



CHARITY COMMISSION  
FOR ENGLAND AND WALES

Hope Into Action Black Country Areas

1202215

CC16a

## Receipts and payments accounts

For the period  
from

01/01/2023

To

31/12/2023

### Section A Receipts and payments

	Unrestricted funds	Restricted funds	Endowment funds	Total funds	Last year
	to the nearest £	to the nearest £	to the nearest £	to the nearest £	to the nearest £
<b>A1 Receipts</b>					
Donations	1,217	-	-	1,217	-
Rental Income	28,168	-	-	28,168	-
Personal Charge	1,510	-	-	1,510	-
Grant Income	15,000	-	-	15,000	-
	-	-	-	-	-
<b>Sub total (Gross income for AR)</b>	<b>45,895</b>	<b>-</b>	<b>-</b>	<b>45,895</b>	<b>-</b>
<b>A2 Asset and investment sales, (see table).</b>					
	-	-	-	-	-
	-	-	-	-	-
<b>Sub total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total receipts</b>	<b>45,895</b>	<b>-</b>	<b>-</b>	<b>45,895</b>	<b>-</b>
<b>A3 Payments</b>					
Wages	23,169	-	-	23,169	-
Pensions	500	-	-	500	-
Investor return / franchise fees	4,176	-	-	4,176	-
Rent	1,225	-	-	1,225	-
Rates	2,002	-	-	2,002	-
Repairs & Maintenance	3,261	-	-	3,261	-
Tenant Support	365	-	-	365	-
Light & Heat	188	-	-	188	-
Accountancy	1,148	-	-	1,148	-
General Expenses	1,080	-	-	1,080	-
Telephone	94	-	-	94	-
Print, Post & Stationery	136	-	-	136	-
IT Software & Consumables	170	-	-	170	-
Bank Fee's	26	-	-	26	-
Advertising	120	-	-	120	-
Insurance	881	-	-	881	-
<b>Sub total</b>	<b>38,541</b>	<b>-</b>	<b>-</b>	<b>38,541</b>	<b>-</b>
<b>A4 Asset and investment purchases, (see table)</b>					
	-	-	-	-	-
	-	-	-	-	-
<b>Sub total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total payments</b>	<b>38,541</b>	<b>-</b>	<b>-</b>	<b>38,541</b>	<b>-</b>
<b>Net of receipts/(payments)</b>	<b>7,354</b>	<b>-</b>	<b>-</b>	<b>7,354</b>	<b>-</b>
<b>A5 Transfers between funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>A6 Cash funds last year end</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash funds this year end</b>	<b>7,354</b>	<b>-</b>	<b>-</b>	<b>7,354</b>	<b>-</b>

## Section B Statement of assets and liabilities at the end of the period

Categories	Details	Unrestricted funds to nearest £	Restricted funds to nearest £	Endowment funds to nearest £
B1 Cash funds	Bank	18,945	-	-
		-	-	-
		-	-	-
	<b>Total cash funds</b>	<b>18,945</b>	<b>-</b>	<b>-</b>

	Details	Unrestricted funds to nearest £	Restricted funds to nearest £	Endowment funds to nearest £
B2 Other monetary assets		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-
		-	-	-

	Details	Fund to which asset belongs	Cost (optional)	Current value (optional)
B3 Investment assets			-	-
			-	-
			-	-
			-	-
			-	-

	Details	Fund to which asset belongs	Cost (optional)	Current value (optional)
B4 Assets retained for the charity's own use			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-

	Details	Fund to which liability relates	Amount due (optional)	When due (optional)
B5 Liabilities	Other Creditors	8996	-	
	PAYE	2401	-	
	Pension	194	-	
			-	
	<b>Total liabilities</b>	<b>11,591</b>	<b>-</b>	<b>-</b>

Signed by one or two trustees on behalf of all the trustees

Signature	Print Name	Date of approval

# **Hope Into Action Black Country Areas**

## **Trustees Annual Report 23/24**

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## Introduction

This report is compiled by Trustees to outline the activities, achievements and plans of Hope Into Action Black Country Areas (HIABCA) for the year 2023-24. The report is for submission to The Charity Commission and is a public facing document. The Annual Report is available on request and is published to HIABCA's website.

The required reporting period by The Charity Commission is from March 23 to December 23 as the charity commenced on 7<sup>th</sup> March 2023. It is therefore not a full 12-month period. However, trustees believe it is in the best interests of those reading the report to gain a full year reporting as this was and is the planning cycle of the charity moving forward. A consequence of this will be that financial reporting figures for the report may look different to the submitted accounts on the Charity Commission's website. In addition, some activities planned may not have been fully achieved by December 23; rather March 24.

## 1 Managed City

In July 2021, due to a change of management, Hope Into Action Black Country as was, ceased being an independent franchise of Hope Into Action UK (HIA UK) and was returned to the direct and central management of HIA UK in Peterborough. Known as a 'Managed City'.

For the period from July 21 to March 23 all operational control, financial management, human resource management, property maintenance, strategic planning and tenant support was legally held and delivered by HIA UK. During that time a manager was appointed to run the local day-to-day operational requirements.

Towards the middle of 2022 plans were agreed to transition the managed city back towards independence. This required a period of transition of the above areas from managed control to full independence. Plans were agreed for this to commence from March 2023.

## 2 Transition

In March 2023 Hope Into Action Black Country Areas became a registered charity and from that point the 'Transition' towards full independence from the 'Managed City' arrangement commenced. The period was planned to take place from March to Sept 2023.

The main elements of operating the charity's purposes, service delivery of housing and tenant support did not alter in practical terms. The main efforts during this period were to transition legal and operational responsibility into the areas described below.

### 2.1 Leadership

The local manager, Merylen Pearce, was appointed as Franchise Director by the initial three Trustees and formally invited to set up the full franchise organisation. This included notifications to local authorities of the charity's operational changes from HIA UK and communications to supporting churches to sign new service level agreements to support tenants under HIABCA instead of HIA UK.

The leadership element also ensured a clear and focused budget for income and expenditure was developed. It became clear that in year one of HIA BCA there would be income only to support the salary of the Franchise Director, who would have to perform multiple roles.

## **2.2 Organisational**

Online document management systems and record keeping processes were transitioned during this period, maintaining the highest levels of security of personal information.

Policies for every facet of the charity's operations were drafted for use in the charity and signed off by trustees at key points in the transition. These are still in progress.

HIA BCA opened a bank account with authorised signatories implemented. Any monies held by HIA UK was transferred where appropriate. As a consequence, all suppliers of services were notified of the organisational transition from HIA UK to HIA BCA and relevant banking changes made.

One of the most detailed activities of the organisation transition was working with local authorities providing benefit payments to change organisational elements from UK to BCA. To agencies like this the charity appeared the same. This took extensive time to process and proceed with. Eventually, towards the latter part of the transition period, all aspects of this were completed.

## **2.3 Investors**

HIA BCA managed four houses with up to 16 tenants, at any one time. The investors who purchased these houses and leased them to HIA had to be transitioned from UK to BCA. Relevant reporting to them was undertaken on the state of the property with new lease agreements signed under BCA management.

All investors agreed to continue to lease to HIA BCA, which was a real vote of confidence and support to the trustees.

## **2.4 Tenants**

To most tenants, the transition held limited impact on a day-to-day basis. All tenants signed new agreements with BCA and some weren't sure why this was taking place. It was explained to them that in many ways there was no major change. They still had their accommodation on the same terms, the same support, the same access to help.

None of the tenants had an issue with this transition and few noticed any difference. This encouraged the trustees that the transition was going relatively seamlessly.

## **2.5 Transition Summary**

In the first six months of the 12-month period March 23 – March 24, 50% of the effort and activities of the charity was expended in the transition from HIA UK to HIA BCA. In Sept 23 'Transition' was completed as planned.

The baseline at that time (Sept 23) was four houses leased to HIA BCA as a Social Landlord: nine single tenants in three houses and one house supporting a refugee family of 7 from a war-torn country.

### **3 Activities**

The main activities of the charity during the period, as stated above, constituted up to 50% of its effort and time transitioning from HIA UK to HIA BCA.

The remaining time was devoted to the tenants and upkeep of the properties.

#### **3.1 Properties**

Regular property inspections highlighted wear and tear needs, and these were addressed during the period. This included such things as door fixes, furniture repairs, kitchen and bathroom refurbishments. One house required an entirely new boiler during that period.

#### **3.2 Tenants**

In terms of tenant activities, we were able to help two single refugee tenants move on to new accommodation as their close family arrived in the UK. Likewise, one tenant also achieved 'Leave to Remain' during this period and is now in training and education.

The charity saw a number of referrals from agencies providing new tenants for the houses. All but one has sustained that, with tenant turnover relatively low for this sector. This has encouraged the trustees that HIA BCA is providing what is needed and what tenants want.

It is not easy to get tenants to engage at all times and there remains the challenge for the charity to develop tenants towards eventual independent living. Despite that, development plans are in place with all tenants currently.

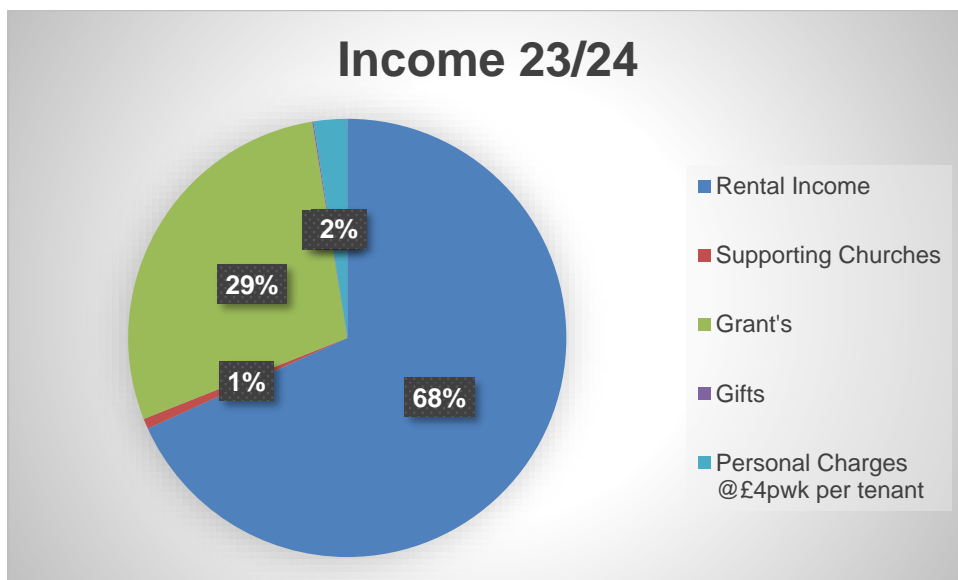
#### **3.3 Supporting Churches**

The HIA model states that for each house we have a supporting church with a Friendship and Support team that supports each tenant in the house. These teams are given the Hope training and are Disclosure Barring Services checked. The Empowerment Worker works to empower the tenant and the partner church. We are continually working on strengthening these partnerships and finding new partner churches to be able to open new houses.

### **4 Finances**

The financial information below is for a full 12-month period but does show that the charity is sustainable.

#### **4.1 Income**



- **Rental Income** – for the year 23-24 the rental income reached 97% of the planned rental income. Income from rents was budgeted at circa £72K and reached £69.5k for the full year to the end of March 24. HIA UK advised rent increases, and these were accepted by the Benefits Agency which enabled the charity to increase revenue on rents by 20%.
- **Supporting Churches** – with no recognized financially supporting churches this last year, the income only reached 10% of planned income. We planned for £800 but only received £83.
- **Grants** – Having set a grant income level of £30k we achieved 50% of this at £15K. The awards came from two charities and reflected a percentage of the total applied for. For example, we applied to Everson for £10k and received £5k
- **Personal Charges** – Personal charges are a contribution to water and Council tax utility bills. These were set at £2600 for the year but failed to reach that figure. In total the income from this revenue stream totalled approximately £1,660, which was only 64% of the target budget planned. We note the early months of the year were the lowest income for this budget line



and this was due to transition arrangements in April taking focus away from following up with tenants on their payments. During the year end the weekly fee changed from £4 per week to £5 per week.

#### 4.1.1 Income Summary

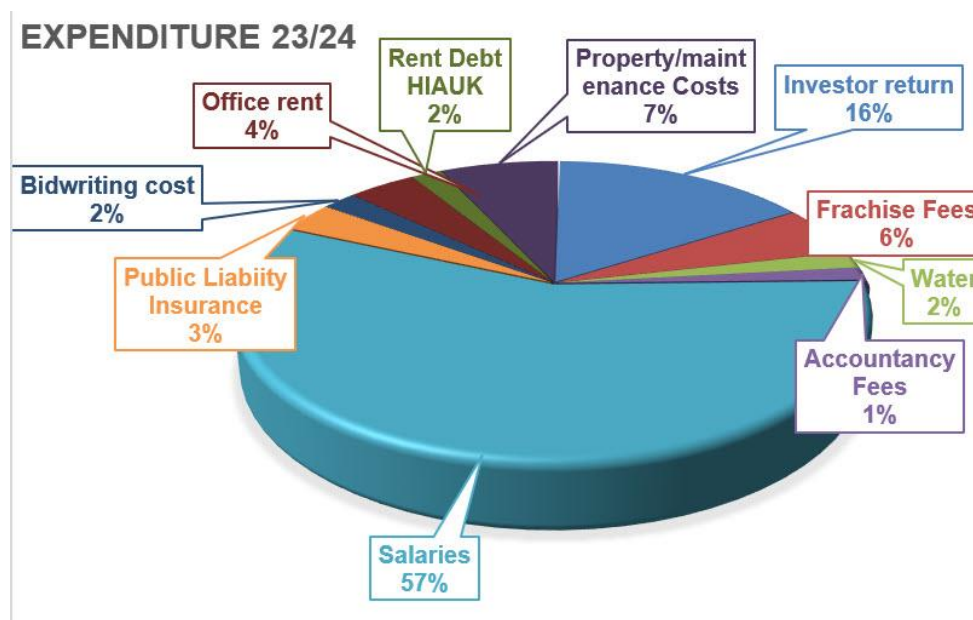
Firstly, the last year proved to be a relatively successful transition year for income as few if any properties showed voids for any length of time. Voids are periods where there is no occupancy. Occupancy rates were 90% or above, and this is key going forward in terms of maintaining income.

Secondly, the house at Tantany Lane was dedicated to a family which reduced potential income for that house by 50%. That is, the rent was set at circa £850 per month for the family, who are asylum seekers from Afghanistan. If the 3 rooms had been rented separately, the income would have been circa £1,680 per calendar month. This coming year the house will be converted back to shared accommodation, and we therefore expect the income to rise to circa £1,600 level for year 24/25.

#### 4.2 Expenditure

Expenditure for the year 23/24 reached £71k against a planned spend of £100k. This £29K underspend is offset by underperforming income in the year and provides a real cash difference of circa £17k.

Expenditure per month is £6K on average and with the cash in the bank stable on a month-to-month basis at circa £22K, the charity easily retains 3 months (£18K) operating costs; a principle the charity set out to achieve from end of year two. The charity is therefore 12 months ahead of its planned operating sustainability criteria.



#### 4.2.1 Overheads and Salaries

Overheads are categorized as items of expenditure that occur regardless of the activities of the charity. Office rent, bank charges franchise fees, investor return, insurance, software licensing, accountancy fees and the like remained as budgeted, (as you might expect) throughout the year as the charity

established the Transition Period to independence of six months from April to September. Salaries are by far the greatest single cost to the charity at 57% of total budget. See above.

This Transition Period forced critical decisions on salaries and pay, meaning only the Managing Director could be afforded, despite the budget planning for an Empowerment Worker and an Administrative Assistant. Hope Into Action UK head office were not convinced the charity's budget forecasts were affordable if those two respective roles were hired. The Head of Operations for HIA UK advised against employing these roles until such time as the income improved, and any grant monies were received. As the charity was new and was under the control of HIA UK for this six-month transition period, the decision was agreed by the Trustees of HIABCA. Salaries therefore only reached circa £33k instead of the budgeted £56k for the year. A cost reduction of 41%.

A number of tenant debts had built up over the previous months, leading up to the Transition Period and this took much time to ratify with HIA UK. Eventually though the debt was agreed at circa £2k and payments made monthly until March 24. The debt to HIA UK is now cleared and fully repaid.

#### **4.2.2 Business Costs**

These costs are related directly to the activity of the charity and increase and decrease depending on those activities. Costs for maintenance were fully spent against budget at circa £4,200. This is only circa £1k per house and HIABCA has in the past been praised for its housing standards within the franchise network and few if any major issues were found beyond the typical wear and tear and breakages one would expect with shared accommodation.

#### **4.2.3 Expenditure Summary**

Given the additional controls placed on the charity by HIA UK in the first six months, to sustain four houses with approximately 16 tenants was an achievement with only one resource working alone for the majority of the financial year. The latter 3 months where an Empowerment Worker (EW) was hired has helped but the person is still in training. Technically therefore the entire year was supported by the Manager who has established a good level of financial control over expenditure.

Cash at the bank is healthy at a minimum of 3 months operating costs and continues to remain stable. A full year's effect of the additional EW will now take effect. It was not clear whether the Admin Assistant role could be employed, due to the required finances not being in place. Using volunteers in finance and administration kept the costs low. However, as the charity grows this role will be needed and we therefore expect these costs to rise as planned.

## **5 Plans for 2024**

Towards the end of 2023, trustees identified areas where investment was required for the future. Initially the Franchise Director served multiple roles. This was now deemed an area where further support was urgently required in two areas:

### **5.1 Tenant Support**

Trustees agreed that plans for 2024 must include additional professional tenant support and therefore plans to recruit a Tenant Empowerment and Support Worker should be prioritized. This is scheduled for implementation in Jan 24.

### **5.2 Administrative and Office Support**

With the charity becoming independently operational, HIA UK administrative support was terminated. Therefore, paid administrative support would be required for not only the basic office tasks but also to ensure the charity's communications and media profile is improved. Existing Facebook, X (formerly Twitter) and other social media platforms for the charity had not been particularly active during the Transition period. These are vital in order to maintain support and awareness. That plans and budgets be targeted to secure a paid administrator with additional skills in social media.

### **5.3 Financial Administration**

Whilst trustees govern the financial control of the charity, the Franchise Director needs a financial administrator entering data, recording spends and managing the accounts. Therefore, a voluntary Financial Administrator is planned for recruitment in 2024.

### **5.4 Accommodation change**

Efforts were made to help the refugee family find permanent accommodation, as their 2-year tenancy was coming to an end. This would free up the property for alternative tenants. The rent paid by the Department for Work and Pensions on behalf of the family didn't optimize the revenue the charity could secure with individual tenants. In addition, it has become apparent that 'Mother and Baby' housing is a local need that HIA BCA could contribute to. To this end the charity plans to convert the former family occupied property into 3 rooms for a mother and a baby unit. Budgets and organisational changes are planned to augment the property requirements to optimize safety for babies and the different tenant support needs. Including consideration towards a second Empowerment Worker.

## 6 Report Summary

Whilst much of the effort, activities and priorities of the charity have been towards the organisational set up and transition from HIA UK to BCA, trustees believe the first year has been a success in that all houses, tenants and organisational elements transitioned without issue.

Trustees now want to move on to increase new tenant types, increase tenant support, and generally improve administration and financial control to allow the charity to sustain and grow its work in years to come.

Kind Regards,

Trustees of HIABC

A handwritten signature in black ink, appearing to read 'Davis', with a stylized, cursive script.

This report has been approved by all Trustees and signed on their behalf with their consent. See names below:

Cynthia Davis (Chair of Trustees)

Winston Lindsay

Nathalie Cockayne



Section A

Independent Examiner's Report

Report to the trustees/  
members of

Charity Name  
HOPE INTO ACTION BLACK COUNTRY AREAS

On accounts for the year  
ended

31 December 2023

Charity no  
(if any)

1202215

Set out on pages

1-2

(remember to include the page numbers of additional sheets)

I report to the trustees on my examination of the accounts of the above charity ("the Trust") for the year ended DD / MM / YYYY.

Responsibilities and  
basis of report

As the charity trustees of the Trust, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination, I have followed the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent  
examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention (other than that disclosed below \*) in connection with the examination which gives me cause to believe that in, any material respect:

- accounting records were not kept in accordance with section 130 of the Act or
- the accounts do not accord with the accounting records

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in order to enable a proper understanding of the accounts to be reached.

\* Please delete the words in the brackets if they do not apply.

Signed: D Guy

Date: 31/10/2024

Name: Danny Guy

Relevant professional  
qualification(s) or body  
(if any):

ACCA

Address:

12 Johnson Street

Woodcross, Coseley

WV14 9RL

Only complete if the examiner needs to highlight matters of concern (see CC32, Independent examination of charity accounts: directions and guidance for examiners).

**Give here brief details of any items that the examiner wishes to disclose.**