Grand Union Housing Group

Annual report and financial statements
for the year ended 31 March 2022

Contents

The Board, Executive Officers and Advisors

Chair

James Macmillan,
Independent

Board Members

Gillian Walton,
Senior Independent Director

Richard Broomfield,
Independent
(Appointed Vice Chair 28 September 2021)

Kami Nuttall,
Independent
(Resigned 28 September 2021)

John Edwards,
Independent

Vanessa Connolly,
Independent
(Resigned 30 June 2021)

Nicola Ewen,
Independent
(Resigned 30 November 2021)

Brent O'Halloran,
Independent

Peter Fielder,
Independent

Michael Pattinson,
Independent
(Resigned 16 June 2021)

Dave Willis,
(Appointed 27 July 2021)

Craig Thornton,
(Appointed 28 September 2021)

Kalwant Grewal,
(Appointed 28 September 2021)

Kevin Gould,
(Appointed 28 September 2021)

Nannette Sakyi,
(Appointed 1 April 2022)

Colin Dennis,
(Appointed 1 July 2022, Chair Incumbent)

Emma Killick,
(Appointed 1 July 2022)

Company Secretary

Mandy Hopkins,
(Appointed 26 January 2021 - resigned 25 February 2022)

Mona Shah,
(Appointed 25 February 2022)

Executive Officers

Aileen Evans,
Group Chief Executive

Mona Shah,
Executive Director of Finance & Business Services

Phil Hardy,
Executive Director of Operations

Registered Office

K2
Timbold Drive
Kents Hill
Milton Keynes
Buckinghamshire
MK7 6BZ

Solicitors

EMW Law

Towers & Hamlins

Devonshires

Wright Hassall

Perrin Myddelton

Funders

NatWest Bank plc

Royal Bank of Scotland plc

Santander plc

Bankers

NatWest Bank plc

Auditors

Beever and Struthers
(External)

KPMG
(Internal)

Valuers

Savills plc

Avison Young

Berrys

Registered under the Co-operative and Community Benefit Societies Act 2014 No. 7853 and with the Regulator of Social Housing No. 5060

Statement from the Chair

This past year has been dominated by the impact of multiple world events on our customers and the business. As we learned to live with COVID-19 and then the war in Ukraine, customers have had to deal with the fall-out in the form of a cost-of-living crisis with pressures on food, fuel and rising energy prices. These events, coupled with the impact of Brexit on labour and materials supplies and other, broader inflationary pressures, make for the most challenging operating context we have seen for some years and more importantly, extremely difficult times for those we serve.

Grand Union is responsible for the homes and neighbourhoods of more than 27,000 people. As a Board, we take that responsibility very seriously because we know that what we do matters. We have strengthened support to our customers and yet we know that, despite this, we are seeing an increasing number of customers for whom their outgoings exceed their income and we have explored all possible avenues to help them.

In what is my final year as Chair, I'm proud to have seen us retain our position of financial strength and security. We delivered an operating margin of 28% and retained our G1/V1 rating from the Regulator of Social Housing. We also retained our Moody's credit rating of A3 Stable. This position of strength is key as we continue to focus on our transformation work centred around improving services to our customers.

This focus can be seen in our Board meetings, which I've had the honour of Chairing now for three years. We always begin each meeting by looking at examples of our customer service – whether it be good or bad – so that, as a Board, we can remind ourselves of the reason we are here. We want our customers to know that they can rely on us to deliver, which is why we're working hard to continue our transformation work to make sure that our service offer is targeted and tailored to people's needs.

The psychographic segmentation work we did late last year is helping us to better understand our customers, so that we can develop a greater knowledge of what motivates and challenges them, which in turn, will help us deliver consistently great customer experience. This will also drive value in the organisation by making things simpler for customers and colleagues too.

As a Board we've had some difficult decisions to make and I'm proud to have worked alongside members who share our goal of making a difference to customers. What might be the best solution for our business might not be for customers and, when making key decisions, we have tried to do what is best for the people and families living in our homes. This could be seen in our decision to not implement the full CPI+1% rent rise across our stock, so that we could offer some support to those whose rents are at the higher end of the scale.

Having a strong, customer-focused Board has allowed us to make important strategic decisions both for the good of the organisation and our customers, and I want to take this opportunity to thank all Board and Committee members, both past and present, in making my tenure a successful and enjoyable one.

I also want to thank all my colleagues at Grand Union at all levels for making a difference to the communities we serve every day.

During my time as Chair of Grand Union I've seen a lot of change. I've been lucky enough to be in position at what I consider to have been an exciting period for Grand Union. I'm proud to know that, when I hand over to my successor, the organisation will be in a really strong position and I look forward to seeing it evolve further in the coming years.

James Macmillan
Chair

Statement from the Group Chief Executive

As a provider of affordable homes and additional support services, our role has never been as important as it is now.

World events and a shortage of properly affordable housing are forcing people into real poverty where they are having to make the terrible choice between heating their homes or feeding their families, and we know that some can do neither.

What we do now, and in the coming years, is key to helping our customers and while I am fully aware of the scale of the task ahead, I am confident that my colleagues will continue to work hard to develop new ways to improve the way we work.

One of my jobs as the Chief Executive is to make sure that my colleagues have the tools they need, both practically and culturally, to deliver the range of activities we undertake – from letting and managing our homes, repairing and improving them, to building new homes. In this regard, we have undertaken a strategic review of our systems architecture with a view to improving our systems in the coming year.

We also need to ensure that we minimise our impact on the environment and are working to decarbonise our homes as well as minimise our carbon footprint in the operation of our services.

We've been focused on renewable energy for well over 10 years and have already installed 642 air source heat pumps, 747 solar pv systems and ground source heat pumps for 29 homes. Sustainability is in our DNA and we are well placed to deliver our responsibilities in this area in an innovative way. We're doing this because we want to minimise our impact on the planet and, equally as importantly, provide fuel-efficient and cheap-to-run homes for our customers, so that we help end fuel poverty.

Despite the challenges faced with labour and materials shortages, we built over 300 homes last year – a record number for Grand Union. We recognise the need for more affordable tenures, which is why, amongst others, we completed 57 social rent homes last year – the same number as we've delivered in the previous nine years combined. We have almost 900 affordable homes in our development pipeline, as well as a new extra care scheme, Sorrel Gardens in Biggleswade, which is our largest single development ever and will provide 93 high quality homes for older people.

Work we did last year is providing the foundations for us to be a better landlord, with the customer at our heart. We have continued to invest in our properties and renewable energy sources to ensure we are developing homes fit for the future.

This is so important at any time but particularly now, since the property condition scandal highlighted by ITV and Kwajo Tenebera has meant the sector as a whole has lost the trust of its customers.

Using the psychographic segmentation work, we will be able to ensure our services are fit for purpose, both now and in the future. We are resolute in our determination to have the best customer service in the sector.

The white paper is clear in its expectations around how landlords will be expected to develop their future activity, which is why it's so important that we listen to our customers' views and opinions. That's why we will soon be launching a new feedback channel giving customers the opportunity to give us their opinions on a range of topics including new concepts, ideas to improve service and experience, and scrutinise our performance.

Once again, our colleagues have risen to the challenge of providing services in different ways with compassion and skill, and I'm immensely proud of what we achieved in the last 12 months, in spite of all the challenges we faced. Our team at Grand Union has worked tirelessly to ensure that we provide customers with safe homes they can call their own and support services when they need them, all while continuing our efforts to become a more efficient and customer-focussed business. I'm immensely proud of them all.

Our colleagues and Board and Committee members have once again shown great commitment over the last year and I thank them for their expertise and support.

As our Chair, James Macmillan steps down from his role, I want to thank him for his support over the last few years. He has guided the Board through some difficult decisions during the most unusual times and I am grateful for his work with us. I wish him well in whatever he does next.

Aileen Evans

Aileen Evans
Group Chief Executive

Staff Engagement Statement

The COVID-19 pandemic showed us just how important colleague engagement is. With our teams now working in a much more agile way, we need to make sure that they remain engaged with the business and each other.

Most colleagues in office-based roles now work from home four days a week, while those in roles out in our communities tend to only visit the office once a fortnight.

As a result, we've adapted our communications to suit this, aiming to ensure all colleagues are kept informed about key issues and matters affecting them.

Staying in touch

Whilst we have used multiple different channels and delivery methods, GUS – our intranet – remains the main point for all information for Grand Union colleagues.

Since last year, we've seen engagement on GUS increase, with an average of 94.76% of colleagues using the intranet each month. Last year this number was 86%, so we're pleased to see our efforts to increase engagement have paid off.

We kept colleagues up to date by posting 656 news, features and information articles, which collectively were viewed over 111,000 times.

We also introduced new categories on GUS for articles, which include a 'must read' option. This allows colleagues to filter these to catch up on the most important posts if they are pressed for time. Information featured in this category included COVID-19 updates, performance against our corporate plan, Further together, our plans to achieve Investors in People Silver accreditation and our governance and financial stability rating.

For our visiting trades teams, we know that they sometimes don't have time to check GUS. That's why we have trialled an email round-up of articles so they can stay informed in-between daily jobs.

The Executive team has provided colleagues with regular, important updates through GUS over the last year. A number of these have been personal, recorded videos from our Group Chief Executive.

We also continued with our use of discussion groups on GUS to allow for more conversations. This year we set up a menopause group and a carers page, providing support and advice to those with caring responsibilities.

Involving colleagues

We value the input from colleagues and want to hear their thoughts and opinions wherever possible. That's why, when looking at how we can further embed our values and behaviours, as well as Further together, we wanted to work with as many of our people as possible.

We held an online survey for each topic, which saw 83 and 101 replies respectively. To ensure colleagues then had a further opportunity to discuss their responses in more detail, we held four separate online focus groups which were attended by 34 colleagues.

Their feedback will be used to guide us when refreshing our corporate plan and reviewing our corporate values and associated behaviours.

We also asked colleagues for their opinions when we were revising our business mileage policy; 125 colleagues voted on a preferred option which we then brought into effect.

During the year we began work on revamping our colleague consultation group. This began with a vote on GUS to decide the forum's new name. We hope that the new forum will be smaller and more participative, enabling all members to actively contribute to decision-making on matters affecting colleagues.

Meeting in person again

As we moved out of lockdown restrictions, it was great to be able to meet up again in person.

Our Executive Director of Operations launched a Property Services Salary Banding and Development programme in a live event to our operatives in March 2022. He was also the catalyst in creating the Trades Consultative Group, our forum for engagement with our Internal Repairs team.

A number of our K2 Academy training sessions have been run in person, allowing for better interaction with trainers and those on the programmes.

Throughout the year, our Belonging Group celebrated a number of religious festivals in our office with authentic food and decorations, helping colleagues gain a better understanding of them.

Publicising our performance

We post updates on our performance against our Further together targets every six months on GUS. We also made a "year at a glance" summary animation based on our Annual Report and Financial Statements. This was published on GUS, while both printed and digital copies of the full document were also made available for colleagues.

Our Group Chief Executive also used the annual salary review letters to highlight key achievements during the year, thanking everyone for their continued hard work looking after our customers during the pandemic.

The year at a glance

Who we are

We've been in business for over 25 years and provide over **12,500** homes for more than **27,000** people across Bedfordshire, Buckinghamshire, Northamptonshire and Hertfordshire. We're an **£86** million turnover social housing business with almost 400 staff.

Our mission is **more homes, stronger communities, better lives**. We build affordable homes, provide personal support and help people to learn, work and be healthy.

We're a financially stable and innovative not-for-profit organisation that believes in partnership and collaboration. We plan to build **1,959** more new homes over the next five years to play our part in ending the housing crisis.

Key progress against our commitments

For today and tomorrow

Turnover

£86m

Total assets

£740m

We achieved VfM savings of **over a quarter of a million pounds** during the year

£50m

new flexible funding secured

In 2021/22 we built 308 new homes

176

homes for rent (including social rent, affordable rent and supported living)

108

shared ownership homes

9

for market sale

15

for market rent

G1/V1 Confirmed Governance and Financial Viability Standard in November 2021 by the Regulator of Social Housing

A3 (Stable) Confirmed Moody's credit rating in December 2020

For our customers

38,574 repairs were carried out and **596** voids were completed. We spent **£21.101m** on home improvements and repairs which included:

512

homes with new windows and doors with a further **111** partial upgrades

114

new kitchens and **13** kitchen upgrades

62

new bathrooms and **6** bathroom upgrades

429

new boilers installed, **138** new central heating systems and **27** upgrades

537

properties received high level works, **5** homes were fitted with highly efficient air source heat pumps

Year-end compliance levels:

100%
Fire

100%
Legionella

100%
Asbestos
Communal re-inspections
Domestic surveys **98.23%** including 10.3% cloned data based on similar aged and sized properties

99.95%
Gas

94.12%
Electric (within five years)

£2.44m

benefits secured for customers in 2021/22

£0.81m of assistance with rent such as Housing Benefit, Discretionary Housing payments or the housing costs element of Universal Credit

£0.7m in disability payments which provide extra money for customers with long-term health problems or disabilities

11,787

customer responses through Rant & Rave, our customer feedback tool

Rent arrears were just **2.30%** net (as of 31 March 2022)

2,530 customers participated in the biggest piece of customer research we have ever delivered. This has provided us with detailed information about our customers' needs, capability and experiences. We will be using this information to evolve our approach to customer service we offer in the coming year.

2021-2022

77,645

phone calls answered by our Customer Contact team

2,398 web chats were answered by our Customer Contact team

5,462 interactions were dealt with by Sam, our virtual web assistant

34,768 emails were dealt with by our Customer Contact team

1,561 additional customers signed up to our MyGUHG portal

Domestic abuse

127 referrals made for customers

5 colleagues offered support

2 customers successfully moved into refuge

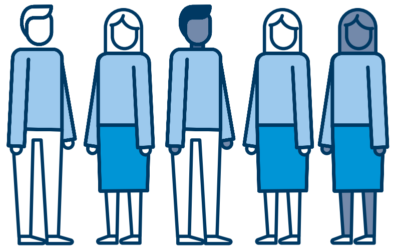
1 new refuge opened

For each other

We have

375
members of staff

59
have been here for more than 15 years



94.76% average colleagues using our intranet each month

1.16% gender pay gap – reduced from 3.1% in 2021

-4.12% median pay gap in favour of women

-2.37% diversity pay gap in favour of PGM (people of the global majority) colleagues

-0.45% median diversity pay gap in favour of PGM colleagues

20% of new recruits from PGM backgrounds

12.26% ethnic diversity, up from 10.51% in 2021

K2 Academy

22 courses run

145 delegates trained

606 learner hours

4.8/5 post-learning recommendation score

48 CIH memberships

18 certified practitioners

22 CIH qualified colleagues with 2 more currently studying

For our partners

31 stakeholders and partners took part in a perception survey aimed at better understanding their needs and how we can work better together

- **2** vitally important rural housing schemes started in partnership with Northamptonshire Rural Housing Association
- **Green** compliance audit for Homes England programme, including schemes delivered on behalf of our development partner, First Garden City Homes
- **£850k** Local Authority Delivery (LAD) grant successfully achieved in partnership with West Northants Council to improve energy efficiency of homes

Strategic Report

The Board presents its Strategic and Board reports on the affairs of Grand Union Housing Group Limited ("the Group"), together with the financial statements and auditor's report for the year ended 31 March 2022.

The Group is comprised of

Grand Union Housing Group Limited
Registered

- **Grand Union Homes Limited** – Not registered
- **Grand Union Group Funding PLC** – Not registered
- **GUHG Development Company Limited** – Not registered

Our strategic commitments for now and the future

Going further together
In February 2022 we were officially half-way through our corporate plan, **Further together**, which sets out Grand Union's aspirations and goals up until 2023.

At its heart is the theme of trust – Further together is aimed at deserving and retaining the trust of our customers, our colleagues and our wider stakeholders.

To build this trust, we've based Further together on four clear commitments:

For today and tomorrow
We take our responsibilities seriously and our goal is to be a financially strong organisation, delivering on our social purpose and our environmental responsibilities. We build great homes where people can live great lives, and we use our influence for the benefit of our communities.

For our customers
We serve our customers and their communities fairly and with integrity. Our goal is for customers to trust us to provide advice and support when they need it. We want them to know we're on their side.

For each other
We support our people in their service. Our goal is that people choose to come to Grand Union because they know they'll get the support they need to fulfil their potential and we're in it together.

For our partners
We're an honest and constructive partner. Our goal is for different organisations to choose to work with us because they trust us to share our expertise and help them to get things right.

We know that we have the power to change things for good. That's why we build more homes, stronger communities, better lives. Because what we do matters.

You can read more details about each of the commitments in Further together here.
https://guhg-furthertogether.co.uk/

Grand Union Housing Group delivery map

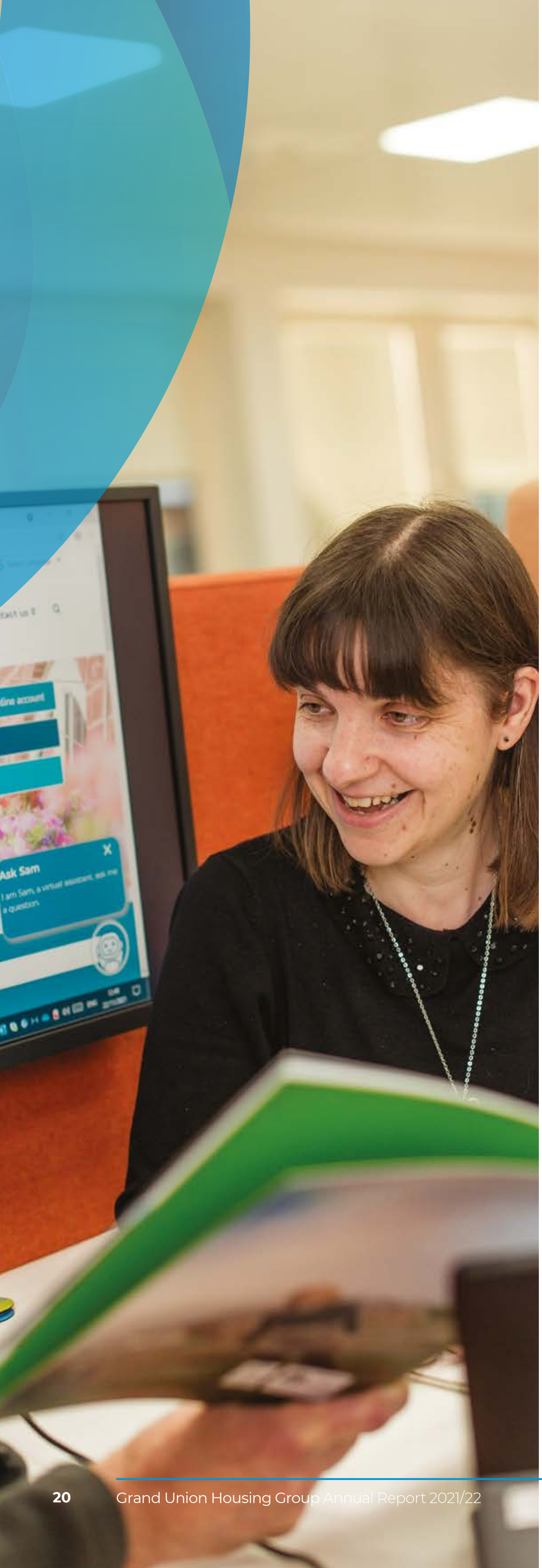
We are based in the heart of the long-term growth area between Oxford and Cambridge. Here we have made a long-term commitment to building new affordable homes, within our operating area, that enables us to deliver efficient services and support our customers both now and in the future, as shown in the map below.

Outlook and Risk Management

As we enter a difficult economic environment with ongoing uncertainty, planning for the next three years remains a challenge and it's clear that we'll need to further develop the insight we have on our customers to ensure we are supporting them, and to closely monitor emerging risks through active risk management. In order to maintain our organisational performance and financial strength, we have modelled scenarios derived from our risk register focusing on the combined economic impacts of inflationary increases, materials shortages, property market decline and the cost of living crisis.

The stress testing undertaken on the business plan has shown that we have been able to demonstrate that our plan is robust enough to withstand these additional pressures; these scenarios will be under continuous review. Through our Financial Inclusion team, we continue to support our customers through assistance with disability and benefits claims.

We operate in an area of planned economic growth, and we have a responsibility to help ensure that everyone in our communities benefits from the opportunities that brings. That means playing our part in tackling the housing crisis by building new homes at scale, and at pace, and making as many as possible available at genuinely affordable rents. It means supporting our customers to achieve their potential through education and training, employment and getting involved in their communities and it also means supporting the people who work for Grand Union.



Our values

Further together is underpinned by the values that shape our organisation's culture. Our values guide everything that we do and are included below.

Driven

We're **driven** to do more. We empower staff to achieve more and help us evolve into a more **efficient, flexible and ambitious** organisation that has a positive impact on our customers and communities.

Together

We're in it **together**. Our **can-do attitude** and **collaborative approach** help us achieve our goals and provide what our customers, colleagues and partners need from us.

Deliver

We **deliver** on our promises. We're committed to making a difference to people's lives and by acting with **integrity**, being **open-minded** and **taking ownership**, we can be trusted to do what we say we will.

Strategy update

Our corporate plan, Further together, is split into four key strategic commitments:

For today and tomorrow
We take our responsibilities seriously

For our customers
We serve our customers and their communities fairly and with integrity

For each other
We support our people in their service

For our partners
We're an honest and constructive partner

For today and tomorrow

Financial and operational performance analysis

We are financially strong, and any surplus made is reinvested in what we do, delivering more homes and support services for our customers.

Assets	£'000
Housing properties	669,895
Other fixed assets	1,667
Investment properties	31,942
Intangible assets	336
Current assets	36,177
Total	**740,017**

Financed by	£'000
Debt	340,253
Pension liability	15,695
Reserves brought forward	335,324
Creditors (excluding debt)	39,636
Surplus for the year	9,109
Total	**740,017**

Group financial performance three-year summary	2022 £'000	2021 £'000	2020 £'000
Total turnover	85,858	74,943	71,166
Cost of sales	12,031	5,821	4,165
Operating costs	50,994	48,374	45,942
Surplus on disposal of property, plant and equipment	2,397	1,764	3,455
Operating surplus/(deficit)	25,230	22,512	24,514
Comprehensive income for the year	9,109	6,820	13,420
Fixed assets	703,840	660,281	633,025
Net current assets	21,479	18,622	21,980
Creditors – more than one year	365,191	328,896	312,922
Revenue reserve	160,368	150,917	143,139

Financial Viability

The Board governs the affairs of the Group, which is regulated by the Regulator of Social Housing (RSH). Following an in-depth assessment in 2019, the Group retained its highest-level ratings from the RSH for both Financial Viability and Governance (G1/V1). The Group continues to be rated A3 (Stable) by Moody's.

Governance

Following the implementation of a new governance structure, which was launched in October 2020, the structure continues to work well and an interim review in September 2021 of how effective it was resulted in one or two minor changes being made. The Board adopted the new NHF Code of Governance 2020 from 1 April 2021 and in June 2021 the Board approved the Board Succession Plan. Therefore, in the financial year 2021-22 there have a been a few changes on the Board with four members stepping down and the Independent member Audit & Risk Committee appointed to the Board. We have recruited three new Board members, appointed one member from a co-optee position and one Independent Audit & Risk Committee member, who joined us last September. Having revamped our induction process, we were pleased to have good feedback from the new members on the whole experience.

Grand Union is fully compliant with the NHF 2020 Code of Governance and the Governance and Financial Viability Standard from the Regulatory Framework at the year end. In November 2021 the Regulator of Social Housing confirmed a rating G1/V1 once again.

Environmentally responsible (as a business and a landlord)

Results for SECR (Streamlined Energy and Carbon Reporting) remain atypical due to the ongoing COVID-19 restrictions during 2021/22. Energy emissions from our offices have reduced due to a reduction in the number of office sites. We have REGO (Renewable Energy Guarantees of Origin) certificates to demonstrate that we have sourced our own energy from our office sites from renewable sources. Fleet transport emissions have increased as a result of a backlog of jobs from 2020/21 due to COVID-19 restrictions. Scope three business mileage does not include the mileage for home to office; this is deducted from our reporting as part of the expense claim. Carbon intensity has remained the same as pre-COVID-19 despite growth.

SECR reporting – energy and carbon	2019/20	2020/21	2021/22
Scope one			
Energy use and emissions from use of purchased gas			
kWh	53,677	940	-
tCO2e	9.87	0.17	-
Energy use and emissions from fleet transport and machinery			
kWh	1,116,954	1,503,794	1,997,725
tCO2e	273.08	366.53	473.02
Scope two			
Energy use and emissions from purchase of electricity for Grand Union offices and sites			
kWh	358,122	289,934	179,710
tCO2e	91.54	67.60	38.16
Scope three			
Energy use and emissions from business travel in rental cars or employee-owned vehicles where Grand Union is responsible for purchasing the fuel or awarding mileage allowance			
kWh	631,815	249,828	387,616
tCO2e	158.15	62.59	95.63
Totals			
Total annual energy and emissions			
kWh	2,160,569	2,044,496	2,565,052
tCO2e	532.64	496.89	606.80
Intensity ratio: tCO2e per property managed	0.05	0.04	0.05

This year we launched our Environmental and Sustainability Strategy, which commits us to becoming a net zero carbon organisation by 2050. We undertook 1,931 energy performance certificate (EPC) ratings, which has helped to plan and scope our retrofit programme and will enable us to upgrade all properties to band C by 2028.

To commence our retrofit programme, we have applied for funding for phase 2 of the Local Authority Delivery scheme (LAD 2) for properties with EPC ratings below D across North Northamptonshire and Central Bedfordshire. This will retrofit energy efficiency measures for potentially over 200 properties. We have also been working alongside Warmfront, who deliver energy company obligation (ECO3) Funding, and are awaiting the results of technical surveys which may recommend further insulation to several properties across our portfolio.

The benchmarking exercise of carbon emissions that we undertook during the year demonstrated to us that our largest scope one and two emissions were from our fleet transport. As a result, we have begun looking into the decarbonisation of the fleet and the EV charging infrastructure that will be required to support this.

We are currently reporting on Scopes one and two with partial reporting on Scope three. Scope three emissions will undoubtedly be our largest emissions and we are eager to start reporting on this voluntary scope so that our reporting is transparent and our commitment to be a net zero carbon organisation by 2050 is reflected throughout all operations. We are commissioning a piece of work that will address what scope three reporting will look like for us in line with the GHG (greenhouse gas) protocol.

We also started work on our environmental management system ISO14001 and have made a commitment to invest in colleague sustainability training at every level.

Building more new homes

Despite ongoing challenges from the economic environment and the COVID-19 pandemic, we have managed to build and market new homes and grow our future pipeline, whilst following government guidance.

This year we completed 308 new homes – our largest number of new homes delivered in one year. The vast majority, 284, are affordable new homes, including 57 new social rent homes. This year represents the most affordable new homes we've ever added to our stock in one year and the most social rent homes we have built for 10 years.

We continue to build a strong pipeline of future affordable new homes. We have an identified pipeline of over 900 new homes, with over 95% of these being affordable. We have seen strong interest in shared ownership new homes, selling 103 and generating over £10m of sales receipt, and customers continuing to reserve homes off plan across our operational area.

We successfully let our first new build market rent scheme in Central Milton Keynes, quickly followed by one in Bedford. In Bedford we worked closely with Bedford Borough Council and Homes England to provide 18 new supported and 16 shared ownership homes, alongside the 15 market rent homes.

Through Homes England, the Group continues to have access to Affordable Housing Grant as head of a consortium of three other local housing associations which has enabled the significant development programme to continue. This year we secured a grant under the new Affordable Homes Programme 2021-26 and added another registered provider to our grant consortium.

During 2022/23 we are on course to deliver more new homes with a strong pipeline to follow in subsequent years. Our New Business and Development Strategy places greater emphasis on land led opportunities, relationships with local authorities, creating our road map to net zero carbon homes and delivery by partnerships.

Success story: The Ball family - a purpose-built home for full-time carers

Kaysey and Andrew, from Biggleswade, are full-time carers to their profoundly disabled daughters, Liyla, ten, and five-year-old Delcie. Their rented Grand Union home, where they also live with son Freddie, eleven, and two dogs, is no longer fit for purpose, despite providing them with happy memories for the past nine years.

Liyla and Delcie are reliant on hoists, electric beds, a specialist extension and other adaptations to help them. But with the girls getting older, their needs have outgrown their home. They require new hoists, a wet room, and importantly, a property where they aren't reliant on stairs.

We've worked in partnership with Central Bedfordshire Council to build the Balls a bespoke property – both affordable and fit for purpose. Their new home enables the family to live safely, happily and with independence; with both girls' bedrooms being downstairs, next to a Jack and Jill wet room, improved hoists and other much-needed adaptations.

Mum Kaysey said: "We loved our old home, but sadly, due to our circumstances, it just wasn't able to fulfil our needs. Liyla and Delcie require one-to-one care; they struggle with daily tasks, from going down the stairs to getting in and out of bed.

"Our eldest, Freddie, was born in 2010, without complications. Just a year later, we welcomed Liyla into our family, who was born with an extremely rare condition which doesn't even have a name; she is the only person in the world to live with it. It affects her development – she only started walking aged seven, and that was a big, happy surprise.

"Delcie came along a bit further down the line. I had a fine pregnancy, so there was no inkling that anything was untoward with her health. But, just two days before she was born, we received the lifechanging news that she had a chromosome disorder known as 'inverted duplication and deletion of 8p'.

"We're fortunate that Delcie isn't paralysed, is happy and can understand what's going on. But, due to her low muscle tone, she can't hold her weight, so often relies on a wheelchair.

"There was nothing in our genes which led to our daughters being disabled; we were told it was merely bad luck and, for each pregnancy, there was less than 1% chance such disabilities would occur. No one could believe what happened.

"Due to their conditions, we require adaptations in our home to get by. We have ceiling hoists, downstairs bedrooms, electric beds which move up and down, alongside a specialist extension. But with the girls getting older, and heavier to carry, the house was simply no longer suitable."

Both Kaysey and husband Andrew are unable to work, instead providing full-time care for their children. While Kaysey would like nothing more than a job, she struggles to find an employer that understands her situation and would enable her to take long periods of leave to stay with Delcie in hospital.

Instead, Kaysey volunteers for Home Start, a charity which supports new parents and their children facing tough times, and at Luton Crown and Magistrates Courts, supporting victims during trials. "It's a way of giving something back", she says.

Desperate for help regarding their home, the family contacted Central Bedfordshire Council who liaised with Grand Union.

"Both the council and Grand Union took us seriously and knew we couldn't carry on like this. There were a number of solutions suggested to us, one of which involved knocking two houses down into one large, adapted home. But trying to find two empty properties next to one another in Biggleswade was a struggle!

"When Grand Union informed us that we would have a brand-new chalet bungalow built for us, bespoke to our needs, it was beyond our wildest dreams."

Now settled in their new home, Kaysey added: "It's been fantastic to be involved in the project from the very start. We've had access to building plans and had a direct input in the design of the home.

"We're fortunate the bungalow is a new build, as it finally gives us the space we require.

"We're so grateful for the help of Grand Union and Central Bedfordshire Council, who listened to us and helped provide us with a fully-adapted home we simply couldn't have afforded on our own."

Using our voice for good

We recognise that we have a duty to highlight what is important to us and promote the things we stand for.

In March 2022 we took part in No More Week, a national campaign dedicated to ending domestic abuse and sexual assault by increasing awareness, inspiring action and creating a culture change.

In June 2021 we signed up to Harry's Pledge, a united national commitment to support, recognise and champion carers.

Across the country, social housing providers like us are looking to commit to four pledges to help to recognise the commitment of carers and to ensure they have the support they need.

During the year, Grand Union colleagues joined forces with several other organisations in the housing sector, to raise almost £60,000 for Mind charity and Harry's Pals – the charity at the heart of Harry's Pledge.

This fundraising effort included the 24 peaks challenge – a 34-mile trek, in the Lake District that included a whopping 12,234ft of ascent – close to halfway up Mount Everest and three times up Ben Nevis.

During the summer we backed the 'Keep the lifeline' campaign, led by the Joseph Rowntree Foundation and backed by PlaceShapers. It called for the Government to reconsider cutting back the extra Universal Credit payment which helped millions of families throughout the pandemic.

We also responded to the Regulator of Social Housing's consultation on a new set of tenant satisfaction measures, as proposed in the government's Social Housing White Paper. This was done both as a standalone organisation and as part of Build East, a group of housing associations in the East of England.

Throughout the year our Group Chief Executive, Aileen Evans, has also used her platform as former President of the CIH to highlight and discuss key issues including customer poverty, mental health awareness and the need for us to build much more affordable housing to help end the housing crisis.

For our customers

Delivering on our promises

Our customers know that they can rely on us to deliver. We're always clear about our promises. In order to earn and retain our customers' trust, we have been working hard to create a truly customer-centric culture where all customers are treated fairly and with integrity.

In 2021 we delivered the most comprehensive piece of customer research to date: 2,530 customers participated in a comprehensive survey which enabled us to create a statistically robust psychographic segmentation. Through this work we now have a greater understanding of our customers' needs and experiences. We also captured some baseline metrics in consideration of the new regulatory tenant satisfaction measures.

We know that we are on a journey to deliver the great customer service that our customers deserve, and we will be developing a detailed Customer Service Strategy over the next year.

We continue to capture transactional feedback through Rant & Rave and on the occasions when we fall short, our Resolutions team acts quickly to recover service failure.

Customer voice

We have evolved our approach to customer voice and insight, and at the end of 2021 we delivered our most extensive piece of customer research to date. This work now provides us with detailed understanding of our customers' needs, capabilities and experience. Through this, we have a strong evidence position to drive our business change agenda and inform decision making and service design. In the summer of 2022, we will be launching our new Customer Involvement Framework. This creates a capability to deliver a strong, continuous and statistically robust customer voice

to the business and will combine a new digital platform with a sophisticated methodological toolkit, alongside an enhanced transactional feedback capability.

We are also increasing our internal capacity and expertise with the recruitment of specialist insight colleagues.

Shaping the business around the customer experience

We continue to assess and shape our service model to ensure it meets the needs of our customers. Great customer experience is shaped as much by the quality of the home and neighbourhoods as it is by the services that we provide. Our research has provided us with detailed information about who our customers are and what they need.

Our Customer Partners are deployed to support customers and communities that need extra help. In the coming months, we will be focusing on looking at our services through the lens of vulnerability and accessibility to ensure we are operating a fully inclusive service offer.

Our Service Improvement team is responsible for the delivery of service innovation and continuous improvement initiatives across customer-facing teams.

Their role is to identify and deliver service improvement activity across the business using a range of service improvement methodologies, using our customer feedback and insight to inform service design. The team has completed service reviews across a number of key customer touchpoints including rent arrears recovery and the repairs service. This work is enabling us to ensure our services meet the needs of our customers whilst delivering beneficial outcomes for the business.

Mindful of our goal to achieve an 80% channel shift, we have continued to develop our customer communication channels and digital services. Webchat has been expanded with the introduction of a virtual assistant to enable us to offer this service at any time of the day or night. Our new customer portal was launched in March 2021 and we are continuing to evolve and develop its functionality to ensure our customers can complete the tasks they need to.

Online viewings and sign-ups have continued to be a huge benefit to our customers, enabling us to continue to provide much needed homes safely throughout the pandemic. Our online repairs service continues to evolve, enabling customers to report repairs and book their appointments 24/7.

Customer engagement and influence

During the last year we have undertaken a complete review of our customer engagement and influence arrangements. Considering key recommendations from the white paper and speaking to over 2,500 customers through our research survey, we have designed a new involvement framework that will enable us to have an ongoing dialogue with more customers than ever before. We will be launching our new framework and a new digital engagement platform ‘Grand Union Voice’ in the summer of 2022.

Our existing homes
The condition of our homes is continually reviewed, with the results determining a long-term repair and component replacement programme.

Key highlights of 2021/22 spend and works:

Central heating
£1,708m
429 boiler changes
138 full systems
27 upgrades

Roofing
£1,318m
384 high level works
153 upgrades

Air source heat pumps
Included in heating
5 full systems

Electrical testing and upgrades
£1,172m
2,628 electrical jobs in total

Kitchens
£791k
114 kitchens
13 upgrades

Bathrooms
£363k
62 bathrooms
6 upgrades

Windows and doors
£1,936m
512 windows and doors
159* upgrades

External works
£1,040m
193 programmed works
33 upgrades

*This includes 48 garage doors

Keeping homes safe

We consider that the successful management of all health and safety activity is essential to the delivery of our business and are committed to providing a safe environment within which our customers can live without concern.

We deliver a comprehensive property compliance programme comprising the following areas (FLAGE):

1. Fire safety
2. Legionella management
3. Asbestos management
4. Gas safety
5. Electrical safety
6. Lift management (KPI reporting introduced 2021-22)

In terms of governance, each month we track several key health and safety performance indicators relating to the above core compliance activities, covering work undertaken both by our colleagues and contractors. Last year we enhanced our KPI reporting in this area, following feedback from our Board; these improvements included the reporting of our:

- Statutory asbestos management compliance against each of the risk categories – percentage and number in each category.
- Fire risk actions arising from the latest fire risk assessments by their individual priority.
- Electrical compliance against those over five and over ten years as we move to a five-year cycle of Electrical Installation Condition Reports (EICR).
- Lifting equipment compliance – percentage and number of pieces of equipment overdue inspection.

Each year, two areas of our FLAGE are subject to independent audit. In 2021/22 these were asbestos and legionella, and in the forthcoming year fire risk and electrical safety will be audited.

The wellbeing of our colleagues and customers is overseen by the Health & Safety Group, which meets four times a year, with reports going from this group to the Audit & Risk Committee. We also report to the Board, through the Audit & Risk Committee, annually on all health and safety related activities; the compliance areas are also subject to an independent annual audit.

Challenging stigma, celebrating diversity

In May last year we published our Belonging Strategy, which focuses on equality, diversity and inclusion at Grand Union.

We chose the name because we believe that everyone has a right to feel that they belong in their workplace and their community.

The strategy’s overall aim is to look at how we achieve a sense of belonging for all our colleagues and Board members, and a sense of fairness and inclusion for our customers. We want to celebrate diversity and challenge stigma, speaking up when we see others being treated badly.

To help do this, we set up the Belonging Group; a team of colleagues from all levels across the business who champion the work we’re doing around equality, diversity and inclusion.

We want everyone to understand and appreciate how diversity makes us stronger and that we can learn and benefit from each other’s different backgrounds and experiences. That is why we have been focusing on education and raising awareness of the nine protected characteristics. Individual members of the Belonging Group have each taken responsibility for one of the characteristics and using our intranet, shared key facts, told stories and engaged with colleagues to help us all increase our knowledge of the topics.

Some colleagues have shared their incredibly personal and powerful stories of how they've been affected by discrimination in their personal and professional lives, in order to encourage understanding, and expand knowledge, acceptance and support across the organisation.

In September we held an organisation-wide session on inclusion with Linbert Spencer OBE, a former professional actor, international athlete, television presenter and CEO of a national not-for-profit organisation, who has been helping organisations and individuals to transform themselves for more than 30 years.

During the session, he told us his story, discussed ethnic diversity in the UK and then finished up by helping us get to grips with the IDEA (Inclusion Diversity, and Equality Agenda).

At the start of 2022 we also began further EDI training for the entire organisation, working with Righttrack Training to deliver an interactive and thought-provoking series of learning sessions to all colleagues.

We've also celebrated several religious festivals throughout the year. Via authentic food and decorations in the office, and blogs and posts on our intranet, we've helped each other learn more about colleagues' religions and faiths.

During the year we have also celebrated Black History Month, and supported the Milton Keynes Pride festival, which we will be doing again this year.

We have a Single Equality Statement which goes beyond the legal requirements and is reviewed annually. Progress has been made with collecting customer data on diversity with the customer segmentation work already mentioned. We have also made progress with an improvement in colleague ethnic diversity representation from 10.51% in 2020/21 to 12.26% in 2021/22.

Support where it's needed

Our customers turn to us when they need support, and we make sure they get the advice or practical support they need. Our Independent Living Strategy and our Community Investment Strategy clarify our approach.

Grand Union provides a range of services to support its customers through the ongoing complexities of welfare reform changes which have impacted them. These include direct support and advice, which has contributed to the continued low level of customer rent arrears within the Group.

	2021/22	2020/21
Welfare Benefits – opened cases	1,267	1,230
Money Advice – opened cases	182	193
Benefits gains for customers	£2.4m	£3.2m

Success stories: Supporting Kara

Kara and her son moved to their Grand Union home from a women's refuge three years ago. Having been through some tough times, they were excited to finally have a place of their own.

"At first, I was happy, but then I went downhill. I was on Employment Support Allowance, then it was taken away from me.

"The bills were racking up; I was behind with my rent and my Universal Credit wasn't getting sorted either.

"I was too scared to look at my bank account and I didn't even open the curtains because if I saw the postman coming, I knew the mail would just be bills and bad news.

Kara was referred to our Wellbeing and Support team due to the extent of her rent arrears and Katy, one of our Wellbeing

and Support Co-ordinators, who support customers to sustain their tenancies, got in touch with Kara.

"Katy had so much faith in me and helped me to organise my standing orders for my rent and my bills so I could stop worrying about them. These might sound like small things to some people, but this was a big step for me. I'm proud how far I've come, from thinking that I couldn't do it.

"I've even built furniture and laid laminate flooring – it's given me a real sense of accomplishment.

"All I needed was that bit of help and it's shown me that every step is a step towards good times.

"Katy is so lovely and approachable. Even now I can email her if I have a problem. She puts my mind at ease and makes me realise that things won't be as bad as you think.

"I can afford to live now and treat myself and my son occasionally.

"Katy even secured me some family funding so we could go on a much-needed holiday. It was fantastic!"

Since Kara moved into her flat, she's not only tackled her finances, she's also taken to doing something she's dreamt of doing for years.

"I've been wanting to learn to drive for many years, but that hadn't been an option for me before. So, one day, whilst on a computer in the library, I went on to the driving theory test website and booked my theory test. I'm pleased to say I passed first time!

"I have the best driving instructor – she's also a great agony aunt, listening and giving me advice. Sometimes my son sits in the back of the car when I'm having lessons and he looks out the window, or sometimes plays on his tablet. It gives me confidence knowing that he's ok in the car and won't distract me.

"My driving test had to be postponed due to Covid, but it's rescheduled for September. I've got a car sitting on my dad's driveway, just waiting for me to pass my test.

"All this new-found confidence has given me a real boost.

"Now I have hopes for the future. I want to get my divorce sorted out, pass my driving test and give something back to refuges, seeing as they helped me so much, and I want to go abroad.

"I was like a shell back then and just so tired. I was existing but not living and had buried my head in the sand. I've learnt the sooner you get things done, the sooner they're not an issue.

"Thankfully, now I'm a world away from the person Katy met at the start."

Katy added: "It has been an absolute pleasure to support Kara. The first time I visited her, the curtains were drawn, and she was full of worry. We discussed everything that needed to be done and together we made a plan of how we were going to tackle each task in manageable bits.

"Since then Kara has gone from strength to strength and it is great to see her and her son happy and thriving after all they have been through."

Inclusive, supporting wellbeing

We understand our customers and their different needs, and we use technology intelligently. Our Wellbeing Strategy makes it clear that, when there are obstacles to overcome, we make sure we're always part of the solution and never part of the problem. We provide bespoke housing and support solutions for a diverse range of customers. We work collaboratively with local authorities, National Health Service England, clinical commissioning groups, charities and family carers. Our aim is to provide a seamless service for all of our customers.

Between April 2021 and March 2022, our Life24 service made 54,669 wellbeing checks. This was vitally important as we went through lockdowns and customers were feeling socially isolated. We also responded to 233 out-of-hours calls where a customer had no-one else to respond or had fallen but not injured themselves and needed our help. We invested in a raizer chair, an emergency lifting chair that provides a fast and safe solution to help fallen people get back on their feet with ease. This chair, which only needs one person to operate, has been used on numerous occasions, helping to reduce the number of ambulance service calls. When the service has been stretched, these types of calls can often have a wait time of up to 18 hours as they are classified as non-emergency.

Following the lifting of COVID-19 restrictions, a number of activities are now back up and running, including coffee mornings across schemes, lunch clubs, bingo and exercise groups.

We have also started to build new partnerships with the aim of offering new and exciting activities at our schemes, including working with Age UK, Daventry Volunteers and Brook House in Northamptonshire, and ELFT and MIND in Bedfordshire. This should help reduce social isolation and encourage a sense of community again.

Success stories: Supporting the victim of an abusive hoarder

Twelve months ago, 61-year-old Helen was sleeping on a corner of a sofa in a home that wasn't fit to live in, due to a family member's issues with their mental health and hoarding. Now Helen has a place of her own, one where she's not embarrassed to have family round.

Helen says: "I'd been in my last house about 20 years, with my two youngest children. About 10 years ago, I had a new kitchen fitted, but I never managed to put everything back that had come out of there. I left boxes still sitting in the living room.

"Looking back, I realise that it was probably grief that stopped me in my tracks. I'd just lost my mum and trying to get organised at home, even just the housework, felt overwhelming.

"I was fed up arguing with the kids to keep the place clean and then their bedrooms started to slip too. It got so bad I could actually go six months without opening the kids' bedroom doors. I felt so weighed down by it all, so I just didn't look.

"One of my sons would help me clean, the other got steadily more and more untidy. He had his own issues, and I felt helpless.

"Then a few years ago, I gave them an ultimatum. I said that they had one year in which they either had to help me get the place in order, or they could find somewhere else to live. One son left, the eldest stayed.

"His mental health issues got worse. His hoarding got worse. The bigger the problem got, the less I felt I could do.

"I felt responsible and I was too ashamed to let anyone know.

"I was sleeping on the corner of the sofa. I had no heating or hot water because I'd dodged every offer of improvement works so no-one would see the state of the house. In the end my gas got capped.

"I was working in retail at the time, and my employer kept sending me to work in other shops miles from here, so I enjoyed having hotel accommodation. The only problem with that was that I dreaded going home. I'd put off coming home as long as I possibly could.

"In 2018 I was away for 18 weeks – it was heaven.

"When the pandemic hit last year, I was away in a hotel. The hotel closed the restaurant but instead of coming home, I bought a pot noodle from a local shop so I could have something to eat and stay the last night.

"Being at home felt so dark and heavy. I would have no idea what mood my son would be in, or if he'd start a fight.

"One night, things came to a head and I had to call the police. They called Grand Union and told them my house wasn't fit to be lived in.

"Katy from the Wellbeing Support team called me to assess the situation. I remember feeling embarrassed during that conversation.

"But I also remember thinking that I didn't have to live like that any more. It was like a light had been switched back on. I knew there were possibilities at last.

"I'd been in a downward spiral, caught at the bottom and unable to get back up. Katy pulled me out of that spiral. I was amazed that such a weight could be lifted off my shoulders so quickly.

"It was the fact that Katy wasn't judging me or blaming me. I knew that these things can, and do, happen and I was sure they'd seen this sort of thing before. I was made to feel like it was all going to be okay.

"It was an incredible feeling to know that someone was there, someone actually cared."

In November 2020, Helen was moved into temporary accommodation while the police, social care and staff from various teams within Grand Union (welfare benefits, relocations, customer partners, wellbeing & support) discussed a way forward.

Helen continues: “That first night in the temporary accommodation I admit that I struggled. I was so warm! I wasn’t used to having heating on or it being quiet.

“It should have been the best night’s sleep I’d ever had, but I couldn’t believe I wasn’t at home. I thought if I fell asleep, I’d wake up and it would have all been a dream, I’d be back in the old place.

“I felt so ungrateful. I had a safe, warm and cosy place to stay but I couldn’t sleep. I felt like I should have been taking proper advantage of it – I’d wanted it for so long, somewhere just for me. I didn’t sleep like a baby, like I thought I should have done.

“It was December, so I bought a Christmas tree, my first in over 10 years! Working in retail I’d only ever had one day off at Christmas, plus the kids were old enough to be doing their own thing, and the house, well it was a mess.

“I had always said that Christmas had been cancelled because I couldn’t afford presents. Last Christmas I felt excited – I was dancing round my tree like a five-year-old!

“Then I was given my new flat. I moved in a few days before Christmas.

“I love this place; it’s everything I could possibly have wanted. I love the village too.

“My neighbours are close, if there’s an emergency. But I still have my privacy. There’s a lovely communal garden and a bench where I can sit and chat with my neighbours if I feel like it.

“Having my granddaughter here is the best thing in the world. I loved looking after her before, which was always at my daughter’s house, but the first time she came to visit me here, she stood in the middle of the room and said: ‘Grandma’s house and Harriet’s house. It’s good!’

“Life is so different now. As much as this place is clean, I’ve changed inside too and it’s all down to that moment – a week in time when everything turned around.

“I didn’t think Grand Union would help with my situation. I thought they’d tell me off. I didn’t realise they offered this kind of help and support.

“Tina in the Financial Wellbeing team has been great with helping me get my benefits sorted.

“But Katy’s the one who saved my life, who gave me hope and a way out. I can’t ever thank her enough.”

Helen is keen that no-one else goes through what she has and has advice for anyone who is in this kind of situation:

“Don’t be scared to tell someone, because the strain and pressure just builds up. This took so much longer than it needed to. If only I’d known I could have reached out and that there was someone to reach out to.

“I couldn’t see a future, apart from a downward spiral for the rest of my life. Now I can look forward to things again.

“I’m so amazed at what a change there’s been in my life and that help is there. It feels like what happened wasn’t to me, it happened to someone else."

Providing safe spaces

Grand Union is committed to do all we can to tackle domestic abuse and support those in need so they can rebuild their lives.

In September we opened our newest, and fifth, domestic abuse refuge which can accommodate up to ten women, either with or without dependent children.

Designed to be a secure home and built to a high-standard as part of our role as the specialist accommodation landlord, the Bedford refuge comprises self-contained flats that provide a safe and stable place for women and their children to live, whilst accessing therapeutic recovery support.

These refuges provide survivors with a safe place, and enables them to work towards living a life free from trauma. We have many resources available to us, in particular the Life24 pendant alarm that we have adapted to support our customers experiencing domestic abuse in order to make their home safe. Since January 2021 we have installed 77 alarms. In December 2021, we also started to provide video doorbells to our customers, with 20 installed so far.

Since January 2021, our Domestic Abuse & Safeguarding team has supported 165 customers with domestic abuse varying in support from being safer in their home, to moving across the country or into a refuge.

We are also in the process of working towards the Domestic Abuse Housing Alliance accreditation, which we hope to complete by spring 2023.

Now more than ever, every housing provider has a duty to do all it can to prevent people suffering from abuse in their homes with the Domestic Abuse Act 2021 providing some foundations.

For each other

Trust and respect

Our values and associated behaviours are incredibly important to us and it's fantastic to see colleagues living them every day.

Via GUS, our intranet, colleagues can thank and give shout-outs to each other, and #team-player and #together are the most regularly used value and behaviour. This highlights how colleagues recognise that working with each other is key to our success.

To help with decision making, we've had an overhaul of our Joint Consultative Committee. Our plan is to engage a smaller group of colleagues to work through issues we face as an organisation.

As lockdown eased, we were able to run Financial Education workshops with the Centre for Financial Education (Cfed). These were well attended and well received and helped a number of colleagues with their finances.

We have seen absences increase, mainly due to the large number of colleagues contracting COVID-19. Mental health absence has continued to be high due to the pandemic, but colleagues have made use of the available Mental Health Champions and other support available.

Celebrating our diverse workforce

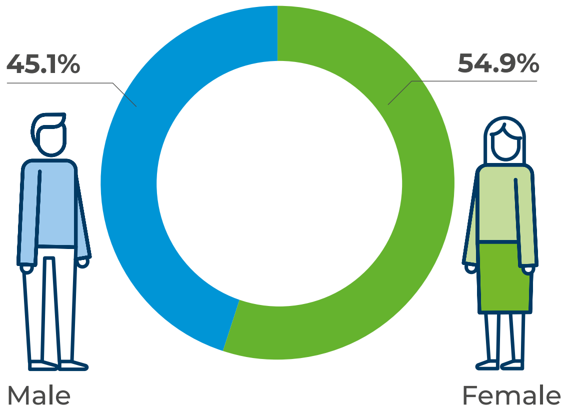
We continue our work to ensure Grand Union is an employer of choice, attracting diverse colleagues who embrace our values and want to grow, achieve their full potential and stay at the organisation. We want everyone to feel like they belong and believe that we should be representative of the customers and communities that we serve. Via our Belonging Strategy we continue to make changes, including positive action when recruiting and using the NHF data tool, to ensure that this is the case.

Whilst we are proud that we have a 50:50 gender split at the senior levels, that we have a high representation of those from the LGBTQ+ community, and that PGM representation is also currently higher than our communities when compared with the NHF data, there is still more work to do. We do not believe that all our colleagues who have a disability have declared it, therefore we need to give those with disabilities the reassurance they need in order to declare any disability and show our true representation. We also need to increase the number of younger people we are recruiting. This will be helped by our apprentice recruitment. We will continue to work hard to ensure equality and diversity representation across all levels of the organisation including the Board.

Grand Union fully complies with its obligations on gender pay gap reporting. We have produced an ethnicity pay gap report for the second time this year, which again shows no ethnicity pay gap. We will continue to report on this annually.
Both can be found on our website:
www.guhg.co.uk/about-us/performance

A brief overview of our equality and diversity monitoring 2022

Gender

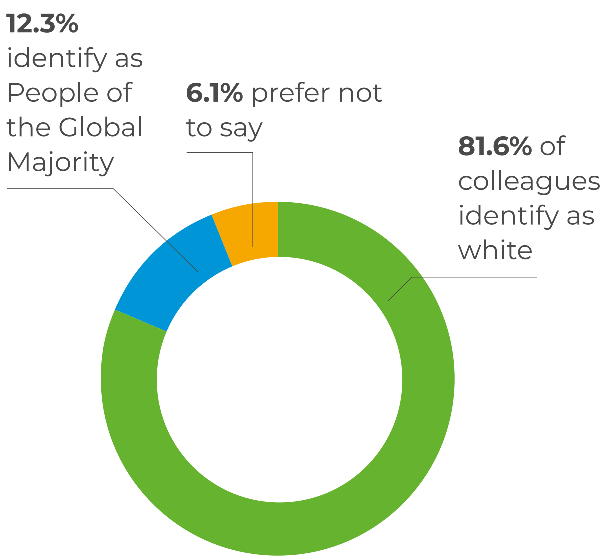


Grand Union's female to male ratio is over **4%** higher than the population in the areas in which we operate.

50/50 – our Executive and Leadership teams are 50% female and 50% male

We will actively attempt to attract more females onto our Boards in upcoming recruitment.

Ethnic origin



This compares to the population data which reports **7.3%** of those in our operational area are from PGM groups. This suggests that the workforce, Leadership team and Board are fairly representative, based on this data.

The representation of PGM groups has increased when compared to last year when it was **10.5%**. During the year we took positive action to improve the mix of candidates we sourced and improve the numbers of colleagues recruited with PGM backgrounds. This increased the representation of those recruited with PGM backgrounds to **20%** during the year. This is a fantastic achievement and one that we are continuing to focus energy on.

Age

Our workforce has only half the representation of 16 to 24-year-olds when compared to the population. The Leadership team and Board have no representation in this age group. However, whilst the Board has improved the age profile when compared to last year, the Leadership team does not have representation in the 25-34 age group either.

The workforce is also under-represented in the over 65 group, but that is to be expected as most colleagues will have retired by 65. The Board is over-represented from 45 years and above when compared to the population.

We continue to recruit apprentices and there has been some improvement in the 25-34 age group where we have improved our representation from **17.44%** last year to **19.47%**. This compares with **15.82%** of the population.

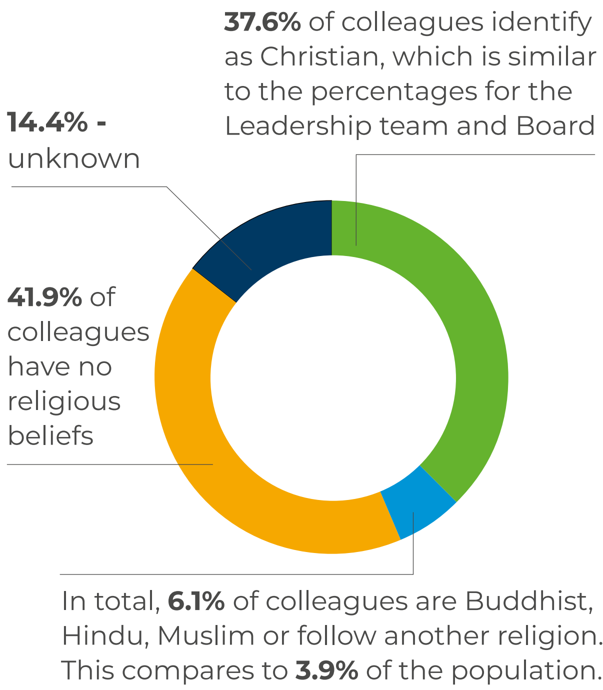
Sexual orientation

2.13% categorised themselves as gay or lesbian. This compares to **0.39%** of the population.

1.07% categorised themselves as bisexual. This compares to **0.17%** of the population.

No members of the Board or Leadership team have categorised themselves as gay, lesbian or bisexual.

Religion



The Leadership team and Board are less diverse in the area of religion. Our full diversity monitoring report shows that **37.5%** of the Board are Christian, **25%** have no religion, **12.5%** prefer not to say and we don't know the data for **25%.**

The data gap has also improved on the reporting of religion, with only **14.4%** now missing. This includes those who prefer not to say which was **4.3%**.

Disability

- **3.2%** of the workforce categorise themselves as disabled compared to:
  - **0%** of the Leadership team
  - **6.6%** of Board (one member)
- This compares to **19.42%** of the population.

This is an area that shows under-representation, and as part of the Belonging Group agenda, we are currently talking to disability specialist organisations about how they can help us raise awareness around disabilities, improve individual colleague reporting and take positive action to attract and recruit more candidates with disabilities.

The first step will be to consider how we improve the data as we believe there are more colleagues with disabilities than those reported.

Positive and empowering

We believe colleagues are proud to work for Grand Union and we want our customers to feel this passion. As we move to accepting that we must learn to live with COVID-19, colleagues have been returning to the office. We're pleased to see colleagues embracing the opportunity to work from home more, while still wanting to come into the office and meet with colleagues. We have not had any long-term issues with colleagues not returning to work in the office.

Supporting growth and wellbeing

During the year we set ourselves the target of achieving Investors in People (IIP) Silver accreditation. We were delighted when, in the spring 2022, we achieved this.

Our CEO, Aileen Evans, was shortlisted at the InsideOut Awards in the category of Executive Sponsor for her work promoting mental health within the Housing sector. This continues to be an important area of focus for us. That's why, in January 2022, we teamed up with Thrive Homes so that colleagues from both organisations can benefit from the support of trained mental health first aiders.

As well as being able to support Grand Union colleagues, our Mental Health Champions – who include a Board member – are also available for Thrive colleagues should they want to talk in confidence to someone from outside their organisation.

Grand Union colleagues can then do the same with one of Thrive's Mental Health Champions.

Via our check-in process, colleagues can let their managers know more about their mental health and wellbeing. This has had a positive impact on the quality of conversations, ensuring colleagues are keeping mentally well. The check-ins are now much more personal thanks to this as well as colleagues having a chance of having career discussions during them. Having them online also helped to improve compliance.

Our centre of excellence, the K2 Academy, continued to grow during the year, running 22 courses, with almost 150 delegates trained. Some of these were part of our Leadership Elevator, a series of development programmes to support team leaders and managers to gain the skills, experience and qualifications to move to the next level of leadership. The first floor is Aspire, an introduction to management for colleagues who are interested in taking this next step in their career. Floor two is Firm Foundations, our management development programme for those taking their first supervisory role or newly appointed managers. The third floor is the Operations Leadership Programme, which helps managers from across the business learn the skills needed to move into more senior leadership roles. Those who attended the course have all said how beneficial they've been, and we've now accepted our first external delegate on the next cohort of Firm Foundations.

For our partners

Understanding what matters

Being clear about our operating area and our purpose means that we can spend quality time understanding our partners' priorities and values, so we know how together we can deliver more, by being stronger than the sum of our parts.

Positive engagement

We're proactive as well as responsive in our stakeholder management. We bring our focus on solutions to every partnership.

We know that many of the projects are long term, such as our award-winning community transformation work at Bilberry Road, Clifton. We have been part of a project alongside colleagues at Central Bedfordshire Council, the Police and BLMK Public Health Teams to develop a community action plan that transforms the experience of customers living on the estate.

The project involved community safety work and the development of a community hub for the Police and other agencies, significant physical changes to improve the environment and some innovative partnership work with Public Health to identify and address health inequalities. Some of the activities now available include smoking cessation classes, weight management, drug and alcohol support as well encouraging physical activities for all, especially young people.

Success Story: Helping to find homes for refugee families

Since 2011, millions of Syrians have been forced to flee their home in what remains the largest displacement crisis in the world.

They have been forced to seek asylum, as refugees, in countries across Europe and in the Middle East, and since January 2014 the UK has resettled over 20,000 Syrian refugees through the Syrian Vulnerable Persons Resettlement Scheme – the Government's response to the crisis.

As a housing provider, it's our duty and our mission, to provide homes that people can call their own, where they can feel safe and put down roots. That's why we've been working with Central Bedfordshire Council (CBC) and the King's Arms Project, a not-for-profit organisation who have provided housing and support for the homeless since 1989, to find new homes in Bedfordshire for Syrian families fleeing conflict in their home country.

Since 2016, King's Arm Project has supported 84 people in 19 families, with 16 of these families moving into Grand Union properties across the county.

Grand Union started working on rehousing the refugees back in 2017 when CBC approached us to support the project.

Councillor Sue Clark, Executive Member for Families, Education and Children, from Central Bedfordshire Council said: "As a local authority, we have an ongoing commitment to resettle an average of three refugee families each year. Since 2016 we've resettled 59 people and had the joy of welcoming three new babies since the start of the programme. I am pleased that, through our partnership work, we've been able to provide safe homes for families who have already lost so much."

While finding homes for the families is crucial, so is the support work provided by the King's Arms Project. Hannah Joy, Refugee & Migrant Services Manager, said: "Our role is to ensure the families moving to the region have everything they need to feel at home and to settle into the area. Our aim is to help empower people for independence and integration, we do this by helping people to access housing, finances, education, training, healthcare and English classes.

"The families we support have had their lives on hold, often for many years, and our support helps people to finally fully utilise their skills and pursue their dreams."

And that is exactly what many of the families who have resettled in Bedfordshire have done so far.

Basel and his family (pictured opposite) live in a Grand Union home and it's made a massive difference to them. He said: "Frankly, everything is fantastic. We feel safe and we feel very settled now. The house is perfect for our needs. It's new and clean, and it's perfect for my family.

"One thing I like is that our neighbours are really nice, and we get on well. The area is nice, the people are kind and the area is quiet. We feel very comfortable here. We have started to make friends through my son's school, meeting other parents. We go to each other houses and see each other.

"I volunteer at a local park, helping to keep it tidy and with the gardening. I really enjoy doing this as it's an opportunity to help the local community. The area is very pretty, and I get to meet new people all the time.

"I am very grateful to the King's Arms Project for helping us and also Grand Union for our home."

Another Grand Union customer, 27-year-old Dema, came to the UK in 2017 from Syria. Almost 10 years ago she lost her leg when a bomb hit her house and since then she's overcome enormous personal and physical challenges.

After settling into her new home, she set her sights on her dream – to run again. Now, after raising over £11,500 via a GoFundMe donations page, she's been able to achieve that dream by buying a specialist running prosthetic.

In a delighted post on her Instagram account, she said: "I'm so thankful for everyone who has been part of this journey. I want to thank everyone for all you have given me, of support and believe in me. All the words of thanks can't describe my feelings."

There are so many other inspiring stories that show everyone's hard work, including the families themselves, is paying off.

Hannah Joy added: "We are very proud that one of the young ladies who we helped to resettle in the region in 2017 has learnt English and is now working for us as part of our ESOL Team.

"We're also working with a gentleman who is looking to start his own business. He dreams of setting up a food truck selling Syrian cuisine."

It's not just those seeking work they're proud of though.

"When one family first arrived, they didn't know anyone and spoke very little English. They had multiple health needs, both physical and mental. Despite these challenges they engaged with their local community in an amazing way.

"Their support workers assisted with cultural orientation and social integration, and this laid a good foundation from which the family were able to build strong connections with people in the community, including the local church and neighbours.

"They have built deep and meaningful friendships with British families which has enriched their experience of resettlement and has helped them build a local network of support which will be essential for them on their journey to independent living in the UK."

While the coronavirus pandemic has slowed down the progress of the resettlement programme, the gradual lifting of restrictions means that more refugees are now able to find new homes in the UK.

Aileen added: "Just last week we heard from the Home Office that we're able to offer another Syrian family one of our homes, so I'm really pleased we can continue this great work that is giving a fresh start to those fleeing the crisis.

"Projects like this are so important in helping to creating and maintain diverse and vibrant communities and hearing stories like Dima's show you that what we're doing really is making a difference. It's nice to know that what we do really does matter to so many people."

Transparent and accountable

We share information to ensure transparency of our performance because we understand that being held to account makes us better.

We fully comply with the Housing Service Ombudsman Code and our self-assessment has been published on our website.

Our Customer Resolutions team meets regularly with service managers to review complaint trends and make sure recurring issues are identified and acted on. This has resulted in a number of changes, the details of which are also published on our website.

Our biggest customer touchpoint is repairs and the service area that attracts the most complaints. In the last year we have created a Service Improvement team, made up of accredited Lean practitioners, and we have an ambitious programme of Lean service reviews, including our repairs service.

The repairs service review is continuing customer feedback, and complaint trends have been fed into the review. A key focus will be on improving our right first time rates and communication, as these are the main cause of complaints and negative customer feedback.

Our customer care training programme 'Doing the basics brilliantly' is continuing. It was designed using learning from customer feedback and complaints. We have plans to enhance the delivery using information from our extensive research. The programme is designed for all customer-facing colleagues in the Group.

Valuing our reputation

The aim of the Communications and Public Affairs Strategy is to help Grand Union to go further together, by using our voice for good, and enhancing and protecting our reputation.

In 2021 we once again ran a perception survey to make sure that our stakeholders understood us and that we understood them. The findings of this survey are being used to build on those relationships and partnerships.

We have also been using different social media channels, including Facebook, Instagram, LinkedIn and Twitter to promote Grand Union to different audiences. By using different channels, we've been able to ensure relevant information goes out to the relevant audience, ensuring they stay up to date with what's happening at Grand Union.

Value for Money (VfM)

VfM is a key element of our Further together strategy. By being more efficient, we can build great homes where people can live great lives and where we also provide an excellent service to our customers.

Being more efficient is delivering both economic and social value – high quality homes and services, and cash we can invest in building more, and doing more.

Highlights in 2021/22
During the year, our focus has been firmly on transformation, systems and reporting and investing in our people. The key achievements and savings are highlighted below.

Business Transformation
We continue to transform ourselves into a more agile organisation to reflect the fast-changing environment we work in, investing in technology that served us so well through the COVID-19 pandemic, colleagues through our K2 Academy and our understanding of our customers through our sector-leading psychographic segmentation work. Our business transformation programme is based on this detailed customer insight and, by using innovative data science techniques and adopting Lean methodology, we are making sure that our services are designed around the needs of our customers and are both effective and efficient.

We're committed to improving and delivering the best possible services that meet our customers' needs – and by investing in great technology to support transformation, we are making it simple for customers and colleagues to get things done and are building trust in us to deliver a great customer experience. There will be financial benefits, with net cost savings of £1.2m by year five, meaning we can do more to support current and future customers.

New Business & Development Strategy
Our ambitious corporate plan, Further together, continues our drive to deliver much needed, genuinely affordable homes, to help solve the current housing emergency. In 2021/22 we delivered more homes in a single year than ever before, 308, including 57 at social rent and by 2027 we aim to have delivered 1,959 homes for social benefit, a quarter of which will be at social rent. To support this programme, we will deliver 164 homes for market rent or sale. Our NHS and Social Care partnerships demonstrate the wider social value that great housing provides for the most vulnerable customers; together we have helped deliver NHS efficiencies and better outcomes through the 'Transforming Care' programme. We also recognise the importance of working in partnerships to respond to the housing emergency and are working with investment management firms to deliver more homes that will benefit from our management expertise and make a positive contribution to our operational overheads.

Asset Management
The Government's commitment to achieve net carbon zero by 2050 presents both a challenge and an opportunity for us.
Our Strategic Asset Management Strategy, supported by our innovative portfolio management plan, seeks to deliver net carbon zero by 2050 alongside delivering any future homes standard. We have further invested in technology that will drive both our investment programme and support portfolio management decisions, identifying homes where realising the social capital of the asset presents opportunities to invest in new, sustainable, cost-effective homes. Alongside the financial metrics, we have developed our Social Value metrics to ensure decisions are made in the best interests of the communities we serve. Using land insight tools, we have also been able to identify opportunities, such as garage sites and land owned by us and our partners, to not only regenerate communities and deliver more homes but also increase the overall value of the asset base. Our investment programme continues to ensure that homes are well maintained for our customers and provide security for future borrowing.

Procurement
In a year that has provided multiple challenges for supply chains, our procurement partnerships have helped us mitigate the significant risks we have faced. Our materials procurement ensured increases are limited to an average of 6% compared to the wider market exceeding 10%. We are members of several procurement partnerships, ensuring competitive tenders are received in the most efficient way. Furthermore, Grand Union acts as contracting authorities on a number of frameworks including materials supply and utilities which achieves additional value. The fixing of energy prices has protected Grand Union and customers in schemes from significant rises this year. During the next year our central procurement function will develop our wave plan further so that we can be more proactive in contract negotiation.

Communications
The introduction of the Communications Apprentice role allowed us to bring more creative work in-house, which brought with it significant savings. Other team members are not upskilled on design and video editing software, meaning we can do a lot more in-house, bringing further savings. For example, by designing a Learning Offer for our Learning & Development team, we saved what could have been up to £1,000 in design work.

Following work with an external agency producing a case study on Grand Union, we sourced footage they'd shot to create our own Life24 promotional video. The agency provided this to us free of charge, and because we're editing the footage in-house, it means we saved at least £1,000 on this compared to having a professional videographer shoot and edit it.

Learning and Development
K2 Academy (K2A) has been open for 15 months, and we launched our Learning Offer to the business in January 2022. This offer commits to deliver 69 planned learning interventions, with more to come, through a range of blended learning solutions, covering building resilience and increasing emotional intelligence, developing our HR Essentials package, mental health awareness, and we are in the process of writing our own online learning modules. We also offer internal solutions covering problem solving, presentation skills and managing conflict, to cater for a range of needs and represent VfM.

Through our academy, we have developed a management and leadership development framework, The Leadership Elevator. We currently have three of four floors operational, and have trained 24 aspiring managers, 29 managers/team leaders and 10 operational managers and have started to explore selling our learning to the wider housing sector, through a pilot with Greatwell Homes, bringing in a small revenue. We plan to explore and develop the sector offer over the next few years, where there is appetite.

Over the six-month period ended 31 March 2022, K2A has made VfM savings of £25,000, by increasing our resource to deliver our own in-house bespoke learning. During this period, we have run 15 course sessions, training 96 delegates, and 17 programme sessions, training 32 delegates. We anticipate K2A's VfM trend to continue this year with forecasted savings to be in the region of £50,000, however, due to a change in our Health and Safety resource and IOSH working safely reverting to being externally sourced, savings will be impacted. K2A forecast VfM is therefore realistically likely to be around £40,000.

Systems Development
During the year we have appointed a consultant to undertake a review of our systems architecture which will underpin the future investment in our IT systems, including our core housing management system. The main aims of this review were to understand the best options available in today's system marketplace and understand the implications and opportunities of any decision to move away from the systems currently in use. The need to start moving at pace to introduce new systems to support the organisation to achieve its intended outcomes of improved efficiency, customer experience and, in the long-term, cost savings have been identified. In doing this, systems should be fully digitally enabled for everyone (customers, suppliers and staff) and where possible, cloud-based for ease of access.

The future investment in our systems will support our goal to achieve an 80% channel shift, and we have continued to develop our customer communication channels and digital services over the last 12 months. Webchat has been expanded with the introduction of chatbots to enable us to offer this service at any time of the day or night. Our new customer portal was launched in March 2021 and we are continuing to evolve and develop its functionality to ensure our customers are able to complete the tasks they need to.

During the year we have recognised a number of VfM savings on systems costs and development, these include the following:

- A review of the modules required for our Capita Open Housing system identified annual savings of £16,000 pa
- By developing a financial management accounting platform in-house utilising Power BI we saved circa £65,000
- We developed an application in-house for managing telecare contracts saving over £30,000 over the contract term
- By closing down touch points (satellite offices) and reducing the number of required telephone lines across the business we have generated annual savings of circa £49,000.

Business Intelligence Framework
The Board has recently approved a new Business Intelligence Framework that has been designed to align our aims set out in the Further together plan and Data Strategy. There are four pillars that will act as the cornerstone of our BI Framework: Measuring, Analysis, Reporting and Forecasting. The aim of this framework is to implement a more strategic approach with how we use business intelligence, analytics, and performance management initiatives in order to provide a single version of the truth that will aid evidence-based decisions. It will help to drive a positive performance culture by enabling all levels of the business to easily view and understand performance and identify areas for improvement.

A major factor in all the analysis or reporting we carry out will be to identify the cost of the services we deliver, and how these represent VfM. This will be used as a catalyst to enable quicker decision making and the ability to take remedial action to make improvements. We will identify how our performance across the business is driven by implementing cost benefit analysis to analyse, assess, and evaluate the cost versus action versus outcome, i.e. is the cost of what we are trying to achieve and how we will achieve it financially viable.

Financial Reporting

During the year a significant amount of work has been undertaken developing financial reporting by using Power BI. Power BI enables a more interactive reporting framework including graphical analysis, performance dashboards, drill down functionality and trend analysis. The software is now being used by Finance Business Partners for the preparation of the monthly management accounts and by budget managers across the organisation to track and manage their spend. The enhanced reporting will provide timely insight into financial performance and provide improved and more timely decision making to drive value for money.

We have also designed a new VfM reporting dashboard within Power BI. VfM targets have been prepared on a quarterly basis from the annual budget to ensure that we are monitoring performance throughout the year.

Funding the growth

We are in the process of investigating options for a new funding issue for £50m which includes consideration of the Affordable Homes Guarantee Scheme 2020. The scheme has been established to provide loans to support the delivery of new-build and additional affordable housing. Loans are funded by a capital markets bond programme which will have the benefit of a guarantee from the Ministry of Housing, Communities and Local Government (MHCLG). The loans require the borrower to utilise the funds in the development of Approved Pipeline Schemes that will deliver new-build affordable homes. This new funding demonstrates VfM in two ways, from the cost of funds (attractive rates due to MHCLG guarantees) and the continued commitment to develop additional new build affordable homes.

VfM metrics

The metrics below reflect the challenges of the environment we are operating in, given the impact of the pandemic and our continued investment transforming our customer services and investment in maintaining our homes.

Metric	2021/22	2020/21 Restated*	**Peer group average 2020/21	Sector scorecard 2021/22	2022/23 Targets
Reinvestment	7.26%	5.68%	7.90%	5.10%	10.22%
New supply delivered – social housing	2.36%	0.73%	2.10%	0.90%	2.62%
New supply delivered – non-social housing	0.20%	0.20%	0.10%	0.00%	0.22%
Gearing	48.57%	46.43%	52.30%	33.82%	47.00%
EBITDA MRI ^	139.09%	166.83%	179.40%	215.95%	179.00%
Headline social housing cost per unit £	£3,707	£3,358	£3,675	£3,891	£4,150
Operating margin – social housing lettings only	25.67%	29.56%	31.80%	25.49%	30.20%
Operating margin – overall	26.59%	27.68%	30.50%	23.54%	28.58%
Return on capital employed (ROCE)	3.48%	3.32%	4.00%	3.10%	3.62%

Restatement following the separate classification of abortive scheme costs.

** Our peer group consists of, BPHA, Futures Housing Group, Settle, Stonewater, PA Housing, Longhurst Group, East Midlands Group, Greatwell Homes, Paradigm Housing and Nottingham Community Housing Association.

^ During the year, loans with Nationwide and Newcastle were refinanced triggering early repayment breakage costs of £4.37m. Excluding the breakage costs the EBITDA MRI metric for the year would have been 179.38% so an improvement on the previous year.

Reinvestment has grown significantly during the year at 7.26% and includes both new supply and investment in existing stock. The main driver for the increase being new supply with 2021/22 being our largest year of growth with over 300 new homes completed.

The provision of new supply of social stock trebled this year due to a catch up from the lower than anticipated development activity in the previous two years due to the pandemic. This level of growth is expected to continue into the next financial year with a target of 359 new homes (2.62%) and then for further growth as the development programme reaches 400 units per year for years two to five of the business plan. We continue to look at growth opportunities including strategic partnerships. There will also be future growth in the delivery of non-social housing as new tenure streams are developed, including market sale homes to complement the market rent portfolio already managed by the Group.

Our gearing ratio has increased over the past 12 months from the growth in the development pipeline, and increases in general operating costs from inflationary pressures driven from the external economic environment.

Inflationary cost pressures are being felt most in the construction sector due to a number of factors including supply chains not recovering since the pandemic, increases in fuel and energy costs, a shortage of labour and the war in Ukraine; this is driving up both materials and salary costs and, as a result, impacting the cost of our repairs service and new build development. The development market also continues to be increasingly competitive resulting in price pressures on S106 delivery.

EBITDA MRI would have increased this year to 177.68% had it not been for the interest breakage costs mentioned above. EBITDA MRI is broadly in line with our business plan and reflects the Group's appetite to remain financially strong with long term forecasts anticipating this metric to grow to over 200% by 2025.

We have financial golden rules which help safeguard the Group against external risk. These have been assessed and included as part of the Resilience plan which is included as part of the Risk Management Framework. Included within these golden rules are covenant specific metrics (including gearing and interest cover) which are also considered as part of the annual Treasury Management Policy review and wider Treasury Strategy.

The Headline Social Housing Cost per unit has increased by £349 (10%); this increase can be broken down as £76 for responsive repairs and £90 major repairs, £66 for management costs due to increases in salary and overhead costs, £97 increase in other social housing costs due to increases in pension service costs and component replacement write-offs and finally a £20 increase in service charges due to increases in furniture and equipment (F&E) purchases in a number of our supported schemes.

The group is committed to reducing our overall cost per unit over the coming years and this will be achieved from further investment in business transformation. The future development of the K2 Academy will ensure the continued investment and development in our staff team. We are in the process of reviewing our systems architecture which will underpin the future investment in our IT systems, including our core housing management system. In addition to this, we are committed to improving the service we offer to our customers and will achieve this through our customer insight project.

By having a greater understanding of our customers, we can use segmentation analysis to tailor our services to ensure that they are effective, efficient and represent real value for money to every customer group.

The operating margin has been negatively affected for both social housing lettings and overall, as a result of the increased operating costs mainly from routine and planned maintenance costs, component replacement write outs, pension service costs and overall management costs. The overall operating margin is higher than social housing lettings margins for the first time this year; this is due to increasing cost pressures on the management of the social housing portfolio as mentioned above and the strong margins achieved this year on shared ownership first tranche sales at 28.1% (24.3% 2020/21).

Sector scorecard

Metric	2021/22	2020/21	Sector scorecard 2020/21
Customer satisfaction	4.4*	4.4*	N/A
Investment in communities	£0.8m	£0.9m	N/A
Occupancy	99.07%	99.49%	97.33%
Ratio of responsive to planned maintenance spend	0.73	0.79	0.71
Rent collected	99.44%	99.87%	100.00%
Overheads as a % of adjusted turnover	12.99%	12.42%	13.35%

*Grand Union now monitors customer satisfaction through the Rant & Rave platform. The score is out of a possible 5.

Customer satisfaction has remained relatively stable throughout the year, ending the year at the same average score as last year. Service managers have responsibility for reviewing feedback from Rant & Rave to identify opportunities for service improvement and make sure service improvements are prioritised and acted on.

Our biggest customer touchpoint is the repairs service and, unsurprisingly, this is the service area that attracted the most negative feedback during the year. We continue to closely monitor and review the performance of the repairs service by both internal and external contractors, and to tackle recurring service issues, strip out unnecessary waste and ensure our processes are aligned to and enhance the customer experience. Learning from complaints and Rant & Rave is a key part of the review. A prime focus continues to be on improving our right first time rates as this is the cause of many complaints and adverse customer feedback.

Our plans for further improvement
As for many in the sector, the main concern is how the current economic situation will play out over the next year or two. The rapid increases in inflation experienced over recent months is creating a cost of living crisis which is likely to not only have a significant impact on our customers' finances but also on the organisation's ability to control costs, grow, develop systems and enhance services whilst ensuring rents remain affordable. Next year's VfM targets represent another record year for development with an identified pipeline of 359 new homes and the inevitable increases in average social housing costs per unit. We have some key projects planned for next year which support our value for money strategy, some of which are detailed below.

- To review the recommendations and outputs from the systems architecture review, design a project plan and commence implementation phases
- The development of the new Business Intelligence Framework including new performance reporting to Board and improvements through enhanced benchmarking with our peers.
- Further developments in our financial reporting to understand margin analysis at tenure level.
- Commence our carbon stock investment programme in line with our Sustainability Strategy to ensure our stock meets EPC C by 2030.
- In accordance with our Strategic Asset Management Strategy, commence our proposed stock disposal programme in order to maximise the social value our property portfolio provides.
- Progress our work on the Customer Segmentation project to redesign our services to meet the expectations and requirements of our customers in an efficient and cost-effective way. We are also planning to offer a management service to other housing providers for similar Customer Segmentation research.

Group Board

The members of the Board are shown on page 5. Board members are drawn from a wide background; bringing together professional, commercial and local experience. At 31 March 2022 the Group had issued 10 £1 shares.

The Grand Union Housing Group Board met formally eight times during the year and undertook one strategy workshop and a Board risk appetite and stress testing workshop. The increase in the number of the meetings was due in part to the new governance structure, which now allows for six meetings per year. In addition, the Group Board was supported during the year by the following group-wide committees.

Subsidiary Boards

Grand Union Homes Ltd
This subsidiary was established in 2015 to build quality homes and create sustainable places catered to local markets across Bedfordshire, Northamptonshire and Buckinghamshire. It prides itself on creating vibrant communities in great locations, which offer a range of housing choices for every stage of life. By reinvesting all profits into affordable housing, Grand Union Homes is able to help realise Grand Union's mission of building more homes, stronger communities and better lives.

Grand Union Group Funding PLC
This subsidiary was formed in late 2013 and the principal activity of the Company is to act as the funding vehicle for Grand Union Housing Group. As the Company's activities are limited to the raising and management of private finance for Grand Union Housing Group Limited, it employs no staff and all administration functions are carried out by Grand Union's Finance team.

GUHG Development Company Limited
This subsidiary began trading on 1 April 2022. The company's principal activities are limited to providing design and build services for members of the group. It employs no staff directly, with recharges made by Grand Union Housing Group for staff resources provided.

Committees

Audit & Risk Committee
The Group's Board has delegated the monitoring of the risk management framework and internal controls to the Audit & Risk Committee. The Committee met five times during the year and reports to the Board on its activity throughout the year. The Committee is responsible for recommending the appointment of both internal and external auditors and considers the scope of their work each year. It also receives regular reports from both sets of auditors. The Committee reviews in detail the annual report and financial statements and recommends them to the Board.

Governance & Remuneration Committee
The Group's Governance & Remuneration Committee met four times during the year. The Committee has responsibility for remuneration policies, and reviews Chief Executive performance and pay and that of the other executive directors. The Committee overseas Board, Committee and Executive recruitment and facilitates the annual Board appraisal and effectiveness reviews. In addition, the Committee has delegated responsibility for governance best practice and works with the Governance team including matters such as Board and Committee appraisal, training and improvement initiatives.

Customer Experience Committee
This Committee met four times during the year. The Committee has responsibility to report to the Group Board on all areas of the business which have an impact on the quality and efficiency of the services we provide and evidenced by the monitoring of feedback from our customers.

Regulator of Social Housing Regulatory Framework
The Board reviews annually its compliance with the Regulatory Framework and confirms that it complies fully with its requirements at year end. We did identify a minor breach of the rent standard in January 2022 which was reported to the regulator along with the action we had taken to address the breach. The feedback received from the regulator was that they were taking no further action.

National Housing Federation Code of Governance 2020
In April 2021, the Board adopted the National Housing Federation's new Code of Governance 2020. The Board reviews the Code annually and confirms it complies fully.

Executive Directors
Grand Union's Executive Officers have no interest in the Group's share capital, and although they do not have the legal status of Directors, they act as an Executive within the authority delegated by the Board and are termed Director. The Board has delegated the day-to-day management and the implementation of its strategy and policies to the Group Chief Executive and other senior officers. The Executive Management team meets regularly, and its members attend Boards, Committees and the Groups outside of the governance structure, which are Investment & Development Group and Funding Group.

Directors' and Officers' Liability Insurance
The Group has purchased Directors' and Officers' Liability Insurance for the Board, Executive Officers and staff of the Group.

Employees
The ability of the Group to meet its objectives and commitments to customers in an efficient and effective manner depends on the contribution, commitment and quality of its colleagues. Grand Union provides training programmes focusing on quality and customer service requirements, and the Group's objectives and progress are discussed at regular management and departmental meetings. Managers throughout Grand Union attend training to improve their leadership and management skills.

Grand Union is committed to equal opportunities for all its employees, and strives to attain an inclusive culture and building on achieving a diverse as possible workforce through its Belonging Strategy. We have effective employment policies in place, which are reviewed on a regular basis. All existing colleagues have been provided with diversity and inclusion training, whilst new members of staff are trained during the induction process.

The Board is aware of and kept up-to-date with its responsibilities on matters relating to health and safety. The Health & Safety Group hold quarterly meetings and review in detail key aspects of health and safety regarding employees. This is reported to Customer Experience Committee and a summary goes to the Board at each of its meetings.

The Governance and Viability Standard
Following the annual review, the Regulator of Social Housing reconfirmed the status of the Group as G1/V1 in November 2021, indicating that the highest standards of governance and financial viability are being met. The Board confirms compliance with this standard.

Risk management and internal controls
At Grand Union, we recognise that some managed risk-taking is essential if we are to meet our objectives. Therefore, we are committed to a 'risk aware' rather than a 'risk averse' culture and we acknowledge that risk cannot always be eliminated from the activities we undertake. We ensure that we have a robust approach to risk management with enough resources allocated to ensure risk is managed effectively and reported regularly.

The Regulator of Social Housing requires that we have an effective risk management and internal controls assurance framework. Our framework includes our strategic approach to risk, our methodology for the assessment of risks, reporting mechanisms, timing, and specific risk management responsibilities. A restructure of the Governance team will allow for greater emphasis on risk.

Risk Management Framework
Our risk management framework and risk management policy include robust processes to manage risk in support of the achievement of Grand Union's objectives, protect our staff and business assets and ensure financial sustainability.

Like all businesses, Grand Union's activities are not free from risk. We have a moral and statutory duty of care to our customers and employees and as such we safeguard and make proper use of our assets through the practical application of the methods our risk management framework describes. The risk management strategy at Grand Union is built upon fundamental principles that recognise that ultimate responsibility for risk management lies with the Board, and that the management of risk is a continuous process involving regular monitoring and, where necessary, re-tuning.

The Board and Audit & Risk Committee review the Group risk register each quarter. Other Committees (made up of members from either Board or the Executive Management Team) also review the risk register on a regular basis and our independent internal auditors set out an annual audit plan, created from our risk register and their knowledge of the housing sector. In addition, the management of risk is subjected to external scrutiny on a periodic basis.

The Risk Management framework is reviewed and amended, if appropriate, on an annual basis and is approved by the Audit & Risk Committee and the Board.

Roles & Responsibilities

Board	• Overall responsibility for the management and control of risks and the risk management framework • Agrees the strategic risk that Grand Union faces in delivery of its business plan • Sets the risk appetite • Receives regular risk reports from the Audit & Risk Committee
Audit & Risk Committee	• Review of strategic and operational risks at each meeting • Annual review of the group-wide risk register • Review of inherent and residual risk scores • Reports its findings and recommendations to the Board
Executive Management team	• Owns strategic risks and assurances • Reviews strategic and operational risks and assurances • Reviews risk reports prior to them being taken to Audit & Risk Committee and Board • Review and agreement of emerging risks
Leadership team	• Reviews Group risk registers • Operational risks owned at a leadership team level • Annual review of the Group risk register
All colleagues	• Responsibility for identification of new risks

Emerging risk
Everyone at Grand Union (colleagues, Leadership team, Committees and Board) has a responsibility to identify risks. All newly identified risks are logged on the Group risk register. The emerging risks are then assessed as part of regular strategic risk review meetings.

Risk appetite
The annual performance and financial targets at Grand Union are set in line with the risk appetite, where quantitative measures can be identified. The risk appetite statements set out guidance for the qualitative areas of the business.

On an annual basis the Board will review and set its risk appetite against all our key risk areas, ranging from averse to hungry, defined as follows:

- Averse – avoidance of risk and uncertainty is a key organisational objective.
- Minimal – always opt for very safe delivery options that have a low degree of inherent risk even though they may give limited potential reward.
- Cautious – preference for safe delivery options that have a low degree of inherent risk that may only have limited potential for reward.
- Open – willing to consider all potential delivery options and choose the option that is most likely to result in successful delivery and which provides an acceptable level of reward.
- Hungry – eager to be innovative and to choose options based on higher rewards despite potential greater inherent risk.

A risk appetite matrix has been developed, and is updated annually as a minimum, that reflects what each risk appetite range means for all key risk areas. Activities which could potentially have a major adverse impact on Grand Union (regardless of any control mechanisms in place) are not undertaken without explicit approval by the Board.

Wherever possible, all Board reports include an assessment of risk to Grand Union. Risk appetite is not a single fixed concept. Grand Union has a range of appetites for different risks, and indeed these appetites may well vary over time as circumstances change. The appropriate risk appetite statement areas are expressed in words and then a score assigned to each specific statement area. Our risk framework defines the extent to which risk is encouraged and tolerated.

Three lines model
Grand Union uses the three lines model which provides us with a standardised and comprehensive risk management process that clearly outlines the roles of various leaders within Grand Union, including oversight by the Board. An assurance can include a key performance indicator, an internal audit report, external validation, a document, report, or other method of verification which provides an opinion on the operation of the controls in place to manage the risk.

Grand Union Housing Group's Board

Board Roles: integrity, leadership and transparency

Management
Management of risk to achieve organisational objectives

Internal Audit
Independent assurance

First Line Roles:
Provision of services to customers; managing risks

Second Line Roles:
Expertise, support, monitoring and challenge on risk related matters

Third Line Roles:
Independent and objective assurance and advice an all matters related to the achievement of objectives

The three categories of assurance are recorded based on an increasing level of independent oversight of the risk and current performance.

Assurances are noted against each risk on the risk register.

Strategic risks
Our 13 strategic risks at the year end are detailed below with the residual risk score (out of 20).

The residual risk score relates to the amount of risk that remains after taking account of the controls that Grand Union has in place.

Data Processing Breach

Risk score	Mitigations in place
16	Mandatory training is in place for data protection and GDPR, a Data Strategy and action plan are in place, there is regular reconciliation automated where possible to reduce the human error risk, there are new roles within the Data and Information team, and there is exception reporting on what has changed since last updated.

Sales Income

Risk score	Mitigations in place
16	There is a New Business & Development Strategy in place, stress testing is undertaken, there is a scheme approvals process, clear delegated decision-making framework, dependent on sales exposure.

Pension Liability Increase

Risk score	Mitigations in place
12	A new defined contribution scheme has been established – we have stopped admittance to the defined benefit schemes for new employees and receive independent pension advice.

Political Environment

Risk score	Mitigations in place
112	There is Business Plan stress testing, lobbying, development feasibility assumptions and rent setting approach in place, monitoring of Right to Buy levels, adjusting rents within LHA Cap limits, a dedicated Policy and External Affairs Manager in place and we are a member of the NHF Influencing Academy.

Regulatory Framework Failure

Risk score	Mitigations in place
10	There is a New Scheme of Delegation, the Terms of Reference are reviewed, and a new Statement of Preferred Composition produced.

Liquidity Requirement Levels

Risk score	Mitigations in place
9	An annual assessment is in place, there is a strong internal framework, regular monitoring and reporting is undertaken, there is a Business Plan and stress testing – working with Board, Quarterly finance and funding return, annual approval of Treasury Management Strategy.

Achievement of Business Growth

Risk score	Mitigations in place
9	We have financial golden rules, the Business Plan is not reliant on sales (stress tests include no sales), there are programme review meetings, the financial feasibility model is reviewed annually and agreed by Board, there is a PR and promotion plan, and regular stakeholder liaison.

Ineffective Business Planning

Risk score	Mitigations in place
8	There are finance reports to Board, a sensitivity analysis, the assumptions provided by advisors and reviewed by Board, the sector risk profile reviewed, and an update presented to Board and business plans prepared to respond to changing environment.

Environmental Sustainability

Risk score	Mitigations in place
6	There is a Strategic Asset Management Strategy and action plan in place, we are members of Vantage Zero Carbon Club, and there is a dedicated Environmental Sustainability team in place.

Strategic Partnerships

Risk score	Mitigations in place
6	A stakeholder management review was undertaken, and the results incorporated into branding and new strategic offer, there are regular liaison meetings, and we have membership of regional groups such as SEMLEP, E7, NHF, CIH.

Staffing Levels

Risk score	Mitigations in place
6	A recruitment process exists, there is an annual review of market rates, performance benchmarking and exit interviews are undertaken, resources are regularly reviewed, there are secondment and promotion opportunities and policy, and trainee and apprenticeship posts. Training and personal development is available, and a skill gap review carried out.

Project Change Management

Risk score	Mitigations in place
4	There are EMT and Board reports, action planning and incident manager system (to monitor action plans), there are programme delivery and service improvement teams in place, and Programme Overview Group reviews projects across organisation.

COVID-19 Outbreak

Risk score	Mitigations in place
4	We have been closely following guidance issued from the UK Government, we have Gold Command as part of our Incident Management process, there has been supply of PPE, and the UK Government roll-out of vaccines.

Disclosure of information to the auditor
The Board members at the date of approval of this report have confirmed that:

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

Going concern
The Group's activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives, details of its financial instruments and derivative activities, and its exposures to credit, liquidity and cash flow risk are described above and in the Board Report.

The Group has considerable financial resources and, as a consequence, the Board believes that, despite the considerable external economic uncertainty, the Group is well placed to manage its business risks successfully even in these unprecedented times.

After making enquiries, the Board expects that the Group and all of its subsidiaries has adequate resources (group support where necessary) to continue in operational existence for the foreseeable future. Accordingly, it continues to adopt the going concern basis in preparing the financial statements.

Approved by the Board and signed on its behalf by:

James Macmillan
Chair

26 July 2022

Board Report

Details of Grand Union Housing Group Limited's principal activities, its financial performance, VfM and factors likely to affect its future are given in the Strategic Report, which preceded this report.

Statement of Board members' responsibilities

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

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

In meeting its responsibilities, the Board has adopted a risk-based approach to internal controls which is embedded within normal management and governance processes. This approach includes the regular evaluation of the nature and extent of risks to which the Group is exposed.

The process adopted by the Board in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework, includes:

- **Identification and evaluation of key risks** – management responsibility has been clearly defined for the identification, evaluation and control of significant risks. There is a formal and ongoing process of management review in each area of Grand Union's activities. The Executive Management team regularly considers reports on significant risks facing Grand Union and is responsible for reporting to the Board any significant changes affecting key risks.

- **Monitoring and corrective action** – a process of control self-assessment and regular management reporting on control issues provides hierarchical assurance to successive levels of management and to the Board. This includes a rigorous procedure for ensuring that corrective action is taken in relation to any significant control issues, particularly those with a material impact on the financial statements.

- **Control environment and control procedures** – the Board retains responsibility for a defined range of issues covering strategic, operational, financial and compliance issues including treasury strategy and new investment projects. The Board has adopted the NHF Code of Governance 2020 from 1 April 2021. In addition, Grand Union has policies with regard to the quality, integrity and ethics of its employees and these are supported by a framework of policies and procedures with which employees must comply.
These cover issues such as delegated authority, segregation of duties, accounting, treasury management, health and safety, data and asset protection and fraud prevention and detection.

- **Information and financial reporting systems** – financial reporting procedures include detailed budgets for the year ahead and forecasts for subsequent years. These are reviewed and approved by the Board. The Board also regularly reviews key performance indicators to assess progress towards the achievements of key business objectives, targets and outcomes.

- **Fraud** – Grand Union has in place policies in respect of preventing, detecting and investigating fraud and the Board is satisfied that these effectively manage the risk of fraud. Grand Union has a Whistleblowing policy that covers Board members, employees and customers.

The internal control framework and the risk management process are subject to regular review by Internal Audit, who are responsible for providing independent assurance to the Board via its Audit & Risk Committee.

The Board has received the Group Chief Executive's annual report, has conducted its annual review of the effectiveness of the system of internal control and has taken account of any changes needed to maintain the effectiveness of the risk management and control process. No attempts or successful frauds were carried out against the Group in 2021/22.

The Board confirms that there is an ongoing process for identifying, evaluating and managing significant risks faced by the Group. This process has been in place throughout the year under review, up to the date of the annual report, and is regularly reviewed by the Board.

Auditor

KPMG were appointed as Internal Auditors in May 2019, and Beever and Struthers were appointed as External Auditors in January 2020.

Statement of Compliance

The Board has followed the principles set out in the Statement of Recommended Practice (SORP) for Registered Social Providers 2018. The Group has fully complied with the Accounting Direction for Private Registered Providers of Social Housing 2019.

Approved by the Board and signed on its behalf by:

James Macmillan
Chair

26 July 2022

Independent auditor's report to the members of Grand Union Housing Group Limited

Opinion

We have audited the financial statements of Grand Union Housing Group Limited (the 'Association') and its subsidiaries (the 'Group') for the year ended 31 March 2022 which comprise the Consolidated and Association Statement of Comprehensive Income, Consolidated and Association Statement of Financial Position, Consolidated and Association Statement of Changes in Reserves, Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies in notes 1 and 2. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Association's affairs as at 31 March 2022 and of the Group's income and expenditure and the Association's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, 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 Group and Association 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 Group's or the Association'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 Strategic Report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 or the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

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

Responsibilities of the Board

As explained more fully in the Statement of Board Members' Responsibilities set out on pages 64 - 65, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the Group's and the Association'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 Group or the Association 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 Group and Association, 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 Co-operative and Community Benefit Societies Act 2014, 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 Group's activities.
- We reviewed financial statements disclosures and tested 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.

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 Association, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and Section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association those matters we are required to state to it 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 Association for our audit work, for this report, or for the opinions we have formed.

Beever and Struthers

Beever and Struthers
Statutory Auditor
St George's House
215-219 Chester Road
Manchester
M15 4JE

Date: 3 August 2022

Consolidated Statement of Comprehensive Income

As at 31 March 2022

	Note	2022 £'000	2021 £'000
Turnover	3a	85,858	74,943
Cost of sales	3a	(12,031)	(5,821)
Operating expenditure	3a	(50,994)	(48,374)
Gain on disposal of housing properties, plant and equipment	4	2,397	1,764
Operating surplus		**25,230**	**22,512**
Interest receivable	5	233	251
Interest and financing costs	6	(13,253)	(14,313)
Break costs on early redemption of loans	6	(4,371)	–
Movement in fair value of investment properties	13	1,470	(895)
Surplus before tax		**9,309**	**7,555**
Taxation	10	–	–
Surplus for the year		**9,309**	**7,555**
Other comprehensive income			
Actuarial deficit in respect of defined benefit pension schemes	19	(200)	(735)
Total comprehensive income for the year		**9,109**	**6,820**

All of the activity above relates to continuing activities.

The notes on pages 77-115 form an integral part of these financial statements.

James Macmillan
Chair
Date: 26 July 2022

Richard Broomfield
Vice Chair

Mona Shah
Company Secretary

Association Statement of Comprehensive Income

For the year ended 31 March 2022

	Note	2022 £'000	2021 £'000
Turnover	3a	80,488	72,527
Cost of sales	3a	(7,095)	(3,687)
Operating expenditure	3a	(50,994)	(48,374)
Gain on disposal of housing properties, plant and equipment	4	2,397	1,764
Operating surplus		**24,796**	**22,230**
Interest receivable	5	588	604
Interest and financing costs	6	(13,253)	(14,313)
Break costs on early redemption of loans	6	(4,371)	–
Movement in fair value of investment properties	13	1,470	(895)
Surplus before tax		**9,230**	**7,626**
Taxation	10	–	–
Surplus for the year		**9,230**	**7,626**
Other comprehensive income			
Deficit in respect of defined benefit pension schemes	19	(200)	(735)
Total comprehensive income for the year		**9,030**	**6,891**

All of the activity above relates to continuing activities.

The notes on pages 77-115 form an integral part of these financial statements.

James Macmillan
Chair
Date: 26 July 2022

Richard Broomfield
Vice Chair

Mona Shah
Company Secretary

Consolidated Statement of Financial Position

As at 31 March 2022

	Note	2022 £'000	2021 £'000
Fixed assets			
Housing properties	11	669,895	634,188
Other property, plant and equipment	12a	1,667	2,136
Investment properties	13	31,942	23,500
Intangible assets	12b	336	457
		703,840	**660,281**
Current assets			
Stock	15	15,172	15,684
Debtors	16	9,140	7,312
Cash and cash equivalents	21	11,865	18,255
		36,177	**41,251**
Creditors: Amounts falling due within one year	17	(14,698)	(22,629)
Net current assets		21,479	18,622
Total assets less current liabilities		725,319	678,903
Creditors: Amounts falling due after more than one year	18	(365,191)	(328,896)
Defined benefit pension liability	19	(15,695)	(14,683)
Net assets		**344,433**	**335,324**
Capital and reserves			
Share capital	20	–	–
Revenue reserve		160,368	150,917
Revaluation reserve		184,065	184,407
Total reserves		**344,433**	**335,324**

The financial statements of Grand Union Housing Group were approved by the Board and signed on its behalf by:

James Macmillan
Chair

Richard Broomfield
Vice Chair

Mona Shah
Company Secretary

Date: 26 July 2022

The notes on pages 77-115 form an integral part of these financial statements.

Association Statement of Financial Position

As at 31 March 2022

	Note	2022 £'000	2021 £'000
Fixed assets			
Housing properties	11	669,895	634,188
Other property, plant and equipment	12a	1,667	2,136
Investment properties	13	31,942	23,500
Fixed asset investments	14	50	50
Intangible assets	12b	336	457
		703,890	**660,331**
Current assets			
Stock	15	11,368	8,622
Debtors	16	13,360	14,911
Cash and cash equivalents	21	11,834	18,184
		36,562	**41,717**
Creditors: Amounts falling due within one year	17	(14,734)	(22,667)
Net current assets		21,828	19,050
Total assets less current liabilities		725,718	679,381
Creditors: Amounts falling due after more than one year	18	(365,191)	(328,896)
Defined benefit pension liability	19	(15,695)	(14,683)
Net assets		**344,832**	**335,802**
Capital and reserves			
Share capital	20	–	–
Revenue reserve		160,767	151,395
Revaluation reserve		184,065	184,407
Total reserves		**344,832**	**335,802**

The financial statements of Grand Union Housing Group, registered number 7853, were approved by the Board and signed on its behalf by:

James Macmillan
Chair

Richard Broomfield
Vice Chair

Mona Shah
Company Secretary

Date: 26 July 2022

The notes on pages 77-115 form an integral part of these financial statements.

Consolidated Statement of Changes in Reserves

For the year ended 31 March 2022

	Revenue reserve £'000	Revaluation reserve £'000	Total reserves £'000
At 1 April 2021	150,917	184,407	335,324
Surplus for the year	9,309	–	9,309
Other comprehensive income:			
Actuarial deficit in respect of defined benefit pension schemes	(200)	–	(200)
Total comprehensive income	9,109	–	9,109
Reserve transfers	342	(342)	–
At 31 March 2022	**160,368**	**184,065**	**344,433**

	Revenue reserve £'000	Revaluation reserve £'000	Total reserves £'000
At 1 April 2020	143,139	185,365	328,504
Surplus for the year	7,555	–	7,555
Other comprehensive income:			
Actuarial surplus in respect of defined benefit pension schemes	(735)	–	(735)
Total comprehensive income	6,820	-	6,820
Reserve transfers	958	(958)	–
At 31 March 2021	**150,917**	**184,407**	**335,324**

Reserves

Revenue reserve
The revenue reserve represents cumulative surpluses and deficits of the Group.

Revaluation reserve
The revaluation reserve relates to cumulative historic valuation uplifts arising before 1 April 2014.

The notes on pages 77-115 form an integral part of these financial statements.

Association Statement of Changes in Reserves

For the year ended 31 March 2022

	Revenue reserve £'000	Revaluation reserve £'000	Total reserves £'000
At 1 April 2021	151,395	184,407	335,802
Surplus for the year	9,230	–	9,230
Other comprehensive income:			
Actuarial deficit in respect of defined benefit pension schemes	(200)	–	(200)
Total comprehensive income	9,030	–	9,030
Reserve transfers	342	(342)	–
At 31 March 2022	**160,767**	**184,065**	**344,832**

	Revenue reserve £'000	Revaluation reserve £'000	Total reserves £'000
At 1 April 2020	143,546	185,365	328,911
Surplus for the year	7,626	–	7,626
Other comprehensive income:			
Actuarial surplus in respect of defined benefit pension scheme	(735)	–	(735)
Total comprehensive income	6,891	–	6,891
Reserve transfers	958	(958)	–
At 31 March 2021	**151,395**	**184,407**	**335,802**

Reserves

Revenue reserve
The Revenue reserve represents cumulative surpluses and deficits of the Association.

Revaluation reserve
The revaluation reserve relates to cumulative historic valuation uplifts arising before 1 April 2014.

The notes on pages 77-115 form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 March 2022

	Note	2022 £'000	2021 £'000
Net cash generated from operating activities	**21**	**33,718**	**27,451**
Cash flows from investing activities			
Purchase of property, plant and equipment		(48,871)	(36,493)
Purchase of investment property		(7,133)	(6,499)
Proceeds from sale of property, plant and equipment		5,595	5,812
Grants received		3,030	7,411
Taxation		–	–
Interest received		233	251
Net cash flows from investing activities		**(47,146)**	**(29,518)**
Cash flows from financing activities			
Interest paid		(13,253)	(14,313)
Break costs on early redemption of loans		(4,371)	–
Net loan movement		24,662	16,450
Net cash flows from financing activities		**7,038**	**2,137**
Net increase/(decrease) in cash and cash equivalents		**(6,390)**	**70**
Cash and cash equivalents at beginning of year		18,255	18,185
Cash and cash equivalents at end of year		**11,865**	**18,255**

The notes on pages 77-115 form an integral part of these financial statements.

Notes to the financial statements

For the year ended 31 March 2022

1. Accounting policies

Grand Union Housing Group Limited (the 'Association') is a private limited company incorporated and domiciled in England. The address of the registered office is K2, Timbold Drive, Kents Hill, Milton Keynes, Bucks, MK7 6BZ. The registered number is 7853.

The main activities of the Group are the provision of affordable homes for people in housing need. 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, modified to include certain items at fair value, in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102) 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. The Group is a public benefit entity, as defined in FRS 102 and applies the relevant paragraphs prefixed 'PBE' in FRS 102.

Grand Union Housing Group meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside these consolidated financial statements. Exemptions have been taken in relation to the following:

- A Statement of Cash Flows has not been presented for the parent company

FRS 102 allows a qualifying entity certain disclosure exemption, subject to certain conditions, which has been complied with. In preparing the Association's individual financial statements, the Association has taken advantage of the exemption not to provide certain disclosures as required by Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instrument Issues" and "Related Party Transactions" on the basis that equivalent disclosures are given in the consolidated financial statements.

Property, plant and equipment – housing properties at cost
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 calculated at the weighted average cost of capital during 2020/21. Capitalisation ceases when substantially all the activities that are necessary to prepare the asset for use are complete.

Property, plant and equipment – housing properties at deemed cost
Where housing properties were measured at fair value at the date of transition to FRS 102 and this valuation was used as deemed cost, taking advantage of the exemption available on transition to FRS 102 from previous UK GAAP, this was considered to be a valuation and a revaluation reserve established to account for the movement.

A release of the revaluation reserve is calculated to reflect the additional depreciation that has been charged on the uplift to the structure cost upon moving to deemed cost.

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.

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

Structure	
Standard	100 years
– Properties built by pre-reinforced concrete method with certificate	50 years
– Properties built by pre-reinforced concrete method without certificate	10 years
Roofs	50 years
Heating systems	40 years
Doors, windows, bathrooms, lifts, wiring, insulation and high-level works	30 years
Solar panels	25 years
Kitchens and heat pumps	20 years
Heating boilers	15 years

If the component is replaced before the end of its economic life, the resulting charge will be reflected in the overall depreciation charge rather than a loss on its replacement.

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

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

Sales of Housing Property
Sales of housing property are taken into account on completion of contracts. The surplus or deficit arising from the sale is shown net after deducting the carrying value of the property and any sale related expense.

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

Expected useful lives are as follows:
Intangible assets

Expected useful lives	
Office improvements	25 years
Leasehold improvements	10 years
Office fixtures	10 years
Office heating and mechanical	5 years
Furniture and fittings	5 years
Vehicles	4 years
Computer equipment	3 years

Intangible assets are stated at historic cost, less accumulated amortisation. Amortisation is provided on all intangible assets at rates calculated to write-off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Expected useful live	
Computer software	3 years

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

Land is accounted for based on its intended use. Where land is acquired speculatively with the intention of generating a capital gain and/or a commercial rental return it is accounted for as investment property. Where land is acquired for use in the provision of social housing or for a social benefit it is accounted for as property, plant and equipment.

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

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. The Group has identified a cash generating unit for impairment assessment purposes at a property scheme level.

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 is included in surplus or deficit in the Statement of Comprehensive Income.

As part of the end of year review no impairment of the carrying value of properties under construction was identified.

Social Housing Grant and other government grants
Grants received in relation to assets that have been treated as deemed cost at the date of transition to FRS 102 have been accounted for using the performance model. In applying this model such grant has been presented as if it were originally recognised as income within the statement of comprehensive income in the year it was receivable and is therefore included within brought-forward general reserves.

Grants received since transition in relation to newly acquired or existing housing properties are accounted for using the accrual model. Grant is carried as deferred income in the balance sheet and is amortised on a systematic basis over the useful life of the housing property structure, even if the fair value of the grant exceeds the carrying value of the structure in line with SORP 2018. No grant is recognised against other components.

When a housing property is sold which was partly funded by social housing grant (SHG) the grant becomes repayable and is transferred to a Recycled Capital Grant (RCGF) fund until it is either reinvested in a replacement property or repaid to the Regulator of Social Housing.

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

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.

Interest payable
Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs are calculated using the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of a financial instrument and is determined on the basis of the carrying amount of the financial liability at initial recognition.

Under the effective interest method, the amortised cost of a financial liability is the present value of future cash payments discounted at the effective interest rate and the interest expense in a period equals the carrying amount of the financial liability at the beginning of a period multiplied by the effective interest rate for the period.

Taxation
The majority of the Group's activities are charitable and are conducted through the Registered Provider which has charitable status. No taxation is payable on activities relating to charitable purposes. Any charge for taxation is based on the surplus/deficit for the year and recognises deferred taxation because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax on a full provision basis.

Value Added Tax (VAT)
The Group is registered for VAT but a large proportion of its income, including rents, is exempt for VAT purposes. The majority of the Group's expenditure is subject to VAT which cannot be reclaimed, and expenditure is therefore shown inclusive of VAT where appropriate. For those areas where VAT is recoverable, a group partial exemption formula has been agreed with HM Revenue and Customs (HMRC). The recoverable amount is credited against the relevant expenditure.

Pensions

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

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each reporting date. This scheme was closed to new members from 1 April 2013.

Multi-employer defined benefit pension scheme – Social Housing Pension Scheme (SHPS)
The company participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK. The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

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

Defined contribution scheme
The Group participates in a defined contribution scheme where the amount charged to surplus or deficit in the Statement of Comprehensive Income in respect of pension costs and other post-retirement benefits is the contributions payable in the year.

Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Statement of Financial Position.

Investments
Investments are measured at cost less impairment.

Turnover
Turnover represents rental and service charge income, fees and revenue-based grants receivable from local authorities and from Homes England, the proceeds of first tranche sales of shared ownership properties and open market property sales, housing management services, feed in tariff income and assistive technology services income.

Revenue for the main income streams is recognised as follows:

Rent	Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for the services rendered net of empty properties.
Service charge income	Fixed service charge income is recognised in the year to which it relates. Variable service charge income is recognised in the year the related cost is recognised.
First tranche shared ownership property sales and properties developed for outright sale	Property sales income is recognised when the risks and rewards of ownership have passed to the buyer upon legal completion of the sales, except in circumstances where specific legal contractual terms dictate that risks and rewards of ownership pass at different times.
Revenue grants	Revenue grants are recognised when the performance-related conditions are met or when the grant proceeds are received or become receivable if no conditions are imposed.
Amortisation of government grant	Grants provided to construct social housing assets are recognised on a systematic basis over the useful economic life of the asset for which the grant is intended to compensate.
Interest receivable	Interest income is recognised on a receivable basis.
Gift Aid	Gift Aid is recognised on a received or receivable basis.
Other income	Other income relates to housing management services, feed in tariff income and assistive technology services which are recognised on a receivable basis.

Supported housing and other managing agents
Where the Group 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.

Shared ownership property sales
Shared ownership properties, including those under construction, are split between non-current assets and current assets. The split is determined by the percentage of the property to be sold under the first tranche disposal which is shown on initial recognition as a current asset, with the remainder classified as a non-current asset within property plant and equipment. Where this would result in a surplus on the disposal of the current asset that would exceed the anticipated overall surplus, the surplus on disposal of the first tranche is limited to the overall surplus by adjusting the costs allocated to current or non-current assets.

Proceeds from first tranche disposals are accounted for as turnover in the Statement of Comprehensive Income of the period in which the disposal occurs and the cost of sale is transferred from current assets to operating costs. Proceeds from subsequent tranche sales are treated as disposals of fixed assets.

Inventories/WIP
Inventories and work in progress (WIP) relate to the percentage of shared ownership properties to be sold under the first tranche disposal which is shown on initial recognition as a current asset under Inventories/WIP. These properties held for sale are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes materials, direct labour and an attributable proportion of overheads based on normal levels of activity.

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

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

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

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

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

Financial liabilities carried at amortised cost
These financial liabilities include trade and other payables and interest-bearing loans and borrowings.

A financial liability is initially recognised at transaction 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.

Loan issue costs relating to the housing loans and bond issue are amortised to the Statement of Comprehensive Income over the repayment period of the loans. Interest payable on the loans and bond is charged to the Statement of Comprehensive Income in the year it is due.

On long-term lending, the interest rate to be charged is calculated by reference to the interest rates, margins and banking charges within the loan agreements, with the funders, on the day the loan is made.

Public benefit entity concessionary loans
Where loans are made or received between a public benefit entity within the Group or an entity within the public benefit entity group and other party at below the prevailing market rate of interest that are not repayable on demand and are for the purposes to further the objectives of the public benefit entity or public benefit entity parent, these loans are treated as concessionary loans and are recognised in the Statement of Financial Position as the amount paid or received and the carrying amount adjusted to reflect any accrued interest payable or receivable.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand, and on demand deposits, together with other short term, highly liquid investments (with original maturities of three months or less) that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

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 Group that have the most significant effect on the amounts recognised in the financial statements.

Impairment of social housing properties
The Housing SORP 2018 requires the Group to assess if there are any triggers for impairment. Management have considered the triggers and confirmed no further impairment is required.

Categorisation of investment properties
Property assets are classified as investment property or property, plant and equipment depending on the intended use of the property. In determining the intended use of each property, management considers various factors in making this judgement, such as whether the asset is held for social benefit at below a market rent for the wider benefit of the community and whether the properties are subsidised and operated at a loss in order to continue providing a service. The accounting treatment will be different depending upon the categorisation.

Loan issue costs
Where loan issue costs are deemed to be immaterial, they will be amortised on an accruals basis instead of applying an effective rate of interest basis.

Classification of financial instruments between basic and other
Financial instruments are classified as either basic or other, with differing accounting treatments depending on the classification. Section 11 of FRS 102, 'Basic Financial Instruments', sets out the requirements for the recognition, measurement and de-recognition of basic financial instruments and the conditions that must be satisfied in order to classify a financial instrument as basic and therefore account for it in accordance with Section 11.

Modification of financial liabilities
Where the Group has modified a loan agreement, an assessment is carried out as to whether the modification results in substantially different terms. If it does, the loan is derecognised, and a new financial liability recognised. If the new terms are not considered substantially different, there is a remeasurement of the financial liability using the original effective interest rate. In making this assessment, judgement is applied in considering a combination of quantitative and qualitative factors.

Capitalisation of property development costs
The Group capitalises development expenditure in accordance with the accounting policy on housing properties. Judgement is exercised over the likelihood that projects will continue.

Mixed tenure developments
Where the Group develops mixed tenure development schemes including more than one element, the costs incurred in acquiring and developing the land are attributed to each element of the scheme depending on the intended usage to reflect the different tenure types.

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

Fair value measurement
Management uses valuation techniques to determine the fair value of assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management base the assumptions on observable data as far as possible but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual process that would be achievable in an arm's length transaction at the reporting date.

Provisions
Provisions are only recognised where the Group has an obligation to incur future expenditure as a result of a past event. The provision is recognised as a liability in the Statement of Financial Position. These would include Service Charge Sinking Funds, provision for an outstanding insurance claim.

Valuation of investment properties
The Group carries its investment property at fair value and engages independent valuers to determine fair value using a valuation technique based on a discounted cash flow model. The calculated fair value of the investment property therefore uses assumptions, of which the most sensitive relate to the estimated yield and the long-term vacancy rate.

The future economic environment is uncertain due to the pandemic and although the full impact and long-term implications are yet to be fully understood, the Group has confidence in the values disclosed in the financial statements. The Group has undertaken internal reviews of the most recent investment property valuations and assessed the financial performance of the portfolio and are confident that when taking into consideration the financial strength of the Group, any potential downturn in the value or financial returns from its investment properties would not have an impact on the Group's long term financial viability.

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

The cost of the LGPS and SHPS defined benefit pension plans are primarily determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, the scheme employers consider the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific sector. Future salary increases and pension increases are based on expected future inflation rates for the respective sector.

The future salary increases provided by the actuaries ranged between 3.70% and 4.25%. The future CPI assumptions (basis for pension increases) provided by the actuaries ranged between 3.16% and 3.25% and

discount rates ranged between 2.6% and 2.79%. We have assumed the same rates across all three schemes as follows:

Salary increases	3.70%
CPI inflation assumption	3.20%
Discount rate	2.70%

The net impact of the changes to the applied standard actuary assumptions detailed above is to reduce the pension liability by £2.2m, reducing the actuarial loss for the year from £2.4m to £0.2m. Further details are given in note 19.

Inventory
Inventory includes properties for sale under market sale and shared ownership programmes. In addition, the Group holds work in progress on schemes where properties are being developed for sale. The value of each asset is assessed for impairment by review against its selling price less costs to complete and sell and each scheme in progress against expected proceeds less costs to be incurred.

Whilst the long-term economic environment is uncertain due to the pandemic, the Group's immediate exposure to a downturn in the property market is fairly limited as its market sales and shared ownership programmes over the next 12 months are on a relatively small scale. In a situation where there was a significant shock to the market, the Group would consider short term conversion to rented products for which there is a strong demand in the areas the Group operates in.

The Group effectively monitors sales risk by monitoring the market and stress testing the business plan including scenarios of a 33% reduction in-house prices, delays in sales and completions of up to five years and an increase in build costs over and above current inflation forecasts. The Group is able to withstand all these scenarios and can ensure that suitable mitigation strategies are in place to protect its long-term financial viability.

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

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

2022	Turnover £'000	Cost of sales £'000	Operating costs £'000	Operating surplus* £'000
Social housing lettings (note 3b)	**65,100**	**–**	**(48,390)**	**16,710**
Other social housing activities				
- First tranche property sales	10,231	(7,095)	–	3,136
- Leasehold properties	77	–	–	77
- Development	–	–	(19)	(19)
- Community services	–	–	(813)	(813)
- Other assistive technology	1,127	–	(572)	555
Non social housing activities				
- Garages	1,127	–	(89)	1,038
- Market rent accommodation	1,303	–	(184)	1,119
- Solar panel feed-in tariff	941	–	(228)	713
- Other	419	–	–	419
- Management services	163	–	(115)	48
- Development legal costs w/off	–	–	(286)	(286)
- Abortive scheme costs	–	–	(298)	(298)
Total Association	**80,488**	**(7,095)**	**(50,994)**	**22,399**
Open market property sales	5,370	(4,936)	–	434
Total Group	**85,858**	**(12,031)**	**(50,994)**	**22,833**

2021 Restated^				
Social housing lettings (note 3b)	**63,023**	**–**	**(44,396)**	**18,627**
Other social housing activities				
- First tranche property sales	4,873	(3,687)	–	1,186
- Leasehold properties	83	–	–	83
- Development	–	–	(40)	(40)
- Community services	–	–	(854)	(854)
- Other assistive technology	1,142	–	(550)	592
Non social housing activities				
- Garages	1,124	–	(75)	1,049
- Market rent accommodation	947	–	(133)	814
- Solar panel feed-in tariff	820	–	(151)	669
- Other	210	–	–	210
- Management services	305	–	(156)	149
- Abortive scheme costs	–	–	(959)	(959)
- Impairment losses	–	–	(716)	(716)
- One off costs	–	–	(344)	(344)
Total Association	**72,527**	**(3,687)**	**(48,374)**	**20,466**
Open market property sales	2,416	(2,134)	–	282
Total Group	**74,943**	**(5,821)**	**(48,374)**	**20,748**

* operating surplus excluding gain/loss on disposal of housing properties, plant and equipment
^ restatement following the separate classification of abortive scheme costs

3b Particulars of income and expenditure from social housing lettings

Group and Association Year ended 31 March 2022	Rented social housing £'000	Shared ownership £'000	Supported housing £'000	Total £'000	2021 Restated £'000
Income					
Rents receivable	47,833	3,246	11,265	62,344	60,454
Supporting People	–	–	303	303	281
Service charge income	298	158	1,656	2,112	1,979
Amortised government grant	165	99	77	341	309
Turnover from social housing lettings	**48,296**	**3,503**	**13,301**	**65,100**	**63,023**
Expenditure					
Management	(7,027)	(795)	(2,613)	(10,435)	(9,515)
Service charge costs	(416)	(189)	(2,037)	(2,642)	(2,361)
Routine maintenance	(9,564)	-	(2,576)	(12,140)	(11,621)
Planned maintenance	(2,205)	-	(1,022)	(3,227)	(2,637)
Major repairs expenditure	(4,711)	3	(2,341)	(7,049)	(6,556)
Write out components	(734)	-	(567)	(1,301)	(485)
Bad debts	(295)	-	(109)	(404)	(372)
Depreciation of housing properties	(7,715)	(466)	(1,723)	(9,904)	(9,973)
Depreciation – other	(380)	(43)	(141)	(564)	(591)
Amortised intangible assets	(168)	(19)	(62)	(249)	(225)
Pension	(320)	(36)	(119)	(475)	(60)
Operating costs	(33,535)	(1,545)	(13,310)	(48,390)	(44,396)
Operating surplus social housing lettings	**14,761**	**1,958**	**(9)**	**16,710**	**18,627**
Void losses	420	2	140	562	626

4. Surplus on disposal of property, plant and equipment

Group and Association	2022 £'000	2021 £'000
Sale of property	5,203	3,746
Sales proceeds from the sale of land	108	89
Costs of sale	(2,970)	(1,961)
Loss from other fixed asset disposals	56	(110)
Surplus on disposal	**2,397**	**1,764**

5. Finance income

	Group		Association	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Bank interest receivable	233	251	233	251
Interest receivable from a Group member	–	–	355	353
	233	**251**	**588**	**604**

6. Interest and financing costs

	Group		Association	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Interest payable on loans and overdrafts	(14,751)	(15,195)	(8,764)	(9,670)
Interest payable to Group member	–	–	(5,987)	(5,525)
Break costs on early redemption of loans	(4,371)	–	(4,371)	–
Net interest on defined benefit liability (note 19)	(337)	(309)	(337)	(309)
Borrowing costs capitalised	1,835	1,191	1,835	1,191
	(17,624)	**(14,313)**	**(17,624)**	**(14,313)**

Borrowing costs on properties during construction have been capitalised based on a capitalisation rate of 4.5% (2021: 4.9%). The break costs relate to the early redemption of Group's Newcastle Building Society and Nationwide Building Society loans during the financial year.

7. Surplus on ordinary activities before taxation

Surplus on ordinary activities before taxation is stated after charging:

	Group		Association	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Depreciation of housing properties	9,904	9,973	9,904	9,973
Depreciation of other property, plant and equipment	564	591	564	591
Amortised government grants	(289)	(257)	(289)	(257)
Amortised intangible assets	249	226	249	226
Auditor fees – statutory	56	54	41	36
Auditors fees – other services	18	17	18	17
Internal audit fees	77	79	77	79
Operating lease rentals - hire of motor vehicles	526	361	526	361
(Surplus) on disposal of fixed assets	(2,397)	(1,764)	(2,397)	(1,764)

8. Staff costs

	Group		Association	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Wages and salaries	12,978	11,916	12,978	11,916
Social security costs	1,318	1,246	1,318	1,246
Other pension costs (see note 19)	1,995	1,881	1,995	1,881
	16,291	**15,043**	**16,291**	**15,043**

The full-time equivalent number of staff who received emoluments, excluding pension contribution, in excess of £60,000 are as shown below.

	Group		Association	
Salary band £	2022 number	2021 number	2022 number	2021 number
60,000 - 69,999	5	4	5	4
70,000 - 79,999	3	–	3	–
80,000 - 89,999	5	7	5	7
130,000 - 139,999	–	1	–	1
140,000 - 149,999	1	1	1	1
150,000 - 159,999	1	–	1	–
170,000 - 179,999	1	1	1	1

The average full-time equivalent number of employees was:

Group		Association	
2022 number	2021 number	2022 number	2021 number
358	**337**	**358**	**337**

The basis of the calculation of the full-time equivalents was the total number of working hours per week from all employees at the reporting date, divided by a standard working week.

9. Board and Executive Directors' remuneration

Directors are defined as Board Members and the Executive Management Team, who are key management personnel. Board members are remunerated at different levels dependent upon their role. Board members are also reimbursed for travel expenses totalling £2.1k (2021: £1.0k)

Non-Executive Board Member/Committee Member	£'000	Grand Union Housing Group	Governance & Remuneration	Audit & Risk	Grand Union Group Funding PLC	Grand Union Homes Ltd	GUHC Development Company Ltd	Customer Experience
James Macmillan	15.0	◆	◆					
John Edwards (Resigned from ARC 10/11/2021, appointed to GU Homes 06/10/2021 and appointed to GUHG DevCo 11/03/2022)	8.5	◆		◆	◆	◆	◆	◆
Richard Broomfield	8.5	◆				◆	◆	
Gillian Walton	10.5	◆	◆					
Peter Fielder	8.5	◆			◆			◆
Kami Nuttall (Left 30/09/21)	4.3	◆	◆	◆				
Thomas Paul (Started 01/09/21)	3.0			◆				
Brent O'Halloran	6.0	◆						◆
Nicola Ewen (Left 30/11/21)	4.0	◆		◆	◆			
David Willis (Appointed full Board member July 2021 and appointed to GUHG DevCo 11/03/22	6.0	◆	◆			◆	◆	
Craig Thornton (Started 01/09/21)	3.0	◆		◆				◆
Ian Bovingdon (Left 24/04/22)	6.0					◆		
Kalwant Grewal (Started 01/09/21)	3.0	◆		◆				
Rajesh Shah (Left 30/11/21)	4.0							
Michael Pattinson (Left 16/07/21)	1.8	◆		◆				
Vanessa Connolly (Left 31/07/21)	2.0	◆	◆					◆
Kevin Gould (Appointed to Board and Chair of ARC 01/10/21)	7.3	◆		◆				◆
Nannette Sakyi (Started 01/04/22)		◆						
Colin Dennis (Appointed Chair incumbent 01/07/22)		◆	◆					
Emma Killick (Appointed to Board 01/07/22)	6.0							◆
Ashleigh Webber	3.5							◆
Shawna Barnes	3.5							◆

The Executive Management team are ordinary members of either the defined benefits or defined contribution pension schemes and have no enhancements or special terms. No further contributions are made to an individual pension arrangement for the Directors.

	Group		Association	
Total Directors' remuneration	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Wages and salaries	465	459	465	459
Social security costs	58	60	58	60
Pension payments	70	69	70	69
	593	**588**	**593**	**588**

	Group		Association	
Remuneration of the highest paid Director (excluding pension contributions)	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Group Chief Executive	**174**	**171**	**174**	**171**

The Chief Executive is a preserved member of the local authority pension schemes run by Bedfordshire County Council (BCC). No special or enhanced terms apply to her membership of the scheme.

10. Taxation

The Group has charitable status for tax purposes and no liability to Corporation Tax arises on its charitable activities. In 2021/22 financial year, the Group paid no tax (2020/21: £nil) relating to its non-charitable activities.

In the opinion of the directors, the tax payable by the Group is not material and therefore full disclosures have not been provided for.

11. Tangible fixed assets – housing properties

Group and Association	Housing properties £'000	Land and housing properties under construction £'000	Leasehold properties £'000	Shared ownership £'000	Shared ownership under construction £'000	Total £'000
Cost						
At 1 April 2021	615,951	27,376	5,607	64,100	14,231	727,265
Additions	–	26,672	–	–	15,594	42,266
Transfer from investment property	160	–	–	–	–	160
Schemes completed	30,988	(30,988)	–	11,147	(11,147)	–
Improvements	6,353	–	20	3	–	6,376
Disposals	(805)	–	–	(1,250)	–	(2,055)
Write off component	(1,299)	–	(2)	–	–	(1,301)
At 31 March 2022	**651,348**	**23,060**	**5,625**	**74,000**	**18,678**	**772,711**
Depreciation						
At 1 April 2021	(89,742)	–	(808)	(2,527)	–	(93,077)
Charge for the year	(9,309)	–	(129)	(466)	–	(9,904)
Disposals	116	–	–	49	–	165
At 31 March 2022	**(98,935)**	**–**	**(937)**	**(2,944)**	**–**	**(102,816)**
Net book value						
At 31 March 2022	**552,413**	**23,060**	**4,688**	**71,056**	**18,678**	**669,895**
At 31 March 2021	526,209	27,376	4,799	61,573	14,231	634,188

Freehold land and buildings with an Existing Use Value-Social Housing of £431.2 million (2021: £450.8 million) have been pledged to secure borrowings of the Group, which is surplus to the covenant requirement. The Group is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

Analysis of works to exisiting properties	2022 £'000	2021 £'000
Capitalised: replacement of components	4,673	4,068
Capitalised: improvements	1,703	1,545
Charged to Statement of Comprehensive Income	7,114	6,766

12a. Property, plant and equipment – other

Group and Association	Leasehold improvements £'000	Fixtures and fittings £'000	Vehicles £'000	Computer equipment £'000	Assistive tech £'000	Total £'000
Cost						
At 1 April 2021	1,716	200	351	1,280	58	3,605
Additions	4	2	–	40	55	101
Disposals	–	(7)	(224)	(35)	–	(266)
At 31 March 2022	**1,720**	**195**	**127**	**1,285**	**113**	**3,440**
Depreciation						
At 31 March 2021	(254)	(61)	(351)	(782)	(21)	(1,469)
Charge during year	(172)	(39)	–	(336)	(17)	(564)
Disposals	–	2	224	34	–	260
At 31 March 2022	**(426)**	**(98)**	**(127)**	**(1,084)**	**(38)**	**(1,773)**
Net book value						
At 31 March 2022	**1,294**	**97**	**–**	**201**	**75**	**1,667**
At 31 March 2021	1,462	139	–	498	37	2,136

12b. Intangible assets

Group and Association	IT Software £'000
Cost	
At 31 March 2021	2,279
Additions	128
At 31 March 2022	**2,407**
Amortisation	
At 31 March 2021	(1,822)
Charge during year	(249)
At 31 March 2021	**(2,071)**
Net book value	
At 31 March 2022	**336**
At 31 March 2021	457

13. Investment properties

Group and Association	2022 £'000	2021 £'000
Valuation		
At 1 April	23,500	17,896
Transfer from housing properties	(160)	–
Addititions	7,132	6,499
Fair value surplus	1,470	(895)
Carrying value at 31 March	**31,942**	**23,500**

Investment properties were valued by Avison Young at fair value at 31 March 2022. These are independent valuers with recent experience in the location and class of the investment property being valued. The method of determining fair value was in accordance with the RICS Valuation – Global Standards (effective from 31 January 2020) and significant assumptions were as follows:

a. that the properties are in a good condition and well managed and maintained to institutionally acceptable standards.

b. that the properties comply with legal or statutory consents. There are no restrictions on the realisation of investment property.

c. that the valuation was based on the accommodation being tenanted.

14. Fixed asset investments

Association	2022 £'000	2021 £'000
At 1 April	50	50
At 31 March	**50**	**50**

Grand Union Housing Group is incorporated in England under the Co-operative and Community Benefit Society Act 2014 and is required by statute to prepare Group financial statements.

All shares held as investments are held as ordinary shares. Grand Union Housing Group Limited is the ultimate controlling party of:

Subsidiary Undertakings	Principal activity	Holding %
Grand Union Group Funding Plc	Access funding	100
Grand Union Homes Limited	Market sales of properties	100
GUHG Development Company Limited	Design and build activities	100

15. Stock

	Group		Association	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Properties in construction	12,070	13,823	8,266	6,761
Completed properties	2,757	1,654	2,757	1,654
Consumable stock	345	207	345	207
	15,172	**15,684**	**11,368**	**8,622**

An amount of interest of £1,202k (2021: £804k) is included in work in progress and the number of inventories recognised as an expense in the year was £4,272k (2021: £5,821k).

16. Debtors

	Group		Association	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Amounts falling due within one year				
Rent arrears	2,859	3,071	2,859	3,071
Provision for bad debts	(1,969)	(1,782)	(1,969)	(1,782)
Cash due from collecting agencies	206	228	206	228
	1,096	**1,517**	**1,096**	**1,517**
Other debtors	2,598	487	2,529	487
Amounts owed by Group undertakings	–	–	–	–
Prepayments and accrued income	1,317	1,068	1,317	1,069
	5,011	**3,072**	**4,942**	**3,073**
Amounts falling due after more than one year				
Bedford Citizens Housing Association	4,129	4,240	4,129	4,240
Amounts owed by Group undertakings	–	–	4,289	7,598
	4,129	**4,240**	**8,418**	**11,838**
Total debtors	**9,140**	**7,312**	**13,360**	**14,911**

No disclosure has been made of the net present value of rental arrears subject to repayment plans as the amount is considered to be insignificant.

The Group has a long-term loan owing from Bedford Citizens Housing Association for the provision of an older persons' scheme to support the delivery of housing for vulnerable residents in the Bedford area.

The amounts owed by the group members are secured by floating charges and interest is charged based on the Group's weighted average cost of borrowing and is reviewing annually.

The final repayment date on these loans is 31 March 2030.

17. Creditors – amounts falling due within one year

	Group		Association	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Rents received in advance	2,312	2,367	2,312	2,367
Housing loans	–	8,890	–	8,890
Amounts owed to Group members	–	–	2,071	2,042
Other creditors	2,033	1,935	2,033	1,935
Government grants - received in advance	289	257	289	257
Recycled capital grant fund	112	171	112	171
Accruals and deferred income	9,952	9,009	7,917	7,005
	14,698	**22,629**	**14,734**	**22,667**

Where not covered by a specific funding agreement the amounts owed to group members are unsecured, interest free, have no fixed date of repayments and are repayable on demand.

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

	Group		Association	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Housing loans	193,205	159,228	193,205	159,228
Bond (due to Group undertakings)	136,000	136,000	136,000	136,000
Bond premium	8,313	8,616	8,313	8,616
Government grants	27,401	24,692	27,401	24,692
Recycled capital grant fund	272	360	272	360
	365,191	**328,896**	**365,191**	**328,896**

18. Creditors – amounts falling due after more than one year (continued)

Housing loans

At 31 March 2022, £331.9 million (of the total facility of £411.4 million) had been drawn down, of which £247.2 million was fixed at interest rates between 3.08% and 7.13% and £84.7 million was at variable rates. These housing loans are secured by a fixed charge on a proportion of the assets of the Group.

Housing loans are repayable as follows:

Bank loans	2022 £'000	2021 £'000
Between one and two years	1,928	2,085
Between two and five years	72,286	16,583
After five years	121,726	143,223
On demand or within one year	**–**	**9,083**
	195,940	**170,974**

Bond

On 4 December 2013, Grand Union Group Funding Plc successfully issued a £115m bond at a coupon of 4.625% with repayment after 30 years in 2043. The bond was issued at a discount of 0.578% so that funds of £114.3m were received.

The cost of issuing the bond was £1.4m leaving a net balance of £112.9m. This was on-lent to Grand Union Housing Group Limited to enable the repayment of some of its existing loans and to fund future development. The effective interest rate and actual interest rate associated with the listed bond and on-lent funds is 4.715% and 4.625% respectively. The underlying assets of the issuance belong to Grand Union Housing Group Limited through a security trust arrangement with the Prudential Trustee Company Ltd.

On 15 December 2020, Grand Union Group Funding Plc successfully tapped the 2043 Bond for a further £56m, which included a retained element of £35m. The Bonds were issued at a premium of 44.22%, so funds received totalled £30.3m, this was on-lent to Grand Union Housing Group Limited to fund future development. The effective interest rate, and actual interest rate, associated with the 2020 bond tap and on-lent funds is 2.182% and 4.625% respectively.

Any bond discount/premium and costs of issue are amortised over the term of the bond, 30 years, with Grand Union Housing Group Limited being liable to Grand Union Group Funding Plc for both.

Government grants - deferred income	2022 £'000	2021 £'000
Original capital grant value		
At 1 April	25,738	18,327
Grants receivable	3,030	7,411
At 31 March	**28,768**	**25,738**
Amortisation		
At 1 April	(789)	(532)
Amortisation to Statement of Comprehensive Income	(289)	(257)
To recycled capital grant	–	–
At 31 March	**(1,078)**	**(789)**
At 31 March	**27,690**	**24,949**
Due within one year (note 17)	289	257
Due after one year (note 18)	27,401	24,692

Capital grants received are recorded as deferred income and amortised to turnover within the Statement of Comprehensive Income. The period of amortisation is the remaining years of useful economic life for the building structure from its date of construction, or at the time of its acquisition, if this is later.

Recycled capital grant	2022 £'000	2021 £'000
Opening balance	531	750
Grant recycled	51	115
Interest accrued	–	–
New build (grant utilised)	(198)	(334)
Carried forward	**384**	**531**
Grants to be recycled less than one year (note 17)	(112)	(171)
At end of the year	**272**	**360**

19. Retirement benefit schemes

Since April 2013, Grand Union Housing Group has offered to all new employees a defined contribution pension scheme, the Grand Union Housing Aviva Pension Plan. During 2021/22 the Group paid £652,839 (2021: £530,162) on behalf of employees who have joined the scheme. £nil (2021: £1,207) was outstanding as at 31 March 2022.

The Group participates in two pension schemes as an "Admitted Body", the local authority pension schemes run by Bedfordshire (BCC) and Northamptonshire (NCC) County Councils. These schemes provide benefits based on final pensionable pay for employees of all participating organisations. Both pension schemes are multi-employer defined benefit schemes and are funded and contracted out of the state scheme. Contributions are determined by a qualified actuary (Hymans Robertson) on the basis of triennial valuations using the "projected unit credit" method.

The latest available valuations were as at 31 March 2019 and these showed the overall actuarial value of the scheme's assets at that date of £46,571k (market value). The actuarial value was sufficient to cover 88% of the benefits that had accrued to members and past members of the pension schemes.

	Northamptonshire scheme valuation at		Bedfordshire scheme valuation at	
	2022	2021	2022	2021
Key assumptions used:				
Discount rate	2.70	2.30	2.70	2.30
Future pension increases	3.20	2.60	3.20	2.60
Salary increases	3.70	3.00	3.70	3.00

Mortality assumptions
Investigations have been carried out within the past three years into the mortality experience of the Group's defined benefit schemes. These investigations concluded that the current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement at age 65 are:

	Northamptonshire scheme valuation at		Bedfordshire scheme valuation at	
	2022	2021	2022	2021
Retiring today:				
Men	21.7	21.7	22.0	21.9
Women	24.0	24.1	24.4	24.3
Retiring in 20 years:				
Men	22.7	22.8	22.9	22.8
Women	25.8	25.8	26.0	26.0

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

	Group		Association	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Current service cost	1,746	1,381	1,746	1,381
Net interest cost	320	305	320	305
Recognised in other comprehensive income	226	532	226	532
Total cost relating to defined benefit scheme	**2,292**	**2,218**	**2,292**	**2,218**

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

	2022 £'000	2021 £'000
Present value of defined benefit obligations	74,175	69,139
Fair value of scheme assets	(58,783)	(54,809)
Net liability recognised in the Statement of Financial Position	**15,392**	**14,330**

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

	2022 £'000	2021 £'000
At 1 April	69,139	57,959
Service cost	1,672	1,355
Interest cost	1,579	1,345
Actuarial gains and losses	3,107	9,600
Contributions from scheme participants	292	301
Benefits paid	(1,636)	(1,407)
Past Service costs	36	–
Unfunded benefits paid	(14)	(14)
At 31 March	**74,175**	**69,139**

19. Retirement benefit schemes (continued)

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

	2022 £'000	2021 £'000
At 1 April	54,809	44,574
Actuarial gains and losses	2,881	9,068
Return on plan assets (excluding amounts included in net interest cost)	1,259	1,040
Contributions from the employer	1,230	1,273
Administration expenses	(38)	(26)
Contributions from scheme participants	292	301
Benefits paid	(1,650)	(1,421)
At 31 March	**58,783**	**54,809**

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

	Fair value of assets	
	2022 £'000	2021 £'000
Equity instruments	37,265	37,379
Debt instruments	13,289	10,414
Property	7,288	5,591
Cash	941	1,425
	58,783	**54,809**

The Pension Schemes have not invested in any of the Group's own financial instruments or assets.

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

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

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2020 and the results of this valuation revealed a deficit of £1.560m (2017: £1.522m). A recovery plan has been put in place with the aim of removing this deficit by 31 March 2028.

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

We have been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved before the end of 2024 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

	2022	2021
Key assumptions made:		
Discount rate	2.70	2.30
Future pension increases	3.20	2.60
Salary increases	3.70	3.00

Mortality assumptions:
Investigations have been carried out within the past three years into the mortality experience of the Group's defined benefit schemes. These investigations concluded that the current mortality assumptions include sufficient allowance for future improvements in mortality rates.

The assumed life expectations on retirement at age 65 are:

	2022	2021
Retiring today:		
Men	21.1	21.6
Women	23.7	23.5
Retiring in 20 years:		
Men	22.4	22.9
Women	25.2	25.1

19. Retirement benefit schemes (continued)

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

	2022 £'000	2021 £'000
Current service cost	41	47
Net interest cost	8	4
Recognised in other comprehensive income	(26)	203
Total cost relating to defined benefit scheme	**23**	**254**

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

	2022 £'000	2021 £'000
Present value of defined benefit obligations	2,240	2,225
Fair value of scheme assets	(1,937)	(1,872)
Net liability recognised in the Statement of Financial Position	**303**	**353**

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

	2022 £'000	2021 £'000
At 1 April	2,225	1,768
Service cost	41	47
Interest cost	51	42
Actuarial gains and losses	17	377
Contributions from scheme participants	8	20
Benefits paid	(102)	(29)
Unfunded benefits paid	–	–
At 31 March	**2,240**	**2,225**

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

	2022 £'000	2021 £'000
At 1 April	1,872	1,574
Actuarial gains and losses	43	174
Return on plan assets (excluding amounts included in net interest cost)	34	38
Contributions from the employer	82	95
Contributions from scheme participants	8	20
Benefits paid	(102)	(29)
At 31 March	**1,937**	**1,872**

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

	Fair value of assets	
	2022 £'000	2021 £'000
Equity instruments	326	314
Debt instruments	1,433	1,386
Property	174	168
Cash	4	4
	1,937	**1,872**

The Pension Schemes have not invested in any of the Group's own financial instruments or assets.

20. Share capital - Association

	2022 £	2021 £
At beginning of year	10	10
Issued during the year	4	–
Cancelled during the year	(4)	–
At end of year	**10**	**10**

The share capital of the Association consists of shares with a nominal value of £1 each, which carry no rights to dividends or other income. Shares in issue are not capable of being repaid or transferred. When the shareholder ceases to be a board member that person's share is cancelled, and the amount paid up thereon becomes the property of the Association.

No shareholders have any rights in the residual interest in the assets of the Association after deducting all liabilities.

Co-opted Board Members are not shareholders.

21. Statement of cash flows

Group	2022 £'000	2021 £'000
Cash flow from operating activities		
Operating surplus for the year	25,230	22,512
Adjustment for non-cash items		
Depreciation of property, plant and equipment	10,717	10,793
(Decrease)/Increase in debtors	(1,828)	438
Decrease/(Increase) in stock	512	(3,621)
Decrease/(Increase) in creditors	672	(1,276)
Pension costs less contributions payable	812	369
Adjustment for investing or financing activities		
Less Gain on disposal of tangible fixed assets	(2,397)	(1,764)
Cash generated by operations	**33,718**	**27,451**

22. Financial commitments

Capital commitments are as follows:

	Group		Association	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Contracted for but not provided for	67,432	60,285	67,111	59,398
Approved by the directors but not contracted for	15,663	12,280	15,663	12,280
	83,095	**72,565**	**82,774**	**71,678**

The total amount contracted for at 31 March 2021 in respect of new dwellings relates to approved schemes for which grant approval has been received and is covered by cash balances and undrawn revolving credit facilities.

23. Analysis of changes in net debt

	Group			
	At start of year £'000	Cash flows £'000	Non-cash movements £'000	At year end £'000
Cash and cash equivalents	18,255	(6,390)	–	11,865
Housing loans due in one year	(9,083)	9,083	–	–
Housing loans due after one year	(306,508)	(33,745)	–	(340,253)
	(297,336)	**(31,052)**	**–**	**(328,388)**

	Association			
	At start of year £'000	Cash flows £'000	Non-cash movements £'000	At year end £'000
Cash and cash equivalents	18,184	(6,350)	–	11,834
Housing loans due in one year	(9,083)	9,083	–	–
Housing loans due after one year	(306,508)	(33,745)	–	(340,253)
	(297,407)	**(31,012)**	**–**	**(328,419)**

24. Operating lease commitments

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

	Group		Association	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Payments due				
Within one year	1,079	893	1,079	893
Between one and five years	3,787	3,560	3,787	3,560
In five years or more	1,344	1,758	1,344	1,758
	6,210	**6,211**	**6,210**	**6,211**

25. Number of units in management

At the end of the year accommodation owned and / or managed for each class of accommodation was as follows:

Group and Association	2022 units	2021 restated units
Owned and managed		
General needs	8,025	7,919
Supported housing and housing for older people	3,010	2,972
Shared ownership accommodation	916	821
Market rent	148	134
Intermediate market rent	73	73
Housing accommodation owned at the end of the year	**12,172**	**11,920**
Managed not owned		
General needs	42	42
Supported housing and housing for older people	100	184
Shared ownership accommodation	42	43
Market rent	–	7
Intermediate market rent	54	54
	12,410	**12,250**

Reconciliation of residential accommodation owned and/ or managed	2021 No	Additions* No	Disposals No	Other No	2021 No
General needs	7,919	121	(18)	3	8,025
Supported housing and housing for older people	2,973	55	(6)	(12)	3,010
Shared ownership accommodation	821	108	(13)	–	916
Market rent	134	15	–	(1)	148
Intermediate market rent	73	–	–	–	73
	11,920	**299**	**(37)**	**(10)**	**12,172**

* the total number of new build property completions during the year of 308 includes 9 open market sales.

26. Related party transactions

There were no Customer or Leaseholder Members of the Group Board as at 31 March 2022.

There were no Board members nominated by local authorities.

The directors of Grand Union Housing Group have committed to providing support to Grand Union Homes Limited to ensure that the entity has adequate resources to continue in operational existence for the foreseeable future. This support is anticipated to be required in the short term as despite the immediate risks from the current economic climate, post year end the sales market has continued to be buoyant and the Company has secured sales prices above forecast appraisal values.

Grand Union Housing Group and its subsidiaries have throughout the year held balances with each other, these balances relate to normal trading transactions between each of the entities and are covered in more detail below:

	2022 £'000	2021 £'000
Payments made to subsidiaries		
Grand Union Group Funding Plc – loan interest	5,987	5,525
Grand Union Homes Limited – development cash flows	(2,955)	1,636
Receipts from subsidiaries		
Grand Union Homes Limited – intercompany loan interest	355	352
Amounts owed by subsidiaries at 31 March		
Due within one year:		
Grand Union Homes Limited	–	–
Due after more than one year:		
Grand Union Homes Limited	4,289	7,598
Amounts owed to subsidiaries at 31 March		
Due within one year:		
Grand Union Group Funding Plc – unpaid share capital	38	38
Due after more than one year:		
Grand Union Group Funding Plc – Bond	136,000	136,000

There were no transactions made with GUHG Development Company Limited during 2022 or 2021.

27. Ultimate controlling party

The ultimate controlling party of Grand Union Housing Group Limited is the Board of Grand Union Housing Group Limited. The Annual Financial Statements of the Group and Association are publicly available, and copies are available upon request from the registered office and website.

Grand Union Housing Group is the ultimate controlling party of:

- **Grand Union Homes Limited** – a non-regulated private company, registered in England and Wales, limited by shares set up to undertake sales of homes on the open market for the Group.
- **GUHG Development Company Limited** – a non-regulated private company, limited by shares registered in England and Wales, set up to provide design and build services on behalf of the Group. This company did not trade during the year.
- **Grand Union Group Funding Plc** – a non-regulated public limited company, registered in England and Wales, formed to on-lend all proceeds of a bond issue to members of the Group.

28. Financial instruments

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

	Group	
	2022 £'000	2021 £'000
Financial assets that are measured at amortised cost		
Debtors	3,847	1,556
Debtors falling due after one year	8,418	11,838
Cash	11,865	18,255
	24,130	**31,649**
Financial liabilities that are measured at amortised cost		
Trade and other payables	6,526	6,257
Public bonds	144,313	144,616
Loans and borrowings	195,940	170,975
Accruals and deferred income	7,917	7,004
	354,696	**328,852**

29. Legislative provisions

The Association is registered under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing as a Registered Provider as defined by the Housing and Regeneration Act 2008.

Grand Union
Housing Group

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Web: www.guhg.co.uk

Tel: 0300 123 55 44

Grand Union Housing Group Limited Registered office:
K2, Timbold Drive, Kents Hill, Milton Keynes, Bucks MK7 6BZ
Grand Union Housing Group Limited is a Charitable
Community Benefit Society registered in England & Wales
No. 7853, regulated by the Regulator of Social Housing
No. 5060, and is a member of the National Housing Federation