



# LHP Financial Statements

## 31 March 2023



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# Information

## Board of Management

### Chair

Anthony Read

Paul Casey  
John Crowther  
Carl Dewey  
Kate Lindley

Jiggy Lloyd (resigned 14 September 2022)  
Sally Marshall-Mills  
Simon Parkes  
Adrienne Boggins (appointed 1 June 2022)  
Rhiannon Davies (appointed 1 June 2022)

## Chief Executive

Murray Macdonald

## Secretary

Nicola Ebdon

## Executive Directors

### Executive Director of Customers

Bridget Lloyd (resigned 30 June 2022)

### Executive Director of Customers

Mark Coupland (appointed 1 July 2022)

### Executive Director of Finance

Kathryn Price

### Executive Director of Strategy, Culture and Digital

Suzanne Wicks (resigned 31 July 2022)

### Executive Director of Strategy, Culture and Digital

Shaun Harley (appointed 5 September 2022)

### Executive Director of Property

Alex Dixon (resigned 16 June 2023)

**Registered Office:** Cartergate House, 26 Chantry Lane, Grimsby, North East Lincolnshire DN31 2LJ

**Financial Conduct Authority Registered Number:** 7748

**Regulator of Social Housing Registration Number:** 4877

# About Us



**We're a local housing association for local people**

Lincolnshire Housing Partnership (LHP) is dedicated to making a positive impact in local communities. With social purpose at our core, we're committed to helping people to thrive by providing safe, affordable homes and fostering strong neighbourhoods.

As a leading local housing association, we proudly house and support more than 20,000 people in over 12,000 affordable rental and shared ownership homes. Our reach extends beyond neighbourhoods in Boston and Grimsby, as we actively serve various communities throughout northern and eastern Lincolnshire.

At LHP, we believe in reinvesting our surpluses to benefit our customers and improve their local surroundings. As a charitable organisation deeply rooted in our communities, we continuously channel resources back into essential services and projects. This ensures that our customers not only have access to quality homes but also enjoy attractive and vibrant neighbourhoods.

With our latest five-year Corporate Strategy, "Building Strong Communities Together", we have sharpened our focus on what truly matters to our customers. Our strategy involves investing in our homes to address historical issues and enhance energy efficiency, modernising our repairs service, and improving communication channels to better serve our customers. Additionally, we are dedicated to enhancing communal areas and outdoor spaces, creating inviting and appealing neighbourhoods for all.

We strongly believe that the success of our mission begins with our colleagues. As such, we have also prioritised enhancing the colleague experience at LHP, emphasising a positive work culture, flexibility, rewards and overall wellbeing. In a rapidly changing world, we are committed to reducing turnover rates and supporting our colleagues in adapting and harnessing technology to work more efficiently.

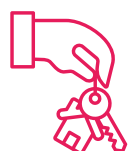
Sustainability and social impact are cornerstones of our organisation. Over the past year, we have made significant strides in transforming our Environmental, Social, and Governance (ESG) strategy. This includes securing funds from the Government's Social Housing Decarbonization Fund, implementing carbon literacy training and developing an environmental data dashboard. In the coming year, we are excited to transition to Sustainable Reporting Standards, further galvanising our ESG impact.

Our financial statement reflects our unwavering commitment to creating long-term value for all stakeholders. We maintain sustainable revenue growth while effectively managing costs. Moreover, our customer-centric approach and values-based decision-making underscore our dedication to providing people in need with high-quality, affordable homes in strong communities across Lincolnshire.



# About Us

## LHP in numbers



Homes owned and managed

**12,196**



Amount invested in planned repairs

**£28.17m**



Local authority areas covered

**7**



Repairs delivered

**57,520**



Colleagues

**389**



ASB cases reported

**477**



Turnover

**£57.7m**



New Telecare customers

**387**



Operating Profit

**£13.8m**



Number of customer visits by  
Integrated Living Advisors

**60,624**



Monetary value of support from  
our Money Support Service

**£536,432**



Rating from the Regulator for  
Social Housing

**G1 / V2**



Standards & Poors Credit Rating:

**A- | Outlook:  
Negative**

# Chief Executive Statement

The year 2022/23 has been a successful one for us, and we are proud of our achievements over the past 12 months. I would like to take a moment to reflect on our progress and express my sincere gratitude to colleagues for their dedication and hard work.

## Customer Engagement

One of our key priorities this year was to improve our customer engagement efforts. We put together a robust Customer Engagement Plan that has enabled us to gain a better understanding of our customers' needs and expectations, and tailor our services to meet them. We will continually engage with our customers to improve and tailor our services in light of their feedback.

## Asset Management

Our focus on asset management has been critical to our success this year. After consultation on our investment priorities with our customers, we developed a new 30-year assets plan to tackle the backlog of maintenance work and transition from reactive to planned maintenance. This plan, combined with the successful completion of planned maintenance procurement, will enable us to better address historic issues with our housing stock. Our asset management efforts are essential to ensuring that our customers have safe, healthy, and well-maintained homes.

## Damp and Mould Crisis

One of the significant challenges we faced this year was the damp and mould crisis. Our response was swift and decisive and started with us writing to every customer with information on how to identify problems and inviting them to report concerns. We established a dedicated team, collaborated closely with affected customers, and provided support and guidance to help them maintain a healthy living environment.

Our teams have been trained to provide long-term solutions, ensuring the prevention of future occurrences. Furthermore, we have empowered our customers with knowledge and practical tools to maintain their homes in the best possible condition. We remain committed to providing safe and healthy homes for all our customers and will continue to

monitor and address any concerns related to damp and mould.

## Housing and Lettings Teams

Our Housing and Lettings teams underwent a restructure this year, and we consulted with customers around our ASB (Anti-Social Behaviour) service. This has led to a more integrated, streamlined approach to customer service. Feedback from customers has been especially beneficial in dealing with anti-social behaviour, resulting in safer and more secure neighbourhoods. We will continue to listen to our customers and make changes where necessary to provide the best possible service.

## Money Support Service

The cost-of-living crisis has affected many of our customers, and we responded by relaunching our Money Support Service. This service has already assisted more than 800 customers and secured over £535,000 for them. A sizeable portion of this income, more than £130,000, has been directly applied to rent accounts, helping to sustain tenancies. We remain committed to supporting our customers through difficult times and providing them with the help they need.

In conclusion, I want to extend my heartfelt appreciation to every one of our colleagues for their contributions to our successes this year. Together, we have made significant progress towards our mission of providing Great Homes and Strong Communities. As we move forward, we will continue to work together to improve the lives of our customers and strengthen the communities we serve. This report shows that we remain committed to delivering outstanding services and support, and I look forward to building on this successful year.

**Murray Macdonald**

Chief Executive



# Chair's Statement

It has been a year of progress for Lincolnshire Housing Partnership as we continue to focus on Building Strong Communities Together providing safe and secure homes in them. I am delighted to be able to provide an overview of our achievements during the year.

## Building Strong Communities Together

The launch of our 2022-2027 Corporate Strategy, Building Strong Communities Together, was the culmination of several years' worth of collaboration with customers, colleagues and stakeholders.

This is a critical document that sets out our objectives for the next five years. This strategy will be the driving force behind all that we do, and we will continue to measure our performance against the objectives set out in this plan.

Our vision of Great Homes and Strong Communities is our priority. It means we will listen to customers and learn from their feedback, being guided by our strategic priorities of Customer First, Great Homes and Strong Communities.

We will deliver those three strategic priorities through our five strategies of: Customers, Homes, Neighbourhood, Communities and Independent Living. These strategies will be underpinned by a continued investment in our communications, our workplace culture, our environmental aspirations and our existing strong foundations in governance and finance.

## Reshaping our Board and Executive teams

As part of our commitment to continually improve governance, we were delighted to welcome new Board Members to LHP during the year, including Trainee Board members and an Independent Committee member as part of our new approach. We are looking to build on this in 2023/24

During the year, we welcomed new Board Members Adrienne Boggins and Rhiannon Davies, bringing a wealth of sector knowledge experience, as well as insight into challenges that affect us.

We refreshed our Executive Team during the year with the promotion of Mark Coupland to the role of

Executive Director of Customers and the appointment of Shaun Harley, formerly of Homes England, as Executive Director of Strategy, Culture and Digital.

## Customer First approach

We continue to pride ourselves on being a Customer First organisation. As part of our preparations for the 2022-2027 Corporate Strategy, customers told us that we need to be more visible in their communities.

That is why our innovative approach to housing and support sees our teams collaborating more closely with customers in their neighbourhoods. The changes we have made to our customer directorate means we are now confident that we have the right people in the right roles to deliver on our strategic objectives.

We also recognise the importance of customer engagement in shaping our services, which is why we have recruited a customer engagement specialist to ensure that we hear the voice of customers in all that we do. We will continue to prioritise customer engagement in the coming years, and we are committed to allowing our customers to have a say in shaping the services that we provide.

The customer engagement plan will be an essential component of the new Customer Strategy and will ensure that we deliver services that are tailored to the needs of our customers.

## Providing high quality homes

We are a Customer First organisation and understanding how our new Homes Strategy and asset plan affects customers is paramount. The essence of our initiatives is to increase the quality of living and community experience for our customers.



# Chair's Statement

This is part of our 30-year asset plan, which is not just about enhancing maintenance efficiency but directly improving the living conditions of our customers. It includes a shift from reactive to planned maintenance, thus ensuring a systematic approach to maintain the quality and longevity of our homes.

As part of this plan, we have secured new planned maintenance providers, with work due to commence in mid-2023. This means that not only will we regularly upkeep our properties, but we are also committed to a significant financial investment to ensure the high standards of our homes.

We've also established an investment standard that guides our decisions on resource allocation, with a focus on continually enhancing our homes and communities. This means that our customers can expect a consistent, high-quality living experience as we measure and strive to exceed these standards.

Listening to our customers is a vital part of our operations. In response to their feedback, we have kick-started the repairs' modernisation program. This initiative is set to improve our communication with customers and streamline appointment bookings, which will make the process more efficient and responsive to their needs.

We've identified a need to bolster our skills in various areas and are investing in training and development. This means that we are continuously improving our team's abilities to deliver on our commitments, which will be directly reflected in the services we provide.

In our pursuit of cultivating thriving communities, we've designed our Communities Strategy. Based on feedback received from our consultations with customers, we aim to implement strategies that genuinely support our community goals.

Given their direct impact on our customers, we're also incorporating energy efficiency measures in our strategies. This could potentially lead to savings and a more sustainable lifestyle for our customers, further enhancing their living experience in our communities.

## Continued challenges

The cost-of-living crisis continues to affect many of our customers, and we have responded to this challenge by relaunching our Money Support Service. This service provides support to customers

who are struggling financially, and we have already helped more than 800 customers secure £535,000 in additional income. We have also paid over £130,000 into rent accounts, which has helped customers to stay in their homes.

We have established a financial assistance fund, which we launched in early 2023/24. This enables us to provide additional support to those current customers that are most in need of help.

We have continued to make progress in our commitment to become a more sustainable organisation. During the year, we appointed a dedicated Sustainability Manager and put in place the first wave of carbon literacy training for colleagues. Work with customers has continued to maximise our green spaces to their full potential and provide opportunities to engage with the wider community.

Building on the steps we have already taken to improve our workplace culture, we have continued to enhance our employee experience. This has included looking into how we can attract and retain people. We recently concluded a review that benchmarked our salaries against other housing providers, as well as local organisations in other sectors, to ensure that our colleagues are competitively paid.

In conclusion, I am proud of what we have achieved during the year and the progress we have made towards our strategic objectives. We remain committed to providing safe, secure homes in good communities and delivering services that are tailored to the needs of our customers. We know there are areas that we can still improve on and will continue to listen to our customers and use their feedback to inform our strategic objectives. The governance and finance achievements outlined in this document mean we have a solid foundation on which to continue our journey along the 2022-2027 Corporate Strategy. I would like to thank my colleagues for their hard work during the year, and I am confident that we are well placed to deliver on our ambitions in the years ahead.

**Anthony Read**  
Chair of the Board



# Board Responsibilities in Respect of the Financial Statements

The Board is responsible for preparing the report and the financial statements in accordance with applicable law and regulations.

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the group and association and of the income and expenditure for the period of account.

In preparing these financial statements, the Board is required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the group and the association will continue in business

The Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the group and association, and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Account) Regulations 1969, the Housing

and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. It has general responsibility for taking reasonable steps to safeguard the assets of the group and association and to prevent and detect fraud and other irregularities.

The Board is responsible for the maintenance and integrity of the association's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Statement of Compliance

The Board confirms that this Strategic Report has been prepared in accordance with the principles set out in paragraph 4.7 of the 2018 SORP for Registered Social Housing Providers.

The Strategic Report was approved on 27th July 2023 on behalf of the Board



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*Anthony Read*  
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**Anthony Read**  
Chair

# Strategic Report

## Our vision and values

### Great Homes And Strong Communities

The priority for the next five years is that we grow together. Listening to our customers, and learning from the past few years, we believe that our three strategic priorities are strong and will guide us in growing together:

#### Strategic Priorities



**ESG**



**Customer First**



**Great Homes**



**Strong Communities**



**Culture**

These priorities will be delivered through our five core strategies and underpinned by a continued investment in our communications, a great culture, our environmental aspirations and our strong foundations in governance and finance.

## Our Values



### Customer First

We put customers at the heart of our decision-making process and develop services that are built around their needs. This emphasis is felt by customers in every interaction with us, driving up our customer satisfaction and ensuring we invest our money where it has the greatest impact.

the many successful joint working projects already underway. We achieve more by working together with our key stakeholders and by working together as one team.



### Listen, Act and Learn

We create a structured opportunity for stakeholders, staff, and customers to provide feedback. We value this time and insight and use it to act and learn from it. Before investing in new and existing projects, we seek the views of those set to benefit.



### Together

We proactively seek out new partnerships and work to build on

# Strategic Report

## Group Financial Performance

### Financial Review and Results Position

The financial results are set out on pages 55 to 102. The accounting policies of the Group are set out on pages 60 to 67 of the Financial Statements.

The Group surplus, before changes to actuarial changes in the valuation of defined benefit pension schemes, was £6.8m, compared to £6.5m at 31st March 2022.

Turnover has increased by £2.8m to £57.7m (2021: £54.9m). Operating Expenditure has increased from £41.8m to £44.7m, with cost of first tranche sales rising to £730,000 from £587,000. This has resulted in an operating surplus of £13.8m, compared to £13.5m

last year and an operating margin of 24.01% (2022 – 24.57%).

Interest and financing costs have increased by £0.1m to £7.2m for year ended 31st March 2023 (2022: £7.1m).

The group continues to deliver a strong operational financial performance.

### Consolidated Statement of Comprehensive Income

	2023	2022
	£'000	£'000
Turnover	57,687	54,910
Operating expenditure and cost of sales	(45,416)	(42,378)
Gain on disposal of property, plant and equipment (fixed assets)	1,566	961
Operating surplus	13,837	13,493
Net Interest and financing costs	(7,076)	(6,990)
Surplus for the year	6,761	6,503

# Strategic Report

## Comprehensive Statement of Financial Position

	2023	2022
	£'000	£'000
Net book value of tangible and intangible assets	329,106	320,311
Net current assets	8,812	13,130
Total assets less current liabilities	337,918	333,441
Loans and long-term creditors due after 1 year	(212,927)	(214,657)
Pension liability	(1,597)	(495)
Total net assets	123,394	118,289
Revenue reserve	80,075	74,256
Revaluation and restricted reserve	43,319	44,033
Total reserves	123,394	118,289





# Strategic Report

## Treasury Management

We maintained a stable position throughout the year, underpinned by strong governance and a risk averse Treasury Strategy

We review and update our Treasury Management Strategy and Treasury Management Policy on an

annual basis to ensure financial risks are managed effectively. Compliance with the treasury policy is reported to the Board on a quarterly basis, monitoring performance against golden rules covering lender covenants, interest rate risk and liquidity, helping to ensure continued financial stability.

## Funding position

The Group is funded by a combination of retained reserves, long-term funding from the capital markets and grant income.

LHP had 100% fixed drawn debt at year end, consisting of total bond debt of £150m and Private placement of £15m. This provides certainty of funding for the Group and de-risks interest rate exposure.

LHP signed a new Revolving Credit Facility (RCF) for £30m, during the year, which remained undrawn at the year end, further diversifying the Group's funding

sources and removing restrictive covenants, allowing for significant investment in LHP's existing housing stock.

The new £30m facility mentioned above, alongside the £50m RCF signed in July 2021, has replaced the existing RCF of £91.2m which was cancelled during the year, as part of the RCF refinancing to remove restrictive covenants and reduce costs.

The loan portfolio at 31 March 2023 is summarised in the table below::

	Total Facility	Drawn value (nominal)	Undrawn value	Rate
Bond	£150m	£150m	-	4.3%
Private placement	£15m	£15m	-	4.1%
Bank RCFs	£80m	-	£80m	Compounded SONIA + 1.1%
	£245m	£165m	£80m	

## Facility maturity profile

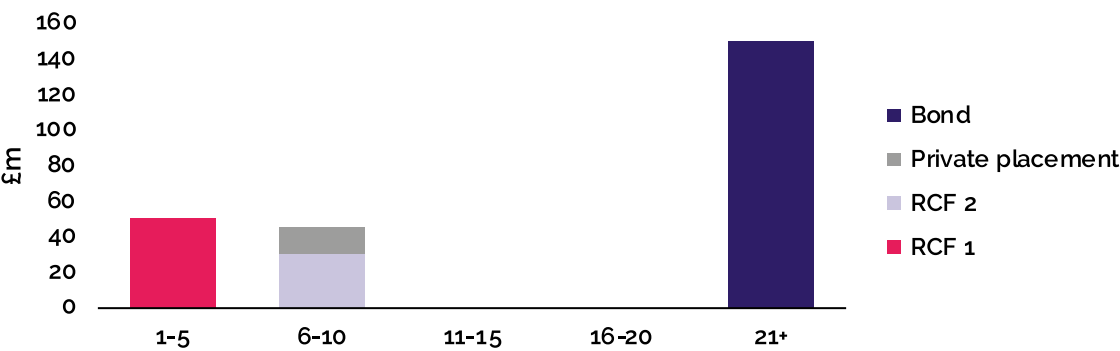
To reduce the impact of refinancing risk in any single year, LHP ensure that maturity dates of facilities are staggered.

As at year end, LHP had total RCF funding of £80m with an average weighted life of just over 4 1/2 years in place, all of which was undrawn.

The £15m private replacement is due for repayment in seven years (FY 2030) and the bond repayments are amortised across ten years (2051 to 2060).

# Strategic Report

## Liquidity



LHP maintains a strong liquidity position reflected in its credit rating (S&P A-). The year-end liquidity position (cash and undrawn facilities) was £94m, comprising £14m cash and £80m undrawn facilities.

The LHP Treasury Policy ensures that sufficient liquid funds are maintained to cover committed capital expenditure for at least 24 months, whilst prioritising security of funds above yield.



# Strategic Report

## Our strategic priorities

We already make a positive difference to thousands of people's lives, but we want to do even more. Our customers are at the centre of everything we do, and we intend to work even harder to identify what is most important to them and provide the support they need.

Our 2022-2027 Corporate Strategy was launched during the year and focussed on five core strategies:



**Customers**



**Homes**



**Neighbourhood**



**Communities**



**Independent Living**

# Strategic Report



## Customer Strategy

Our customers will be happy with our services and the way we respond and communicate. Our customers will know they have strong influence.



**Number of homes visited by our Neighbourhood Teams:**

**3,547**



**Number of housing related calls answered by our Customer Service Centre:**

**94,367**



**Emails responded to by the Customer Service Centre:**

**18,926**



### Case Study - From Customer to Colleague: Hayley's story

Hayley has been one of our customers for over two years. In mid-2022, she had a home visit from her Neighbourhood Officer Chloe Gilbert. Hayley commended Chloe on the professional yet friendly interaction that they had.

She said: "Having a home visit can sometimes be quite stressful, so it was nice to meet someone as friendly and down to earth as Chloe."

Hayley explained how impressed she was with how Chloe had interacted with her young son when she happened to visit them on his birthday.

"Chloe made us feel so at ease," she added.

"It had such a positive impact on me, and I thought about joining the team and working for an organisation like LHP."

Hayley later applied for a Neighbourhood Officer role and was successfully appointed in October 2022. She was excited to begin her new role as a Neighbourhood Officer,

and she was determined to make a positive impact on the lives of her customers.

As a customer, she understands the challenges that many people face when it comes to housing, and she is committed to providing them with the support and guidance they need.

She added: "I was particularly impressed with the way that LHP used technology to enhance the customer experience. I have always been a strong advocate for using technology to improve service delivery."

In her first few months with us, Hayley has worked closely with her customers, listening to their concerns and helping them to find solutions to their housing challenges. We're delighted to see the positive impact that her work is having on other customers' lives.

Hayley's journey to becoming a Neighbourhood Officer at LHP is a great example of how dedication, hard work, and a passion for helping others can lead to a rewarding and fulfilling career. This really aligns with our values and priorities, putting the Customer First and building strong communities, where our customers feel welcome and valued.



# Strategic Report



## Getting back to basics

Focusing on our core purpose: providing Great Homes and Strong Communities will be our priority for 2023/24, ensuring that our customers are front and centre of everything we do and every decision we make.

We recognise that over the past year, the sector has been heavily criticised within the national and social media due to failings of services and customer care. As a responsible local housing provider, we will continue to deliver our three strategic priorities: Customer First, Great Homes and Strong Communities. We will be honest and transparent and when we get something wrong, we will do everything in our power to put things right and stop them from being repeated.



## Damp and mould

We shall continue to invest more in tackling damp and mould, making it easier for our customers to report, and take swift remedial action to put things right. We will also get better at preventing damp and mould in the first place and proactively managing cases and supporting customers.



## Customer complaints and communication

We shall make it easier for our customers to raise concerns as well as improving how we communicate by better understanding our customers' needs, ensuring that our methods of communication is appropriate and reaches the right customers.

The launch of our new Customer Engagement Strategy and Customer Engagement Framework provides our customers with a menu of options open to them on how they wish to get involved along with us proactively working with our customers to co-design new services and policies.



## Customer Satisfaction



The Regulator of Social Housing's new Tenant Satisfaction Measures (TSM) come into effect from 1 April 2023. This will enable our customers to scrutinise what we're doing and hold us to account across 22 areas of our business, including those that really matter to them such as complaints, anti-social behaviour, repairs and safety.

These new tenant satisfaction measures, will provide us with customer feedback on all our services and use this valuable feedback as an opportunity to Listen, Act and Learn which is one of our values.



## Cost of living

Over the last 12 months, the cost-of-living crisis has affected everyone's household income. That's why we launched our Winter Wise campaign to support our customers, particularly the most vulnerable. In addition, we also extended the cost-of-living support internally.

For 2023/2024, we have launched our new Hardship Fund offering more support to our most vulnerable customers



**Hayley Perry (right) has made the journey from customer to colleague**

# Strategic Report



## Homes Strategy

Our homes will be well maintained, safe and energy efficient.



Number of routine repairs undertaken:

46,298



Average cost of repairing an empty property:

£6,391.38



Number of planned maintenance items completed:

2,249



### Case Study

*"I'm really happy that you're investing in digital because I've got the app and I find that very helpful. It makes things speedier, it makes things more personal because, for example, on the app, I can take photos of the thing that's damaged. But the app means I can do it quickly and avoid waiting on the telephone."*

**Jessica**

LHP customer, Wyberton



### Customer Service and Technology

We have prioritised customer convenience by investing in technology to enable customers to report, track, and update repairs at their preferred time. The continued focus on our MyLHP online portal and a mobile application has streamlined communication channels and improved customer satisfaction. Over one-third of our customers are now registered to use the service. We have also introduced other methods of customers contacting us, including a web-based chat system and fully integrated social media response service. These have enabled us to address enquiries more promptly. Repairs and Maintenance We are currently in the process of reviewing our service to ensure we're meeting our commitments to customers. Extensive training programs have been conducted to equip our teams with the necessary skills, while an expanded network of suppliers and contractors ensures the availability of quality materials. Rigorous quality assurance processes have been implemented to minimise rework and ensure repairs are done effectively.



### Financial viability

The sector continues to face the challenges of balancing between our social purpose and financial viability.

Maintaining our existing homes, many of which are older and inefficient, while meeting the need to invest in our homes and make them more energy efficient by delivering our Asset Investment Plan against a backdrop of rent caps and high operating costs is challenging.

We will ensure that every decision we make represents value for money for our customers and our business.



### Compliance and Safety

We are committed to delivering high-quality compliance servicing, ensuring that our homes meet building and fire safety requirements. Comprehensive fire risk assessments have been conducted, and collaborations with fire safety experts have strengthened safety protocols. We introduced the new Fire Safety Act to our customers in January. Regular inspections and maintenance of safety equipment have been prioritised to meet regulatory standards and ensure resident safety.

# Strategic Report



## Sustainability and Energy Efficiency

We actively promote sustainability and energy efficiency among our customers. Educational campaigns and partnerships with local organisations have raised awareness about energy conservation. Practical tips and guidance have been provided to help customers reduce energy consumption. Additionally, we explore renewable energy options for inclusion in maintenance and upgrade programs to enhance sustainability.



## Transparency and Planning

We value transparency and keeping customers informed about maintenance plans and updates. We consulted with customers on the change to the government's Decent Homes Standard during the year. As part of the commitments of that consultation, we will be publishing details of our planned maintenance programmes for customers to view from mid-2023.

We believe that our efforts in 2022/23 have positively impacted operational efficiency, regulatory compliance, and sustainability. By leveraging technology, investing in training and resources, and promoting transparency, we strive to provide high-quality services while embracing sustainability practices outlined in the Homes Strategy.



**Customers in Wyberton told us about the importance of investing in digital**



# Strategic Report



## Neighbourhood Strategy

We will create neighbourhoods where people choose to live



Number of new ASB cases reported:

477



Noise-related ASB reports:

48.4%



% of all ASB reports initial contact within 3 working days:

99.78%



### Case Study

*"I like to see LHP take an active role in the neighbourhood because it means that they're treating us like people, rather than a number. They come to see us and talk to us and engage with us. And that's something that's far more beneficial in the long term when they're making decisions. It's so important for us to see the LHP team in the places where we live."*

**Lorraine**

LHP customer, Old Leake

LHP is dedicated to understanding the neighbourhoods where it can have the greatest positive impact. By actively engaging with customers and collaborating with partners, we continuously strive to enhance community satisfaction. Regular surveys, feedback mechanisms, and engagement events have been instrumental in identifying areas for improvement and implementing targeted initiatives to address specific neighbourhood concerns.



### Quick and Effective Response to Anti-Social Behaviour

We have demonstrated a commitment to addressing reports of anti-social behaviour promptly and efficiently. By implementing streamlined processes and investing in staff training, we have improved

our ability to respond to such incidents swiftly and effectively.

Through fruitful partnerships with local authorities, law enforcement agencies, and community organisations, we have made significant progress in reducing crime and anti-social behaviour in the neighbourhoods we serve. By sharing resources, knowledge, and expertise, the collaborative efforts have yielded positive results, making our communities safer and more secure.

We recognise the importance of supporting victims of crime and anti-social behaviour. By working closely with relevant support services and charities, we have provided a range of assistance programs and resources to help victims recover, rebuild, and regain a sense of safety and well-being.



### Effective management of green spaces

By closely monitoring contractor performance, conducting regular inspections, and addressing any issues promptly, we aim to maintain high standards of cleanliness and maintenance in the neighbourhoods we manage.



# Strategic Report

The maintenance and upkeep of greenspaces has been prioritised, so that they meet the agreed-upon standards set with customers. This investment in regular maintenance, landscaping, and horticultural services means we will create attractive and enjoyable spaces for residents to utilise and take pride in.



## Community Engagement and Front-Line Staff Allocation

Recognising the importance of community presence, we have ensured that our front-line staff spend most of their time actively engaging with the community rather than being confined to office spaces. By fostering direct interactions and establishing strong relationships with residents, we have already gained valuable insights into neighbourhood dynamics, enabling us to respond more effectively to community needs.

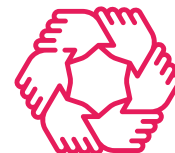
In collaboration with customers and the relevant local authorities, we have actively worked to prevent and respond to the issue of fly tipping. By raising awareness, implementing community education campaigns, and improving waste disposal facilities, we have made significant strides in reducing illegal dumping activities, thereby enhancing the overall cleanliness and aesthetics of neighbourhoods.

In conclusion, our Neighbourhood Strategy has yielded significant achievements across various outcomes. By prioritising prompt responses to anti-social behaviour, collaborating with partners, supporting crime and ASB victims, effectively managing contractors, addressing fly tipping, maintaining communal areas and greenspaces, engaging with the community, enhancing neighbourhood satisfaction, and allocating funds for appearance improvement, we have made notable progress in creating thriving and desirable neighbourhoods for our customers.



Lorraine from Old Leake told us how she likes to see us active in her neighbourhood

# Strategic Report



## Communities Strategy

We will recognise and respect all our communities and support them to thrive.



Number of new homes built during the year:

# 85



Average spend per home on repairs:

# £2,317.45



### Case Study

*"It's important for people to thrive in their community because your whole health depends on it. You need to be happy in the place that you live, safe in the place that you live, know what connections you've got in the community, know what's available around the corner from you and be able to say hello to your neighbours."*

**Dave**

LHP customer, Cleethorpes

The Communities Strategy sets a comprehensive approach to improving and growing the communities we serve. Central to this strategy is transparent communication about our investment performance, including the delivery of planned refurbishment and new homes.



### Housing Growth and Community Involvement

We are committed to growing our housing portfolio by building or acquiring new homes in line with our strategic objectives. Moreover, we aim to involve our customers and communities in discussing and deciding on regeneration options, ensuring their voices are heard and considered. We are pleased to report that 85 homes were built during the year in communities across Lincolnshire.

Moving forward, we aim to manage the sales process effectively through our existing systems, ensuring a smooth and satisfying experience for our customers.



### Community Group Support and Empowerment

Community groups are seen as essential partners in our strategy. We will provide support for these groups to grow and thrive, attend community events, and develop a wider range of stakeholders, skills, and services.

We believe in the power of understanding and supporting minority and specialist communities within our customer base. We aim to increase our knowledge about our customers to better support these communities, fostering a culture of inclusivity and mutual respect.



### Property Management and Strategic Development

Our approach towards land, older blocks of flats, and property is thoughtful and innovative. We aim to explore refurbishment, repurposing, or redevelopment possibilities, considering the community's needs and the strategic value of each option. During the year, we consulted with customers on the Washdyke Estate in Immingham both about their needs and those of the wider community. The feedback received through these sessions will go to inform future decisions on our service provision in the area.

# Strategic Report



## Neighbourhood Improvement and Engagement

We also plan to empower communities to improve their living areas by providing funding opportunities, and we aim to review our neighbourhood walkabout programme and deliver drop-in sessions in our communities.

Our strategy recognises the importance of creating spaces that benefit both the community and the planet. We have worked with partners and customers to deliver such opportunities, like in Donnington, near Spalding, where we converted a piece of unused green space into a wildflower field to encourage wildlife and provide residents with a more enjoyable social space.

We are committed to building skills and opportunities within our communities. This includes delivering a training and apprenticeship programme for residents and exploring the feasibility of employability and skills schemes. During the last 12 months, the Talent team have attended eight recruitment events and built a strong relationship with Greater Lincolnshire Local Enterprise Partnership. These events involve the team going into local schools and colleges and advising students on the careers and opportunities available at LHP. Schools we have visited include, Horncastle Grammar School, North Somercotes Academy, Grimsby College, Boston College and Wyke College.

We have also built partnerships with kickstart schemes and have attended events run by the Department of Work and Pensions and Nacros in Boston and Stand Guide in Grimsby. Both events were a great success, and we were successful in promoting LHP as an employer of choice. Following this in February and March we sourced five new colleagues from candidates we met at these events.

More recently, the Talent Manager of LHP has taken on a voluntary role as an enterprise advisor for a local school which will assist the schools in creating a careers strategy so that their students have career options and plenty of opportunities once they leave school.



## Partnership Expansion and Community Leader Empowerment

Lastly, we are dedicated to strengthening our partnerships and expanding our network of community leaders. These leaders will be empowered to communicate their community's needs and concerns, helping us tailor our actions for maximum benefit.

We have made strides in this area already, partnering with Crimestoppers to provide ASB support in communities across Lincolnshire.

This collective effort will help ensure that our strategy aligns with the needs of the communities we serve.



# Strategic Report



## Independent Living

We will support vulnerable customers to live independently in their homes.



Number of customer visits by  
Independent Living Advisors

60,624



Number of new Telecare  
customers:

387



Lifeline calls answered: :

743,330



### Case Study

*"It is essential now for me in my home, as you never know when you will need someone urgently. It is a little bit of comfort that there is someone there – you can hear it throughout the house very clearly – and it is great value for money. I cannot fault the system at all, and more people should know about this service, because it would be to their advantage."*

**Mrs Dotson**

Telecare customer, Boston

We will support vulnerable customers to live independently in their homes. To achieve this, we will deliver an in-house specialist support service, train staff in mental health, learning difficulties and dementia awareness, and identify customers who may need support. We will also develop partnerships with local agencies to ensure that customers are supported to live well independently.



### Telecare service expansion

The Lincolnshire Telecare Service, which we run in partnership with Age UK Lincoln & South Lincolnshire started providing their services in North East Lincolnshire. This mirrors the offering in the south of the county, where Telecare users do not have to be LHP customers to utilise the service.

Our investment in new technology and systems has also created a platform for work with other organisations, such as providing the service to 1,100 South Kesteven District Council residents, working with Tunstall to onboard them to the platform, and providing a Smart Hub lone worker solution to St Barnabas Hospice.



### Realising the benefits of Technology Enabled Care Services (TECS)

As the UK moves to a digital communications network, we have been working to understand the impact this will have on the Technology Enabled Care Services (TECS) equipment that we provide for you.

Our focus for TECS is on using it effectively to help people to live independently for longer, giving them a better quality of life.

We worked closely with Tunstall to audit our existing schemes and equipment and scope a potential footprint for new technology and service delivery models. The relationship with Tunstall is multi-layered – all touch points within each organisation communicate and collaborate to create excellent service delivery across all elements. As well as working together to improve our service to you, Tunstall has supported our successful bids to provide TECS to other organisations and enable initiatives with partners in health and social care.

Our new approach has seen average handle time decrease by around 10%, average wait times reduce by approximately 30% (comparing the last quarter of 2021/22 to 2020/21), and all installation targets were met.



### Reading Buddies shows multi-generational support

We have recently restarted our 'Reading Buddies' programme at our Mayfields Scheme in Boston.



# Strategic Report

The Reading Buddies programme was started before Covid, but due to national lockdowns and other restrictions, we had to put it on hold.

Children from schools in the local area visit our residents at Mayfields and read stories and share their work with them. Both the children and our residents really enjoy these sessions, and our most recent one with Staniland Academy saw a great turnout.

Staniland Academy's Deputy Headteacher, Kerry Carr, said: "As a school, we have been visiting the residents at Mayfields for several years now. During lockdown, the children expressed how much they missed the residents, and how much they

wanted to show they were still in their thoughts.

*"Every week, pupils from different year groups are now heading over to visit the residents again, and they absolutely love sharing their books, poems and stories from the week gone by."*

*"It is an absolute joy to be able to visit again – the children (and adults) really look forward to it!"*

One of our Mayfields residents, Mabel (99 years of age), said *"the children just lift my soul"*.



**Supporting people with Dementia to live well in Extra Care Housing**

We participated in a study on supporting people with dementia to live well in Extra Care Housing. The study was conducted by the Housing Learning Improvement Network and involved six study sites across England. We contributed to the study through our work with customers with and without dementia, as well as our dementia day care service, Memory Lane, and dementia community arts sessions.

The researchers who visited Mayfields, where our Extra Care Housing is located, thoroughly enjoyed

their time and the study will be finalised and published soon. In the meantime, three 'key insight' guides have been released as part of the study. One is for people and relatives living with dementia, another for adult social care commissioners and other professionals, and the third for organisations providing Extra Care Housing.

The study will be beneficial to us as it will provide insights into how to better support people with dementia to live well in Extra Care Housing. The findings of the study will be used to inform our future dementia care strategy.



**Mrs Dotson from Boston believes that Telecare products are essential for her in her home**

# Strategic Report

## Strong foundations People and Culture

In the past year, our organisation has faced two significant challenges that necessitate a fresh approach to our people and culture strategy: high turnover rates and declining employee engagement scores. Our turnover rate remains at around 25%, which is like to the previous year and exceeds our target and the sector benchmark. Exit interviews have revealed that employees are leaving for better opportunities in other organisations, retiring, seeking travel opportunities, or changing their work focus. Considering the impact of the pandemic, we must adapt to this higher level while actively working to reduce voluntary turnover.

### The Colleague Experience

Regarding our latest colleague engagement scores, while we have retained our Best Companies 'one to watch' status, we have experienced a decline across many measures, particularly in areas such as fair deal, leadership and management. It is evident that we need to adopt a more holistic and longer-term perspective to create a colleague experience that aligns with the new era of work and meets the evolving expectations of our workforce.

Improving the colleague experience is crucial for enhancing the customer experience and fostering a happier and more fulfilling workplace. While there are no quick solutions to the challenges we face, the recent wave of resignations affecting our sector and the broader questions surrounding work necessitate a refocus on what it means to work for our organisation and how we can bring out the best in our employees.

When we refer to the colleague experience, we encompass a combination of human benefits such as purpose and meaning, a positive culture, a commitment to equity, diversity, and inclusion (EDI), and support for well-being, along with reasonable material benefits such as pay, working patterns, career growth, and non-financial rewards. All these elements must be underpinned by improved and consistent leadership and management practices.

To achieve this, we are adopting a more forward-looking approach and defining the culture we desire by translating our values and beliefs into clear behaviours that guide our planned activities in supporting our customers. We have recently agreed upon a new Behaviours Framework with the Board, structured around four core behaviours. The aim is to foster consistency throughout the organisation, and we will work with colleagues, using the Board behaviours as a guide.

### Our Colleague Voice

We are better integrating the colleague voice, reinforced by customer sentiment, into our planning process, so we are placing it at the heart of our initiatives. We will co-design activities with managers, team leaders, and other colleagues to ensure that any changes we make are authentic, tested, and likely to gain support and adoption.

In the first year, our focus will be on the fundamentals of working, managing, and leading at our organisation. We are also integrating EDI actions into this approach, with a greater emphasis on leadership. Furthermore, we are improving the way we foster and drive change across the organisation, always ensuring that these initiatives are aligned with our values and core behaviours.

Looking ahead to the next year, we recognise the need to enhance our communication efforts to bring all these elements together, build trust, connect people, and celebrate our collective progress. We have already begun implementing visible leadership and clear goal setting. Additionally, we will promote our cultural ambitions and highlight authentic examples of our core behaviours in action.

Simultaneously, our focus will be on implementing fundamental improvements in the next 12 months to demonstrate to our colleagues that we are actively listening and building upon strong foundations. We will support and challenge leaders and managers to embed a consistent, people-led approach.

# Strategic Report

## A natural advantage

Despite the absence of easy fixes, we can build upon certain strengths. As a social housing organisation, we have a natural advantage when it comes to purpose. We have already made strides in promoting flexible working, and we will continue to review our working guidance as we adapt and learn from our experiences. Our recent overhaul of our pay approach ensures fairness and consistency. Furthermore, we are investing in the training and development of our people, with a growing emphasis on embedding significant changes and addressing common skill gaps. We have also set increasingly ambitious goals regarding EDI, and principles of equity and inclusivity are integral to the way we have conceived our core behaviours.

It is important to recognise that the challenges we are facing did not arise overnight, and therefore, resolving them will require sustained commitment from across the organisation over several years. Leadership from the top is crucial, and it is imperative to involve all parts of our organisation in this transformative journey.

We are confident that by taking these strategic actions, we will be able to navigate the current landscape effectively and cultivate a positive and engaging employee experience. By aligning our efforts with our values and core behaviours, we can create a workplace that attracts and retains talented individuals, supports their growth and wellbeing, and ultimately enhances the experience we provide to our customers.

We will continue to assess and refine our strategies, incorporating feedback from our employees and harnessing the insights gained from customer sentiment. By fostering a culture of continuous improvement and remaining adaptable to the changing needs and expectations of our workforce, we are well-positioned to thrive in the evolving landscape of work.

We remain committed to building a resilient and inclusive organisation that values its people and promotes a positive and fulfilling work environment. With dedicated efforts and a collaborative approach, we are confident in our ability to overcome the challenges ahead and achieve our desired outcomes.

## Environmental, Social and Governance

Our commitment to effective governance of Environmental, Social, and Governance (ESG) practices has been strengthened through the establishment of an Executive Steering Group. This group plays a pivotal role in prioritising our activities within the expansive domain of ESG. By leveraging their expertise, we ensure that our efforts are focused on the most

impactful areas. Our Sustainability Manager was named as one of the Humber Region's top 30 under 30 in March 2023. This opportunity enhances their ability to lead our sustainability initiatives.

## Building Blocks of ESG Strategy Implementation

Under the guidance of our Sustainability Manager, we have made significant progress in implementing our ESG strategy. The following foundational elements have been established:

**Roadmap:** A clear and comprehensive roadmap has been developed, outlining the key steps and milestones in our ESG journey. This roadmap provides us with a structured approach to achieving our sustainability goals.

**Enhanced Data Monitoring:** We have implemented more robust data monitoring systems to accurately track and measure our ESG performance. This enables us to make data-driven decisions and continually improve our environmental and social impact.

**Colleague Awareness:** We recognise the importance of increasing colleague understanding of climate change and the net zero agenda. To raise awareness, we have introduced a carbon literacy training course which aims to provide colleagues with a solid foundation of climate change awareness. Our commitment to climate education can be demonstrated through our commitment to become a carbon literate organisation by March 2024.

**Funding Success through SHDF Bid:** We are delighted to report that we have secured funding to catalyse our ESG initiatives through the Social Housing Decarbonisation Fund (SHDF). The £16m project will see 733 of our customer's homes retrofitted with external wall insulation, and a further 82 homes fitted with an air source heat pump. The project focusses on our worst performing properties, particularly looking at non-traditional properties that are renowned for having low energy efficiency ratings. The selected measures will increase the efficiency of the properties, decrease energy consumption and improve the thermal comfort of the home.

## Initiating SRS Process for a Solid Record of Impact

After extensive research and consultation with experts, we recognise the value of initiating the Sustainability Reporting Standards (SRS) process to enhance transparency and galvanise our ESG efforts. Our objective is to establish a comprehensive record of our impact ready for when we return to the market for investment in the middle of this decade.



# Strategic Report

## Inclusion of ERS Data in Quarterly Performance Reporting

In our commitment to transparency and accurate reporting, we will now include ESG-related data in our quarterly performance reports. This will enable the Board to oversee our progress, evaluate our sustainability efforts, and gain insights into our ESG performance on a more regular basis.

## Consideration of ESG in Annual Review for Board Oversight

Given the increasing momentum and significance of ESG practices, we recommend the integration of ESG considerations into our annual review process. This enables our Board of Directors to exercise appropriate oversight and provide strategic guidance on our sustainability initiatives.

## Data Strategy

We are pleased to provide you with an update on our progress regarding the development of our Data Strategy. The following key points highlight the initiatives and actions we have undertaken:

### Commencement of Data Discovery for Data Governance and Standards

We have initiated a comprehensive data discovery process to assess our data governance and standards. Through this effort, we aim to ensure alignment between customer and colleague data improvements. By analysing our data landscape, we can identify areas for enhancement and implement robust data governance practices.

### Establishment of Cross-LHP Working Group and Collaboration with HACT

To drive the development of our Data Strategy, we have established a cross-organisational working group comprising representatives from different departments within our organisation. This

collaborative effort allows us to gather diverse perspectives and expertise. Additionally, we are working closely with HACT, an expert organisation, to evaluate our data maturity level. Our initial focus includes conducting a deep dive into assets, followed by an assessment of customer data.

## Utilisation of Agile Techniques for Managing Complex Change

Recognising the potential complexity of managing a diverse portfolio of change initiatives, we intend to leverage agile techniques. This agile approach enables us to adapt and learn as we progress throughout 2023. By embracing flexibility and iterative improvement, we can effectively navigate the challenges associated with implementing data-driven initiatives.

## Connection with Other Organisations for Best Practice Sharing

In our commitment to continuous improvement, we are actively engaging with other organisations to connect, learn, and share best practices. By collaborating with industry peers and thought leaders, we can gain valuable insights and incorporate leading-edge approaches into our Data Strategy.

## Completion of Data Strategy by Year-End

Our overarching objective is to finalise our Data Strategy by the end of this year. This comprehensive strategy will provide a guiding framework for our approach to data standards, governance, and ways of working. By adhering to the principles and guidelines outlined in the Data Strategy, we will enhance our ability to serve our customers more effectively.

We remain dedicated to harnessing the power of data to drive organisational growth and deliver exceptional customer experiences. Our Data Strategy is an integral component of our broader strategic objectives, enabling us to leverage data as a strategic asset and unlock its full potential.



# Strategic Report

## Key trends affecting our business

Social housing plays a vital role in ensuring affordable, secure, and suitable homes for individuals and families

in need. As we look at 2022/23, several significant trends are shaping the landscape of social housing.

**Damp and Mould Issues:** Damp and mould continue to be persistent problems in social housing. These issues can have detrimental effects on the health and well-being of tenants. Housing providers are increasingly investing in proactive measures to address and prevent damp and mould, including improved ventilation systems, regular inspections, and swift maintenance response to mitigate these issues.

We quickly mobilised our teams to further provide support and information to customers regarding damp and mould. The issues were already high on our agenda but, following the government feedback received after the inquest into the death of two-year-old Awaab Ishak in a Rochdale Boroughwide Housing home, we wrote to all our customers to outline our steps to deal with damp and mould issues, reconfirming our reporting mechanism and providing information on how to spot damp and mould in the home.

Further training was also provided for all relevant teams on how to spot and deal with damp and mould issues in homes and we have updated our customer handouts, including leaflets and videos to be simpler to read and easier to digest.

### **Sustainable and Energy-Efficient Housing:**

Sustainability has become a paramount concern in social housing. In 2022/23, there is a growing emphasis on constructing energy-efficient buildings and implementing sustainable practices. Initiatives such as using renewable energy sources, improving insulation, and incorporating smart technology are gaining momentum. These efforts benefit the environment and lead to lower utility costs for tenants.

As mentioned earlier in this document, we have taken significant steps on our ESG Strategy during the year. This includes the development of a structured sustainability roadmap, implementation of data monitoring systems, raising awareness amongst colleagues and a successful bid to the SHDF to allow us to undertake sustainable energy projects in our neighbourhoods.

**Digital Transformation:** Another area where customers told us they want to see more focus on our greenspace areas. This has seen us work with contractors to provide a better service to our customers in terms of maintaining communal green areas.

We have also linked to this our sustainable commitments. During the year, we unveiled our first

wildflower area on green land outside Donington, near Spalding. This space has given customers in the vicinity additional purpose in terms of their continued involvement with the project and an overall more pleasing landscape to view from their own homes.

**Collaborative Partnerships:** Recognising the interconnectedness of social issues, there is an increasing trend towards collaborative partnerships in the social housing sector. Housing providers are partnering with healthcare organisations, educational institutions, and employment agencies to offer holistic support to tenants. By addressing health, education, and employment needs alongside housing, these partnerships aim to improve overall well-being and social mobility.

Our commitment to more digital provision to customers has seen further improvements made to our smartphone app and customer portal, both internally and externally – making it easier than ever for customers and colleagues to manage accounts online. We have also consolidated several systems internally that enables colleagues to make better use of agile working and provide support to customers directly in our neighbourhoods.



# Strategic Report

**Aging Population and Accessibility:** The aging population presents new challenges for social housing providers. There is a growing demand for accessible housing units with features such as grab bars, wheelchair ramps, and wider doorways. Innovative housing models that encourage aging in place, such as co-housing and shared housing initiatives, are gaining popularity. These trends reflect a shift towards creating inclusive and age-friendly communities within the social housing sector.

Feedback from our consultation on the move to the Decent Homes Standard saw customers tell us they want to see more focus on improvement to communal areas. The groundwork for this started in the last quarter of 2022/23 and will be one of our

main priorities in 2023/24, as we look at improving our supported housing schemes across the region, ensuring they meet the needs of our customers.

**Mental Health and Well-being:** The importance of mental health and well-being has gained significant recognition within the social housing sector. Housing providers are creating environments that support tenants' mental well-being by integrating green spaces, community facilities, and wellness programs. Collaborative efforts between housing organisations and mental health services are being strengthened to ensure access to appropriate support systems for individuals with mental health challenges.

**Cost of Living Crisis:** The cost-of-living crisis is putting additional strain on social housing tenants. Rising living costs, including rent, energy bills, and basic necessities, make it challenging for individuals and families to make ends meet. Housing providers are working towards affordable rent structures, energy efficiency measures to reduce utility costs, and partnering with local support services to provide financial counselling support and resources to help tenants navigate the cost-of-living crisis. They are also advocating for policy changes and increased government support to address the root causes of the crisis and ensure that social housing remains truly affordable and accessible.

As part of our services to customers, we initiated our Winter Wise campaign, which focussed on fuel poverty and budgeting. This was coupled with increased signposting to our Money Support Service for vulnerable customers and a dedicated cost-of-living section on our corporate website, which provided money saving tips, links to local and national agencies, as well as reinforcing the information provided by government.

We also provided support to colleagues internally through a similar cost-of-living section on our intranet and confidential one-to-one sessions with our Benefits Officer. These sessions enabled colleagues to ensure that they are receiving all the financial support that they entitled to.

**Conclusion:** The social housing sector in 2022/23 is experiencing transformative trends that are reshaping the way housing is planned, delivered, and experienced. From sustainability and digital transformation to collaborative partnerships and a focus on well-being and inclusivity, housing providers are adapting to meet the evolving needs of tenants. Addressing challenges such as damp and mould

issues and the cost-of-living crisis is crucial for ensuring safe, affordable, and sustainable homes for those in need. By embracing these trends and implementing effective strategies, the social housing sector can make significant strides towards creating thriving communities and improving the lives of individuals and families who rely on social housing.

# Strategic Report

## Value for Money (VfM)

### Introduction

The Board leads the Value for Money (VfM) approach, through setting the Corporate Strategy and approving the business plan and annual budget. The financial planning process ensures that LHP achieves a healthy balance between delivering customer satisfaction, maintaining quality homes and creating a supply of new housing, whilst ensuring the financial health of the organisation.

Our strategic approach recognises that VfM is not just about cutting costs; it is about making sure that we have optimised the relationships between costs, processes and outcomes otherwise known as the Economy, Efficiency and Effectiveness of everything we do. We see this as forming a key part of the Strong Foundations in our Corporate Strategy.

Economy	Efficiency	Effectiveness
Economy is achieved by managing our costs and what we pay for goods and services	Efficiency is achieved when we make the best use of our resources and is improved through reviewing and improving the way we do things	Effectiveness is achieved when we meet our quality standards and customers' expectations
Delivered through:	Delivered through:	Delivered through:
<ul style="list-style-type: none"><li>• Business Plan</li><li>• Treasury management</li><li>• Annual budget setting</li><li>• Management of financial performance</li><li>• Procurement strategy</li></ul>	<ul style="list-style-type: none"><li>• Corporate Strategy 2022-27</li><li>• The LHP Way</li><li>• Making the most of the functionality of our core IT systems</li><li>• Developing the capability of colleagues</li></ul>	<ul style="list-style-type: none"><li>• Management of operational performance</li><li>• KPIs set and reported against</li><li>• Contract management</li><li>• Benchmarking of costs and performance</li></ul>

The Board maintains direct oversight and control of progress made in delivering our value for money commitments via:

- Annual consideration of VfM approach and objectives in advance of setting the Corporate Annual Plan
- Quarterly reporting against the VfM metrics
- Quarterly performance monitoring of a suite of KPIs that demonstrate delivery of our strategic priorities
- Quarterly financial monitoring of performance against our budget and business plan
- External benchmarking e.g., Housemark, Global Accounts and external publications
- Engagement with our customers to involve and obtain feedback on our VfM progress, including through our satisfaction survey process and our customer forums.

# Strategic Report

## VfM achievements in 2022/23

Our VfM improvement achievements are as follows:



### Assets & repairs and maintenance

This has been a focus for us in 2022/23 and continues to be so in 2023/24. Achievements in 2022/23 include:

- Crystallisation of proposals around the asset plan and options appraisals on targeted properties to ensure LHP is getting best value for customers and financially. These were approved by the Board at its Strategy Day in December 2022 and the financial implications have been built into the 2023 Business Plan
- Commenced detailed planning to improve the performance of LHP's repairs service, both financially and customer experience

The impact of these on the Regulator of Social Housing (RSH) metrics in the 2023 Business Plan is set out in the section below.

Both of these deliver better VfM to customers through, over the period of the business plan, reducing the need for repairs because of increased asset quality.



### ESG and sustainability

We were successful in our bid for Social Housing Decarbonisation Fund (SHDF) Wave 2 bid securing £8.1m additional financing to deliver our £16.8m programme to deliver 733 external wall insulations installations to our non-traditional properties and a programme of 82 Air Source Heat Pumps over the next 2 financial years.



### Treasury

The 2022 annual treasury strategy included actions to improve the VfM of our treasury portfolio and achievements from this are:

Reduction of Revolving Credit Facilities (RCF) from

£141.2m to £80m to reflect short term requirements, thereby reducing non-utilisation fees. Agreement of the Danske RCF alongside the existing Allied Irish Banks (AIB) facility and the cancellation of the larger Lloyds facility also remove the constraint of the earnings before interest, taxes, depreciation, and amortisation major repairs included (EBITDA MRI) interest cover covenant providing more flexibility to invest in our existing homes

Commenced the project to maximise the security value of our properties, starting with ensuring that maximum value is achieved for securing AIB and the exiting of the Lloyds facility



### Customers - Telecare lifestyle packages

Since the launch of the LHP Telecare Customer First lifestyle packages and the customer self-install option we have seen an increased appetite for customers taking the self-install option. The equipment is posted out to the customer with install instructions and a link to our self-install video guide. A follow up customer call is also part of the offer ensuring customers have the equipment installed correctly and we can track performance via the digital management portal.

This has delivered a more cost-effective service offer for our customers through a free install option and reduced our technician home visits by 66% in a year, supporting our reduction in carbon emissions while delivering a better customer first service.



### Procurement

The contract for delivering our Decent Homes programme was successfully retendered to give better outcome for customers by ensuring that best value is achieved in all works delivered. The contract has been awarded on a 5+5-year basis and will provide long-term, high volume programmes of work which will support dedicated workforces ensuring consistency and rate efficiencies. The project will be managed in a partnering approach with best value and customer service being the primary focus for delivery.

# Strategic Report



## Cost effectiveness

We have improved cost effectiveness in our recruitment activities by moving to an in-house recruitment model for colleagues and Board members resulting in better outcomes and savings in agency costs. In 2022, our Talent Team recruited just over 100 colleagues through the internal recruitment team equating to a cost saving of £320,000. For the recruitment of Board members, this model has resulted in the costs reducing from more than £20,000 per position using external agencies to under £5,000 by using our in-house Talent Team.

Our Corporate Leadership team led an exercise to consider how costs, in particular non-staff costs could be reduced without damaging the quality-of-service delivery; this resulted in £382k of on-going savings which were built into the 2023/24 budget and 2023 Business Plan.



## Performance monitoring

Implementation of performance reporting to the Board on the balanced suite of KPIs agreed by the Board in February 2022; the introduction of monthly balanced scorecards for each service area and formal discussion of these between ELT and CLT.





# Strategic Report

## Regulator of Social Housing (RSH) VfM metrics

The table and commentary below show a comparison of shows our VfM metrics for the current and prior year and forecasts for the coming three years. The prior year metrics are compared to our peers and within the sector. In the backwards look we have compared in a like for like basis with the information , selected from the RSH's Global Accounts and set this alongside our 2022/23 metrics. We have a selected the peer group for comparison based on providers who:

- Own between 10,000 and 20,000 social units
- Have a stock profile which is like LHP of General Needs and Housing for Older People
- Are located within East Midlands, East of England and Yorkshire & the Humber.

The peers selected on this basis are:

- Ongo Homes Limited
- Eastlight Community Homes Limited
- Cross Keys Homes Limited
- Grand Union Housing Group Limited
- bpha Limited
- East Midlands Housing Group Limited
- Beyond Housing Limited
- Yorkshire Housing Limited

Metric	Backward look		Current performance		Forward look		
	2021/22 Performance	2021/22 Peer Group	2022/23 Actual	2022/23 Budget	2023/24 Budget	2024/25 Business Plan Forecast	2025/26 Business Plan Forecast
<b>Reinvestment</b>	7.58%	7.60%	5.82%	7.13%	7.90%	7.40%	7.40%
<b>2a. New supply delivered</b>	0.76%	1.90%	0.63%	1.13%	0.40%	0.30%	0.30%
<b>3. Gearing</b>	55.51%	48.70%	55.35%	56.67%	52.05%	50.89%	50.35%
<b>4. EBITDA MRI</b>	98.90%	135.00%	115.73%	131.76%	100.00%	103.40%	107.50%
<b>5. Social Housing cost per unit</b>	£3,813	£3,740	£3,861	£3,766	£4,410	£4,730	£4,747
<b>6a. Operating Margin (Social Housing Lettings only)</b>	21.88%	21.90%	19.85%	25.28%	24.42%	23.18%	26.75%
<b>6b. Operating Margin (overall)</b>	22.82%	22.10%	21.27%	25.12%	26.00%	24.60%	27.50%
<b>7. Return on capital employed</b>	4.05%	3.50%	4.09%	4.42%	4.80%	4.60%	4.90%

# Strategic Report

The backward look in the table demonstrates we are largely comparable with our peer group in terms of reinvestment, operating margin, gearing and return on capital employed.

Although our reinvestment metric is line with our peers, new supply delivered is less than half the comparison group, demonstrating our significant level capitalised major repairs and relatively modest development program. The investment in capitalised major repairs impacts EBITDA MRI metric, which at 98.90% is lower than the 135% from the peer group.

The current year metrics - reinvestment and new supply delivered was lower than budget and the prior year due to lower-than-expected roof replacements and pipeline development schemes being pushed further out.

EBITDA MRI was higher than the prior year but lower than budget with upside movement from a reduction

in capitalised major repairs and downside from higher repair costs and increase in rent void loss and unbudgeted impairment costs. These factors also impacted on the lower operating margin (Social Housing Lettings only).

The forward look in the table sets out the financial impact of delivering our Corporate Strategy on the business plan as we:

- Focus on investing in our existing stock, going beyond Decent Homes to invest in what our customers tell us is important to them
- Modernise our repairs service, making it more efficient in delivering a cost-effective service to our customers
- See a reduction in the cost of routine repairs and maintenance because of greater investment in the fabric of our stock



# Strategic Report

## LHP's internal VfM metrics

The following tables provide evidence of past performance and future plans against LHP's internal VfM metrics. These form part of the larger suite of performance metrics considered by the Board to

monitor overall performance and drive action where targets are not met. As part of our annual corporate planning cycle, we use these to inform decision on objectives for the following year.

Metric	Backward look	Current performance		Forward look	
	2021/22 Performance	2022/23 Target	2022/23 Actual	2023/24 Target	2026/27 Target
<b>Empty homes</b>					
Number of voids VAVs +VUNs	207	113	193	195	80
Annual Void rent loss	£733k	<£716k	£947k	<£893k	<£647k
Cost of void repairs (Average cost of a void repair)	not collected	£3,551.00	£6,391.83	£4,753.53	£3,166.36
<b>Assets</b>					
Repairs and maintenance costs per property	£456	£337.00	£558.86	£337.00	£337.00
Number or properties below EPC C	collected as SAP	1774	1761	1775	667
Development completions-Shared Ownership	25	54	26	8	19
Development completions-General Needs	72	108	54	23	109
<b>Customer satisfaction</b>					
with homes	79.31%	86%	85.81%	85%	85%
with services	80.92%	86.50%	83.40%	82%	82%
with value for money	not collected	77.10%	80.66%	77.10%	77.10%
<b>Colleagues</b>					
Staff turnover (voluntary)	19.80%	14.91%	19.52%	12.50%	12.50%
Staff sickness	8.85	7.5	8.08	6.02	4.18
Employee engagement - Best Companies	one to watch	one to watch	one to watch	1 Star	1 Star

# Strategic Report

## Future plans and focus

### Assets & repairs and maintenance

Our focus in 2023/24 remains on delivering the improvements to our approach to our assets and repairs and maintenance service, making it more cost effective and delivering a better outcome for our customers. During the year we expect to:

- Modernise our repairs service to make greater use of technology, increasing productivity and customer satisfaction
- Manage down the number of homes which are unavailable to let by implementing our asset strategy and by improving our processes in repairs and lettings
- Reduce the cost of void repairs by strengthening the management of costs
- Commence investment works to fences and footpaths; improving the quality of these is of high importance to our tenants and will in the medium term save on the costs of repairs
- Make better use of the data we have on the quality of our asset base to inform our investment decisions and improve communication with our customers on when works to their homes can be expected

### ESG & sustainability

We will complete the implementation of CBN Expert (carbon accounting software which collates, measures, tracks and reports carbon emissions) during 2023/24 which will ensure that we no longer need external consultancies for carbon foot printing. The tool also creates infographics to help engage colleagues, saving cost and resource when generating engagement pieces.

### Cost effectiveness

In recruitment, we aim to reduce costs further by leveraging our better relationships with agency account managers to negotiate beneficial rates. We will also be more targeted with our approach as we know what works, moving away from using advertising boards and increasing LHP profile as a reputable employer in Lincolnshire so that new candidates come straight to our website.





# Strategic Report

## The Board's Value for Money Self-Assessment and Statement of Compliance

The Regulator of Social Housing's Value for Money Standard 2018 sets out its required outcomes and specific expectations of registered providers and their approach to Value for Money. The Board of LHP has completed a self-assessment against the VfM Standard, and gains assurance that VfM is being achieved from a variety of sources including:

- A focus in strategic discussions on the optimum use of resources in delivering our objectives
- VfM performance as an integral part of the regular performance reporting

- All Board reports requiring consideration and evidencing of VfM implications of decisions made
- Production of an annual VfM statement

Considering the evidence provided in this document the Board of LHP is satisfied that we continue to comply with the Regulator of Social Housing's VfM standard.



# Strategic Report

## Internal Control and Risk Management

### Internal Control

The Board is responsible for preparing the Board's Report and the financial statements in accordance with applicable law and regulations. The Board acknowledges it has ultimate responsibility for ensuring that the Association has in place a whole system of control and for reviewing the ongoing effectiveness to ensure that is of the appropriate rigor across the entirety of the business operating environments. The Board recognises that the internal control system can provide reasonable but not absolute assurance against material misstatement or loss and are committed to continuous improvement in our internal control processes.

We have adopted and are compliant with the NHF Code of Governance 2020. We have confirmed this through our detailed annual assurance and continuous review process - which includes those laws and regulations which provide a legal framework within which the Association and Group conducts its business, and which could affect the Financial Statements. The Association and Group has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance.

We have established an internal control environment to safeguard our assets, ensure reliability of financial reporting, and promote operational efficiency, our assurance practices include:

- Clear definition of roles and responsibilities to foster accountability and segregation of duties.
- Clearly defined Corporate Plan underpinned by varying departmental strategies.
- Implementation of internal control policies and procedures to guide our operations.
- Robust approach to business planning, treasury management, budget, and financial control;
- Collaboration with external auditors to obtain independent verification of our financial statements.
- Clearly defined approach to risk management underpinned by a Risk Management Framework, which is supported by a three lines of defence model, risk based internal audit and assurance mapping.
- Comprehensive process of assurance across all six areas of Landlord Health & Safety compliance, incorporates internal and external testing on both a quantitative and qualitative basis.
- Regular internal audits to assess the effectiveness of controls and identify areas for improvement.
- Board and Committee terms of reference and strong governance arrangements

- Defined approach to reporting performance against target to committees and board.

### Compliance

The system of control is designed to manage key risks and to provide reasonable assurance that planned business objectives and outcomes are achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of the Association's assets and interests. The Board retains overall responsibility for the governance of the organisation, with appropriate delegation to four committees: Audit & Risk Committee, Operations Committee, People & Governance Committee, and Finance Committee.

The Committees consider a range of strategic, financial and compliance issues as defined in the Association's Standing Orders. The Board adopted the National Housing Federation Code of Governance 2020 from April 2022. LHP has strengthened its Board and welcomed new members with strong skill sets in Customer First, Strong Communities and lived experience of social housing.

The LHP board has a sustained focus on maintaining a robust approach to governance and regulatory considerations, with an effective risk management framework a pivotal tool in ensuring there are robust systems and processes in place to identify, evaluate and manage key business risks.

On 30 November 2022 as part of the annual stability check process our governance and viability grades and straplines were confirmed as G1/V2 and improved our controls and processes to ensure the accuracy of business plan data, board reporting and regulatory returns. Our approach to stress testing and mitigation strategies has also been strengthened.

LHP is dedicated to upholding the highest standards of legal and regulatory compliance. Taking a number of approaches including:

- Continuous monitoring of all applicable laws, regulations, and industry standards
- Annual review of compliance with the regulatory standards with key areas of assurance identified.
- Adaptation and introduction of internal policies and procedures to ensure continued adherence to legal and regulatory requirements.
- Regular training and awareness initiatives to promote compliance across the organisation.
- Collaboration with external advisors to stay updated on regulatory change and adapt accordingly.
- Proactive engagement with the regulator to maintain trust, a constructive relationship and address any arising compliance matters.

# Strategic Report

## Risk Management

We maintain a comprehensive risk management framework designed to identify, assess, mitigate, and monitor risks that may impact our operations and financial stability. Our approach includes:

- Regular risk assessments to identify potential risks and evaluate their likelihood and impact.
- Implementation of risk mitigation measures to reduce exposure and enhance resilience.
- Using the three lines of assurance across the strategic risk portfolio.
- Continuous monitoring and review of risks to promptly address emerging issues.
- Engagement with stakeholders to gather insights and address their concerns regarding risks.
- Where appropriate strategic risks are linked to KPIs to provide early warning of any deterioration in profile.

Our strategic risks are mapped to the lower level operational risks which are managed at a departmental level across the organisation, providing additional assurance that risks are well managed at every level. Strategic risks are risks that affect our long term strategic objectives and are managed by the Executive Leadership Team, monitored by the Audit and Risk Committee, Board quarterly. Further committee scrutiny is given to the risks within the area of responsibility at each meeting.

Operational risks are risks that impact the day to day issues that LHP is confronted with as it strives to deliver its strategic objectives. These are managed by the operational leads and discussed monthly as part of the ongoing risk review process.

The Board reviews and sets the level of risk appetite annually. Risk appetite is defined as the amount and type of risk that an organisation is willing to take to achieve its strategic objectives.

The Health and Safety of our customers and colleagues is of the utmost

importance to LHP and will take all measures reasonably practice to mitigate health and safety risk.

Our risk management framework ensures a comprehensive approach to identify, evaluate, and manage risk. Risk management is embedded at all levels of the organisation, with the Board, Committees and Executive Leadership being highly skilled to ensure the current and future risks of the organisation are managed.

Our online risk management database ensures quality of reporting, ongoing management of risk supporting a coordinated approach to risk management activities.

We have a well-established approach to risk management, which takes into account the political and operational pressures that could impact on our ability to meet regulatory requirements or strategic objectives. Our governance arrangements ensure LHP has an effective risk management and internal controls assurance framework in place.



# Strategic Report

## Principal risks and uncertainties

Risk	Causes & Impact	Principle Mitigations	Key Control Assurance
<b>Cyber Security breach</b>  Ensuring LHP can react to critical cyber events and maintain essential services.	<b>Cause</b> <ul style="list-style-type: none"> <li>Cyber-attacks, hacking and Ransomware</li> <li>More home and remote working has created additional cyber related risks.</li> </ul> <b>Impact</b> <ul style="list-style-type: none"> <li>Services to customers interrupted</li> <li>Reputational damage</li> <li>Regulatory intervention</li> <li>Loss of data</li> <li>Financial loss</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate levels of insurance held for business interruption events and cyber cover.</li> <li>Penetration testing, firewalls, anti-virus software, passwords and restrictions all monitored by ICT</li> <li>Colleague training</li> <li>IT Disaster Recovery Planning</li> </ul>	<ul style="list-style-type: none"> <li>Independent cyber security assessment</li> <li>Internal Audit</li> </ul>
<b>Failure of compliance with statutory landlords and corporate health and safety legislation</b>  Managing areas such as fire risk, gas and electrical safety, legionella and asbestos, alongside colleague safety	<b>Cause</b> <ul style="list-style-type: none"> <li>Failure of internal control framework.</li> <li>Contractor fails to deliver required level of service.</li> <li>Failure to comply with regulations and legislation</li> </ul> <b>Impact</b> <ul style="list-style-type: none"> <li>Injury or fatality to customers and/ or colleagues.</li> <li>Criminal proceedings Reputational damage. Financial loss fines</li> <li>Regulatory Intervention/ governance downgrade</li> <li>Negative impact on the corporate objectives and funding</li> </ul>	<ul style="list-style-type: none"> <li>Suite of compliance policies in place, reviewed by industry specialists, approved by Board annually.</li> <li>Regular and continuous</li> <li>KPI reporting to the</li> <li>Group Board</li> <li>Colleague training program</li> <li>No access to properties - Gas CO monitors left</li> <li>CO and fire detection are installed to all properties and regularly inspected</li> </ul>	<ul style="list-style-type: none"> <li>Internal program of quality assurance process compliance testing</li> <li>Independent Specialist Qualitative testing across all areas of compliance</li> <li>Internal Audit</li> </ul>



# Strategic Report

<p><b>Uncertainty with economic pressures and government policy/ international events</b></p> <p>Managing the risk of Potential for sudden government policy changes and ensuring the organisation can react to international events</p>	<p><b>Cause</b></p> <ul style="list-style-type: none"> <li>• Failure to anticipate and be responsive to changes in government policy</li> <li>• Prolonged financial pressure impacting customers and colleagues</li> </ul> <p><b>Impact</b></p> <ul style="list-style-type: none"> <li>• Reputational Issues</li> <li>• Changes to government policy, restricts income, increase costs, creates additional requirements the organisation must meet</li> </ul>	<ul style="list-style-type: none"> <li>• Monthly financial and treasury performance reports</li> <li>• Quarterly financial reports to the board</li> <li>• Annual business planning cycle and BP approval</li> <li>• Quarterly review and update of BP</li> <li>• Stress testing of annual BP and identification of recovery plans</li> <li>• Forecasts for key economic indicators provided by Centrus and used in BP review and update</li> <li>• Money support advice available for customers and colleagues</li> <li>• Horizon scanning for regulatory changes</li> </ul>	<ul style="list-style-type: none"> <li>• External Auditors</li> <li>• Internal Audit</li> <li>• Close working with professional advisors on potential changes.</li> <li>• Experienced, qualified colleague team in place.</li> </ul>
<p><b>Risk of customer dissatisfaction due to a poor standard of communication</b></p> <p>Managing the reputation of LHP and sector and ensuring service delivery is of the highest possible standard</p>	<p><b>Cause</b></p> <ul style="list-style-type: none"> <li>• Not dealing with customer queries in a timely manner or keeping them informed.</li> </ul> <p><b>Impact</b></p> <ul style="list-style-type: none"> <li>• Reputational Issues</li> <li>• Poor customer service</li> <li>• Failure to deliver service</li> </ul>	<ul style="list-style-type: none"> <li>• Customer involvement and empowerment Strategy</li> <li>• Strong Scrutiny Panel</li> <li>• Together with tenant's charter</li> <li>• Robust working partnerships with local partners</li> <li>• Tenant involvement policy</li> <li>• MGI Colleague training</li> </ul>	<ul style="list-style-type: none"> <li>• Customer Service Excellence Standard</li> <li>• Housemark and Housing Ombudsman's accreditation</li> <li>• Mystery shopping</li> <li>• Internal Audit</li> <li>• Customer feedback acted up</li> </ul>
<p><b>Pensions: Unplanned cessation event leads to material financial impact</b></p> <p>Managing the financial risk that could materialise</p>	<p><b>Cause</b></p> <ul style="list-style-type: none"> <li>• Cost of exiting the scheme, and a cessation event should all members leave the scheme</li> </ul> <p><b>Impact</b></p> <ul style="list-style-type: none"> <li>• Possible significant financial Impact</li> </ul>	<ul style="list-style-type: none"> <li>• Inflation and interest rate assumptions derived from OBR forecasts.</li> <li>• Quarterly Business Plan updates reported to the Board.</li> <li>• Clear understanding of exposure to pension costs and options for securing certainty</li> <li>• Actively monitoring number of members in each scheme</li> <li>• Pensions strategy to exit the defined benefit schemes in a controlled manner</li> </ul>	<ul style="list-style-type: none"> <li>• Pension review group</li> <li>• Independent advisers</li> </ul>

# Strategic Report

## Internal Audit

KPMG are LHP’s internal auditors. KPMG tailor the annual audit plan to align with our strategic risks and broader regulatory environment that ensures a bespoke approach to organisational need. In developing the audit plan KPMG considered LHP’s current sources of assurance and prioritised reviews where any assurance gaps were noted.

During the year, action was taken in relation to all identified audit recommendations, and progress was monitored by the Executive Leadership Team and the Audit & Risk Committee, with KPMG sample testing a series of implemented recommendations to ensure compliance.

This process delivered improvements in performance, providing assurance in the areas of RTA RTB and Section 20, Arrears, Assets and Liabilities, Complaints, Fire, Recruitment and Retention, RSK White Paper, Repairs, and Voids,

The Financial Regulations are reviewed and remain suitable for the business and operation of the Association; The Financial Regulations are supported by a framework of policies and procedures with which the employees must comply. These cover issues such as treasury management, health and safety, data and asset protection and fraud prevention and detection.

## The LHP Group

LHP is the parent company of three wholly owned subsidiary companies. These subsidiaries are Humber Homes, Speedwell Homes, and Boston Mayflower Finance Plc.

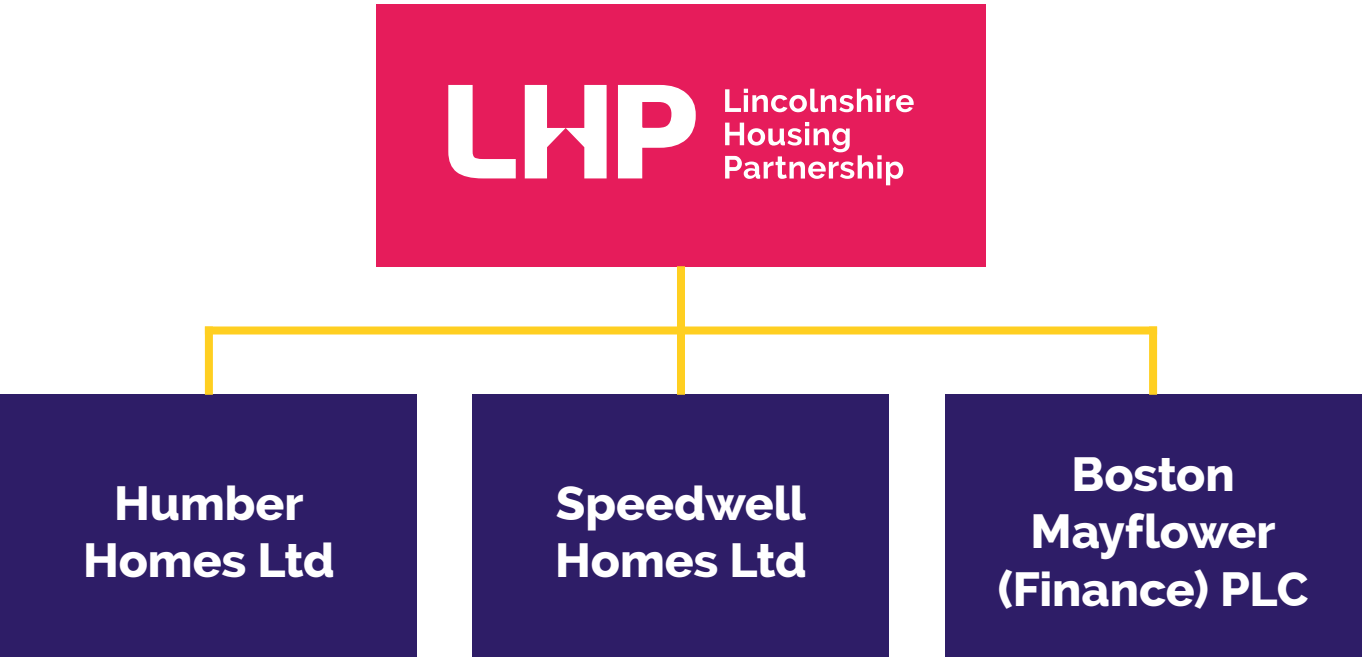
Boston Mayflower Finance PLC is a special purpose vehicle incorporated for the purposes of raising finance and is without any assets of its own.

Speedwell Homes Ltd’s purpose is to manage a small

number of market rent properties.

Humber Homes Limited is a non-trading company that was set up as part of the mechanism for the redevelopment of the former Yarborough Estate now known as Freshney Green.

Relationships and controls between LHP and the Group are governed by agreements which includes intercompany services and charges.



# Strategic Report

## Our Code of Governance

We are required by The Regulator for Social Housing to adopt an appropriate code of governance. We have adopted and are fully compliant with the **National Housing Federation Excellence in Governance Code 2020**.

The Code sets down key principles, with which we must comply, and supporting best practice recommendations where we have some discretion.

Where we do not follow the code, we must explain why not.

The Code deals with our Board, the way it operates, our constitution, the role of the Chair, the Chief Executive, equalities, and probity. Each year we review whether we fully comply with the NHF Excellence in Governance Compliance Report and report this to our Board.

## Board Member code of conduct

We have adopted the National Housing Federation Code of Conduct. The conduct of Board Members impacts directly on our public reputation. Proper conduct by the Board can dictate how effectively our money and assets are managed. The Code of Conduct sets out responsibilities in respect

of acceptable behaviour and accountability and therefore is important in setting the culture for LHP and the leadership role of the Board and is complemented by the Member Conduct and Grievance Policy.

## Modern Slavery and Human Trafficking Statement

LHP is completely opposed to modern slavery human trafficking and practices. LHP publishes an annual statement on our website to comply with the Modern Slavery Act 2015. We have introduced several

tools to help mitigate and prevent human trafficking and modern slavery in our supply chain and raise colleague awareness through training.



# Strategic Report

## Our constitution

LHP is a charitable community benefit society. Board Members act as both directors of the company and shareholders and are subject to common law principles of company law and legislation under the Co-operative and Community Benefit Societies act 2014. We are also an exempt charity.

**Our Rules** set out the purposes and powers of LHP as an exempt charity which must be complied with. The Board Members act as trustees of the charity as well as also being directors of the company. This dual role has largely similar rights and obligations to comply with. Whenever our Board acts it must take account of what is best for the beneficiaries of the charity (our customers primarily) and the long-term interests for the success of the company.

**The Rules of LHP** are the basis of our Constitution and largely follow the National Housing Federation Model Rules 2015 with amendments such as closed membership, so only Board Members can be Shareholders. Effectively the Rules are very similar to the Articles of a Company. They set out our charitable objects, which are primarily founded on providing affordable homes for those in need for the benefit of the community. The Rules set out powers

for shareholders and the Board. There are detailed provisions dealing with the shareholders and holding general meetings. Each shareholder has a share worth £1 which does not attract interest or dividend. Rules relating to the Board sets out its composition, quorum, terms of office, meetings and declarations of interest amongst other matters.

There are also other provisions dealing with key roles such as the Chair and Chief Executive, financial control and audit, and statutory and miscellaneous matters.

The Rules are the most important document in our Constitution. Other documents which sit below the Rules and form part of the Constitution are Terms of Reference for Board and Committees, the Scheme of Delegation to the Executive, Financial Regulations and Procurement (contract) Rules.

We are committed to adhere to policies and work to governance standards. You can read our governance documents and policies which form our Constitution on our website at

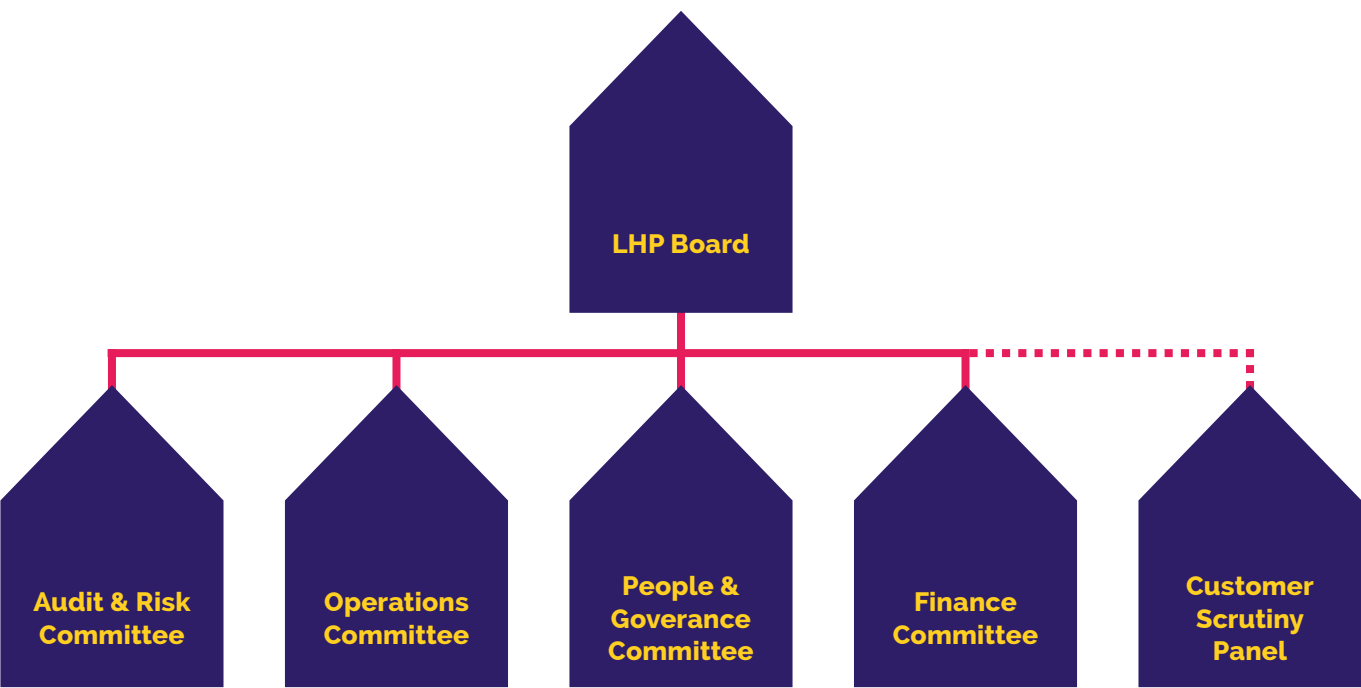
[www.lincolnshirehp.com/governance](http://www.lincolnshirehp.com/governance).





# Strategic Report

## Committee Structure



## Our leadership

A well-functioning and effective Board of Directors is an essential component of good governance. The Board should understand its role and responsibilities and carry them out to the best of its ability. Each Board member is expected to demonstrate essential competencies of their role and behaviours in line with the LHP Board Behaviours Framework.

In accordance with our Rules our Board are remunerated as follows - chair £15,000, Senior Independent Director £9,500, Committee Chairs £7,500, Board members £5,500pa, and Independent Committee members £2,250. As part of their induction, board members are advised of their

fiduciary duties, and they receive regular training and development sessions on their responsibilities. The Board has the primary and ultimate decision-making authority, though it does delegate some responsibilities to Committees and the Executive Team within the structure.

For more information on our Board, please visit [www.lincolnshirehp.com/meet-the-board](http://www.lincolnshirehp.com/meet-the-board).

To find out more about our Executive and Corporate Leadership Teams, please visit [www.lincolnshirehp.com/meet-the-team](http://www.lincolnshirehp.com/meet-the-team).

# Strategic Report

## Key Board activities

Reflecting on the updates provided in this report, it's clear that last year was marked by significant progress. Notable decisions already referred to in the report include the customer engagement strategy and framework, the 30-year asset plan, the Danske revolving credit facility, commencing Sustainable Reporting Standards reporting and the effective in-house recruitment strategy. These developments have placed us in a strong position for the future and provide a solid foundation on which to build our plans for the coming year. Other key decisions taken by the Board include:

## Trainee Programme

Appointment of our first successful Trainee Board Member applicants - Hayley Sleight and Bukola Obadun-Craigs. Our Board trainee programme is key to us achieving our overall aim to improve our governance – by ensuring diversity of thought, backgrounds and perspectives, and a trusting collaborative board environment where there is effective communication. We recognise this will foster creativity via disruption of common thinking patterns, ensure comprehensive oversight via consideration of opposing opinions about challenging issues and reduce the possibility of groupthink. We decided to invest in a trainee programme to increase the pool of diverse potential board members in the sector, providing opportunities to people who do not already have the support, networks, or experience to be offered a board role. We are working with the Housing Diversity Network to deliver the programme, paying for our trainees to participate in a two-year development programme along with other trainees from our partner housing associations in Lincolnshire.



**Bukola Obadun-Craigs joined us as a Trainee Board Member**

## In-house Recruitment

Opting for in-house recruitment in Board Member recruitment has proven to be a cost-effective decision, reducing the significant expenditure associated with external agencies. This strategy also fosters a stronger understanding of our culture and values from the outset, aiding in the selection of candidates who are a good fit for our organisation.

# Strategic Report



## Customer Engagement Framework Approval

The approval of the customer engagement framework has been a key step in fostering stronger relationships with our customers. This framework emphasises active listening, open communication, and the use of feedback to drive continuous improvement. It reinforces our commitment to putting residents at the heart of our decision-making processes.

## Customer Independent Committee Member

We have been delighted to welcome Geraldine Brazil as our Customer Independent Committee Member. Her insight, experience, and dedication have significantly enriched our discussions, and her role as a customer advocate has further strengthened our focus on meeting and exceeding the needs of our customers.



## Move to Cartergate

The relocation of our Grimsby office to Cartergate House has been an exciting and transformative step for us. The new premises offer a modern, flexible workspace that fosters collaboration and innovation.



# Strategic Report



## New People & Culture Framework Approval

We approved a new People & Culture Framework which represents a critical step forward in fostering a positive, inclusive workplace culture that aligns with our values and supports our strategic objectives. This framework provides a clear vision for our teams, guiding interactions, encouraging professional growth, and promoting a sense of shared purpose.



## Board Behaviour Framework

To improve our governance effectiveness, we have approved a behaviours framework to help Board and Committee members deliver the behaviours known to make the most difference. All members have signed up to the framework and are using it as a frame of reference to self-regulate their behaviour, and give feedback to others. The framework helps members to model behaviours and values as a key element of setting and reinforcing culture within LHP and with partners and stakeholders..



# Strategic Report

## Viability Statement

### Financial Response

- Sufficient liquidity is in place to meet our internal liquidity policy.
- Recent treasury restructuring activity has resulted in Revolving Credit Facilities being in place, which supports the Corporate Strategic Plan.

### Provision of information to the Auditor

All the current Board members have taken the steps that they ought to have taken to ensure they are aware of any information needed by the Group's auditor for the purposes of their audit, and to establish that the auditor is aware of that information. The Board members are not aware of any relevant audit information of which the auditor is not aware.

### Going Concern

Having considered the plans and forecast of LHP and taking account of the advice received over the year from independent professional advisers on the

business activity and the continued support of its funders, the Board has a reasonable expectation that the Group has adequate resources to continue operations for the foreseeable future.

The Board have assessed the risks associated with the departure from the Covid-19 pandemic and the recent inflationary increases on LHP and concluded that there is limited negative impact to the ongoing business activity.

For this reason, they continue to adopt the going concern basis in the preparation of these financial statements.

### Statement of Compliance with Regulatory Standards

The Strategic Report has been prepared in accordance with applicable reporting standards and legislation. The Board can also confirm that the Group has complied with the Regulator of Social Housing's Governance and Financial Viability Standard.

DocuSigned by:

*Anthony Read*

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**Anthony Read**  
Chair

DocuSigned by:

*Simon Parkes*

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**Simon Parkes**  
Board Member

DocuSigned by:

*Nicola Ebdon*

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**Nicola Ebdon**  
Company Secretary

# Independent Auditor's Report to Lincolnshire Housing Partnership Limited

## Independent Auditor's Report to Lincolnshire Housing Partnership Limited

### Opinion

We have audited the financial statements of Lincolnshire Housing Partnership Limited (the Association) and its subsidiaries (the Group) for the year ended 31 March 2023 which comprise the Group and Association Statement of Comprehensive Income, the Group and Association Statement of Financial Position, the Consolidated Statement of Changes in Reserves, the Consolidated Statement of Cash Flows, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

### In our opinion, the financial statements:

- Give a true and fair view of the state of the Group's and of the Association's affairs as of 31 March 2023 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; and
- Have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Cooperative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group 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.

# Independent Auditor's Report to Lincolnshire Housing Partnership Limited

## Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Board of Management 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:

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

## Responsibilities of the Board of Management

As explained more fully in the Statement of the Board's Responsibilities set out on page 9, the Board of Management 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 of Management 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 of Management 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 of Management either intends to liquidate the Group or the Association or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 based on 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

# Independent Auditor's Report to Lincolnshire Housing Partnership Limited

## 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, regulations and guidance 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, regulations, and guidance 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 2022, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.

- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the regulated nature of the Group's activities.
- We reviewed financial statements disclosures and 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.



# Independent Auditor's Report to Lincolnshire Housing Partnership Limited

**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. Our audit work has been undertaken so that we might state to the Association those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do

not accept or assume responsibility to anyone other than the Association for our audit work, for this report, or for the opinions we have formed.

**Beever and Struthers, Statutory Auditor**

One Express, 1 George Leigh Street, Manchester, M4 5DL

01-Sep-23  
Date: .....

DocuSigned by:

*Beever and Struthers*


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# Statement of Comprehensive Income


	Note	Year Ended 31 March 2023		Year Ended 31 March 2022	
		Group	Association	Group	Association
		£'000	£'000	£'000	£'000
Turnover	2	57,687	57,661	54,910	54,885
Cost of sales	2	(730)	(730)	(587)	(587)
Operating expenditure	2	(44,686)	(44,686)	(41,791)	(41,791)
Gain on disposal of property, plant, and equipment	6	1,566	1,566	961	961
Operating surplus		13,837	13,811	13,493	13,468
Interest receivable		153	160	83	90
Interest and financing costs	7	(7,229)	(7,229)	(7,073)	(7,073)
Gift Aid		-	18	-	-
Surplus before tax	8	6,761	6,760	6,503	6,485
Taxation	9	-	-	-	-
Surplus for the year after tax		6,761	6,760	6,503	6,485
Actuarial (deficit)/surplus in respect of pension schemes	12	(1,656)	(1,656)	9,138	9,138
Total comprehensive Income for the year		5,105	5,104	15,641	15,623

## Statement of Compliance


The financial statements on pages 55 to 102 were approved and authorised for issue by the Board on 27 July 2023 and were signed on its behalf by:

DocuSigned by:  
  
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**Anthony Read**  
Chair

DocuSigned by:  
  
 4366EB9CD85A477...

**Simon Parkes**  
Board Member

DocuSigned by:  
  
 C786D5626EBB4F3...

**Nicola Ebdon**  
Company Secretary

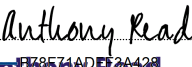
The consolidated and parent results relate wholly to continuing activities and the notes on pages 60 to 102 form an integral part of these accounts.

# Statement of Financial Position

		Year Ended 31 March 2023		Year Ended 31 March 2022	
	Note	Group £'000	Association £'000	Group £'000	Association £'000
<b>Fixed assets</b>					
Tangible fixed assets – Property	13a	325,600	325,114	317,391	316,904
Tangible fixed assets – Other	13b	3,506	3,506	2,920	2,920
Investment in subsidiaries	14	-	13	-	13
		329,106	328,633	320,311	319,837
<b>Current assets</b>					
Properties in the course of sale	16	585	585	507	507
Stock	15	148	148	113	113
Trade and other debtors	17	3,066	3,441	2,178	2,544
Cash and cash equivalents	18	14,447	14,268	19,352	19,182
Less: Creditors: Amounts falling due within one year	19a	(9,434)	(9,426)	(9,020)	(9,010)
Net current assets		8,812	9,016	13,130	13,336
Total assets less current liabilities		337,918	337,649	333,441	333,173
Creditors: amounts falling due after more than one year	19b&c	(212,927)	(212,927)	(214,657)	(214,657)
<b>Provisions for liabilities</b>					
Pension provision	12	(1,597)	(1,597)	(495)	(495)
Total net assets		123,394	123,125	118,289	118,021
<b>Reserves</b>					
Non-equity share capital	23	-	-	-	-
Income and expenditure reserve		80,075	79,806	74,256	73,988
Revaluation reserve		43,319	43,319	44,033	44,033
Restricted reserves		-	-	-	-
Total reserves		123,394	123,125	118,289	118,021

## Statement of Compliance

The financial statements on pages 55 to 102 were approved and authorised for issue by the Board on 27 July 2023 and were signed on its behalf by:

DocuSigned by:  
  
 Anthony Read  
 Chair

DocuSigned by:  
  
 Simon Parkes  
 Board Member

DocuSigned by:  
  
 Nicola Ebdon  
 Company Secretary

The notes on pages 60 to 102 form an integral part of these accounts.

# Consolidated Statement of Changes in Reserves

	Income and expenditure reserve	Restricted reserves	Revaluation	Total Reserves
	£'000	£'000	£'000	£'000
<b>Balance as at 31 March 2021</b>	57,986	-	44,662	102,648
Surplus from Statement of Comprehensive Income	6,503	-	-	6,503
Pension revaluation from Statement of Comprehensive Income	9,138	-	-	9,138
Transfer from revaluation reserve to income and expenditure reserves	629	-	(629)	-
<b>Balance as at 31 March 2022</b>	74,256	-	44,033	118,289
Surplus from Statement of Comprehensive Income	6,761	-	-	6,761
Pension revaluation from Statement of Comprehensive Income	(1,656)	-	-	(1,656)
Transfer from revaluation reserve to income and expenditure reserves	714	-	(714)	-
<b>Balance as at 31 March 2023</b>	80,075	-	43,319	123,394

The notes on pages 60 to 102 form an integral part of these accounts.



# Consolidated Statement of Cash Flows

	Year Ended 31 March 2023	Year Ended 31 March 2022
	£'000	£'000
<b>Net cash generated from operating activities</b>	19,933	21,470
<b>Cash flow from investing activities</b>		
Purchase of tangible fixed assets	(20,262)	(24,947)
Proceeds from sale of tangible fixed assets	2,725	1,483
Grants received	-	-
Interest received	153	83
	(17,384)	(23,381)
<b>Cash flow from financing activities</b>		
Interest paid and similar charges	(7,229)	(7,073)
Loan issue costs	(225)	(199)
New secured loans	-	49,412
Repayment of borrowings	-	(62,672)
	(7,454)	(20,532)
<b>Net change in cash and cash equivalents</b>	(4,905)	(22,443)
<b>Cash and cash equivalents at the beginning of the year</b>	19,352	41,795
<b>Cash and cash equivalents at the end of the year</b>	14,447	19,352

The notes on pages 60 to 102 form an integral part of these accounts.

# Consolidated Statement of Cash Flows

	Year Ended 31 March 2023	Year Ended 31 March 2022
	£'000	£'000
<b>Cash flow from investing activities</b>		
Surplus for the year	5,105	15,641
<b>Adjustments for non-cash items:</b>		
Depreciation of tangible fixed assets	9,918	9,531
Amortisation of loan issue costs	209	108
(Increase) in properties in the course of sale	(78)	(120)
(Increase)/decrease in stock	(35)	9
(Increase) in trade and other debtors	(887)	(359)
Increase/(decrease) in trade and other creditors	1,309	(697)
Increase/(decrease) in provisions	1,102	(8,886)
Carrying amount of tangible fixed asset disposals	(80)	1,638
<b>Adjustments for investing or financing activities:</b>		
Proceeds from the sale of tangible fixed assets	(2,725)	(1,483)
Government grants utilised in the year	(772)	(794)
Interest payable	7,020	6,965
Interest received	(153)	(83)
<b>Net cash generated from operating activities</b>	<b>19,933</b>	<b>21,470</b>

# Notes to the Financial Statements

## Legal Status

The Group Company (Lincolnshire Housing Partnership) is a registered society in England under the Co-operative and Community Benefit Societies Act 2014. It has exempt charitable status and is registered with the Regulator of Social Housing as a

Registered Provider (RP) of social housing. Registered office is Cartergate House, 26 Chantry Lane, Grimsby, North East Lincolnshire DN31 2LJ. Lincolnshire Housing Partnership's principal activity is to provide social housing.

The Group comprises the following entities:

Name	Incorporation	Registered / Non-registered
Lincolnshire Housing Partnership	Co-operative and Community Benefit Societies Act 2014	Registered
Humber Homes Limited	Companies Act 2006	Non-registered
Speedwell Homes Limited	Companies Act 2006	Non-registered
Boston Mayflower Finance plc	Companies Act 2006	Non-registered

## Principal Accounting Policies

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

The Group's financial statements have been prepared in accordance with applicable United Kingdom Accounting Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice for registered housing providers: Housing SORP 2018. The Group is required under the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969 to prepare consolidated Group financial statements.

The financial statements comply with the Co-operative and Communities 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 2022. The financial statements are prepared on the historical cost basis of accounting (including deemed cost upon adoption of FRS102), modified to include certain items at fair value, and

are presented in sterling £'000 for the year ended 31 March 2023.

The Group's financial statements have been prepared in compliance with FRS102. In complying with FRS102 the Group and Association meets the definition of a Public Benefit Entity.

## Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS102:

- No cash flow statement has been presented for the parent company,
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole.
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

# Notes to the Financial Statements

## Basis of consolidation

The Group financial statements consolidate the financial statements of Lincolnshire Housing Partnership and its subsidiary undertakings up to 31st March 2023.

## Going Concern

Lincolnshire Housing Partnership has considerable resources and, therefore, the Board believes the Group is well placed to manage its business risks successfully despite current uncertainties in the social housing sector and the current pandemic. The Board has a reasonable expectation that the Group has adequate resources to continue operations for the foreseeable future. For this reason, they continue to adopt the going concern basis in the preparation of these financial statements.

## Judgements and key sources of estimation uncertainty

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

## Development expenditure

The Group capitalises development expenditure in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement once development scheme is confirmed; this is usually when Board approval has taken place including when access to the appropriate funding is secured. In determining whether a project is likely to cease, management monitors the development

and considers if changes have occurred that result in impairment.

Categorisation of housing properties. The Group has undertaken a detailed review of the intended use of all housing properties. In determining the intended use, the Group has considered if the asset is held for social benefit or to earn commercial rentals. The Group has determined that market rented properties are investment properties. The Group has identified a cash generating unit for impairment assessment purposes at a property scheme level.

## Impairment

Reviews for impairment of housing properties are carried out when a trigger has occurred and any impairment loss in a cash generating unit is recognised by a charge to the Statement of Comprehensive Income. Impairment is recognised where the carrying value of a cash generating unit exceeds the higher of its net realisable value or its value in use. A cash generating unit is normally a group of properties at scheme level whose cash income can be separately identified.

The Group perform impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from sales transactions in an arm's length transaction on similar cash generating units (properties) or observable market prices less incremental costs for disposing of the properties. The value in use calculation is based on either a depreciated replacement cost or a discounted cash flow model. The depreciated replacement cost is based on available data of the cost of constructing or acquiring replacement properties to provide the same level of service potential to the Association as the existing property. The cash flows are derived from the business plan for the next 30 years. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.



# Notes to the Financial Statements

## Pension and other post-employment benefits

The cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of 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 underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from

the population bonds on which they are based, on the basis that they do not represent high quality bonds. The mortality rate is based on publicly available mortality tables for the specific sector. Future salary increases and pension increases are based on expected future inflation rates for the respective sector. Further details are given in note 12.

## Bad debt provision

LHP make a provision for rental arrears, which are considered to be non-recoverable. The full value of former tenant debt is provided for. The provision for current tenant debt is calculated based upon the value of the debt.

## Other key sources of estimation and assumptions

### Tangible fixed assets

Completed housing properties at FRS 102 transition date are stated at deemed cost at the transition date and subsequently at cost and all other tangible fixed assets are held at historic cost. Both are depreciated over their useful lives considering residual values, where appropriate. For housing property assets, the assets are broken down into components based on management's assessment of the properties. The actual lives of the assets and residual values are assessed annually and may vary depending on several factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are considered. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

### For rental and trade debtors

The estimate for receivables relates to the recoverability of balances outstanding at the year-

end. A review is performed on an individual debtor basis to consider whether each debt is recoverable.

### Turnover and revenue recognition

Turnover represents rental income receivable, amortised capital grant, revenue grants from local authorities and Homes England, income from the sale of shared ownership and other properties developed for outright sale and other income and are recognised in relation to the period when the goods or services have been supplied.

Rental income is recognised when the property is available for let, net of voids. Income from property sales is recognised on legal completion. Supporting People income is recognised under the contractual arrangements.

# Notes to the Financial Statements

## Support income and costs including Supporting People

### Income and costs

Supporting People (SP) contract income received from Administering Authorities is accounted for as SP income in the Turnover as per note 2. The related support costs are matched against this income in the same note.

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

### Service charges

Service charge income and costs are recognised on an accrual's basis. The Group operates fixed service charges on a scheme-by-scheme basis in full consultation with residents. Where periodic expenditure is required, a provision may be built up over the years, in consultation with the residents; until these costs are incurred this liability is held in the Statement of Financial Position within long-term creditors.

### Loan interest costs

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

### Loan finance issue costs

These are amortised over the life of the related loan. Loans are stated in the Statement of Financial

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

### Taxation

Lincolnshire Housing Partnership has charitable status and is not subject to Corporation Tax.

For the subsidiary companies the tax expense for the period comprises current and deferred tax. Tax is recognised in profit and loss, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated based on tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Group operates and generate taxable income.

### Value Added Tax (VAT)

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

# Notes to the Financial Statements

## Tangible fixed assets and depreciation

Housing properties are stated at either historical cost or deemed cost at transition date to FRS102 on 1 April 2014 and at cost thereafter, less accumulated depreciation.

Housing properties under construction are stated at cost and are not depreciated. These are reclassified as housing properties on practical completion of construction.

Freehold land is not depreciated.

Where a housing property comprises two or more major components with substantially different useful economic lives (UELs), each component is accounted for separately and depreciated over its individual UEL.

Expenditure relating to subsequent replacement or renewal of components is capitalised as incurred.

The Group depreciates freehold housing properties by component on a straight-line basis over the estimated UELs of the component categories.

### UELs for identified components are as follows:

Structure – 80 Years

Roofs – 65 Years

Windows and Doors – 30 Years

Bathroom – 25 Years

Kitchen – 20 Years

Central Heating / Boiler – 15 Years

Lifts – 40 Years

Wiring / Electrical – 30 Years

Garages - 50 Years

Facias, guttering and soil pipes – 30 Years

The Group depreciates housing properties held on long term leases in the same manner as freehold properties, except where the unexpired lease term is shorter than the longest component

life envisaged; in which case the unexpired term of the lease is adopted as the useful economic life of the relevant component category.

Depreciation is charged on other tangible fixed assets on a straight- line basis over the expected economic useful lives which are as follows:

Office Buildings – 100 Years

Computer equipment & software – 3 Years

Improvements/Refurbishing Leasehold Premises – 5 - 15 Years

Fixtures and fittings – 4 Years

## Shared ownership properties

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

## Operating leases

Payments are charged to the Statement of Comprehensive Income on a straight-line basis over the term of the lease.

## Investment property

Investment property includes market rented properties not held for the social benefit of the Group.

There are three market rented properties within the Group. These are not designated as investment properties as the number of properties is immaterial to the Group.

# Notes to the Financial Statements

## Valuation of investments

The Association holds £50K shares with £37.5k unpaid in its subsidiary, Boston Mayflower Finance plc at cost less impairment. There are no other investments.

## Stock and properties held for sale

Stock of materials are stated at the lower of cost and net realisable value being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

Properties developed for shared ownership are included in current assets as they are intended to be sold at the lower of cost or estimated selling price less costs to complete and sell.

At each reporting date, stock and properties held for sale are assessed for impairment. If there is evidence of impairment, the carrying amount is

reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in Statement of Comprehensive Income.

## Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

## Social Housing and other government grants

Where developments have been financed wholly or partly by social housing and other grants, the amount of the grant received has been accounted for in accordance with the performance model adopted at transition.

Post transition, where developments have been financed wholly or partly by social housing and other grants, the amount of the grant received has been included as deferred income and recognised in Turnover over the estimated useful life of the associated asset structure (not land), under the

accruals model. Social Housing Grant (SHG) received for items of cost written off in the Statement of Comprehensive Income Account is included as part of Turnover.

Where there is a government grant associated with housing properties as part of a stock transaction, the fair value of the obligation to repay or recycle the government grant is reflected in the fair value of the housing properties and therefore no additional value is attributed to the government grant transferred.

SHG must be recycled by the Group under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the SHG can be used for projects approved by the Homes England. SHG may however have to be repaid if certain conditions are not met. If grant is not required to be recycled or repaid, any unamortised grant is recognised as Turnover. In certain circumstances, SHG may be repayable, and, in that event, is a subordinated unsecured repayable debt.

## Recycling of capital grant

Where Social Housing Grant is recycled, as described above, the SHG is credited to a fund which appears as a creditor until used to fund the acquisition of new properties, where recycled grant is known to be repayable it is shown as a creditor within one year.

## Holiday pay accrual

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

## Revaluation Reserve

The revaluation reserve represents the difference on transition between the fair value of social housing properties and other assets and the historical cost carrying value, where deemed cost transitional relief was taken.



# Notes to the Financial Statements

## Financial instruments

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

At the end of each reporting period, financial instruments are measured as follows, without any deduction for transaction costs the entity may incur on sale or other disposal. Debt instruments that meet the conditions in paragraph 11.8(b) of FRS 102 are measured at amortised cost using the effective interest method, except where the arrangement constitutes a financing transaction. In this case the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt.

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

### Financial instruments held by the Group are classified as follows

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

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

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

Financial assets such as cash, current asset investments and receivables are classified as loans and receivables and held at amortised cost using the effective interest method.

Financial liabilities such as bonds and loans are held at amortised cost using the effective interest method.

Loans to or from subsidiaries including those that are due on demand are held at amortised cost using the effective interest method.

Commitments to receive or make a loan to another entity which meet the conditions above are held at cost less impairment.

An investment in another entity's equity instruments other than non-convertible preference shares and non-puttable ordinary and preference shares are held at cost less impairment.

## Loans

All loans held by the Group are classified as basic financial instruments in accordance with FRS 102. They are measured at transaction price plus transaction costs initially, and subsequently at amortised cost using the effective interest rate method. Loans repayable within one year are not discounted.

# Notes to the Financial Statements

## Impairment of financial assets

Financial assets are assessed at each reporting date to determine whether there is any objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

The following financial instruments are assessed individually for impairment:

- a. All equity instruments regardless of significance; and
- b. Other financial assets that are individually significant.

Other financial instruments are assessed for impairment either individually or grouped based on similar credit risk characteristics.

An impairment loss is measured as follows on the following instruments measured at cost or amortised cost:

- i. For an instrument measured at amortised cost, the impairment loss is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.
- ii. For an instrument measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that the entity would receive for the asset if it were to be sold at the reporting date.
- iii. If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed either directly or by adjusting an allowance account. The reversal cannot result in a carrying amount (net of any allowance account) which exceeds what the carrying amount would have been had the impairment not previously been recognised. The amount of the reversal is recognised in profit or loss immediately.

## Segmental Reporting

As Boston Mayflower Finance plc holds debt, which is Publicly traded, the parent body, Lincolnshire Housing Partnership, is required to disclose consolidated information about its operating segments in accordance with IFRS 8. The Chief Operating Decision Maker (CODM) has been identified as the Group Executive Directors.

The Group Executive Directors have identified the operating segments as General Needs & Supported Housing and Low-Cost Home Ownership, reflecting the way in which the organisation is operated and managed. The Group Executive Directors receive information regarding the financial and operational performance of these segments on a regular basis.

General Needs & Supported Housing incorporates all our social rented housing provision, including both social rent and affordable rent properties. Income is derived primarily from rent and service charges.

Low-Cost Home Ownership comprises those properties where we have sold a proportion of the equity share to the occupier whilst retaining the remaining equity and the freehold of the property. Income is derived from service charges in respect of the properties and from rent charged on the unsold equity element of the properties.

Analysis of the Statement of Comprehensive Income by segment is provided in notes 2 and 3 to these financial statements. Our management reporting structure does not require analysis of assets and liabilities by segment, and these are therefore not included in the analysis of segmental reporting.

# Notes to the Financial Statements

## Note 2

### 2a Turnover, cost of sales, operating expenditure and operating surplus

2023

Group	Turnover	Cost of sales	Operating expenditure	Operating surplus
	£'000	£'000	£'000	£'000
Social housing lettings (note 3a)	55,297	-	(44,320)	10,977
<b>Other social housing activities</b>				
Low cost home ownership sales	1,163	(730)	-	433
Development income	265	-	-	265
<b>Activities other than social housing (note 3c)</b>				
Telecare services to third parties	743	-	(366)	377
Other Income	219	-	-	219
Total	57,687	(730)	(44,686)	12,271

2022

Group	Turnover	Cost of sales	Operating expenditure	Operating surplus
	£'000	£'000	£'000	£'000
Social housing lettings (note 3a)	53,129	-	(41,504)	11,625
<b>Other social housing activities</b>				
Low cost home ownership sales	809	(587)	-	222
<b>Activities other than social housing (note 3c)</b>				
Telecare services to third parties	658	-	(287)	371
Other Income	314	-	-	314
Total	54,910	(587)	(41,791)	12,532

# Notes to the Financial Statements

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

2023

Association	Turnover	Cost of sales	Operating expenditure	Operating surplus
	£'000	£'000	£'000	£'000
Social housing lettings (note 3b)	55,271	-	(44,320)	10,951
<b>Other social housing activities</b>				
Low cost home ownership sales	1,163	(730)	-	433
Development income	265	-	-	265
<b>Activities other than social housing (note 3c)</b>				
Telecare services to third parties	743	-	(366)	377
Other Income	219	-	-	219
<b>Total</b>	<b>57,661</b>	<b>(730)</b>	<b>(44,686)</b>	<b>12,245</b>

2022

Association	Turnover	Cost of sales	Operating expenditure	Operating surplus
	£'000	£'000	£'000	£'000
Social housing lettings (note 3b)	53,104	-	(41,504)	11,600
<b>Other social housing activities</b>				
Low cost home ownership sales	809	(587)	-	222
<b>Activities other than social housing (note 3c)</b>				
Telecare services to third parties	658	-	(287)	371
Other Income	314	-	-	314
<b>Total</b>	<b>54,885</b>	<b>(587)</b>	<b>(41,791)</b>	<b>12,507</b>



# Notes to the Financial Statements

## 3a Turnover, operating expenditure and operating surplus

Group	Rented Housing	Low Cost Home Ownership	Other	Total 2023	Total 2022
	£'000	£'000	£'000	£'000	£'000
<b>Income</b>					
Rent receivable net of identifiable service charge	50,136	904	766	51,806	49,925
Service charge income	2,284	74	320	2,678	2,324
Amortised government grants	772	-	-	772	759
Other Income from Social Housing Lettings	40	-	1	41	121
Turnover from Social Housing Lettings	53,232	978	1,087	55,297	53,129
<b>Operating expenditure</b>					
Management	17,693	-	-	17,693	18,866
Service charge costs	2,884	-	147	3,031	3,054
Routine maintenance	12,157	-	-	12,157	8,962
Planned maintenance	515	-	-	515	604
Major repairs expenditure	-	-	-	-	-
Bad debts	624	-	(12)	612	487
Depreciation of Housing Properties	9,622	296	-	9,918	9,531
Impairment of housing properties	394	-	-	394	-
<b>Operating expenditure on Social Housing Lettings</b>	43,889	296	135	44,320	41,504
<b>Operating Surplus on Social Housing Lettings</b>	9,343	682	952	10,977	11,625
<b>Void losses</b> (being rental income lost as a result of a property not being let, although it is available for letting)	851	21	209	1,081	865

# Notes to the Financial Statements

## 3b Turnover, operating expenditure and operating surplus

Association	Rented Housing	Low Cost Home Ownership	Other	Total 2023	Total 2022
	£'000	£'000	£'000	£'000	£'000
<b>Income</b>					
Rent receivable net of identifiable service charge	50,110	904	766	51,780	49,900
Service charge income	2,284	74	320	2,678	2,324
Amortised government grants	772	-	-	772	759
Other Income from Social Housing Lettings	40	-	1	41	121
<b>Turnover from Social Housing Lettings</b>	<b>53,206</b>	<b>978</b>	<b>1,087</b>	<b>55,271</b>	<b>53,104</b>
<b>Operating expenditure</b>					
Management	17,693	-	-	17,693	18,866
Service charge costs	2,885	-	147	3,032	3,054
Routine maintenance	12,157	-	-	12,157	8,962
Planned maintenance	515	-	-	515	604
Major repairs expenditure	-	-	-	-	-
Bad debts	624	-	(12)	612	487
Depreciation of Housing Properties	9,621	296	-	9,917	9,531
Impairment of Housing Properties	394	-	-	394	-
<b>Operating expenditure on Social Housing Lettings</b>	<b>43,889</b>	<b>296</b>	<b>135</b>	<b>44,320</b>	<b>41,504</b>
<b>Operating on Social Housing Lettings</b>	<b>9,317</b>	<b>682</b>	<b>952</b>	<b>10,951</b>	<b>11,600</b>
<b>Void losses</b> (being rental income lost as a result of a property not being let, although it is available for letting)	<b>851</b>	<b>21</b>	<b>209</b>	<b>1,081</b>	<b>865</b>

# Notes to the Financial Statements

## 4. Accommodation, owned, managed and in development

	2022		2023	
	No. of Properties		No. of Properties	
	Owned	Managed	Owned	Managed
Social Housing Under development at the end of year:				
General needs housing affordable rent	84	-	15	-
General needs housing social rent	-	-	2	-
Low-cost home ownership	46	-	7	-
	130	-	24	-



During the year, we unveiled new homes in Wragby, near Lincoln

# Notes to the Financial Statements

## 4. Accommodation, owned, managed and in development (continued)

2022 No. of Properties							2023 No. of Properties	
	Owned	Managed	Additions	Disposals	Other	Tenure Change	Owned	Managed
<b>Under management at the end of the year:</b>								
General needs housing	9,658	-	-	(27)	-	10	9,641	-
Affordable Rent General Housing	185	-	50	-	-	-	235	-
Supported housing and housing for older people	1,722	-	1	-	-	-	1,723	-
Low-cost home ownership	329	-	26	(6)	-	-	349	-
Extra care housing	30	-	-	-	-	-	30	-
Intermediate Rent	218	-	-	-	-	-	218	-
Total owned and managed	12,142	-	77	(33)	-	10	12,196	-
<b>Non-Social Housing Under management at the end of the year:</b>								
Market rented	9	-	-	-	-	-	9	-
Leasehold Properties	365	-	-	-	1	-	366	-
	374	-	-	-	1	-	375	-



# Notes to the Financial Statements

## 5. Accommodation managed by and leased to others

	2023 No. of properties	2022 No. of properties
General needs	-	10
Supported housing	58	58
Non-social housing	22	22
Total	80	90

Lincolnshire Housing Partnership owns property managed by or leased to other bodies.

## 6. Profit on disposal of property, plant, and equipment

Group and Association	Right to Buy sales	Right to Acquire sales	Outright sales	Shared ownership staircasing sales	Total 2023	Total 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Proceeds of sales	614	1,379	113	619	2,725	1,483
Less: Costs of sales	(293)	(400)	(10)	(456)	(1,159)	(522)
Total	321	979	103	163	1,566	961

# Notes to the Financial Statements

## 7. Interest and financing costs

	Group		Association	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Defined benefit pension charge	4	194	4	194
On loans repayable within five years	-	259	-	259
On loans wholly or partly repayable in more than five years	6,459	6,103	6,459	6,103
Costs associated with financing	766	517	766	517
	7,229	7,073	7,229	7,073

## 8. Surplus on ordinary activities

	2023	2022
	£'000	£'000
The operating surplus stated after charging / (crediting)		
<b>Auditors' remuneration (excluding VAT):</b>		
Audit of the group financial statements	55	49
Audit of subsidiaries	1	1
<b>Fees payable to the Association's auditor and its associates for other services to the Group:</b>		
Service charge certification	4	4
Other	-	2
Depreciation of housing properties	9,918	9,531
Depreciation of other fixed assets	716	675
Surplus on sale of other fixed assets	(1,566)	(961)

## 9. Taxation

No taxation charge arises as the Association has been granted charitable status accepted by HMRC.

# Notes to the Financial Statements

## 10. Directors' remuneration

	2023 £'000	2022 £'000
The aggregate emoluments paid to or receivable by non- executive Directors and former non-executive Directors	70	69
The aggregate emoluments paid to or receivable by executive Directors and former executive Directors	810	718
The aggregate emoluments paid to or receivable by Directors (key management personnel)	810	718
The emoluments paid to the highest paid Director excluding pension contributions	151	145
The aggregate amount of any consideration payable to or receivable by third parties for making available the services of a Director	-	33
The aggregate amount of any consideration payable to Directors for loss of office	-	-
The ratio of the Chief Executives remuneration to the median remuneration of all LHP's employees	6:1	6:1

Murray Macdonald is the Chief Executive of LHP and the highest paid director. His remuneration in relation to the period of account amounted to £151,116 (2022: £145,307).

He is a member of the defined benefit pension scheme. The scheme was funded in line with the pension scheme guidelines for the Group, to which the Group contribute £44,786 for the year ended 31 March 2023 (2022: £43,063)

### Emoluments were made to the following members of the board

Name	Appointed/ Resigned	2023 £	2022 £
Anthony Read		15,000	15,000
Jiggy Lloyd	Resigned 14/09/22	2,503	5,167
Rob Jones	Resigned 06/12/21	-	4,550
Yvonne Lowe	Resigned 15/09/20	-	3,750
Paul Casey		5,500	5,167
Carl Dewey		7,500	6,813
John Crowther		7,750	7,750
Simon Parkes		9,500	9,500
Sally Marshall-Mills		5,500	5,167
Kate Lindley		7,500	5,986
Adrienne Boggins	Appointed 01/06/22	4,625	-
Rhiannon Davies	Appointed 01/09/22	4,625	-
		70,003	68,850

# Notes to the Financial Statements

## 11. Employee information

	2023	2022
	No.	No.
<b>The average number of persons employed during the year expressed in full time equivalents was:</b>		
Office staff	261	255
Wardens, caretakers, and cleaners	11	12
Operatives	117	104
	389	371
<b>Staff costs</b>		
	£'000	£'000
Wages and salaries	12,457	11,898
Social Security costs	1,181	1,134
Other pension costs	1,335	1,321
	14,973	14,353
<b>Aggregate number of full-time equivalent staff whose remuneration exceeded £60,000 in the period:</b>		
	2023	2022
	No.	No.
£60,000 - £70,000	9	3
£70,000 - £80,000	6	6
£80,000 - £90,000	3	2
£90,000 - £100,000	2	2
£110,000 - £120,000	-	1
£130,000 - £140,000	1	3
£150,000 - £160,000	2	-
£180,000 - £190,000	-	1
£190,000 - £200,000	1	-

No loans have been made to employees in the year ended 31 March 2023 (2022 nil)

# Notes to the Financial Statements

## 12. Pension Obligations

### **The Social Housing Pension Scheme (SHPS) (for new employees)**

The Group participates in the Social Housing Pension Scheme (the Scheme), a multiemployer 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 completed triennial valuation of the scheme for funding purposes was carried out as at 30 September 2020. This valuation revealed a deficit of £1,560m. 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 Group 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.

For financial years ending on or before 28 February 2019, it was not possible for the company to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the company has accounted for the Scheme as a defined contribution scheme.

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the Group to account for the Scheme as a defined benefit scheme.

For accounting purposes, a valuation of the scheme was carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive.

The latest accounting valuation was carried out with an effective date of 30 September 2022. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2023 to 28 February 2024 inclusive.

The liabilities are compared, at the relevant accounting date, with the Group's fair share of the Scheme's total assets to calculate the Group's net deficit or surplus.

We were notified in 2021 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 is seeking clarification from the Court on these items, and this process is ongoing with it being unlikely to be resolved before the end of 2024 at the earliest. It is estimated that this could potentially increase the value of the full Scheme liabilities by £155m. We note that this estimate has been calculated as at 30 September 2022 on the Scheme's Technical Provisions basis. Until the Court direction is received, it is unknown whether the full (or any) increase in liabilities will apply and therefore, in line with the prior year, no adjustment has been made in these financial statements in respect of this.



# Notes to the Financial Statements

## Principal Actuarial Assumptions

The following information provided by The Pension Trust (TPT) is based upon the full actuarial valuation of the fund as at September 2022 updated to 31 March 2023.

	31 March 2023	31 March 2022
Rate of increase in salaries	3.81%	4.12%
Rate of increase for pensions in payment / inflation	3.81%	4.12%
Discount rate for scheme liabilities	4.83%	2.77%
Inflation assumption (CPI)	2.81%	3.12%
Commutation of pensions to lump sums	75%	75%

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

Current Pensioners	
Males	21.0 years
Females	23.4 years
Future Pensioners	
Males	22.2 years
Females	24.9 years

# Notes to the Financial Statements

Analysis of the amount charged to operating costs in	31 March 2023	31 March 2022
the Statement of Comprehensive Income	£'000	£'000
Employer service cost (net of employee contributions)	(73)	(1,046)
Expenses	(19)	(13)
<b>Total operating charge</b>	<b>(92)</b>	<b>(1,059)</b>
<b>Analysis of pension finance income / (costs)</b>		
Expected return on pension scheme assets	360	244
Interest on pension liabilities	(397)	(324)
<b>Amounts charged/credited to financing costs</b>	<b>(37)</b>	<b>(80)</b>
<b>Amount of gains and losses recognised in the Statement of Comprehensive Income</b>		
Actuarial (losses)/gains on pension scheme assets	(5,744)	1,413
Actuarial gains on scheme liabilities	5,259	760
<b>Actuarial (loss)/gain recognised</b>	<b>(485)</b>	<b>2,173</b>
<b>Movement in (deficit) during the year</b>		
(Deficit) in scheme at 1 April	(1,562)	(3,573)
Movement in year: Employer service cost (net of employee contributions)	(92)	(1,072)
Employer contributions	579	990
Past service cost	-	-
Net interest/return on assets	(37)	(80)
Remeasurements	(485)	2,173
<b>(Deficit) in scheme at 31 March</b>	<b>(1,597)</b>	<b>(1,562)</b>

# Notes to the Financial Statements

	31 March 2023	31 March 2022
<b>Asset and Liability Reconciliation</b>	<b>£'000</b>	<b>£'000</b>
Reconciliation of Liabilities at start of period	(14,738)	(14,026)
Service cost	(92)	(1,072)
Interest cost	(397)	(324)
Employee contributions	(27)	(295)
Remeasurements	5,259	760
Benefits paid	950	219
Past Service cost	-	-
Curtailments and settlements	-	-
<b>Liabilities at end of period</b>	<b>(9,045)</b>	<b>(14,738)</b>
Reconciliation of Assets at start of period	13,176	10,453
Return on plan assets	360	244
Remeasurements	(5,744)	1,413
Employer contributions	579	990
Employee contributions	27	295
Benefits paid	(950)	(219)
<b>Assets at end of period</b>	<b>7,448</b>	<b>13,176</b>
<b>(Deficit) in scheme at 31 March</b>	<b>(1,597)</b>	<b>(1,562)</b>

# Notes to the Financial Statements

## Local Government Pension Scheme (“LGPS”)

The Lincolnshire County Council Pension - for TUPE employees formerly Boston Mayflower. The LGPS is a funded defined-benefit scheme, with the assets held in separate funds administered by the Lincolnshire County Council. The total contributions made for the year ended 31 March 2023 were £240k,

of which employer's contributions totalled £217k and employees' contributions totalled £23k. The agreed contribution rates for future years are 27.4% for employers and range from 5.5% to 12.5% for employees, depending on salary.

## Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2019 updated to 31 March 2023 by a qualified independent actuary.

	31 March 2023	31 March 2022
Rate of increase in salaries	3.90%	3.60%
Rate of increase for pensions in payment / inflation	2.90%	3.30%
Discount rate for scheme liabilities	4.80%	2.60%
Inflation assumption (CPI)	2.90%	3.30%
Commutation of pensions to lump sums	75%	75%

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

	31 March 2023	31 March 2022
Current Pensioners		
Males	19.8 years	21.2 years
Females	22.9 years	23.7 years
Future Pensioners		
Males	21.1 years	22.1 years
Females	24.4 years	25.1 years

# Notes to the Financial Statements

Analysis of the amount charged to operating costs in the Statement of Comprehensive Income	31 March 2023	31 March 2022
	£'000	£'000
Employer service cost (net of employee contributions)	(96)	(122)
Past service cost	-	-
<b>Total operating charge</b>	<b>(96)</b>	<b>(122)</b>
<b>Analysis of pension finance income / (costs)</b>		
Expected return on pension scheme assets	406	288
Interest on pension liabilities	(455)	(361)
<b>Amounts charged/credited to financing costs</b>	<b>(49)</b>	<b>(73)</b>
<b>Amount of gains and losses recognised in the Statement of Comprehensive Income</b>		
Actuarial gains/(losses) on pension scheme assets	406	288
Actuarial (losses) on scheme liabilities	(563)	(494)
<b>Actuarial (loss) recognised</b>	<b>(157)</b>	<b>(206)</b>
<b>Movement in surplus / (deficit) during the year</b>		
(Deficit) in scheme at 1 April	(1,991)	(3,770)
Movement in year: Employer service cost (net of employee contributions)	(108)	(133)
Employer contributions	219	224
Past service cost	-	-
Net interest/return on assets	(49)	(73)
Remeasurements	4,933	1,761
<b>Actuarial Asset/(Deficit) in scheme at 31 March</b>	<b>3,004</b>	<b>(1,991)</b>
Adjustment in respect of asset restriction *	(3,004)	-
<b>(Deficit) recognised on the balance sheet</b>	<b>-</b>	<b>(1,991)</b>



# Notes to the Financial Statements

	31 March 2023	31 March 2022
<b>Asset and Liability Reconciliation</b>	<b>£'000</b>	<b>£'000</b>
Reconciliation of Liabilities at start of period	(17,732)	(18,382)
Service cost	(96)	(122)
Interest cost	(455)	(361)
Employee contributions	(23)	(24)
Remeasurements	5,741	502
Benefits paid	522	655
Past Service cost	-	-
Curtailments and settlements	-	-
<b>Liabilities at end of period</b>	<b>(12,043)</b>	<b>(17,732)</b>
Reconciliation of Assets at start of period	15,741	14,612
Return on plan assets	406	288
Remeasurements	(808)	1,259
Employer contributions	219	224
Employee contributions	23	24
Benefits paid	(534)	(666)
<b>Assets at end of period</b>	<b>15,047</b>	<b>15,741</b>
<b>Actuarial Assets/(Deficit) in scheme at 31 March</b>	<b>3,004</b>	<b>(1,991)</b>
Adjustment in respect of asset restriction *	(3,004)	-
<b>(Deficit) recognised on the balance sheet</b>	<b>-</b>	<b>(1,991)</b>

\*The asset has been restricted to comply with FRS 102 paragraph 28. An entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. These criteria were not considered to be met.

# Notes to the Financial Statements

## Local Government Pension Scheme (“LGPS”)

The East Riding of Yorkshire Council Pension - for TUPE employees formerly Shoreline. The LGPS is a funded defined-benefit scheme, with the assets held in separate funds administered by the East Riding of Yorkshire Council. The total contributions made for the year ended 31 March 2023 were

£325k of which employer's contributions totalled £280k and employees' contributions totalled £45k. The agreed contribution rates for future years are 42.7% for employers and range from 5.5% to 12.5% for employees, depending on salary.

## Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2019 updated to 31 March 2023 by a qualified independent actuary.

	31 March 2023	31 March 2022
Rate of increase in salaries	3.00%	4.10%
Rate of increase for pensions in payment / inflation	3.00%	3.20%
Discount rate for scheme liabilities	4.75%	2.7%
Inflation assumption (CPI)	3.00%	3.20%
Commutation of pensions to lump sums	75%	75%

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

	31 March 2023	31 March 2022
Current Pensioners		
Males	20.8 years	20.8 years
Females	23.7 years	23.5 years
Future Pensioners		
Males	21.5 years	22.0 years
Females	25.2 years	25.3 years

# Notes to the Financial Statements

Analysis of the amount charged to operating costs in the Statement of Comprehensive Income	31 March 2023	31 March 2022
	£'000	£'000
Employer service cost (net of employee contributions)	(321)	(407)
Past service cost	-	-
<b>Total operating charge</b>	<b>(321)</b>	<b>(407)</b>
<b>Analysis of pension finance income / (costs)</b>		
Expected return on pension scheme assets	1,092	755
Interest on pension liabilities	(1,010)	(796)
<b>Amounts charged/credited to financing costs</b>	<b>82</b>	<b>(41)</b>
<b>Amount of gains and losses recognised in the Statement of Comprehensive Income</b>		
Actuarial gains on pension scheme assets	1,092	755
Actuarial (losses) on scheme liabilities	(1,331)	(1,203)
<b>Actuarial (loss) recognised</b>	<b>(239)</b>	<b>(448)</b>
<b>Movement in surplus / (deficit) during the year</b>		
(Deficit) in scheme at 1 April	(3,059)	(2,037)
Movement in year: Employer service cost (net of employee contributions)	(321)	(407)
Employer contributions	280	340
Past service cost	-	-
Net interest/return on assets	82	(41)
Remeasurements	16,520	5,204
<b>Actuarial Surplus in scheme at 31 March</b>	<b>13,502</b>	<b>3,059</b>
<b>Adjustment in respect of asset restriction*</b>	<b>(13,502)</b>	<b>-</b>
<b>Surplus recognised on the balance sheet</b>	<b>-</b>	<b>3,059</b>

# Notes to the Financial Statements

	31 March 2023	31 March 2022w
<b>Asset and Liability Reconciliation</b>	<b>£'000</b>	<b>£'000</b>
Reconciliation of Liabilities at start of period	(37,745)	(40,185)
Service cost	(321)	(407)
Interest cost	(1,010)	(796)
Employee contributions	(46)	(51)
Remeasurements	10,394	2,552
Benefits paid	1,003	1,142
Past Service cost	-	-
Curtailments and settlements	-	-
<b>Liabilities at end of period</b>	<b>(27,725)</b>	<b>(37,745)</b>
Reconciliation of Assets at start of period	40,804	38,148
Return on plan assets	1,092	755
Remeasurements	8	2,652
Employer contributions	280	340
Employee contributions	46	51
Benefits paid	(1,003)	(1,142)
<b>Assets at the end of period</b>	<b>41,227</b>	<b>40,804</b>
<b>Actuarial surplus in the scheme at 31 March</b>	<b>13,502</b>	<b>3,059</b>
<b>Adjustment in respect of asset restriction*</b>	<b>(13,502)</b>	<b>-</b>
<b>Surplus recognised on the balance sheet</b>	<b>-</b>	<b>3,059</b>

\*The asset has been restricted to comply with FRS 102 paragraph 28. An entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. These criteria were not considered to be met.

# Notes to the Financial Statements

## 13a Tangible fixed assets Housing Properties

Group	Housing Properties for Letting Completed	Housing Properties for Letting Under Construction	Low Cost Home Ownership Properties Completed	Low Cost Home Ownership Properties Under Construction	Total Housing Properties
	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>					
At start of the year	362,205	3,094	22,203	1,050	388,552
Additions to properties acquired	-	3,649	-	1,379	5,028
Works to existing properties	13,920	-	-	-	13,920
Schemes completed	4,451	(4,451)	740	(740)	-
Change of Tenure	(149)	-	149	-	-
Disposals	(2,416)	-	(446)	-	(2,862)
Reclassification *	(611)	-	-	-	(611)
Impairment	(500)	-	-	-	(500)
At the end of the year	376,900	2,292	22,646	1,689	403,527
<b>Depreciation and impairment</b>					
At start of the year	70,100	-	1,061	-	71,161
Charge for year	8,537	-	296	-	8,833
Reclassification *	(611)	-	-	-	(611)
Disposals	(1,317)	-	(33)	-	(1,350)
Impairment	(106)	-	-	-	(106)
At the end of the year	76,603	-	1,324	-	77,927
<b>Net book value</b>					
31-Mar-23	300,297	2,292	21,322	1,689	325,600
31-Mar-22	292,105	3,094	21,142	1,050	317,391

\*A reclassification has been made to both cost and accumulated depreciation of the same value (£0.6M). The adjustment has no impact on the net book value of housing properties within the SOFP and will align the cost and depreciation elements with the register.

Included within the above note are 3 investment properties with a year-end balance of £490k (2022: £490k). These properties have been valued by Watsons Property using a qualified chartered surveyor in accordance with the RICS Valuation Appraisal Manual. The properties have been valued based on Open Market Value as at 23 November 2020.



# Notes to the Financial Statements

Housing Properties Comprise:	2023	2022
	£'000	£'000
Freeholds	325,600	317,391
Long leaseholds	-	-
Short leaseholds	-	-
	325,600	317,391



# Notes to the Financial Statements

Association	Housing Properties for Letting Completed	Housing Properties for Letting Under Construction	Low Cost Home Ownership Properties Completed	Low Cost Home Ownership Properties Under Construction	Total Housing Properties
	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>					
At start of the year	361,718	3,094	22,203	1,050	388,065
Additions to properties acquired	-	3,649	-	1,379	5,028
Works to existing properties	13,920	-	-	-	13,920
Schemes completed	4,451	(4,451)	740	(740)	-
Change of Tenure	(149)	-	149	-	-
Disposals	(2,416)	-	(446)	-	(2,862)
Reclassification *	(611)	-	-	-	(611)
Impairment	(500)	-	-	-	(500)
At the end of the year	376,413	2,292	22,646	1,689	403,040
<b>Depreciation and impairment</b>					
At start of the year	70,100	-	1,061	-	71,161
Charge for year	8,537	-	296	-	8,833
Reclassification *	(611)	-	-	-	(611)
Disposals	(1,317)	-	(33)	-	(1,350)
Impairment	(106)	-	-	-	(106)
At the end of the year	76,603	-	1,324	-	77,927
<b>Net book value</b>					
31-Mar-23	299,810	2,292	21,322	1,689	325,114
31-Mar-22	291,618	3,094	21,142	1,050	316,904

\* A reclassification has been made to both cost and accumulated depreciation of the same value (£0.6M). The adjustment has no impact on the net book value of housing properties within the SOFP and will align the cost and depreciation elements with the register.

Works to existing properties in the year:	2023	2022
	£'000	£'000
Components capitalised	13,920	15,067
Amounts charged to expenditure	-	-

# Notes to the Financial Statements

## 13a & b Tangible fixed assets – Other

Group and Association	Offices	Computer and Office Equipment	Playground Equipment	Total Non-Housing Assets
	£'000	£'000	£'000	£'000
<b>Cost</b>				
At start of the year	1,844	2,910	33	4,787
Additions	898	415	-	1,313
Disposals	-	(15)	-	(15)
At the end of the year	2,742	3,310	33	6,085
<b>Depreciation and impairment</b>				
At start of the year	244	1,591	32	1,867
Charge for year	28	687	1	716
Disposals	-	(4)	-	(4)
At the end of the year	272	2,274	33	2,579
<b>Net book value</b>				
31-Mar-23	2,470	1,036	-	3,506
31-Mar-22	1,600	1,319	1	2,920

# Notes to the Financial Statements

## 14. Fixed asset investments

### Group companies

The Group comprises the following companies, all registered in England:

Name	Incorporation and ownership	Regulated / Non-regulated	Nature of business
Lincolnshire Housing Partnership	Company 100%	Regulated	Housing Association
Humber Homes Limited	Company 100%	Non-regulated	Property Development
Speedwell Homes Limited	Company 100%	Non-regulated	Market Renting
Boston Mayflower Finance plc	Company 100%	Non-regulated	Financing

Association	Other subsidiaries	Boston Mayflower Finance plc
	£'000	£'000
31 March 2022	-	13
31 March 2023	-	13

# Notes to the Financial Statements

## 15. Stock

	Group		Association	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Building Materials	113	93	113	93
Goods for sale or hire	35	20	35	20
	148	113	148	113

## 16. Properties in the course of sale

	Group		Association	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
<b>Properties held for sale</b>				
Low cost home ownership properties:				
Completed	585	507	585	507
	585	507	585	507



# Notes to the Financial Statements

## 17. Trade and other debtors

	Group		Association	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Rent arrears	2,736	2,121	2,736	2,121
Less: provision for bad debts	(1,498)	(1,090)	(1,498)	(1,090)
Amounts due from Group undertakings	-	-	376	366
Trade Debtors	81	89	81	89
Other debtors	374	337	374	337
Prepayment and accrued income	1,373	721	1,372	721
Total	3,066	2,178	3,441	2,544

Debtors are all due within one year

## 18. Cash and cash equivalents

	Group		Association	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Cash at bank and in hand	14,447	19,352	14,268	19,182

# Notes to the Financial Statements

## 19a. Creditors: amounts falling due within one year

	Group		Association	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Trade creditors	1,628	536	1,628	536
Rents and service charges paid in advance	2,116	1,947	2,116	1,947
Amounts due to Group undertakings	-	-	285	285
VAT due to HMRC	7	14	7	14
Accruals and deferred income	3,908	4,651	3,908	4,651
Deferred Capital Grant (Note 20)	774	773	774	773
Recycled Capital Grant Fund (Note 21)	401	303	401	303
Other creditors	600	796	307	501
	9,434	9,020	9,426	9,010

## 19b. Creditors: amounts falling due after more than one year

	Group		Association	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Loans (Note 19c)	196,002	196,637	196,002	196,637
Less: Loan arrangement fees (Note 19c)	(1,320)	(1,095)	(1,320)	(1,095)
Deferred Capital Grant (Note 20)	18,126	18,995	18,126	18,995
Recycled Capital Grant Fund (Note 21)	119	120	119	120
	212,927	214,657	212,927	214,657

# Notes to the Financial Statements

## 19c. Net Debt Analysis

	Group		Association	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
<b>Loans repayable by instalments</b>				
Within one year	-	-	-	-
In one year or more, but less than two years	-	-	-	-
In two years or more and less than five years	-	-	-	-
In five years or more	181,002	181,637	181,002	181,637
<b>Loans not repayable by instalments</b>				
Within one year	-	-	-	-
In one year or more, but less than two years	-	-	-	-
In two years or more and less than five years	-	-	-	-
In five years or more	15,000	15,000	15,000	15,000
Less: loan issue costs	(1,320)	(1,095)	(1,320)	(1,095)
	194,682	195,542	194,682	195,542

On 8 September 2014 Lincolnshire Housing Partnership Limited borrowed £90m from the capital markets through its subsidiary Boston Mayflower Finance plc via a combination of a 45-year bond issue and a 15-year Private Placement. Loans are secured by floating charges on all the Association's assets and fixed charges on individual properties.

The amount payable in relation to the bond issue is an intercompany creditor for Lincolnshire Housing Partnership Limited with the amount owed to its subsidiary, Boston Mayflower Finance plc. Boston Mayflower Finance plc recognises an equivalent

intercompany debtor within its accounts and the third-party liability to repay the bond on 8 September 2059.

Boston Mayflower Finance plc sold a subsequent £40m in June 2020, with the proceeds being lent to Lincolnshire Housing Partnership Limited.

On 7 June 2021 Boston Mayflower Finance plc sold additional £35m from the retained capital market and lent the proceeds of this sale to Lincolnshire Housing Partnership Limited, bringing the total capital market borrowing to £165m.

# Notes to the Financial Statements

## 19c. Net Debt Analysis (continued)

The interest rate profile of the Association at 31 March 2023 was:

	Total	Variable rate	Fixed rate	Weighted	Weighted average term
	£'000	£'000	£'000	%	Years
Instalment loans	150,000	-	150,000	4.321%	37
Non-instalment loans – Bond Premium	29,682	-	29,682	-	37
Non-instalment loans	15,000	-	15,000	4.077%	7
	-	-	-	-	-
As at 31 March 2023 the Association has the following borrowing facilities:					£'000
Undrawn committed facilities					50,000
Undrawn facilities					30,000
					80,000

## 19d. Analysis of Changes in Net Debt

Group	Notes	At 1 April 2022	Cash Flows	Non-cash Changes	At 31 March 2023
		£'000	£'000	£'000	£'000
Cash and Equivalents		19,351	(4,904)	-	14,447
Debt Due within one year		-	-	-	-
Debt Due after more than one year	19c	(196,637)	635	-	(196,002)
Net Debt		(177,286)	(4,629)	-	(181,555)

# Notes to the Financial Statements

## 20. Deferred Capital Grant

	Group		Association	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
At start of the year	19,768	20,585	19,768	20,585
Grant received during the year	-	-	-	-
Grant recycled in the year – RCGF	-	-	-	-
Amortisation	(750)	(773)	(750)	(773)
Released to income in the year	(22)	(21)	(22)	(21)
Released to RCGF	(96)	(23)	(96)	(23)
<b>At the end of the year</b>	18,900	19,768	18,900	19,768
Amount due to be released < 1 year	774	773	774	773
Amount due to be released > 1 year	18,126	18,995	18,126	18,995
<b>Total deferred capital grant</b>	18,900	19,768	18,900	19,768



# Notes to the Financial Statements

## 21. Recycled Capital Grant Fund

	Group		Association	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
At start of the year	423	400	423	400
Inputs: Grant recycled	97	23	97	23
Recycling: New Build	-	-	-	-
At the end of the year	520	423	520	423
Amount due to be released < 1 year	401	303	401	303
Amount due to be released > 1 year	119	120	119	120
	520	423	520	423

# Notes to the Financial Statements

## 22. Non-equity share capital

The Association's constitution is that of a Co-operative and Community Benefit Society, therefore there is no share capital.

Lincolnshire Housing Partnership Limited retains a

£12,500 investment in Boston Mayflower Finance plc and is the registered holder of 50,000 shares of £1 each, of which £12,500 has been paid.

## 23. Capital commitments

	2023	2022
	£'000	£'000
Capital expenditure that has been contracted for, but has not been provided for in the financial statements	2,008	6,258
Capital expenditure that has been authorised by the Board, but has not been contracted for	-	10,964
Total capital expenditure in the next 12 months	2,008	17,222

The Association expects these commitments to be financed with:

Social Housing Grant	-	1,330
Committed loan facilities	-	5,000
Proceeds from the sale of properties	-	3,204
Existing cash balances	2,008	7,688
Total capital expenditure in the next 12 months	2,008	17,222

# Notes to the Financial Statements

## 24. Operating leases

The future minimum lease payments which the Group is committed to make under leases are as follows:

	2023	2022
	£'000	£'000
<b>Land and buildings</b>		
Less than 1 year	11	516
1 to 2 years	11	129
Between 2 to 5 years	197	-
5 years or more	602	-
<b>Others</b>		
Less than 1 year	241	437
1 to 2 years	11	227
2 to 5 years	25	1
5 years or more	-	-

## 25. Contingent liability

There were no contingent liabilities to third parties as at 31 March 2023.

## 26. Grant and financial assistance

	2023	2022
	£000	£000
The total accumulated government grant and financial assistance received or receivable at 31 March	40,973	40,973
Held as deferred grant (note 20)	18,900	19,768
Recognised as income in Statement of Comprehensive Income	13,070	12,298

# Notes to the Financial Statements

## 27. Related parties

Lincolnshire Housing Partnership Limited is the Parent entity in the Group and ultimate controlling party. The Group has taken advantage of the exemption available under Section 33.1A FRS 102 not to disclose transactions with wholly owned subsidiary undertakings.

There have been no Directors' loans during the reporting year (2022: £Nil).

No tenancy agreements are held by Board members.

There have been no transactions with key management personnel and their close family,

(including compensation paid)

Related party balances are not secured.

The Group entered the following related party transactions in the year ended 31 March 2023:

Transactions with registered and non-registered elements of the business. The Association provides management services, other services, and loans to its subsidiaries.

The Association also receives charges from subsidiaries. The quantum and basis of those charges are set out on the following page:

	Management charges		Interest Charges		Interest Received	
	2023	2022	2023	2022	2023	2022
Non-regulated entities	£'000	£'000	£'000	£'000	£'000	£'000
Boston Mayflower Finance plc	-	-	6,459	6,103	-	-
Speedwell Homes Limited	3	3	-	-	7	7
	3	3	-	-	7	7

### Intra-group management fees

Intra-group management fees are receivable by the Association from subsidiaries to cover the running costs the Association incurs on behalf of managing its subsidiaries and providing services. The management fee is calculated by using varying methods of allocation.

In December 2022 Speedwell Homes Limited made a £18,356 gift aid payment to the Association in relation to the 2021/2022 financial year. (£15,747 was paid in December 2021 in relation to 2020/2021).

### Intra-group interest charges

Intra-group interest is charged by the Association to its subsidiaries at an agreed commercial rate.