCIAL REVIEW OF THE YEAR (continued)

Impairment

The Board has considered whether any impairment of assets should take place. After reviewing the potential indicators including empty properties, any increases in voids or falls in rental income it concluded that there was no need for a write down of any carrying value.

Going Concern

After making appropriate enquiries the Board believes that Framework has sufficient funding in place, and expects the Association to be compliant with its debt covenants even in the event of severe but plausible downside scenarios.

The Board is confident that Framework will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements. Therefore the statements have been prepared on a 'Going Concern' basis.

INTERNAL CONTROLS ASSURANCE

The Board is responsible for ensuring that Framework has adequate systems in place to deliver effective and efficient operations, reliable internal and external reporting, and compliance with applicable laws & regulations and internal policies. The most significant risks to the achievement of the Association's objectives will be recognised, managed and minimised if such internal control systems are in place. Acknowledging that no system can eliminate all risk, the internal controls will also provide reasonable assurance of the identification and effective management of the major risks.

The Board has again considered and updated its Risk Appetite Statement, in the light of which the Senior Leadership Team periodically reviews the Risk Register and Heat Map. The outcomes inform oversight of Risk Identification and Management by the Audit and Risk Management (ARM) Committee. Any necessary steps arising from this are enacted directly within the authority of the Committee or senior leaders, or recommended to the Board.

The Internal Controls Framework has been summarised and analysed on a 'three lines of defence' model. The following sources of assurance were considered by the Board in reaching its conclusion on the adequacy of the framework:

- Risk Management Policy with active monitoring of the Risk Register by the ARM Committee
- Internal management oversight by Framework's Senior Leadership Team
- Regular Review of Key Control Policies with oversight by the Corporate Leadership Team
- Quality Assurance Framework and KPI reporting
- Service User Involvement and Feedback
- Health & Safety management systems
- Incident reporting and monitoring
- External quality management accreditations (including Cyber Essentials)
- External audit delivered by Beever and Struthers
- Internal Audit Programme delivered by Mazars
- External specialist reviews for Information Security Management and Health & Safety
- Social Housing Regulator rating G1 / V2 (March 2024)
- Fraud Policy and Whistleblowing Policy

STRATEGIC REPORT (continued)

INTERNAL CONTROLS ASSURANCE (continued)

At its meeting on 16th May 2024, the Board considered and approved the effectiveness of the internal control systems in managing the most significant risks to delivery of the Objectives set out in Framework's Corporate Plan. It affirms its satisfaction that:

- There is sufficient evidence to confirm that adequate systems of internal control existed throughout the 2023/24 financial year and that these systems remain in operation;
- These systems were aligned to an ongoing process for the management of the most significant risks faced by the Association;
- They provide reasonable assurance that the financial and operational information produced by the Association is reliable, and that its assets and interests are safeguarded;
- There are no weaknesses in the controls that are sufficiently serious to cause a mis-statement or material loss that would require disclosure in the financial statements.

Fraud Management

Framework has clear policies in its Code of Conduct to reduce the risk of fraud in relation to the activities of Board Members, Management and Staff. The Association complies with relevant regulatory requirements. A register is maintained of all actual and attempted frauds and this is presented annually to the Board. If there are any significant cases of fraud during the year the Chief Executive is required to bring them to the Board's attention.

Self-Appraisal by the Board and Committees

The Board and its Committees self-appraise their own performance and Framework's compliance with the legal and regulatory frameworks in which it operates. This is supported by a Protocol on Regulatory Reporting, and the Internal Controls Assurance Register that provides a check on compliance, monitored by the Audit and Risk Management Committee.

PUBLIC BENEFIT AND FUNDRAISING ACTIVITIES

As a Registered Charity, Framework is subject to the provisions of the Charities Acts 2011 and 2016. These create an obligation to demonstrate explicitly that the organisation's aims are for the public benefit. The Board of Framework is satisfied that by providing services to homeless, vulnerable and excluded people in furtherance of its charitable objects as described above, Framework is complying with its public benefit duty.

Framework raises funds directly from the public to resource aspects of its activity that aren't funded from statutory sources. This work is carried out by a specialist team of employees supported by volunteers. Third party professional fundraisers are not involved.

During the year, Framework registered with the Fundraising Regulator and has fully complied with its Fundraising Promise. No complaints were received about fundraising activity. To protect vulnerable people and others Framework does not employ cold calling for fundraising, nor are supporters approached more than three times per annum. Targeted asks are restricted to those who have already indicated their support for the organisation.

Approved by the Board on 18th July 2024 and signed on its behalf by:

Ruth Hawkins (Chair)

R Hawkins

BOARD REPORT

BOARD MEMBERSHIP

The members below, who are considered directors for Company Law purposes, have served in office from 1st April 2023 to the date of this report except where otherwise indicated.

Ruth Hawkins	Appointed as Chair (previously interim) from 14.09.23
Patrick Mitchell	Vice Chair (retired 31.03.24)
Louise Harris	Appointed Chair of Audit and Risk Management Committee from 14.09.23
Catherine Arkley	Chair of Governance, Remuneration & Appraisal Committee
Tim Gallimore	Resigned 13.07.2023
Vinay Shankar	Retired 31.03.2024
Alan Davies	Appointed 14.09.2023
Sheona MacLoed	Appointed 14.09.2023
Rob Main	Appointed 14.09.2023
Brigitte Scammell	Appointed 14.09.2023
Neil Jones	Appointed 14.09.2023
Marcus Beale	Appointed 14.09.2023
Paddy Tipping	Holly Dagnall Nigel Turner

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE BOARD REPORT, AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, the Directors Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), FRS 102 *the Financial Reporting Standard applicable in the UK and Republic of Ireland.*

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company, and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they intend either to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the association's transactions, to disclose with reasonable accuracy at any time the financial position of the association and enable them to ensure that the financial statements comply with the:

- Companies Act 2006
- Housing and Regeneration Act 2008 and
- Accounting Direction for Private Registered Providers of Social Housing 2022.

BOARD REPORT (continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE BOARD REPORT, AND THE FINANCIAL STATEMENTS (continued)

Directors are responsible for internal control as they determine is necessary enabling the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the association's assets and prevent & detect fraud & other irregularities.

DIRECTORS' INDEMNITY

Appropriate Directors' and Officers' Liability Insurance cover is in place in respect of all the Association's directors.

POLITICAL DONATIONS AND EXPENDITURE

No political donations were made in the year ended 31st March 2024 (2023 - £ nil) and there was no other expenditure on political activity in the year (2023 - £ nil).

EMPLOYMENT

Framework aspires to retain a diverse workforce with the skills and understanding to achieve its goals by the provision of quality services responsive to a range of individual needs. At 31st March 2024, 12.49% of the workforce was registered as disabled (2023 – 13.45%). On the same date 21.35% of the workforce was defined as Black, Asian, Minority Ethnic and Refugee (BAMER) (2023 – 17.65%). When calculating these statistics the 10.88% of respondents who chose not to share this information are included in the denominator but excluded from the numerator categories reported above.

Framework is committed to involving its employees in the planning and development of services through staff consultation, employee surveys, information-sharing and staff communication. The Staff Council, meeting six times a year, is a formal structure through which leaders consult with elected employees and trade union representatives to inform them of, and discuss, changes affecting the organisation and its employees. Direct consultation occurs wherever there are changes that fundamentally affect the work of staff.

FINANCIAL INSTRUMENTS

The Association does not enter into any hedging transactions. It does not have any abnormal exposure to price movements, changes in credit conditions, liquidity constraints or cash flow risks arising from its trading activities.

AUDITOR

Beever and Struthers Ltd. was re-appointed as Framework's external auditor during the year.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors have taken all necessary steps to make the auditor aware of any relevant audit information and to establish that they are aware of that information. As far as the directors are aware, there is no relevant audit information of which the Association's auditor is unaware.

Approved by the Board on 18th July 2024 and signed on its behalf by:

Ruth Hawkins (Chair of the Board)

R. Hawkins

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRAMEWORK HOUSING ASSOCIATION

Independent Auditor's Report to Framework Housing Association

Opinion

We have audited the financial statements of Framework Housing Association (the 'Company') for the year ended 31 March 2024 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies in note 1. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2024 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRAMEWORK HOUSING ASSOCIATION (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on pages 30 and 31, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRAMEWORK HOUSING ASSOCIATION (continued)

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the Company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Companies Act 2006, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the regulated nature of the Company's activities.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRAMEWORK HOUSING ASSOCIATION (continued)

- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Beever and Struthers

Richard Graham (Senior Statutory Auditor)
For and on behalf of Beever and Struthers
Statutory Auditor

One Express
1 George Leigh Street
Manchester
M4 5DL

Date: 2 August 2024

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31st MARCH 2024

	Note	2023/24	2022/23
		£000	£000 *Restated*
Turnover	3	57,264	54,526
Operating expenditure	3	(55,516)	(53,554)
Operating surplus	3	1,748	972
Surplus on disposal of property		-	-
Finance income	5	182	50
Interest and financing costs	6	(613)	(460)
Surplus for the year		1,317	562
Actuarial gain in respect of pension schemes	16	4	1,973
Total comprehensive income for the year		1,321	2,535

The results all relate to continuing activities.

The accompanying notes form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31st MARCH 2024

	Note	2023/24 £000	2022/23 £000
FIXED ASSETS			
Tangible assets:			
Property, Plant and Equipment	11	96,818	92,589
Depreciation	11	(16,941)	(15,256)
		79,877	**77,333**
CURRENT ASSETS			
Debtors	12	3,700	2,380
Cash and Investments	13	6,020	8,652
		9,720	11,032
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	14	(7,510)	(5,636)
NET CURRENT ASSETS		**2,210**	**5,396**
TOTAL ASSETS LESS CURRENT LIABILITIES		**82,087**	**82,729**
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR			
Deferred government grants	15b	40,900	40,076
Long Term Loans	15a	10,074	12,861
Defined benefit pension liability	16	-	-
		50,974	52,937
NET ASSETS		**31,113**	**29,792**
CAPITAL AND RESERVES			
Called up Share Capital	17	-	-
Designated Reserves	23	31,113	29,792
		31,113	**29,792**

The financial statements on pages 35 to 57 were approved and authorised for issue by the Board and signed on its behalf on 18th July 2024 by

Ruth Hawkins Chair

Andrew Redfern Chief Executive

Suzanne Williamson Company Secretary

STATEMENT OF CHANGES IN RESERVES

INCOME & EXPENDITURE RESERVES

	Note	£000
At 1st April 2023		29,792
Surplus for year		1,317
Actuarial gain in respect of pension schemes	16	4
Revenue Reserves as at 31st March 2024		31,113

		£000
At 1st April 2022		27,257
Surplus for year		562
Actuarial gain in respect of pension schemes	16	1,973
Revenue Reserves as at 31st March 2023		29,792

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31st MARCH 2024

	Note	2023/24	2022/23
		£000	£000
Cash generated from operating activities			
Surplus for the year		1,317	562
Adjustment for non cash items			
Depreciation of property, plant and equipment	11	1,686	1,667
(Increase)/Decrease in Debtors	12	(1,320)	1,047
Increase/(Decrease) in Creditors	14	1,968	(1,302)
Pension costs less contribution payable	16	128	223
(Profit) on disposal of property, plant and equipment	-	-	-
Government grants utilised in the year	15b	(619)	(602)
Interest received		(182)	(50)
Interest payable		613	460
Amounts charged to financing costs	16	(124)	(70)
Cash generated by operating activities		**3,467**	**1,935**
Cash flows from investing activities			
Purchase of property, plant and equipment	11	(4,229)	(5,052)
Proceeds from the sale of property, plant and equipment		-	-
Grants received		1,435	1,504
Interest received	5	182	50
Net cash flows from investing activities		(2,612)	(3,498)
Cash flows from financing activities			
Interest Paid	6	(613)	(466)
New Loans		1,200	1,990
Loan repayments		(4,074)	(498)
Net cash flows from financing activities		(3,487)	1,026
Net(decrease)/increase in cash and cash equivalents		(2,632)	(537)

	Note	2023/24	2022/23
		£000	£000
Cash and cash equivalents at beginning of year	13	8,652	9,189
Net (decrease)/increase in cash and cash equivalents		(2,632)	(537)
Cash and cash equivalents at end of year	13	**6,020**	**8,652**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

1 ACCOUNTING POLICIES

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

General information and basis of accounting

The financial statements have been prepared under the historical cost convention, and where applicable 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 2018 (SORP), the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing 2022. Framework Housing Association is a public benefit entity, as defined in FRS 102 and applies the relevant paragraphs prefixed 'PBE' in FRS 102.

(b) Turnover and Operating Costs

Turnover represents rent and service charges receivable (net of rent and service charge losses from voids) in respect of supporting people and community care contracts, revenue grants receivable, amounts receivable in respect of service level agreements and donations.

Service charge income is recognised when expenditure is incurred as this is considered to be the point at which the service has been performed and the revenue recognition criteria met.

Operating costs incurred in the delivery of these services comprise expenditure on services, management, bad debts, fund-raising, publicity and depreciation.

(c) Property, plant and equipment - housing properties

Housing properties are stated at cost 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.

Expenditure on existing housing properties is capitalised when an identifiable component is replaced and this replacement cost is more than £5,000. Expenditure incurred on the acquisition of furniture and equipment will be recorded in the Statement of financial position where the purchased cost per item is £5,000 or more, or, where the aggregate cost of items in a single capital project, is greater than £5,000.

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.

A full years depreciation is charged on assets in the year of purchase, but no charge is made in the year of disposal.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

1 ACCOUNTING POLICIES (CONTINUED)

(c) Property, plant and equipment - housing properties (continued)

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.

Land	nil
Buildings- Superstructure	1.25%
Buildings-Roof	2%
Buildings-Heating Systems	2.5%
Buildings - Electrical systems	3%
Buildings - Fixtures & Fitting:	5%
Furniture and Equipment	33%

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 the Statement of Comprehensive Income.

Leaseholders

Where the rights and obligations for improving a housing property reside with the leaseholder or tenant, any works to improve such properties incurred by the Association is recharged to the leaseholder and recognised in surplus or deficit in the Statement of Comprehensive Income along with the corresponding income from the leaseholder or tenant.

(d) 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.

Impairment indicators used by the Association are: empty properties without an agreed plan to bring into use, permanent increase in voids, or reduction in rental income.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

1 ACCOUNTING POLICIES (CONTINUED)

(e) Social Housing Grant and other Government Grants

Where grants are received from government agencies such as Homes England, 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.

(f) 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.

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.

(g) Leased assets

At inception the Association 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.

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.

1 ACCOUNTING POLICIES (CONTINUED)

(h) 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.

(i) Taxation

The Association is a registered charity and is exempt from any corporation tax liabilities on its charitable activities.

(j) Pensions

Multi-employer defined benefit pension scheme- NHS

The Association participates in a 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. This defined benefit scheme is closed to new members and was set up to preserve pension arrangements for staff transferring in to the Association under TUPE Legislation.

Local Government Pension Scheme- Nottinghamshire Local Government Pension Scheme

The Association 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. Remeasurement 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 Association, 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. This defined benefit scheme is closed to new members and was set up to preserve pension arrangements for staff transferring in to the Association under TUPE legislation.

Defined Contribution Scheme - Scottish Widows

The Association 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. This scheme is open to all staff members in accordance with Auto-Enrolment legislation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

1 ACCOUNTING POLICIES (CONTINUED)

(k) Supported housing and other managing agents

Where the Association has ownership of a supported housing or other scheme but also has an agreement with a third party to manage the scheme (including Supporting People funded schemes or services), where there has been a substantial transfer of the risks and benefits attached to the scheme to the third party, any scheme revenue and expenditure is excluded from these financial statements.

(l) Financial Instruments

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

Financial assets carried at amortised cost

Financial assets carried at amortised cost comprise rent arrears, trade and other receivables and cash and cash equivalents. Financial assets are initially recognised at fair value plus directly attributable transaction costs. After initial recognition, they are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. If there is objective evidence that there is an impairment loss, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced accordingly. A financial asset is derecognised when the contractual rights to the cash flows expire, or when the financial asset and all substantial risks and reward are transferred. If an arrangement constitutes a financing transaction, the financial asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial liabilities carried at amortised cost.

The 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.

Cash and cash equivalents

Cash and cash equivalents comprise cash on 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. For the purposes of the cash flow statement cash, the current account and the deposit accounts are considered to be liquid resources.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

1 ACCOUNTING POLICIES (CONTINUED)

(m) Bad Debt Provisions

The Association's bad debt policy is to provide for 100% of debtors where there is strong evidence of non-collection, 25% of rent and eligible service charges and 75% of ineligible service charges which are still outstanding after the deduction of cash received in the new financial year.

(n) Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

(o) Value Added Tax (VAT)

The Association charges VAT on some of its income and is able to recover part of the VAT it incurs on expenditure. All amounts disclosed in the accounts are inclusive of VAT to the extent that it is suffered by the Association and not recoverable.

(p) Designated Reserves

With regard to paragraph 18.7 of the SORP, our Reserves are presented in line with the Charity SORP paragraph 1.48 which is considered more appropriate to Framework as a registered charity and to support our reliance on charitable donations. This treatment is considered appropriate to provide donors and potential donors with a more accurate presentation of Frameworks financial position.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

2 SIGNIFICANT MANAGEMENT JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Significant management judgements

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

Impairment of social housing properties

Management has 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.

Non-recognition of Pension Asset

The Nottinghamshire Pension Fund has a gross accounting surplus at the reporting date of £235K. In line with FRS 102 requirements the Association has recognised an asset on the balance sheet to the extent that it is able to recover the surplus, either through reduced contributions in the future, or through refunds from the plan. The pension asset has been capped at £NIL, as no reduced contributions or refunds are expected.

Estimation uncertainty

The Association 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.

Provisions

Provision is made for dilapidations. This provision requires management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, the timing of the cash flows and the discount rates used to establish net present value of the obligations require management's judgement.

Defined benefit pension scheme

The association has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

3 TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

	2023/24	2022/23 *Restated*
TURNOVER	**£000**	**£000**
Rent and service charges receivable	21,064	18,703
Community care contracts	1,416	1,435
	22,480	**20,138**
Statutory revenue income (Note 4)	16,002	14,050
Housing Related Support contracts	12,879	12,423
Amortised government grant	619	602
Specific charitable income (Note 4)	1,918	3,525
	53,898	**50,738**
Non specific charitable giving (Note 4)	689	1,067
Other	2,677	2,721
TOTAL TURNOVER	**57,264**	**54,526**
OPERATING COSTS		
Services	38,302	36,857
Management	10,391	9,963
Maintenance	4,356	4,049
Development	289	269
Fund raising	290	300
Bad debts	202	449
Depreciation	1,686	1,667
TOTAL OPERATING COSTS	**55,516**	**53,554**
OPERATING SURPLUS FOR THE YEAR	**1,748**	**972**
Analysis of Voids	**£000**	**£000**
Voids from lettable properties	2,451	2,793
Total Voids	**2,451**	**2,793**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

3a PARTICULARS OF TURNOVER, OPERATING EXPENDITURE AND OPERATING SURPLUS

	2023/24 Turnover £000	2023/24 Operating Expenditure £000	2023/24 Operating Surplus/(Deficit) £000
Social Housing Lettings (Note 3b)	**27,886**	**26,794**	**1,092**
Other Social Housing Activities			
Charges for support services	12,694	12,658	36
Total Social Housing	**40,580**	**39,452**	**1,128**
Activities other than Social Housing	**16,684**	**16,064**	**620**
Total Non- Social Housing	**16,684**	**16,064**	**620**
Total	**57,264**	**55,516**	**1,748**

3a PARTICULARS OF TURNOVER, OPERATING EXPENDITURE AND OPERATING SURPLUS

	2022/23 Turnover £000	2022/23 Operating Expenditure £000	*Restated* 2022/23 Operating Surplus/(Deficit) £000
Social Housing Lettings (Note 3b)	**26,406**	**25,677**	**729**
Other Social Housing Activities			
Charges for support services	11,927	11,898	29
Total Social Housing	**38,333**	**37,575**	**758**
Activities other than Social Housing	**16,193**	**15,979**	**214**
Total Non- Social Housing	**16,193**	**15,979**	**214**
Total	**54,526**	**53,554**	**972**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

3b PARTICULARS OF TURNOVER AND OPERATING EXPENDITURE FROM SOCIAL HOUSING LETTINGS

		Restated
	Social Housing 2023/24	**Social Housing 2022/23**
Income	**£000**	**£000**
HB eligible rent & service charges	21,650	19,350
HB ineligible rent & service charges	831	788
Amortised government grants	592	567
Other grants	4,813	5,701
Turnover from Social Housing Lettings	**27,886**	**26,406**
Operating Expenditure		
Management	6,182	6,166
Service Charge Costs	11,487	10,690
Routine Maintenance	4,283	4,001
Planned Maintenance	1,259	1,131
Bad Debts	202	449
Depreciation of housing properties	1,305	1,239
Depreciation of other tangible fixed assets	289	338
Other costs	1,787	1,663
Operating Expenditure on Social Housing Lettings	**26,794**	**25,677**
Operating Surplus	**1,092**	**729**
Void Losses	**2,451**	**2,793**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

4 GRANTS AND DONATIONS RECEIVABLE

	2023/24	2022/23
	£000	£000
STATUTORY SOURCES		
Leicester, Leicestershire & Rutland Councils (Edwin)	415	532
DLUC - City of Lincoln Council	491	653
DLUC- Nottingham City	1,811	3,048
DLUC Sheffield	34	33
Nottingham City CDP (MVH)	-	28
Nottingham City Council (Rough Sleepers)	551	295
Nottingham City CDP (Clean Slate)	519	1,000
Nottingham City CDP (Nottingham Recovery Network)	6,837	5,390
Nottingham City CDP (Edwin)	286	411
Nottingham City CCG Mental Health & Wellbeing	606	236
Nottingham City CDP (HALT)	100	94
Nottingham City Council (Edwin)	-	-
Sheffield City Council (Street outreach/SMHIS)	273	215
DLUC - Ashfield DC (SOT County)	380	416
Homes England (RSAP)	488	430
Other Statutory Grants	3,211	1,269
Total	**16,002**	**14,050**
SPECIFIC CHARITABLE SOURCES		
Big Lottery Fund (Opp Nottm)	-	429
Big Lottery (Opportunity & Change)	101	1,498
SSBC (Family Mentor & Aspley Mentor)	1,447	1,362
Big Lottery (Homeless to Home)	-	73
BBO Linc - UC Move	-	34
Other Specific Grants	370	129
Total	**1,918**	**3,525**
OTHER GRANTS AND DONATIONS		
Grants and Donations	689	1067
Total	**689**	**1067**
Grand Total	**18,609**	**18,642**

Most statutory and charitable grants are restricted to the delivery of specific services as determined by the funders.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

5 FINANCE INCOME

	2023/24	2022/23
	£000	£000
Bank interest receivable	182	50
	182	50

6 INTEREST AND FINANCING COSTS

	2023/24	2022/23
	£000	£000
Bank loans and overdrafts	694	466
Costs associated with financing	-	-
Net interest on defined benefit liability (Note 16)	(2)	45
	692	511
Borrowing costs capitalised	(79)	(51)
	613	460

7 SURPLUS FOR THE YEAR

	2023/24	2022/23
	£000	£000
Surplus for the year is stated after charging:		
Depreciation on housing properties	1,383	1,329
Depreciation on other fixed assets	302	338
External Auditor's Remuneration (excluding VAT)		
- Audit-related assurance services	31	29
Operating lease charges on land and buildings	2,009	1,929
Operating lease charges on other assets	214	321

8 TAXATION

No taxation charge arises as the Association is an exempt charity and only undertakes charitable activities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

9 STAFF COSTS

	2023/24 £000	2022/23 £000
Staff costs including directors:		
Wages and salaries	27,841	26,682
Redundancy costs	73	8
Social security costs	2,239	2,080
Other pension costs	1,074	1,007
Total	31,227	29,777

The full Time Equivalent number of staff who received emoluments, including pension contribution, in excess of £60,000 are shown below.

	2023/24 No.	2022/23 No.
Salary Band £000		
60,000 - 69,999	-	1
70,000 - 79,999	1	2
80,000 - 89,999	-	2
90,000 - 99,999	3	1
100,000-109,000	1	-

Average number of full time equivalent persons (FTE) employed:	2023/24 No.	2022/23 No. *Restated*
Supported Housing	383	409
Tenancy Sustainment	132	126
Fundraising and Communications	15	7
Management and Administration (Central Office)	82	84
Care Home	61	59
Non Housing related service staff	232	233
Average number of FTE employees during the year	**905**	**918**

The basis of the calculation of full time equivalents is the average of contracted employees at each year end.

10 DIRECTORS' REMUNERATION AND TRANSACTIONS

Key management personnel remuneration

	2023/24 £000	2022/23 £000
Directors who are executive staff members		
Wages and salaries	511	464
Loss of Office payment	-	-
Social security costs	59	55
Other pension costs	24	23

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

10 DIRECTORS' REMUNERATION AND TRANSACTIONS (Continued)

Board Members

No remuneration was paid to board members in their capacity as directors of the Association. Incidental travel expenses are claimed in order for the board to carry out their duties. Travel expenses paid to board members to 31st March 2024 were £306 (2023 £0)

Remuneration of the highest paid director, excluding pension contributions or payments made in lieu of pension contributions.

	2023/24 £000	2022/23 £000
Emoluments	95	90

11 PROPERTY, PLANT AND EQUIPMENT

	Properties in Management	Properties in Development	Plant and Equipment	Total
	£000	£000	£000	£000
COST				
At 1st April 2023	88,328	1,805	2,456	92,589
Additions during the year	704	2,957	295	3,956
Capitalised Repairs	273	-	-	273
Transferred on completion	2,639	(2,639)	-	-
Disposals during the year	-	-	-	-
Total at 31st March 2024	**91,944**	**2,123**	**2,751**	**96,818**
DEPRECIATION				
At 1st April 2023	13,030	-	2,226	15,256
Charge for the year	1,383	-	302	1,685
Disposals during the year	-	-	-	-
Total at 31st March 2024	**14,413**	**-**	**2,528**	**16,941**
NET BOOK VALUE				
At 1st April 2023	**75,298**	**1,805**	**230**	**77,333**
At 31st March 2024	**77,531**	**2,123**	**223**	**79,877**

Included in properties in management is Anvil House (formerly "Scotter House") which is subject to a 60 year lease at a net book value of £1,613k.

Expenditure on own properties	2023/24 £000	2022/23 £000
Capitalised development costs	3,661	4,782
Repairs and Maintenance charged to operating expenditure	1,998	1,198
Total expenditure on own properties	**5,659**	**5,980**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

12 DEBTORS

	2023/24 £000	2022/23 £000
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Rent, service, support and community care charges (Note below *)	1,200	1,201
Less: Provision for bad debts	(268)	(331)
Net rent, service and support charges	932	870
Prepayments and accrued income	1,179	808
Grants and loans receivable	1,589	693
Other taxation and social security	-	9
Debtors at 31st March	3,700	2,380

* No disclosure has been made of the amount of the net present value adjustment where a repayment schedule is in place as the amount is considered to be minimal.

13 CASH AND INVESTMENTS

	2023/24 £000	2022/23 £000
Cash	156	120
Cash and cash equivalents	5,864	8,532
Cash and Investments at 31st March	6,020	8,652

14 CREDITORS

	2023/24	2022/23
AMOUNTS FALLING DUE WITHIN ONE YEAR	£000	£000
Accruals and deferred income	3,849	2,922
Trade creditors	2,378	1,496
Other creditors	97	91
Other taxation and social security	153	-
Government grants (Note 15b)	601	608
Principal Loan repayments (Note 15a)	432	519
Creditors at 31st March	7,510	5,636

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

15 CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023/24 £000	2022/23 £000
Long Term Loans	10,074	12,861
Deferred Government Grants	40,900	40,076
	50,974	**52,937**

The loans are secured on freehold housing properties with a carrying value of £24,517k.
These freehold properties provide a total of 339 units of accommodation. Interest is payable at variable rates between 2.86% - 7.25%
The total accumulated amount of capital grants received at the balance sheet date is £49,391,000

15a Loan analysis

	2023/24 £000	2022/23 £000
Loans repayable by instalments		
Within one year or less	432	519
More than one year but not more than two years	479	583
More than two years but not more than five years	1,668	1,951
More than five years	7,927	10,327
	10,506	**13,380**

15b Deferred government grant

	2023/24 £000	2022/23 £000
Deferred capital grant as at 1st April	40,684	39,782
Grants received in the year	1,435	1,504
Grant repayments during the year	0	0
Amortised to Statement of Comprehensive Income	(619)	(602)
Deferred capital grant as at 31 March	**41,500**	**40,684**
Amount to be released within one year	600	608
Amount to be released after one year	40,900	40,076

16 PENSION OBLIGATIONS

1 Defined contribution pension scheme

The Association operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Association in an independently administered fund.
The total expense charged to Statement of Comprehensive Income in the year to 31st March 2024 was £981k (2023 £928k)

2 Defined Benefit Scheme - NHS Scheme

The NHS pension scheme is an unfunded, defined benefit scheme that covers NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The cost to the Association participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period. The total expense charged to Statement of Comprehensive Income in the year to 31st March 2024 was £18k (2023 £18k)

3 Local Government Pension Scheme - Nottinghamshire Pension Scheme

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate funds administered by Nottinghamshire Local Authority. The total contributions made for the year ended 31st March 2024 were £102k (2023 £87k), of which employer's contributions totalled £75k (2023 £62k) and employees contributions totalled £27k (2023 £25k). The agreed contribution rates for future years are 19.0% (2023 19.0%) for employers and range from 5.5% to 6.8% for employees, depending on salary.

The following information is based upon a full actuarial valuation of the fund at 31st March 2023 by a qualified independent actuary.

	At 31st March 2024	At 31st March 2023
	%	%
Rate of increase in salaries	3.90%	3.90%
Rate of increase for pension in payment/inflation	2.90%	2.90%
Discount rate for scheme liabilities	4.95%	4.80%
Inflation assumption (CPI)	2.90%	2.90%

It has been assumed that members will exchange half their commutable pension for cash at retirement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

16 PENSION OBLIGATIONS (continued)

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	At 31st March 2024	At 31st March 2023
Retiring today	Years	Years
Males	20.8	20.7
Females	23.6	23.5
Retiring in 20 years		
Males	22.1	22.0
Females	25.1	25.0

The estimated asset allocation for the Association as at 31 March 2023 is a follows:

	At 31st March 2024	At 31st March 2023
Equities	59%	58%
Gilts	3%	2%
Other Bonds	5%	6%
Property	11%	12%
Cash	6%	5%
Inflation-linked pooled fund	5%	5%
Infrastructure	8%	8%
Private Equities	3%	4%
Total	**100%**	**100%**

Analysis of the amount charged to operating costs in the Statement of Comprehensive Income.

	At 31st March 2024	At 31st March 2023
	£000	£000
Employer service cost (net of employee contributions)	(5)	(107)
Total operating charge	(5)	(107)
Analysis of pension finance income/(costs)		
Expected return on pension scheme assets	(124)	(70)
Interest on pension liabilities	122	115
Amounts (credited)/charged to financing costs	(2)	45
Amount of gains and losses recognised in the Statement of Comprehensive Income		
Actuarial gains on pension scheme assets.	66	2,062
Actuarial gains/(losses) on scheme liabilities	163	(79)
Adjustment for gains not recognised	(225)	(10)
Actuarial (loss)/gain recognised	4	1,973

16 PENSION OBLIGATIONS (continued)

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

	At 31st March 2024	At 31st March 2023
Movement in surplus/(deficit) during year	**£000**	**£000**
(Deficit) in scheme at 1 April	0	(1,820)
Employer service cost	(80)	(169)
Employer contributions	75	62
Return on assets	12	(220)
Remeasurements	(7)	2,147
Surplus/(Deficit) in scheme at 31 March	0	0

The Nottinghamshire Pension Fund has a gross accounting surplus at the reporting date of £235K. In line with FRS 102 requirements the Association has recognised an asset on the balance sheet to the extent that it is able to recover the surplus, either through reduced contributions in the future, or through refunds from the plan. The pension asset has been capped at £NIL, as no reduced contributions or refunds are expected.

Asset and Liability Reconciliation

	At 31st March 2024	At 31st March 2023
	£000	**£000**
Opening defined benefit obligation	2,604	4,452
Service Cost	80	169
Interest Cost	122	115
Change in financial assumptions	(79)	(1,988)
Change in demographic assumptions	-	(262)
Experience (gain)/loss on defined benefit obligation	13	138
Estimated benefits paid net of transfers in	(152)	(45)
Past service costs, including curtailments	-	-
Contributions by Scheme participants and other employers	27	25
Closing defined benefit obligation	2,615	2,604
Assets at start of period	2,614	2,632
Interest on assets	124	70
Return on assets less interest	163	(79)
Other actuarial (losses)	-	(50)
Administration Expenses	(1)	(1)
Contributions by employer including unfunded	75	62
Contributions by Scheme participants and other employers	27	25
Estimated benefits paid net of transfers in	(152)	(45)
Settlement prices received/(paid)	-	-
Assets at end of period	2,850	2,614
Actual return on plan scheme assets	287	(59)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

17 CALLED UP SHARE CAPITAL

The Association is a company limited by guarantee and does not therefore have any share capital.

18 RELATED PARTY TRANSACTIONS

There are no related party transactions to disclose. All procurement negotiations for goods and servies are carried out on normal commercial terms.

19 CAPITAL COMMITMENTS

	2023/24 £000	2022/23 £000
Capital expenditure contracted for at 31st March but not provided for in the financial statements	4,588	1,876
Less funding allocations	(3,939)	(728)
Internal funding commitment	**649**	**1,148**

20 OTHER FINANCIAL COMMITMENTS

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

	2023/24 Land and Buildings £000	2023/24 Other £000	2022/23 Land and Buildings £000	2022/23 Other £000
Operating leases which expire:				
Within one year	2,009	214	1,929	321
Within two to five years	1,308	55	1,023	55
After five years	558	55	46	55
	3,875	**324**	**2,998**	**431**

21 HOUSING STOCK

NUMBER OF UNITS IN MANAGEMENT	2023/24	2022/23
Social Housing	**No.**	**No.**
Social rent supported housing	1,037	1,037
Affordable rent supported housing	123	123
Care Homes	63	63
Social housing units managed but not owned	86	86
TOTAL	**1,309**	**1,309**

RECONCILIATION OF MOVEMENT OF UNITS IN MANAGEMENT	2023/24	2022/23
	No.	**No.**
Opening Units in Management	**1,309**	**1,224**
Newly built rental accommodation	6	37
Units purchased by the RP for rent	15	17
All other gains from outside existing social housing stock	37	39
Loss of social housing due to end of lease	(41)	(52)
All other losses to existing housing stock	(17)	(24)
Gain of managed units	-	1
Loss of managed units	-	(6)
Closing Units in Management	**1,309**	**1,309**

22 LEGISLATIVE PROVISIONS

The Association is incorporated under the Companies Act 2006 and is a Registered Social Landlord.

23 DESIGNATED RESERVES

	2023/24	2022/23
Reserves (Liquid - Minimum Cash)	4,500	4,500
Reserves (Liquid - Allocated to Development Programme)	1,345	896
Reserves (Non - Liquid - Property)	25,268	24,396
	31,113	**29,792**

Reserves are retained at levels that allow the association to continue to provide the services that the reserves are intended to support while managing the risks associated with long term expenditure plans. The annual budget and the 30 year long term financial plan align resources to support this approach and the levels of reserves are monitored throughout the year by the Board Members. Reserves were held at £4.5M in the cash flow reserve at the 31st March 2024 and £26,612k in designated reserves. £25,267k of the designated reserves can only be realised by disposing of tangible fixed assets.

24 PRIOR PERIOD ADJUSTMENT

During the year, management identified internal recharges that were incorrectly allocated within Income and Expenditure in the prior year figures. An adjustment has been made to reduce income and expenditure by £1,277k. The net impact of these transaction is £0. There was no impact on opening reserves.

FRAMEWORK HOUSING ASSOCIATION

England & Wales - Charity number 1060941

Accounts

FRAMEWORK HOUSING ASSOCIATION

STRATEGIC AND BOARD REPORT

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR TO 31st MARCH 2023

COMPANY REGISTRATION No: 3318404

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INFORMATION AS AT 31st March 2023

THE BOARD:

Ruth Hawkins	Interim Chair
Patrick Mitchell	Vice Chair
Louise Harris	Appointed as Interim Chair of Audit and Risk Management Committee from 14.04.2022
Catherine Arkley	Appointed as Chair of Governance, Renumeration and Appraisal Committe from 15.09.2022
Debbie Maitland	(Resigned 15.09.2022)
Jane Geraghty	(Resigned 15.09.2022)
Paddy Tipping	(Appointed 12.05.2022)
Holly Dagnall	(Appointed 12.05.2022)
Tim Gallimore	Vinay Shankar Nigel Turner

SENIOR LEADERSHIP TEAM:

Andrew Redfern	Chief Executive
Claire McGonigle	Deputy Chief Executive (Appointed 06.02.2023, previously Operations Director)
Suzanne Williamson	Director of Finance, Governance and Risk
Dave Smith	Services Director
Apollos Clifton-Brown	Director of Health and Social Care
Dave Newmarch	Director of Corporate Services

COMPANY SECRETARY:	Suzanne Williamson
REGISTERED OFFICE:	Val Roberts House, 25 Gregory Boulevard, Nottingham NG7 6NX Tel: (0115) 841 7711 E-Mail: info@frameworkha.org
AUDITORS:	Beever and Struthers, One Express, 1 George Leigh Street, Manchester M4 5DL
SOLICITORS:	Actons, 20 Regent Street, Nottingham NG1 5BQ
BANKERS:	National Westminster Bank Plc, Nottingham City Branch 148-149 Victoria Centre, Nottingham NG1 3QT

REGISTERED CHARITY No:	1060941
REGISTERED PROVIDER OF SOCIAL HOUSING No:	LH4 184
COMPANY REGISTRATION No:	331840

The Board Members present their Strategic Report, Board Report and Audited Financial Statements for the year ended 31st March 2023.

STRATEGIC REPORT

PRINCIPAL ACTIVITIES

The principal activities of Framework Housing Association are to provide accommodation, support, care, treatment, training, resettlement, and related services to homeless, vulnerable and excluded people. At present these activities are carried out mainly in the cities of Nottingham, Lincoln & Sheffield, the counties of Nottinghamshire, Derbyshire, Lincolnshire & Leicestershire along with North Lincolnshire and North East Lincolnshire.

The Charity's Objects, as set out in its Articles of Association, are to carry out the following activities for persons in need who are homeless (or threatened with the prospect of becoming homeless) and/ or suffering from the effects of poverty, sickness, disability, old age, alcoholism, drug addiction, offending behaviour or any other mental or physical infirmity:

- To provide housing, treatment, rehabilitation, education, training and care
- To provide facilities, resources and services to support and/ or benefit them
- To provide, maintain or improve properties to deliver the above services
- To promote further study of the nature, extent and consequences of the above social problems.

Framework's Vision, as set out in the 2022-'27 Corporate Plan is that People experiencing homelessness and related disadvantage are treated with dignity, respect and compassion and are empowered to reach their full potential. Its Mission Statement is:

'Working to tackle Homelessness, Ill-health, Disadvantage and Exclusion' by:

- Providing holistic, person-centred programmes of housing, health, employment and support
- Challenging systems & influencing their design to deliver integrated services with better outcomes
- Preventing homelessness and its causes
- Advocating for service users and embedding their experience in our work

ORGANISATION STATUS

Framework is a Registered Charity (no. 1060941) and a Company Limited by Guarantee (no. 331840). In the event of winding up, the liability of each member is limited to £1.

Framework is also a Registered Provider of Social Housing (no. LH4 184). These accounts are prepared in accordance with the Statement of Recommended Practice for Registered Social Housing Providers 2018 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

GOVERNANCE

Board

Framework is governed by a Board which is ultimately responsible for its activities and affairs. The Board members are all Directors of the Company, Trustees of the Charity and Members of the Association. The current members of the Board are listed above. During March 2022 Ruth Hawkins was appointed as Interim Chair and this was extended for a further twelve months from September 2022, pending the recruitment of a permanent replacement.

As part of its succession planning strategy, the Board has commenced a recruitment campaign whose target is to appoint up to five new Board Members. This will further enhance and strengthen the experience and skills of the Board considering current vacancies and planned retirements in the medium term.

STRATEGIC REPORT (continued)

The day-to-day management of the Charity is delegated to its Chief Executive and Senior Leadership Team (SLT), with certain tasks passed to the Corporate Leadership Team (CLT) and Operational Leadership Group (OLG). Other delegations for oversight of relevant activities are made by the Board to the Audit and Risk Management (ARM) Committee and to the Governance, Remuneration and Appraisal (GRA) Committee.

The Board has agreed a list of Key Control Policies (KCPs) that it alone can amend. Changes to other policies can be made by the Senior Leadership Team (SLT) or are delegated by the SLT to CLT.

The Board meets at least eight times per annum and holds an annual Conference. The standard term of office for each individual Board Member is three years, which may be extended subject to review. In accordance with the National Federation's Code of Governance (2020) Board Members usually step down after a second three-year term. Exceptionally, the maximum may be extended beyond the normal six-year limit to meet specific organisational needs.

Compliance with Regulator of Social Housing's Governance and Financial Viability Standards and Consumer Standards.

It is a regulatory requirement and a matter of good practice for Registered Providers of Social Housing to assess their compliance with the Regulator of Social Housing's (RSH) Governance and Financial Viability Standards. The Association's self-assessment of compliance for the 2022-'23 financial year has been received and discussed by the Board. It concluded that it is compliant with these standards and there have been no notifiable breaches of them during the year. The Board also undertook its second annual self-assessment against the RSH Consumer Standards which concluded that Framework remains compliant.

Charity Commission Public Benefit Guidance

Framework Board Members have regard to the Charity Commission's public benefit guidance when exercising their powers and duties to which this guidance is relevant. In the view of the Board, it has not taken any decision that departs from the guidance during the financial year.

Code of Governance

Framework has adopted the National Housing Federation's (NHF) Code of Governance 2020. The annual self-assessment for 2022-'23 concluded that Framework is fully compliant with the NHF Code.

Statement of Board Members' Skills, Qualities and Experience

The role of Board Members is set out in a written profile for the role. The Board Member appraisal process assesses performance against the profile. A Skills Audit was undertaken during the year. This informed the recruitment that is currently underway to appoint up to five new Board members. The aim is to enhance the housing, asset management and business skills present on the Board, and to strengthen Committee membership.

Committees of the Board

The Board has established two Committees, both of which have delegated authority to act on its behalf within detailed Terms of Reference (ToR). These are set out in appendices to 'Governance in Action' (Framework's Governance Policy, which is a Key Control Policy). The two committees are the Audit and Risk Management (ARM) Committee which meets at least four times per annum, and the Governance, Remuneration and Appraisal (GRA) Committee which meets at least twice per annum.

STRATEGIC REPORT (continued)

The decisions taken by the ARM Committee relate to the identification and assessment of risks and the creation and monitoring of systems, policies & procedures to manage them. Its current members are: Louise Harris (Interim Chair), Nigel Turner, Patrick Mitchell (Interim Member) and Tim Gallimore (Interim Member).

The work of the GRA Committee focuses on the structures and processes by which the organisation is governed, succession planning, skills audit, the policies for staff remuneration and the appraisal of Board Members and the Chief Executive. Its current members are: Catherine Arkley (Chair), Tim Gallimore, Holly Dagnall and Paddy Tipping.

Framework has a Service User Advisory Group (SUAG) through which those who use the Association's services can influence the Board's decisions and participate in other aspects of its governance. Two Board Members attend the SUAG meetings on a regular basis and there is a standing item on the Board agenda to enable them to report and feedback. The SUAG can nominate up to two service user representatives at any one time, who are entitled to attend meetings of the Board as the group requires.

CORPORATE STRATEGY AND OBJECTIVES

Framework's Mission, as set out in its 2022-2027 Corporate Plan is:

'Working to tackle Homelessness, Ill-health, Disadvantage and Exclusion' by:

- Providing holistic, person centred programmes of housing, health, employment & support
- Challenging systems and influencing their design to deliver integrated services with better outcomes
- Preventing homelessness and its causes
- Advocating for service users and embedding their experience in our work

This is to be achieved by providing a range of services resting on four 'pillars' that together give strategic shape to the work of the organisation:

- **Housing**

  We house and support people who are homeless, prevent others from losing their homes and help them to sustain their tenancies, because all need a place to call their home.

- **Health**

  We offer specialist health and clinical services to people with all kinds of health issues, because physical and emotional wellbeing is fundamental to a stable, independent and fulfilling life.

- **Employment**

  These services, including volunteering, build skills and employability, because people need financial stability, a sense of self-worth and control over their future.

- **Support and Care**

  Our support and care services add to the quality and sustainability of life, nurturing confidence, building esteem and engaging people as part of a community, because this makes us all stronger.

STRATEGIC REPORT (continued)

Statement by the Directors in performance of their statutory duties in accordance with Section 172(1) of the Companies Act 2006

The Directors (who are also the Board Members) consider that they have acted in good faith, in the way most likely to promote the success of the organisation for the benefit of its members as a whole (having regard to the stakeholders and matters set out in Section 172 (1) (a-f) of the Act).

The likely consequences of any decision in the long term

Framework has an effective five-year strategic planning cycle, where the long-term consequences of decisions are considered. The Corporate Plan sets out the organisation's strategic direction through the Vision and Mission Statements, Values, Corporate Objectives, Four Pillars, and summaries of the Long-Term Financial Plan (LTFP) with its accompanying Strategies. The Annual Plan and Review records progress against the delivery of the Corporate Plan. The thirty-year LTFP is reviewed on an annual basis and stress-tested against a range of scenarios and risks, enabling the Board to approve mitigation plans and trigger points for these.

The interests of the organisation's employees

Framework recognises the importance of its employees in the delivery of its Mission and Objectives. Corporate Objective Six describe how it seeks to recruit and maintain a skilled, motivated, and resilient workforce that embodies its values and prioritises its service users. Framework uses the 'Investors in People' process and standard to support the continuing development of its people strategies and employee engagement, focused on delivery of the Corporate Objectives agreed by the Board to promote the interests of service users and meet their needs.

The need to foster the organisation's business relationships with suppliers, customers and others.

Framework prioritises the needs of its service users, promotes their interests and measures its success by the difference made to their lives. Service users are engaged in its decision-making processes and in wider consultation to support and drive improvements in delivery. At strategic level the relationship between the organisation and those who use its services is fostered by Board Members attending the Service User Advisory Group (SUAG) meetings and reporting back to the Board at each meeting, through representation from SUAG which is invited at Board Meetings and at the annual Board Conference as they require; by Board member visits to services and through presentations to the Board which include service user representatives. SUAG is supported independently by Service User Empowerment and Advocacy (SEA) a separate organisation with which Framework contracts for this purpose.

Framework aims to establish, develop and nurture strong relationships with commissioners and other key stakeholders such as central government departments, local authorities, place-based partnerships, the health community, police & crime commissioners. Through these partnerships it seeks to influence the planning and development of service pathways and networks which respond to the range of needs presented by current and future service users.

In relation to suppliers, Framework has a Procurement Policy which sets out the principles and practice of its approach, aligned to Corporate Objective Four. The Policy describes how the organisation works with its professional consultants and suppliers in a spirit of partnership characterised by high business ethics that reflect its Mission and Values.

The impact of the organisation's operations on the community and environment

Framework seeks to make a positive impact in the geographical areas and communities where it operates by providing high quality, 'fit for purpose' accommodation with accompanying complementary services, based on the 'four pillars' approach. The offer can be summarised as providing a safety net for some and a springboard for others.

STRATEGIC REPORT (continued)

Framework is a point of reference and stability for many with nowhere else to turn, providing basic emergency assistance, a safe place to stay, access to specialist services, needs and risk assessment. These culminate in the formulation of an integrated plan comprising elements of housing, health, support, and skills for employment, tailored to the individual circumstances of each person. We work closely with local and health authorities to implement their strategies for tackling and preventing homelessness, rough sleeping, social exclusion, health inequality and inactivity.

Framework is striving to reduce the carbon footprint and other negative externalities, of both its housing and non-housing activities. The Asset Management Strategy includes plans for better utilisation of low carbon technologies and greater energy efficiency. The IT Transformation Strategy is accompanied by investment to modernise the delivery of services.

The desirability of the organisation maintaining a reputation for high standards of business conduct

As a Registered Charity and a Registered Provider of Social Housing, Framework seeks to maintain high standards of conduct. It carries out annual assessments of its compliance with the Regulator of Social Housing's Governance & Viability and Consumer Standards, complies with the National Housing Federation's Code of Governance and with the requirements of the Charity Commission, Care Quality Commission, Data Protection Office and Health & Safety Executive. Policies and procedures are designed to ensure adherence to all relevant laws and regulations, with an Internal Controls Assurance Register to monitor compliance. Framework is committed to the promotion of equality, diversity, social inclusion, human rights and the prevention of slavery & human trafficking.

The need to act fairly as between members of the organisation

The organisation's robust approach to governance is set out by 'Governance in Action', with a commitment to comply with relevant laws, regulatory standards, and codes. This Key Control Policy, which only the Board can amend, supports the integrity of decision making and focuses it primarily on the needs of service users rather than Board members or employees of the organisation.

Principal decisions

In the past financial year, the Board has taken a substantial number of decisions to discharge its responsibilities as listed above. Among those that were material to the strategic priorities of the organisation and/ or its key stakeholder groups, were the following:

- Implementation of the new Corporate Plan covering the five years from April 2022 to March 2027.
- A review and update of the Long-Term Financial Plan and supporting strategies aligned to the above with accompanying stress testing, mitigations & triggers to sustain Framework's viability.
- Consideration of self-assessments of compliance against the RSH Standards, The NHF Code of Conduct and the Housing Ombudsman Complaints Code to gain assurance on compliance with legal & regulatory requirements, maintain high standards of governance and ensure that the complaints processes continue to meet the needs of service users.
- Review of the Equality, Diversity and Inclusion Action Plan to track progress on delivery and update it to reflect new and emerging matters.
- An expanded programme of construction/ acquisition & refurbishment to develop additional supported accommodation units, partly funded by an increase to the borrowing facility, to provide a wider range of high-quality housing options for service users.
- Approval of the updated Value for Money Strategy to enhance efficiency and effectiveness in how our resources are deployed, centered on Service User needs.
- Completion and implementation of a new Fundraising Strategy to modernise the approach and maximise its impact in improving the resourcing of under-funded services.
- Review of the Disciplinary Policy, Grievance Policy, Code of Conduct, Human Resources performance and staff welfare offer to reduce the rates of sickness and turnover.
- Prioritisation of the available resources to maximise the pay award for the fourth successive year as part of a recruitment and retention strategy.

STRATEGIC REPORT (continued)

CORPORATE PLANNING

The new five-year Corporate Plan was implemented from April 2022. It describes a set of circumstances - joined-up responses to severe and multiple disadvantage, which ought to exist, but doesn't. The plan attributes this primarily to deficient national and local policy and strategy. Change is needed not only in the external structures and systems that we are helping our service users to navigate, but also in those by which we operate ourselves. Hence the title of the 2022/'27 Corporate Plan **'Structure and Systems'** which has both internal and external dimensions.

The internal aspects include changes to governance, leadership, financial planning, risk management, culture and service delivery. A priority for leaders is to find ways of delivering safe and effective services with a smaller number of staff who can be trained, developed, and rewarded as professionals. So, whilst continuing to pursue opportunities to 'join-up' or complement existing work, Framework will prioritise investment in its structure & systems and the modernisation of its work. In addition, we are committed to meeting our statutory, regulatory, and contractual obligations whilst re-investing to modernise our stock, reduce our carbon emissions and maintain our financial viability.

A strengthened Board is committed to working closely with the Senior Leadership Team to deliver the Corporate Plan. Ruth Hawkins remains as Interim Chair, with Louise Harris as Chair of the Audit & Risk Management (ARM) Committee and Catherine Arkley as Chair of the Governance, Remuneration & Appraisal (GRA) Committee. In the course of the year the Board has completed the tasks agreed as outcomes of the 2021 Governance Review. It continues to monitor delivery of the Corporate Plan targets and to self-appraise its own performance.

The Corporate Plan describes how Framework will work towards the realisation of its Mission over the five years from April 2022 to March 2027. Resting on the four pillars, this activity is driven by six Corporate Objectives, as listed overleaf. The manner of pursuing these Objectives continues to be influenced by Framework's values – **'Respond, Respect and Empower'.** Support for these and adherence to them in professional practice, is an attribute that we seek to recruit, nurture and reward in our staff.

PRINCIPAL RISKS AND THE OPERATING ENVIRONMENT

The Association's Risk Register records its principal risks. These can be summarised as:

- Legal & regulatory compliance – such as governance, health & safety, and data protection
- Human resources – such as failure to recruit suitable staff or remain competitive in the labour market, or to establish good relationships with employees and/ or their representatives.
- Finance & treasury management – such as downward pressure on income or upward pressure on staffing/ non-staffing costs; interest rate rises and covenant compliance.
- New/ existing business, contract, and revenue funding – such as loss of contributing contracts, or failure to secure new, viable services and to innovate within existing service models.
- Asset management & property development – such as failure to optimise the use of our assets through appropriate development, disposal and re-modelling.
- Infrastructure & internal services – such as key system failure, the loss of personal data, contractors failing to meet their obligations and business continuity disruption.
- Fundraising & Public Relations – such as failure to deliver our fundraising targets or inability to influence external decisions for the benefit of those we serve.
- Governance – failure to establish and maintain an effective Board with consequent loss or damage to the confidence of commissioners and stakeholders in Framework.

STRATEGIC REPORT (continued)

ACTIVITY DURING THE YEAR

Framework's activity in the year to March 2023 was directed towards the achievement of the six Corporate Objectives in the Corporate Plan. These are as follows:

1. Growth
2. Standards
3. System Change and Joined-Up Services
4. Organisational Strength and Resilience
5. Service User Participation and Empowerment
6. Valuing our People

The Corporate Objectives are defined below with summaries of the actions that have been taken to achieve them.

Objective 1: Growth

This Means:

A further increase in the number of people we reach. Subject to their viability, most existing services will continue throughout the period of the Corporate Plan. Some will be enlarged and others complemented by new provision. Growth will be tailored to deepen our offer in existing or contiguous geographical areas and enhance the range of options for service users. It will improve, and not undermine, the quality and standard of our services. A numerical growth target is set for the housing pillar which requires capital investment, but not for the revenue-dependant Health, Support and Employment Pillars.

To achieve this Growth we will:

- Develop additional units of high-quality, self-contained supported housing.
- Further expand our health, support, and employment provision (subject to funding)
- Strengthen our relationships with commissioners and their partners.
- Withdraw from localities where a viable operating base can't be established.
- Pursue opportunities to join-up services through partnership as well as direct provision.
- Utilise new models for asset procurement (including leases where affordable)
- Develop a new Fundraising Strategy to add value to commissioned services.
- Explore the case for a merger if it is demonstrably in the interests of our service users.

In the course of the year 37 additional homes were developed for the group of our service users who can't be housed by other landlords. The new schemes completed in 2022/'23 include 7 flats at Watcombe Circus, 5 at Bentinck Road and 8 at Rectory Road, all in Nottingham. We also completed a programme to purchase and refurbish 17 flats in other locations (Derbyshire, Stafford, Lincolnshire, and Nottinghamshire) by the end of March 2023.

Two further schemes started on site at Premier Road and Birkin Avenue in Nottingham. In addition we acquired a property at South Parade in Lincoln which will be refurbished. All of these will be completed during 2023/'24, delivering a total of 20 units. All are high quality self-contained supported housing, developed under the Rough Sleepers Accommodation programme (RSAP). They are funded through a combination of RSAP capital grant, bank lending to Framework and the re-investment of our internally generated funds, including the proceeds of capital fundraising.

We have responded successfully to bidding opportunities to add specialist dimensions to rough sleepers' outreach, treatment and employment services. The consequent enhancements have joined-up these offers. An example is additional funding received for specialist floating support to substance misusers in Lincolnshire, which will complement our existing work as head of the consortium which provides the Homelessness Pathway for the County.

STRATEGIC REPORT (continued)

Objective 2: Standards

This means:

Our services and systems will be suitable for their intended purposes - such as emergency or specialist supported housing, harm reduction, recovery and resettlement; and fit for publication as good practice examples. Our standards drive the capacity of services to deliver the best possible outcomes for their users. Systems of assurance to the Board and Senior Leadership Team will draw on the experience of staff, service users and other stakeholders. Standards will be specific to their context and communicated to service users with support to highlight any failure to meet them. Decisions on the initiation, design, amendment and cessation of services will be guided by Framework's ability to deliver them safely, effectively and to the agreed standards. Growth will not be pursued if it compromises standards.

To meet these Standards we will:

- Consult with service users and other stakeholders on standards for each type of provision.
- Publicise these, inviting and facilitating feedback on our adherence to them.
- Utilise fundraising to raise the offer of services beyond their commissioned minimum.
- Engage with commissioners to address unnecessary access barriers.
- Withdraw from contracts whose specification or circumstances prevent effective delivery.
- Avoid involvement in any initiative or service that is unsafe or not in the interests of service users.
- Maintain compliance with all legislative and regulatory requirements that relate to our services.
- Embrace partnerships to underpin or enhance our offer to service users.

Framework has a G1/V2 rating for compliance with the Regulator of Social Housing's Governance and Viability Standards. Given that much of its income is of a contractual nature with tight margins as a matter of policy, the V2 rating is considered satisfactory. Areas of strength identified by an In-Depth Assessment (IDA) included the quality of information provided to the Board in particular financial stress testing, mitigations and triggers developed to accompanying the Long-term Financial Plan. It was also recognised that we have maintained our financial stability over many years despite the uncertainty of our funding streams.

The second self-assessment of our compliance with the RSH Consumer Standards was reported to the Board in May 2023 and this will continue to be reviewed and updated annually. Work was also completed to prepare for the introduction of the new set of Tenant Satisfaction Measures (TSM) to be reported from April 2023.

The services at Edwin House, The Level and in Nottingham Recovery Network (NRN) are regulated by the Care Quality Commission (CQC) whose overall 'Good' rating has been maintained. Our leadership of NRN enables collaboration with NHS partners in researching and publicising the effectiveness of different treatments to reduce the harm caused by substance misuse and its physical complications.

Policies, procedures and reporting protocols are in place to ensure compliance with the requirements of the Charity Commission, Health & Safety Executive, Information Commissioner, Housing Ombudsman and local regulators and stakeholders. The Board receives annual statements of assurance on these where appropriate. During the year the services for young people are in the process of preparing for OfSted registration as is required by new legislation.

Framework's Annual Report to Stakeholders, supporters and service users (2022/'23) is currently in preparation. It contains sections on activity and changes in each of the four 'pillars'.

STRATEGIC REPORT (continued)

Objective 3: System Change and Joined-Up Services

This means:

Advocating for, planning and implementing System Change. Services should be designed and delivered around the needs of individuals not the other way round. Those presenting in need should not be expected to re-define their circumstances to fit the available offer. This joining-up of services requires them to be comprehensive and diverse, with no significant gaps. Framework can't achieve this alone – it will work closely with like-minded statutory and voluntary partners to promote a learning culture, sharing expertise and models of good practice to 'add value' for users.

To promote System Change we will:

- Participate in strategic planning and provider fora in the localities where we work.
- Develop an aspirational model of systemic responses applicable to all geographies.
- Build our capacity for data collection, analysis, thought leadership and research.
- Use our knowledge, learning and service-based data to influence commissioning decisions.
- Enhance offers with our fundraised resources, where there is demonstrable need.
- Respond to government and council consultations drawing on evidence from service users.
- Contribute to the policy and influencing work of national bodies.
- Campaign for and with people who experience Severe and Multiple Disadvantage (SMD).
- Network with Ministers, Civil Servants and other stakeholders and interested parties.

In most of the geographies where Framework operates, services for rough sleepers and those who experience Severe and Multiple Disadvantage are at the heart of our work. To 'join up' services in these localities we have remained proactive in tendering and business development across the four 'pillars'. Renewed contracts have been secured for several of our existing services including the Nottinghamshire County Homelessness Pathway, Inpatient Detoxification at The Level and Emergency Accommodation for Rough Sleepers in Nottingham & Lincoln and the Nottingham.

This existing work has been complemented by a new Specialist Mental Health Floating Support service in Sheffield, enhancement of the 'Moving Forward' (also mental health) contract in Nottinghamshire, a Substance Misuse Floating Support service in Lincolnshire and Accommodation-Based Support for Young People in Nottingham. We have bid successfully for inclusion in the Nottingham City Council's new Framework for the provision of Homelessness Accommodation and Support Services.

In some localities progress has been made towards the removal of systemic inadequacies and the barriers faced by people who experience Severe and Multiple Disadvantage in trying to access suitable services. In June 2022 the end of *Opportunity Nottingham* dovetailed with the start of 'Changing Futures' not just in Nottingham but also in Sheffield. Both new programmes are owned and governed by a partnership of statutory and voluntary agencies with a shared commitment to 'joining up' their services.

Framework has produced an Evaluation Report on *Opportunity Nottingham* which is being used to inform the work of Changing Futures. It is hoped that this will also impact positively on future commissioning in the light of the interest expressed by the County Council in 'Making Every Adult Matter'.

Dame Carol Black's review has culminated in the allocation of additional funds for assertive outreach and faster access to alcohol & substance misuse treatment for rough sleepers, people with complex needs and those involved with the criminal justice system.

STRATEGIC REPORT (continued)

Objective 4: Organisational Strength and Resilience

This means:

Consolidating and valuing the organisation not as an end in itself but as a vehicle for effective service delivery. Framework must be well governed and led with effective systems, the resources to fund its operations and the capacity to withstand external shocks. The Long-Term Financial Plan, which demonstrates our viability on reasonable assumptions, is updated and stress-tested each year. It provides for re-investment in asset management, carbon reduction measures, better staff rewards, a new Fundraising Strategy and stronger leadership.

To build Organisational Strength and Resilience we will:

- Target a minimum Operating Margin of 3.0%.
- Maintain a cash balance of at least £4.5 million to ensure liquidity.
- Increase the real value of salaries by a minimum of 10% over the life of the plan.
- Identify mitigations in the form of discretionary spend (e.g. specialist workers, rough sleeper support & skills training) for removal unless funded, to sustain viability.
- Consolidate existing arrangements to reduce the number of service delivery partners.
- Design, pilot and implement opportunities to transform the delivery of existing and future services with smaller numbers of (better paid) staff.
- Negotiate additional borrowing/ funding capacity to a maximum of £20 million.
- Invest in new technology to facilitate efficient agile working and a better offer to service users.
- Further diversify our funding sources.

The operating surplus of £0.972 million for 2022/'23 represents a margin of 1.74%. This compares to £1.296 million (2.57%) in 2021/'22. Covenant compliance continued to be maintained during the year. In a challenging environment the results fell short of our target. Most of the organisations that commission our services have competing priorities and limited resources. A new, additional factor is an extremely competitive market for suitable labour and sharp rises in the cost of energy, finance, insurance and materials for repairs & maintenance.

The Cost-of-Living crisis has also impacted negatively on the disposable income of Framework's service users. For those who are sick or unemployed, inflation is running than compensatory rises in benefits. Residents of 'core' accommodation-based services pay some of their bills indirectly, which excludes them from some of the assistance with fuel costs that central government has made available to others. At year end we welcomed the launch of the Energy Bill Support (Alternative Funding) Scheme and are working with our service users both to access it and to help them target its resources on the intended purpose.

The Long-Term Financial Plan (LTFP) has been reviewed and updated with accompanying stress tests and mitigations, to support the Objectives of the Corporate Plan. It now makes greater provision for asset management and development, financed by additional loans. The near-term revenue projections fall short of the 3% target. However, it remains a shared aspiration of the Board and Senior Leadership Team to reach and exceed this figure. The LTFP indicates continuing covenant compliance across the 30-year projection, with the minimum cash/ liquidity requirements maintained.

During the year the management accounts have been further developed to enhance service-level reporting and analysis. The changes include greater transparency on cost recovery, central overhead allocation and how each contributes to the organisation's financial position. Continuing efforts to reduce voids and bad debts are counteracted by external factors such as local authority Service 'Gateways' and DWP policies on direct payments to service users.

STRATEGIC REPORT (continued)

Objective 5: Service User Participation and Empowerment

This means:

Putting service users at the front and centre of Framework's decision-making. The Corporate Plan affirms our role as a needs-driven charity. Tenant Participation is a regulatory requirement, the principle of which we extend to all service users including those who experience severe and multiple disadvantage. Beyond this, we must empower them to make and be responsible for their own choices - accepting managed risk and avoiding needless paternalism.

To Empower Service Users we will:

- Make strategic decisions (such as on the provision, expansion, amendment or cessation of services) according to the interests and needs of our current and future service users.
- Embed Service User Participation in our governance, management and operations, using these and other channels to consult with them on proposed changes.
- Improve service users' access to information, advice, counselling & digital services, promoting and investing in these as a route to service transformation.
- Support willing participants to be visible influencers of commissioning decisions, if necessary challenging the underlying assumptions from their experience.
- Improve equality of access to services by seeking the removal of barriers caused by unnecessary restrictions defined by political factors rather than individual need.
- Sustain funding for independent advocacy and empowerment mechanisms to support Framework's Service User Participation Policy and the accompanying Action Plan.
- Resource the implementation of Framework's Equality & Diversity Policy and Action Plan, supported by the Anti-Racism Statement and embedded training for managers and staff.

An updated Service User Participation Policy was approved by the Board in 2021. The new, significantly reshaped, version was informed by consultation with the Service User Advisory Group (SUAG), the Service User Forum, the wider service user population and with Framework staff. In accordance with the policy we have created service level 'champions' – staff with a specific responsibility to promote all aspects of participation. A new Service User Participation Manager has been appointed to drive, oversee and report on the work of these 'champions' which has brought a new energy to SUAG and the various activities which surround it.

The Service User Advisory Group (SUAG) comprises service user representatives and its meetings are attended by staff and Board members. Facilitated by Service User Empowerment and Advocacy (SEA) an independent organisation commissioned and funded by Framework, it gathers evidence to support the investigation and scrutiny of Framework services. Two Board Members attend SUAG on a regular basis and there is a standard Board Agenda Item to present and discuss any recommendations it may make to the Board.

Another area of renewed focus is the use of volunteering, training and employment pathways to maximise the opportunities for service users and others with relevant 'lived experience' to be gainfully employed by us. The options include traineeships, apprenticeships, digital engagement and mainstream service roles within Framework.

The Board has received its second annual Self-Assessment against the Housing Ombudsman's Complaints Handling Code to assure itself of Framework's compliance. SEA is available to assist service users who wish to complain, or express concerns, about any aspect of their Framework experience. This helps to clarify the issue being raised and ensure that evidence is gathered facilitate the investigation and Service Manager's response. Apart from any redress that may be possible, the outcomes are used by Framework as a learning tool.

STRATEGIC REPORT (continued)

Objective 6: Valuing our People

This means:

Investing in the organisational capacity brought by effective leadership and management of a skilled, motivated and resilient workforce. The essence of support is an encounter between people, one of whom needs help to navigate an event or situation. Framework staff are known for the commitment, dedication and passion imbued in their work. Financial constraints diminish the reward for these qualities. We plan a 10% increase in the real value of pay with accompanying, cost-effective non-salary measures.

To acknowledge the Value of our People we will:

- Improve pay and non-pay rewards to support the recruitment and retention of high quality staff, relief workers and volunteers.
- Offer recognition, career development, supervision and training opportunities in an emerging culture of innovation, devolved authority and accountability.
- Develop the business acumen, information technology, data collection, analysis and negotiation skills that will equip our workforce to respond to these changes.
- Facilitate remote working, flexible hours, holiday purchase and other work/ life balance initiatives within the constraints of efficient rota management.
- Reduce absence through an appropriate combination of challenge, intervention, specialist support and reasonable adjustments.
- Promote an Action Plan of equality, diversity and inclusion events, activities and training overseen by the Diversity Leadership Group
- Maintain the 'Investor in People' Gold Standard and continue to enshrine its ethos in strategy.

Framework is among just 2% of organisations that currently meet the 'Investor in People' Gold (Advanced) standard. An enhanced staff welfare offer is complemented by sophisticated training and development programmes. These are designed to equip managers and staff with the attributes they need to deliver personalised, joined-up and psychologically informed services.

Board Members have discussed IIP's reliability as a measure of success in our organisational development. The reality is that sickness and turnover levels remain well above target. Recruitment to our accommodation-based and street outreach services has been strengthened by implementation of a 'Transformation' Programme whereby staff received a 10% pay uplift in return for agreement on efficiency savings. It has not yet been possible to apply these principles to community-based services where the relationship between contract income and staffing levels is more direct.

Consequently (unlike the past two years when all staff had above-inflation salary increases) the aspiration to increase the real value of pay has not been fully achieved in 2023. The organisation-wide award of 5.1% from April 2023 is below inflation, but the most that Framework's Board felt able to afford. Some groups of workers have received more. Those in accommodation-based or street outreach services, those on 'Agenda for Change' terms and those earning at or slightly above the National Minimum/ Living Wage, have again seen their pay rise faster than the cost of living. There are signs that 'Transformation' has had a positive impact on recruitment in those areas where the difficulties have been most acute.

During the year we have continued to re-build our volunteer function. At the end of March 2023, there were more than 190 service-based volunteers. The student placement scheme has also grown with 53 students working within Framework as part of their course.

STRATEGIC REPORT (continued)

Other Organisational Priorities

Work with Rough Sleepers

Our specialist work with rough sleepers continues in the Cities of Nottingham, Lincoln & Sheffield and across the County of Nottinghamshire. Whilst core aspects of this are contract-funded by the relevant local authority we have worked closely in local partnerships to influence the Government's Rough Sleepers Initiative and respond promptly to the opportunities it presents. When combined with the allocation of fundraised income, successful applications have added specialist street outreach roles, quick-access accommodation and improved pathways to mainstream services.

This enhancement of short-term and emergency responses has been complemented by new, sustainable supported housing for those leaving the streets through the Rough Sleepers Accommodation Programme (RSAP). There is now a successor to RSAP in the form of the Single Homelessness Accommodation Programme (SHAP) to which Framework has recently made two successful bids for capital and revenue funding.

'Changing Futures', the DLUCH funded initiative that builds on the achievements of Opportunity Nottingham, is underway. It is complemented by enhancements to the Nottingham City Treatment Pathway funded by the Office for Health Improvement and Disparities, which have improved the reach of specialist treatment services to the most vulnerable people. Regrettably these initiatives are limited to the cities of Nottingham and Sheffield – which limits their strategic impact.

Opportunity and Change

The Opportunity & Change Programme (providing employment-related support for people facing severe and multiple disadvantage) has been running since 2016. This large-scale contract, delivered both directly and through partners across Derbyshire & Nottinghamshire, ended in March 2023. Unfortunately the Big Lottery Fund (which until now has matched European Funding to resource 'Opportunity & Change') has shifted its priorities elsewhere. We are working with the Local Enterprise Partnership to continue with a scaled-down version of the service, utilising new resources from the Shared Prosperity Fund.

Consolidation Strategy

This sets out a plan to replace 80% of Framework's inherited shared housing units with self-contained provision. The cessation of the Transitions (North) Contract providing supported accommodation for Young People in Ashfield and Mansfield, has given impetus to this. Handbacks now planned mean that by the end of September 2023, Framework will no longer manage any shared housing in either of these two Districts of Nottinghamshire.

Completion of the eight new flats at Rectory Road in Colwick, and another eight at Winchester Street in Nottingham, are a further contribution to the Consolidation Strategy. It involves the relinquishment of poorer quality leased units with a shared (and often dispersed) configuration, to be replaced by new-build self-contained stock. This has positive impacts on occupancy levels, void losses and management costs. The completion of six further flats at Premier Road (close to the central office) in Nottingham will facilitate further consolidation.

In the course of the year we made significant investment in the modernisation and refurbishment of Fritchley Court in Mansfield, to re-purpose it as supported flats for homeless adults.

Leadership Academy

During the year, eight staff members successfully completed the Leadership Academy Programme, as part of our commitment to succession planning and people development.

STRATEGIC REPORT (continued)

Regulator of Social Housing – Consumer Standards

In January 2023 the Regulator of Social Housing (RSH) published the document: *'Reshaping Consumer Regulation: Our Implementation Plan'*. This described the steps being taken to prepare for implementation of the Social Housing Regulation Bill which is expected to happen from April 2024. These include consultation with tenants, landlords and other stakeholders on the new consumer standards, and the development of a new approach for inspecting landlords.

Some of the strategic priorities set out in the document have been pursued by Framework during the year under review. These include improvements to Health & Safety, Asset Management & Maintenance, Digital Inclusion, Sustainability and Service User Participation. Our actions in these areas anticipate the proposed changes and strengthen our preparedness for them.

Fundraising Strategy

In 2022 the Board approved a new Fundraising Strategy to secure complementary resources that will add value to commissioned services. This includes a new focus on developing the digital fundraising offer, the enhancement of the donor database & journey and appropriate support for those considering a legacy to Framework as part of their will.

Equality, Diversity and Inclusion

In accordance with its Policy the Board has reviewed Framework's Equality, Diversity and Inclusion Action Plan. It concluded that significant progress had been made across all five objectives of the plan. The Diversity Leadership Group (DLG) has produced toolkits for services to ensure that their development plans include equality and diversity targets. Peer-led 'safe spaces' have been established for Black and Brown staff, LGBTQ+ and menopause support, with a women's safe space and disability safe space scheduled for commencement in 2024.

All managers have completed anti-racism training in the past year, with the Anti-Racism Group leading on the development of a further training package to be rolled out to all staff next year.

Framework is a member of the Nottingham Place-Based Partnership's Health Inequality (Race) Workstream. In this capacity we have helped to develop a health inequality matrix which is being piloted in several Framework services.

The Diversity Leadership Group (DLG) has a recruitment and retention workstream that focuses specifically on reducing barriers to the recruitment and retention of staff with protected characteristics.

Number of Service Users

In the year to March 2022 Framework assisted 17,979 individuals. 2,454 people lived in its supported housing, 7,703 received its health interventions, 5,567 used its community-based support and 2,255 accessed its education, training or employment interventions (including opportunities to volunteer). When compared to the 18,709 service users who used our services in the previous year, this represents a small decrease of 61. All of the pillars saw an increase, except for Employment where the number fell due to the cessation of Opportunity & Change.

Gender Pay Gap

Two thirds of Framework's staff are female. At the end of the year our mean gender pay gap was 7.16% (compared to a national average of 14.9%). The median gap was 4.85% (compared to a national average of 9.4%). The Pay and Grading structure initiated in 2018 has been a factor in minimising Framework's Gender Pay Gap over the past five years.

STRATEGIC REPORT (continued)

VALUE FOR MONEY STATEMENT

Framework is strongly committed to achieving Value for Money (VfM) in all its activity. Further success in bidding for and winning service contracts clearly depends on our ability to do 'more for less' in the continuing climate of restrictions in public (especially local authority) funding. In some instances it will not be possible to make viable bids and the Board has agreed parameters for reaching these decisions in a way that protects the organisation.

We report annually on the seven VfM metrics set out in the Regulator of Social Housing's Value for Money Standard. The Audit and Risk Management (ARM) Committee has reviewed its performance on these against the figures for the previous year.

The positive impact of VfM projects undertaken in the past year, on the 2022/'23 financial out-turn, is estimated at £392k. This is in line with our target. These projects include:

- Changes to mobile phone and landline contracts.
- Re-configuration and negotiation of the contracts for property maintenance.
- New corporate fundraising partners, some of whose donations replace cash spend.
- A Voids Reduction Project.
- An Energy Efficiency Campaign.
- Continued Investment in IT infrastructure and systems to support Agile Working.
- Completion of the Transformation work in accommodation-based service delivery.
- 'Added value' offers when re-negotiating contract and grant funding with commissioners.

In addition, significant capital grants were secured to support the development projects to upgrade existing housing units and acquire/build new ones.

The RSH VFM metrics for 2022/23 have been calculated in accordance with the VFM standard (technical note) and are presented below with previous year comparators:

VfM Measure	Description	Framework 2023/'24 (Budget)	Framework 2022'23	Framework 2021/'22	Social Hsg Median 2021/'22
1.	Reinvestment by Cost	6.66%	6.45%	11.82%	6.5%
2.	New supply delivered by Units	2.39%	4.42%	5.97%	1.40%
3.	Gearing	8.01%	6.13%	3.66%	44.1%
4.	EBITDA-MRI Interest Cover	172.40%	269.44%	558.13%	146.00%
5.	Headline Social Housing Cost per Unit	£30.8k	£28.6k	£24.8k	£4.2k
6.	a) Operating Margin on Social Housing b) Operating Margin Overall	3.49% 2.70%	2.68% 1.74%	4.15% 2.57%	23.30% 20.50%
7.	Return on Capital Employed	1.71%	1.17%	1.63%	3.20%

Standard Metrics 1 (Reinvestment by Cost) and 2 (New Supply) are both sensitive to the actual level of development within the financial year. Framework's development activity is dependent on the availability of capital funding and suitable sites, both of which change from year to year.

Standard Metric 3 (Gearing) is low compared to many housing associations. This is because the primary constraint on our housing development is the availability of capital grants and ongoing revenue funding, both of which affect operating margins, rather than loan finance. It would be possible to borrow more and thus develop more quickly, but the risks involved in doing so are higher than the Board can accept given the margins on our support contracts.

STRATEGIC REPORT (continued)

The degree of cover reported by Metric 4 (EBITDA) reflects both the level of gearing and the low interest rates on some of our existing loans.

Standard Metric 5 (Headline Social Housing Cost per Unit) is significantly raised by the inclusion of Intensive Housing management and (primarily staffing-related) support costs. Framework has over thirty separate locations where a twenty-four-hour staffing presence is required on 365 days per annum. 5.5 full time equivalent staff are needed to maintain a single person duty rota for 168 hours per week. In practice the minimum requirement is usually three or more staff at a time in daytime hours and a minimum of two overnight. In addition to these 'core' housing services our dispersed (or 'move-on) units also require higher levels of visiting staff than mainstream social housing. These and other factors (the higher turnover of residents, contract clauses that artificially increase the level of voids and greater wear & tear on buildings) are all drivers of unit costs, and their impact is greater at a time of cost inflation.

Standard Metrics 6a) and 6b) (Operating Margins) are both lower when compared to last year, reflecting the challenging financial environment in which we are operating. For most staff our pension contributions are on a 'defined contribution' basis – complying with the law on auto-enrolment but uncompetitive with the 'defined benefit' (final salary) schemes still seen in the public sector. This is a factor when trying to retain those employees who are attracted by better paid opportunities to work for local authorities or other statutory bodies. A small number of Framework staff were inherited via TUPE with a retained right to membership of the Local Government Pension Scheme – hence the annual pension adjustment to the accounts.

Our target for the next five years is to establish and sustain a minimum Operating Margin of 3% rising to 4% in the fourth and fifth years of the Corporate Plan, whilst keeping services safe and effective. The challenge this involves is reflected in the narrative of this report and the fact that the projections in the Long-Term Financial Plan fall short of the target margins. It is hoped that the continued identification of new income streams (both short and long-term), the enhanced Fundraising Strategy and further efficiencies in services and the central office, will enable us to achieve both the Objectives of the Corporate Plan and its financial targets.

Standard Metric 7 (Return on Capital Employed) reflects the same underlying factors as the operating margin.

Framework's Additional VFM Metrics

Framework reports on its own set of VfM metrics to complement the standard ones. The 2022-23 figures are presented below, with comparative data for the previous year and the 2023-24 budget forecasts.

Framework VfM Measure	Budget 2023/'24 (£)	2022/'23 (£)	2021/'22 (£)
Cost per Service User by Pillar:			
Housing	12,719	12,183	11,393
Health	1,438	1,549	1,367
Employment	938	1335	894
Support	1,498	1,591	1,781
Cost per Hour of Service by Pillar:			
Housing	36.98	28.72	23.34
Health	38.91	26.84	29.63
Employment	22.46	25.65	26.45
Support	21.59	18.79	17.77
Central Cost as a % of the Total	18.91%	17.42%	15.98%

STRATEGIC REPORT (continued)

The purpose of these additional metrics is to assist the Board in assessing how efficiently the organisation is being run, the impact of service changes and of measures to enhance efficiency. They also illustrate the variation in the cost of providing these services per individual and (to a lesser extent) per hour, between the pillars. This is because the nature of the service varies both between (and within) the pillars, according to the specialism of the staff who deliver it.

The housing metric (cost per service user rather than per hour) is sensitive to small changes in the throughput to and from direct access and associated services. Their residents (and others who use Framework's supported housing) tend to be the sub-set of our service users with the highest and most complex needs. Increased costs due to inflationary pressures in areas such as energy, insurance and repairs and maintenance have impacted on this metric. The new properties developed or acquired as part of the Rough Sleepers Accommodation Programme carry revenue funding to offer support to former rough sleepers on their resettlement from the streets – this also contributes to an increase in the housing cost metric on both a 'per service user' and a 'per hour' basis.

The health, employment and support interventions encompass a broader range of people so their cost (per person) is lower than for housing. However, the Covid-19 pandemic has changed the way these services are delivered (with a shift in the balance from 'in-person' to 'on-line' delivery in some areas). A consequent reduction in their 'labour-intensity' means we are also likely to see an increase in the cost per hour of service across these three pillars. In particular, the 'health' pillar requires more highly paid professionals (including nurses) and the specialist elements have been enhanced during the year by new funding. By contrast, the support pillar is becoming more generic over time and this is reflected in a lower cost per service user.

The year has seen a number of changes in contract sizes and specifications, especially in the health and employment pillars. This has a disproportionate impact on the metrics both in terms of service user numbers and the cost of services. In the support pillar, service user numbers have risen back to pre-pandemic levels as we have engaged with more individuals utilising both in person and on-line delivery.

Value for Money in the coming year

The Value for Money (VfM) Strategy has been refreshed to align it with the new Corporate Plan. The savings target for the current year (2023/24) is slightly decreased at £350k. It focuses on investment in staffing to enhance capacity and in technology to support agile working, process automation and the efficiency of systems. Further efficiencies are planned over the five-year period as a result of the Asset Management Strategy and through re-procurement.

Another dimension of VfM is the enhancement of our service offer at a time when local authority and other statutory funding is under renewed pressure despite increased and more complex presenting need. This will be supported by the Fundraising Strategy, to resource the design of services around the needs of their users. Significant aspects of this 'joined-up' offer include:

- Basic items (food, toiletries and clothing) for those in immediate need.
- Our practice in PIE (Psychologically Informed Environments) & TIC (Trauma Informed Care).
- Outreach and in-reach for substance misusers and people with physical & mental health issues.
- Rapid access to specialist treatment for the above.
- The availability of clinical psychologists and social work professionals.
- An 'Access to Work' fund to assist those caught by the benefits trap.
- 'Housing First' options for those with high and complex needs.
- Rent deposits, guarantees, furniture and equipment for those establishing a tenancy.

The resourcing of these improvements is a priority in the context of tight operating margins.

STRATEGIC REPORT (continued)

Implementation of the new Value for Money (VfM) Strategy is a key element of Framework's Long-Term Financial Plan, through which we hope to sustain services for as many individuals as possible even in a challenging environment. The Strategy describes the quest for an optimal balance between high productivity, controlled costs and successful outcomes for service users. It sets targets in these and other areas and describes the actions that Framework is taking to achieve them. These include annual reporting of the Standard VfM metrics and the use of additional ones specific to us. The year-on-year comparisons allow the Board to monitor the success of the Strategy in releasing resources for front-line service delivery.

PAY RATIOS

The Board is committed to reporting on the pay ratio between the highest and lowest salaries received by Framework staff.

In 2022/23 the ratio between the salaries of the highest and lowest full-time paid employees was 5.33 (2021/22: 5.45). The ratio between the highest salary and the median was 4.37 (2021/22: 4.43). A recent third sector benchmarking exercise showed that the average ratio is 7.00 between the highest and the lowest salary and 5.00 between the highest and the median.

STREAMLINED ENERGY AND CARBON REPORTING ('SECR')

The current emissions (for April 2022 to March 2023) have increased by 270 tonnes of CO2e compared to the base year (2021/'22). However, these figures include an adjustment for gas relating to previous years and when this is excluded there is a decrease of 77 tonnes (3.4%). The reduction in both gas and electricity usage is considered to be due to a combination of higher energy usage in the base year (due to service users staying in their homes in the pandemic) and the positive impact of our energy reduction campaign during 2022/'23. This has been offset slightly by higher staff travel costs on community-based service delivery in the current year.

The Asset Management Strategy was reviewed during 2021/'22 and updated to increase investment in the reduction of carbon emissions. As part of this, work was carried out to identify how many Framework properties currently fall below an EPC 'C' rating. There are seventy of these and over the next five years we will develop and implement an improvement/ disposal plan to eradicate them. Remediation work will optimise the thermal efficiency of the external fabric and combine this with efficient heating and low energy lighting. The same principles are embedded in our development programme (both new build and refurbishment).

In 2022/'23 we were successful in securing 50% match funding, equating to £167,073, through Wave 2.1 of the Social Housing Decarbonisation Fund. This will assist with the cost of treating 16 flats in a block, at Gateford Chambers in Worksop (Bassetlaw). All of the flats currently have a Band D EPC rating. Our overall target is to reach Band C on these properties whilst improving the space heating demand level in each, bringing it as close to 90 kwh/m2/year, as possible. This will be achieved through a 'fabric first' approach and will primarily include external wall insulation works and flat roof upgrades to the block.

Our growth plans recognise the requirements of the UK Committee on Climate Change which recommends that from 2025, no new home is to be connected to a gas grid and a position of net-zero carbon emission must be reached by 2050.

We support staff who invest in electric vehicles by providing two charging points in the Central Office car park. This reserves 8% of our parking for those with electric vehicles. Due to the implementation of agile working the carbon output from business mileage has reduced by 18% compared to the 2019/'20 baseline. There have also been considerable reductions in commuter mileage.

STRATEGIC REPORT (continued)

The table below provides a summary of our energy use during the year in accordance with the requirements of the Streamlined Energy and Carbon Reporting. The associated greenhouse gases have been calculated using the UK Government GHG Conversion Factors for Company Reporting. Note that when calculating these figures, no adjustment has been estimated in respect of carbon produced due to people working from home.

Measure	2022/2023	2021/2022
UK energy use (1) kWh	20,845,423	11,038,813
Associated Greenhouse gas emissions Tonnes CO^2 equivalent	3,968.66	2,223.01
Intensity ratio Emissions per property	3.03	1.71

1) UK energy use covers all Framework activities.

FINANCIAL REVIEW OF THE YEAR

Financial results

Framework's turnover in 2022/'23 was £55.80 million, an increase of £5.3m on the comparable figure for 2021/22 which was £50.50m.

This rise in income was generated by a combination of higher rent and service charge receipts, due partly to the annual uprating but also those for new properties coming into management. Another source of new income was from central Government for enhancements to substance misuse and mental health services specifically for rough sleepers and people of risk of rough sleeping.

The headline operating surplus was £0.9 million (1.74%), a reduction of £0.3 million on the 2021/'22 figure (£1.3m). This performance is below the 3% target in the Corporate Plan. When the pension 'swing' is taken into account it exceeds the 3% target with the total comprehensive income performance of 4.54%.

There is a strong organizational focus on managing the risks to our financial position. In particular, the combination of static / reduced contract values and our aspiration to increase the real value of salaries to aid recruitment and retention, is a considerable and growing pressure.

The Asset Management Strategy has informed the inputs to an updated Long-Term Financial Plan. This makes provision to increase re-investment in the housing assets to sustain their quality, safety, energy efficiency, lending and book values. A comprehensive Asset and Liability Register is maintained.

Framework's priority over the past three years has been to support the vulnerable people we serve by maintaining our essential services throughout the Covid-19 pandemic. This involved significant changes to how we delivered services, our costs and income.

During 2022/23 we have returned towards 'business as usual' whilst taking the learning to inform our 'new normal' in areas such as agile working, training tools, and service delivery modes. We have also continued to drive efficiency in the provision of 'back office' functions through reductions in the cost of stationery, travel, training, office equipment, printing and postage.

STRATEGIC REPORT (continued)

Reserves

Reserves are retained at a level that allow the association to continue to provide its services whilst managing the risks associated with future plans. The budget and thirty year forecast are reviewed and re-set annually to achieve this. Framework held £29.8 million in its revenue reserve at 31st March 2023, but free reserves were substantially less due to grant liabilities.

Capital Structure and Treasury Policy

The Association's long term borrowings are 20-25 year loans from Charity Bank, NatWest Bank and Nottingham Building Society. The loans are at a combination of fixed and variable interest rates. Two new loans worth £3.2 million were agreed during the year, with £1.2 million drawn down during the financial year. By the end of it initial conversations had been held with our existing lenders and potential a new counterparty for additional lending to support the onward growth plans. Work to formalise this will continue in 2023/24.

Cash-flow remains strong with all banking covenants met and projections indicating continued compliance. The year-end cash balances were higher than business plan forecasts due the timing of growth opportunities. Our cash resources will be invested primarily in asset management and property development during 2023/24. The Board have updated the Treasury Strategy working with our Treasury Advisor to support future investment and financing decisions.

Impairment

The Board has considered whether any impairment of assets should take place. After reviewing the potential indicators including empty properties, any increases in voids or falls in rental income it concluded that there was no need for a write down of any carrying value.

Going Concern

After making appropriate enquiries the Board believes that Framework has sufficient funding in place, and expects the Association to be compliant with its debt covenants even in the event of severe but plausible downside scenarios.

The Board is confident that Framework will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements, and therefore the financial statements have been prepared on a 'Going Concern' basis.

INTERNAL CONTROLS ASSURANCE

The Board is responsible for ensuring that Framework has adequate systems in place to deliver effective and efficient operations, reliable internal and external reporting, and compliance with applicable laws and regulations and internal policies. The most significant risks to the achievement of the Association's objectives will be recognised, managed and minimised if such internal control systems are in place. Acknowledging that no system can eliminate all risk, the internal controls will also provide reasonable assurance of the identification and effective management of the major risks.

The Board has again considered and updated its Risk Appetite Statement, in the light of which the Senior Leadership Team periodically reviews the Risk Register and Heat Map. The outcomes inform oversight of Risk Identification and Management by the Audit and Risk Management (ARM) Committee. Any necessary steps arising from this are enacted or recommended to the Board.

STRATEGIC REPORT (continued)

The Internal Controls Framework has been summarised and analysed on a 'three lines of defence' model. The following sources of assurance were considered by the Board in reaching its conclusion on the adequacy of the framework:-

- Risk Management Policy in place with active monitoring of the Risk Register by the ARM Committee
- Internal management oversight from Framework's Senior Leadership Team
- Regular Review of Key Control Policies with internal management oversight by the Organisational Leadership Group and Corporate Leadership Team
- Service Audit Programme
- KPI reporting
- Service User Involvement and Feedback
- Health & Safety Management Systems
- Incident reporting and monitoring
- External quality management accreditations (including Cyber Essentials achieved during 2022/'23)
- Internal Audit Programme delivered by Mazars
- External specialist reviews for Information Security Management and Health and Safety
- Social Housing Regulator rating G1 V2 (September 2019). Annual self-assessment against the standards.
- External audit delivered by Beever and Struthers.
- Fraud Policy and Whistleblowing Policy

At its meeting on 11th May 2023, the Board considered and approved the effectiveness of the internal controls systems in managing the most significant risks faced by the Association in support of the objectives set out in the Corporate Plan, thereby affirming its satisfaction that:

- There is sufficient evidence to confirm that adequate systems of internal control existed throughout the 2022/23 financial year and that these systems remain in operation;
- These systems were aligned to an ongoing process for the management of the most significant risks faced by the Association;
- They provide reasonable assurance that the financial and operational information produced by the Association is reliable, and that its assets and interests are safeguarded;
- There are no weaknesses in the controls that are sufficiently serious to cause a mis-statement or material loss that would require disclosure in the financial statements.

Fraud Management

For the management of fraud, Framework has clear policies contained within its Code of Conduct to cover the risk of it occurring in relation to the activities of Board Members, Management and Staff. The Association complies with relevant regulatory requirements. A register is maintained of all actual and attempted frauds and this is presented annually to the Board. If there are any significant cases of fraud during the year the Chief Executive is required to bring them to the Board's attention.

Self-Appraisal by the Board and Committees

The Board and its Committees self-appraise their own performance and the organisation's compliance with the legal and regulatory frameworks in which it operates. This is supported by the Protocol on Regulatory Reporting, and the Internal Controls Assurance Register which provides a health check on compliance, monitored by the Audit and Risk Management Committee.

STRATEGIC REPORT (continued)

PUBLIC BENEFIT AND FUNDRAISING ACTIVITIES

As a Registered Charity, Framework is subject to the provisions of the Charities Acts 2011 and 2016. These create an obligation to demonstrate explicitly that the organisation's aims are for the public benefit. The Board of Framework is satisfied that by providing services to homeless, vulnerable and excluded people in furtherance of its charitable objects as described above, Framework is complying with its public benefit duty.

Framework raises funds directly from the public to resource aspects of its activity that aren't funded from statutory sources. This work is carried out by a dedicated, specialist team of employees supported by volunteers. Third party professional fundraisers are not involved.

During the year, Framework registered with the Fundraising Regulator and has fully complied with its Fundraising Promise. No complaints were received during the year about fundraising activity. To protect vulnerable people and other members of the public Framework does not employ cold calling for fundraising, and no supporters are approached more than three times a year. Targeted asks are only made to people who have already indicated that they wish to support the Association.

Approved by the Board on 13th July 2023 and signed on its behalf by:



Ruth Hawkins (Chair)

BOARD REPORT

BOARD MEMBERSHIP

The members below, who are considered directors for Company Law purposes, have served in office from 1st April 2022 to the date of this report except where otherwise indicated.

Ruth Hawkins	Interim Chair - substantive role Chair of ARM Committee
Patrick Mitchell	Vice Chair
Louise Harris	Interim Chair of Audit and Risk Management Committee
Catherine Arkley	Chair of Governance, Remuneration & Appraisal Committee
Jane Geraghty	Resigned 15.06.2022
Debbie Maitland	Resigned 15.09.2022
Paddy Tipping	Appointed 12.05.2022
Holly Dagnall	Appointed 12.05.2022

Vinay Shankar Nigel Turner Tim Gallimore

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE BOARD REPORT, AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, the Directors Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), FRS 102 *the Financial Reporting Standard applicable in the UK and Republic of Ireland.*

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the association's transactions and disclose with reasonable accuracy at any time the financial position of the association and enable them to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

The Directors are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the association and to prevent and detect fraud and other irregularities.

BOARD REPORT (continued)

DIRECTORS' INDEMNITY

Appropriate Directors' and Officers' Liability Insurance cover is in place in respect of all the Association's directors.

POLITICAL DONATIONS AND EXPENDITURE

No political donations were made in the year ended 31st March 2023 (2022- £nil) and there was no other expenditure on political activity in the year (2022 - £nil).

EMPLOYMENT

Framework aspires to retain a diverse workforce with the skills and understanding to achieve its goals by the provision of quality services responsive to a range of individual needs. At 31st March 2023, 13.45% of the workforce was registered as disabled (2022 – 12.97%). On the same date 17.65% of the workforce was defined as Black, Asian, Minority Ethnic and Refugee (BAMER) (2021 – 16.2%).

Framework responded to the national lockdowns in 2020 and the need to find new and more dispersed ways of working. The evolution of our agile working arrangements, where appropriate, has continued to be taken forward and embedded in a planned way, consolidating and refining the offer based on feedback from our staff, supported by the Agile Working Group.

Framework is committed to involving its employees in the planning and development of services through staff consultation, employee surveys, information-sharing and staff communication. Framework has a Staff Council, meeting six times a year, a formal structure through which its leaders consult with elected employees and trade union representatives to inform them of, and discuss, changes affecting the organisation and its employees. Direct, formal consultation takes place with staff wherever there are changes that fundamentally affect their work. Framework has three designated and professionally qualified Human Resource Business Partners to support managers in carrying this out.

FINANCIAL INSTRUMENTS

The Association does not enter into any hedging transactions. It does not have any abnormal exposure to price movements, changes in credit conditions, liquidity constraints or cash flow risks arising from its trading activities.

AUDITOR

Beever and Struthers Limited was re-appointed as Framework's external auditor during the year.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors have taken all necessary steps to make the auditor aware of any relevant audit information and to establish that they are aware of that information. As far as the directors are aware, there is no relevant audit information of which the Association's auditor is unaware.

Approved by the Board on 13th July 2023 and signed on its behalf by:

Ruth Hawkins (Interim Chair)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRAMEWORK HOUSING ASSOCIATION

Independent Auditor's Report to Framework Housing Association

Opinion

We have audited the financial statements of Framework Housing Association (the 'Company') for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies in note 1. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRAMEWORK HOUSING ASSOCIATION (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on pages 25 and 26, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRAMEWORK HOUSING ASSOCIATION (continued)

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the Company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Companies Act 2006, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the regulated nature of the Company's activities.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRAMEWORK HOUSING ASSOCIATION (continued)

- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Beever and Struthers

Richard Graham (Senior Statutory Auditor)
For and on behalf of
Beever and Struthers
Statutory Auditor

One Express
1 George Leigh Street
Manchester
M4 5DL

Date:

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31st MARCH 2023

	Note	2022/23	2021/22
		£000	£000
Turnover	3	55,804	50,504
Operating expenditure	3	(54,832)	(49,208)
Operating surplus	3	972	1,296
Surplus on disposal of property		-	-
Finance income	5	50	1
Interest and financing costs	6	(460)	(196)
Surplus for the year		562	1,101
Actuarial gain in respect of pension schemes	16	1,973	430
Total comprehensive income for the year		2,535	1,531

The results all relate to continuing activities.

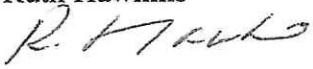
The accompanying notes form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31st MARCH 2023

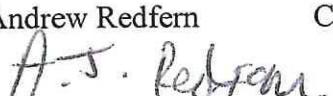
	Note	2022/23 £000	2021/22 £000
FIXED ASSETS			
Tangible assets:			
Property, Plant and Equipment	11	92,589	87,537
Depreciation	11	(15,256)	(13,589)
		77,333	**73,948**
CURRENT ASSETS			
Debtors	12	2,380	3,427
Cash and Investments	13	8,652	9,189
		11,032	12,616
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	14	(5,636)	(6,970)
NET CURRENT ASSETS		**5,396**	**5,646**
TOTAL ASSETS LESS CURRENT LIABILITIES		**82,729**	**79,594**
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR			
Deferred government grants	15b	40,076	39,193
Long Term Loans	15a	12,861	11,324
Defined benefit pension liability	16	-	1,820
		52,937	52,337
NET ASSETS		**29,792**	**27,257**
CAPITAL AND RESERVES			
Called up Share Capital	17	-	-
Designated Reserves	23	29,792	27,257
		29,792	**27,257**

The financial statements on pages 31 to 54 were approved and authorised for issue by the Board and signed on its behalf on 13th July 2023 by

Ruth Hawkins Chair



Andrew Redfern Chief Executive



Suzanne Williamson Company Secretary



STATEMENT OF CHANGES IN RESERVES

INCOME & EXPENDITURE RESERVES

	Note	£000
At 1st April 2022		27,257
Surplus for year		562
Actuarial gain in respect of pension schemes	16	1,973
Revenue Reserves as at 31st March 2023		29,792

		£000
At 1st April 2021		25,726
Surplus for year		1,101
Actuarial gain in respect of pension schemes	16	430
Revenue Reserves as at 31st March 2022		27,257

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31st MARCH 2023

	Note	2022/23	2021/22
		£000	£000
Cash generated from operating activities			
Surplus for the year		562	1,101
Adjustment for non cash items			
Depreciation of property, plant and equipment	11	1,667	1,550
(Increase)/Decrease in Debtors	12	1,047	(435)
Increase/(Decrease) in Creditors	14	(1,302)	164
Pension costs less contribution payable	16	223	214
(Profit) on disposal of property, plant and equipment	-	-	0
Government grants utilised in the year	15b	(602)	(555)
Adjustment between creditors due less than 1yr and greater than 1yr		-	(24)
Interest received		(50)	(1)
Interest payable		460	196
Amounts charged to financing costs	16	(70)	(50)
Cash generated by operating activities		**1,935**	2,160
Cash flows from investing activities			
Purchase of property, plant and equipment	11	(5,052)	(9,213)
Proceeds from the sale of property, plant and equipment		-	-
Grants received		1,504	4,760
Interest received	5	50	6
Net cash flows from investing activities		(3,498)	(4,447)
Cash flows from financing activities			
Interest Paid	6	(466)	(258)
New Loans		1,990	2,300
Loan repayments		(498)	(474)
Net cash flows from financing activities		1,026	1,568
Net(decrease)/increase in cash and cash equivalents		(537)	(719)

	Note	2022/23	2021/22
		£000	£000
Cash and cash equivalents at beginning of year	13	9,189	9,908
Net (decrease)/increase in cash and cash equivalents		(537)	(719)
Cash and cash equivalents at end of year	13	**8,652**	**9,189**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

1 ACCOUNTING POLICIES

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

General information and basis of accounting

The financial statements have been prepared under the historical cost convention, and where applicable 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 2018 (SORP), the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing 2019. Framework Housing Association is a public benefit entity, as defined in FRS 102 and applies the relevant paragraphs prefixed 'PBE' in FRS 102.

(b) Turnover and Operating Costs

Turnover represents rent and service charges receivable (net of rent and service charge losses from voids) in respect of supporting people and community care contracts, revenue grants receivable, amounts receivable in respect of service level agreements and donations.

Service charge income is recognised when expenditure is incurred as this is considered to be the point at which the service has been performed and the revenue recognition criteria met.

Operating costs incurred in the delivery of these services comprise expenditure on services, management, bad debts, fund-raising, publicity and depreciation.

(c) Property, plant and equipment - housing properties

Housing properties are stated at cost 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.

Expenditure on existing housing properties is capitalised when an identifiable component is replaced and this replacement cost is more than £5,000. Expenditure incurred on the acquisition of furniture and equipment will be recorded in the Statement of financial position where the purchased cost per item is £5,000 or more, or, where the aggregate cost of items in a single capital project, is greater than £5,000.

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.

A full years depreciation is charged on assets in the year of purchase, but no charge is made in the year of disposal.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

1 ACCOUNTING POLICIES (CONTINUED)

(c) Property, plant and equipment - housing properties (continued)

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.

Land	nil
Buildings- Superstructure	1.25%
Buildings-Roof	2%
Buildings-Heating Systems	2.5%
Buildings - Electrical systems	3%
Buildings - Fixtures & Fitting:	5%
Furniture and Equipment	33%

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 the Statement of Comprehensive Income.

Leaseholders

Where the rights and obligations for improving a housing property reside with the leaseholder or tenant, any works to improve such properties incurred by the Association is recharged to the leaseholder and recognised in surplus or deficit in the Statement of Comprehensive Income along with the corresponding income from the leaseholder or tenant.

(d) 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.

Impairment indicators used by the Association are: empty properties without an agreed plan to bring into use, permanent increase in voids, or reduction in rental income.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

1 ACCOUNTING POLICIES (CONTINUED)

(e) Social Housing Grant and other Government Grants

Where grants are received from government agencies such as Homes England, 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.

(f) 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.

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.

(g) Leased assets

At inception the Association 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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

1 ACCOUNTING POLICIES (CONTINUED)

(h) 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.

(i) Taxation

The Association is a registered charity and is exempt from any corporation tax liabilities on its charitable activities.

(j) Pensions

Multi-employer defined benefit pension scheme- NHS

The Association participates in a 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. This defined benefit scheme is closed to new members and was set up to preserve pension arrangements for staff transferring in to the Association under TUPE Legislation.

Local Government Pension Scheme- Nottinghamshire Local Government Pension Scheme

The Association 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. Remeasurement 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 Association, 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. This defined benefit scheme is closed to new members and was set up to preserve pension arrangements for staff transferring in to the Association under TUPE legislation.

Defined Contribution Scheme - Scottish Widows

The Association 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. This scheme is open to all staff members in accordance with Auto-Enrolment legislation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

1 ACCOUNTING POLICIES (CONTINUED)

(k) Supported housing and other managing agents

Where the Association has ownership of a supported housing or other scheme but also has an agreement with a third party to manage the scheme (including Supporting People funded schemes or services), where there has been a substantial transfer of the risks and benefits attached to the scheme to the third party, any scheme revenue and expenditure is excluded from these financial statements.

(l) Financial Instruments

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

Financial assets carried at amortised cost

Financial assets carried at amortised cost comprise rent arrears, trade and other receivables and cash and cash equivalents. Financial assets are initially recognised at fair value plus directly attributable transaction costs. After initial recognition, they are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. If there is objective evidence that there is an impairment loss, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced accordingly. A financial asset is derecognised when the contractual rights to the cash flows expire, or when the financial asset and all substantial risks and reward are transferred. If an arrangement constitutes a financing transaction, the financial asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial liabilities carried at amortised cost.

The 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.

Cash and cash equivalents

Cash and cash equivalents comprise cash on 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. For the purposes of the cash flow statement cash, the current account and the deposit accounts are considered to be liquid resources.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

1 ACCOUNTING POLICIES (CONTINUED)

(m) Bad Debt Provisions

The Association's bad debt policy is to provide for 100% of debtors where there is strong evidence of non-collection, 25% of rent and eligible service charges and 75% of ineligible service charges which are still outstanding after the deduction of cash received in the new financial year.

(n) Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

(o) Value Added Tax (VAT)

The Association charges VAT on some of its income and is able to recover part of the VAT it incurs on expenditure. All amounts disclosed in the accounts are inclusive of VAT to the extent that it is suffered by the Association and not recoverable.

(p) Designated Reserves

With regard to paragraph 18.7 of the SORP, our Reserves are presented in line with the Charity SORP paragraph 1.48 which is considered more appropriate to Framework as a registered charity and to support our reliance on charitable donations. This treatment is considered appropriate to provide donors and potential donors with a more accurate presentation of Frameworks financial position.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

2 SIGNIFICANT MANAGEMENT JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Significant management judgements

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

Impairment of social housing properties

Management has 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.

Estimation uncertainty

The Association 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.

Provisions

Provision is made for dilapidations. This provision requires management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, the timing of the cash flows and the discount rates used to establish net present value of the obligations require management's judgement.

Defined benefit pension scheme

The association has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

3 TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

	2022/23	2021/22
TURNOVER	**£000**	**£000**
Rent and service charges receivable	18,703	18,007
Community care contracts	1,435	1,340
	20,138	**19,347**
Statutory revenue income (Note 4)	14,050	10,754
Housing Related Support contracts	12,423	11,700
Amortised government grant	602	555
Specific charitable income (Note 4)	3,525	4,436
	50,738	**46,792**
Non specific charitable giving (Note 4)	1,067	762
Other	3,999	2,950
TOTAL TURNOVER	**55,804**	**50,504**
OPERATING COSTS		
Services	36,917	34,056
Management	11,027	9,247
Maintenance	4,203	3,439
Development	269	237
Fund raising	300	253
Bad debts	449	426
Depreciation	1,667	1,550
TOTAL OPERATING COSTS	**54,832**	**49,208**
OPERATING SURPLUS FOR THE YEAR	**972**	**1,296**
Analysis of Voids	**£000**	**£000**
Voids from lettable properties	2,793	2,207
Total Voids	**2,793**	**2,207**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

3a PARTICULARS OF TURNOVER, OPERATING EXPENDITURE AND OPERATING SURPLUS

	2022/23	2022/23	2022/23
	Turnover	Operating Expenditure	Operating Surplus/(Deficit)
	£000	£000	£000
Social Housing Lettings (Note 3b)	27,645	26,933	712
Other Social Housing Activities			
Charges for support services	11,927	11,897	30
Total Social Housing	39,572	38,830	742
Activities other than Social Housing	16,232	16,002	230
Total Non- Social Housing	16,232	16,002	230
Total	55,804	54,832	972

3a PARTICULARS OF TURNOVER, OPERATING EXPENDITURE AND OPERATING SURPLUS

	2021/22	2021/22	2021/22
	Turnover	Operating Expenditure	Operating Surplus/(Deficit)
	£000	£000	£000
Social Housing Lettings (Note 3b)	24,065	23,067	998
Other Social Housing Activities			
Charges for support services	11,226	11,151	75
Total Social Housing	35,291	34,218	1,073
Activities other than Social Housing	15,213	14,990	223
Total Non- Social Housing	15,213	14,990	223
Total	50,504	49,208	1,296

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

3b PARTICULARS OF TURNOVER AND OPERATING EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	Social Housing 2022/23 £000	Social Housing 2021/22 £000
Income		
HB eligible rent & service charges	19,350	18,552
HB ineligible rent & service charges	788	795
Amortised government grants	602	555
Other grants	6,905	4,163
Turnover from Social Housing Lettings	**27,645**	**24,065**
Operating Expenditure		
Management	7,193	5,516
Service Charge Costs	10,760	9,785
Routine Maintenance	4,157	3,326
Planned Maintenance	1,134	1,014
Bad Debts	449	426
Depreciation of housing properties	1,239	1,090
Depreciation of other tangible fixed assets	338	364
Other costs	1,663	1,546
Operating Expenditure on Social Housing Lettings	**26,933**	**23,067**
Operating Surplus	**712**	**998**
Void Losses	**2,793**	**2,207**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

4 GRANTS AND DONATIONS RECEIVABLE

	2022/23	2021/22
	£000	£000
STATUTORY SOURCES		
Leicester, Leicestershire & Rutland Councils (Edwin)	532	718
DLUC - City of Lincoln Council	653	627
DLUC- Nottingham City	3,048	800
DLUC Sheffield	33	30
Nottingham City CDP (MVH)	28	28
Nottingham City Council (Rough Sleepers)	295	350
Nottingham City CDP (Clean Slate)	1,000	1,196
Nottingham City CDP (Nottingham Recovery Network)	5,390	4,675
Nottingham City CDP (Edwin)	411	235
Nottingham City CCG Mental Health & Wellbeing	236	181
Nottingham City CDP (HALT)	94	95
Nottingham City Council (Edwin)	-	284
Sheffield City Council (Street outreach/SMHIS)	215	191
DLUC - Ashfield DC (SOT County)	416	636
Homes England (RSAP)	430	204
Other Statutory Grants	1,269	504
Total	**14,050**	**10,754**
SPECIFIC CHARITABLE SOURCES		
BBC- CIN (Employment & Skills)	-	9
Big Lottery Fund (Opp Nottm)	429	1,373
Big Lottery (Opportunity & Change)	1,498	1,476
SSBC (Family Mentor & Aspley Mentor)	1,362	1,292
Big Lottery (Homeless to Home)	73	229
BBO Linc - UC Move	34	31
Other Specific Grants	129	26
Total	**3,525**	**4,436**
OTHER GRANTS AND DONATIONS		
Grants and Donations	1,067	762
Total	**1,067**	**762**
Grand	**18,642**	**15,952**

Most statutory and charitable grants are restricted to the delivery of specific services as determined by the funders.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

5 FINANCE INCOME

	2022/23	2021/22
	£000	£000
Bank interest receivable	50	1
	50	1

6 INTEREST AND FINANCING COSTS

	2022/23	2021/22
	£000	£000
Bank loans and overdrafts	466	258
Costs associated with financing	-	-
Net interest on defined benefit liability (Note 16)	45	42
	511	300
Borrowing costs capitalised	(51)	(104)
	460	196

7 SURPLUS FOR THE YEAR

	2022/23	2021/22
	£000	£000
Surplus for the year is stated after charging:		
Depreciation on housing properties	1,329	1,185
Depreciation on other fixed assets	338	364
External Auditor's Remuneration (excluding VAT)		
- Audit-related assurance services	29	25
Operating lease charges on land and buildings	1,929	1,855
Operating lease charges on other assets	-	182

8 TAXATION

No taxation charge arises as the Association is an exempt charity and only undertakes charitable activities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

9 STAFF COSTS

	2022/23 £000	2021/22 £000
Staff costs including directors:		
Wages and salaries	26,682	24,420
Redundancy costs	8	22
Social security costs	2,080	1,809
Other pension costs	1,007	956
Total	**29,777**	**27,207**

The full Time Equivalent number of staff who received emoluments, including pension contribution, in excess of £60,000 are shown below.

	2022/23 No.	2021/22 No.
Salary Band £000		
60,000 - 69,999	1	1
70,000 - 79,999	2	2
80,000 - 89,999	2	1
90,000 - 99,999	1	1

Average number of full time equivalent persons (FTE) employed:	2022/23 No.	2021/22 No.
Supported Housing	588	570
Tenancy Sustainment	183	178
Fundraising and Communications	12	9
Management and Administration (Central Office)	103	93
Care Home	91	94
Non Housing related service staff	344	293
Average number of FTE employees during the year	**1,321**	**1,237**

The basis of the calculation of full time equivalents is the average of contracted employees at each year end.

10 DIRECTORS' REMUNERATION AND TRANSACTIONS

Key management personnel remuneration

	2022/23 £000	2021/22 £000
Directors who are executive staff members		
Wages and salaries	464	463
Loss of Office payment	-	-
Social security costs	55	53
Other pension costs	23	26

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

10 DIRECTORS' REMUNERATION AND TRANSACTIONS (Continued)

Board Members

No remuneration was paid to board members in their capacity as directors of the Association. Incidental travel expenses are claimed in order for the board to carry out their duties. Travel expenses paid to board members to 31st March 2023 were Nil £0 (2021 £0)

Remuneration of the highest paid director, excluding pension contributions

	2022/23 £000	2021/22 £000
Emoluments	98	89

The Chief Executive is an ordinary member of the pension scheme. No enhanced or special terms apply.

11 PROPERTY, PLANT AND EQUIPMENT

	Properties in Management	Properties in Development	Plant and Equipment	Total
	£000	£000	£000	£000
COST				
At 1st April 2022	79,145	6,015	2,377	87,537
Additions during the year	503	4,279	79	4,861
Capitalised Repairs	191	-	-	191
Transferred on completion	8,489	(8,489)	-	-
Disposals during the year	-	-	-	-
Total at 31st March 2023	**88,328**	**1,805**	**2,456**	**92,589**
DEPRECIATION				
At 1st April 2022	11,701	-	1,888	13,589
Charge for the year	1,329	-	338	1,667
Disposals during the year	-	-	-	-
Total at 31st March 2023	**13,030**	**-**	**2,226**	**15,256**
NET BOOK VALUE				
At 1st April 2022	**67,444**	**6,015**	**489**	**73,948**
At 31st March 2023	**75,298**	**1,805**	**230**	**77,333**

Included in properties in management is Anvil House (formerly "Scotter House") which is subject to a 60 year lease at a net book value of £1,630k.

Expenditure on own properties	2022/23 £000	2021/22 £000
Capitalised development costs	4,782	8,421
Repairs and Maintenance charged to operating expenditure	1,198	902
Total expenditure on own properties	**5,980**	**9,323**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

12 DEBTORS

	2022/23 £000	2021/22 £000
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Rent, service, support and community care charges (Note below *)	1,201	1,326
Less: Provision for bad debts	(331)	(343)
Net rent, service and support charges	**870**	**983**
Prepayments and accrued income	808	763
Grants and loans receivable	693	1,680
Other taxation and social security	9	1
Debtors at 31st March	**2,380**	**3,427**

* No disclosure has been made of the amount of the net present value adjustment where a repayment schedule is in place as the amount is considered to be minimal.

13 CASH AND INVESTMENTS

	2022/23 £000	2021/22 £000
Cash	120	86
Cash and cash equivalents	8,532	9,103
Cash and Investments at 31st March	**8,652**	**9,189**

14 CREDITORS

	2022/23	2021/22
AMOUNTS FALLING DUE WITHIN ONE YEAR	**£000**	**£000**
Accruals and deferred income	2,922	3,290
Trade creditors	1,496	2,319
Other creditors	91	75
Other taxation and social security	-	146
Government grants (Note 15b)	608	589
Principal Loan repayments (Note 15a)	519	551
Creditors at 31st March	**5,636**	**6,970**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

15 CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022/23 £000	2021/22 £000
Long Term Loans	12,861	11,324
Deferred Government Grants	40,076	39,193
	52,937	**50,517**

The loans are secured on freehold housing properties with a carrying value of £25,519k.
These freehold properties provide a total of 368 units of accommodation. Interest is payable at variable rates between 2.86% - 6.1%
The total accumulated amount of capital grants received at the balance sheet date is £47,439,000

15a Loan analysis

	2022/23 £000	2021/22 £000
Loans repayable by instalments		
Within one year or less	519	551
More than one year but not more than two years	583	612
More than two years but not more than five years	1,951	1,918
More than five years	10,327	8,794
	13,380	**11,875**

15b Deferred government grant

	2022/23 £000	2021/22 £000
Deferred capital grant as at 1st April	39,782	35,577
Grants received in the year	1,504	4,760
Grant repayments during the year	0	0
Amortised to Statement of Comprehensive Income	(602)	(555)
Deferred capital grant as at 31 March	**40,684**	**39,782**
Amount to be released within one year	608	589
Amount to be released after one year	40,076	39,193

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

16 PENSION OBLIGATIONS

1 Defined contribution pension scheme

The Association operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Association in an independently administered fund.
The total expense charged to Statement of Comprehensive Income in the year to 31st March 2023 was £928k (2022 £879k)

2 Defined Benefit Scheme - NHS Scheme

The NHS pension scheme is an unfunded, defined benefit scheme that covers NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The cost to the Association participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period. The total expense charged to Statement of Comprehensive Income in the year to 31st March 2023 was £18k (2022 £18k)

3 Local Government Pension Scheme - Nottinghamshire Pension Scheme

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate funds administered by Nottinghamshire Local Authority. The total contributions made for the year ended 31st March 2023 were £87k (2022 £85k), of which employer's contributions totalled £62k (2022 £61k) and employees contributions totalled £25k (2022 £24k). The agreed contribution rates for future years are 19.0% (2022 16.6%) for employers and range from 5.5% to 6.8% for employees, depending on salary.

The following information is based upon a full actuarial valuation of the fund at 31st March 2023 by a qualified independent actuary.

	At 31st March 2023	At 31st March 2022
	%	%
Rate of increase in salaries	3.90%	4.15%
Rate of increase for pension in payment/inflation	2.90%	3.15%
Discount rate for scheme liabilities	4.80%	2.60%
Inflation assumption (CPI)	2.90%	3.15%

It has been assumed that members will exchange half their commutable pension for cash at retirement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

16 PENSION OBLIGATIONS (continued)

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	At 31st March 2023	At 31st March 2022
Retiring today	Years	Years
Males	20.7	22.0
Females	23.5	24.5
Retiring in 20 years		
Males	22.0	23.4
Females	25.0	26.0

The estimated asset allocation for the Association as at 31 March 2023 is a follows:

	At 31st March 2023	At 31st March 2022
Equities	58%	62%
Gilts	2%	4%
Other Bonds	6%	7%
Property	12%	11%
Cash	5%	6%
Inflation-linked pooled fund	5%	5%
Infrastructure	8%	5%
Private Equities	4%	0%
Total	**100%**	**100%**

Analysis of the amount charged to operating costs in the Statement of Comprehensive Income.

	At 31st March 2023	At 31st March 2022
	£000	£000
Employer service cost (net of employee contributions)	(107)	(121)
Total operating charge	(107)	(121)
Analysis of pension finance income/(costs)		
Expected return on pension scheme assets	(70)	(50)
Interest on pension liabilities	115	92
Amounts charged/(credited) to financing costs	45	42
Amount of gains and losses recognised in the Statement of Comprehensive Income		
Actuarial gains/(losses) on pension scheme assets.	2,052	301
Actuarial gains on scheme liabilities	(79)	129
Actuarial (loss)/gain recognised	1,973	430

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

16 PENSION OBLIGATIONS (continued)

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

	At 31st March 2023	At 31st March 2022
Movement in surplus/(deficit) during year	**£000**	**£000**
(Deficit) in scheme at 1 April	(1,820)	(2,086)
Movement in year		
Employer service cost	(169)	(182)
Employer contributions	62	61
Return on assets	(220)	64
Remeasurements	2,147	323
Surplus/(Deficit) in scheme at 31 March	0	(1,820)

Asset and Liability Reconciliation

	At 31st March 2023	At 31st March 2022
	£000	**£000**
Opening defined benefit obligation	4,452	4,477
Service Cost	169	182
Interest Cost	115	92
Change in financial assumptions	(1,988)	(309)
Change in demographic assumptions	(262)	-
Experience (gain)/loss on defined benefit obligation	138	8
Estimated benefits paid net of transfers in	(45)	(22)
Past service costs, including curtailments	-	-
Contributions by Scheme participants and other employers	25	24
Closing defined benefit obligation	2,604	4,452
Assets at start of period	2,632	2,391
Interest on assets	70	50
Return on assets less interest	(79)	129
Other actuarial (losses)	(50)	-
Administration Expenses	(1)	(1)
Contributions by employer including unfunded	62	61
Contributions by Scheme participants and other employers	25	24
Estimated benefits paid net of transfers in	(45)	(22)
Settlement prices received/(paid)	-	-
Assets at end of period	2,614	2,632
Actual return on plan scheme assets	(59)	179

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

17 CALLED UP SHARE CAPITAL

The Association is a company limited by guarantee and does not therefore have any share capital.

18 RELATED PARTY TRANSACTIONS

There are no related party transactions to disclose. All procurement negotiations for goods and servies are carried out on normal commercial terms.

19 CAPITAL COMMITMENTS

	2022/23 £000	2021/22 £000
Capital expenditure contracted for at 31st March but not provided for in the financial statements	1,876	2,400
Less funding allocations	(728)	(1,258)
Internal funding commitment	**1,148**	**1,142**

20 OTHER FINANCIAL COMMITMENTS

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

	2022/23 Land and Buildings £000	2022/23 Other £000	2021/22 Land and Buildings £000	2021/22 Other £000
Operating leases which expire:				
Within one year	1,929	321	1,855	182
Within two to five years	1,023	55	1,845	55
After five years	46	55	884	55
	2,998	**431**	**4,584**	**292**

21 HOUSING STOCK

NUMBER OF UNITS IN MANAGEMENT	2022/23	2021/22
Social Housing	**No.**	**No.**
Social rent supported housing	1,037	1,020
Affordable rent supported housing	123	123
Care Homes	63	63
Social housing units managed but not owned	86	91
TOTAL	**1,309**	**1,297**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

RECONCILIATION OF MOVEMENT OF UNITS IN MANAGEMENT

	2022/23	2021/22
	No.	No.
Opening Units in Management	**1,297**	**1,224**
Newly built rental accommodation	37	11
Units purchased by the RP for rent	17	61
All other gains from outside existing social housing stock	39	27
Loss of social housing due to end of lease	(52)	(31)
All other losses to existing housing stock	(24)	-
Gain of managed units	1	5
Loss of managed units	(6)	-
Closing Units in Management	**1,309**	**1,297**

22 LEGISLATIVE PROVISIONS

The Association is incorporated under the Companies Act 2006 and is a Registered Social Landlord.

23 DESIGNATED RESERVES	2022/23	2021/22
Reserves (Liquid - Minimum Cash)	4,500	4,500
Reserves (Liquid - Allocated to Development Programme)	896	1,146
Reserves (Non - Liquid - Property)	24,396	21,611
	29,792	**27,257**

Reserves are retained at levels that allow the association to continue to provide the services that the reserves are intended to support while managing the risks associated with long term expenditure plans. The annual budget and the 30 year long term financial plan align resources to support this approach and the levels of reserves are monitored throughout the year by the Board Members. Reserves were held at £4.5M in the cash flow reserve at the 31st March 2023 and £25,219k in designated reserves. £24,406k of the designated reserves can only be realised by disposing of tangible fixed assets.

FRAMEWORK HOUSING ASSOCIATION

England & Wales - Charity number 1060941

Accounts

FRAMEWORK HOUSING ASSOCIATION

STRATEGIC AND BOARD REPORT

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR TO 31st MARCH 2022

COMPANY REGISTRATION No: 3318404

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INFORMATION AS AT 31st March 2022

THE BOARD:

Rebecca Rance	(Appointed as Chair from 17.09.20, resigned from 16.03.22)
Ruth Hawkins	(Appointed as Interim Chair from 26.03.22)
Patrick Mitchell	(Appointed as Vice Chair from 15.11.20)
Louise Harris	(Appointed as Interim Chair of Audit and Risk Management Committee from 14.04.2022)
Debbie Maitland	(Chair of Governance, Remuneration & Appraisal Committee)
Carrie McNabb	(Resigned 10.01.2022)

Jane Geraghty Vinay Shankar Nigel Turner
Tim Gallimore Catherine Arkley

SENIOR LEADERSHIP TEAM:

Andrew Redfern	Chief Executive
Suzanne Williamson	Director of Finance, Governance and Risk
Claire McGonigle	Operations Director
Lisa Del Buono	Services Director (Resigned on 29.08.21)
Dave Smith	Services Director
Apollos Clifton-Brown	Director of Health and Social Care
Dave Newmarch	Director of Corporate Services

COMPANY SECRETARY: Suzanne Williamson

REGISTERED OFFICE: Val Roberts House, 25 Gregory Boulevard, Nottingham NG7 6NX
Tel: (0115) 841 7711 E-Mail: info@frameworkha.org

AUDITORS: Beever and Struthers, St George's House, 215-219 Chester Road, Manchester M15 4JE

SOLICITORS: Actons, 20 Regent Street, Nottingham NG1 5BQ

BANKERS: National Westminster Bank Plc, Nottingham City Branch 148-149 Victoria Centre, Nottingham NG1 3QT

REGISTERED CHARITY No: 1060941

REGISTERED PROVIDER OF SOCIAL HOUSING No: LH4 184

COMPANY REGISTRATION No: 331840

The Board Members present their Strategic Report, Board Report and Audited Financial Statements for the year ended 31st March 2022.

STRATEGIC REPORT

PRINCIPAL ACTIVITIES

The principal activities of Framework Housing Association are to provide accommodation, support, care, treatment, training, resettlement and related services to homeless, vulnerable and excluded people. At present these activities are carried out mainly in the cities of Nottingham, Lincoln & Sheffield and in the counties of Nottinghamshire, Derbyshire, Lincolnshire, North Lincolnshire, North East Lincolnshire and Leicestershire.

The Charity's Objects, as set out in its Articles of Association, are to carry out the following activities for persons in need who are homeless (or threatened with the prospect of becoming homeless) and/ or suffering from the effects of poverty, sickness, disability, old age, alcoholism, drug addiction, offending behaviour or any other mental or physical infirmity:

- To provide housing, treatment, rehabilitation, education, training and care
- To provide facilities, resources and services to support and/ or benefit them
- To provide, maintain or improve properties in order to deliver the above services
- To promote further study of the nature, extent and consequences of the above social problems.

Framework's Mission Statement, as set out in the 2019-'22 Corporate Plan, was 'Working to End Homelessness and Tackle Disadvantage'. This has been reviewed by the Board, which has adopted a new, more detailed Mission Statement for the period covered by the next (2022-'27) Corporate Plan. The new Mission Statement is:

Working to tackle homelessness, ill-health, disadvantage and exclusion by:

- **Providing holistic, person-centred programmes of housing, health, employment and support**
- **Challenging systems and influencing their design to deliver integrated services with better outcomes**
- **Preventing homelessness and its causes**
- **Advocating for service users and embedding their experience in our work**

ORGANISATION STATUS

Framework is a Registered Charity (no. 1060941) and a Company Limited by Guarantee (no. 331840). In the event of winding up, the liability of each member is limited to £1.

Framework is also a Registered Provider of Social Housing (no. LH4 184). These accounts are prepared in accordance with the Statement of Recommended Practice for Registered Social Housing Providers 2018 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

GOVERNANCE

Board

Framework is governed by a Board which is ultimately responsible for its activities and affairs. The Board members are all directors of the company, trustees of the charity and members of the Association. The current members of the Board are listed above. Towards the end of the financial year Rebecca Rance stepped down as Chair and from the Board. Ruth Hawkins was appointed as Interim Chair pending the recruitment of a permanent replacement.

STRATEGIC REPORT (continued)

As part of its succession planning strategy, the Board has commenced a recruitment campaign whose target is to appoint up to four new Board Members including the new Chair. This will further enhance and strengthen the experience and skills of the Board taking into account current vacancies and planned retirements at the 2022 Annual General Meeting in September.

The day to day management of the Charity is delegated to the Chief Executive and Senior Leadership Team (SLT), with certain tasks passed to the Operational Leadership Group (OLG). Other delegations for oversight of relevant activities are made by the Board to the Audit and Risk Management (ARM) Committee and to the Governance, Remuneration and Appraisal (GRA) Committee.

The Board has agreed a list of Key Control Policies (KCPs) that it alone can amend. Changes to other policies can be made by the Senior Leadership Team (SLT) or are delegated by the SLT to the OLG. In the course of the year, the GRA Committee was commissioned by the Board to undertake a Governance Review. The focus of this was on the effectiveness and efficiency of the Board to deliver strategic priorities. The outcomes from this review will continue to be implemented during 2022/'23.

The Board meets at least eight times per annum and holds an annual Conference. The standard term of office for each individual Board Member is three years, which may be extended to six years subject to review. Exceptionally, the maximum term of a Board Member may be extended beyond the normal six year limit to meet specific organisational needs.

Compliance with Regulator of Social Housing's Governance and Financial Viability Standards and Consumer Standards.

It is a regulatory requirement and a matter of good practice for Registered Providers of Social Housing to assess their compliance with the Regulator of Social Housing's (RSH) Governance and Financial Viability Standards. The Association's self-assessment of compliance for the 2021-22 financial year has been received and discussed by the Board. It concluded that it is compliant with these standards and there have been no notifiable breaches of them during the year. The Board also undertook its second annual self-assessment against the RSH Consumer Standards which concluded that Framework remains compliant.

Charity Commission Public Benefit Guidance

Framework Board Members have regard to the Charity Commission's public benefit guidance when exercising their powers and duties to which the guidance is relevant. In the view of the Board it has not taken any decision that departs from the guidance during the financial year.

Code of Governance

Framework has adopted the National Housing Federation's (NHF) Code of Governance 2020. The annual self-assessment was overseen by the GRA Committee and reported to the Board, which concluded that Framework is fully compliant with the Code.

Statement of Board Members' Skills, Qualities and Experience

The role of Board Members is set out in a written profile for the role. There are separate documents to describe the roles of those members holding additional responsibilities such as the Chair and the Chairs of the ARM and GRA Committees.

A Skills Audit was undertaken during the year. This informed the recruitment that is currently underway to appoint up to four new Board members including a new Chair. The aim is to enhance the housing, asset management, business skills and diversity of the Board.

STRATEGIC REPORT (continued)

Committees of the Board

The Board has established two Committees, both of which have delegated authority to act on its behalf within detailed Terms of Reference (ToR). These are set out in appendices to 'Governance in Action' (Framework's Governance Policy, which is a Key Control Policy). The two committees are the Audit and Risk Management (ARM) Committee meeting at least four times per annum, and the Governance, Remuneration and Appraisal (GRA) Committee which meets at least twice per annum.

The decisions taken by the ARM Committee relate to the identification and assessment of risks and the creation and monitoring of systems, policies & procedures to manage them. Its current members are: Louise Harris (Interim Chair), Nigel Turner, Patrick Mitchell and Tim Gallimore (Interim Member).

The work of the GRA Committee focuses on the structures and processes by which the organisation is governed, succession planning, skills audit, the policies for staff remuneration and the appraisal of Board Officers, Board Members and the Chief Executive. Its current members are: Debbie Maitland (Chair), Catherine Arkley, Tim Gallimore and Jane Geraghty.

Framework has a Service User Advisory Group (SUAG) through which those who use the Association's services can influence the Board's decisions and participate in other aspects of Framework's governance. The SUAG nominates up to two service user representatives at any one time, who are entitled to attend meetings of the Board.

CORPORATE STRATEGY AND OBJECTIVES

Framework's Mission, as set out in its 2019-2022 Corporate Plan, was *'Working to end homelessness and tackle disadvantage'.* The updated Mission Statement is:

Working to tackle homelessness, ill-health, disadvantage and exclusion by:

- **Providing holistic, person centred programmes of housing, health, employment & support**
- **Challenging systems and influencing their design to deliver integrated services with better outcomes**
- **Preventing homelessness and its causes**
- **Advocating for service users and embedding their experience in our work**

This is to be achieved by providing a range of services resting on four 'pillars' that together give strategic shape to the work of the organisation:

- **Housing**
  We house and support people who are homeless, prevent others from losing their homes and help them to sustain their tenancies, because all need a place to call their home.
- **Health**
  We offer specialist health and clinical services to people with all kinds of health issues, because physical and emotional wellbeing is fundamental to a stable, independent and fulfilling life.
- **Employment**
  These services, including volunteering, build skills and employability, because people need financial stability, a sense of self-worth and control over their future.
- **Support and Care**
  Our support and care services add to the quality and sustainability of life, nurturing confidence, building esteem and engaging people as part of a community, because this makes us all stronger.

STRATEGIC REPORT (continued)

Statement by the Directors in performance of their statutory duties in accordance with Section 172(1) of the Companies Act 2006

The Directors (who are also the Board Members) consider that they have acted in good faith, in the way most likely to promote the success of the organisation for the benefit of its members as a whole (having regard to the stakeholders and matters set out in Section 172 (1) (a-f) of the Act).

The likely consequences of any decision in the long term

Framework has an effective five year strategic planning cycle, where the long-term consequences of decisions are considered. The Corporate Plan sets out the organisation's strategic direction through the Vision and Mission Statements, Values, Corporate Objectives, Four Pillars, and summaries of the Long-Term Financial Plan (LTFP) & accompanying Strategies. The Annual Plan and Review records progress against the delivery of the Corporate Plan. The thirty year LTFP is reviewed on an annual basis and stress-tested against a range of scenarios and risks, enabling the Board to approve mitigation plans and trigger points for these.

The interests of the organisation's employees

Framework recognises the importance of its employees in the delivery of its Mission and Objectives. Corporate Objectives Four (in the 2019/'22 Corporate Plan) and Six (in the 2022/'27 Plan) describe how it seeks to recruit and maintain a skilled, motivated and resilient workforce that embodies its values and prioritises its service users. Framework uses the 'Investors in People' process and standard to support the continuing development of its people strategies and employee engagement, focused on delivery of the Corporate Objectives agreed by the Board to promote the interests of service users and meet their needs.

The need to foster the organisation's business relationships with suppliers, customers and others

Framework prioritises the needs of its service users, promotes their interests and measures its success by the difference made to their lives. Service users are engaged in its decision making processes and in wider consultation to support and drive improvements in delivery. At strategic level the relationship between the organisation and those who use its services is fostered by service user representation at the Board and during the annual Board Conference; by Board member visits to services and through the work of the Service User Advisory Group (SUAG) which has access to the Board. SUAG is supported independently by Service User Empowerment and Advocacy (SEA) a separate organisation with which Framework contracts for this purpose. In addition SUAG members are involved in the monitoring of repairs and maintenance performance, the development of policies and procedures and the circulation of material to capture feedback from service users.

Framework aims to establish, develop and nurture strong relationships with commissioners and other key stakeholders such as central government departments, local authorities, place-based partnerships, the health community, police & crime commissioners. Through these partnerships it seeks to influence the planning and development of service pathways & networks which respond to the range of needs presented by current and future service users.

In relation to suppliers, Framework has a Procurement Policy which sets out the principles and practice of its approach, aligned to Corporate Objective Three (in the 2019/'22 Plan). The Policy describes how the organisation works with its professional consultants and suppliers in a spirit of partnership characterised by high business ethics that reflect its Mission and Values.

The impact of the organisation's operations on the community and environment

Framework seeks to make a positive impact in the geographical areas and communities where it operates by providing high quality, 'fit for purpose' accommodation with accompanying complementary services, based on the 'four pillars' approach. The offer can be summarised as providing a safety net for some and a springboard for others.

STRATEGIC REPORT (continued)

Framework is a point of reference and stability for many with nowhere else to turn, providing basic emergency assistance, a safe place to stay, access to specialist services, needs and risk assessment. These culminate in the formulation of an integrated plan comprising elements of housing, health, support and skills for employment, tailored to the individual circumstances of each person. We work closely with local and health authorities to implement their strategies for tackling and preventing homelessness, rough sleeping, social exclusion, health inequality and inactivity.

Framework is striving to reduce the carbon footprint and other negative externalities, of both its housing and non-housing activities. During the year it has updated its Asset Management Strategy to plan for better utilisation of low carbon technologies and greater energy efficiency. The IT Transformation Strategy is accompanied by investment to modernise the delivery of services.

The desirability of the organisation maintaining a reputation for high standards of business conduct

As a Registered Charity and a Registered Provider of Social Housing, Framework seeks to maintain high standards of conduct. It carries out annual assessments of its compliance with the Regulator of Social Housing's Governance & Viability and Consumer Standards, complies with the National Housing Federation's Code of Governance and with the requirements of the Charity Commission, Care Quality Commission, Data Protection Office and Health & Safety Executive. Policies and procedures are designed to ensure adherence to all relevant laws and regulations, with an Internal Controls Assurance Register to monitor compliance. Framework is committed to the promotion of equality, diversity, social inclusion, human rights and the prevention of slavery & human trafficking.

The need to act fairly as between members of the organisation

The organisation's robust approach to governance is set out by 'Governance in Action', with a commitment to comply with relevant laws, regulatory standards and codes. This Key Control Policy, which only the Board can amend, supports the integrity of decision making and focuses it primarily on the needs of service users rather than Board members or employees of the organisation.

Principal decisions

In the past financial year the Board has taken a substantial number of decisions to discharge its responsibilities as listed above. Among those that were material to the strategic priorities of the organisation and/ or its key stakeholder groups, were the following:

- The completion of a Strategic Visioning Process that has culminated in the development and approval of a new Corporate Plan covering the five years from April 2022 to March 2027.
- A review and update of the Long-Term Financial Plan and supporting strategies aligned to the above with accompanying stress testing, mitigations & triggers to sustain the Framework's viability.
- The approval of an updated Service User Participation Policy supporting contemporary engagement processes aligned to the needs of our service users.
- The approval of an updated Equality, Diversity and Inclusion Policy and Action Plan with specific anti-racism training for Board Members, Senior Leaders and Managers.
- An updated Asset Management Strategy which underpins the quality, safety, resilience and cost-effectiveness of the housing stock.
- An expanded programme of construction/ acquisition & refurbishment to develop additional supported housing units, partly funded by an increase to the borrowing facility, to provide a wider range of high quality housing options for service users.
- A continuing strategy to manage and mitigate the impact of the Covid-19 pandemic, expressed in an Appendix to the Risk Register which has been regularly updated.
- Completion and implementation of a feasibility study to modernise the Fundraising Strategy and maximise its impact in improving the resourcing of under-funded services.
- An 'above inflation' pay award for the third successive year, as part of a strategy to lift salaries above the previous (lower quartile) point of reference and be more competitive in the labour market.

STRATEGIC REPORT (continued)

CORPORATE PLANNING

As part of its planning cycle the Board has completed a Strategic Visioning Process in the past year. This updated Framework's Vision, Mission Statement and Corporate Objectives to form the basis of a new Corporate Plan for the five years from April 2022 to March 2027. This will supersede the 2019/'22 Plan, which had seven Corporate Objectives, as follows:

1. Sustainment & Growth
2. Financial Viability
3. Effectiveness, Efficiency & Value for Money
4. Investing in our People
5. Beneficiary Participation
6. Learning & Sharing
7. Responsiveness & Responsibility

Each of these seven Corporate Objectives was accompanied by a set of actions through which Framework planned to achieve them, with measurable targets to show whether we had done so and information about their linkage to the strategies of external partners.

The new (2022/'27) Corporate Plan has six Corporate Objectives as follows:

1. Growth
2. Standards
3. System Change and Joined-Up Services
4. Organisational Strength and Resilience
5. Service User Participation and Empowerment
6. Valuing our People

The manner of pursuing these Objectives continues to be influenced by Framework's values – **'Respond, Respect and Empower'.** Support for these and adherence to them in professional practice, is an attribute that we seek to recruit, nurture and reward in our staff.

PRINCIPAL RISKS AND THE OPERATING ENVIRONMENT

The Association's Risk Register records its principal risks. These can be summarised as:

- Legal & regulatory compliance – such as governance, health & safety and data protection
- Human resources – such as failure to recruit suitable staff or remain competitive in the labour market, or to establish good relationships with employees and/ or their representatives
- Finance & treasury management – such as downward pressure on income or upward pressure on staffing/ non-staffing costs; interest rate rises and covenant compliance
- New/ existing business, contract and revenue funding – such as loss of contributing contracts, or failure to secure new, viable services and to innovate within existing service models
- Asset management & property development – such as failure to optimise the use of our assets through appropriate development, disposal and re-modelling
- Infrastructure & internal services – such as key system failure, the loss of personal data, contractors failing to meet their obligations and business continuity disruption
- Fundraising & Public Relations – such as failure to deliver our fundraising targets or inability to influence external decisions for the benefit of those we serve
- Governance – failure to establish and maintain an effective Board with consequent loss or damage to the confidence of commissioners and stakeholders in Framework.

The Board has again considered and updated its Risk Appetite Statement, in the light of which the Senior Leadership Team periodically reviews the Risk Register and Heat Map. The outcomes inform oversight of Risk Identification and Management by the Audit and Risk Management (ARM) Committee. Any necessary steps arising from this are enacted or recommended to the Board.

STRATEGIC REPORT (continued)

ACTIVITY DURING THE YEAR

Framework's activity in the year to March 2022 was further directed towards the achievement of the seven Corporate Objectives in the 2019/'22 Corporate Plan. These are defined below with summaries of the actions that have been taken to achieve them.

Objective 1: Sustainment and Growth

This meant a further sustainable increase in the scale and breadth of Framework's activity by retaining our existing services and developing new ones. We have achieved this by:

- Providing more high-quality units of supported housing, including 'Housing First' units
- Expanding our community-based health, social care and employment provision
- Enhancing our relationships with commissioners and stakeholders
- Pursuing opportunities for systemic improvement through development and partnership
- Improving service users' access to information, advice, counselling and digital services
- Building on public concern by encouraging volunteering, campaigning and fund raising.

Over the three-year term of the expiring Corporate Plan, 131 additional homes were developed for the group of our service users who can't be housed by other landlords. 47 of these were completed during 2021/'22. In the same (three-year) period there was a net addition of 49 in the number of units managed by Framework for other landlords or leased from them. Thus the total additional capacity was 180 units, exceeding the target set by the Corporate Plan. Taking into account changes in the financial and operating environments the new (2022/'27) Corporate Plan sets targets for further new units by March 2027. This is subject to site/ property acquisitions, planning consents and capital funding. The accompanying Long-Term Financial Plan also identifies resources to take forward replacement programmes for key existing sites and enhance the quality of the accommodation offered to our most vulnerable service users.

The new schemes completed in 2021/'22 include 16 flats at the former Mechanics Arms site in Nottingham which replaced the previous service for people with complex needs at 40 Forest Road West, 9 move-on flats at Winchester Street in Nottingham and 22 additional units developed under the Rough Sleepers Accommodation Programme (RSAP). The RSAP is a follow-on initiative to 'Everyone In' an emergency programme to protect rough sleepers at the height of the Covid-19 Pandemic, in which Framework participated. Starts on site were achieved for further RSAP units – notably at Watcome Circus & Bentinck Road in Nottingham and locations in Chesterfield, Bolsover, North East Derbyshire & Erewash. In addition schemes are on site at Rectory Road in Colwick and Premier Road in Nottingham for which Homes England capital and bank loans have been secured. All of these will be completed in 2022/'23.

In 2021/22 there was a full review of the Asset Management Strategy. The new one describes how Framework will maintain and improve its existing stock to meet the anticipated new standards on building safety and carbon emissions. The updated Long-Term Financial Plan identifies resources to deliver the Strategy through a costed programme of property investment.

The year has seen continued investment in Information Technology infrastructure, hardware and security both to support Framework's response to Covid-19 and as a foundation for digital transformation. The programme includes connectivity upgrades in frontline services, technological solutions to staff safety and security issues, the expansion of affordable Wi-Fi for service users and telephony replacement, all of which will continue in 2022/'23 and beyond.

We have responded successfully to bidding opportunities to add specialist dimensions to alcohol, substance misuse, mental health, employment and rough sleepers outreach services. The consequent enhancements have joined-up these offers, albeit initially on a temporary basis.

STRATEGIC REPORT (continued)

Objective 2: Financial Viability

This describes Framework's ability to fund its operations and meet all associated commitments. These include the acquisition and upkeep of properties, the remuneration of staff, the provision of central services and the payment of bills as they fall due. We have achieved this by:

- Increasing our operating margins and annual surplus
- Reinvesting the cash generated in development, asset management, staff and systems
- Responding to new opportunities that contribute towards central costs and surplus
- Appraising development schemes using realistic assumptions to ensure the above
- Adjusting expenditure and service levels when contract values have reduced
- Designing & testing the safety & effectiveness of less costly service delivery models
- Increasing our fundraising income from corporate donors, trusts and the public
- Protecting the low interest and other conditions of our loans by meeting the covenants.

Financial performance over the period of the 2019/'22 Corporate Plan has been in line with the projections. A continuing decline in the real value of existing local authority contracts has been off-set by new income from central government grants, fundraising and additional housing stock. The cost of central services has continued to reduce as a proportion of total expenditure. These factors have combined to deliver an acceptable surplus in all three of the years covered by the expiring Corporate Plan.

The surplus of £1.531 million for 2021/'22 represents a margin of 3.11%. This compares to £1.377 million (3.05%) in 2020/'21 and £1.064 million (2.41%) in 2019/'20. This improved performance has occurred despite a challenging environment wherein most of the organisations that commission our services have competing priorities and limited resources. An additional factor especially in 2020/'21 and again in 2021/'22, has been the Covid-19 Pandemic. This has increased the level of staff absence and thus the amount spent on covering for it. Moreover, the market for suitable labour has become more competitive and we have experienced sharp increases in the cost of repair & maintenance materials. These upward cost pressures have been compounded in the past year by sharp rises in the cost of energy.

The Cost of Living crisis has also impacted negatively on the disposable income of Framework's service users. For those who are sick or unemployed, inflation is running faster than compensatory rises in benefits. Residents of 'core' accommodation services pay their Council Tax indirectly which means they won't receive the assistance with fuel costs that central government is paying in the form of rebates. Staff are working with them to access the limited discretionary funds administered via local authorities.

Continued access to the Coronavirus Job Retention Scheme for the first part of the year has enabled Framework to retain staff in settings funded by income that was adversely affected by the pandemic. Although the latter resulted in higher staffing costs overall, these were partially offset by lower expenditure on certain services due to restrictions affecting the mode of their delivery. Some of these savings have been invested in new technology to support continuing modernisation. The learning from Covid-19 is helping to inform the design of future services, subject to the priorities of commissioners and the needs of service users.

The Long-Term Financial Plan (LTFP) has been reviewed and updated with accompanying stress tests and mitigations, to support the revised Objectives of the new (2022/'27) Corporate Plan. It now makes greater provision for asset management and development, financed by two additional loans from NatWest and Charity Bank worth £2.8 million in all. The medium-term revenue projections fall short of the (above) 3.0% margin delivered over the past financial year. However, it remains a shared aspiration of the Board and Senior Leadership Team to attain and if possible sustain this.

STRATEGIC REPORT (continued)

Objective 3: Effectiveness, Efficiency and Value for Money

This means that the services and systems established by Framework meet their intended purposes by delivering outcomes whose value exceeds their cost. We will achieve this by:

- Continuing to reach out to very excluded people, communities and geographies
- Adopting, measuring and reporting on the standard VfM metrics required by the RSH
- Using additional measures of trends in central and support costs
- Reducing our voids, bad debts and reliance on agency staff
- Utilising new technology to create future-proof data and information systems
- Identifying and removing barriers in referral routes that restrict access to services
- Developing complementary services to complete and add value to inadequate systems
- Recruiting, training and supporting volunteers so adding value and richness to our work
- Optimising the use of energy efficient installations, appliances, transport & recycling
- Re-investing the savings from procurement of overheads, goods and services.

The geographies where Framework operates now include the Cities of Nottingham and Lincoln, Nottinghamshire, Lincolnshire, North Lincolnshire, Sheffield, Derbyshire, and Leicester. Services for rough sleepers and those who experience Severe and Multiple Disadvantage are at the heart of our work in most of these places.

The Value for Money (VfM) Strategy describes the quest for an optimal balance between high productivity, controlled costs and successful outcomes for service users. It sets targets in these and other areas and describes the actions that Framework is taking to achieve them. These include annual reporting of the Standard VfM metrics and the use of additional ones specific to us. The details of both appear later in this report. The year-on-year comparisons will allow the Board to monitor the success of Framework's Value for Money Strategy.

Continuing efforts to reduce voids, bad debts and the cost of agency staff are counteracted by external factors. These include an ever increasing number of commissioners who create narrow service gateways as a condition of their funding. These restrict, block or complicate referrals including suitable one, frequently keeping accommodation unoccupied and on occasions purposely so. Similarly, the roll-out of Universal Credit with its emphasis on the payment of housing and other benefits directly to residents regardless of their capacity to manage it, has caused an increase in arrears and thus bad debts. This has knock-on implications in the form of difficulty resettling those who are carrying them.

Progress has been made, at least in some localities, towards the removal of systemic inadequacies and barriers (such as those described above) when responding to the needs of people who experience Severe and Multiple Disadvantage. In June 2022 the end of *Opportunity Nottingham* will dovetail with the start of 'Changing Futures' not just in Nottingham but also in Sheffield – both new programmes are owned and governed by a partnership of statutory and voluntary agencies with a shared commitment to 'joining up' their services. In addition, Dame Carol Black's review has culminated in the allocation of (initially temporary) funds for assertive outreach and faster access to alcohol and substance misuse treatment for rough sleepers, people with complex needs and those involved in the criminal justice system.

Employment (i.e. staffing) costs are the biggest single item of Framework's expenditure. Historically, our pay has used the lower quartile of the labour market as a reference point. This is no longer sustainable and the April 2022 Cost of Living award is the third successive year in which the Board has agreed an 'above inflation' increase. To pay for it we will need to develop more 'agile' working supported by IT investment, review and transform service delivery models, reduce staff sickness and generate new income through procurement and fundraising.

STRATEGIC REPORT (continued)

Objective 4: Investing in our People

Framework seeks to maintain a skilled, motivated and resilient workforce that embodies its values and prioritises its service users. We will continue to invest in our people by:

- Recruiting, valuing and supporting high quality staff, relief workers and volunteers
- Paying employees around the lower quartile of the market (higher as resources permit)
- Giving rewards, recognition, opportunity, supervision, training and new challenge
- Facilitating flexible working where it is compatible with efficient rota management
- Managing the level of absence and supporting employees to return from it
- Sustaining and regularly updating the Organisational Development Plan
- Promoting diversity through a renewed three-year Action Plan that has been influenced by the Anti-Racism Working Group and feedback from the 'Safe Space' initiative
- Reflective supervision with reference to behaviour competencies for leaders and staff
- Using the Leadership Academy, Chartered Management Institute & Apprenticeships to complement our internally run programme for Aspiring Managers.

The Covid-19 pandemic made new demands on the commitment and resilience of Framework staff. We are proud of the flexibility, resilience and innovation they have shown, to maintain the crucial services that the organisation provides. Closure was not an option – it would have meant turning away thousands of vulnerable people, among them rough sleepers and others in need at a time of crisis. Adapting their practices, routines and working hours, staff put aside their personal fears to prioritise those they are employed to help.

The progression from pandemic to an endemic virus has been accompanied by a profound change in the support and care labour market. Rising inflation accommodated by pay rises in some sectors but not this, is making it harder for providers to recruit and retain the experienced staff they need. Notwithstanding the public's appreciation for the contribution made by the caring professions at the height of the crisis, it has not subsequently been reflected in adequate resourcing for supported housing and associated services. Indeed their historically tight margins are now more precarious than ever.

For most of the past two years the growth in the number of individuals employed by Framework has slowed. This is masked somewhat by a sharp increase in the first quarter of 2022, when additional specialists arrived firstly to support the expansion of substance misuse services funded by initial allocations arising from the Black Review, and secondly the 'joining up' of responses to severe and multiple disadvantage. Unusually, the amounts made available by government in each case, were sufficient attract candidates of the necessary calibre.

The pandemic also had an effect on the pattern of volunteering. Traditional roles supporting and complementing staff teams had to be jettisoned in favour of infection control measures to facilitate social distancing. They were replaced by a Covid-19 Volunteer Response Team delivering food, medication and other supplies to service users who were isolating or shielding. By March 2022 the volunteer function was returning to normal, with more than more than 70 service-based volunteers and 20 social work students on placement at any one time.

Two thirds of Framework's staff are female. During the year our mean gender pay gap fell from 7.2% to 4.08% (compared to a national average of 15.4%) and the median gap from 5.34% to minus 5.42%. The Pay and Grading structure initiated in 2018 is a factor in this.

Framework is among just 2% of organisations that currently meet the 'Investor in People' Gold (Advanced) standard, which we use to measure our performance in terms of human resources, organisational development and staff engagement. We proactively seek the views of employees through an active Staff Council and bi-annual Staff Survey.

STRATEGIC REPORT (continued)

Objective 5: Beneficiary Participation

This means utilising the experience and expertise of service users, in particular those with multiple and complex needs, to influence our policies, strategies and services. Framework's approach extends the regulatory principle of tenant participation to all service users, by:

- Respecting our beneficiaries, empowering them to make changes for themselves
- Embedding Beneficiary Participation at all levels of governance and service delivery
- Funding independent services that empower and advocate for our service users
- Allowing willing beneficiaries to be visible and to communicate the issues they face
- Drawing on beneficiary feedback as evidence when responding to consultations
- Promoting personalisation (the design of services around the needs of people)
- Investing in digital inclusion to ensure that beneficiaries can use our Intranet
- Reporting and acting on the results of annual Service User Satisfaction surveys
- Consulting with beneficiaries about changes and development plans that affect them
- Supporting beneficiaries to influence and if necessary challenge commissioning decisions
- Reviewing our Beneficiary Participation Policy taking into account the diversity of services, the approaches used by other agencies and the NHF 'Together with Tenants' initiative.

An updated Service User Participation Policy was approved by the Board in 2021. The new, significantly reshaped, version was informed by consultation with the Service User Advisory Group (SUAG), the Service User Forum, the wider service user population and with Framework staff. The policy envisages the creation of service level 'champions' – staff with a specific responsibility to promote all aspects of participation. This, it is hoped, will increase the number of service users who volunteer to join SUAG and go on to represent it at the Board. They will be incentivised through mentoring, bespoke training and rewards.

Another area of renewed focus is the use of volunteering, training and employment pathways to maximise the opportunities for service users and others with relevant 'lived experience' to be gainfully employed by us. The options include traineeships, apprenticeships, digital engagement and mainstream service roles within Framework.

The Service User Advisory Group (SUAG) comprises service user representatives and its meetings are attended by staff and Board members. Facilitated by Service User Empowerment and Advocacy (SEA) an independent organisation commissioned and funded by Framework, it gathers evidence to support the investigation and scrutiny of Framework services, and may make recommendations to the Board. The Chair of SUAG and one other representative both attend Board meetings and the Annual Board Conference. For legal and regulatory reasons they don't have a vote but in all other respects they operate as full Board Members.

The Complaints and Feedback Policy has been updated in response to the requirements of the Housing Ombudsman's Complaints Handling Code. The Board receives an annual Self-Assessment to assure itself of Framework's compliance with the Code. In accordance with the Policy, Service User Advocacy and Empowerment (SEA) is available to advise and assist service users who wish to complain, or express concerns, about any aspect of their Framework experience. This helps to clarify the issue being raised and ensure that accompanying evidence is gathered and presented to facilitate the investigation and Service Manager's response. Apart from any redress that may be possible, the outcomes are used by Framework as a learning tool.

The Chair of SUAG and members have continued to serve on interview panels for appropriate staff roles either on-line or, as pandemic restrictions have eased, in person. Recently they have also participated in a campaign to recruit new Board Members and it is planned for them to have a substantial involvement in the recruitment of Framework's next Chair.

STRATEGIC REPORT (continued)

Objective 6: Learning and Sharing

This means we will draw on our organisational experience and that of partners and beneficiaries to improve the outcomes of services and systems for homeless and vulnerable people. Framework can't fulfil its Mission by working alone. The broad systemic responses necessary to meet the complexity of presenting need, require help from statutory and voluntary sector partners. Effective partnership depends on learning and sharing to establish mutual respect. We will achieve this by:

- Collecting, collating and publicising reports on the effectiveness of our services
- Developing an aspirational model of systemic responses that applies to all geographies
- Recognising that some parts of the system are best delivered by other organisations
- Developing bilateral relationships with providers of similar services elsewhere
- Using our reputation to share learning through briefings and publications
- Participating in strategic planning and provider fora in the localities where we work
- Contributing to the policy work of the National Housing Federation and Homeless Link
- Campaigning for and with people who experience homelessness and disadvantage
- Hosting and meeting with ministers, civil servants and other government representatives
- Responding to government and council consultations drawing on service users' views.

Despite the pandemic Framework has remained proactive in its tendering and business development across the four 'pillars'. Our proposals have utilised the learning from existing work and encompassed suggestions for improvement. Renewed contracts have been secured for several of our existing services including Small Steps Big Changes (Family Mentoring), supported accommodation for Teenage Parents based at Bulwell in Nottingham and The Level (an In-Patient Detoxification Unit adjacent to Edwin House). Some of these services have been enhanced with additional central government funding. There is new provision for Young Homeless People (including care leavers) in Nottingham and for Unaccompanied Asylum Seeking Children and Teenage Parents in South Nottinghamshire.

Our specialist work with rough sleepers continues in the Cities of Nottingham, Lincoln & Sheffield and across the County of Nottinghamshire. Whilst core aspects of this are contract-funded by the relevant local authority we have worked closely in local partnerships to influence the Government's Rough Sleepers Initiative and respond promptly to the opportunities it presents. When combined with the allocation of fundraised income, successful applications have added specialist street outreach roles, quick-access accommodation and improved pathways to mainstream services. This enhancement of short-term and emergency responses has been complemented by new, sustainable supported housing for those leaving the streets through the Rough Sleepers Accommodation Programme.

The Opportunity and Change Programme (employment related support for people facing severe and multiple disadvantage) has been running since 2016. This large-scale contract, delivered both directly and through Derbyshire & Nottinghamshire partners, will end in March 2023. We are working closely with the Local Enterprise Partnership to establish how it may continue, potentially with new resources from the Shared Prosperity Fund.

Framework remains active in national and local initiatives, attending steering groups and fora to highlight the experiences of homeless, vulnerable and excluded people and advocate for policies, strategies and systems that address their needs. It has drawn on its experience to inform the National Drug Strategy Commissioning Standards, helping to ensure that severe and multiple disadvantage is recognised and understood. Framework is also contributing to the reform of social and healthcare through its membership of the Nottingham City Integrated Care (Now Place-Based) Partnership.

STRATEGIC REPORT (continued)

Objective 7: Responsiveness and Responsibility

This means that Framework embraces its various roles as a registered charity, social landlord, care, treatment and employment provider. As such it has responsibilities to service users, staff, stakeholders and neighbourhoods. These go beyond the day to day management of services to include participation in the activities and events that build an inclusive community. The transformation we seek is external to Framework, but we too must change to bring it about, by:

- Governing ourselves effectively, self-checking compliance with our adopted Code
- Complying with regulatory standards (RSH, CQC, Charity Commission, HSE and others)
- Maintaining and improving the systems and structures by which safety is assured
- Modelling a style of leadership that is active, visible, positive and compassionate
- Working with partners to develop systemic responses to complex needs
- Offering and expecting the highest standards of professionalism, conduct and courtesy
- Maintaining our physical assets, reinvesting and deploying them effectively.

Framework has a G1/V2 rating for compliance with the Regulator of Social Housing's Governance and Viability Standards. Given that much of its income is of a contractual nature with tight margins as a matter of policy, the V2 rating is considered satisfactory. Areas of strength identified by an In Depth Assessment (IDA) included the quality of information provided to the Board in particular financial stress testing, mitigations and triggers developed to accompanying the Long-term Financial Plan. It was also recognised that we have maintained our financial stability over many years despite the uncertainty of our funding streams.

The services at Edwin House, The Level and in Nottingham Recovery Network (NRN) are regulated by the Care Quality Commission (CQC) whose 'Good' rating has been maintained throughout the year. Our leadership of NRN enables collaboration with NHS partners in researching and publicising the effectiveness of different treatments to reduce the harm caused by substance misuse and its physical complications. Nottingham City is one of a small number of areas to see a fall in drug related deaths despite the sharp reductions to NRN's funding that preceded the recent allocations arising from the Black Review.

Policies and procedures are in place to ensure compliance with the requirements of the Charity Commission, Health & Safety Executive, Information Commissioner, Housing Ombudsman and local regulators and stakeholders. The Board receives annual statements of assurance on these where appropriate.

In the year to March 2022 Framework assisted 16,537 separate individuals. 2,095 people lived in its supported housing, 7,889 received its health interventions, 4,530 used its community-based support and 2,023 accessed its education, training or employment interventions (including opportunities to volunteer). These numbers continue to be affected by the pandemic.

The 2021/'22 version of Framework's Annual Report to stakeholders, supporters and service users is currently in preparation. As before it will be made available as an electronic 'flip book' to maximise its circulation. The Report contains sections on activity and changes in each of the four 'pillars' – Housing, Health, Support and Employment, with numerical summaries and case studies. It gives an overview of our continuing response to Covid-19 and the headlines of our financial performance over the past year.

During the year, as part of the strategic planning cycle, the Board and the Senior Leadership have worked together to develop the Vision and Strategy which now underpin the next Corporate Plan. Initially much of this work was on-line but towards the end of the year more meetings were held in-person. Among these were the 2021 Board Conference with team development as a key theme. The new Plan covers the five years from April 2022.

STRATEGIC REPORT (continued)

'STRUCTURE AND SYSTEMS' – CORPORATE PLAN (2022/'27)

Framework exists to establish a set of circumstances – joined-up responses to severe and multiple disadvantage, that ought to happen, but don't. We attribute this reality to deficient national and local policy and strategy. There is nothing new in this – the same argument has driven previous Corporate Plans. What's different this time is the explicit recognition that change is needed not only in the external structures and systems that we are helping our service users to navigate, but also in those by which we operate ourselves. Hence the title of our new Corporate Plan (2022/'27) which has both internal and external dimensions.

The internal aspects include changes to governance, leadership, financial planning, risk management, culture and service delivery. A priority for leaders is to find ways of delivering safe and effective services with a smaller number of staff who can be trained, developed and rewarded as professionals. So, whilst continuing to pursue opportunities to 'join-up' or complement existing work, Framework will prioritise investment in its structure & systems and the modernisation of its work. In addition we are committed to meeting our statutory, regulatory and contractual obligations whilst re-investing in stock, reducing our carbon emissions and maintaining our financial viability.

A strengthened Board, including several new recruits, is committed to working closely with the Senior Leadership Team to implement the new Corporate Plan. Its priorities will help to inform the recruitment of a new Chair which is planned to take place in the summer of 2022. In the meantime Ruth Hawkins is acting as Interim Chair, with Louise Harris substituting temporarily for her as Chair of the Audit and Risk Management Committee. As well as taking forward the outcomes of the 2021 Governance Review the Board will continue to self-appraise its performance and monitor delivery of the Corporate Plan targets on an annual basis.

As Covid restrictions ease, SUAG will resume its co-ordination of Board member visits to services. These provide a further opportunity to check the consistency of work at the front-line with the Objectives of the Corporate Plan. The contribution of service user representatives also extends to the membership of interview panels, customer satisfaction calls and contractor performance reviews primarily of repairs, maintenance, voids and safety management.

Framework's new Corporate Objectives, agreed by the Board, are:

1. Growth
2. Standards
3. System Change and Joined-Up Services
4. Organisational Strength and Resilience
5. Service User Participation and Empowerment
6. Valuing our People

Some of these mirror, or build upon, the objectives of the 2019/'22 Corporate Plan. There are also some new emphases and themes. In particular, Corporate Objective 4 (Organisational Strength and Resilience) is a detailed expression of the internal changes in structures and systems that are needed to sustain the effectiveness and viability of Framework in a challenging future environment.

A key component of this change is a new recruitment and retention strategy, underpinned by the Board's commitment to enhance the real-terms salary offer. In April 2022 it agreed an above-inflation pay award for the third successive year. This is complemented by an enhanced offer in areas such as flexible working and wellbeing support. It is hoped that these will help to reduce staff sickness and turnover with their accompanying costs.

STRATEGIC REPORT (continued)

Below is a tabulation of the new Corporate Objectives in the 2022/'27 Plan, together with the key targets by which we will measure our achievement of them:

Corporate Objective	Key Targets
1. Growth	➢ Provision of at least 200 purpose-built housing units over the life of the plan, including core 'hostel' replacements, housing first and move-on flats ➢ Engagement with at least 19,200 individual service users in the year to March 2023, rising to 21,000 or more by 2026/27 ➢ A more comprehensive offer comprising elements of housing, health, support and employment across the whole of Nottinghamshire and Lincolnshire by March 2027 (the entirety of which would not necessarily be delivered by Framework)
2. Standards	➢ Compliance with all four the Regulator of Social Housing's Consumer Standards as demonstrated by Annual Self-Assessments ➢ Compliance with the requirements of the Care Quality Commission, the Charity Commission, the Health & Safety Executive, Information Commissioner, Fundraising Standards Board and OfSted as relevant to the service being delivered ➢ Successful delivery of a Consolidation Strategy to replace 80% of existing shared housing units with self-contained provision over the five-year life of this plan ➢ Purpose-built replacements for the existing properties at London Road, Fritchley Court and Trent Boulevard subject to the continuing need for them in commissioned services
3. System Change and Joined-Up Services	➢ Active Participation in the Governance of at least two Integrated Care Systems (targeting Nottinghamshire and Lincolnshire) ➢ At least one piece of published research on the outcomes of System Change and another on the Future of Supported Housing ➢ Membership of at least one national Working/ Task & Finish Group (eg. NHF, Homeless Link, DLUHC, UKSHA etc.) in each of the five years covered by this Plan ➢ Evaluation of the Nottingham 'Changing Futures' Programme and dissemination of the learning from it
4. Organisational Strength and Resilience	➢ A 3.0% Operating Margin, rising to 4.0% in 2025/26 & 2026/'27) and covenant compliance ➢ A further real-terms reduction of at least 5% in the unit cost of services (per user) ➢ All ongoing services covering their overheads and contributing to the margin ➢ Effective housing & asset management, ICT and service user record keeping systems

STRATEGIC REPORT (continued)

Corporate Objective	Key Targets
5. Service User Participation and Empowerment	➢ An increase from two to four in the number of service user representatives who are trained to participate in governance (Board and Committee meetings) ➢ Reinvigoration of the Service User Advisory Group through a post-Covid resumption of in-person meetings promoted by 'champions' within staff teams ➢ Extension in the role of resident and service user representatives in repairs monitoring to include the recruitment of Board members & senior staff, the design of new services, health & safety assurance and making the case for 'System Change'
6. Valuing our People	➢ Devolution of budget management, informed by monthly statements at service level ➢ A 7% reduction in the ratio of staff to service users, concomitant with a continuing shift towards community-based services over the life of the plan ➢ An increase in the proportion of black and brown staff among (Service, Operations and Senior) Managers to at least 10% over the life of the plan

The resourcing of these improvements is a priority in the context of tight operating margins and downward pressure on the contract values for existing services. The implementation and further development of our Value for Money strategy will be crucial to this. New income generation (for instance through non-statutory fundraising) and cost saving through procurement, systems enhancement and service remodelling are other key components of the plan.

At the heart of the challenge lies a fundamental question: How will we continue to meet the needs of those who come to us for help, whilst remaining viable and better rewarding our staff better?

In the Housing Pillar we will continue to invest in the quantity and quality of core, move-on and housing first stock, consolidating and re-configuring it to improve outcomes and reduce operating costs – in particular by replacing shared with self-contained provision. In the Health Pillar we will pursue the opportunities arising from NHS reorganisation (and the creation of Integrated Care Systems) to secure 'buy-in' and new funding from the health community. In the employment pillar we will respond to the growing labour shortage and expanded role of skills training by removing barriers and bringing more of our service users closer to the market. In the Support & Care Pillar we will collect and present data to challenge the view that community-based support is a non-essential service, technologizing the offer and making the case for its preventative role.

In the past year we have invested further in our IT systems to automate processes, eliminate duplication and reduce risks to the timely completion of important tasks. We have taken the opportunity to relocate two of the employment and skills service (Better Working Futures and JETS) into central head office accommodation, thus releasing space elsewhere for development of housing. Printing, travel, office equipment and stationery costs have all been reduced as a result of this. Through redeployment of existing staff and some recruitment we have been able to reduce our use of external consultants.

STRATEGIC REPORT (continued)

VALUE FOR MONEY STATEMENT

Framework is strongly committed to achieving Value for Money (VfM) in all its activity. Further success in bidding for and winning service contracts clearly depends on our ability to do 'more for less' in the continuing climate of severe restrictions in public (especially local authority) funding. In some instances it will not be possible to make viable bids and the Board has agreed parameters for reaching these decisions in a way that protects the organisation.

We report annually on the seven VfM metrics set out in the Regulator of Social Housing's Value for Money Standard. The Audit and Risk Management (ARM) Committee has reviewed its performance on these against the figures for the previous year.

The positive impact on the 2021/'22 financial out-turn, of Value for Money projects undertaken over the past year is estimated at £381k, which is in line with our target. They include:

- Increased use of opportunities arising through Efficiency East Midlands
- Re-configuration and re-procurement of the contracts for property maintenance
- New corporate fundraising partners some of whose donations replace cash spend
- Development projects to upgrade existing housing units and acquire/ build new ones
- Continued Investment in IT infrastructure and systems to support Agile Working
- Commencement of the transformation work in service delivery and structures
- 'Added value' offers when re-negotiating contract and grant funding with commissioners.

The RSH VFM metrics for 2021/22 have been calculated in accordance with the VFM standard (technical note) and are presented below with previous year comparators:

VfM Measure	Description	Framework 2022/'23 (Budget)	Framework 2021'22	Framework 2020/'21	Social Hsg Median 2020/'21
1.	Reinvestment by Cost	10.24%	11.82%	8.32%	5.80%
2.	New supply delivered by Units	4.64%	5.97%	2.11%	1.30%
3.	Gearing	9.03%	3.66%	0.21%	43.90%
4.	EBITDA-MRI Interest Cover	530.98%	558.13%	1,227.65%	183.00%
5.	Headline Social Housing Cost per Unit	£24.9k	£24.8k	£24.5k	£3.73k
6.	a) Operating Margin Overall b) Operating Margin on Social Housing	4.42% 2.54%	4.15% 2.57%	8.98% 5.14%	23.90% 26.30%
7.	Return on Capital Employed	1.57%	1.63%	3.37%	3.30%

Standard Metrics 1 (Reinvestment by Cost) and 2 (New Supply) are both sensitive to the actual level of development within the financial year. Framework's development activity is dependent on the availability of capital funding and suitable sites, both of which change from year to year.

Standard Metric 3 (Gearing) is low compared to many housing associations. This is because the primary constraint on our housing development is the availability of capital grants and ongoing revenue funding, both of which affect operating margins, rather than loan finance. It would be possible to borrow more and thus develop more quickly, but the risks involved in doing so are higher than the Board can accept given the margins on our support contracts. The degree of cover reported by Metric 4 (EBITDA) reflects both the level of gearing and the low interest rates on our existing loans – including the new ones from NatWest and Charity Bank.

STRATEGIC REPORT (continued)

Standard Metric 5 (Headline Social Housing Cost per Unit) is significantly raised by the inclusion of intensive housing management and (primarily staffing-related) support costs. Framework has thirty one separate locations where a twenty-four hour staffing presence is required on 365 days per annum. 5.5 full time equivalent staff are needed to maintain a single person duty rota for 168 hours per week. In practice the minimum requirement is usually three or more staff at a time in daytime hours and a minimum of two overnight. In addition to these 'core' housing services our dispersed (or 'move-on) units also require higher levels of visiting staff than mainstream social housing. These and other factors (the higher turnover of residents, contract clauses that artificially increase the level of voids and greater wear & tear on buildings) are all drivers of unit costs, and their impact is greater at a time of cost inflation.

Standard Metrics 6a) and 6b) (Operating Margins) are both very similar to last year. The slightly higher figure of 3.11% in the statutory accounts is attributable to a different basis of calculation that includes pension valuation 'swing'. For most staff our pension contributions are on a 'defined contribution' basis – complying with the law on auto-enrolment but uncompetitive with the 'defined benefit' (final salary) schemes still seen in the public sector. This is a factor when trying to retain those employees who are attracted by better paid opportunities to work for local authorities or other statutory bodies. We do have a small number of staff inherited through TUPE transfers with a retained right to membership of the Local Government Pension Scheme. This is the reason for the annual pension adjustment to the accounts.

Our target for the next five years is to sustain a minimum Operating Margin of 3% (as achieved in 2021/'22) rising to 4% in the fourth and fifth years of the Corporate Plan whilst keeping services safe and effective. The challenge this involves is reflected in the narrative of this report and the fact that the projections in the Long-Term Financial Plan fall short of the target margins. It is hoped that the continued identification of new income streams (both short and long-term), the enhanced Fundraising Strategy and further efficiencies in services and the central office, will enable us to achieve both the Objectives of the Corporate Plan and its financial targets.

Standard Metric 7 (Return on Capital Employed) reflects the same underlying factors as the operating margin.

Framework's Additional VFM Metrics

Framework reports on its own set of Value for Money metrics to complement the standard ones. The 2021-22 figures are presented below, between comparative data for the previous year and the 2022-23 budget forecasts.

Framework VfM Measure	Budget 2022/'23 (£)	2021/'22 (£)	2020/'21 (£)
Cost per Service User by Pillar:			
Housing	11,882	11,393	11,527
Health	1,278	1,367	1,162
Employment	928	894	1,297
Support	1,566	1,781	1,924
Cost per Hour of Service by Pillar:			
Housing	27.88	23.34	24.51
Health	38.94	29.63	30.34
Employment	30.68	26.45	26.24
Support	21.36	17.77	19.69
Central Cost as a % of the Total	15.51%	15.98%	17.34%

STRATEGIC REPORT (continued)

The purpose of these additional metrics is to assist the Board in assessing how efficiently the organisation is being run, the impact of service changes and of measures to enhance efficiency. They also illustrate the variation in the cost of providing these services per individual and (to a lesser extent) per hour, between the pillars. This is because the nature of the service varies both between (and within) the pillars, according to the specialism of the staff who deliver it.

The housing metric (cost per service user rather than per hour) is sensitive to small changes in the throughput to and from direct access and associated services. Their residents (and others who use Framework's supported housing) tend to be the sub-set of our service users with the highest and most complex needs. In general, the people we house are those that other landlords can't or won't accommodate. An additional factor during the Covid-19 pandemic has been the restriction on evictions by private landlords. This reduced the supply of move-on accommodation for hostel leavers, and thus the availability of units for those on the waiting list. The pandemic 'Everyone In' initiative has been followed by the Rough Sleepers Accommodation Programme, thus alleviating this. It includes revenue funding to offer a high level of support to former rough sleepers on their resettlement from the streets. Going forward this will contribute to an increase in the housing cost metric on both a 'per service user' and a 'per hour' basis.

The health, employment and support interventions encompass a broader range of people so their cost (per person) is lower than for housing. However, the pandemic has changed the way these services are delivered (with a shift in the balance from 'in-person' to 'on-line' delivery). A consequent reduction in their 'labour-intensity' means we are also likely to see an increase in the cost per hour of service across these three pillars. In particular, the 'health' pillar requires more highly paid professionals (including nurses) and the specialist elements are now enhanced by new funding. By contrast, the support pillar is becoming more generic over time.

Outside health, the cost per service user and the cost per hour both ran generally lower in 2021/'22 than in the previous year. The budget projections for 2022/'23 assume a return to pre-pandemic utilisation levels combined with a further shift towards agile/ digital working. Note that changes to the profile of services users (for instance due to the creation of a new contract and/ or the cessation of an existing one, either of which can happen unexpectedly) may have a disproportionate impact on the metrics if they involve a large number of people.

Value for Money in the coming year

The Value for Money (VfM) Strategy has been refreshed to align it with the new Corporate Plan. The savings target for the current year (2022/23) is slightly increased at £407k. It focuses on investment in staffing to enhance capacity and in technology to support agile working, process automation and the efficiency of systems. Further efficiencies are planned over the five-year period as a result of the Asset Management Strategy and through re-procurement.

Another dimension of VfM is the enhancement of our service offer at a time when local authority and other statutory funding is under renewed pressure despite increased and more complex presenting need. This will be supported by a new Fundraising Strategy, to resource the design of services around the needs of their users. Significant aspects of this 'joined-up' offer include:

- Basic items (food, toiletries and clothing) for those in immediate need
- Our practice in PIE (Psychologically Informed Environments) & TIC (Trauma Informed Care)
- Outreach and in-reach for substance misusers and people with physical & mental health issues
- Rapid access to specialist treatment for the above
- The availability of clinical psychologists and social work professionals
- An 'Access to Work' fund to assist those caught by the benefits trap
- 'Housing First' options for those with high and complex needs
- Rent deposits, guarantees, furniture and equipment for those establishing a tenancy

STRATEGIC REPORT (continued)

PAY RATIOS

The Board is committed to reporting on the pay ratio between the highest and lowest salaries received by Framework staff.

In 2021/22 the ratio between the salaries of the highest and lowest full-time paid employees was 5.45 (2020/21: 5.18). The ratio between the highest salary and the median was 4.43 (2020/21: 4.27). A recent third sector benchmarking exercise showed that the average ratio is 7.00 between the highest and the lowest salary and 5.00 between the highest and the median.

STREAMLINED ENERGY AND CARBON REPORTING 'SECR'

This is the first year of SECR reporting. The current emissions (April 2021 to March 2022) have decreased by 270 tonnes (11.0%) of CO2e compared to the base year (2020/'21). The main factors are Covid-19, with higher gas usage in the base year due to service users being required to stay in their homes during lockdown. This has been slightly offset by higher staff travel costs on community-based service delivery in the current year.

During the year we have undertaken a review of the Asset Management Strategy and updated it to increase investment in the reduction of carbon emissions. As part of this, work was carried out to identify how many Framework housing units currently fall below an EPC 'C' rating. There are forty of these and over the next five years we will develop and implement an improvement/ disposal plan to eradicate them. The remediation work will optimise the thermal efficiency of the external fabric and combine this efficient heating and low energy lighting. The same principles will be embedded in our development programme (both new build and refurbishment).

Our growth plans recognise the compliance requirements from the UK Committee on Climate Change which recommends that from 2025, no new home is to be connected to a gas grid and a position of net-zero carbon emission must be reached by 2050.

We have supported staff who invest in electric vehicles by the installation of two vehicle charging points within the Central Office car park. This has the benefit of reserving 8% of our parking for those with electric vehicles. Further charging points will be fitted to new homes through our onward development programme. Another result of the acceleration of agile working due to Covid-19 is that carbon output from business mileage has reduced by 38.5% when compared to 2019/'20 (the baseline for the agile working initiative). There have also been considerable reductions in commuter mileage. However, when calculating the figures below, no adjustment has been estimated in respect of carbon produced due to people working from home.

Measure	2021/2022	2020/2021
UK energy use (1) kWh	11,038,813	12,179,630
Associated Greenhouse gas emissions (2) Tonnes CO^2 equivalent	2,209.39	2,479.32
Intensity ratio Emissions per property	1.70	2.03

1) UK energy use covers all Framework activities
2) Associated Greenhouse gases have been calculated using *the* UK Government GHG Conversion Factors for Company Reporting

STRATEGIC REPORT (continued)

FINANCIAL REVIEW OF THE YEAR

Financial results

Framework's turnover in 2021/'22 was £50.50 million, an increase of £3.0m on the comparable figure for 2020/21 which was £47.50m.

This rise in income was generated by the combination of higher rent and service charge receipts, due partly to the annual uprating but also the charges on new properties coming into management.

Despite (or perhaps because of) the pandemic we experienced an increase in donations. In the earlier part of the year where restrictions meant some staff roles could not be properly funded, we utilised the Coronavirus Job Retention Scheme as an alternative to redundancy. Another source of new income was from central Government for enhancements to substance misuse and mental health services specifically for rough sleepers and people of risk of rough sleeping.

The headline operating surplus was £1.3 million, a reduction of £1.1 million on the 2020/'21 figure (£2.4m). However, the figure significantly exceeded the 2% target in the 2019/'22 Corporate Plan. When the pension 'swing' is taken into account it exceeds the higher (3%) target in the 2022/'27 Corporate Plan. These results place Framework in a stronger positon to continue with its development plans than was envisaged this time last year.

However, we must continue to manage the risks to our financial position. In particular, the combination of static / reduced contract values and our aspiration to increase the real value of salaries to aid recruitment and retention, is a considerable and growing pressure.

A new Asset Management Strategy, approved during the year, has informed the inputs to an updated Long-Term Financial Plan. This makes provision to increase re-investment in the housing assets to sustain their quality, safety, lending and book values. A comprehensive Asset and Liability Register is maintained.

Framework's priority in the past two years has been to support the vulnerable people we serve by maintaining our essential services at an especially challenging time. Some income was lost and additional costs were incurred, but the overall financial impact was managed through a range of mitigations. The additional costs were for overtime & agency staff (due to isolation requirements), personal protective equipment, substitute prescribing, Information Technology, volunteer expenses, food and mobile phones. The lost income was due to the cancellation of fundraising events, non-payment of service charges, delayed contract starts and reduced performance payments on curtailed activities. The mitigations included successful applications for emergency funding, digital replacement of fundraising events and temporary recourse to the Coronavirus Job Retention Scheme for roles that were previously funded by lost income.

We have continued to drive efficiency in the provision of 'back office' functions and reductions in the cost of stationery, travel, training, office equipment, printing and postage. Some of these savings were attributable to remote working and other changes to the mode of service delivery resulting from Covid-19. There was also some disruption in non-statutory and urgent repairs due to fewer reports from service users, contractor staffing challenges and limited access to some materials. The impact of this is being managed in the current year.

Reserves

Reserves are retained at a level that allow the association to continue to provide its services whilst managing the risks associated with future plans. The budget and thirty year forecast are reviewed and re-set annually to achieve this. Framework held £27.3 million in its revenue reserve at 31st March 2022, but free reserves were substantially less due to grant liabilities.

STRATEGIC REPORT (continued)

Capital Structure and Treasury Policy

The Association's long term borrowings are 20-25 year loans from Charity Bank, NatWest Bank and Nottingham Building Society. The loans are at a combination of fixed and variable interest rates. One new loan worth £2.3 million was drawn down during the financial year. By the end of it initial conversations had been held with our existing lenders securing 'in principle' support for new lending to support the onward growth plans. Work to formalise this will continue in 2022/23.

Cash-flow remains strong with all banking covenants met and projections indicating continued compliance. The year-end cash balances were higher than business plan forecasts due the timing of growth opportunities. Our cash resources will be invested primarily in asset management and property development during 2022/23. The Board have updated the Treasury Policy and appointed a Treasury Advisor to support future investment and financing decisions.

Impairment

The Board has considered whether any impairment of assets should take place. After reviewing the potential indicators including empty properties, any increases in voids or falls in rental income it concluded that there was no need for a write down of any carrying value.

Going Concern

After making appropriate enquiries the Board believes that Framework has sufficient funding in place, and expects the Association to be compliant with its debt covenants even in the event of severe but plausible downside scenarios.

The Board is confident that Framework will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements, and therefore the financial statements have been prepared on a 'Going Concern' basis.

STRATEGIC REPORT (continued)

INTERNAL CONTROLS ASSURANCE

The Board is responsible for ensuring that Framework has adequate systems in place to deliver effective and efficient operations, reliable internal and external reporting, and compliance with applicable laws and regulations and internal policies. The most significant risks to the achievement of the Association's objectives will be recognised, managed and minimised if such internal control systems are in place. Acknowledging that no system can eliminate all risk, the internal controls will also provide reasonable assurance of the identification and effective management of the major risks.

The controls framework has been summarised and analysed on a 'three lines of defence' model. The following sources of assurance were considered by the Board in reaching its conclusion on the adequacy of the internal controls framework:-

- Risk Management Policy in place with active monitoring of the Risk Register by the Audit and Risk Management Committee
- Internal management oversight from Framework's Senior Leadership Team
- Regular Review of Key Control Policies with internal management oversight by the Organisational Leadership Group
- Peer Audits conducted at service level
- Quarterly Reporting on Key Performance Indicators
- Service User Involvement and Feedback
- Health & Safety Management Systems
- Incident reporting and monitoring
- External quality management accreditations
- Internal Audit Programme delivered by Mazars
- External specialist reviews for Information Security Management and Health and Safety
- External audit delivered by Beever and Struthers.
- Fraud Policy

At its meeting on 12th May 2022, the Board considered and approved the effectiveness of the internal controls systems in managing the most significant risks faced by the Association in support of the objectives set out in the Corporate Plan, thereby affirming its satisfaction that:

- There is sufficient evidence to confirm that adequate systems of internal control existed throughout the 2021/22 financial year and that these systems remain in operation;
- These systems were aligned to an ongoing process for the management of the most significant risks faced by the Association;
- They provide reasonable assurance that the financial and operational information produced by the Association is reliable, and that its assets and interests are safeguarded;
- There are no weaknesses in the controls that are sufficiently serious to cause a mis-statement or material loss that would require disclosure in the financial statements.

Fraud Management

For the management of fraud, Framework has clear policies contained within its Code of Conduct to cover the risk of it occurring in relation to the activities of Board Members, Management and Staff. The Association complies with relevant regulatory requirements. A register is maintained of all actual and attempted frauds and this is presented annually to the Board. If there are any significant cases of fraud during the year the Chief Executive is required to bring them to the Board's attention.

STRATEGIC REPORT (continued)

Self-Appraisal by the Board and Committees

The Board and its Committees self-appraise their own performance and the organisation's compliance with the legal and regulatory frameworks in which it operates. This is supported by the Protocol on Regulatory Reporting, and the Internal Controls Assurance Register which provides a health check on compliance, monitored by the Audit and Risk Management Committee. During the year the Governance, Remuneration and Appraisal Committee led a Governance Review to enhance the efficiency and effectiveness of the Board, supporting focus on key strategic matters.

PUBLIC BENEFIT AND FUNDRAISING ACTIVITIES

As a Registered Charity, Framework is subject to the provisions of the Charities Acts 2011 and 2016. These create an obligation to demonstrate explicitly that the organisation's aims are for the public benefit. The Board of Framework is satisfied that by providing services to homeless, vulnerable and excluded people in furtherance of its charitable objects as described above, Framework is complying with its public benefit duty.

Framework raises funds directly from the public to resource aspects of its activity that aren't funded from statutory sources. This work is carried out by a dedicated, specialist team of employees supported by volunteers. Third party professional fundraisers are not involved.

During the year, Framework registered with the Fundraising Regulator and has fully complied with its Fundraising Promise. No complaints were received during the year about fundraising activity. To protect vulnerable people and other members of the public Framework does not employ cold calling for fundraising, and no supporters are approached more than three times a year. Targeted asks are only made to people who have already indicated that they wish to support the Association.

Approved by the Board on 14th July 2022 and signed on its behalf by:

Ruth Hawkins (Chair)



BOARD REPORT

BOARD MEMBERSHIP

The members below, who are considered directors for Company Law purposes, have served in office from 1st April 2021 to the date of this report except where otherwise indicated.

Ruth Hawkins	Appointed as Interim Chair from 26.03.22, substantive role Chair of ARM Committee
Rebecca Rance	Chair of the Board, resigned from 16.03.22
Patrick Mitchell	Vice Chair
Louise Harris	Appointed as Interim Chair of Audit and Risk Management Committee from 14.04.2022
Debbie Maitland	Chair of Governance, Remuneration & Appraisal Committee
Carrie McNabb	Resigned 10.01.2022

Jane Geraghty Vinay Shankar Nigel Turner Tim Gallimore Catherine Arkley

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE BOARD REPORT, AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, the Directors Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), FRS 102 *the Financial Reporting Standard applicable in the UK and Republic of Ireland.*

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the association's transactions and disclose with reasonable accuracy at any time the financial position of the association and enable them to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015.

The Directors are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the association and to prevent and detect fraud and other irregularities.

BOARD REPORT (continued)

DIRECTORS' INDEMNITY

Appropriate Directors' and Officers' Liability Insurance cover is in place in respect of all the Association's directors.

POLITICAL DONATIONS AND EXPENDITURE

No political donations were made in the year ended 31st March 2022 (2021- £nil) and there was no other expenditure on political activity in the year (2021 - £nil).

EMPLOYMENT

Framework aspires to retain a diverse workforce with the skills and understanding to achieve its goals by the provision of quality services responsive to a range of individual needs. At 31st March 2022, 12.97% of the workforce was registered as disabled (2021 – 14.3%). The median in the third sector is 5.5%. On the same date 16.2% of the workforce was defined as Black, Asian, Minority Ethnic and Refugee (BAMER) (2021 – 15.4%). The median in the third sector is 14.3%.

Framework responded to the national lockdowns in 2020 and the need to find new and more dispersed ways of working. The evolution of our agile working arrangements, where appropriate, has continued to be been taken forward in a planned way, consolidating and refining the offer based on feedback from our staff, supported by the Agile Working Group.

Framework is committed to involving its employees in the planning and development of services through staff consultation, employee surveys, information-sharing and staff communication. Framework has a Staff Council, meeting six times a year, a formal structure through which its leaders consult with elected employees and trade union representatives to inform them of, and discuss, changes affecting the organisation and its employees. Direct, formal consultation takes place with staff wherever there are changes that fundamentally affect their work. Framework has three designated and professionally qualified Human Resource Business Partners to support managers in carrying this out.

FINANCIAL INSTRUMENTS

The Association does not enter into any hedging transactions. It does not have any abnormal exposure to price movements, changes in credit conditions, liquidity constraints or cash flow risks arising from its trading activities.

AUDITOR

Beever and Struthers Limited was re-appointed as Framework's external auditor during the year.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors have taken all necessary steps to make the auditor aware of any relevant audit information and to establish that they are aware of that information. As far as the directors are aware, there is no relevant audit information of which the Association's auditor is unaware.

Approved by the Board on 14th July 2022 and signed on its behalf by:



Ruth Hawkins (Interim Chair)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRAMEWORK HOUSING ASSOCIATION

Independent Auditor's Report to Framework Housing Association

Opinion

We have audited the financial statements of Framework Housing Association (the 'Company') for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies in note 1. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRAMEWORK HOUSING ASSOCIATION (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on pages 27 and 28, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRAMEWORK HOUSING ASSOCIATION (continued)

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the Company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Companies Act 2006, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2019, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the regulated nature of the Company's activities.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRAMEWORK HOUSING ASSOCIATION (continued)

- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Beever and Struthers

Richard Graham (Senior Statutory Auditor)
For and on behalf of
Beever and Struthers
Statutory Auditor
St George's House
215-219 Chester Road
Manchester
M15 4JE

Date: 23/8/2022

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31st MARCH 2022

	Note	2021/22	2020/21
		£000	£000
Turnover	3	50,504	47,528
Operating expenditure	3	(49,208)	(45,086)
Operating surplus	3	1,296	2,442
Surplus on disposal of property		-	-
Finance income	5	1	5
Interest and financing costs	6	(196)	(206)
Surplus for the year		1,101	2,241
Actuarial gain in respect of pension schemes	16	430	(864)
Total comprehensive income for the year		1,531	1,377

The results all relate to continuing activities.

The accompanying notes form an integral part of the financial statements.

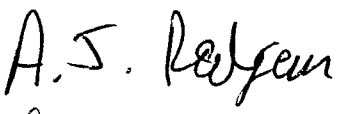
STATEMENT OF FINANCIAL POSITION AS AT 31st MARCH 2022

	Note	2021/22 £000	2020/21 £000
FIXED ASSETS			
Tangible assets:			
Property, Plant and Equipment	11	87,537	78,324
Depreciation	11	(13,589)	(12,039)
		73,948	**66,285**
CURRENT ASSETS			
Debtors	12	3,427	2,992
Cash and Investments	13	9,189	9,908
		12,616	12,900
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	14	(6,970)	(6,737)
NET CURRENT ASSETS		**5,646**	**6,163**
TOTAL ASSETS LESS CURRENT LIABILITIES		**79,594**	**72,448**
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR			
Deferred government grants	15b	39,193	35,069
Long Term Loans	15a	11,324	9,567
Defined benefit pension liability	16	1,820	2,086
		52,337	46,722
NET ASSETS		**27,257**	**25,726**
CAPITAL AND RESERVES			
Called up Share Capital	17	-	-
Designated Reserves	23	27,257	25,726
		27,257	**25,726**

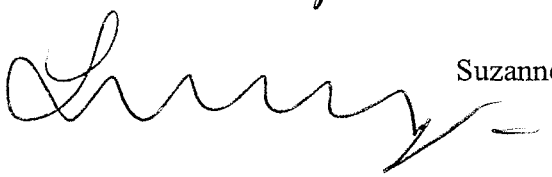
The financial statements on pages 33 to 55 were approved and authorised for issue by the Board and signed on its behalf on 14th July 2022 by



Ruth Hawkins Chair



Andrew Redfern Chief Executive



Suzanne Williamson Company Secretary

STATEMENT OF CHANGES IN RESERVES

INCOME & EXPENDITURE RESERVES

	Note	£000
At 1st April 2021		25,726
Surplus for year		1,101
Actuarial gain in respect of pension schemes	16	430
Revenue Reserves as at 31st March 2022		27,257

		£000
At 1st April 2020		24,349
Surplus for year		2,241
Actuarial gain in respect of pension schemes	16	(864)
Revenue Reserves as at 31st March 2021		25,726

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31st MARCH 2022

	Note	2021/22	2020/21
		£000	£000
Cash generated from operating activities			
Surplus for the year		1,101	2,241
Adjustment for non cash items			
Depreciation of property, plant and equipment	11	1,550	1,389
(Increase)/Decrease in Debtors	12	(435)	921
Increase/(Decrease) in Creditors	14	164	(864)
Pension costs less contribution payable	16	214	141
(Profit) on disposal of property, plant and equipment	-	-	0
Government grants utilised in the year	15b	(555)	(508)
Adjustment between creditors due less than 1 yr and greater than 1 year		(24)	-
Interest received		(1)	(5)
Interest payable		196	206
Amounts charged to financing costs	5	(50)	(45)
Cash generated by operating activities		**2,160**	3,476
Cash flows from investing activities			
Purchase of property, plant and equipment	11	(9,213)	(5,894)
Proceeds from the sale of property, plant and equipment		-	0
Grants received		4,760	2,021
Interest received	5	6	-
Net cash flows from investing activities		(4,447)	(3,873)
Cash flows from financing activities			
Interest Paid	6	(258)	(222)
New Loans		2,300	500
Loan repayments		(474)	(465)
Net cash flows from financing activities		1,568	(187)
Net(decrease)/increase in cash and cash equivalents		(719)	(584)

	Note	2021/22	2020/21
		£000	£000
Cash and cash equivalents at beginning of year	13	9,908	10,492
Net (decrease)/increase in cash and cash equivalents		(719)	(584)
Cash and cash equivalents at end of year	13	**9,189**	**9,908**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022

1 ACCOUNTING POLICIES

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

General information and basis of accounting

The financial statements have been prepared under the historical cost convention, and where applicable 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 2018 (SORP), the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing 2019. Framework Housing Association is a public benefit entity, as defined in FRS 102 and applies the relevant paragraphs prefixed 'PBE' in FRS 102.

(b) Turnover and Operating Costs

Turnover represents rent and service charges receivable (net of rent and service charge losses from voids) in respect of supporting people and community care contracts, revenue grants receivable, amounts receivable in respect of service level agreements and donations.

Service charge income is recognised when expenditure is incurred as this is considered to be the point at which the service has been performed and the revenue recognition criteria met.

Operating costs incurred in the delivery of these services comprise expenditure on services, management, bad debts, fund-raising, publicity and depreciation.

(c) Property, plant and equipment - housing properties

Housing properties are stated at cost 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.

Expenditure on existing housing properties is capitalised when an identifiable component is replaced and this replacement cost is more than £5,000. Expenditure incurred on the acquisition of furniture and equipment will be recorded in the Statement of financial position where the purchased cost per item is £5,000 or more, or, where the aggregate cost of items in a single capital project, is greater then £5,000.

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.

A full years depreciation is charged on assets in the year of purchase, but no charge is made in the year of disposal.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022

1 ACCOUNTING POLICIES (CONTINUED)

(c) Property, plant and equipment - housing properties (continued)

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.

Land	nil
Buildings- Superstructure	1.25%
Buildings-Roof	2%
Buildings-Heating Systems	2.5%
Buildings - Electrical systems	3%
Buildings - Fixtures & Fitting:	5%
Furniture and Equipment	33%

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 the Statement of Comprehensive Income.

Leaseholders

Where the rights and obligations for improving a housing property reside with the leaseholder or tenant, any works to improve such properties incurred by the Association is recharged to the leaseholder and recognised in surplus or deficit in the Statement of Comprehensive Income along with the corresponding income from the leaseholder or tenant.

(d) 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.

Impairment indicators used by the Association are: empty properties without an agreed plan to bring into use, permanent increase in voids, or reduction in rental income.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022

1 ACCOUNTING POLICIES (CONTINUED)

(e) Social Housing Grant and other Government Grants

Where grants are received from government agencies such as Homes England, 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.

(f) 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.

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.

(g) Leased assets

At inception the Association 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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022

1 ACCOUNTING POLICIES (CONTINUED)

(h) 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.

(i) Taxation

The Association is a registered charity and is exempt from any corporation tax liabilities on its charitable activities.

(j) Pensions

Multi-employer defined benefit pension scheme- NHS

The Association participates in a 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. This defined benefit scheme is closed to new members and was set up to preserve pension arrangements for staff transferring in to the Association under TUPE Legislation.

Local Government Pension Scheme- Nottinghamshire Local Government Pension Scheme

The Association 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. Remeasurement 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 Association, 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. This defined benefit scheme is closed to new members and was set up to preserve pension arrangements for staff transferring in to the Association under TUPE legislation.

Defined Contribution Scheme - Scottish Widows

The Association 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. This scheme is open to all staff members in accordance with Auto-Enrolment legislation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022

1 ACCOUNTING POLICIES (CONTINUED)

(k) Supported housing and other managing agents

Where the Association has ownership of a supported housing or other scheme but also has an agreement with a third party to manage the scheme (including Supporting People funded schemes or services), where there has been a substantial transfer of the risks and benefits attached to the scheme to the third party, any scheme revenue and expenditure is excluded from these financial statements.

(l) Financial Instruments

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

Financial assets carried at amortised cost

Financial assets carried at amortised cost comprise rent arrears, trade and other receivables and cash and cash equivalents. Financial assets are initially recognised at fair value plus directly attributable transaction costs. After initial recognition, they are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. If there is objective evidence that there is an impairment loss, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced accordingly. A financial asset is derecognised when the contractual rights to the cash flows expire, or when the financial asset and all substantial risks and reward are transferred. If an arrangement constitutes a financing transaction, the financial asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial liabilities carried at amortised cost.

The 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.

Cash and cash equivalents

Cash and cash equivalents comprose cash on 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. For the purposes of the cash flow statement cash, the current account and the deposit accounts are considered to be liquid resources.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022

1 ACCOUNTING POLICIES (CONTINUED)

(m) Bad Debt Provisions

The Association's bad debt policy is to provide for 100% of debtors where there is strong evidence of non-collection, 25% of rent and eligible service charges and 75% of ineligible service charges which are still outstanding after the deduction of cash received in the new financial year.

(n) Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

(o) Value Added Tax (VAT)

The Association charges VAT on some of its income and is able to recover part of the VAT it incurs on expenditure. All amounts disclosed in the accounts are inclusive of VAT to the extent that it is suffered by the Association and not recoverable.

(p) Designated Reserves

With regard to paragraph 18.7 of the SORP, our Reserves are presented in line with the Charity SORP paragraph 1.48 which is considered more appropriate to Framework as a registered charity and to support our reliance on charitable donations. This treatment is considered appropriate to provide donors and potential donors with a more accurate presentation of Frameworks financial position.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022

2 SIGNIFICANT MANAGEMENT JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Significant management judgements

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

Impairment of social housing properties

Management has 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.

Estimation uncertainty

The Association 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.

Provisions

Provision is made for dilapidations. This provision requires management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, the timing of the cash flows and the discount rates usted to establish net present value of the obligations require management's judgement.

Defined benefit pension scheme

The association has obligations to pay pension benefits to certain employees. The cost of the 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022

3 TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

	2021/22	2020/21
TURNOVER	**£000**	**£000**
Rent and service charges receivable	18,007	17,441
Community care contracts	1,340	1,582
	19,347	**19,023**
Statutory revenue income (Note 4)	10,754	9,020
Housing Related Support contracts	11,700	11,333
Amortised government grant	555	508
Specific charitable income (Note 4)	4,436	4,055
	46,792	**43,939**
Non specific charitable giving (Note 4)	762	997
Other	2,950	2,592
TOTAL TURNOVER	**50,504**	**47,528**
OPERATING COSTS		
Services	34,056	30,959
Management	9,247	9,161
Maintenance	3,439	2,983
Development	237	167
Fund raising	253	196
Bad debts	426	231
Depreciation	1,550	1,389
TOTAL OPERATING COSTS	**49,208**	**45,086**
OPERATING SURPLUS FOR THE YEAR	**1,296**	**2,442**
Analysis of Voids	**£000**	**£000**
Voids from lettable properties	2,207	1,965
Total Voids	**2,207**	**1,965**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022

3a PARTICULARS OF TURNOVER, OPERATING EXPENDITURE AND OPERATING SURPLUS

	2021/22 Turnover £000	2021/22 Operating Expenditure £000	2021/22 Operating Surplus/(Deficit) £000
Social Housing Lettings (Note 3b)	24,065	23,067	998
Other Social Housing Activities			
Charges for support services	11,226	11,151	75
Total Social Housing	35,291	34,218	1,073
Activities other than Social Housing	15,213	14,990	223
Total Non- Social Housing	15,213	14,990	223
Total	50,504	49,208	1,296

3a PARTICULARS OF TURNOVER, OPERATING EXPENDITURE AND OPERATING SURPLUS

	2020/21 Turnover £000	2020/21 Operating Expenditure £000	2020/21 Operating Surplus/(Deficit) £000
Social Housing Lettings (Note 3b)	22,767	20,723	2,044
Other Social Housing Activities			
Charges for support services	10,719	10,657	62
Total Social Housing	33,486	31,380	2,106
Activities other than Social Housing	14,042	13,706	336
Total Non- Social Housing	14,042	13,706	336
Total	47,528	45,086	2,442

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022

3b PARTICULARS OF TURNOVER AND OPERATING EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	Social Housing 2021/22 £000	Social Housing 2020/21 £000
Income		
HB eligible rent & service charges	18,552	18,220
HB ineligible rent & service charges	795	803
Amortised government grants	555	508
Other grants	4,163	3,236
Turnover from Social Housing Lettings	**24,065**	**22,767**
Operating Expenditure		
Management	5,516	5,526
Service Charge Costs	9,785	8,865
Routine Maintenance	3,326	2,755
Planned Maintenance	1,014	938
Bad Debts	426	242
Depreciation of housing properties	1,090	1,025
Depreciation of other tangible fixed assets	364	268
Other costs	1,546	1,104
Operating Expenditure on Social Housing Lettings	**23,067**	**20,723**
Operating Surplus	**998**	**2,044**
Void Losses	**2,207**	**1,965**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022

4 GRANTS AND DONATIONS RECEIVABLE

	2021/22	2020/21
	£000	£000
STATUTORY SOURCES		
Leicester, Leicestershire & Rutland Councils (Edwin)	718	478
MHCLG - City of Lincoln Council	627	561
MHCLG- Nottingham City	800	746
MHCLG Sheffield	30	30
Nottingham City CDP (MVH)	28	28
Nottingham City Council (Rough Sleepers)	350	235
Nottingham City CDP (Clean Slate)	1,196	946
Nottingham City CDP (Nottingham Recovery Network)	4,675	4,084
Nottingham City CDP (Edwin)	235	-
Nottingham City CCG Mental Health & Wellbeing	181	314
Nottingham City CDP (HALT)	95	112
Nottingham City Council (Edwin)	284	284
Sheffield City Council (Street outreach)	191	194
MHCLG - Ashfield DC (SOT County)	636	652
Nottingham Citycare Partnership (HISU)	-	112
Homes England (RSAP)	204	-
Other Statutory Grants	504	244
Total	**10,754**	**9,020**
SPECIFIC CHARITABLE SOURCES		
BBC- CIN (EVE)	9	18
Big Lottery Fund (Opp Nottm)	1,373	1,429
Big Lottery (Opportunity & Change)	1,476	1,422
SSBC (Family Mentor & Aspley Mentor)	1,292	1,068
Big Lottery (Homeless to Home)	229	66
BBO Linc - UC Move	31	28
Other Specific Grants	26	24
Total	**4,436**	**4,055**
OTHER GRANTS AND DONATIONS		
Grants and Donations	762	997
Total	**762**	**997**
Grand Total	**15,952**	**13,409**

Most statutory and charitable grants are restricted to the delivery of specific services as determined by the funders.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022

5 FINANCE INCOME

	2021/22 £000	2020/21 £000
Bank interest receivable	1	5
	1	5

6 INTEREST AND FINANCING COSTS

	2021/22 £000	2020/21 £000
Bank loans and overdrafts	258	222
Costs associated with financing	-	-
Net interest on defined benefit liability (Note 16)	42	26
	300	248
Borrowing costs capitalised at 1.95%- 2021(1.95%)	(104)	(42)
	196	206

7 SURPLUS FOR THE YEAR

	2021/22 £000	2020/21 £000
Surplus for the year is stated after charging:		
Depreciation on housing properties	1,185	1,103
Depreciation on other fixed assets	364	286
External Auditor's Remuneration (excluding VAT) - Audit-related assurance services	25	25
Operating lease charges on land and buildings	1,899	1,927
Operating lease charges on other assets	182	167

8 TAXATION

No taxation charge arises as the Association is an exempt charity and only undertakes charitable activities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022

9 STAFF COSTS

	2021/22 £000	2020/21 £000
Staff costs including directors:		
Wages and salaries	24,420	22,921
Redundancy costs	22	80
Social security costs	1,809	1,617
Other pension costs	956	985
Total	**27,207**	**25,603**

The full Time Equivalent number of staff who received emoluments, including pension contribution, in excess of £60,000 are shown below.

	2021/22 No.	2020/21 No.
Salary Band £000		
60,000 - 69,999	1	1
70,000 - 79,999	2	1
80,000 - 89,999	1	1
90,000 - 99,999	1	1

Average number of full time equivalent persons (FTE) employed:	2021/22 No.	2020/21 No.
Supported Housing	570	502
Tenancy Sustainment	178	155
Fundraising and Communications	9	8
Management and Administration (Central Office)	93	81
Care Home	94	81
Non Housing related service staff	293	291
Average number of FTE employees during the year	**1,237**	**1,118**

The basis of the calculation of full time equivalents is the average of contracted employees at each year end.

10 DIRECTORS' REMUNERATION AND TRANSACTIONS

Key management personnel remuneration

	2021/22 £000	2020/21 £000
Directors who are executive staff members		
Wages and salaries	463	402
Loss of Office payment	-	-
Social security costs	53	46
Other pension costs	26	24

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022

10 DIRECTORS' REMUNERATION AND TRANSACTIONS (Continued)

Board Members

No remuneration was paid to board members in their capacity as directors of the Association. Incidental travel expenses are claimed in order for the board to carry out their duties. Travel expenses paid to board members to 31st March 2022 were Nil £0 (2021 £0)

Remuneration of the highest paid director, excluding pension contributions

	2021/22 £000	2020/21 £000
Emoluments	89	86

The Chief Executive is an ordinary member of the pension scheme. No enhanced or special terms apply.

11 PROPERTY, PLANT AND EQUIPMENT

	Properties in Management	Properties in Development	Plant and Equipment	Total
	£000	£000	£000	£000
COST				
At 1st April 2021	71,472	5,007	1,845	78,324
Additions during the year	6	8,415	532	8,953
Capitalised Repairs	260	-	-	260
Transferred on completion	7,407	(7,407)	-	-
Disposals during the year	-	-	-	-
Total at 31st March 2022	**79,145**	**6,015**	**2,377**	**87,537**
DEPRECIATION				
At 1st April 2021	10,515	-	1,524	12,039
Charge for the year	1,186	-	364	1,550
Disposals during the year	-	-	-	-
Total at 31st March 2022	**11,701**	**-**	**1,888**	**13,589**
NET BOOK VALUE				
At 1st April 2021	**60,957**	**5,007**	**321**	**66,285**
At 31st March 2022	**67,444**	**6,015**	**489**	**73,948**

Included in properties in management is Anvil House (formerly "Scotter House") which is subject to a 60 year lease at a net book value of £1,676k.

Expenditure on own properties	2021/22 £000	2020/21 £000
Capitalised development costs	8,421	5,404
Repairs and Maintenance charged to operating expenditure	902	686
Total expenditure on own properties	**9,323**	**6,090**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022

12 DEBTORS

	2021/22 £000	2020/21 £000
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Rent, service, support and community care charges (Note below *)	1,326	1,070
Less: Provision for bad debts	(343)	(300)
Net rent, service and support charges	**983**	**770**
Prepayments and accrued income	763	616
Grants and loans receivable	1,680	1,600
Other taxation and social security	1	6
Debtors at 31st March	**3,427**	**2,992**

* No disclosure has been made of the amount of the net present value adjustment where a repayment schedule is in place as the amount is considered to be minimal.

13 CASH AND INVESTMENTS

	2021/22 £000	2020/21 £000
Cash	86	115
Current Account	9,103	9,793
Cash and Investments at 31st March	**9,189**	**9,908**

14 CREDITORS

AMOUNTS FALLING DUE WITHIN ONE YEAR	2021/22 £000	2020/21 £000
Accruals and deferred income	3,290	3,400
Trade creditors	2,319	1,639
Other creditors	75	572
Other taxation and social security	146	136
Government grants (Note 15b)	589	508
Principal Loan repayments (Note 15a)	551	482
Creditors at 31st March	**6,970**	**6,737**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022

15 CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021/22 £000	2020/21 £000
Long Term Loans	11,324	9,547
Deferred Government Grants	39,193	33,577
	50,517	**43,124**

The loans are secured on freehold housing properties with a carrying value of £24,826k. These freehold properties provide a total of 328 units of accomodation. Interest is payable at variable rates between 2.35% - 5.50%
The total accumulated amount of capital grants received at the balance sheet date is £45,908,000

15a Loan analysis

	2021/22 £000	2020/21 £000
Loans repayable by instalments		
Within one year or less	551	467
More than one year but not more than two years	612	477
More than two years but not more than five years	1,918	1,493
More than five years	8,794	7,577
	11,875	**10,014**

15b Deferred government grant

	2021/22 £000	2020/21 £000
Deferred capital grant as at 1st April	35,577	34,064
Grants received in the year	4,760	2,021
Grant repayments during the year	0	0
Amortised to Statement of Comprehensive Income	(555)	(508)
Deferred capital grant as at 31 March	**39,782**	**35,577**
Amount to be released within one year	589	508
Amount to be released after one year	39,193	35,069

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022

16 PENSION OBLIGATIONS

1 Defined contribution pension scheme

The Association operates a defined contribution pension scheme. The assets of the scheme are h separately from those of the Association in an independently administered fund.
The total expense charged to Statement of Comprehensive Income in the year to 31st March 202 £879k (2021 £817k)

2 Defined Benefit Scheme - NHS Scheme

The NHS pension scheme is an unfunded, defined benefit scheme that covers NHS employers, C practices and other bodies, allowed under the direction of the Secretary of State, in England and The cost to the Association participating in the scheme is taken as equal to the contributions pay the scheme for the accounting period. The total expense charged to Statement of Comprehensive in the year to 31st March 2022 was £18k (2021 £32k)

3 Local Government Pension Scheme - Nottinghamshire Pension Scheme

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate funds administere Nottinghamshire Local Authority. The total contributions made for the year ended 31st March 2(£85k (2021 £92k), of which employer's contributions totalled £61k (2021 £66k) and employees contributions totalled £24k (2021 £26k). The agreed contribution rates for future years are 16.6% (2021 16.6%) for employers and range from 5.5% to 6.8% for employees, depending on salary.

The following information is based upon a full actuarial valuation of the fund at 31st March 201 to March 2022 by a qualified independent actuary.

	At 31st March 2022	At 31st March 2021
	%	%
Rate of increase in salaries	4.15%	3.85%
Rate of increase for pension in payment/inflation	3.15%	2.85%
Discount rate for scheme liabilities	2.60%	2.05%
Inflation assumption (CPI)	3.15%	2.85%

It has been assumed that members will exchange half their communtable pension for cash at reti

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022

16 PENSION OBLIGATIONS (continued)

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	At 31st March 2022	At 31st March 2021
Retiring today	Years	Years
Males	22.0	21.9
Females	24.5	24.5
Retiring in 20 years		
Males	23.4	23.3
Females	26.0	25.9

The estimated asset allocation for the Association as at 31 March 2021 is a follows:

	At 31st March 2022	At 31st March 2021
Equities	62%	64%
Gilts	4%	4%
Other Bonds	7%	7%
Property	11%	11%
Cash	6%	5%
Inflation-linked pooled fund	5%	4%
Infrastructure	5%	5%
Total	**100%**	**100%**

Analysis of the amount charged to operating costs in the Statement of Comprehensive Income.

	At 31st March 2022	At 31st March 2021
	£000	£000
Employer service cost (net of employee contributions)	(121)	(69)
Total operating charge	(121)	(69)
Analysis of pension finance income/(costs)		
Expected return on pension scheme assets	(50)	(45)
Interest on pension liabilities	92	71
Amounts charged/(credited) to financing costs	42	26
Amount of gains and losses recognised in the Statement of Comprehensive Income		
Actuarial gains/(losses) on pension scheme assets.	301	(1,243)
Actuarial gains on scheme liabilities	129	379
Actuarial (loss)/gain recognised	430	(864)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022

16 PENSION OBLIGATIONS (continued)

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

Movement in surplus/(deficit) during year	**At 31st March 2022 £000**	**At 31st March 2021 £000**
(Deficit) in scheme at 1 April	(2,086)	(1,126)
Movement in year		
Employer service cost	(182)	(135)
Employer contributions	61	66
Return on assets	64	341
Remeasurements	323	(1,232)
(Deficit) in scheme at 31 March	(1,820)	(2,086)

Asset and Liability Reconciliation

	At 31st March 2022 £000	**At 31st March 2021 £000**
Opening defined benefit obligation	4,477	3,013
Service Cost	182	135
Interest Cost	92	71
Change in financial assumptions	(309)	1,272
Change in demographic assumptions	-	-
Experience (gain)/loss on defined benefit obligation	8	(29)
Estimated benefits paid net of transfers in	(22)	(11)
Past service costs, including curtailments	-	-
Contributions by Scheme participants and other employers	24	26
Closing defined benefit obligation	4,452	4,477
Assets at start of period	2,391	1,887
Interest on assets	50	45
Return on assets less interest	129	379
Other actuarial (losses)	-	-
Administration Expenses	(1)	(1)
Contributions by employer including unfunded	61	66
Contributions by Scheme participants and other employers	24	26
Estimated benefits paid net of transfers in	(22)	(11)
Settlement prices received/(paid)	-	-
Assets at end of period	2,632	2,391
Actual return on plan scheme assets	179	424

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022

17 CALLED UP SHARE CAPITAL

The Association is a company limited by guarantee and does not therefore have any share capital.

18 RELATED PARTY TRANSACTIONS

There are no related party transactions to disclose. All procurement negotiations for goods and servies are carried out on normal commercial terms.

19 CAPITAL COMMITMENTS

	2021/22 £000	2020/21 £000
Capital expenditure contracted for at 31st March but not provided for in the financial statements	2,400	1,799
Less funding allocations	(1,258)	(927)
Internal funding commitment	1,142	872

20 OTHER FINANCIAL COMMITMENTS

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

	2021/22 Land and Buildings £000	2021/22 Other £000	2020/21 Land and Buildings £000	2020/21 Other £000
Operating leases which expire:				
Within one year	1,845	182	1,822	167
Within two to five years	884	55	1,218	55
After five years	1,857	55	1,495	55
	4,586	292	4,535	277

21 HOUSING STOCK

NUMBER OF UNITS IN MANAGEMENT	2021/22	2020/21
Social Housing	No.	No.
Social rent supported housing	1,020	952
Affordable rent supported housing	123	123
Care Homes	63	63
Social housing units managed but not owned	91	86
TOTAL	1,297	1,224

RECONCILIATION OF MOVEMENT OF UNITS IN MANAGEMENT	2021/22	2020/21
	No.	No.
Opening Units in Management	1,224	1,235
Newly built rental accomodation	11	24
Units purchased by the RP for rent	61	
All other gains from outside existing social housing stock	27	23
Loss of social housing due to end of lease	(31)	(26)
All other losses to existing housing stock	-	(5)
Gain of managed units	5	-
Loss of managed units	-	(27)
Closing Units in Management	1,297	1,224

22 LEGISLATIVE PROVISIONS

The Association is incorporated under the Companies Act 2006 and is a Registered Social Landlord.

23 DESIGNATED RESERVES

	2021/22	2020/21
Reserves (Liquid - Minimum Cash)	4,500	4,500
Reserves (Liquid - Allocated to Development Programme)	1,146	1,663
Reserves (Non - Liquid - Property)	21,611	19,563
	27,257	25,726

Reserves are retained at levels that allow the association to continue to provide the services that the reserves are intended to support while managing the risks associated with long term expenditure plans. The annual budget and the 30 year long term financial plan align resources to support this approach and the levels of reserves are monitored throughout the year by the Board Members. Reserves were held at £4.5M in the cash flow reserve at the 31st March 2022 and £22,757k in designated reserves. £21,611k of the designated reserves can only be realised by disposing of tangible fixed assets.

FRAMEWORK HOUSING ASSOCIATION

England & Wales - Charity number 1060941

Accounts

FRAMEWORK HOUSING ASSOCIATION

STRATEGIC AND BOARD REPORT

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR TO 31st MARCH 2021

COMPANY REGISTRATION No: 3318404

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INFORMATION AS AT 31st March 2021

THE BOARD:

Chris Prentice	(Chair) (Retired as Chair and from the Board 17.09.2020)
Rebecca Rance	(Appointed as Chair 17.09.2020, resigned as Vice Chair 17.09.2020)
Patrick Mitchell	(Appointed as Vice Chair 05.11.2020)
Diane Diacon	(Chair of Audit & Risk Management Committee, Retired 04.03.2021)
Ruth Hawkins	(Appointed as Chair of Audit & Risk Management Committee 01.02.2021)
Debbie Maitland	(Chair of Governance, Remuneration & Appraisal Committee)

Jane Geraghty, Patrick Mitchell, Vinay Shankar, Nigel Turner, Louise Harris, Tim Gallimore, Catherine Arkley, Carrie McNabb.

Diana Parrish (Retired 31.01.2021)

SENIOR LEADERSHIP TEAM:

Andrew Redfern	Chief Executive
Suzanne Williamson	Director of Finance, Governance & Risk
Claire Hardwick	Operations Director (Appointed 01.04.2020) Director of Corporate Services (Until 31.03.2020)
Lisa Del Buono	Service Director
Dave Smith	Service Director
Apollos Clifton-Brown	Director of Health and Social Care
Dave Newmarch	Director of Corporate Services (Appointed 01.06.2020)

COMPANY SECRETARY: Suzanne Williamson

REGISTERED OFFICE: Val Roberts House, 25 Gregory Boulevard, Nottingham NG7 6NX
Tel: (0115) 841 7711 E-Mail: info@frameworkha.org

AUDITOR: Beever and Struthers, St George's House, 215-219 Chester Road, Manchester M15 4JE

SOLICITORS: Actons, 20 Regent Street, Nottingham NG1 5BQ

BANKERS: National Westminster Bank Plc, Nottingham City Branch
148-149 Victoria Centre, Nottingham NG1 3QT

REGISTERED CHARITY No: 1060941

REGISTERED PROVIDER OF SOCIAL HOUSING No: LH4 184

COMPANY REGISTRATION No: 331840

The Board members present their Strategic Report, Board Report and Audited Financial Statements for the year ended 31st March 2021.

STRATEGIC REPORT

PRINCIPAL ACTIVITIES

The principal activities of Framework Housing Association are to provide accommodation, support, care, treatment, training, resettlement and related services to homeless, vulnerable and excluded people. At present these activities are carried out mainly in the cities of Nottingham, Lincoln & Sheffield and in the counties of Nottinghamshire, Derbyshire, Lincolnshire, North Lincolnshire and Leicestershire.

The Association's Objects, as set out in its Articles of Association, are to carry out the following activities for persons in need who are homeless (or threatened with the prospect of becoming homeless) and/ or suffering from the effects of poverty, sickness, disability, old age, alcoholism, drug addiction, offending behaviour or any other mental or physical infirmity:

- To provide housing, treatment, rehabilitation, education, training and care
- To provide facilities, resources and services to support and/or benefit them
- To provide, maintain or improve properties in order to deliver the above services
- To promote further study of the nature, extent and consequences of the above social problems.

Framework's Mission Statement is 'Working to End Homelessness and Tackle Disadvantage'. Its values are: '**Respond, Respect, Empower'**.

ORGANISATION STATUS

Framework is a Registered Charity (no. 1060941) and a Company Limited by Guarantee (no. 331840). In the event of winding up, the liability of each member is limited to £1. Framework is also a Registered Provider of Social Housing (no. LH4 184). These accounts are prepared in accordance with the Statement of Recommended Practice for Registered Social Housing Providers 2018 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

GOVERNANCE

Board

Framework is governed by a Board which is ultimately responsible for its activities and affairs. The Board members are all directors of the company, trustees of the charity and members of the Association. The current members of the Board are listed above. As part of its succession planning strategy, five new Board members were appointed towards the end of the 2019/20 financial year, and three members retired during 2020/21 – these included Chris Prentice who was Chair of the Board. Following a recruitment process Rebecca Rance, an existing Board member, was selected to take on the role of Chair. Rebecca and Chris have worked closely together to ensure a smooth transition.

The day to day management of the Association is delegated to the Chief Executive and Senior Leadership Team. Further delegations for oversight of relevant activities are made to the Audit and Risk Management (ARM) Committee and to the Governance, Remuneration and Appraisal (GRA) Committee.

The Board has agreed a list of Key Control Policies (KCPs) that it alone can amend. Changes to other policies can be made by the Senior Leadership Team (SLT) or delegated by the SLT to the Operational Leadership Group (OLG).

STRATEGIC REPORT (continued)

The new Board and Committee appointments reflect a proactive approach to succession planning. Diane Diacon who was Chair of the Audit and Risk Management Committee retired from the Board during the year and has been replaced in this role by Ruth Hawkins, one of the Board's new recruits. The Board's membership was temporarily increased to facilitate a six month handover period between Diane and Ruth.

The new Board members bring to it a range of skills, the selection process having targeted these attributes to complement the expertise of existing Board members and enhance the organisation's governance. During the year the new Board members have undertaken an induction programme which has been adapted in response to the Covid-19 restrictions.

The Board meets at least eight times per annum as well as holding an annual Conference. The standard term office for each individual Board member is six years. This may be extended to a maximum of 9 years in exceptional circumstances to meet organisational need.

Compliance with Regulator of Social Housing's Governance and Financial Viability Standards

It is a regulatory requirement and a matter of good practice for Registered Providers of Social Housing to assess their compliance with the Regulator of Social Housing's (RSH) Governance and Financial Viability Standards. The Association's self-assessment of compliance for the 2020-21 financial year has been received and discussed by the Board. It concluded that Framework is compliant with these standards and there have been no notifiable breaches of them during the year.

Charity Commission Public Benefit Guidance

Framework Board members have fulfilled their duty to have regard to the Charity Commission's public benefit guidance when exercising their powers and duties to which the guidance is relevant. There has been no decision to depart from the guidance during the financial year.

Code of Governance

Framework has adopted the National Housing Federation's (NHF) Code of Governance and with effect from April 2021 it has moved from the 2015 Code to the revised (2020) Code. One area of non-compliance was identified by the annual self-assessment, this relating to the requirement for Board membership to be limited to 12. The Board had previously approved a temporary increase in its membership to 14 (from March 2020) as part of succession planning, to prepare for the significant retirements of the Chairs of the Board and the ARM Committee which took place in September 2020. At the end of the financial year the Board Membership was 11.

Statement of Board Members' Skills, Qualities and Experience

The role of Board Members is set out in a written profile for the role. There are separate documents to describe the roles of those members holding additional responsibilities such as the Chair and Vice Chair of the Board and the Chairs of the ARM and GRA Committees.

A Skills Audit was undertaken to inform the recruitment of Board Members in the early months of 2020. The appointments made further strengthened the knowledge and skills available to Framework's Board, particularly in relation to finance, fundraising, equality & diversity and organisational development. In the year now ended the GRA Committee has further reviewed the skills, knowledge and experience requirements of Board members taking into account the range of activities undertaken by the organisation. This was to comply with the requirements of the updated (2020) NHF Code of Governance.

STRATEGIC REPORT (continued)

Committees of the Board

The Board has established two committees, both of which have delegated authority to act on its behalf within detailed Terms of Reference (ToR). These ToR are set out in appendices to 'Governance in Action' (Framework's Governance Policy, which is designated as a Key Control Policy). The two committees are the Audit and Risk Management (ARM) Committee meeting at least four times per annum, and the Governance, Remuneration and Appraisal (GRA) Committee which meets at least twice per annum.

The decisions taken by the ARM Committee relate to the identification and assessment of risks and the creation and monitoring of systems, policies and procedures to manage them. Its current members are: Ruth Hawkins (Chair), Nigel Turner, Carrie McNabb and Louise Harris.

The work of the GRA Committee focuses on the structures and processes by which the organisation is governed, skills audit, organisational development, succession planning, the policies for remuneration of staff and the appraisal of Board Officers, Board Members and the CEO. Its current members are: Debbie Maitland (Chair), Catherine Arkley, Tim Gallimore and Jane Geraghty.

Framework has a Service User Advisory Group (SUAG) through which those who use the Association's services can influence the Board's decisions and participate in other aspects of Framework's governance. The SUAG nominates two service user representatives who are entitled to attend meetings of the Board.

CORPORATE STRATEGY AND OBJECTIVES

Framework's Mission, as set out in its 2019-2022 Corporate Plan, is:

'Working to end homelessness and tackle disadvantage'

This is to be achieved by providing a range of services resting on four 'pillars' that together give strategic shape to the work of the organisation:

- **Housing**

  We house and support people who are homeless, prevent others from losing their homes and help them to sustain their tenancies, because all need a place to call their home.

- **Health**

  We offer specialist health and clinical services to people with all kinds of health issues, because physical and emotional wellbeing is fundamental to a stable, independent and fulfilling life.

- **Employment**

  These services, including volunteering, build skills and employability, because people need financial stability, a sense of self-worth and control over their future.

- **Support and Care**

  Our support and care services add to the quality and sustainability of life, nurturing confidence, building esteem and engaging people as part of a community, because this makes us all stronger.

STRATEGIC REPORT (continued)

Statement by the Directors in performance of their statutory duties in accordance with Section 172(1) of the Companies Act 2006

The Directors (who are also the Board Members) consider that they have acted in good faith, in the way most likely to promote the success of the organisation for the benefit of its members as a whole (having regard to the stakeholders and matters set out in Section 172 (1) (a-f) of the Act).

The likely consequences of any decision in the long term

Framework has an effective five year strategic planning cycle, where the long-term consequences of decisions are considered. The Corporate Plan sets out the organisation's strategic direction through the Mission Statement, Values, Corporate Objectives, Four Pillars, a Summary of the Long-Term Financial Plan (LTFP) and of accompanying Strategies. The Annual Plan and Review records progress against the delivery of the Corporate Plan. The thirty year LTFP is reviewed on an annual basis and stress-tested against a range of scenarios and risks, enabling the Board to approve mitigation plans and trigger points for these.

The interests of the organisation's employees

Framework recognises the importance of its employees in the delivery of its Mission and Objectives. Corporate Objective Four describes how it seeks to maintain a skilled, motivated and resilient workforce that embodies its values and prioritises its service users. Framework uses the 'Investors in People' process and standard to support continual development of its people strategies and employee engagement, focused on delivery of the Corporate Objectives in the interests of service users.

The need to foster the organisation's business relationships with suppliers, customers and others

Framework prioritises the needs of its service users and measures its success by the difference made to the lives of those it serves. Service users are engaged in its decision making processes and in wider consultation to support and drive improvements in service delivery. At strategic level the relationship between the organisation and its service users is fostered by service user representation at the Board and during the annual Board Conference; by Board member visits to services and the work of the Service User Advisory Group (SUAG) which has access to the Board. SUAG is supported independently by Service User Empowerment and Advocacy (SEA) a separate organisation that Framework contracts for the purpose. In addition SUAG members are involved the performance monitoring of repairs and maintenance, the development of policies and procedures and the circulation of satisfaction questionnaires to capture the voices of service users.

Framework is working to establish, develop and nurture strong relationships with commissioners and other key stakeholders such as central government departments, funders, local authorities, police & crime commissioners and the health community. Through these partnerships it seeks to influence the planning and development of service pathways and networks which respond to the range of needs presented by current and future service users.

In relation to suppliers, Framework has a Procurement Policy which sets out the principles and practice of its approach to procurement, aligned to the Corporate Objectives. The Policy sets out how the organisation works with its suppliers in a spirit of partnership with high business ethics that reflect its Mission and Values.

The impact of the organisation's operations on the community and environment

Framework seeks to make a positive impact in the areas where it operates by providing high quality, 'fit for purpose' accommodation with accompanying complementary services, based on the 'four pillars' approach.

STRATEGIC REPORT (Statement by the Directors - continued)

This approach provides a safety net for some and a springboard for others. Framework offers a point of reference and stability for many of those with nowhere else to turn, providing emergency assistance, a safe place to stay and access to specialist services. We work with local and health authorities to implement their strategies to tackle and prevent homelessness, rough sleeping, social exclusion and health inequality.

Framework is updating its Asset Management Strategy to encompass a further review of investment in its homes to utilise low carbon technologies and increase energy efficiency. Its agile working plans will modernise the offer to service users and reduce negative externalities.

The desirability of the organisation maintaining a reputation for high standards of business conduct

As a Registered Charity and a Registered Provider of Social Housing, Framework seeks to maintain high standards of conduct. It carries out an annual assessment of its compliance with the Regulator of Social Housing's Governance and Viability Standards, complies with the National Housing Federation's Code of Governance and with the requirements of the Charity Commission, Care Quality Commission, Data Protection Office and Health & Safety Executive. Policies and procedures are designed to ensure adherence to relevant laws and regulations, with an Internal Controls Assurance Register to monitor compliance. Framework is committed to the promotion of equality, diversity and inclusion, social inclusion, support for human rights and the prevention of slavery and human trafficking.

The need to act fairly as between members of the organisation

The organisation's robust approach to governance is set out by 'Governance in Action', with an accompanying commitment to comply with relevant laws, regulatory standards and codes. This Key Control Policy supports the integrity of decision making and focuses it primarily on the needs of service users rather than the members or employees of the organisation.

Principal decisions

In the course of the financial year, a range of decisions were taken by the Board in discharge of its responsibilities as listed above. Among those that were material to the activities of the organisation and/ or its key stakeholder groups, were the following:

- Approval of a programme for the construction/ acquisition & refurbishment of additional supported housing units, partly funded by an increase to the borrowing facility, to provide a wider range of high quality housing options for service users.
- The appointment of Rebecca Rance to replace Chris Prentice as Chair, being considered by the Board to possess the necessary skills and experience for the role.
- The initiation of a Strategic Visioning Process to inform the development and approval of Framework's next Corporate Plan to cover the five year period from April 2022.
- Creation of a specific Risk Register Covid-19 Appendix to capture the comprehensive mitigating actions and to track progress.
- An 'above inflation' salary award for the second successive year, as part of a strategy to lift salaries above the lower quartile which had previously been the point of reference.
- The procurement of a Feasibility Study to inform the development of a Transformational Fundraising Strategy that will secure additional income to improve the options and outcomes for service users.
- A review and update of the Long-Term Financial Plan with accompanying stress testing, mitigations and triggers to sustain the financial viability of the organisation.
- The approval of the new Digital Transformation Strategy to help modernise Framework's service delivery, improve its outcomes and enhance value for money.
- Review and update of the Complaints & Feedback Policy, the Whistle Blowing Policy and the Equality, Diversity & Inclusion Policy, all Key Control Policies, as part of the three-year review cycle.

STRATEGIC REPORT (continued)

CORPORATE PLANNING

The 2019-22 Corporate Plan describes how Framework will work towards the realisation of its Mission over the three years from April 2021 to March 2022. Resting on the four pillars, this activity is driven by seven Corporate Objectives, as follows:

1. Sustainment & Growth
2. Financial Viability
3. Effectiveness, Efficiency & Value for Money
4. Investing in our People
5. Beneficiary Participation
6. Learning & Sharing
7. Responsiveness & Responsibility

Each of these seven Corporate Objectives is accompanied by a set of actions through which we plan to achieve them, measurable targets to show whether we have succeeded and information about how they link to the strategies of external partners.

The manner in which these Objectives are pursued is influenced by Framework's values – **'Respond, Respect and Empower'.** Support for these values and adherence to them in professional practice, is an attribute that we seek to recruit, nurture and reward in our staff.

In accordance with its strategic planning cycle the Board commenced work on a new five-year Corporate Plan, with accompanying Corporate Objectives, for implementation over the period from April 2022 to March 2027.

PRINCIPAL RISKS AND THE OPERATING ENVIRONMENT

The Association's Risk Register records its principal risks. These can be summarised as:

- Legal & regulatory compliance – such as governance, health & safety and data protection
- Human resources – such as failure to recruit suitable staff or remain competitive in the labour market, or to establish good relationships with staff and/ or their representatives
- Finance & treasury – such as downward pressure on income or upward pressure on staffing/ non-staffing costs, interest rate rises and covenant compliance
- New/ existing business, contract and revenue funding – such as loss of contracts that contribute to financial targets, failure to innovate within existing service models and failure to secure new services that are properly funded and thus financially viable
- Asset management & property development – such as failure to optimise the use of our assets through appropriate development, disposal and remodeling.
- Infrastructure & internal services – such as the loss of personal data, the failure of key systems or of business continuity plans.
- Fundraising & Public Relations – such as failure to deliver our fundraising targets or inability to influence external decisions for the benefit of those we serve.
- Governance – failure to establish and maintain an effective Board with consequent loss or damage to the confidence of commissioners and stakeholders in Framework.

The Audit and Risk Management (ARM) Committee carried out a detailed review of the Risk Management Policy during the year, making recommendations to enhance and strengthen the assessment, reporting and assurance processes. These were approved by the Board. To inform the ARM Committee's oversight of risk management and the Board's focus on high level risks, the Senior Leadership Team carries out a regular review of the Risk Register and Heat Map. The outcome, with details of any changes, is circulated to the Board. The Board also completed its annual review of the Risk Appetite Statement, setting the level of risk that Framework is willing to accept in each of the key areas in order to deliver its Corporate Objectives.

STRATEGIC REPORT (continued)

ACTIVITY DURING THE YEAR

Framework's activity in the year to March 2021 was directed towards the achievement of its seven Corporate Objectives. These are defined below, with a summary of the actions that have been taken to achieve them.

Objective 1: Sustainment and Growth

This means a further sustainable increase in the scale and breadth of Framework's activity by retaining our existing services and developing new ones. We intend to achieve this by:

- Providing more high-quality units of supported housing, including 'Housing First' units
- Offering more community-based support, modelled on the 'Wellbeing Hub'
- Expanding our health, social care and employment provision
- Enhancing our relationships with their commissioners and those in neighbouring areas
- Pursuing opportunities for systemic improvement through development and partnership
- Improving service users' access to information, advice, counselling and digital services
- Building on public concern by encouraging volunteering, campaigning and fund raising.

The Board is ambitious in its growth aspirations and has increased the existing assumption in the Long-Term Plan to allow for the delivery of 201 additional housing units by the end of the three year period. This is subject to site/ property acquisitions, planning consents and MHCLG or Homes England capital funding. The plan also identifies resources to take forward replacement programmes for key existing sites to maintain the quality of the accommodation offer to our most vulnerable service users.

During the year, work continued on-site to deliver 54 new units under the Homes England Affordable Homes Programme. The schemes include completion of new-build units at Park Lane in Basford and at the former 'Duke of York' site in Boston; continuation of work at the former Mechanics Arms site in Nottingham which will replace the current service at 40 Forest Road West and the start of work on move-on flats at Winchester Street in Nottingham.

In addition the Board approved the submission of bids to the MHCLG's Rough Sleepers Accommodation Programme (RSAP). Grant funding was secured and bank financing agreed for the acquisition and refurbishment of 45 homes in Nottingham, Broxtowe, Gedling, Rushcliffe, Ashfield, Boston, East Lindsey and North Lincolnshire. Successful delivery, to challenging deadlines, leaves Framework well placed to participate in Year Two of the RSAP and bids have been submitted for 41 more units.

During the year we completed a new programme of stock condition surveys to inform the Asset Management Strategy and Long-Term Financial Plan. The Board and SLT are determined to ensure there is sufficient to maintain and improve our existing stock and then to meet the anticipated new standards on building safety and carbon emissions. There has also been continued investment in IT infrastructure and hardware both to support Framework's response to Covid-19 and to prepare for digital transformation. The investment made includes the procurement of a new housing management and property compliance system to enhance performance and reporting in rent collection, maintenance & repairs, health & safety and fire protection; and Datix – a new system for the recording of Serious and Untoward Incidents.

Covid-19 has had a significant impact across all of Framework's operations. The Board and Senior Leadership Team have focused on the mitigation of risk and the maintenance of the front-line services that are essential keep our service users safe.

STRATEGIC REPORT (continued)

Objective 2: Financial Viability

This describes Framework's ability to fund its operations and meet all associated commitments. These include the acquisition and upkeep of properties, the remuneration of staff and the payment of bills as they fall due. We will achieve this by:

- Increasing our operating margins and annual surplus
- Reinvesting the cash generated in development, asset management, staff and systems
- Responding to new opportunities that will contribute towards central costs and surplus
- Appraising development schemes using realistic assumptions to ensure the above
- Adjusting expenditure and service levels in the event of contract value reductions
- Designing & testing the safety & effectiveness of less costly service delivery models
- Increasing our fundraising income from corporate donors, trusts and the public
- Protecting the low interest and other conditions of our loans by meeting the covenants.

At the start of the year, financial modelling was undertaken to forecast the impact of Covid-19 on our income (from reduced fundraising, delayed start dates and performance-related contracts) and our expenditure (on agency staffing, personal protective equipment, materials for self-isolating service users and the cost of prescriptions). Successful navigation of these financial challenges, with allocations from some of the emergency funds created by government and partner agencies, have mitigated the pandemic's impact.

Notwithstanding the crisis Framework's financial results for 2020/21 are broadly in line with its financial plan projections, with over-performance in some areas. The £1.4 million surplus implies a margin of 2.89%. It was supported by a Covid-19 Emergency Grant of £200,000 from the Big Lottery Fund, and access to the Coronavirus Job Retention Scheme enabled Framework to retain staff in employment despite the loss of income to fund their roles. Offsetting the increased costs, certain areas of our expenditure were lower as a consequence of restrictions affecting the mode of service delivery and some of these savings were invested in technology to support alternative delivery models. The learning from Covid-19 will help to inform efficient future service design, subject to the priorities of commissioners and the needs of our service users.

During the year, the Long-Term Financial Plan (LTFP) was reviewed and updated. It now makes greater provision for development and asset management including the Rough Sleepers Accommodation Programme (RSAP). To finance this two additional loans worth £2.8 million in total were agreed with NatWest and Charity Bank. The LTFP has been further revised in May 2021 to reflect the 2020/'21 financial out-turn and the budget agreed by the Board for 2021/22. The Board will go on to consider its usual annual stress tests and approve the accompanying mitigations along with the triggers for their activation.

We have developed our approach to fundraising and the communication to support it, particularly in relation to digital giving. This was triggered by the realisation that cancellation of the scheduled fundraising activities, due to social distancing and other Covid-19 restrictions, would have a material impact on our income. We are delighted by the generous response of our supporters which meant that we managed to exceed our fundraising target, thus enabling us to offer enhanced assistance to our most vulnerable service users through the first and second waves of the crisis.

Cash-flow remains strong with all covenants met; indeed the stall on some developments that was caused by Covid-19 means the NatWest loan, being part of the additional borrowing secured to fund the expanded programme, will not now be drawn down until the early part of 2021/22.

STRATEGIC REPORT (continued)

Objective 3: Effectiveness, Efficiency and Value for Money

This means that the services and systems established by Framework will meet their intended purposes by delivering outcomes whose value exceeds their cost. We will achieve this by:

- Continuing to reach out to very excluded people, communities and geographies
- Adopting, measuring and reporting on the standard VfM metrics required by the RSH
- Using additional metrics to measure trends in central and support costs
- Reducing our voids, bad debts and reliance on agency staff
- Utilising new technology to create future-proof data and information systems
- Identifying and removing barriers in referral routes that restrict access to services
- Developing complementary services to complete and add value to inadequate systems
- Recruiting, training and supporting volunteers so adding value and richness to our work
- Optimising the use of energy efficient installations, appliances, transport & recycling
- Re-investing the savings from procurement of overheads, goods and services.

Framework's Value for Money (VfM) Strategy describes the quest for an optimal balance between high productivity, low costs and successful outcomes for service users. The Corporate Plan highlights the associated imperatives to sustain financial viability, develop the ability & skills of staff and manage significant risks. The Strategy sets targets in these and other areas over the life of the Corporate Plan, and the actions that Framework will take to achieve them. These include ongoing reporting of the Standard VfM metrics and the use of additional ones specific to us. Year on year comparisons will allow the Board to monitor the success of Framework's Value for Money Strategy.

Employment (i.e. staffing) costs are the biggest single item of Framework's expenditure. Historically, our pay has used the lower quartile of the labour market as a point of reference. Our pension contributions comply with the law on auto-enrolment but the offer can't compete with the final salary schemes still seen in the public sector. This tight control of salary and related costs has been essential to preserve the organisation's viability in the years of austerity, but the environment is changing so we now experience greater difficulties in staff recruitment and retention. The accompanying reliance on temporary workers to maintain safe service provision, is not an efficient response. The development of Framework's recruitment and retention strategy is underpinned by a commitment to enhance the salary-related offer in real terms. A key part of this is the Board's decision to make an above-inflation pay award for the last two years and to enhance our employment offer in areas such as flexible working and wellbeing support.

The resourcing of these improvements is a priority in the context of tight operating margins and downward pressure on the contract values for existing services. The implementation and further development of our Value for Money strategy will be crucial in making the changes whilst retaining our financial stability. New income generation (for instance through non-statutory fundraising) and cost saving through procurement, systems enhancement and service remodelling are all components of this.

In the past year we have made further investment in our IT systems to automate processes, eliminate duplication and reduce the risk of important tasks being completed late, or not at all, due to oversight. Printing, office equipment and stationery costs have all been shaved.

We have also reduced our reliance on external consultants by strengthening our staffing establishment in areas such as health & safety and regulatory compliance. In addition there have been some significant re-procurements (for instance of insurance, energy and repairs) to ensure that our contractors provide the best possible value for money.

STRATEGIC REPORT (continued)

Objective 4: Investing in our People

Framework seeks to maintain a skilled, motivated and resilient workforce that embodies its values and prioritises its service users. We will continue to invest in our people by:

- Recruiting, valuing and supporting high quality staff, relief workers and volunteers
- Paying employees around the lower quartile of the market (higher as resources permit)
- Giving rewards, recognition, opportunity, supervision, training and new challenge
- Facilitating flexible working where it is compatible with efficient rota management
- Managing the level of absence and supporting employees to return from it
- Sustaining and regularly updating the Organisational Development Plan
- Promoting diversity through a renewed three-year Action Plan that has been influenced by the Anti-Racism Working Group and feedback from the 'Safe Space' initiative
- Reflective supervision with reference to behaviour competencies for leaders and staff
- Using the Leadership Academy, Chartered Management Institute & Apprenticeships to complement our internally run programme for Aspiring Managers.

The operating environment have been very challenging in the past year. Framework is proud of the flexibility, resilience and innovation demonstrated by its staff to maintain the crucial services that the organisation provides. Closure was not an option – it would have meant turning away thousands of vulnerable people, among them rough sleepers and others at greatest need in a time of crisis. Our staff put aside their personal circumstances and fears to prioritise those they are employed to help.

At the peak of the pandemic Framework established the Volunteering Response Team which combined the efforts of local businesses, our staff and volunteers (including Board Members) to provide and deliver food, drink and other essential items to those who were homeless, self-isolating or extremely vulnerable for other reasons. This helped to raise the organisation's profile as a provider of front-line services to those in the greatest need.

The 'headcount' (number of individuals employed) has risen by 28% in the past five years but just 0.8% in the last twelve months. In addition we have more than 100 active volunteers and up to 20 social work students on placement at any one time. Two thirds of Framework's staff are female. During the year our mean gender pay gap fell from 7.1% to 6.1% (compared to a national average of 15.5%) and the median gap from 2.5% to just 0.1%. This continues to be influenced by the Pay and Grading structure that was introduced in 2018.

A substantial number of staff (nearly 20% at one stage) have needed to 'shield' in compliance with government guidelines at some stage in the year. This has necessitated huge re-organisations, sometimes at very short notice, to maintain services. Despite this, sickness absence reduced to 5.3% or 12.3 days per fte (compared to 6.9% which is 16.15 days per fte in 2019/20). Staff turnover was 19.44%, slightly lower than last year's figure of 21.04%. Staff recruitment and retention are specific risks for Framework and the Board is seeking to mitigate them through a strategy that includes a progressive 'real terms' salary increase.

The first steps have been the above-inflation pay awards in both 2020/21 and again in 2021/22. This commitment to further improve the salary offer over the next few years, is a parameter of our financial planning.

The 'Investor in People' process continues to be used by Framework as one measure of its performance in terms of human resources and organisational development. We are among just 2% of organisations that currently meet the 'Gold' (Advanced) Standard.

Framework proactively seeks the views of its employee through an active Staff Council and bi-annual staff survey.

STRATEGIC REPORT (continued)

Objective 5: Beneficiary Participation

This means utilising the experience and expertise of service users, in particular those with multiple and complex needs, to influence our policies, strategies and services. Framework's approach extends the regulatory principle of tenant participation to all service users, by:

- Respecting our beneficiaries, empowering them to make changes for themselves
- Embedding Beneficiary Participation at all levels of governance and service delivery
- Funding independent services that empower and advocate for our service users
- Allowing willing beneficiaries to be visible and to communicate the issues they face
- Drawing on beneficiary feedback as evidence when responding to consultations
- Promoting personalisation (the design of services around the needs of people)
- Investing in digital inclusion to ensure that beneficiaries can use our Intranet
- Reporting and acting on the results of annual Service User Satisfaction surveys
- Consulting with beneficiaries about changes that affect them, and development plans
- Supporting beneficiaries to influence and if necessary challenge commissioning decisions
- Reviewing our Beneficiary Participation taking into account the diversity of services, the approaches used by other agencies and the NHF 'Together with Tenants' initiative.

We have recently concluded our review of Beneficiary Participation, culminating in a revised Participation Policy and Procedure, which strengthens the role of Service Users in service design & governance and restates our commitment to genuine involvement. Examples of how this happens in practice are the involvement of service users in discussions with Nottinghamshire Children's Services (as commissioners of the Transitions (North and South) services on ways to transform it and with Lincolnshire Public Health Commissioners on the future of the county's Homelessness Pathway.

SEA continues to facilitate the work of the Service User Advisory Group (SUAG) comprising service user representatives, which is also attended by staff and Board members. It gathers evidence to support the investigation and scrutiny of Framework services and may make recommendations to the Board. The Chair of SUAG and one other representative both have a standing invitation to Board meetings and the Annual Board Conference. As pandemic restrictions ease, SUAG will resume its co-ordination of Board member visits to services.

The Complaints and Feedback Policy was reviewed by the Board during the year in consultation with Service Users. The updated Policy considers the role of the Housing Ombudsman and makes linkages to the Regulator of Social Housing's Consumer Standards. SUAG was consulted and involved in its preparation.

The new Participation Policy maintains the role of Service User Advocacy and Empowerment (SEA) to advise and assist service users who wish to complain, or express concerns, about any aspect of their experience with Framework. This helps to clarify the issue being raised, and ensure that accompanying evidence is gathered and presented to facilitate investigation and response by Service Managers. Apart from any redress that may be possible, the outcomes are used by Framework as a learning tool.

In 2019/20, Framework began a programme of investment in systems to modernise its services and promote agile working. One intended outcome is the empowerment of service users to make greater use of digital solutions not only in their dealings with Framework but also in their engagement with the community. During the pandemic many service users have preferred to engage with us digitally or through on-line groups rather than in person. This has highlighted the need to tackle digital exclusion, one of our aims when investing in new IT infrastructure.

STRATEGIC REPORT (continued)

Objective 6: Learning and Sharing

This means we will draw on our organisational experience and that of partners and beneficiaries to improve the outcomes of services and systems for homeless and vulnerable people. Framework can't fulfil its Mission by working alone. The broad systemic responses necessary to meet the complexity of presenting need, require help from statutory and voluntary sector partners. Effective partnership depends on learning and sharing to establish mutual respect. We will achieve this by:

- Collecting, collating and publicising reports on the effectiveness of our services
- Developing an aspirational model of systemic responses that applies to all geographies
- Recognising that some parts of the system are best delivered by other organisations
- Developing bi-lateral relationships with providers of similar services elsewhere
- Using our reputation to share learning through briefings and publications
- Participating in strategic planning and provider fora in the localities where we work
- Contributing to the policy work of the National Housing Federation and Homeless Link
- Campaigning for and with people who experience homelessness and disadvantage
- Hosting and meet with ministers, civil servants and other government representatives
- Responding to government and council consultations drawing on service users' views.

Despite the pandemic Framework has remained proactive in its tendering and business development. Our proposals have utilised the learning from existing work and encompassed suggestions for improvement. Renewed contracts have been secured with the Small Steps, Big Changes (Family Mentoring) service, for Alcohol Detoxification placements at Edwin House and in the Nottingham City Mental Health Supported Accommodation Pathway (comprising The Crescent and Hughendon Lodge). We have partnered with other specialists to re-configure the Lincolnshire Homelessness Pathway.

We have continued to work with Nottingham City, Nottinghamshire County, Lincoln City and Sheffield City Councils to tackle rough sleeping, responding promptly to enhancements in the Government's Rough Sleepers Initiative. Successful applications combined with the allocation of fundraised income has enabled an expansion of street outreach work, the addition of specialist mental health, social work and nursing expertise, the adapted provision of 'Safe Space to Stay' Hubs and further development of 'Housing First' and move-on units.

Covid-19 caused a major re-orientation of rough sleepers work towards 'Everyone In', an emergency instruction by central government to local authorities to provide temporary accommodation for all rough sleepers in a setting where they could self-isolate if necessary. Our teams were key elements of the co-ordinated multi-agency response.

Framework has continued its discussion with Nottinghamshire Children's Services (as commissioners of the Transitions (North and South) services on its future transformation. The aim is to improve the quality of the core service for young people, make separate provision for those with the highest support needs and differentiate the service for asylum seekers whose needs are different than those of the core client group. This re-modelling of Transitions is built into the Long Term Financial Plan (subject to a successful tender for the re-procured contract in 2022, the securing of suitable alternative sites and financial support).

In the past year, Framework remained active in national and local initiatives, attending steering groups and fora to highlight the experiences of homeless, vulnerable and excluded people. It advocates strongly for policies, strategies and systems that are relevant to the needs of these groups of people. Framework is contributing to the reform of social and healthcare through its membership of the Nottingham City Integrated Care Partnership (ICP), supporting in particular the work strand to improve services for people with multiple and complex needs.

STRATEGIC REPORT (continued)

Objective 7: Responsiveness and Responsibility

This means that Framework embraces its various roles as a registered charity, social landlord, care, treatment and employment provider. As such it has responsibilities to service users, staff, stakeholders and neighbourhoods. These go beyond the day to day management of services to include participation in the various activities and events that build an inclusive community. The transformation we seek is external to Framework, but we too must change to bring it about. We will achieve this by:

- Governing ourselves effectively, self-checking compliance with our adopted Code
- Complying with regulatory standards (RSH, CQC, Charity Commission, HSE and others)
- Maintaining and improving the systems and structures by which safety is assured
- Modelling a style of leadership that is active, visible, positive and compassionate
- Working with partners to develop systemic responses to complex needs
- Offering and expecting the highest standards of professionalism, conduct and courtesy
- Maintaining our physical assets, reinvesting and deploying them effectively.

In July 2019 Framework was the subject of its first In Depth Assessment (IDA) by the Regulator of Social Housing (RSH). The outcome then was a G2 / V2 rating for compliance with the Governance and Viability Standards. Since then we have implemented an Action Plan and achieved a G1 (the highest) Governance rating in a follow-up review during November 2020. Given that much of Framework's income is of a contractual nature with tight margins, the V2 rating is considered satisfactory. Areas of strength identified by the IDA included the financial stress testing, mitigations and triggers developed to accompanying the Long-term Financial Plan, along with the Board's Risk Appetite Statement. It was also recognised that Framework has maintained its financial stability over many years despite the uncertainty of its funding streams.

Framework's service at Edwin House is regulated by the Care Quality Commission (CQC) and the rating of 'Good' has been maintained throughout the year. It has developed policies to ensure compliance with the requirements of the Health & Safety Executive and with Data Protection legislation.

Framework's leadership of Nottingham Recovery Network (NRN) enables collaboration with NHS partners in researching the effectiveness of different treatments for substance misuse and its physical complications. Despite severe funding cuts NRN has been successful in reducing the number of drug overdose deaths. Its approach is being promoted elsewhere.

The 2019/'20 version of Framework's Annual is available as an electronic 'flip book' to enhance its circulation to more beneficiaries, staff, stakeholders and supporters. It contains sections on the four Framework 'pillars' – Housing, Health, Support and Employment, gives an overview of our finances and a numerical analysis of our impact. In the year to March 2021 Framework assisted 16,537 separate individuals. 2,095 people lived in its supported housing, 7,889 received its health interventions, 4,530 used its community-based support and for 2,023 accessed its education, training or employment interventions (including opportunities to volunteer). These numbers have been affected by the Covid-19 pandemic.

During the year we completed further recruitment to the Senior Leadership Team and Operational Leadership Group to deliver strong financial management, enhance compliance with our landlord responsibilities, improve the central services and drive innovation in service delivery. The Board supported its new members through induction, mentoring and information sharing. The Board and committees self-appraise their performance annually, together with the organisation's compliance with its legal and regulatory obligations.

STRATEGIC REPORT (continued)

VALUE FOR MONEY STATEMENT

Framework is strongly committed to achieving Value for Money (VfM) in all its activity. Further success in bidding for and winning service contracts clearly depends on our ability to do 'more for less' in the continuing climate of severe restrictions in public (especially local authority) funding.

We report annually on the seven VfM metrics set out in the Regulator of Social Housing's Value for Money Standard. The Audit and Risk Management (ARM) Committee has reviewed its performance on these against the figures for the previous year. The distinctive mission, diversity and cost structure of Framework make comparison with other organisations difficult, however the auditors have identified a small group of other organisations with whom it might be possible to make more meaningful comparisons. This will be further explored in the coming twelve months.

The Value for Money projects undertaken last year to help achieve the target saving of £381k, included:

- The further development of the Procurement Procedures
- Increased use of opportunities arising through Efficiency East Midlands
- Re-configuration and re-procurement of the contracts for energy, insurance, telephony, auditor and responsive repairs
- Formal partnerships with providers of agency staffing to reduce its cost
- Development projects to upgrade existing housing units and develop new ones
- Investment in IT infrastructure and systems to support Agile Working.
- Added value offers when re-negotiating contract and grant funding with commissioners.

The VFM metrics for 2020/21 have been calculated in accordance with the VFM standard (technical note) and are presented below with the previous financial year comparators and the median performance by all social housing providers in 2019/20.

VfM Measure	Description	Framework Budget 2021/'22	Framework 2020/'21	Framework 2019/'20	Soc. Hsg Median 2019/'20
1.	Reinvestment by Cost	7.58%	8.32%	2.35%	6.20%
2.	New supply delivered by Units	4.69%	2.11%	0.00%	1.40%
3.	Gearing	1.97%	0.21%	-0.78%	44.10%
4.	EBITDA-MRI Interest Cover	443.97%	1,227.65%	515.49%	183.00%
5.	Headline Social Housing Cost per Unit	23.7%	£24.5k	£22.7k	£3.6k
6.	a) Operating Margin Overall b) Operating Margin on Social Housing	4.42% 2.26%	8.98% 5.14%	2.67% 4.21%	27.2% 29.7%
7.	Return on Capital Employed	1.43%	3.37%	1.76%	3.8%

Standard Metrics 1 (Reinvestment by cost) and 2 (New supply) are both sensitive to the actual level of development within the financial year. Framework's development activity takes the form of bespoke individual schemes rather than an ongoing programme. It is therefore dependent on the availability of capital funding and suitable sites, both of which change from year to year – hence the significant increase in these metrics.

STRATEGIC REPORT (continued)

Value for Money (VfM) Statement and Metrics (Continued)

During the year two new schemes were completed (Ortzen Street in Nottingham and Duke of York in Boston) and works well progressed at the Park site in Basford. In addition work commenced on the development of the former Mechanics Arms site in Nottingham (a replacement for the existing service at 40 Forest Road) and at Winchester Street in Nottingham. We are committed to participation in the Rough Sleepers Accommodation Programme and the further development of move-on units funded by Homes England. Beyond this we retain a long-term aspiration (subject to the discovery of suitable sites and the availability of funding) to deliver replacement sites for London Road, Fritchley Court and Trent Boulevard. All of these intentions are reflected in the Long-Term Financial Plan.

Standard Metric 3 (Gearing) is low compared to many housing associations. This is because the primary constraint on our housing development is the availability of capital grants and ongoing revenue funding, both of which affect operating margins, rather than loan finance. It would be possible to borrow more and thus develop more quickly, but the risks involved in doing so are higher than the Board can accept given our margins. The degree of cover reported by Metric 4 (EBITDA) reflects both the level of gearing and the low interest rates on our existing loans – including the new one from Charity Bank. The additional loan from NatWest is at a higher (fixed) rate but hasn't yet been drawn down so isn't included in the 2020/'21 calculation.

Standard Metric 5 (Headline Social Housing Cost per Unit) is significantly raised by the inclusion of intensive housing management and (primarily staffing-related) support costs. Framework has twenty two separate locations (two more than last year) where a 24 hour staffing presence is required on 365 days per annum. In addition our participation in the 'Everyone In' scheme has (temporarily) increased the number of circumstances where a high staffing input is required. 5.5 full time equivalent staff are needed to maintain a single person duty rota for 168 hours per week. In practice the minimum requirement is usually three or more staff at a time in daytime hours and a minimum of two overnight. In addition to these 'core' housing services our dispersed (or 'move-on) units also require higher levels of visiting staff than mainstream social housing. These and other factors (the higher turnover of residents, contract clauses that artificially increase the level of voids and greater wear & tear on buildings) are all drivers of unit costs.

Standard Metrics 6a) and 6b) (Operating Margins) both show improvements compared to last year. This is partly attributable to the short-term availability of funds to enhance services for people who experience high levels of need – for instance due to substance misuse or mental ill health. It will be challenging for Framework to sustain these increased margins, especially in an environment where contract prices continue to be reduced at the point of re-procurement and renegotiation.

Our target for the next three years is to maintain the overall margin at around 2% – thus creating more headroom for reinvestment in asset management and new development.

Standard Metric 7 (Return on Capital Employed) reflects the same underlying factors as the operating margin.

Framework's Additional VFM Metrics

Framework reports on its own set of Value for Money metrics to complement the standard ones. The 2020-21 figures are presented below, between comparative data for the previous year and forecasts based on the 2021-22 budget:

The purpose of these additional metrics is to assist the Board in assessing how efficiently the organisation is being run, the impact of changes made to service provision and of measures to enhance efficiency and value for money.

STRATEGIC REPORT (continued)

Framework's Additional VFM Metrics (continued)

Framework VfM Measure	Budget 2020/'21 (£)	2020/'21 (£)	2019/'20 (£)
Cost per Service User by Pillar:			
Housing	11,805	11,527	10,141
Health	1,044	1,162	1,100
Employment	1,483	1,297	1,161
Support	1,981	1,924	1,647
Cost per Hour of Service by Pillar:			
Housing	26.27	24.51	31.35
Health	35.13	30.34	30.52
Employment	29.94	26.24	31.50
Support	21.71	19.69	21.85
Central Cost as a % of the Total	14.59%	17.34%	14.57%

The above illustrates the variation in the cost of providing our services, per individual and (to a lesser extent) per hour between the pillars. This is to be expected because the nature of the service varies both between (and within) the pillars, as does the specialist expertise of the staff who deliver it.

In particular, the housing metric is highly sensitive to relatively small changes in the level of throughput to and from direct access and associated services. Their residents (and others who use Framework's supported housing) tend to be the sub-set of our service users with the highest and most complex needs. In general, the people we house are those that other landlords can't or won't accommodate. An additional factor during the Covid-19 pandemic has been the restriction on evictions by private landlords. This has reduced the supply of move-on accommodation for people leaving hostels, and thus the availability of units for those on the waiting list. The system as a whole has slowed down, so a smaller number of individuals has remained for longer in our services.

The health, employment and support interventions encompass a broader range of people, and consequently their cost is lower that for housing, when expressed as an amount per person. Again, however, the pandemic has reduced the total number of service users in each pillar so the cost per person is higher than it was last year. The 2021/'22 budget projections assume a degree of normalisation in the numbers.

The cost per hour of service also shows variation between the pillars but to a lesser extent. It partly reflects the fact that the health pillar requires more specialist staff (including nurses) whereas the support pillar has become more generic over time. Note that whilst the cost per service user is higher in all the pillars than last year (for the reason explained above) the cost per hour is generally lower. This is because we have maintained (and in some cases increased) staffing levels in response to the risks posed by Covid-19, despite the reduction in the number of individuals who receive the services. Again, the budget projection assumes a return to pre-pandemic utilisation levels in 2021/'22.

Note that changes to the profile of services users (for instance due to the creation of a new contract and/ or the cessation of an existing one, either of which can happen unexpectedly) can have a disproportionate impact on the metrics if they involve a large number of people.

STRATEGIC REPORT (continued)

Value for Money in the coming year

The Value for Money (VfM) Strategy describes Framework's approach to this challenge. It will be refreshed to align with the updated Corporate Plan from April 2022. The VfM target for savings in the current year (2021/22) is slightly increased at £386k. It focuses on the proposals in a report on 'Effectiveness, Efficiency and Value for Money' that was received by the Board in September 2020. These include the roll-out of new IT to support agile working, service delivery reviews, measures to improve recruitment & retention, the reduction of voids and the new Asset Management Strategy.

A further dimension of Value for Money is the enhancement of our service offer at a time when local authority and other statutory funding is under renewed pressure despite the presentation of increased and more complex need. This additional value will be supported by an enhanced Fundraising Strategy, highlighting the need to 'join-up' services and design them around the needs of those who use them.

Significant aspects of this 'joined-up' offer include:

- Basic items (food, toiletries and clothing) for those in immediate need
- Our practice in PIE (Psychologically Informed Environments) & TIC (Trauma Informed Care)
- Outreach and in-reach targeting people with physical and mental health issues
- Rapid access to specialist treatment for substance misusers
- The availability of a clinical psychologist and a social work professional
- An 'Access to Work' fund to assist those caught by the benefits trap
- 'Housing First' options for those with high and complex needs
- Assistance with rent deposits and guarantees
- Furniture, equipment and resettlement support for those establishing their own tenancy

Pay Ratios

The Board has committed to reporting on the pay ratio between the highest and lowest salaries received by Framework staff.

In 2020/21 the ratio between the highest and lowest paid full-time employee was 5.18 (2019/20: 5.35). The ratio between the highest salary and the median salary was 4.27 (2019/20: 4.33). A recent third sector benchmarking exercise showed that the average ratio between the highest and the lowest salary is 7.00 and the average between the highest and the median is 5.00.

STRATEGIC REPORT (continued)

FINANCIAL REVIEW OF THE YEAR

Financial results

Framework's turnover in 2020/21 was £47.5m, an increase of £2.3m on the comparable figure for 2019/20 which was £45.2m.

This increase in income was generated by the combination of higher income rent and service charges, due partly to annual uprating and enhanced collection rates but also because some properties that were in management for only part of the previous year saw a full twelve months of operation. Despite the pandemic we saw an increase in donations and where restrictions meant the role of staff could not be properly funded we utilised the Coronavirus Job Retention Scheme as an alternative to redundancy. Another source of new income was the enhanced Rough Sleepers Initiative in Nottingham, Nottinghamshire and Lincoln where additional resources from central Government (MHCLG) enabled us to provide a more effective and holistic service.

The headline operating surplus was £2.44m, a rise of £1.38m on the 2019/20 figure (£1.06m). This figure exceeded the 2% target in the long-term financial plan. Unfortunately it was counteracted by an increase in the pension deficit (as calculated by independent actuaries and applying to only around 20 staff in the Local Government Pension Scheme) which reduced the accounting surplus to £1.4 million. Nonetheless these results place Framework in a stronger positon to continue with its development plans whilst managing the various risks to its ongoing financial position. In particular, the combination of static / reduced contract values and our aspiration to increase the real value of salaries to aid recruitment and retention, is a source of pressure.

The programme of enhanced Stock Condition surveys was completed during the year and its outcomes will be used to inform the new Asset Management Strategy planned for approval in 2021/22. Financial provision for this is made in the Long-Term Financial Plan, thus ensuring the availability of resources to sustain the quality, safety and book value of the properties used to secure our loans. A comprehensive Asset and Liability Register is maintained.

Framework's priority during the Covid-19 pandemic was to support the vulnerable people we serve, by maintaining our essential services at an especially challenging time. Some income was lost and additional costs were incurred, but the overall financial impact was managed through a range of mitigations. The additional costs were for overtime & agency staff (whilst some colleagues were required to 'shield'), personal protective equipment, substitute prescribing, Information Technology, volunteer expenses, food and mobile phones. The lost income was due to the cancellation of fundraising events, non-payment of service charges, delayed contract starts and reduced performance payments on curtailed activities. The mitigations included successful applications for emergency funding, digital replacement of fundraising events and temporary recourse to the Coronavirus Job Retention Scheme for roles that were previously funded by lost income.

These measures were complemented by work to drive efficiency in the provision of 'back office' functions and reductions in the cost of stationery, travel, training, office equipment, printing and postage. Some of these savings were attributable to remote working and other changes to the mode of service delivery that resulted from Covid-19. The extent to which they are of a temporary or permanent nature remains to be seen. There was also a reduction in the number of non-statutory and urgent repairs due to fewer reports from service users. Provision for the backlog has been made in the 2021/'22 budget.

STRATEGIC REPORT (continued)

Reserves

Reserves are retained at a level that allow the association to continue to provide the services that the reserves are intended to support while managing the risks associated with long term expenditure plans. The budget and thirty year forecast for reserves is reviewed and set annually to achieve this position. The Board monitor the reserves through the management accounts. Framework held £25.7M in the revenue reserve at 31st March 2021. Free reserves, i.e. unrestricted funds excluding tangible fixed assets net of grant, were -£0.9M at 31st March 2021, as £26.6M can only be realised by disposing of tangible fixed assets.

Capital Structure and Treasury Policy

The Association's long term borrowings are 20-25 year loans from Charity Bank, NatWest Bank and Nottingham Building Society. The loans are at a combination of fixed and variable interest rates. Two new loans valued at £2.8 million were agreed during the year, with £500k of this drawn down at the end of March 2021.

Impairment

The Board has considered whether any impairment of assets should take place. After reviewing the potential indicators including empty properties, any increases in voids or falls in rental income it concluded that there was no need for a write down of any carrying value.

Going Concern

After making appropriate enquiries the Board believes that Framework has sufficient funding in place, and expects the Association to be compliant with its debt covenants even in the event of severe but plausible downside scenarios.

The Board is confident that Framework will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements, and therefore the financial statements have been prepared on a going concern basis.

STRATEGIC REPORT (continued)

INTERNAL CONTROLS ASSURANCE

The Board is responsible for ensuring that Framework has adequate systems in place to deliver effective and efficient operations, reliable internal and external reporting, and compliance with applicable laws and regulations and internal policies. The most significant risks to the achievement of the Association's objectives will be recognised, managed and minimised if such internal control systems are in place. Acknowledging that no system can eliminate all risk, the internal controls will also provide reasonable assurance of the identification and effective management of the major risks.

The controls framework has been summarised and analysed on a 'three lines of defence' model. The following sources of assurance were considered by the Board in reaching its conclusion on the adequacy of the internal controls framework:-

- Risk Management Policy in place with monitoring by ARM Committee
- Internal management oversight from Framework's Organisational Leadership Group
- Periodic Review of Key Control Policies
- Peer Audits conducted at service level
- Reporting on Key Performance Indicators
- Service User Involvement and feedback
- Health & Safety management systems
- Incident monitoring
- External quality management accreditations
- Internal Audit Programme delivered by Mazars
- External specialist reviews of Information Security Management and Health & Safety
- External audit delivered by Beever and Struthers.
- Fraud Policy

At its meeting on 13th May 2021, the Board considered and approved the effectiveness of the internal controls systems in managing the most significant risks faced by the Association in support of the objectives set out in the Corporate Plan, thereby affirming its satisfaction that:

- There is sufficient evidence to confirm that adequate systems of internal control existed throughout the 2020/21 financial year and that these systems remain in operation;
- These systems were aligned to an ongoing process for the management of the most significant risks faced by the Association;
- They provide reasonable assurance that the financial and operational information produced by the Association is reliable, and that its assets and interests are safeguarded;
- There are no weaknesses in the controls that are sufficiently serious to cause a mis-statement or material loss that would require disclosure in the financial statements.

Fraud Management

For the management of fraud, Framework has clear policies contained within its Code of Conduct to cover the risk of it occurring in relation to the activities of Board Members, Management and Staff. The Association complies with relevant regulatory requirements. A register is maintained of all actual and attempted frauds and this is presented annually to the Board. If there are any significant cases of fraud during the year the Chief Executive is required to bring them to the Board's attention.

STRATEGIC REPORT (continued)

Self-Appraisal by the Board and Committees

The Board and its Committees self-appraise their own performance and the organisation's compliance with the legal and regulatory frameworks in which it operates. This was further strengthened by the Board during the year with the development of a Protocol on Regulatory Reporting, and of the Internal Controls Assurance Register which provides a health check on compliance at each meeting of Audit and Risk Management Committee.

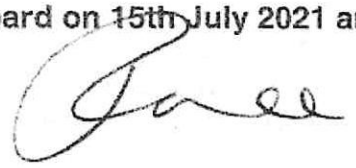
PUBLIC BENEFIT AND FUNDRAISING ACTIVITIES

As a Registered Charity, Framework is subject to the provisions of the Charities Acts 2011 and 2016. These create an obligation to demonstrate explicitly that the organisation's aims are for the public benefit. The Board of Framework is satisfied that by providing services to homeless, vulnerable and excluded people in furtherance of its charitable objects as described above, Framework is complying with its public benefit duty.

Framework raises funds directly from the public to resource aspects of its activity that aren't funded from statutory sources. This work is carried out by a dedicated, specialist team of employees supported by volunteers. Third party professional fundraisers are not involved.

During the year, Framework registered with the Fundraising Regulator and has fully complied with its Fundraising Promise. No complaints were received during the year about fundraising activity. To protect vulnerable people and other members of the public Framework does not employ cold calling for fundraising, and no supporters are approached more than three times a year. Targeted asks are only made to people who have already indicated that they wish to support the Association.

Approved by the Board on 15th July 2021 and signed on its behalf by:



Rebecca Rance (Chair)

BOARD REPORT

BOARD MEMBERSHIP

The members below, who are considered directors for Company Law purposes, have served in office from 1st April 2020 to the date of this report except where otherwise indicated.

Chris Prentice	(Chair) (retired 17.09.20)
Rebecca Rance	(Appointed as Chair from 17.09.20, resigned as Vice Chair 17.09.20)
Patrick Mitchell	(Appointed as Vice Chair from 15.11.20)
Diane Diacon	(Chair of Audit & Risk Management Committee) (Retired 04.03.21)
Ruth Hawkins	(Appointed as Chair of Audit & Risk Management Committee 01.02.21)
Debbie Maitland	(Chair of Governance, Remuneration & Appraisal Committee)

Jane Geraghty Vinay Shankar Nigel Turner Carrie McNabb Louise Harris
Tim Gallimore Catherine Arkley

Diana Parrish (Retired 31.01.21)

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE BOARD REPORT, AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, the Directors Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the association's transactions and disclose with reasonable accuracy at any time the financial position of the association and enable them to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015.

The Directors are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the association and to prevent and detect fraud and other irregularities.

BOARD REPORT (continued)

DIRECTORS' INDEMNITY

Appropriate Directors' and Officers' Liability Insurance cover is in place in respect of all the Association's directors.

POLITICAL DONATIONS AND EXPENDITURE

No political donations were made in the year ended 31st March 2021 (2020- £nil) and there was no other expenditure on political activity in the year (2020 - £nil).

EMPLOYMENT

Framework aspires to retain a diverse workforce with the skills and understanding to achieve its goals by the provision of quality services responsive to a range of individual needs. At 31st March 2021, 14.3% of the workforce were registered as disabled (2020 – 14.2%). The median in the third sector is 5.5%. On the same date 15.4% of the workforce were defined as Black, Asian, Minority Ethnic and Refugee (BAMER) (2020 – 14.8%). The median in the third sector is 14.3%.

Framework changed quickly in March/ April 2020 as it responded to the national lockdowns and the need to find new and more dispersed ways of working. Work is now taking place to consolidate and refine this evolution and knowledge through the creation of an Agile Working Group, whose work will continue through the 2021/2022 year.

Framework is committed to involving its employees in the planning and development of services through staff consultation, employee surveys, information-sharing and staff communication. Framework has a Staff Council, meeting six times a year, a formal structure through which its leaders consult with elected employees and trade union representatives to inform them of, and discuss, changes affecting the organisation and its employees. Direct, formal consultation takes place with staff wherever there are changes that fundamentally affect their work. Framework has three designated and professionally qualified Human Resource Business Partners to support managers in carrying this out.

FINANCIAL INSTRUMENTS

The Association does not enter into any hedging transactions. It does not have any abnormal exposure to price movements, changes in credit conditions, liquidity constraints or cash flow risks arising from its trading activities.

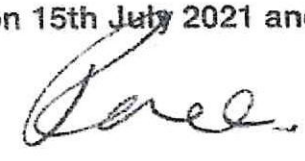
AUDITOR

Beever and Struthers Limited was re-appointed as Framework's external auditor during the year.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors have taken all necessary steps to make the auditor aware of any relevant audit information and to establish that they are aware of that information. As far as the directors are aware, there is no relevant audit information of which the Association's auditor is unaware.

Approved by the Board on 15th July 2021 and signed on its behalf by:



Rebecca Rance (Chair)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRAMEWORK HOUSING ASSOCIATION

Independent Auditor's Report to Framework Housing Association

Opinion

We have audited the financial statements of Framework Housing Association (the 'Company') for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies in note 1. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

Basis for opinion

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

Conclusions relating to Going Concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRAMEWORK HOUSING ASSOCIATION (Continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 23, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRAMEWORK HOUSING ASSOCIATION (Continued)

Auditor's responsibilities for the audit of the financial statements

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

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

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the Company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Companies Act 2006, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2019, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the regulated nature of the Company's activities.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRAMEWORK HOUSING ASSOCIATION (Continued)

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Beever and Struthers

Maria Hallows (Senior Statutory Auditor)

For and on behalf of
Beever and Struthers
Statutory Auditor
St George's House
215-219 Chester Road
Manchester
M15 4JE

Date: 20 August 2021

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31st MARCH 2021

	Note	2020/21	2019/20
		£000	£000
Turnover	3	47,528	45,241
Operating expenditure	3	(45,086)	(44,180)
Operating surplus	3	2,442	1,061
Surplus on disposal of property		-	145
Finance income	5	5	23
Interest and financing costs	6	(206)	(269)
Surplus for the year		2,241	960
Actuarial loss in respect of pension schemes	16	(864)	104
Total comprehensive income for the year		1,377	1,064

The results all relate to continuing activities.

The accompanying notes form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2021

	Note	2020/21 £000	2019/20 £000
FIXED ASSETS			
Tangible assets:			
Property, Plant and Equipment	11	78,324	72,467
Depreciation	11	(12,039)	(10,687)
		66,285	**61,780**
CURRENT ASSETS			
Debtors	12	2,992	3,913
Cash and Investments	13	9,908	10,492
		12,900	14,405
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	14	(6,737)	(7,586)
NET CURRENT ASSETS		**6,163**	**6,819**
TOTAL ASSETS LESS CURRENT LIABILITIES		**72,448**	**68,599**
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR			
Deferred government grants	15b	35,069	33,577
Long Term Loans	15a	9,567	9,547
		44,636	43,124
NET ASSETS BEFORE PENSION LIABILITY		**27,812**	**25,475**
Defined benefit pension liability	16	2,086	1,126
NET ASSETS		**25,726**	**24,349**
CAPITAL AND RESERVES			
Called up Share Capital	17	-	-
Revenue Reserves		25,726	24,349
		25,726	**24,349**

The financial statements on pages 30 to 52 were approved and authorised for issue by the Board and signed on its behalf on 15th July 2021 by

Rebecca Rance Chair

A. J. Redfern

Andrew Redfern Chief Executive

Suzanne Williamson Company Secretary

STATEMENT OF CHANGES IN RESERVES

INCOME & EXPENDITURE RESERVES

	Note	
		£000
At 1st April 2020		24,349
Surplus for year		2,241
Actuarial loss in respect of pension schemes	16	(864)
Revenue Reserves as at 31st March 2021		25,726

		£000
At 1st April 2019		23,285
Surplus for year		960
Actuarial gain in respect of pension schemes	16	104
Revenue Reserves as at 31st March 2020		24,349

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31st MARCH 2021

	Note	2020/21	2019/20
		£000	£000
Cash generated from operating activities			
Surplus for the year		2,241	960
Adjustment for non cash items			
Depreciation of property, plant and equipment	11	1,389	1,429
Decrease/(Increase) in Debtors	12	921	(987)
(Decrease)/Increase in Creditors	14	(864)	2,679
Pension costs less contribution payable	16	141	214
(Profit) on disposal of property, plant and equipment	-	-	(145)
Government grants utilised in the year	15b	(508)	(552)
Interest received		(5)	(23)
Interest payable		206	76
Amounts charged to financing costs	5	(45)	(51)
Cash generated by operating activities		**3,476**	3,600
Cash flows from investing activities			
Purchase of property, plant and equipment	11	(5,894)	(1,603)
Proceeds from the sale of property, plant and equipment		-	394
Grants received		2,021	1,418
Interest received	5	-	23
Net cash flows from investing activities		(3,873)	232
Cash flows from financing activities			
Interest Paid	6	(222)	(76)
New Loans		500	-
Loan repayments		(465)	(417)
Net cash flows from financing activities		(187)	(493)
Net(decrease)/increase in cash and cash equivalents		(584)	**3,339**

	Note	2019/20	2019/20
		£000	£000
Cash and cash equivalents at beginning of year	13	10,492	7,153
Net (decrease)/increase in cash and cash equivalents		(584)	3,339
Cash and cash equivalents at end of year	13	**9,908**	**10,492**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

1 ACCOUNTING POLICIES

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

General information and basis of accounting

The financial statements have been prepared under the historical cost convention, and where applicable 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 2018 (SORP), the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing 2019. Framework Housing Association is a public benefit entity, as defined in FRS 102 and applies the relevant paragraphs prefixed 'PBE' in FRS 102.

(b) Turnover and Operating Costs

Turnover represents rent and service charges receivable (net of rent and service charge losses from voids) in respect of supporting people and community care contracts, revenue grants receivable, amounts receivable in respect of service level agreements and donations.

Service charge income is recognised when expenditure is incurred as this is considered to be the point at which the service has been performed and the revenue recognition criteria met.

Operating costs incurred in the delivery of these services comprise expenditure on services, management, bad debts, fund-raising, publicity and depreciation.

(c) Property, plant and equipment - housing properties

Housing properties are stated at cost 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.

Expenditure on existing housing properties is capitalised when an identifiable component is replaced and this replacement cost is more than £5,000. Expenditure incurred on the acquisition of furniture and equipment will be recorded in the Statement of financial position where the purchased cost per item is £5,000 or more, or, where the aggregate cost of items in a single capital project, is greater then £5,000.

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.

A full years depreciation is charged on assets in the year of purchase, but no charge is made in the year of disposal.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

1 ACCOUNTING POLICIES (CONTINUED)

(c) Property, plant and equipment - housing properties (continued)

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.

Land	nil
Buildings- Superstructure	1.25%
Buildings-Roof	2%
Buildings-Heating Systems	2.5%
Buildings - Electrical systems	3%
Buildings - Fixtures & Fitting:	5%
Furniture and Equipment	33%

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 the Statement of Comprehensive Income.

Leaseholders

Where the rights and obligations for improving a housing property reside with the leaseholder or tenant, any works to improve such properties incurred by the Association is recharged to the leaseholder and recognised in surplus or deficit in the Statement of Comprehensive Income along with the corresponding income from the leaseholder or tenant.

(d) 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.

Impairment indicators used by the Association are: empty properties without an agreed plan to bring into use, permanent increase in voids, or reduction in rental income.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

1 ACCOUNTING POLICIES (CONTINUED)

(e) Social Housing Grant and other Government Grants

Where grants are received from government agencies such as Homes England, 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.

(f) 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.

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.

(g) Leased assets

At inception the Association 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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

1 ACCOUNTING POLICIES (CONTINUED)

(h) 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.

(i) Taxation

The Association is a registered charity and is exempt from any corporation tax liabilities on its charitable activities.

(j) Pensions

Multi-employer defined benefit pension scheme- NHS

The Association participates in a 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. This defined benefit scheme is closed to new members and was set up to preserve pension arrangements for staff transferring in to the Association under TUPE Legislation.

Local Government Pension Scheme- Nottinghamshire Local Government Pension Scheme

The Association 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. Remeasurement 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 Association, 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. This defined benefit scheme is closed to new members and was set up to preserve pension arrangements for staff transferring in to the Association under TUPE legislation.

Defined Contribution Scheme - Scottish Widows

The Association 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. This scheme is open to all staff members in accordance with Auto-Enrolment legislation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

1 ACCOUNTING POLICIES (CONTINUED)

(k) Supported housing and other managing agents

Where the Association has ownership of a supported housing or other scheme but also has a agreement with a third party to manage the scheme (including Supporting People funded schemes or services), where there has been a substantial transfer of the risks and benefits attached to the scheme to the third party, any scheme revenue and expenditure is excluded from these financial statements.

(l) Financial Instruments

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

Financial assets carried at amortised cost

Financial assets carried at amortised cost comprise rent arrears, trade and other receivables and cash and cash equivalents. Financial assets are initially recognised at fair value plus directly attributable transaction costs. After initial recognition, they are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. If there is objective evidence that there is an impairment loss, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced accordingly. A financial asset is derecognised when the contractual rights to the cash flows expire, or when the financial asset and all substantial risks and reward are transferred.
If an arrangement constitutes a financing transaction, the financial asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial liabilities carried at amortised cost.

The 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.

Cash and cash equivalents

Cash and cash equivalents comprose cash on 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. For the purposes of the cash flow statement cash, the current account and the deposit accounts are considered to be liquid resources.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

1 ACCOUNTING POLICIES (CONTINUED)

(m) Bad Debt Provisions

The Association's bad debt policy is to provide for 100% of debtors where there is strong evidence of non-collection, 25% of rent and eligible service charges and 75% of ineligible service charges which are still outstanding after the deduction of cash received in the new financial year.

(n) Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

(o) Value Added Tax (VAT)

The Association charges VAT on some of its income and is able to recover part of the VAT it incurs on expenditure. All amounts disclosed in the accounts are inclusive of VAT to the extent that it is suffered by the Association and not recoverable.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

2 SIGNIFICANT MANAGEMENT JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Significant management judgements

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

Impairment of social housing properties

Management has 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.

Estimation uncertainty

The Association 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.

Provisions

Provision is made for dilapidations. This provision requires management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, the timing of the cash flows and the discount rates usted to establish net present value of the obligations require management's judgement.

Defined benefit pension scheme

The association has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, 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.

Going Concern

The Association's financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. No significant concerns have been noted in the business plan updated for 2020/21 and therefore we consider it appropriate to continue to prepare the financial statements on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021 (CONTINUED)

3 TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

	2020/21	2019/20
TURNOVER	**£000**	**£000**
Rent and service charges receivable	17,441	16,926
Community care contracts	1,582	1,448
	19,023	**18,374**
Statutory revenue income (Note 4)	9,020	8,724
Housing Related Support contracts	11,333	11,023
Amortised government grant	508	552
Specific charitable income (Note 4)	4,055	4,052
	43,939	**42,725**
Non specific charitable giving (Note 4)	997	633
Other	2,592	1,883
TOTAL TURNOVER	**47,528**	**45,241**
OPERATING COSTS		
Services	30,959	29,816
Management	9,161	8,641
Maintenance	2,983	3,425
Development	167	163
Fund raising	196	174
Bad debts	231	531
Depreciation	1,389	1,430
TOTAL OPERATING COSTS	**45,086**	**44,180**
OPERATING SURPLUS FOR THE YEAR	**2,442**	**1,061**
Analysis of Voids	**£000**	**£000**
Voids from lettable properties	1,965	1,875
Total Voids	**1,965**	**1,875**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020 (CONTINUED)

3a PARTICULARS OF TURNOVER, OPERATING EXPENDITURE AND OPERATING SURPLUS

	2020/21 Turnover £000	2020/21 Operating Expenditure £000	2020/21 Operating Surplus/(Deficit) £000
Social Housing Lettings (Note 3b)	**22,767**	**20,723**	**2,044**
Other Social Housing Activities			
Charges for support services	**10,719**	**10,657**	**62**
Total Social Housing	**33,486**	**31,380**	**2,106**
Activities other than Social Housing	**14,042**	**13,706**	**336**
Total Non- Social Housing	**14,042**	**13,706**	**336**
Total	**47,528**	**45,086**	**2,442**

3a PARTICULARS OF TURNOVER, OPERATING EXPENDITURE AND OPERATING SURPLUS

	2019/20 Turnover £000	2019/20 Operating Expenditure £000	2019/20 Operating Surplus/(Deficit) £000
Social Housing Lettings (Note 3b)	**21,288**	**20,429**	**859**
Other Social Housing Activities			
Charges for support services	**10,471**	**10,321**	**150**
Total Social Housing	**31,759**	**30,750**	**1,009**
Activities other than Social Housing	**13,482**	**13,295**	**187**
Total Non- Social Housing	**13,482**	**13,295**	**187**
Total	**45,241**	**44,045**	**1,196**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021 (CONTINUED)

3b PARTICULARS OF TURNOVER AND OPERATING EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	Social Housing 2020/21	Social Housing 2019/20
Income	**£000**	**£000**
HB eligible rent & service charges	18,220	17,585
HB ineligible rent & service charges	803	789
Amortised government grants	508	552
Other grants	3,236	2,362
Turnover from Social Housing Lettings	**22,767**	**21,288**
Operating Expenditure		
Management	5,526	4,475
Service Charge Costs	8,865	8,770
Routine Maintenance	2,755	3,282
Planned Maintenance	938	1,310
Bad Debts	242	456
Depreciation of housing properties	1,025	1,064
Depreciation of other tangible fixed assets	268	365
Other costs	1,104	707
Operating Expenditure on Social Housing Lettings	**20,723**	**20,429**
Operating Surplus	**2,044**	**859**
Void Losses	**1,965**	**1,875**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021 (CONTINUED)

4 GRANTS AND DONATIONS RECEIVABLE

	2020/21	2019/20
	£000	£000
STATUTORY SOURCES		
Leicester,Leicestershire & Rutland Councils (Edwin)	478	521
MHCLG - City of Lincoln Council	561	550
MHCLG- Nottingham City	746	570
MHCLG Sheffield	30	30
Nottingham City CDP (MVH)	28	28
Nottingham City Council (Rough Sleepers)	235	235
Nottingham City CDP (Clean Slate)	946	982
Nottingham City CDP (Nottingham Recovery Network)	4,084	4,278
Nottingham City CCG Mental Health & Wellbeing	314	375
Nottingham City CDP (HALT)	112	134
Nottingham City Council (Edwin)	284	284
Sheffield City Council (Street outreach)	194	197
MHCLG - Ashfield DC (SOT County)	652	390
Nottingham Citycare Partnership (HISU)	112	-
Other Statutory Grants	244	150
Total	**9,020**	**8,724**
SPECIFIC CHARITABLE SOURCES		
BBC- CIN (EVE)	18	26
Big Lottery Fund (Opp Nottm)	1,429	1,556
Heritage Funding (Nature in Mind)	-	80
Big Lottery (Opportunity & Change)	1,422	1,476
SSBC (Family Mentor & Aspley Mentor)	1,068	742
Big Lottery (Homeless to Home)	66	136
BBO Linc - UC Move	28	34
Other Specific Grants	24	2
Total	**4,055**	**4,052**
OTHER GRANTS AND DONATIONS		
Grants and Donations	997	633
Total	**997**	**633**
Grand Total	14,072	13409

Most statutory and charitable grants are restricted to the delivery of specific services as determined by the funders.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021 (CONTINUED)

5 FINANCE INCOME

	2020/21	2019/20
	£000	£000
Bank interest receivable	5	23
	5	23

6 INTEREST AND FINANCING COSTS

	2020/21	2019/20
	£000	£000
Bank loans and overdrafts	222	279
Costs associated with financing	-	-
Net interest on defined benefit liability (Note 16)	26	25
	248	304
Borrowing costs capitalised at 1.95%- 2020(2.6%)	(42)	(35)
	206	269

7 SURPLUS FOR THE YEAR

	2020/21	2019/20
	£000	£000
Surplus for the year is stated after charging:		
Depreciation on housing properties	1,103	1,064
Depreciation on other fixed assets	286	365
External Auditor's Remuneration (excluding VAT)		
- Audit-related assurance services	25	22
Operating lease charges on land and buildings	1,927	1,896
Operating lease charges on other assets	167	131

8 TAXATION

No taxation charge arises as the Association is an exempt charity and only undertakes charitable activities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021 (CONTINUED)

9 STAFF COSTS

	2020/21 £000	2019/20 £000
Staff costs including directors:		
Wages and salaries	22,921	21,702
Redundancy costs	80	62
Social security costs	1,617	1,504
Other pension costs	985	1,018
Total	**25,603**	**24,286**

The full Time Equivalent number of staff who received emoluments, including pension contribution, in excess of £60,000 are shown below.

	2020/21 No.	2019/20 No.
Salary Band £000		
60,000 - 69,999	1	3
70,000 - 79,999	1	1
80,000 - 89,999	1	-
90,000 - 99,999	1	1
100,000-109,999	-	-

Average number of full time equivalent persons (FTE) employed:	2020/21 No.	2019/20 No. *Restated*
Supported Housing	502	439
Tenancy Sustainment	155	120
Fundraising and Communications	8	6
Management and Administration (Central Office)	81	70
Care Home	81	69
Non Housing related service staff	291	247
Average number of FTE employees during the year	**1,118**	**951**

The basis of the calculation of full time equivalents is the average of contracted employees at each year end.

10 DIRECTORS' REMUNERATION AND TRANSACTIONS

Key management personnel remuneration

	2020/21 £000	2019/20 £000
Directors who are executive staff members		
Wages and salaries	402	364
Loss of Office payment	-	30
Social security costs	46	42
Other pension costs	24	26

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021 (CONTINUED)

10 DIRECTORS' REMUNERATION AND TRANSACTIONS (Continued)

Board Members

No remuneration was paid to board members in their capacity as directors of the Association. Incidental travel expenses are claimed in order for the board to carry out their duties. Travel expenses paid to board members to 31 March 2021 were Nil £0 (2020 £0)

Remuneration of the highest paid director, excluding pension contributions

	2020/21 £000	2019/20 £000
Emoluments	86	84

The Chief Executive is an ordinary member of the pension scheme. No enhanced or special terms apply.

11 PROPERTY, PLANT AND EQUIPMENT

	Properties in Management	Properties in Development	Plant and Equipment	Total
	£000	£000	£000	£000
COST				
At 1st April 2020	68,666	2,359	1,442	72,467
Additions during the year	-	5,404	403	5,807
Capitalised Repairs	87	-	-	87
Transferred on completion	2,756	(2,756)	-	-
Disposals during the year	(37)	-	0	(37)
Total at 31st March 2021	**71,472**	**5,007**	**1,845**	**78,324**
DEPRECIATION				
At 1st April 2020	9,449	-	1,238	10,687
Charge for the year	1,103	-	286	1,389
Disposals during the year	(37)	-	0	(37)
Total at 31st March 2021	**10,515**	**-**	**1,524**	**12,039**
NET BOOK VALUE				
At 1st April 2020	**59,217**	**2,359**	**204**	**61,780**
At 31st March 2021	**60,957**	**5,007**	**321**	**66,285**

Included in properties in management is Anvil House (formerly "Scotter House") which is subject to a 60 year lease at a net book value of £1,676k.

Expenditure on own properties	2020/21 £000	2019/20 £000
Capitalised development costs	5,404	1,264
Repairs and Maintenance charged to operating expenditure	686	775
Total expenditure on own properties	**6,090**	**2,039**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021 (CONTINUED)

12 DEBTORS

	2021 £000	2020 £000
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Rent, service, support and community care charges (Note below)	1,070	1,063
Less: Provision for bad debts	(300)	(299)
Net rent, service and support charges	**770**	**764**
Prepayments and accrued income	616	1,004
Grants and loans receivable	1,600	2,145
Other taxation and social security	6	-
Debtors at 31st March	**2,992**	**3,913**

No disclosure has been made of the amount of the net present value adjustment where a repayment schedule is in place as the amount is considered to be minimal.

13 CASH AND INVESTMENTS

	2021 £000	2020 £000
Cash	115	207
Current Account	9,793	10,285
Cash and Investments at 31st March	**9,908**	**10,492**

14 CREDITORS

AMOUNTS FALLING DUE WITHIN ONE YEAR	2021 £000	2020 £000
Accruals and deferred income	3,400	2,000
Trade creditors	1,639	3,941
Other creditors	572	541
Other creditors - Covid related provision	-	135
Other taxation and social security	136	-
Government grants (Note 15b)	508	502
Principal Loan repayments (Note 15a)	482	467
Creditors at 31st March	**6,737**	**7,586**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021 (CONTINUED)

15 CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021 £000	2020 £000
Long Term Loans	9,567	9,547
Deferred Government Grants	35,069	33,577
	44,636	**43,124**

The loans are secured on freehold housing properties with a carrying value of £23,354k. These freehold properties provide a total of 290 units of accomodation. Interest is payable at variable rates between 1.95% - 5.50%
The total accumulated amount of capital grants received at the balance sheet date is £39,670,000

15a Loan analysis

	2021 £000	2020 £000
Loans repayable by instalments		
Within one year or less	482	467
More than one year but not more than two years	493	477
More than two years but not more than five years	1,408	1,493
More than five years	7,666	7,577
	10,049	**10,014**

15b Deferred government grant

	2021 £000	2020 £000
Deferred capital grant as at 1st April	34,064	33,198
Grants received in the year	2,021	1,418
Grant repayments during the year	0	(74)
Amortised to Statement of Comprehensive Income	(508)	(478)
Deferred capital grant as at 31 March	**35,577**	**34,064**
Amount to be released within one year	508	487
Amount to be released after one year	35,069	33,577

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021 (CONTINUED)

16 PENSION OBLIGATIONS

1 Defined contribution pension scheme

The Association operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Association in an independently administered fund.
The total expense charged to Statement of Comprehensive Income in the year to 31 March 2021 was £817k (2020 £772k)

2 Defined Benefit Scheme - NHS Scheme

The NHS pension scheme is an unfunded, defined benefit scheme that covers NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The cost to the Association participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period. The total expense charged to Statement of Comprehensive Income in the year to 31 March 2021 was £32k (2020 £37k)

3 Local Government Pension Scheme - Nottinghamshire Pension Scheme

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate funds administered by Nottinghamshire Local Authority. The total contributions made for the year ended 31 March 2021 were £92k (2020 £90k), of which employer's contributions totalled £66k (2020 £63k) and employees contributions totalled £26k (2020 £28k). The agreed contribution rates for future years are 20.3% (2020 16.6%) for employers and range from 5.5% to 6.8% for employees, depending on salary.

The following information is based upon a full actuarial valuation of the fund at 31st March 2019 updated to March 2021 by a qualified independent actuary.

	At 31 March 2021	At 31 March 2020
	%	%
Rate of increase in salaries	3.85%	2.80%
Rate of increase for pension in payment/inflation	2.85%	1.80%
Discount rate for scheme liabilities	2.05%	2.35%
Inflation assumption (CPI)	2.85%	1.80%

It has been assumed that members will exchange half their communtable pension for cash at retirement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021 (CONTINUED)

16 PENSION OBLIGATIONS (continued)

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	At 31 March 2021	At 31 March 2020
Retiring today	Years	Years
Males	21.9	21.8
Females	24.5	24.4
Retiring in 20 years		
Males	23.3	23.2
Females	25.9	25.8

The estimated asset allocation for the Association as at 31 March 2021 is a follows:

	At 31 March 2021	At 31 March 2020
Equities	64%	64%
Gilts	4%	3%
Other Bonds	7%	9%
Property	11%	13%
Cash	5%	2%
Inflation-linked pooled fund	4%	4%
Infrastructure	5%	5%
Total	**100%**	**100%**

Analysis of the amount charged to operating costs in the Statement of Comprehensive Income.

	At 31 March 2021	At 31 March 2020
	£000	£000
Employer service cost (net of employee contributions)	(69)	(99)
Total operating charge	(69)	(99)
Analysis of pension finance income/(costs)		
Expected return on pension scheme assets	(45)	(51)
Interest on pension liabilities	71	76
Amounts charged/(credited) to financing costs	26	25
Amount of gains and losses recognised in the Statement of Comprehensive Income		
Actuarial losses on pension scheme assets.	(1,243)	343
Actuarial gains on scheme liabilities	379	(239)
Actuarial (loss)/gain recognised	(864)	104

The accounting treatment of the LFPS pension does not impact on the day to day operations The pension liability is based on actuarial assumptions which fluctuate based on economic conditions and forecasts.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021 (CONTINUED)

16 PENSION OBLIGATIONS (continued)

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

	At 31 March 2021	At 31 March 2020
Movement in surplus/(deficit) during year	**£000**	**£000**
(Deficit) in scheme at 1 April	(1,126)	(1,067)
Movement in year		
Employer service cost	(135)	(200)
Employer contributions	66	63
Return on assets	341	(348)
Remeasurements	(1,232)	426
(Deficit) in scheme at 31 March	(2,086)	(1,126)

Asset and Liability Reconciliation

	At 31 March 2021	At 31 March 2020
	£000	**£000**
Opening defined benefit obligation	3,013	3,135
Service Cost	135	200
Interest Cost	71	76
Change in financial assumptions	1,272	(339)
Change in demographic assumptions	-	(89)
Experience (gain)/loss on defined benefit obligation	(29)	81
Estimated benefits paid net of transfers in	(11)	(79)
Past service costs, including curtailments	-	38
Contributions by Scheme participants and other employers	26	28
Closing defined benefit obligation	4,477	3,013
Assets at start of period	1,887	2,068
Interest on assets	45	51
Return on assets less interest	379	(239)
Other actuarial (losses)	-	(4)
Administration Expenses	(1)	(1)
Contributions by employer including unfunded	66	63
Contributions by Scheme participants and other employers	26	28
Estimated benefits paid net of transfers in	(11)	(79)
Assets at end of period	2,391	1,887
Actual return on plan scheme assets	424	(192)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021(CONTINUED)

17 CALLED UP SHARE CAPITAL

The Association is a company limited by guarantee and does not therefore have any share capital.

18 RELATED PARTY TRANSACTIONS

There are no related party transactions to disclose. All procurement negotiations for goods and servies are carried out on normal commercial terms.

19 CAPITAL COMMITMENTS

	2021 £000	2020 £000
Capital expenditure contracted for at 31st March but not provided for in the financial statements	1,799	1,785
Less funding allocations	(927)	(484)
Internal funding commitment	**872**	**1,301**

20 OTHER FINANCIAL COMMITMENTS

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

	2021 Land and Buildings £000	2021 Other £000	2020 Land and Buildings £000	2020 Other £000
Operating leases which expire:				
Within one year	1,822	167	1,868	140
Within two to five years	1,218	55	2,036	55
After five years	1,495	55	2,021	55
	4,535	**277**	**5,925**	**250**

21 HOUSING STOCK

NUMBER OF UNITS IN MANAGEMENT	2021	2020
Social Housing	**No.**	**No.**
Social rent supported housing	952	936
Affordable rent supported housing	123	123
Care Homes	63	63
Social housing units managed but not owned	86	113
TOTAL	**1,224**	**1,235**

RECONCILIATION OF MOVEMENT OF UNITS IN MANAGEMENT	2021	2020
	No.	**No.**
Opening Units in Management	**1,235**	**1,216**
Newly built rental accomodation	24	-
All other gains from outside existing social housing stock	23	8
Sales to the open market	-	(4)
Loss of social housing due to end of lease	(26)	(6)
All other losses to existing housing stock	(5)	-
New of managed units	-	21
Loss of managed units	(27)	-
Closing Units in Management	**1,224**	**1,235**

22 LEGISLATIVE PROVISIONS

The Association is incorporated under the Companies Act 2006 and is a Registered Social Landlord.

23 DESIGNATED RESERVES

	2021	2020
Reserves (Liquid - Minimum Cash)	4,500	4,500
Reserves (Liquid - Allocated to Development Programme)	1,663	2,319
Reserves (Non - Liquid - Property)	19,563	17,530
	25,726	**24,349**

Reserves are retained at levels that allow the association to continue to provide the services that the reserves are intended to support while managing the risks asscoaited with long term expenditure plans. The annual budget and the 30 year long term financial plan align resources to support this approach and the levels of reserves are monitored throughout the year by the Board Members. Reserves were held at £4.5M in the cash flow reserve at the 31st March 2021 and £21.726 in designated reserves. £19.563 of the designated reserves can only be realised by disposing of tangible fixed assets.