

**Rochdale Boroughwide Housing
Report and Financial Statements**

For the year ended 31 March 2022

**Community Benefit Society
Registration No: 31452R.**

Registered Housing Provider No: 4607.

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CONTENTS

	Page
Legal status	3
Administrative details	6
Chair's statement	7
Report of the Board of management	9
Value for money statement	20
Statement on risk management and internal control	30
Statement of the Board's responsibilities in respect of the accounts	33
Strategic report	34
Independent auditor's report to the members of Rochdale Boroughwide Housing Limited	51
Consolidated and Association statement of comprehensive income	53
Consolidated and Association statement of financial position	54
Consolidated and Association statement of changes in equity	55
Consolidated statement of cash flows	57
Notes to the financial statements	58

LEGAL STATUS

The society is registered with the Financial Conduct Authority under the Co-operative and Community Benefits Societies Act 2014 and is registered with the Regulator of Social Housing (RSH) as a social housing provider.

ADMINISTRATIVE DETAILS

RSH registration number	4607
FCA Registration Number	31452R
Registered office	Unique Enterprise Centre, Belfield Road, Rochdale, OL16 2UP

Executives and advisors

Board

** Attendance figures are for Board, Committee, and Subsidiary Board attendance.*

Appointed Non-Executive Directors:

Paul Joyce - (Chair of the People and Remuneration Committee and Deputy Chair) – Paul is a social research analyst. He previously worked as a research fellow at a number of northwest universities. He is a sociologist who specialises in the understanding of risk management, health policy, and the production of social value. Paul has a Ph.D. from the University of Salford and a postgraduate qualification in social research methods and statistics from the University of Manchester.
Attendance 100%

Guy Millichamp - (Chair of the Audit Committee) – Guy is the Director of Finance & Resources at Connect Housing based in West Yorkshire and was previously Finance Director for Yorkshire Housing. After training as an auditor, Guy has worked in the charity, education, and housing sectors for nearly 30 years in a variety of financial management roles. The common thread has been a desire to make sure that each organisation is run in the best possible way, in order to deliver the best possible outcomes for the people that those organisations serve. Guy will be retiring in September 2022 following a five-year term. *Attendance 95%*

Mike Nuttall - (Chair of Growth Committee) Mike is a property professional and chartered surveyor with over 30 years of experience in both the public and private sectors. He has been the Property Director for Brookhouse Group since 2004 and is a Director of two joint ventures in nearby Oldham. He has worked closely with a diverse range of stakeholders on major project delivery across the northwest of England, including local authorities and Homes England - this has included the development of major mixed-use regeneration schemes on brownfield sites. Mike will be retiring in September 2022 following a three-year term. *Attendance 79%*

Luen Thompson - Luen is the Chief Executive at Forget Me Not Children’s Hospice, a charity, which operates across West Yorkshire. The hospice provides help and support to children and their families including respite, end-of-life care, and bereavement support. The service is regulated by CQC and has an outstanding rating. Much of Luen’s work is related to income generation, given that the hospice only receives 4% of its running costs from the NHS. Luen was appointed to a second term of office commencing September 2018. Luen naturally retired in September 2021 following a six-year term.
Attendance 100%

Alison Tumilty (Board Chair) - Having qualified as a Chartered Accountant with Ernst and Young in Manchester, Alison’s early career was as a finance director in property and development including Unite plc and Manchester Airport Group. After studying for an Executive MBA, Alison became Deputy Chief Executive of Rathbone, a UK wide charity supporting disadvantaged young people to develop their employment and life skills through education. She moved into the housing sector in 2013 as Group Finance Director at Your Housing Group, a large, registered provider based in Warrington. Alison has held a number of non-executive roles in education, housing, and the NHS and is currently a Non-executive Director and Chair of Finance and Performance at Wrightington, Wigan, and Leigh NHS Trust 2021-22. *Attendance 100%*

Executives and advisors continued

Neil McInroy - Neil is an economist and is at present the Senior Fellow for the Global Advancement of Community Wealth Building at the USA based think tank the Democracy Collaborative. He is also a Strategic Adviser to the Centre for Local Economic Strategies (CLES) - the UK national organisation for local economies, where he was previously the Chief Executive for 18 years. He is also at present seconded to the Scottish Government as an adviser within the economic development directorate. Neil has spent his working career committed to developing local economies and addressing poverty and injustices and believes passionately in the power of collaboration, cooperation, and the advancement of democratic ownership including cooperatives and mutuals. Appointed 19th May 2021. *Attendance 100%*

Ruth Welford - Ruth works as an Assistant Director in Children's Services for Barnardo's, one of the oldest and largest UK children's charities working on national projects. Her background is in youth and community work in the third sector where she has 25 years post-graduate experience working with and leading teams and partnerships in Greater Manchester. Ruth has held regulated roles including the Chair of Adoption, Fostering, and Permanence Panels, and has also sat on Safeguarding Boards and Domestic Homicide Review Panels with multi-sector safeguarding groups. She sits as a Peer Inspector within Barnardo's and is a school governor in Stockport. Ruth is particularly passionate about creating the conditions for people's voices to be heard so that they can achieve their potential and influence service provision and development. Appointed 15th September 2021. *Attendance 86%*

Appointed Executive Directors:

Gareth Swarbrick (Chief Executive) - Gareth started his career with Oldham Council in 1989. He moved into housing management in 1990 and between 1996 and 2002 worked in Rochdale Council's Housing Strategy Unit. Gareth began working for RBH in 2002 and was appointed Chief Executive in December 2008 and from 2009 onwards led a process that culminated in the transformation of RBH into the UK's first tenant and employee-owned mutual housing society to which the Council transferred its 13,700 homes on 26 March 2012. *Attendance 90%*

Nickie Hallard (Director of Resources and Deputy Chief Executive) - A qualified Management Accountant, Nickie joined RBH as Director of Resources in June 2009, having moved from Incommunities, Bradford's transfer housing association where she held the post of Financial Controller. Before moving into housing Nickie had a varied career in local government, retail and financial services. Nickie changed her position at RBH on 10 June 2022 and stood down as a board member on that date. Nickie will be working part time on a specific project with the Representative Body until 31 December 2022. *Attendance 100%*

John McGrail (Director of Finance and Resources) - John qualified as a Chartered Accountant with PriceWaterhouseCoopers Manchester before pursuing a career as a Finance Director and Chief Financial Officer in the charity, education, criminal justice and housing sectors in a variety of roles across the North West. He has worked in housing for the last 15 years and believes passionately in the need for social housing, community development and regeneration. He has also been an advocate for education and health and was previously a business mentor at Xaverian College for 10 years and a Board Director of Prevent Breast Cancer for almost 9 years. He was appointed as the Director of Finance & Resources in May 2022 and joined the board on 10th June 2022.

Independent Committee Members:

Cliff Mills - Independent member of the People and Remuneration Committee – Cliff is a specialist in UK co-operative law. He writes constitutions and gives governance advice to co-operative and mutual organisations, both in the co-operative sector and more widely in the community and public sectors. He helped to design and set up the arrangements for RBH when it was established as a mutual. Cliff is Principal Associate in Mutuo, the mutuals consultancy, and he works with Anthony Collins Solicitors as a consultant on co-operative and mutual work. *Attendance 100%*

Sharon Brown - Independent member of Audit Committee – Sharon is the Director of Assurance for Great Places Housing Group and leads on the governance, risk management, and internal controls framework providing assurance in relation to regulatory compliance. She is also the strategic lead for compliance with all aspects of data protection legislation and colleague health and safety. Sharon resigned on 8 March 2022. *Attendance 50%*

Siobhan Ryder - Independent member of Growth and Chair of RBH (Design and Build) Limited – Siobhan is a New Business, Marketing, and Bid Consultant with 17 years of experience in the Housing and Construction industry. Siobhan has worked for a range of companies including Tier 1 and Regional Contractors, Start-up Businesses, and everything in between, and has been focused on driving business growth through strategic marketing and partnership activity. More recently, Siobhan has also supported modular manufacturers in winning new business and has led relationship building at one of the North's Leading Housing Associations with a £1bn pipeline. *Attendance 57%*.

Executives and advisors continued

Harriet Killeen - Independent member of People and Remuneration Committee – Appointed 2 June 2021 - Harriet is a Housing Management Solicitor working in house at Torus, a housing association with homes across Liverpool, St Helens, and Warrington. Harriet deals with all aspects of housing management litigation including anti-social behaviour, disrepair, and general tenancy management, and regularly attends court to represent her clients. Prior to working at Torus, Harriet worked as a Community Safety Officer. This involved dealing directly with tenants and third party agencies across Greater Manchester to both resolve issues of anti-social behaviour and work to try and prevent them. Harriet is a co-optee on the People and Remuneration Committee.

Attendance 100%

Katherine Armitage - Independent member of Growth Committee – Appointed 6 June 2021 – Kat is an environmentalist with over 20 years' experience working on sustainability issues in the public, private and third sector. Currently working for Kirklees Council as Service Director Climate Change and Environmental Strategy having previously been a Chief Operating Officer for environmental charity Keep Britain Tidy. Kat has specialisms in climate, transport, and behaviour change and has managed a number of award winning programmes in these sectors. Outside of work, Kat has a keen interest in social justice issues; enjoys walking, being outdoors, and spending time with her family.

Attendance 83%

Representative Body

Council Representatives

Sultan Ali (Left March 2022)

Daniel Meredith (Left March 2022)

Tenant Management Organisation Appointed Representatives

Lynne Brosnan – Turf Hill TMO (Vice Chair of Representative Body)

Tenant Representatives

Frank Altham (Appointed September 2019)

Debra Anderson (Appointed September 2021)

Muhammed Ansara (Appointed September 2021)

Andrew Butterworth (Appointed September 2019)

Clifford Byram-Leech (Appointed September 2021, resigned May 2022)

Donna Chadwick (Reappointed September 2021)

Donald Ferguson (Appointed September 2021)

Agata Gorczyca (Appointed September 2021)

Andrew Johnson (Appointed September 2021)

Mack McKenzie (Appointed September 2021)

Haroon Mirza (Reappointed October 2021)

Toni-Lea Mortenson (Appointed November 2021)

Jane Taylor (Reappointed September 2021)

Brian Wood (Appointed September 2021)

Andrew Brown (Resigned August 2021)

Shamroz Gull (End of Term September 2021)

Barry Haycox (Resigned October 2021)

Andy Littlewood (Resigned August 2021)

Sue O'Donovan (Resigned August 2021)

Pam Radcliffe (Resigned October 2021)

Suzie Ross (Resigned October 2021)

Ian Wharton (Resigned February 2022)

Mary Tomlinson (End of Term September 2021)

Sharon Worsley (Resigned August 2021)

14 Tenant Members as at 31 March 2022 with 2 Vacancies

Employee Representatives

Alex Allen (Appointed September 2021)

Jan Begum (Appointed September 2021)

James Coutts (Appointed September 2021)

Stephen Edwards (Reappointed September 2021)

Bede Nicholson (Appointed September 2021)

Executives and advisors continued

Employee Representatives - Continued

Jon Wenn (Appointed September 2021)
Phil Worthington (Chair of the Representative Body)
7 Employee Members as at 31 March 2022 with 1 Vacancy

Chief Executive

Gareth Swarbrick

Executive Leadership Team

Nickie Hallard – Director of Resources and Deputy Chief Executive (Stepped down from her position on 10 June 2022)
John McGrail – Director of Finance and Resources (Joined 3 May 2022)
Clare Tostevin – Director of Growth
Nadhia Khan – Director of Customer and Communities

Secretary

Stephen Wigley

Banker

NatWest,
Parklands, 3 De Havilland Way,
Horwich, Bolton,
BL6, 4YU

Funders

RBS- (Ended December 2021)
3rd Floor, Kirkstane House,
139 Vincent Street,
Glasgow,
G2 5JF

Danske Bank (Started December 2021)
Donegall Square,
West Belfast,
BT1 6JS

Santander (Refinanced December 2021)
298 Deansgate,
Manchester
M3 4HH

Morhomes (Started January 2022)
Future Business Centre,
Kings Hedges Road,
Cambridge,
CB4 2HY

Solicitors

RBH has an in-house legal team based in Unique Enterprise Centre. Where external advice is required, this will be obtained from the most appropriate legal providers.

External Auditor

Beever and Struthers,
St George's House,
215 – 219 Chester Road,
Manchester M15 4JE.

Internal Auditor

RSM,
3 Hardman Street,
Manchester,
M3 3HF

CHAIR'S STATEMENT

2021/22 marked the 10th anniversary of RBH transferring from the Council to be the UK's first social housing mutual, owned by its tenants and employees. Despite the difficulties presented by Covid, I am immensely proud of how RBH's mutuality has helped our tenants and employees continue to come together to provide support to one another. This is exemplified by our Homelessness Officer Zoe Sutcliffe who was awarded the British Empire Medal in the Queen's New Year Honours List as one of the founders of Scrubs Hub, helping to create and deliver PPE to local hospitals when supplies were low.

I am excited that we have just launched our new Succeeding Together Strategy. This strategy was born from work done by our Representative Body, working closely with the Board, to understand our members' views on what our future priorities should be. The strategy has three new strategic themes.

1. **Pride in Quality Homes and Services**; this is our core priority and responds to the voice of our members which clearly says that we whilst we have achieved a lot, there is more that we can do. This is where we can make the biggest impact, and this is where our focus should be. Tenants and employees will be working side by side to achieve the best outcomes for our communities.
2. **Pride in our People and Communities** is our supporting priority. Under this theme we will work with partners to support our people and our communities to succeed, creating healthy and resilient communities where people choose to live and work.
3. Our final priority **Pride in Our Society** is how we will enable the successful delivery of our ambitions. This is about using the strength of our mutual voice to create real change. Our members told us that we have built a strong mutual foundation and they would like to use this as a platform to bring our membership to the forefront of everything we do.

This strategy sets our direction for the next 3 years and we really look forward to working with our members to bring it to life.

We know this is a crucial time in the global effort to tackle climate change. We recognise greater action must start locally and it must be immediate, if we are to play our part in achieving a clean, carbon neutral and climate resilient Greater Manchester region by 2038. This is a key strand of the Succeeding Together Strategy, and we will carefully measure progress towards improving the energy efficiency of our existing homes, work with tenants to better understand the impacts of this on their homes and investigate ways in which to improve the environmental performance of our new build homes. In addition, we will work with our employees and supply chains to continue to reduce emissions from our operations.

Looking back at the previous year there are a great many achievements we can be proud of. Some of the highlights include:

- Establishing our Smart Working arrangements, which enables our employees to work at the best time and from the best place resulting in both an excellent service to RBH tenants, whilst providing flexible working arrangements enabling RBH to attract and retain the best colleagues. These arrangements have helped contribute to a significant increase in colleagues stating that they have a good work-life balance when asked in our employee engagement survey.
- Publication of our ethnicity pay gap report which shows that for every £1 that RBH's white employees earn, our Black, Asian and minority ethnic employees earn an average of £1.04. We have been working with colleagues in housing associations across Greater Manchester to provide this information - as a sector we want to lead by example.
- Our contribution to the No Place Left Behind Commission report into how left behind places across the country can be revitalised.
- Securing a new £75m funding package to help us continue to invest in our homes and our communities. The funding has been provided by three lenders, with Danske Bank contributing £50m, Santander £10m, and MORhomes £15m.
- Winners of the 2021 Princess Royal Training Award for our 'Refreshing Repairs' leadership programme.
- Investment of £18.6m to upgrade our tenants' homes. This included providing new kitchens, bathrooms, windows and doors as well as new central heating systems.
- An active Age Friendly Steering Group of older tenants living in Kirkholt and Smallbridge who are engaged in the process of designing age friendly investments and prioritising actions for the next 3 years, including bidding for further grants.

CHAIR'S STATEMENT continued

- Regeneration in central Rochdale where we seek to provide the best possible quality, mix and choice of genuinely affordable homes to meet the needs of local people and for future generations - the next phase at Lower Falinge which provides 55 new homes for affordable rent is now in the handover phase.
- Securing grant funding for four sites through our strategic partnership with Great Places, which will deliver 93 new homes, two of which have progressed during the year. The first scheme at Peel Lane, Heywood started on site at the end of 2020 and completed in October 2021. This provides 12 new 3 and 4 bed family homes for Affordable Rent. The second, which is a development on two adjacent sites at The Strand and Balderstone Road, continues our long-term investment in Kirkholt and will provide 52 homes for Affordable Rent.
- At March 2022, 85% of our tenants were satisfied or very satisfied with the services that we deliver, maintaining the increases seen in the previous year, and we are confident that our plans will help sustain and further improve this.
- 58% of tenants had signed up to our online portal a big increase from just under 40% who signed up in the first year and over 30% remain regular users.
- As a Community Benefit Society, any surpluses that we generate are reinvested back into the Society, for this year this means £3.415m to ensure that we have homes and services that remain fit for the future.
- As always, we have continued to focus on delivering value for money for our tenants and ensuring that we remain financially secure. This is more important than ever as we all feel the impact of increasing inflation.

At the end of the year, we said a heartfelt thank you to all of our colleagues who left RBH as the HomeChoice and Homeless services transferred back to Rochdale Council. We are immensely proud of the work done by these teams during their time at RBH, changing lives and in some cases saving them. This work will continue as part of the Council Team.

My personal thanks extend to all of our members, our Representative Body, our Board, our colleagues, tenants, and partners (in particular Rochdale Council) for their continued support. I am immensely proud to be part of our mutual society and of the invaluable support that our members have provided to one another throughout the year.



S2022/06

Alison Tumilty (Chair)

REPORT OF THE BOARD OF MANAGEMENT

NATURE OF BUSINESS

Activities

RBH's principal activity is the letting of social housing. RBH is a registered provider of social housing with the Regulator of Social Housing (RSH) and a Community Benefit Society. A stock transfer took place on 26th March 2012, whereby Rochdale Borough Council transferred 13,712 properties to RBH that were previously managed by the ALMO. RBH became a mutual housing society, owned by its tenant and employee members, on 26th June 2013.

Group Structure

The RBH Group includes the following subsidiaries:

RBH Professional Limited is a private company limited by shares with its own Board of directors, set up to undertake trading activities outside of RBH's charitable objectives in order to generate additional income to support work in our communities. It was incorporated on 12 October 2011 (company number 07807329) and completed its first trading activity during 2013-14. The Board agreed that the company would cease trading during the 2015-16 financial year and become dormant and as such the company has not undertaken any projects in 2021-22.

RBH (Design and Build) Limited is a private company limited by shares with its own Board of directors, undertaking the design and build of new homes for RBH Limited. This subsidiary was incorporated on 23 December 2011 (company number 7891824). The Board met twice during the financial year. The RBH Board approved a recommendation for RBH (Design and Build) Limited to adopt its own Governance Statement on 10 March 2021. The RBH (Design and Build) Limited Board will review its compliance with its Governance Statement annually.

In 2021-22, a total of 15 homes were completed, 12 at Peel Lane and 3 homes at Abbeydale (Lower Falinge Ph3) with a further 52 currently progressing on site at Abbeydale (55 homes in total) and 52 homes at The Strand Phase 2 during the year.

Safeguard Solutions Limited (SSL) is a wholly owned subsidiary of RBH, with RBH having taken full control of the company in April 2017. It was incorporated on 2 October 2007 and commenced trading in 2009 with its main purpose being to provide security for our communities (company number 06387991). SSL had its own Board of directors who were responsible for agreeing the strategic direction of the Company within parameters set by RBH. Following a decision of the SSL Board in March 2020, subsequently ratified by RBH Board, SSL ceased trading on 30 November 2020, and was struck off from the Companies House Register on 10 August 2021.

All active group companies have banking arrangements during the financial year with NatWest Bank.

Beever and Struthers are the external auditors of the group and all group subsidiaries except for RBH Professional Limited which does not require the audit. Audited accounts of RBH (Design & Build) Limited and unaudited accounts of RBH Professional Limited are submitted to Companies House.

REPORT OF THE BOARD OF MANAGEMENT continued

Description

The RBH Group has the following mix of homes in ownership and development:

	RBH Group		RBH Limited	
	2022	2021	2022	2021
Properties in development	222	119	222	119
General needs	11,506	11,593	11,506	11,593
Supported housing	967	968	967	968
Shared ownership	48	49	48	49
Non-social housing	1	1	1	1
Total	12,744	12,730	12,744	12,730

All homes are located in the borough of Rochdale. The homes are predominantly general needs and are 99.98% compliant with the Decent Homes Standard as defined by the Government.

Regulation

In common with other Registered Providers, RBH is regulated by the social housing regulator (The Regulator of Social Housing - RSH). It is required to comply with the RSH's regulatory code.

The Regulatory Framework is based on the principle of co-regulation. RBH's unique model is well placed to ensure that there is a collective responsibility between its members and Board for the quality-of-service delivery and meeting the standards. The model is grounded in the principles of openness and accountability which enables co-regulation to genuinely operate in the interests of tenants.

In March 2021, the Regulator undertook its routine In Depth Assessment and confirmed the existing G1/V2 rating in December 2021.

Certification of Compliance with RSH Governance and Financial Viability Standard

The RSH regulatory framework updated in April 2017, has the following requirement:

2.8 Registered providers shall assess their compliance with the Governance and Financial Viability Standard at least once a year. Registered providers' Boards shall certify in their annual accounts their compliance with this Governance and Financial Viability Standard.

The Board receive quarterly updates on compliance against the Standards and undertook a full assessment at its meeting on the 13 July 2022. The Board is satisfied that the Society is compliant with the RSH's Governance and Financial Viability Standard.

REPORT OF THE BOARD OF MANAGEMENT continued

Employment of Disabled Colleagues

RBH remains an inclusive organisation that seeks to harness the talents, knowledge, skills and insight that all people bring to the workplace. We are proud to maintain our Disability Confident Employer status. In 2022, we aim to raise this status to being a Disability Confident Leader, by increasing our focus on how we support colleagues with a disability.

During the year our work included:

- Working with JobCentre Plus, Access to work to ensure that career opportunities with RBH are visible and accessible.
- Reviewing key policies and procedures to provide better support and clarity for individuals with a disability.
- Working with our employee network to analyse our people survey variances based on whether colleagues identify as having a disability.

Over the coming 12 months we will:

- Implement a reasonable adjustment passport with a guidance document to simplify the process for disabled colleagues to request, secure and maintain adjustments.
- Develop sign language champions to assist our employees and tenants with hearing impairment, and neurodiversity champions.

We continue to have small numbers declaring disabilities at application stages with 92% of people stating they have no disability. 22% of people with declared disabilities were interviewed. Our Interview Guarantee is helping but we still have some way to go to encourage applicants from all abilities.

Engagement with Employees, Suppliers, Customers and others

Employee Engagement

Rochdale is a vibrant diverse community with a rich heritage founded on the ideal of mutuality. We strongly believe our tenants and employees should be part of shaping our society.

We build our society on a foundation of co-design; employees, alongside our tenants, are given the opportunity not only to have a say in how we go about our day to day activities but also to feed into the major decisions such as our corporate strategy and even our structure.

We encourage all our employees to also become members as we believe everyone should have a vested interest in our success. We have a Representative Body made up of tenant and employee members who oversee all major decisions we make as a Society. We also have an Employee Voice where elected employee representatives consider day to day decisions to influence change. Employee voice has driven some great changes such as the extra holidays for all colleagues and the introduction of the wellbeing champions. They also help shape our People Strategy ensuring our people remain the focus of everything we do.

We carry out an internal employee engagement survey every year to help us understand how engaged our colleagues are with RBH and its plans, how they are feeling, and what they think about working for the Society. We are delighted that this year we had our best response rate of 68%. With Employee Satisfaction up to **87.93%**. This survey results showed teams and managers are doing a great job. Trust levels are high within teams, there are regular discussions about performance, and colleagues feel that their managers care about their wellbeing and help them succeed to their full potential.

We recognise that Engaging with our colleagues is even more crucial in any crisis. Our dedicated Communications Team worked closely with our Pandemic Steering Group with the aim of ensuring our colleagues received accurate and easily accessible guidance and information relating to Covid-19 – focusing on their welfare as a priority and reassuring them of the steps that we were taking.

REPORT OF THE BOARD OF MANAGEMENT continued

Engagement with Employees, Suppliers, Customers and others-continued

Supplier Engagement

RBH's Board has responsibility for setting our Procurement Strategy. In support of our strategic theme of Building Rochdale's Economy, a key objective within this is to seek, wherever feasible and financially viable to do so, to source products and services from local providers. In this way, RBH's purchasing power will positively influence the local economy by creating prosperity and employment opportunities. We encourage the use of local companies by

- Improving supplier pre-tender engagement, communication and resources;
- Providing assistance and guidance to local suppliers on how to do business with RBH;
- Making use of social media and local networks to advertise upcoming opportunities;
- Reducing the barriers faced by Small Medium Enterprises (SMEs) by simplifying documentation;
- Breaking potentially large RBH requirements into smaller 'Lots' to encourage smaller local supplier's inclusion;
- Including Social Value as criteria of evaluation and performance, in addition to financial value and quality; and
- Providing access to virtual learning through the Supply Chain Sustainability School to allow SMEs to be upskilled and improve their knowledge through learning pathways centred around sustainability and social value.

We also promote the Real Living Wage to suppliers and other local businesses and use our position as Rochdale's first member of the Greater Manchester Good Employment Charter to advocate best practice employment practices within our supply chain and beyond.

Customer Engagement

Together with Tenants (TwT) was developed by the National Housing Federation 2019. Following the tragedy of Grenfell in 2017, the subsequent Social Housing Green and White Papers set out a clear expectation for change in the relationship between residents and housing associations.

The NHF worked with residents, an independent Tenant Advisory Panel, a Members Steering Group and members to understand what change was needed. RBH was fortunate enough to have our Rep Body Vice Chair, Lynne Brosnan as a member. This gave our tenants a direct voice on one of the biggest engagement processes social housing has seen.

To ensure there is a full understanding of responsibilities, consistency of approach and value for money in the delivery of our Together with Tenants charter and so that our tenants have their voice heard throughout the society RBH need to ensure we take the input from our tenants and put this into actionable outcomes in partnership with our tenants.

To do this we:

- Have a detailed Customer Engagement and Experience strategy which lays out RBHs intentions for how we will engage and listen to tenants;
- Have a group which will monitor and oversee service improvement, made up of tenants and colleagues;
- Have an accessible web page which details our accountability against the charter and key actions taken;
- Ensure RBH offer tenants a variety of accessible ways to feedback and engage on key services;
- Maintain a Complaints Review Panel;
- Ensure review against Housing Ombudsman Service recommended practice is undertaken annually for complaints best practice; and
- Produce clear communication for tenants on a range of topics, from how to become involved, opportunities for voices to heard, news and updates from RBH and general guidance.

REPORT OF THE BOARD OF MANAGEMENT continued

Engagement with Employees, Suppliers, Customers and others continued

There have been a variety of events that the Customer Engagement Team have either organised or been involved in during 2021/22. See below for an overview of the types of activities that have taken place:

- Policy Reviews including. Hoarding, Aids & Adaptations, Complaints, Responsive Repairs, Lettings and Rents & Service Charges;
- 5 Strategy Reviews including. Succeeding Together, Community Investment (Individual sessions on work & skills, financial inclusion and health & wellbeing) and initial involvement in the Engagement Strategy ;
- 9 Let's Chat (information sessions) including; Apprenticeships, Getting Involved at RBH, Data, Succeeding Together, Community Funding and an opportunity to meet with members of the Representative Body;
- 8 Together with Tenants Steering Group Meetings. These now take place monthly. The group is made up of tenants and employees and their role is to hold RBH to account on meeting our TwT commitments;
- 5 Customer Complaints Panel Meetings. These take place bimonthly and involve a small group of tenants reviewing closed complaints cases and assessing areas for improvement, in both complaints handling and in individual service areas:
- Other ad hoc activities include:
 - Involvement in Recruitment – a small number of tenants were involved in a tenant panel to interview for the Head of Customer Experience post;
 - Values In Practice (VIP) Shortlisting – a panel of tenants and employees met to shortlist for the VIP awards;
 - Focus Group Leader Training – a small number of tenants took part in a 2-day training course on how to deliver focus groups;
 - Crucial Crew – a project held at Rochdale AFC which saw primary school children from across the Borough take part in sessions about safety. Many of the children were tenants of RBH;
 - Consultation on the RSH's proposed Tenant Satisfaction Measures's (TSM's) - the TwT Steering Group along with a few new tenant members provided feedback on the TSM's, which was fed back to the RSH; and
 - Input into transactional and point of service surveys – the TwT Steering Group along with a few new tenant members provided feedback on when, where and how we conduct transactional and POS surveys.

Equality, Diversity and Inclusion

RBH is committed to advancing equality, diversity, and inclusion within our community and throughout our workforce. As a mutual, we are driven by a desire to work cooperatively. We want all our members, tenants, and employees, to not only feel that they belong but feel they individually have the power to make a difference. That is why we put equity at the heart of our culture. It's embedded in our values; our expectations of leaders and it's also being driven through everything across the Society. We are passionate about fairness, equality, and inclusion, and we are proud to share our pay data not only for gender but also for ethnicity and disability. We are consistently significantly better than the UK average and our figures show a gap in favour of all these protected groups which is evidence of our inclusivity at senior levels in the Society.

Over the last 12 months we have continued to drive forward our inclusivity agenda and have achieved some great things such as;

- The introduction of our Age Friendly Neighbourhoods project;
- Supported the Nigeria Community Association through funding from our Members Community Fund to operate the African Food Bank;
- Through our New Pioneers Programme, we have established a Career Broker. Part of their focus has been to ensure the Polish and Refugee community have access to the support;
- Continued to actively promote and encourage tenants from a diverse background, in our Independent Living accommodation;
- Fulfilled our commitment to fill our 10 apprenticeships directly through our tenants;
- We have created an active campaign to address an imbalance in the gender inequality of our repairs team;
- Working collaboratively with external organisations such as Inclusive Employers and HouseProud to help identify ways in which we can enhance our inclusivity; and
- We have also established a series of internal networks focusing on Menopause, LGBT+, Wellbeing and Race Equality.

REPORT OF THE BOARD OF MANAGEMENT continued

Equality, Diversity and Inclusion continued

As an inclusive employer, we recognise that while we are doing some great things, we still want to be better, we have committed through our networks to listen to lived experiences and become comfortable with being uncomfortable as this is how we drive forward change.

Looking ahead to 2022/2023

We have worked hard to focus on equality in RBH, our strategy now focuses on progression, towards creating a fully diverse workforce that is truly inclusive. We want every individual to feel valued and accepted in their team and RBH without having to conform. We value difference, we will support all individuals to thrive at work by breaking down barriers. We believe our workforce should represent the community we serve, and we will ensure we create an environment which supports this.

Over the next 12 months, we will :-

- Give our people a voice through six employee networks – Carers, RACE (underrepresented ethnicity), Mind Matters, Menopause, Prouder (LGBTQ+) and (disability) – each sponsored by a member of our Executive Leadership Team and supported by a senior leader;
- Launching a new ‘sensitively curious’ programme, where employees can ask sensitive questions in a safe space and have them answered by a colleague with the relevant lived experience;
- Apply equity and inclusion principles to employee and tenant policies, processes and products to ensure we leave no one behind, from the start;
- Conduct inclusive user testing for new products;
- Train frontline teams to make to inclusive decisions;
- Ensure Inclusivity in our recruitment practices;
- Develop tenant propositions that serve a diverse community;
- Develop a clearer understanding of our employee and tenant demographics to ensure we are working towards closing any gaps in the diversity of our members;
- Launching our Reasonable Adjustments Policy to support tenants/future tenants ensure their individual needs are met;
- We will seek to understand redress the tenant satisfaction level, imbalance among various races and nationalities;
- We will explore the opportunity to build on our current development offer, focusing on upskilling, mentoring and allyship; and
- We will create a network of inclusion champions to further support the success of any initiatives we implement by advocating the changes and educating others where needed.

The tables below show the equality and diversity data for customers, employees and the Board.

Ethnicity	Customers	Employees	Board
White	80.9%	89.9%	75.0%
Mixed/multiple ethnic group	1.6%	1.4%	12.5%
Asian	8.1%	7.5%	0.0%
Black	7.2%	1.2%	0.0%
Other	2.2%	0.0%	12.5%

Gender	Customers	Employees	Board
Female	57.2%	41.9%	37.5%
Male	42.8%	58.1%	62.5%

REPORT OF THE BOARD OF MANAGEMENT continued

Equality, Diversity and Inclusion continued

Age	Customers	Employees	Board
16-24	3.00%	3.40%	0.00%
25-34	13.60%	14.80%	0.00%
35-44	19.70%	20.90%	0.00%
45-54	18.70%	29.20%	50.00%
55-64	18.10%	28.30%	50.00%
65+	26.90%	3.40%	0.00%

Sexual orientation	Customers	Employees	Board
Heterosexual or straight	96.70%	96.90%	100.00%
Gay or lesbian	1.10%	2.40%	0.00%
Bisexual	1.10%	0.70%	0.00%
Other	1.20%	0.00%	0.00%

Disability	Customers	Employees	Board
Current disability or work-limiting disability	26.6%	12.7%	25.0%
No core or work-limiting disability	73.4%	87.3%	75.0%

Religion	Customers	Employees	Board
Christian	60.0%	53.3%	37.5%
Buddhist	0.3%	0.3%	0.0%
Hindu	0.1%	0.0%	0.0%
Jewish	0.1%	0.5%	0.0%
Muslim	8.6%	8.0%	0.0%
Sikh	0.2%	0.0%	0.0%
Other religion	3.2%	4.5%	12.5%
No religion	27.6%	33.5%	50.0%

REPORT OF THE BOARD OF MANAGEMENT continued

Succeeding Together Strategy and Objectives

RBH is owned and run by its members. In 2021 consultation started on our new strategy, 'Succeeding Together', through extensive consultation with our tenant and employee members, as well as our key stakeholders. This strategy continues our work to achieve our vision for 2028 which is that we will:

- have maximised the collective resources and expertise from our employees and tenants, through strong mutual trust and confidence, to deliver quality housing and associated services to customers across the borough of Rochdale;
- have created an innovative and trusted brand, known for being an exemplar in employees and tenants working together to deliver successful outcomes; and
- be recognised as a mutual anchor within the borough of Rochdale using its role as an employer, purchaser and service deliverer to help build the local economy.

The Succeeding Together Strategy also sets out 8 strategic outcomes which are:

1. Tenants receive a good service and have opportunities to work together with employee members to improve service delivery.
2. Rising to the climate emergency through greener, low carbon and climate resilient communities.
3. Using our Increased investment so all homes meet the needs of current tenants and future generations, are safe, of good quality, and easily maintained.
4. Work towards long term aim of maintaining the number of our homes.
5. Healthy and resilient communities in successful places where people choose to live and work.
6. A diverse and engaged membership, helping deliver service improvement and good governance.
7. Happy, enthusiastic, and resilient employees who are supported to develop and grow and work with our tenants to shape services.
8. Increased wealth directed back into the local economy.

The eight outcomes focus on how we will improve the quality of life for RBH's tenants, support our employees, and help build thriving and happy communities. These activities are essential for frontline service delivery with collaboration required across service directorates.

Delivery of the 'Together' Strategy

As we have been developing our new three year strategy, the year 2021/22 saw the final year of our 4 year 'Together Strategy' which was launched in 2018.

Delivery of year four of the Together Strategy has been impacted by Covid. In some cases, plans have had to be put on hold while the resources and energy of the organisation has been focussed on continuing service delivery in Covid safe ways, while in other areas delivery has been accelerated.

Our Town Centre Regeneration has for example been disrupted by the pandemic but implementation of some parts of our Digital Strategy have brought forward significantly in order to mitigate the impacts of the pandemic.

OUR STRATEGY AT A GLANCE

It all starts with our vision and values...

Our Vision is:
 People succeeding together to offer great services and great places to live and work.

Our Values are:



Collaboration **Democracy** **Equity**

Pioneering **Responsibility**



...which have guided our priorities for action and the outcomes we want to achieve.

**Core Priority:
 Pride in Quality Homes and Good Services**

- Ensuring that tenants receive a good service, and have opportunities to work together with employees to improve service delivery.
- Rising to the climate emergency through greener, low carbon and climate resilient communities.
- Using our increased investment so all homes meet the needs of current tenants and future generations, are safe, of good quality, and easily maintained.
- Work towards the medium-term aim of maintaining the number of our homes.

**Supporting Priority:
 Pride in our People and Communities**

Healthy and resilient communities in successful places where people choose to live and work.

**Enabling Priority:
 Pride in our Society**

- A diverse and engaged membership helping deliver service improvement and good governance.
- Happy, enthusiastic, and resilient employees who are supported to develop and grow and work with our tenants to shape services.
- Increased wealth directed into the local economy.

REPORT OF THE BOARD OF MANAGEMENT continued

Together Strategy and Objectives continued

Growing Together

In difficult circumstances we are proud to have continued our commitment to bring new good quality, genuinely affordable homes of the right type, right tenure and right location to increase choices and meet the needs and aspirations of the people of Rochdale.

- **Direct development of new homes:** 114 new homes have been developed since 2018, along with 8 shops and The Strand hub. A further 222 new homes are under development with funding confirmed for another 36 due to start in 2022. Potential funding for a further 106 units has also been identified to start on site on 2022/23.
- **Town Centre Regeneration:** Progress on the Town Centre development has been problematic due to the lockdowns. 77 households have been supported to move this year.
- **Diversifying Tenure:** 41 homes for Shared Ownership, 22 homes under the Rent to Buy Scheme and 51 affordable rents have been completed since 2018.
- **Investment** – RBH and Rochdale Council were awarded a £1.49m estate regeneration grant from the Brownfield Land Release Fund. This will allow us to further invest in improvements to existing homes at Lower Falinge as well as works to bring forward the future development of new homes to meet the needs of current and future generations.

Thriving Together

We have continued our commitment to make the borough of Rochdale a great place to live and age.

- **Independent Living Schemes (ILS)** – all ILS are now operating to positive Net Present Values (NPVs) following the successful introduction of service changes following the ILS review that took place in 2019.
- **Intergenerational design** – Intergenerational design principles are now incorporated into new developments, with an intergenerational design guide completed helping to ensure that these principles are embedded in the development of new schemes going forward.
- **Additional Extra Care Provision:** Work has continued to deliver a new scheme in the Town Centre which will adhere to HAPPI design principles, with the Brickcroft site recently secured. These principles include good light, ventilation, spacious rooms and good storage. These principles have particular relevance to housing for older people as they offer an attractive alternative to the family home while also being adaptable to meet changing needs.
- **Housing Options for Older People (HOOP):** Service now in place.
- **HomeChoice allocations service and Homelessness Service** – a smooth transition was managed to return these services to Rochdale Council.
- **Culture Co-op** - RBH, along with other consortium members led by Action Together, won a joint bid for £1m of Arts Council England funding. This will help the development of arts co-operatives across the borough, ensuring communities and neighbourhoods are empowered through arts and culture.
- **Age Friendly Neighbourhoods:** Kirkholt was one of four areas in Greater Manchester to receive the Age Friendly Neighbourhood Award in February 2020.
- **Support to Sustain tenancies:** Additional funding has been agreed to provide more resources into our money advice centre, which will help our tenants who are facing economic hardship.
- **Participate in Greater Manchester Initiatives to prevent homelessness:** RBH has worked in partnership with Steppingstone Projects to prevent homelessness by bringing additional homes into the borough with housing support. This work has the added benefit of increasing the sustainability of other homes.

REPORT OF THE BOARD OF MANAGEMENT continued

Together Strategy and Objectives continued

Improving Together:

We know that to grow and help RBH communities, we must first ensure that we are a good landlord delivering good services which in turn create great places to live and work.

- **Bringing Mutuality to Life:** A full review of the Representative Body has been conducted, focussing on what is important to tenants and employee members.
- **Achieving Quality Services:** A Leadership Development Programme which was part of the Refreshing Repairs Project was awarded a Princess Royal Training Award. In addition, a review has taken place of the repairs and disrepair service, which is helping reduce dependency on agency surveyors.
- **People Strategy:** A new People Strategy has been approved, and a successful roll out of Smart Working arrangements has taken place, enabling true hybrid working, and the choice of a range of hubs to work from across the borough of Rochdale.
- **Accelerating Business transformation around Technology:** ‘MyRBH’, the customer portal and our new website have continued to be developed, with increased customers registered for online services: 41.3% of tenants and 47.3% of households. Office365 and SharePoint have been successfully rolled out, enabling colleagues to effectively work from home.
- **Ensuring Financial Sustainability and Excellent Value for Money:** Rent collection has been strong during the pandemic. Re-financing has been successful to fund future ambitions for the borough, with a new £75m funding package now in place.

Building Rochdale’s Economy

RBH has continued to use its role as a leading community anchor and mutual employer to be more than just a landlord. Work has continued in contributing positively to sustainable employment, Apprenticeships, training and volunteering opportunities and we have maximised our impact through our procurement activities.

- **Work and Skills** -Our Apprentice programme is now focussed on tenants, and we have provided 5 placements under the Government’s Kick Start scheme. We have continued to work with Upturn to support people into work. 86 residents have secured work under this scheme and a further 364 have been supported towards work. This is a rise of over 50% compared to last year. The Rochdale Pioneers Programme, that supports the Regeneration Programme in the Town Centre has supported 135 new referrals across the 2 locations, with 56 securing paid employment. The programme has also supported 14 people to gain a qualification, with a further 17 in education or training.
- **Financial inclusion** – through our work on financial inclusion we have helped our customers achieve £452,519 of savings. In addition, by supporting tenants to access welfare support, we have generated £793,252 in household gains. In total, thanks to work we do under this theme, people are £1.25M better off.
- **Digital inclusion** - Our digital bursary allows us to redistribute devices that are no longer needed by our employees. This year we have gifted 18 devices through the bursary, saving customers over £7,000 and supporting them to secure employment. In March we launched our free, high-speed Wi-Fi network for residents of College Bank and the surrounding area. We are able to sustain this network by working in partnership with Rochdale Borough Council, the Co-op Heritage Trust and No Worries IT. This network replaces the need for home broadband and so has the same dual impact as our bursary – increasing digital inclusion and saving people money. By the end of March, over 3000 unique devices had connected to the network and once the next phases are rolled out in Lower Falinge and Freehold, around 1600 properties will have access, with potential annual household savings of over £500,000.
- **Maximising the impact of our Procurement:** RBH teams have worked with our supply chain to obtain additional funding, resources and expertise for Rochdale voluntary and community groups. The figure for Greater Manchester is 62%, of which 45% of our business spend has been with Rochdale based organisations and a total of 17% has been with Greater Manchester based suppliers.

RBH VALUE FOR MONEY (VFM) STATEMENT 2021-22

Our approach to value for money

Value for Money is at the heart of our Corporate Strategy – Together which has now completed it’s final year. The Improving Together theme recognised that we need to change and improve the way we work with a clear focus on value for money. Each of the other themes in Together also link closely to our definition of VfM and VfM priorities that were developed in conjunction with the Representative Body.

[RBH’s new strategy ‘Succeeding Together’ launched on the 26th March and will form the direction for the business for the next 3 years. This continues to support out value for money strategy.](#)

A current version of our Value for Money Strategy can be found on the website here:

<https://www.rbh.org.uk/about-us/governance/vfm/>

The table below sets out our approach to achieving each of our VfM priorities and how this links to the strategic themes within Together, in order to assess our performance over the last 12 months.

VFM Priority	Together Strategy themes
<p><u>High quality homes, goods and services</u></p> <p>VfM is always about finding a balance between quality and cost. RBH seeks to deliver a good quality standard when improving homes, purchasing goods, or when specifying a new service for example.</p>	<p><u>Growing and Improving</u></p> <p>The development of quality new homes and smart investment in existing homes is key to the growing theme.</p> <p>We will continue to get feedback from customers and will compare performance with other housing providers to ensure our customers are getting good value for money. We will prioritise the areas for improvement to ensure we are providing good quality core services that deliver value for money for our customers.</p>
<p><u>Financial considerations</u></p> <p>RBH monitors its cost position relative to its peers and sets savings targets in order to maintain that position as well as fund service improvements and ‘Together’ priorities. Any available surpluses generated through savings are re-invested in regeneration activity or service improvements</p>	<p><u>Improving</u></p> <p>Long term sustainability is central to the improving theme of Together and this can only be achieved by maintaining unit costs within benchmarked targets and ensuring the surpluses we generate are allocated towards our strategic priorities.</p>
<p><u>Local social and economic benefits</u></p> <p>As an anchor institution in our area, we have a role to play in the functioning of the economy and tackling of social issues where we operate. Many of the services that RBH delivers provide a much wider benefit to the Community and may save money for other public services. Our Social Value Strategy sets out our approach to driving social value, with a focus on creating community wealth. Through growing local skills, employment and supply chains we will contribute to the overall prosperity of the borough and its people.</p>	<p><u>Thriving and Building Rochdale’s economy</u></p> <p>The Thriving theme includes our new offer for older people and a commitment to provide support to sustain tenancies for all our customers. Our role as a local anchor organisation includes a purchasing strategy that pro-actively contracts with local businesses, community and social enterprises. We will also contribute positively to sustainable employment for local people through apprenticeship, training and volunteering opportunities.</p> <p>Other activities that have a ‘social impact’ such as community wellbeing programmes including health, digital inclusion and community cohesion activity are also part of how we will help to build Rochdale’s economy.</p>

RBH VALUE FOR MONEY (VFM) STATEMENT 2021-22 continued

VFM Priority	Corporate Strategy themes
<p><u>Environmental issues</u></p> <p>Our aspiration is for RBH to become increasingly environmentally considerate, and the key themes of our sustainability policy are to develop a culture of carbon literacy; reduce carbon emissions from our vehicle fleet; use new technologies to improve the energy performance of our homes and co-location spaces help to reduce fuel poverty; and reduce waste.</p>	<p><u>Growing and Improving</u></p> <p>The growing theme is about the quality of new homes, and smart investment in existing homes. Quality in this context includes energy saving.</p> <p>Savings as part of improving includes energy efficiency measures for ourselves and for our customers.</p> <p>Our current Business Plan also includes works to meet the Decarbonisation requirement that all existing homes become carbon neutral by 2050.</p>

The VfM metrics

RBH is fully compliant with the RSH’s Value for Money Standard. To demonstrate the progress we are making, we report performance against the seven VfM metrics defined by The Regulator of Social Housing, in the Standard. These metrics are included in our Financial Strategy targets as they closely align to the golden rules, which we use to manage our long-term financial planning to help us achieve financial sustainability. The Board has a clear understanding of our cost base and how that compares to other peer organisations in the context of the environment in which we operate and uses benchmarking information on costs and the other VfM metrics to set targets on an annual basis to feed into our business planning process.

As well as reporting on these VfM metrics, the RSH also expects Registered Providers to measure performance in achieving VfM in delivering their strategic objectives – RBH has therefore developed additional VfM measures to show how we are using our resources and assets to optimum effect in the delivery of Together.

The section below sets out our full set of 7 standard VfM metrics and RBH’s additional measures, showing how they link back to Together. VfM Performance is shown for 2021/22 (against targets for the year where applicable); the previous three years; and the targets for the next 3 years are also included. RBH benchmarks its performance in relation to the 7 standard metrics using a peer group based on LSVTs in the North West with between 3,000 and 18,000 units with an inhouse repairs team. The peer group median figures in 2020/21 (the latest information available) is also shown.

**Rochdale Boroughwide Housing
Report and Financial Statements
For the year ended 31 March 2022**

RBH VALUE FOR MONEY (VFM) STATEMENT 2021-22 continued

Value for Money standard metrics	2018/19	2019/20	2020/21		2021/22		2022/23	2023/24	2024/25
	Actual	Actual	Peer Group Median	Actual	Target	Actual	Target	Target	Target
Together Theme: Growing									
% new supply delivered	0.42%	0.19%	0.62%	0.31%	0.10%	0.12%	0.89%	1.20%	1.77%
% gearing	17%	9%	38%	1%	17%	5%	16%	21%	26%
% Re-investment	8.10%	7.40%	9.08%	7.41%	18.50%	13.07%	17.40%	17.70%	18.40%
Together Theme: Improving									
Headline social housing cost per unit	£3,337	£3,583	£3,670	£3,568	£4,516	£4,679	£5,190	£5,411	£5,517
Operating margin - overall	26%	20%	18%	19%	11%	7%	11%	17%	15%
Operating margin - SH lettings only	27%	29%	21%	26%	21%	11%	20%	23%	24%
EBITDA MRI	389%	332%	268%	423%	123%	-42%	-252%	-267%	-142%
Return on Capital Employed	8%	7%	4%	6%	5%	3%	4%	5%	5%
Together Theme: Thriving									
Wellbeing rating of customers accessing RBH support services (Wemwbs score)	26	24	N/A	Unable to complete survey	28	Unable to complete survey	n/a	-	-
Tenancy sustainment (based on reducing tenancy failure rate in first 6 months).	4.86%	5.19%	N/A	5.70%	3.00%	4.10%	3.50%	-	-
Together Theme: Improving									
% customer satisfaction as a landlord	82%	81%	87%	85%	88%	85%	85%	-	-
% tenants that believe their rent offer Vfm	80%	81%	86%	86%	86%	85%	85%	-	-
% of customers registered online	-	-	N/A	38%	50%	Tenants 42% Households 47%	Households 49%	Households 52%	-
Together Theme: Building Rochdale's economy									
% employees paid (at least) living wage foundation level (GM social value pledge)	100%	100%	N/A	100%	100%	100%	100%	100%	100%
No. of residents supported into employment	Not reported	16	N/A	46	30	86	70	30	35
% spend with businesses based in Rochdale (GM social value pledge)	45%	47%	N/A	49%	49%	45%	48%	49%	50%
% spend with businesses based in GM (GM social value pledge)	59%	60%	N/A	61%	61%	62%	62%	63%	64%
Local Multiplier 3 (LM3)	£1.73	£1.71	N/A	£1.71	£1.71	£1.88	1.80	1.90	2.00

RBH VALUE FOR MONEY (VFM) STATEMENT 2021-22 continued

The VFM metrics continued

% new supply delivered

Our Financial Strategy seeks to drive best value for money and use of resources by investing available savings in new build development activity. Investment decisions are made based on evidence and market intelligence to ensure that we have the right mix of homes in terms of type and tenure suitable for local market conditions, which meet the needs and aspirations of our customers, as well as building on and protecting RBH's financial viability.

12 affordable rent homes at Peel Lane and 3 affordable rent homes at Lower Falinge were completed in 2021/22 and further schemes progressed at Angel Meadow (15 homes) Brown Street (40 homes), Holly Oak Gardens (14 homes), Lower Falinge (52 homes), Regent Street (27 homes), Smithybridge (14 homes), The Strand and Balderstone (52 homes) and Yates Street (8 homes) during the year. Performance for new supply delivered was 0.12 %.

Our contribution to new supply is less than our peer group median in 2020-21 due to the impact of COVID and actual performance is slightly higher than its target of 0.10% at 0.12% for 2021-22. This reflects the start of plans for more direct development of new homes as part of the new Succeeding Together Strategy as the disruption caused by the COVID-19 eases.

The RBH Board has further ambitious plans for development reflecting our aspirations for Rochdale Town Centre regeneration and longer-term development goals linking to the new Strategy. Our current business plan includes plans for 1,376 new homes over an 11-year time frame in areas that meet demand in relation to size, type, and location to ensure the long-term sustainability of our places. These homes include a mixture of affordable rent, shared ownership, rent to buy and 150 extra care units. It is forecast that new supply delivered will be 0.89%, 1.2%, and 1.77% for the next 3 years.

Gearing

In 2021/22, our level of indebtedness was lower than our peers, which is in part due to the significant level of cash balances held by RBH at present which are deducted from outstanding loans in the calculation. This meant however that we have additional capacity to borrow more. Therefore, a re-finance exercise took place in 2021/22 which secured £75m investment support for our plans for new build; regeneration; and to deliver on our commitment to zero carbon emissions by 2050. Whilst our actual performance in 2021/22 has increased to 5%, it is still relatively low due to the level of cash surplus from loan fixes drawn upfront. Our gearing will increase as this surplus cash reduces and is invested into the Society's activities. Therefore, our targets for the next 3 years are increasing from 16% in 2022-23 to 26% in 2024/25.

Re-investment

RBH continues to generate significant surpluses and strengthen our balance sheet and in 2021/22 we re-invested 13.07% of the total value of our housing assets in this way which is much higher than in previous years, although less than target. The increase has been impacted by investment in fire safety measures and de-carbonisation works which were in RBH's business plan.

RBH's result for 2020-21 of 7.41% was lower than median for our peer group (9.1%). This could in part be due to peer group members who have significant investment programme needs or, due to some providers having significant programmes of replacement cladding and other investment in fire safety measures.

In addition to this, whilst RBH's Strategy is clearly set on projects that will increase our % re-investment, we are also seeking to invest in other areas. Other RP's operating in a different housing market context may choose to direct all their resources towards development and so may have a consistently higher figure than RBH.

There remains an annual programme of capital works to maintain the decent standard of c£7m. However in order to understand the performance of the assets and to consider the long-term sustainability of our investment decisions in our neighbourhoods, we calculate financial (NPV) and sustainability indicators to build up a comprehensive profile of the performance of each neighbourhood. Based on the outputs from our model, recommendations are made to the Board on options for marginal and poor performers and plans implemented accordingly as part of the wider Regeneration and Investment Programmes.

As stated above, RBH's new build programme will grow over the coming years and further investment in fire safety measures and de-carbonisation will also impact this indicator. In respect of the latter, our approved Business Plan includes an assumption of £17k per home for the main programme of carbon reduction retrofitting measures.

RBH VALUE FOR MONEY (VFM) STATEMENT 2021-22 continued

Our approach in targeting carbon reduction will be in line with our wider asset performance approach as well as learning from the demonstrator pilots on what measures have the most positive impact for different types of homes.

Our re-investment targets for the next 3 years represent an increase on 2021/22 at 17.4%, 17.7%, and 18.4% respectively.

Social Housing Headline Cost per Unit

RBH's headline cost per unit for 2021/22 of £4,679 is slightly higher against target (£4,538) however quite a large increase year on year. This represents increased activity relating to fire safety, decarbonisation and regeneration which were included in our Business Plan. The reasons behind a higher cost per unit to target in the current year relate to increased costs of subcontractors, agency workers and materials as a result of COVID. This has been managed as far as possible throughout the year via a series of cost savings exercises. Headline unit cost targets for the next 3 years are £5,190, £5,411, and £5,517. This incorporates increased spending on key strategic priorities including Fire Safety, Investment Programme, Decarbonisation and Regeneration programmes.

For 2020/21, we benchmark favourably with our peer group, but it is extremely difficult to assess why some of our peer's costs are so much higher. Although comparisons with peers are distorted because several of them have experienced exceptional costs in the post Grenfell period (unlike RBH up to 2020/21), it is not possible to extract these costs to get a comparable position.

Operating Margin

Our overall 2021/22 operating margin was 7%, less than the target of 11% and the social housing lettings figure came under target by 10%. These figures are lower due to the increased costs experienced within the year as a result of the pandemic and the pension adjustment however still represent sound operational efficiency, ensuring we can continue to support a development programme; investment in existing homes; and regeneration activity.

For 2021/22, we benchmark favourably with our peer group, but it is extremely difficult to assess why our peer's profits are so much lower.

Over the next 3 years, our target operating profits are 11%, 17% and 15% overall and 20%, 23% and 24% for social lettings only. This is due to the investment into fire safety works, decarbonisation and planned regeneration works which would fall outside of business as usual costs.

EBITDA MRI

EBITDA MRI is an abbreviation of earnings before tax, interest, depreciation and amortisation including an adjustment for capitalised maintenance costs. RBH has obtained a negative performance of -42% against this indicator in 2021/22 which is less than the target of 123%. This is mainly due to unbudgeted break costs of £1.8m which were required as part of the £75m refinance that completed this year. Although negative, RBH has agreed interest covenant definitions with new funders which have ensured compliance in this area. The refinance provided favourable interest rates and covenants so is considered to have long-term value for money despite the initial outlay of costs.

In 2020/21 RBH was generating surpluses that cover interest costs by a comfortable margin and we compare well with our peers. This was 423% against a peer average of 268%.

This measure will be influenced over the next few years by reducing surpluses as a result of rent loss through demolitions and continuing RTB sales. There will also be increased capital maintenance works relating to fire safety, de-carbonisation and the regeneration programme in the first few years of our Business Plan which will impact this metric significantly. The targets for the next 3 years are -252%, -267% and -142%. Despite negative targets, RBH's 30 year business plan is considered robust and demonstrates financial sustainability into the future. The reason for these targets is simply due to a high concentration of capital maintenance required within these years and covenant definitions agreed with the new funders ensure that RBH is still compliant with its funding facility.

RBH VALUE FOR MONEY (VFM) STATEMENT 2021-22 continued

Return on capital employed (ROCE)

ROCE is calculated as operating surplus divided by total assets less current liabilities. At 6%, RBH's performance is the above our peer group median in 2020/21. In 2021/22 our figure of 3% is less than the target of 5% due to a lower operating surplus through increased costs as a result of the pandemic. This still means we are generating a reasonable return on the use of our capital and debt. Going forward, this metric is influenced by low surpluses in the early years of our business plan from April 2022, whilst the value of RBH's assets increase. This is evidenced in targets of 4%, 5% and 5% over the next 3 years.

Our additional Vfm metrics

Together Theme: Thriving

We have been measuring **wellbeing** of Independent Living Scheme (ILS) customers using the Wemwbs wellbeing score. This is a scoring system developed by Edinburgh and Warwick Universities and is used nationally across sectors. The target for 2020/21 was 28 which is 'good' on a scale of Excellent, Good, Average, Below Average and Poor. The disruption caused by the COVID-19 pandemic has meant the survey has not been completed for last year, as it was not an appropriate time to be sending out a paper-based questionnaire which usually requires face to face support.

From the start of the pandemic, we have been supporting independent living scheme tenants with daily calls, befriending chats from the Living Well service for people who request them, and activity packs. We have also recommissioned HMR Circle who are a Rochdale based organisation with a focus on preventing isolation.

Discussions about continuing with the survey but making it an ongoing survey as part of individual 'support' planning rather than a regular survey used to measure the success of the ILS schemes/'support' service. It won't be in the Succeeding Together dashboard so no targets have been set going forward.

The definition for our measure of **Tenancy sustainment** is terminations where the tenancy lasted less than 6 months as a % of all terminations. The actual for 2021/22 is 4.1% (a decrease of 1.6% from performance for the previous year), against a target of 3%. COVID-19 has played a large part in this target fluctuating widely throughout the last few years. As colleagues can carry out home visits again, they have been able to signpost tenants who are struggling, to support services and assist in sustaining their tenancies. The target agreed for 2022/23 is again 3.5%.

Together Theme: Improving

Since 2019/20 we have used a STAR tracker survey of around 100 tenants each month so that we can react to feedback more quickly and use it in the improvement of our services. Overall **customer satisfaction** with all landlord services at 85% in 2020/21 was somewhat lower than the median figure for our peer group (87%) however this was an increase from the previous year of 4%. In 2021/22 RBH maintained its performance at 85% however lower than the target set of 88%. This was positive given that many organisations both within the sector and outside the sector reported a drop in satisfaction. Lack of communication and issues within the repairs and maintenance services (again many linked to communication and not being kept informed) appear from the comments to be the main drivers of dissatisfaction and these are priority areas for action in 2022/23.

Targets have been set to maintain performance again in 2022/23 at 85%.

The **percentage of tenants who believe their rent offers Vfm** has decreased marginally from the previous year and comes in slightly lower than its target of 86% at 85%. This still shows that Customers are obviously content with the rent they are paying and consider it value for money. There is a slight difference in satisfaction between people paying an affordable rent (80%) and people paying a social rent (86%) but dissatisfaction under 10% for both groups. In 2020/21 our score at 86% was consistent with the peer group median.

Our Digital Strategy projects an increase in **customer transactions using online channels** which will be achieved by progressively moving services online, and away from traditionally more expensive customer contact channels such as phone, email and face-to-face. We will also implement a range of digital inclusion initiatives in order to drive increased adoption of online usage amongst our customers.

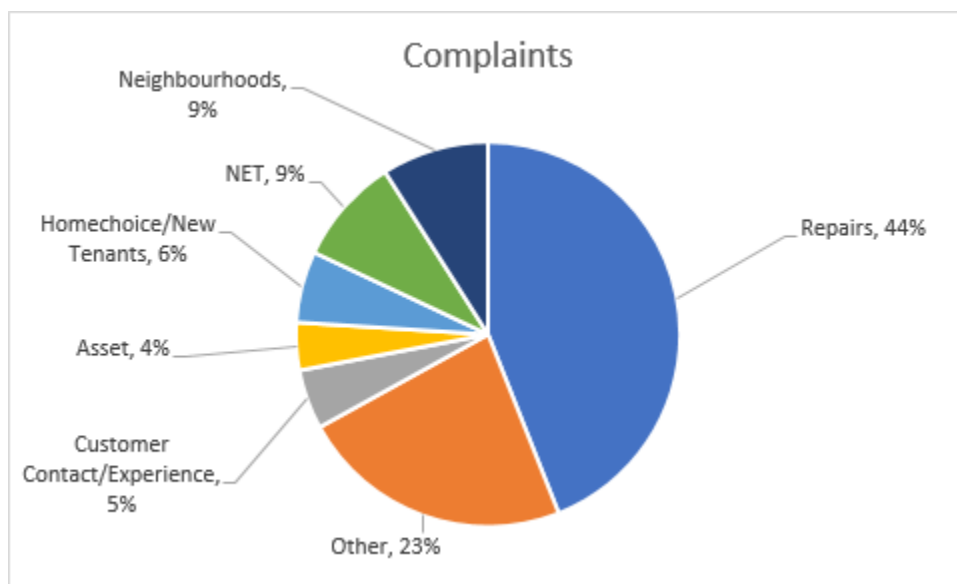
Following the development of the new website and online portal in 2020/21, the % of customers registered online is 42% in 2021/22. Although targets were not quite reached for 21/22, we anticipate a further rise to 49% in and 52% in after the next 2 years.

RBH VALUE FOR MONEY (VFM) STATEMENT 2021-2 continued

Complaints

We welcome feedback, good or bad, on any of the services we provide and commit to using it to improve our services. When things go wrong, we will provide advice and support and get them resolved as quickly as possible. We analyse complaints, look for trends and make changes where possible to improve our services and policies. We include a summary of our performance for 2021/22 below:

- 595 complaints were received in 2021/22
- This includes both formal and informal complaints
- 98% of Stage 1 complaints were responded to within target, compared to 60% the previous year
- 98% of Stage 2 complaints were responded to within target, compared to 70% the previous year
- Average time to resolve Stage 1 complaints was 4 working days
- Average time to resolve Stage 2 complaints was 5.6 working days



We continue to use our Customer Relationship Management System (CRM) for managing customer feedback and have made further improvements to help us improve our performance in relation to individual complaints handling and for capturing how we learn from complaints. There were many ways RBH achieved this however some of the main examples are listed below on how we try to do this.

1. Closer monitoring of the cleaning team has been put in place including ensuring photographs are taken before and after carrying out a cleaning schedule and random spot checks.
2. Introducing procedures to ensure all customers with an offer of a new home receive a weekly update and improving information provided to new tenants upon moving in.
3. Reviewing procedures for addressing occasions where we need to attend to a leak but a resident is not responding to cards left (e.g that we follow up with further appointments until we gain access, working with neighbourhoods if needed).
4. Reviewing our approach to complaints via social media.
5. Fire evacuation procedures reviewed and updated to ensure best practice.
6. A review of contract management of lift maintenance providers to ensure improved service delivery.

RBH VALUE FOR MONEY (VFM) STATEMENT 2021-22 continued

Together Theme: Building Rochdale's Economy

RBH is proud to be a Living Wage employer and to champion the issue with others. RBH is proud to be a Living Wage employer and to champion the issue with others. This year we have begun to enhance our commitment to the issue by committing to become a living hours accredited Employer. We remain committed to our member of the Greater Manchester Good Employment charter and are seeking ways to support other local employers on their journey to achieve member status.

Supporting our Tenants into Work

Rochdale Borough is fortunate to have an extensive offer for people that need to support to find employment, training, or any other opportunity to increase skills and confidence. As such, we work with multiple partner organisations to deliver work under this theme.

In addition to support for individuals, we are also committed to local economic development, maximising the benefit of social value and building community wealth locally.

In the last year, 364 people have been supported towards work, with 86 securing paid employment. This is a rise of over 50% compared to 2020/21.

Opportunities within RBH

We have continued to deliver a successful apprenticeship programme, recruiting 10 new apprentices in the last year. For the second year running, all these apprenticeships were filled by people living in RBH homes meaning there is an additional benefit to the local economy. Also ringfenced to residents of Rochdale were 6 month paid employment opportunities under the Government's Kickstart scheme.

In total we were successful in providing 5 young people the opportunity to join RBH and learn new skills. Of these 5, 2 were supported into paid employment elsewhere, 1 was offered a permanent contract with RBH at the end of their Kickstart placement and 1 is still on their Kickstart placement.

We have also been able to reintroduce the opportunity for people to get work experience within RBH, including in the work environment. This has been particularly important for young people who have not had the opportunity to gain work experience for over 2 years.

In total, there have been 30 people benefit from internal work placement opportunities.

Working with Partners

We work closely with several partners to ensure our customers have access to the best opportunities available in the borough. We work with the Work, Health and Skills team at Rochdale Council who offer a central triage point for anyone seeking support with access to employment or training. We also work with social enterprise, Upturn, to deliver an externally funded employment programme for those whose incomes have been impacted by COVID. Finally, we work with those in our supply chain to extract opportunities for training, experience, and employment, wherever we can.

Through these partners, we have supported 112 people, with 15 gaining paid employment.

New Pioneers Programme

The New Pioneers Programme is a unique employment programme delivered in partnership with Rochdale Council. The aim is to provide intensive support and life coaching for people who have significant barriers to employment. The programme focussing on wellbeing and identifying fulfilling, secure employment, rather than quick employment outcomes.

After receiving a significant investment from the UK Community Renewal Fund, we were able to expand the programme in November 2021. This expansion accommodated referrals from both Rochdale Town Centre and central Heywood.

RBH VALUE FOR MONEY (VFM) STATEMENT 2021-22 continued

This year the programme has supported 135 new referrals across the 2 locations, with 56 securing paid employment. The programme has also supported 14 people to gain a qualification, with a further 17 in education or training.

Buying local

A key element of our Procurement Strategy is to deliver social value and one of the ways we do this is by looking to procure goods and services locally. The measures for % procurement spend in Greater Manchester has increased from 61% to 62% however spend in Rochdale has reduced slightly from 49% to 45%. This area will form part of our new Succeeding Together Strategy as RBH progress towards increasing community wealth.

The way money spent is retained in the Rochdale Borough bringing added benefits, is measured by a calculation called Local Multiplier 3 (LM3). The calculation tracks how our employees and local suppliers spend their money in Rochdale and calculates how much money is put back into the local economy. Our LM3 score for 2021/22 was £1.88.

£1 spent with RBH = £0.88 spent in the Rochdale economy

We also work with our supply chain to deliver initiatives that benefit RBH tenants and Rochdale communities. The lockdown restrictions have made this especially challenging, but we have still been able to broker opportunities. Highlights include:

- The community investment continued with the Digital Equipment Bursary for tenants who were actively seeking work to access a laptop or other digital device that would remove barriers to employment.
- In one of our most pioneering initiatives, we commenced the install of a 'Mesh Network' in Rochdale Town Centre, in partnership with RBC and with the Cooperative Heritage Trust. The project is bringing free, good quality, high speed internet to 1500 homes in the area, making sure everyone is connected regardless of their ability to afford a home broadband connection. This will offer potential annual savings of up to £450,000 for people living locally.
- Our external contractors continue to provide on the job experience to our apprentices enabling them to complete their portfolios with work not undertaken by RBH – e.g. roofing experience on new builds for the joinery apprentices. Apprentices are now recruited from RBH homes.
- Provision of sponsorship to a local rugby league team and include partnership working with RBH in their sponsorship branding.
- Fitting of kitchen units/worktops and flooring at Spotland Community Centre.
- Groundworks and Labour for agreed scope of works at Falinge Park.
- Additional work or donations to support the community growing space as part of Pioneer Park within the development.
- Donation of spare building materials to Kirkholt NHS practice Garden project.
- Assistance with decoration of The Strand Community Café April 2022.

How are we doing in relation to Vfm?

In summary these Vfm metrics tell a story of an organisation that is resilient to economic challenges and is in a strong position to complete the next stage of delivering on its strategic priorities. RBH is an organisation that:

- Has managed headline cost per unit and operating margin in 2021/22 to stay as close as possible to target and despite recent challenges of the economy, can still demonstrate sound operational efficiency. Some activity has been deferred but this has been re-phased, and we will 'catch up' during 2022-23.
- Has significant financial capacity which we are seeking to manage to ensure long-term viability. Whilst we are currently below our peers in terms of delivery of new supply and levels of re-investment our 2022-23 Business Plan includes ambitious plans for regeneration in Rochdale; for building new and investing in improved homes across a range of tenures and for substantial investment to meet our legal commitments on fire safety and decarbonisation. We built 15 new homes in 2021/22 but are committed to increasing the % new supply significantly now the funds in place to meet this commitment.
- RBH secured a £75m refinance in 2021/22 which has obtained both favourable interest rates and flexibility in terms of covenants. This will help towards RBH delivering it's aspirations of the new Succeeding Together Strategy.
- Is working hard to optimise our financial capacity. Whilst in the short-term our plans will reduce operating margin and increase costs; over the longer term our margins are projected to increase as we replace homes lost through sales and demolitions and as we achieve efficiencies.
- Can show a good track record of delivering efficiencies in the past which has worked towards keeping our unit costs low despite recent economic challenges and whilst the number of homes has been reducing. Financial targets set against our 2022-23 Business Plan to ensure that this remains the case and regular stress testing and monitoring will take place to be proactive in the uncertain climate and cost savings pursued where necessary.

RBH VALUE FOR MONEY (VFM) STATEMENT 2021-22 continued

- Efficiencies will be delivered through our Digital Transformation programme over the next 3 years in line with our new Succeeding Together Strategy.
- Is focused on improving outcomes for customers through high quality services. For example we are continuing our work to improve our Repairs service, following significant positive work completed in 21/22. This will be to ensure there is a full understanding of responsibilities, consistency of approach and value for money in the delivery of our Repairs & Maintenance service so that customers receive the best possible service, can input into improvement activity and receive a service we are proud to deliver. In 2021/22, overall satisfaction maintained a level of 85%; and the % of tenants that believe their rent offers value for money, reduced only slightly to 85%.
- Has a clear understanding of the performance of its assets and considers the long-term sustainability of our investment decisions in our neighbourhoods, by calculating financial (NPV) and sustainability indicators to build up a comprehensive profile of the performance of each neighbourhood. Homes are grouped into categories and investment is prioritised accordingly:

Category	Parameters	Number of Homes
Good	£9,000 and above	9,917
Marginal	Zero to £9,000	1,875
Poor	Below zero	811

The figures above are based on the stock as at 1st April 2020 (12,603) as this is when the latest Stock Condition Survey took place.

For example, to address the quality and mix of flats at Lower Falinge and College Bank which is a key part of our Corporate Strategy.

- Remains focussed on Rochdale and as a key anchor organisation in the borough is committed to building the local economy. Through our strong values as a mutual organisation, we are committed to continue to deliver on our work to deliver social value, which is central to our procurement and community investment strategies, and we are working to proactively embed a Community Wealth Building approach within Rochdale alongside other local anchor institutions.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management

The Directors acknowledge their ultimate responsibility for ensuring that the society has in place a framework for managing exposure to strategic and operational risks. RBH's Risk Management Strategy is designed to identify, analyse and treat all risks and lead to risk management being embedded into the RBH's culture. Regular reports on all significant risks faced by the society are received by the Audit Committee. The Board also receives a Risk report for consideration as a standing item at each meeting.

The Strategy is reviewed by the Audit Committee and Board annually to ensure it remains fit for purpose. The RBH (Design and Build) Board has its own risk register which is reviewed every time the subsidiary's Board meets. The second subsidiary, Safeguard Solutions Ltd ceased trading on 30th November 2020, and was struck off from the Companies House Register on 10 August 2021.

Risk underpins the business planning process with a risk identification and analysis session being undertaken with all areas of the society. The output from these sessions is then used to challenge and update the existing risk registers. These are then reviewed and updated throughout the year. Risks are reviewed monthly or quarterly by risk owners depending on the risk score, and each quarter the Assurance manager and risk owners complete a formal risk review process. Key risks are also subject to a quarterly Director's Challenge which provides additional secondary assurance to Audit Committee and Board. There are also quarterly Audit Committee "deep dives" where risk owners are invited to update Audit Committee on specific risks, and how these are being managed, and potential future risk trends. The Senior Leaders Team also meet quarterly to review and challenge the registers and RSH Standards compliance trackers.

2021/22 was the fourth year of a 5 year contract with our internal auditors RSM (an initial 3 years with the option to extend for a further 2). This follows on from a previous 3 year contract with RSM meaning that at the end of this current contract we will have been with RSM for a total of 8 years. This will go out for tender ahead of the 2023/24 financial year. Use of their online reporting tools, 4 Action and 4 Risk, is now fully embedded.

Internal Control

It is the Directors' responsibility to establish and maintain systems of internal control that are appropriate to the various business environments in which it operates. These controls are designed to give reasonable assurance with respect to:

- The reliability of financial information used within the society or for publication;
 - The maintenance of proper accounting records;
 - The safeguarding of assets against unauthorised use or disposal;
 - Preventing and/or detecting fraudulent activity;
 - Ensuring safe working practices are in place and are being implemented;
 - Ensuring compliance with regulatory standards and statutory duties such as gas safety, data protection and asbestos legislation; and
 - Business continuity and our ability to maintain core business processes in the event of unforeseen circumstances.
- The appropriate management of risk across all areas of the society.

Such systems can only provide reasonable and not absolute assurance against material financial misstatement or loss.

Key elements include ensuring that:

- Formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the society's assets;
- Experienced and suitably qualified employees take responsibility for important business functions;
- An Organisational Performance Review is now embedded to maintain standards of performance;
- Rolling forecasts and budgets continue to be prepared which allow the Board and Management to monitor the key business risks and financial objectives and progress towards financial plans set for the year and the medium term;
- Regular management accounts are prepared promptly, providing relevant, reliable and up-to-date financial and other information and significant variances from budgets are investigated as appropriate;
- All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures through relevant committees comprising Board members and others;

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL continued

- The Directors review reports from management, from internal auditors, the external auditors and from their own Audit Committee to provide reasonable assurance that the control procedures are in place and are being followed. The Internal Auditors make regular reports to the Board via the Audit Committee; and
- Formal procedures have been established for instituting appropriate action to correct weaknesses identified from the above reports.

A series of framework systems enable RBH to provide a higher level of internal control and assurance on areas of core business. These are:

- Assets and Liabilities Register – this is an integral part of the assurance required to demonstrate compliance with the RSH Governance and Viability Standard;
- Contracts Register - a subset of the Asset and Liabilities Register, this register contains all of RBH’s current contracts and expired contracts over a 12-month period to provide an indication on the type and level of spend within the organisation. The register enables management to ensure value for money is being achieved. The contract register is now held on the ‘Delta’ contract management system. This enables the retention and maintenance of greater levels of contract detail on the system. It contains triggers and reminders for any contract detail that may require reviewing or updating, including contract renewal. Each contract also has a contract performance module, where contract owners can record details of a supplier’s contract performance, minutes and actions of review meetings and maintain KPI’s;
- Law Legislation and Regulation (LLR) Register – is used to provide assurance that RBH remains compliant with all relevant law, legislation and regulation. This Register will continue to be used to ensure policy leads fully incorporate legislative requirements into RBH policy; and
- The Corporate, Operational and Fraud Risk Registers identify the key risks facing the society, existing mitigating actions which are designed to effectively reduce the risk and future actions required to maintain control of the risk.

An internal control statement is submitted quarterly to the Executive Leadership Team to provide assurance that the Society’s internal controls are operating effectively. Each assurance area reports against the three lines of defence.

RBH’s comprehensive set of policies and procedures also includes data protection, whistleblowing, health and safety, complaints handling and Register of Interests for Board members and employees.

All policies and procedures are monitored to ensure they are relevant and up to date. A key role of our Internal Auditors RSM is to then test and highlight weaknesses in these.

Internal Audit

During 2021-22 our internal audit facility was provided by RSM.

The Internal Audit function is outsourced for a number of reasons, most notably;

- We can focus our attention on core business activities;
- It is easier and more cost effective to buy in the services of an expert than it is to recruit and employ an expert;
- Specialist consultancy firms can give a range of skills that you won’t find in one person. For example, you may not only need an accountant but also an information technology or human resources expert;
- By outsourcing the Audit Committee and Board can ensure independence and objectivity; and
- The relationship can be easily monitored via a service level agreement.

RSM’s annual report for 2021-22 concluded, for the fourth year running that, based on the work completed, ‘the organisation has an adequate and effective framework for risk management, governance and internal control’. However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.

Any weakness that is highlighted is reported back to the Executive Leadership Team and the Audit Committee and addressed accordingly.

During 2021/22, 2 recommendations rated as high were identified, 6 medium management actions and 19 low management actions.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL continued

During 2021/22 RSM also undertook 2 follow up audits. The purpose of which is to verify that recommendations have been completed. In the first follow up 11 out of 12 actions were completed (92%). In the second, 19 out of 20 actions (95%) of actions were fully signed off.

The final annual report details the level of assurance for each audit. In 21/22 RBH had 7 audits with substantial assurance and 2 with reasonable assurance, with one advisory audit also completed.

External Audit

Beever and Struthers (B&S) provide audit services to the RBH Group in accordance with International Standards on Auditing (UK) ("ISAs (UK)"). Following a tender exercise in 2021, B&S was awarded an initial three year contract beginning in 2021-22 financial year which was approved by the Representative Body.

STATEMENT OF THE BOARD'S RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Board members' responsibilities

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

Co-operative and Community Benefit Society law and social housing legislation require the Board of Directors to prepare financial statements for each financial year in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

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

- select suitable accounting policies and then apply them consistently;
- make judgment and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice: Accounting by registered social housing providers 2018 have been followed, and Accounting Direction disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the group and association will continue in business.

The Board of Directors is responsible for keeping adequate accounting records that are sufficient to show and explain the group and association's transactions and disclose with reasonable accuracy at any time the financial position of the group and association and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. They are also responsible for safeguarding the assets of the group and association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Directors is responsible for ensuring that the report of the Board is prepared in accordance with the Statement of Recommended Practice: Accounting by registered social housing providers 2018.

Financial statements are published on the group and association's website in accordance with the legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the group and association's website is the responsibility of the Board of Directors. The Board of Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

DISCLOSURE OF INFORMATION TO AUDITORS

The Board of Directors who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the Group's auditors are unaware; and each Director has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

The report of the Board of Directors was approved on 10 August 2022 and signed on its behalf by:



S2022/06
Stephen Wigley
Secretary

11 August 2022



S2022/06
Alison Tumilty
Chair of the Board

11 August 2022



S2022/06
Gareth Swarbrick
Chief Executive

11 August 2022

STRATEGIC REPORT

Governance Arrangements

Since becoming a mutual on 26th June 2013 two bodies have been responsible for governance and strategic direction of the society. The first is the Representative Body, comprised of 15 elected tenant members, 8 elected employee members, and nominated Representatives from Tenant Management Organisations and 2 from our key partner Rochdale Council.

The second is the Board of Directors, which is made up of 6 Non-Executive Directors and two Executive Directors (Chief Executive and the Director responsible for Finance).

Since mutualisation the members of the Representative Body and the Non-executive Director members of the Board are entitled to recover reasonable expenses incurred. On 30th March 2017 the Representative Body approved a decision to remunerate the Board Chair position commencing on the date of the 2017 Annual Members Meeting and in December 2019 they approved remuneration for the Non-executive Directors effective from September 2019. The Representative Body are not remunerated.

Whilst the Board is legally responsible for the overall control of the affairs of the society, including the monitoring of the performance of all its functions and determination of resources to meet its financial and other obligations; the Representative Body is responsible for setting the strategic direction; being custodian of our values; and representing members and the wider interests of the community by offering a strategic framework for the Board of Directors to operate within, and by holding the Board of Directors accountable against the delivery of the Corporate Strategy.

The Representatives and Board of Directors of the society are set out on pages 3 to 6. This includes details of members' professional skills and experience, any additional responsibilities within their respective body, and attendance.

The Board

The Board of RBH is committed to the delivery of high quality housing services to its customers, and RBH's aims, and objectives embrace the key principles of good governance, i.e. openness, honesty, and responsibility. On 3rd June 2015 the Board adopted the National Housing Federation 2015 Code of Governance, and subsequently adopted the National Housing Federations 2020 Code of Governance on 10 March 2021.

Both the Board and employee structures have been developed to ensure that there is an informed and effective decision making processes within the Society. The membership of the Board of Directors is listed at the start of these financial statements.

The Boards' key responsibilities include:

- Protecting and promoting the mutual nature of the Society;
- Having overall control of the affairs of the Society;
- Ensuring compliance with the objects, purposes, values, vision and corporate strategy of the Society;
- Ensuring the solvency and financial strength of the Society;
- Setting and maintaining a framework of delegation and internal control;
- Monitoring the performance of all the Society's functions;
- Determination of resources to meet the Society's financial and other obligations; and
- Living the values of the society.

The Board of Directors met 8 times in 2021-22. There were four joint sessions with the Representative Body in April 2021, June 2021, September 2021, and March 2022.

The Board of Directors are:

	Meetings attended
Alison Tumilty (Board Chair)	8/8
Paul Joyce (Vice Chair & People & Remuneration Committee Chair)	8/8
Guy Millichamp (Audit Committee Chair)	8/8
Mike Nuttall (Growth Committee Chair)	6/8
Neil McInroy (Appointed May 2021)	7/7
Ruth Welford (Appointed September 2021)	4/5
Luen Thompson (Naturally retired September 2021)	3/5
Gareth Swarbrick (RBH Chief Executive)	7/8
Nickie Hallard (RBH Director of Resources and Deputy Chief Executive)	8/8

STRATEGIC REPORT continued

In 2021/2022 the Board made the following critical decisions:

- Approved the new Loan Facility Agreements which ensures that there is financial sustainability and supports the delivery of the Succeeding Together strategy;
- Approved the Business Plan, Subsidiary Business Plan, and Financial Strategy targets which support the delivery of the Succeeding Together Strategy; and
- Approved that the Homelessness and Home Choice Services would be transferred back to Rochdale Council.

In 2021/22 the Board have approved:

- 118 new homes;
- Site acquisitions at the former Brickcroft Club, Redcross Mill, ER Williams sites in Rochdale Town Centre;
- Investment in our homes of £8.7m including replacement of kitchens, bathrooms, boilers and central heating distribution, electrical upgrades, roofs and various fire safety works;
- Review of the performance of homes and assets to ensure the long-term future of homes in terms of investment and neighbourhood regeneration including investment in College Bank as part of the future refinancing and business planning process;
- The following key strategies: Procurement; Risk Management; Digital Transformation; Treasury; Finance, Data and Wellbeing;
- Review of compliance with the Intra-group Agreement to ensure that RBHs subsidiary is complying with the principles of the agreement;
- Quarterly assurance on the six areas of health and safety legal compliance which ensures that all risks facing the organisation are identified and effectively managed by the Board;
- Year end compliance report to provide assurance that RBH is compliant with the RSH Regulatory Framework, relevant law, legislation and regulation including General Data Protection Regulation, Asset related safety legislation, necessity to maintain an Asset and Liabilities Register, NHF Code of Governance and Contract Register;
- The framework for bidding for grant funding under the Homes England 2021-2026 Affordable Homes Programme, including revised development assumptions;
- Vision to deliver an Older Persons HAPPI scheme in Rochdale Town Centre as part of the regeneration proposals;
- Adoption of Rent Flexibilities which will optimise the financial contribution made from existing homes to increase capacity to fund the development of new products and services to customers; and
- New Performance and Customer Voice Dashboard which ensures that customer views are heard at every level of RBH and helps to inform strategic decision making for improving services, delivering value for money and to bring about lasting change for customers.

Three committees assist the Board: The Audit Committee, the Growth Committee and the People and Remuneration Committee. There is also a Mutual Governance Commission which is made up of the Chairs and Vice Chairs of the Board and Representative Body and the Secretary. Terms of reference for the committees and commission were reviewed as part of the review of the Mutual Governance Excellence Framework in March 2022.

STRATEGIC REPORT continued

Audit Committee

This committee provides the facility for Non-Executive Directors to meet the society’s external auditors to discuss their report on the annual accounts and also to review the scope and results of the internal audit work programme. The committee also monitors and advises the Board of Directors on compliance with the Society’s Risk Management Strategy Action Plan.

The committee must have a minimum of 3 Non-Executive Directors members and up to 2 independent members with full voting rights. Executive Directors, the Chair of the Board, Representatives and Employees cannot serve on the committee.

The Audit Committee met 4 times in 2021-22.

Sitting on the Audit Committee are:

	Meetings Attended
• Guy Millichamp (Chair)	4/4
• Paul Joyce	4/4
• Mike Nuttall (temporary appointment)	1/1
• Ruth Welford	2/2
• Sharon Brown (Resigned 8 March 2022)	3/4

Profiles of the current Committee Members can be found on pages 3 to 5. Mike Nuttall was appointed to the Audit Committee for one meeting and was replaced by Ruth Welford upon her appointment in September 2021.

The Audit Committee’s responsibilities are outlined in its Terms of Reference which are available on the website - [Mutual Governance Excellence Framework | RBH](#)

In 2021-22 it made the following critical decisions:

- Reviewed and recommended approval to the Board of the Procurement Strategy;
- Recommended to the Representative Body the appointment of a new External Auditor;
- Approved the insurance arrangements;
- Agreed the internal audit programme;
- They reviewed the Compliance and Assurance Framework as well as monitoring of the rent setting and data quality action plans; and
- The Committee conducted a series of risk challenges on key corporate risks from the risk register and satisfied itself there was sufficient controls and assurance in place across the Society.

Growth Committee

The Growth Committee was established in May 2018 to provide guidance and oversight of RBH’s ambitious development programme. The Committee met 6 times during 2021-2022.

The committee must have a minimum of 2 Non-Executive Directors members. Executive Directors, Representatives and Employees cannot serve on the committee.

Sitting on the Committee are:

	Meetings Attended
• Luen Tompson (Naturally retired September 2021)	2/2
• Guy Millichamp	5/6
• Siobhan Ryder (Co-optee)	4/6
• Mike Nuttall (Chair with effect from September 2021)	6/6
• Katherine Armitage (Co-optee appointed 6 June 2021)	5/6

The Growth Committee’s responsibilities are outlined in its Terms of Reference which are available on the website - [Mutual Governance Excellence Framework | RBH](#)

STRATEGIC REPORT continued

In 2021-22, it made the following critical decisions:

- Monitored the development schemes and pipeline to ensure RBH has sufficient sites available to deliver its development aspirations;
- Monitored the regeneration of central Rochdale including approving the acquisition of various sites and partner development;
- Approved the acquisition of various schemes and land purchases;
- Monitored and reviewed post scheme review information;
- Reviewed the future development programme and agreed that this should focus our impact on developing family homes and where possible larger houses; and
- Reviewed the Sustainable Growth Strategy.

People and Remuneration Committee

The People and Remuneration Committee was established in April 2020 to consider strategic employee matters and make recommendations to the Board in respect of remuneration, variations to the authorised establishment and significant amendments to conditions of service. The Committee also have oversight of opportunity, diversity and inclusion of all organisational activities.

The committee must have a minimum of 3 members of which a minimum of 2 must be Non-Executive Directors and up to 2 Independent Members with full voting rights. Executive Directors, the Chair of the Board, Representatives and Employees cannot serve on the committee.

The People and Remuneration Committee met 3 times in 2021-2022.

Sitting on the People and Remuneration Committee are:

	Meetings Attended
• Paul Joyce (Chair)	3/3
• Mike Nuttall	1/3
• Neil McInroy	3/3
• Cliff Mills (Independent Member)	3/3
• Harriet Killeen (Independent Member)	3/3

The People and Remuneration Committee’s responsibilities are outlined in its Terms of Reference which are available on the website - [Mutual Governance Excellence Framework | RBH](#)

In 2021-2022 it made the following critical decisions:

- Approved the new People Strategy.
- Approved significant changes to employee terms, conditions and benefit structure.

The Committee received regular updates on Equality and Diversity and activities and monitored the delivery of the Equality and Diversity Strategy, approved the pay review for 2022 as well as updates on employee absences and other HR matters. The Committee reviewed the Chief Executive and Executive Leadership Team contractual terms and conditions and made recommendations to the Board. They also received regular updates on the Pandemic and actions taken to ensure the wellbeing of employees and the results on employee engagement surveys.

Mutual Governance Commission

The Mutual Governance Commission met 4 times in 2021-2022

Sitting on the Mutual Governance Commission are:

	Meetings Attended
• Stephen Wigley (Chair and Secretary)	4/4
• Alison Tumilty (Board Chair)	3/4
• Paul Joyce (Board Deputy Chair)	4/4
• Phillip Worthington (Representative Body Chair) (appointed 20 Oct 2021)	1/1
• Lynne Brosnan (Representative Body Vice Chair) (appointed 20 October 2021)	4/4

STRATEGIC REPORT continued

Phillip Worthington was appointed as the Representative Body Chair and Lynne Brosnan was appointed Representative Body Vice Chair on 20 October 2021.

The Commission consists of 5 members including the Secretary, the Chairs and Deputy Chairs of the Board and Representative Body.

The Mutual Governance Commission responsibilities are outlined in its Terms of Reference which are available on the website - [Mutual Governance Excellence Framework | RBH](#)

In 2021-22, it considered the following:

- The approach for the delivery of the annual Effectiveness Review process;
- Monitoring of the actions arising from the effectiveness review;
- Approved the Board and Representative Body Induction and Training Programmes and monitored their delivery;
- Reviewed the approach to the annual Representative Body election process;
- Updates from the Regulator of Social Housing, recent IDA and Housing White Paper;
- Reviewed compliance against the National Housing Federation's 2020 Code of Governance and monitored the action plan;
- Review of the Mutual Governance Excellence Framework for recommendation to the Board and Representative Body;
- Reviewed Non-Executive Director recruitment and re-appointments procedure;
- Discussed maximising the benefits of Mutuality; and
- Developed actions for encouraging more members to attend Board and Representative Body meetings.

Governance of Committees

To ensure the Board maintain sufficient oversight of committee and commission business, a minimum of 3 Non-Executive Directors are required to sit on the People and Remuneration and Audit Committees respectively. Minutes and Agenda Packs from all committee, commission and subsidiary meetings are available to Board Members via a secure portal. Board meetings receive a written reporting in summary from each meeting and verbal updates of key issues are provided by the Chairs. This provides an opportunity for the Board to receive assurance and oversight of the key business activities of the Governing Bodies activities.

Representative Body

The Representative Body forms part of RBH's governance structure along with the Board and is the elected body which represents members and the wider community in RBH's decision making process. The composition of the Representative Body is listed on pages 5 to 6.

In late 2020, the Representative Body carried out an extensive effectiveness review which included a review of their role, responsibilities and remit and how they could ensure that it was making a positive difference to individuals and communities. The review encompassed several workshops of the Representative Body during 2021 which explored where Representative's felt it could make a positive difference. One of the outcomes resulted in changes being made to our Rules which were approved at the Annual Members Meeting in September 2021 and the establishment of a Delegated Panel. Further details on the Delegated Panel is outlined below.

The Representative Body met 6 times in 2021-22. The Representative Body also held three special meetings, one away day and held four joint sessions with the Board. The representative' responsibilities are outlined in its Terms of Reference which are available on the website - [Mutual Governance Excellence Framework | RBH](#)

In 2021-22 it made the following critical decisions:

- Approved the appointments of Neil McInroy and Ruth Welford to the Board of Directors;
- Approved the re-appointments of Alison Tumilty, Board Chair for a further three-year term; Paul Joyce for a further two-year term; and Guy Millichamp for a further one-year term;
- Approved a change to the election/voting process for appointments to the Representative Body;
- Approved the appointments of two Council Representatives;
- Approved changes to the remuneration of the Board Chair and Non-executive Directors;
- Appointed Beever and Struthers as RBH's external auditor provider for a 3 year term;
- Approved the annual report to Members to be presented at the Annual Members Meeting;
- Approved the appointments of Representative Body Corporate Strategy Champions;

STRATEGIC REPORT continued

- Approved the Strategy, Policy and Service Standards timetable;
- Approved the budget spend of the Representative Body support and development budget;
- Approved the Membership Strategy and monitored the delivery of the strategy; and
- Approved the new Succeeding Together Strategy (Corporate Strategy) for 2022 to 2025.

The Representative Body also reviewed the Smart working process for colleagues and customers, the Responsive Repairs Policy as well as carrying out an annual performance review including Housemark and the results of the STAR survey. They also received updates on Social Value, approved the Delegated Panel Terms of Reference and made its appointments to the Nominations Committee to oversee the Non-executive Director recruitment process for 2022.

The Representative Body is accountable to the members of the society through the elections process. At the Annual Members Meeting held on 15 September 2021, Members approved a number of recommendations to changes to the Rules including:

- Included a commitment to reflect the increasing focus on the environment and sustainability and a clear commitment from RBH as a community benefit society;
- The appointment of the Deputy Secretary reflects the same appointment process as that of the Secretary;
- Representatives are no longer required to stand down for 1 year following the completion of two terms of office;
- Provision for the Representative Body to remove a Representative from office should the individual be unable to formally resign;
- The establishment of the Representative Body Delegated Panel;
- The ability for the Representative Body to appoint Non-executive Directors for different terms of office to aid with succession planning; and
- Council nominations to the Representative Body reduced to two instead of four.

Representative Body Delegated Panel

The Delegated Panel had its first meeting on 16 February 2022 and members are appointed annually following the Annual Members Meeting. The Delegated Panel comprises of a maximum of 9 Representatives of whom: the majority must be tenant Representatives; at least three must be Employee Representatives; and one shall be the Chair of the Representative Body. Members may serve no more than six years consecutively before being ineligible for a period of two years.

The Delegated Panel may exercise all the powers of the Representative Body under the Rules [Rule 5.8.4] save for:

- (a) the approval of the Corporate Strategy under Rule 2.3.2(e); and
- (b) the appointment of any Non-executive Director, including the Chair under Rule 2.3.2(b).

The Delegated Panel will meet at least four times per year in between meetings of the Representative Body.

The Delegated Panel has the following delegated functions are outlined in its Terms of Reference which are available on the website - [Mutual Governance Excellence Framework | RBH](#)

During the 2021-22 period, the Representative Body had a number of working groups and task and finish groups. All groups reported back to the Representative Body.

Membership and Communications Working Group

The Working Group met 5 times in 2021-22. The Membership and Communications working group's membership is open to all Representatives but as a minimum should have 2 Employee and 2 Tenant Representatives present. The working group does not take decisions usually reserved for the Representative Body, instead, it progresses work between Representative Body meetings which is subsequently reported back to and decided on by the Representative Body.

The Membership and Communication Working Group's responsibilities are outlined in its Terms of Reference which are available on the website - [Mutual Governance Excellence Framework | RBH](#)

STRATEGIC REPORT continued

In 2021-22 it worked on the following important issues:

- Assisted in the development of the Annual Report to Members;
- Assisted in the development of the Corporate Strategy communications including the Members Survey;
- Reviewed the Membership Strategy delivery plan including how we make membership more meaningful;
- Communications plan for the Representative Body to Members;
- Reviewed the shortlisted nominations of the VIP Awards;
- Began work on the re-branding and re-launch of the Representative Body;
- Considered the election and voting process for Representative Body elections; and
- Started to shape the Annual Members Meeting.

Nominations Committee

The Committee met 2 times in 2021-22. The Nominations Committee consists of 4 Representatives and the Chair of the Board of Directors.

The Nominations Committee’s responsibilities are outlined in its Terms of Reference which are available on the website - [Mutual Governance Excellence Framework | RBH](#)

In 2021-22 it worked on the timetable for recruitment and re-appointments.

Support and Development Working Group

The Working Group was developed in February 2021 and has met 3 times in 2020-21. The Support and Development working group’s membership must be no less than 3 Representatives from the Tenant or Employee constituents. The group must have a minimum of 1 Tenant and 1 Employee Representative.

The Support and Development Working Group’s responsibilities are outlined in its Terms of Reference which are available on the website - [Mutual Governance Excellence Framework | RBH](#)

In 2021-22 it considered 7 support and development requests and agreed to provide financial support for Representatives in relation to internet costs as well as considered the Employee Ownership Association training opportunities.

RBH Membership

Members are separated into 2 constituencies: tenants and employees. Members have access to information, a voice in the Society and the opportunity to play a representative role in its governance.

	<i>Start of year</i>		<i>End of year</i>	
	<i>No.</i>	<i>%</i>	<i>No.</i>	<i>%</i>
<i>Tenant members</i>	5,446	38.5	5,104	36.9
<i>Employee members</i>	460	82.3	397	75.3

Remuneration

The Representative Body have determined that, together with the Board Chair, Non-Executive Directors, are to be remunerated and additionally are permitted to claim expenses in line with the policy which is approved and reviewed annually by them. The Representative Body carried out a review of remuneration levels at its meeting in August 2021 using benchmarking data from other similar sized housing associations and agreed that a 2.5% increase should be applied to keep the remuneration levels consistent and proportionate to RBHs’ size, complexity and in line with sector norms. The Chair currently receives remuneration of £11,616k per annum, with the figure being reviewed annually. The Non- Executive Directors currently receive £4,100k per annum, which is subject to an annual review. Full disclosure of Non-Executive Director remuneration is included in note 12.

Executive Leadership Team

The Chief Executive, the Deputy Chief Executive (Director of Resources) and two other directors (who are not Board members) make up the society's Executive Leadership Team and act as Executives within the authority delegated by the Board. The Executive Leadership Team is set out on page 6.

Insurance policies are in place, which indemnifies Board members and employees against liability when acting for the Society. RBH has procured a new Directors & Officers Liability cover through the broker Gallagher, underwritten by Nexus after the withdrawal of the NHF cover. This cover provides an indemnity limit of £1M.

STRATEGIC REPORT continued

The Board's Non-Executive Directors have responsibility for the remuneration of its Executive Members and appointing the Chief Executive. Terms, conditions, and remuneration were reviewed by the People and Remuneration Committee as well as remuneration levels in 2021 and 2022 as part of the Local Negotiations. Notice periods are three months for the Executive Directors and six months for the Chief Executive.

The Chief Executive, the Deputy Chief Executive (Director of Resources) and Director of Growth are members of the Greater Manchester Pension Fund, a defined benefit (final salary) pension scheme. The Director of Customer and Community is a member of the Royal London Pension Scheme, which is a Defined Contribution Scheme. They participate in the scheme on the same terms as other employees and the Society contributes to the scheme on behalf of its employees.

Payments including pension contributions for the Executive Leadership Team members in the period to 31st March 2022 totalled £546k (2021: £654k).

Further details of the Executive Leadership Team members' remuneration packages are included in note 12 to the audited financial statements.

Code of Governance

The Board at its meeting 10 March 2021, adopted the 2020 National Housing Federations Code of Governance with effect from 1st April 2021 and approved the recommendations and action plan. An Internal Audit against RBHs compliance with the new Code and provisions was carried out in May 2021 which received substantial assurance. The action plan has been regularly monitored by the Mutual Governance Commission and reported full compliance with the provisions of the Code to the Board on 9 March 2022. The Board will also review compliance against the provisions at its meeting in July 2022.

Employees

We are proud to be owned and run by our tenant and employee members. We live and work together, and we are stronger together. We have over 572 wonderful individuals who have chosen to help RBH deliver quality housing and associated services to customers across the towns and villages of Rochdale.

It was a challenging year for RBH and its people for many different reasons. We started – and ended – 2021 in a pandemic; Over the past 12 months we have not only continued to navigate our way through a major pandemic, but we have also achieved some wonderful things such as the introduction of smart working, Digital transformation, and being the first Registered Provider to achieve the Princess Royal Training Award. Our exceptionally talented people have been instrumental to this success.

Over the past 12 months, we find ourselves in a significantly different working environment. While our overall vision has not changed, the opportunities and threats have changed significantly. RBH continues to face a tough economic climate with increasing costs, issues with supplies, a skills shortage, and a highly competitive recruitment market, therefore we have had to find innovative ways to deliver a service we are proud of.

We are now 7 months into our new cost neutral smart way of working, which has introduced fully flexible hours and locations, our overall goal was to create an environment whereby people were trusted to do their job in a way which suited their lifestyle. The engagement survey demonstrated a **16.7%** increase in scores with **81.2%** saying they have a good work life balance.

Employee satisfaction has increased by **4.89%** to **87.93%** with an equal spread of high satisfaction across all of our areas.

Throughout the Covid-19 crisis, the safety and wellbeing of our people has been our number one priority. We recognise that the pandemic has been hard on people and while generally beneficial for work life balance, a move towards less time in the workplace has been hard on some therefore we have taken steps to minimise this impact. We have introduced a new wellbeing strategy with a large emphasis on mental health and have introduced a flexible range of initiatives such as exercise classes, Let's talk sessions and wellbeing walks and mindfulness sessions, dependent of the desires of our colleagues. We have also introduced our wellbeing champions, and targeted support from our Occupational health partners to take timely action to support our colleagues back to wellness. Through the next year we will take this further with the introduction of our Employee Focus Group 'Mind Matters' and independently chaired focus group looking at how we can better support our employee's positive mental wellbeing.

STRATEGIC REPORT continued

Employees continued

We are also determined to support the lowest paid people in our business and are proud to be accredited for our commitment to the real living wage. We are committed to becoming the first Housing association and the first Rochdale based business to also gain the Living hours accreditation.

We have faced a different set of challenges, amid the most competitive recruitment market in a generation. We are focusing on resourcing – how we can recruit and retain the best talent while refining our employee value proposition and standing out among the crowd has never been more important.

We continue to strengthen our approach to performance development, ensuring managers can have meaningful and effective development, career and wellbeing discussions with colleagues to build their skills for the future. With the Social Housing white paper focusing on Performance standards, we will develop our own set of Professional standards and behavioural framework to support our exacting standards and enable the professional development of our colleagues, ensuring we continue to deliver our Core Priority Pride in Quality Homes and Good Services.

Achievements

- We have maintained our positive Pay Gap results. Male and female employees' median hourly rate is equal;
- Improved employee engagement to 68%;
- 10 apprentices recruited directly from our communities;
- We have utilised 100% of our Levy Funding and managed to tap into over 100 days of free training with aspirational L&D plans for the Future;
- Continued improvement of employee engagement score; and
- Reduced our time to fill following a review of our recruitment practices.

Aspirations.

- To become the first Living hours accredited [employer in Rochdale/In Social housing];
- To introduce a full set of professional competencies;
- To introduce a graduate scheme aimed at retaining Rochdale's Talent;
- To reduce absence levels by 3 days per employee; and
- To introduce a full complement of employee focus groups giving power to employees to make a change.

Impact of COVID-19 pandemic

Following on from the first year of the COVID-19 pandemic announced in March 2020, whilst restrictions varied throughout the year, operations returned to normal by early 2022 with employees able to access co-location premises and tenants able to access face to face services where appropriate. Key events of the year include the following:

- Delays and/or increase in costs of supplies and services;
- Delays earlier in the year in development and investment programmes which began to catch up by the end of the year;
- Continued with our programme of Gas safety checks, wherever possible, balancing the risks of carbon monoxide poisoning against the need to protect residents and colleagues from COVID-19;
- Provided regular contact with Older and Vulnerable people to ensure that they had access to food and required medicines;
- Provided guidance to those residents who faced financial difficulties; and
- Colleagues continued to work from home where possible for most of the year and have started to return to co-location spaces 1 day a week during quarter 4.

These measures, inevitably, had an impact on the performance of the organisation in several areas:

- The impact of the pandemic affected Right to Buy and Right to Acquire sales slightly during the year;
- Expenditure on subcontractors, agency workers and material has increased; and
- We reviewed our provision for doubtful debts in the light of the impact of financial hardship that COVID-19 has had on certain groups of our tenants and kept the position under constant review however performance has stayed within targets.

STRATEGIC REPORT continued

The impact on global markets has had the potential to affect other areas which are outside of our control, including asset values in respect of our defined benefit pension scheme, and property valuations. All these issues have been considered as part of the Board’s going concern assessment, which is set out below.

Going concern

The RBH Board made its assessment of going concern in June 2022 and confirmed this at the date of signing. RBH has a robust and stress tested Business Plan in place, including consideration of a scenario around the impact of COVID-19 on our cash flows. The scenario is a worst-case base and would require a range of mitigations but would not ‘break the plan’. Our Treasury Strategy supports the Business Plan. All the key measures in the plan show RBH is in a strong financial position with headroom for all loan covenants.

The plan also benefits from a high level of headroom in terms of opening cash balances, undrawn facility and new finance will be required by year 3, which will be visited in the next Treasury Strategy in January 2023. RBH achieved a full refinance this year which secured more favourable rates and more flexible covenants to be able to fulfil the activities in the plan in an appropriate timeframe. This has helped with challenge of accommodating the Regeneration, Fire Safety and Decarbonisation works all at the same time. This has also allowed stock to be released from charge which could be used to secure future funding.

The going concern assessment includes a particular focus on:

- Rent collection and bad debt provision
- Property valuation and impairment
- Pension valuation
- Properties for sale
- Properties under construction

Going Concern has also been evaluated against the backdrop of a current uncertain economic climate due to the Ukraine/Russian War and Cost of Living Crisis affecting inflation, interest rates, energy and fuel price increases. Stress testing has been prepared against these risk factors and confirm Going Concern. This continues to be monitored over time.

After due consideration, the Board is confident that RBH has sufficient resources to continue to operate into the foreseeable future and it has therefore prepared these financial statements on a going concern basis.

Operating Performance in the period

Performance is reported to Board and Representative Body throughout the year. In 2021/22 performance reporting was aligned to the third year of the Together Corporate Strategy. The key indicators are summarised in the table below:

TOGETHER KPI DASHBOARD - QTR 4 2021/22	2021/22 Target	2021/22 Actual	Status
% of customers satisfied with the overall service provided by RBH (STAR survey)	88%	85%	
% of customers satisfied that their rent provides value for money (STAR survey)	86%	85%	
Net Promoter Score (STAR survey)	45%	34%	

Overall customer satisfaction with all landlord services finished at 85.07% which is the same level we started the year at. Whilst this is some way below our target of 88%, this is above the median result of 83% for the sector as reported by Housemark. Housemark have also reported that, like RBH, many landlords saw satisfaction rise over the winter months only to start dropping back again as we moved into spring.

External factors, in particular the cost of living crisis, are thought to be playing some part in the drop in satisfaction. Internally ease of contact and the performance of the repairs and maintenance teams seem to be the key drivers. These will be explored more in an end of year deep dive on the results. The Net Promoter Score has dropped over the year, finishing at almost the same level as at the start of the pandemic in Mar’20, perhaps suggesting that the huge increase in 2020/21 was pandemic driven and the return to ‘normality’ has also seen the scores return to their normal levels.

Satisfaction with green spaces fluctuated throughout the year, between 72.34% at its lowest in August 2021, rising to 86% in February 2022. The overall satisfaction dropped by 1.19% from the previous year. We know the majority of requests for

STRATEGIC REPORT continued

work and complaints are related to plots which have not been cut during wet weather, therefore we will trial building in some additional time at the end of each 10 day rota to enable the team to carry out this work. The aim is to improve satisfaction and if the trial is successful, we will consult with tenants regarding rolling this out on a permanent basis.

Although there was an increase in the number of customers who thought their rent delivered value for money services over the course of the year, there was a dip at the back end of the year and this was probably to be expected given the 4.1% rent increase customers have been notified about as well as the impact of all the media attention about the cost of living crisis. The Net Promoter Score ended the year though only 1% below target.

TOGETHER KPI DASHBOARD - QTR 4 2021/22	2021/22 Target	2021/22 Actual	Status
% of repair appointments made that are kept	97%	96.6%	
% of repair jobs that are completed right first time	98%	97%	

In terms of repairs appointments made and kept our overall performance for the year was 96.6% (same as the previous year) which despite the previously mentioned challenges of labour and materials is commendable. Performance was just below target (97%) with the majority of failed appointment being morning appointments spilling into afternoon but still being completed on the same day. Other failures can be attributed to system failures preventing appointments being completed in real time within the operating system.

A revised approach has now been also applied to any jobs received out of hours meaning that work is completed rather than just made safe. Customer's value this as they do not have to make an appointment for follow on work to be done. Enhanced performance reporting has enabled us to pinpoint improvement activity and the implementation of Communications Manager provides us with real time feedback from customers which also informs improvement activity.

Repairs Right First Time - the majority of failures which could not be completed on first visit is due to material requirements that are not stock items such as replacement glazing units. 'Right First Time' performance improved slightly on the previous year, despite the challenges of obtaining materials over the year. Data continues to be analysed to better understand performance so that there is continuous improvement of services. This has led to for example, improving and tailoring van stocks to the individual needs of our trades teams and also managers challenging the need for follow on work to improve the overall customer experience.

TOGETHER KPI DASHBOARD - QTR 4 2021/22	2021/22 Target	2021/22 Actual	Status
Average number of days sickness absence per employee (projected for the year)	<9	13.4	

Employee absence through sickness in 2020/21 averaged 9.7 days per employee, against a target of less than 10 days. Sickness was high in April at 12.4 days due to coronavirus but steadily declined throughout the year to September to average 8 days. We have seen an increase in recent months to finish on 9.7 for the year. Over the past 12 months there has also been an increase in mental health related cases.

TOGETHER KPI DASHBOARD - QTR 4 2021/22	2021/22 Target	2021/22 Actual	Status
Rent collection (excl arrears brought forward)	100%	101%	
Rent arrears of former tenants as a % of rent due (excl rent loss due to empty homes)	2.5%	3.1%	
Rent Arrears of Current Tenants	4.5%	4.9%	
Rent loss from empty homes	<1.3%	2.1%	

STRATEGIC REPORT continued

Operating Performance in the period continued

Rent income services have continued to face a particularly challenging year with customers on lowest incomes continuing to be adversely affected by the labour market, changes in the benefit rules and the ending of furloughing and the £20 Universal Credit uplift over the course of the year. In addition, restrictions placed on legal enforcement continued into the year and this made service delivery difficult. Once lifted, the courts had several months of delays which continued to impact on performance. Despite these challenges, we have continued to focus on supporting customers to pay their rent and maximise their income. An independent review carried out on our approach by HQN gave assurance that all possible steps were being taken to prevent homelessness. Recommendations made to further improve services have now been implemented.

With additional investment into our Money Advice Service, we have been able to support 1,139 customers (an increase of 12% from the previous year). As a result of our interventions, there were additional gains and savings of £2.1m for customers and for RBH. Furthermore, the Tenancy Sustainment team supported 163 people, saving them £22,796 and helping to access additional income of £83,919.

The year end rent arrears performance which was at 4.9% which is above the target of 4.5%. A strong performance in rent collection was maintained (101%) despite the challenges over the year which was the same as the previous year.

Rent loss has continued to be impacted by COVID-19 as the availability of labour and materials affected the completion of works to empty homes. We ended March over target both in-period and year end. Year end performance was 2.1% against a target of 1.3%. Factors that affected performance were:

- Rent loss due to regeneration activity.
- Rent loss due to decision to keep homes empty for customers moving from two independent living schemes which have been decommissioned.
- Increased time for completion of empty homes and capital works due to COVID related resource and stock issues.
- Volume of properties requiring significant investment; 64% of properties this year have been major voids with only 36% requiring only minor works.

These factors have had a clear impact on the time taken to complete the work.

If the figures for the decommissioned schemes are removed, performance improves to 1.48% at year end.

TOGETHER KPI DASHBOARD - QTR 4 2021/22	2021/22 Target	2021/22 Actual	Status
Average number of days to relet homes (excl time spent in major works or not available for letting)	27	37	
Controllable tenancy turnover (excludes terminations due to death)	5%	4.9%	
% of terminations where tenancy length is less than 6 months	3.0%	4.1%	

On re-let times, we have ended the year at 37 days against a target of 27 days. As with the rent loss this has been impacted heavily by Covid-related factors and also decisions to hold empty homes pending the decommissioning of the two ILS schemes, restrictions and lockdowns. The Apr20-Mar21 figure less Covid currently works out to 27.7 days based on 282 standard relets.

Controllable Tenancy turnover was just under target at 4.9%. In respect of tenancies that lasted less than six months, performance remained steady, but over target over the course of the year. Reasons for terminations are examined every quarter with a view to understanding whether any terminations could have been prevented. The majority of termination reasons over the year have been due to deaths but we have also seen an increase in the number of abandoned tenancies which is not unusual given the social and economic problems being experienced by customers in the aftermath of COVID-19.

STRATEGIC REPORT continued

Operating Performance in the period continued

TOGETHER KPI DASHBOARD - QTR 4 2021/22	2021/22 Target	2021/22 Actual	Status
% of tenants who are RBH members (Target is for year-end)	52%	37%	
% of employees who are RBH members (Target is for year-end)	88%	80%	

We have seen an increase in employee engagement with 80% of employees who are now RBH members compared to 75.5% last year. This is in part due to the new Membership Strategy and in response to COVID-19 lockdown a new approach to employee inductions have been put in place. To make our membership more meaningful, one to one virtual induction has been conducted from August 2020 to March 2021.

Note – Red means above target, Amber means within tolerance level, so we are close to the target, and Green means within target.

Sustainability and zero carbon

RBH recognise that tackling the climate emergency is one of the greatest challenges facing us in current times. We are committed to helping achieve the Greater Manchester carbon neutrality targets by 2038, making our communities greener and climate resilient and reducing the impact our operations have on the environment. We recognise we can't do this alone and are actively building and strengthening partnerships with stakeholders, customers, and peers to work towards a low carbon future. Some headline actions undertaken in 2021/22 includes:

- Appointment of a Strategic Lead for Sustainability, a new post to drive the green agenda forward and lead on a cross team action plan to deliver our ambitions.
- Our new Succeeding Together Strategy 2022-25 identifies 'Rising to the Climate Emergency through greener, low carbon and climate resilient communities' as an outcome of our core priority: 'Pride in Quality Homes and Good Services', highlighting our commitment to the sustainability agenda.
- Delivery of our first decarbonisation demonstrator, a £1m investment project utilising a whole house, fabric first approach to improve the energy efficiency and thermal performance of 23 homes.
- Secured financial contributions from the Social Housing Decarbonisation Fund (SHDF) to help fund further decarbonisation works to an additional 16 homes in 2022-23.
- Undertaken an independent SHIFT Sustainability assessment for social housing providers. The assessment covers a full range of environmental impacts across 21 criteria. RBH achieved bronze standard.
- 2020-21 carbon footprint and SECR assessment completed, identifying Scope 1, 2 and 3 emissions, to be used as a baseline to monitor annual progress going forward.

As part of our new Succeeding Together Strategy, we are currently developing our three-year plans for 2022-25. These include:

- A £7m commitment towards a series of decarbonisation demonstrators, installing energy efficiency and low carbon technology measures to improve the energy performance of homes, monitor outcomes and inform on what works well for tenants.
- Develop pathways to ensure delivery of our targets to ensure all our homes achieve an energy performance rating of C or above by 2030 and are carbon neutral by 2038. Our business plan currently budgets £17k per property for retrofit upgrades to 2050.
- To improve the energy performance of our new build homes and utilise green technologies where possible.
- To provide carbon literacy training to all colleagues, RBH Board and Representative Body, to increase awareness of climate change, the impacts and how we can all play our part to reduce carbon emissions.
- Continue our progress with SHIFT to achieve silver and gold standard over the next 2 years. This will incorporate action across various areas of sustainability such as sustainable procurement/supply chains, waste management, biodiversity, premises, fleet vehicles etc.

STRATEGIC REPORT continued

Financial Review of the year

Financial Results for the year ended 31st March 2022

The RBH Group financial result for the year ended 31st March 2022 was an operating surplus of £8m. This figure reflects the impact of accounting for retirement benefits in accordance with Financial Reporting Standard (FRS) 102.

The operating surplus would be £11m were these items not applied.

	RBH Group		RBH Limited	
	2022	2021	2022	2021
	£000	£000	£000	£000
Operating Surplus pre-FRS 102 pensions adjustment	10,873	16,281	11,000	16,486
Less:				
FRS 102 pension charges	(2,828)	(1,788)	(2,828)	(1,788)
Adjusted Operating Surplus	8,045	14,493	8,172	14,698

This RBH Group operating surplus of £11m (before FRS 102 pension adjustments) is a favourable variation of £0.5M against the original budget. The adjusted operating surplus of £8m is a reduction from last year of £6m. This reflects an annual increase in planned maintenance (£3m) and routine maintenance (£0.9m), additional land assembly impairment (£0.5m) and a return to more normal pre-pandemic management cost levels (£2.3m).

The full statement of financial position is shown on page 54. The key highlight is the significant investment in our existing properties, together with new build development and increased cash balances, which will support the delivery of our Corporate Strategy intentions.

Financial Measures

In line with The Charter for Social Housing Residents, RBH's performance in relation to the three financial measures of administrative costs and executive remuneration are as follows:

Theme	Measures	£
Executive Remuneration	Chief Executive salary per property	12.53
	Executive Remuneration per property	43.57
Efficiency and Effectiveness	Management costs per property	1,261

Pension costs

RBH has Admitted Body Status in the Local Government Pension Scheme (LGPS), a defined benefit final salary pension scheme. The LGPS is a multi-employer scheme with more than one participating employer. The scheme is administered by Greater Manchester Pension Fund (GMPF). RBH contributed to the scheme on behalf of its members. In order to cover the liability in relation to employees joining since Transfer, a bond is in place funded through RBH's loan facility.

From the 1 January 2017 new employees were not admitted to the GMPF. New employees were admitted to the Royal London pension scheme which is a Defined Contribution Scheme. This is a qualifying pension scheme, which means it meets or exceeds the government's standards.

The scheme complies with the relevant provisions of the Pension Schemes Act 1993, the Pensions Act 1995, the Pensions Act 2004 and the Pensions Act 2008. In addition, RBH has 2 employees who are not on RBH's terms and conditions and therefore we also operate the NEST scheme for these employees.

Capital structure and treasury policy

The control of Treasury Management at RBH has three constituent parts: policy, strategy and procedures. Responsibility for the implementation and monitoring of the Treasury Management Manual rests with the Director of Resources with overview by the Board. The Treasury Strategy is reviewed annually in line with the Business Plan with an additional review halfway through the year.

The loan facility as at the 31 March 2022 is £77.1m with £47.1m having been drawn down. £2.3m of this relates to former Brighter Horizons homes. This is detailed in note 20 & 21. These loans are all on a fixed rate and covenant compliant in year. RBH are not expecting covenant breaches in the future.

RBH refinanced in 2021/22 and achieved more favourable rates and terms- which achieved good value for money.

STRATEGIC REPORT continued

Financial risk management objectives and policies

Credit Risk

Income generated through rent and other charges is vital to the ability to deliver the priorities within our corporate strategy 'Together'. RBH is committed to arrears prevention by working with members to promote a rent payment culture. The Rent and Payments Team works closely with the RBH teams and other agencies to help customers to sustain their tenancies. The COVID-19 pandemic continues to have a significant impact on this work throughout 2021/22.

Counterparty Risk

Surpluses are invested in approved UK institutions, which fall within the scope of the Treasury Policy. Cash Balances at the year-end were invested with NatWest Bank, the Public Sector Deposit Fund and Aberdeen Standard Investments (ASI) Limited.

Interest Rate Risk

In respect of borrowings RBH seeks to minimise risk and by ensuring that its borrowings contain a balanced mix of fixed and variable interest rate structures where possible with target for fixed debt meeting a minimum of 60%. At the year-end all debt was at a fixed rate under the loan facilities.

Liquidity Risk

RBH has a cash balance of £39m (2021: £41.4m) at the year end. The cash balance has decreased slightly in the year, due to increases in costs to services, delays in development programme and the requirement to drawdown fixes upfront as part of the refinance.

The £77.1m facility is fully secured and provides sufficient funds for the next 18 months from the date of signing these financial statements. This provides an undrawn facility of £30m alongside an overdraft facility of £500k.

Currency Risk

RBH borrows only in sterling and so does not have any currency risk.

Business Plan

RBH produce an annual 30-year plan which requires the approval of the Board and is sent to our funders Danske Bank, MORhomes and Santander for information. The 2022-23 Business Plan will form our Financial Forecast Return to the RSH in 2022.

The 2022-23 Business Plan reflects the significant investment in the Rochdale Town Centre regeneration, fire safety works and decarbonisation in addition to the scheduled investment and development programme.

Donations

There will be no gift-aid donation from RBH (D&B) Ltd this year due to RBH (D&B) Ltd making a small loss within the period.

Principal risks and uncertainties facing the society.

RBH recognises that managing risk is a critical element in achieving its aims and objectives. The Risk Management Strategy and Policy is reviewed and approved on an annual basis by both the Audit Committee and the Board. This document sets out how RBH will identify, manage and monitor risks.

The corporate risk register is reviewed on a quarterly basis by the Senior Leadership Team, Audit Committee and Board.

Risk management is now an established part of business planning process with risk identification and analysis sessions being carried out on an annual basis. In addition to helping embed risk management within the society and develop a culture of risk awareness, these sessions also allow employees from all areas of the business to feed into the process.

The risk summary below considers the key risks identified moving forwards from 2022, prioritised by inherent score. Risks are normally prioritised by residual score, however RBH is currently completing the scoring of risks associated with our new Succeeding Together strategy. The risks we have included are the risks we have identified as the key risks against the new strategy.

STRATEGIC REPORT continued

Principal risks and uncertainties facing the society. - Continued

Whilst “Key Risks” are identified in the Risk Management Strategy as those scoring 9 or above, or any compliance issue exceeding the risk appetite, we are not yet able to accurately define the residual risk. For most of the key risks included the Board take a “balanced” approach to risk (a tolerated score of 9); however, for risks linked to development a more “opportunistic” approach is taken (the tolerated score increases to 12) whereas in relation to matters of compliance an adverse approach to risk is adopted (the tolerated score reduces to 6).

RBH continues to monitor and assess global, national and local risk trends to guide our planning. These are reported to Audit Committee on a quarterly basis and the Assurance Manager works with risk owners to ensure effective horizon scanning feeds into risk management.

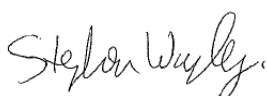
The impacts of Brexit, Covid 19 and the current situation in Ukraine are being managed on an ongoing basis, with particular attention being paid to the impact of rising costs and supply chain issues. Stress testing and business continuity exercises are delivered to test our resilience against these risks.

Risk	Inherent risk (IxL)	Risk appetite
External issues generate rising costs and inflation impacting on our resilience, and ability to deliver services and investment	(4x5) 20	9
RBH becomes potentially unable to secure sufficient funds to effectively deliver the Town Centre regeneration proposals	(4x5) 20	9
Agreed Cost Saving Targets Not Delivered	(4x5) 20	9
Reduced rent income negatively impacts RBH Business Plan	(4x5) 20	9
RBH is unable to meet the housing needs & demands of current & future tenants	(4x4) 16	9
Tenants are unable to effectively influence decisions about service delivery	(4x4) 16	9
Existing homes cannot be improved to the required regulatory and legislative safety and quality standards	(4x4) 16	9
RBH is unable to develop and maintain appropriate and successful partnerships which benefit and support the delivery of services and tenants	(4x4) 16	9
Unable to recruit and retain employees with high demand skills and expertise	(3x5) 15	9

Note – Board Risk appetite

Red –the risk exceeds the appetite; Amber the risk matches the appetite; Green means the risk is within the appetite. Where assurance is green, this means substantial assurance is provided.

The Board confirms that the form and content of this strategic report has been prepared in accordance with the 2018 SORP for Registered Social Housing Providers.



S2022/06
Stephen Wigley
Secretary

11 August 2022



S2022/06
Alison Tumilty
Chair of the Board

11 August 2022



S2022/06
Gareth Swarbrick
Chief Executive

11 August 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROCHDALE BOROUGHWIDE HOUSING LIMITED FOR THE YEAR ENDED 31 March 2022

Opinion

We have audited the financial statements of Rochdale Boroughwide Housing Limited ("the Association") and its subsidiaries ("the Group") for the year ended 31 March 2022 which comprise the Consolidated and Association Statement of Comprehensive Income, Consolidated and Association Statement of Financial Position, Consolidated and Association Statement of Changes in Equity (Reserves), 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 at 31 March 2022 and of the Group's income and expenditure and the Association's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Strategic Report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROCHDALE BOROUGHWIDE HOUSING LIMITED FOR THE YEAR ENDED 31 March 2022 (Continued)

Matters on which we are required to report by exception

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

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

Responsibilities of the Board

As explained more fully in the Statement of Board's Responsibilities set out on page 34, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

- We obtained an understanding of laws, 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 2019, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the regulated nature of the Group's activities.
- We reviewed financial statements disclosures and supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROCHDALE BOROUGHWIDE HOUSING LIMITED FOR THE YEAR ENDED 31 March 2022 (Continued)

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

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

Use of our report

This report is made solely to the 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 it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association for our audit work, for this report, or for the opinions we have formed.

Sue Hutchinson

Sue Hutchinson FCCA (Senior Statutory Auditor)

For and on behalf of

Beever and Struthers

Statutory Auditor

St George's House

215-219 Chester Road

Manchester

M15 4JE

Date: 25/08/2022

**Rochdale Boroughwide Housing
Report and Financial Statements
For the year ended 31 March 2022**

CONSOLIDATED AND ASSOCIATION STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

	Note	RBH Group		RBH Limited	
		2022	2021	2022	2021
		£'000	£'000	£'000	£'000
Turnover	2	57,080	57,476	57,202	57,648
Operating costs	2	(53,431)	(46,670)	(53,426)	(46,637)
Surplus on sale of fixed assets	6	4,396	3,687	4,396	3,687
Operating surplus		8,045	14,493	8,172	14,698
Investment income		-	-	-	129
Interest receivable	7	29	61	29	61
Interest payable and similar charges	8	(4,404)	(2,197)	(4,404)	(2,197)
Other finance cost	9	(255)	(248)	(255)	(248)
Dividend in specie received from subsidiary	10	-	-	-	213
Surplus before taxation	5	3,415	12,109	3,542	12,656
Taxation on surplus on ordinary activities	14	-	-	-	-
Surplus for the financial year		3,415	12,109	3,542	12,656
Actuarial gains on defined benefit pension scheme	13	10,780	644	10,780	644
Total comprehensive income for the year		14,195	12,753	14,322	13,300

All amounts relate to continuing activities.

The notes on pages 58 to 83 form part of these financial statements.

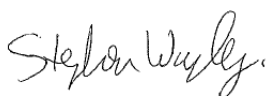
**Rochdale Boroughwide Housing
Report and Financial Statements
For the year ended 31 March 2022**

CONSOLIDATED AND ASSOCIATION STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Note	RBH Group		RBH Limited	
		2022	2021	2022	2021
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible fixed assets - housing properties	15a,b	172,573	155,674	173,712	156,933
Tangible fixed assets- other	15c	4,242	2,885	4,242	2,885
Investment assets	26	268	-	268	-
Total tangible fixed assets		177,083	158,559	178,222	159,818
Current assets					
Stock	18	337	563	337	563
Debtors: received within one year	19	17,660	15,453	16,271	15,397
Debtors: due in more than one year	19	43,800	54,813	43,800	54,813
Cash at bank and in hand		39,100	41,489	39,002	41,429
Total Current assets		100,897	112,318	99,410	112,202
Creditors: amounts falling due within one year	20	(24,712)	(20,476)	(23,189)	(20,570)
Net current assets		76,185	91,842	76,221	91,632
Total assets less current liabilities		253,268	250,401	254,443	251,450
Creditors: amounts falling due after more than one year	21	(64,967)	(57,573)	(64,966)	(57,573)
Provisions for liabilities	24	-	(12)	-	(12)
Refurbishment provision	23	(43,800)	(54,813)	(43,800)	(54,813)
Pension liability	13	(3,609)	(11,306)	(3,609)	(11,306)
Net assets		140,892	126,697	142,068	127,746
Capital and reserves					
Pension reserve	13	(3,609)	(11,306)	(3,609)	(11,306)
Income and expenditure reserve		144,501	138,003	145,677	139,052
		140,892	126,697	142,068	127,746

The notes on pages 58 to 83 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board on 10 August, 2022 and signed on its behalf by:



S2022/06
Stephen Wigley
Secretary

11 August 2022



S2022/06
Alison Tumilty
Chair of the Board

11 August 2022



S2022/06
Gareth Swarbrick
Chief Executive

11 August 2022

**Rochdale Boroughwide Housing
Report and Financial Statements
For the year ended 31 March 2022**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

Group	Income and Expenditure Reserve	Pension Reserve	Designated Reserve	Total
	£'000	£'000	£'000	£'000
At 31 March 2021	138,027	(11,306)	(24)	126,697
Surplus for the year	3,415	-	-	3,415
Actuarial gain relating to pension scheme (Note 13)	-	10,780	-	10,780
Other comprehensive loss for the year	-	10,780		10,780
Transfer from Pension Reserve	3,083	(3,083)		-
At 31 March 2022	144,525	(3,609)	(24)	140,892

Group	Income and Expenditure Reserve	Pension Reserve	Designated Reserve	Total
	£'000	£'000	£'000	£'000
At 31st March 2020	123,882	(9,914)	(24)	113,944
Surplus for the year	12,109	-	-	12,109
Actuarial gain relating to pension scheme (Note 13)	-	644	-	644
Other comprehensive income for the year	-	644	-	644
Transfer from Pension Reserve	2,036	(2,036)	-	-
At 31 March 2021	138,027	(11,306)	(24)	126,697

The notes on pages 58 to 83 form part of these financial statements.

**Rochdale Boroughwide Housing
Report and Financial Statements
For the year ended 31 March 2022**

ASSOCIATION STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

RBH Limited	Income and Expenditure Reserve	Pension Reserve	Designated Reserve	Total
	£'000	£'000	£'000	£'000
At 31 March 2021	139,076	(11,306)	(24)	127,746
Surplus for the year	3,542	-	-	3,542
Actuarial gain relating to pension scheme (Note 13)	-	10,780	-	10,780
Other comprehensive loss for the year				
Transfer from Pension Reserve	3,083	(3,083)		-
At 31 March 2022	145,701	(3,609)	(24)	142,068

RBH Limited	Income and Expenditure Reserve	Pension Reserve	Designated Reserve	Total
	£'000	£'000	£'000	£'000
At 31st March 2020	124,384	(9,914)	(24)	114,446
Surplus for the year	12,656	-	-	12,656
Actuarial gain relating to pension scheme (Note 13)	-	644	-	644
Other comprehensive loss for the year	-	644	-	644
Transfer from Pension Reserve	2,036	(2,036)	-	-
At 31 March 2021	139,076	(11,306)	(24)	127,746

The notes on pages 58 to 83 form part of these financial statements.

**Rochdale Boroughwide Housing
Report and Financial Statements
For the year ended 31 March 2022**

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	Notes	RBH Group	
		2022	2021
		£'000	£'000
Cash flows from operating activities			
Surplus for the financial year		3,415	12,109
<i>Adjustments for:</i>			
Surplus on the sale of fixed assets	6	(4,396)	(3,687)
Depreciation of housing properties	5	4,813	4,598
Depreciation of other fixed assets	5	619	594
Impairment	3	922	374
Amortised grant	22	(206)	(218)
(Decrease)/increase in stocks		227	(91)
Increase in debtors		8,806	5,167
Decrease in creditors and provisions		(9,627)	(6,599)
Difference between net pension expense and cash contribution		2,828	1,788
Interest received	7	(29)	(61)
Interest payable and other finance costs		4,659	2,445
Net cash generated from operating activities		12,031	16,419
Cash flows from investing activities			
Purchase of tangible fixed assets		(21,705)	(9,942)
Proceeds from sale of tangible fixed assets		5,585	4,615
Receipt of grant	22	2,420	3,263
Interest received	7	29	61
Investment assets		(268)	-
Net cash from investing activities		(13,939)	(2,003)
Cash flows from financing activities			
Interest paid		(4,353)	(2,133)
New loans		68,937	23
Repayment of loans		(65,066)	(139)
Net cash used in financing activities		(482)	(2,249)
Net increase in cash and cash equivalents		(2,390)	12,167
Cash and cash equivalents at beginning of the year		41,489	29,322
Cash and cash equivalents at end of the year		39,099	41,489

The notes on pages 58 to 83 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 Principal Accounting policies

Legal Status

RBH Limited is incorporated in England under the Cooperative and Community Benefit Societies Act 2014. It is registered with the Financial Conduct Authority and with the Regulator for Social Housing as a Registered Provider of social housing. The registered office is Unique Enterprise Centre, Belfield Road, Rochdale, OL16 2UP.

Basis of accounting

The financial statements have been prepared in accordance with applicable law and UK accounting standards (United Kingdom Generally Accepted Accounting Practice) which for Rochdale Boroughwide Housing (RBH) includes the Cooperative and Community Benefit Societies Act 2014 (and related group accounts regulations); the Housing and Regeneration Act 2008; FRS 102 “the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland”; the Statement of Recommended Practice (SORP) for Registered Social Housing Providers 2018; and, the Accounting Direction for Private Registered Providers of Social Housing 2019.

The accounts are prepared under the historic cost and going concern basis as specified in the accounting policies below.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

Going concern

The RBH Board made its assessment of going concern in June 2022 and confirmed this at the date of signing. RBH has a robust and stress tested Business Plan in place, including consideration of a scenario around the impact of COVID-19 on our cash flows. The scenario is a worst-case base and would require a range of mitigations but would not ‘break the plan’.

Our Treasury Strategy supports the Business Plan. All the key measures in the plan show RBH is in a strong financial position with headroom for all loan covenants. The plan also benefits from a high level of headroom in terms of opening cash balances, undrawn facility and new finance will be required by year 3, which will be visited in the next Treasury Strategy in January 2023.

RBH achieved a full refinance this year which secured more favourable rates and more flexible covenants to be able to fulfil the activities in the plan in an appropriate timeframe. This has helped with challenge of accommodating the Regeneration, Fire Safety and Decarbonisation works all at the same time. This has also allowed stock to be released from charge which could be used to secure future funding.

The going concern assessment includes a particular focus on:

- Rent collection and bad debt provision
- Property valuation and impairment
- Pension valuation
- Properties for sale
- Properties under construction

Going Concern has also been evaluated against the backdrop of a current uncertain economic climate due to the Ukraine/Russian War and Cost of Living Crisis affecting inflation, interest rates, energy and fuel price increases. Stress testing has been prepared against these risk factors and confirm Going Concern. This continues to be monitored over time.

After due consideration, the Board is confident that RBH has sufficient resources to continue to operate into the foreseeable future and it has therefore prepared these financial statements on a going concern basis.

1 Principal Accounting policies continued

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 FRS 102:

- No statement of cash flows has been presented for the parent company; and
- 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.

The following principal accounting policies have been applied:

Basis of Consolidation

The financial statements are group statements and have been prepared by consolidating the results of the subsidiary undertakings within the RBH Group. Intercompany transactions and balances between group companies are therefore eliminated in full. All financial statements are made up to 31 March 2022.

Turnover

Turnover comprises rental income receivable in the year, and other services included at the invoiced value (excluding VAT) of goods and services supplied in the year; revenue grants receivable in the year, amortisation of social housing and other grants, proceeds from the sale of land and property, including first tranche sale of shared ownership properties and other income from operating activities.

Rental income is recognised from the point when properties under development reach practical completion and are formally let, income from the sales of properties is recognised at the point of legal completion of the sale.

Income from first tranche sales of shared ownership property and sales of properties built for sale is recognised at the point of legal completion of the sale.

Value added tax

The majority of group turnover relates to rental income, which is exempt from VAT, however a small proportion of income is subject to VAT and this gives rise to small amount of VAT recovery.

The majority of RBH expenditure is subject to VAT and will be shown gross where such VAT is not recoverable from HMRC. In relation to the VAT Shelter, a provision is created which represents RBH's obligation to carry out refurbishment works which is set out in the Works Agreement with Rochdale Council. This will be written down as work to housing properties is actually undertaken. There is a corresponding long term debtor recognised on the statement of financial position which is written down in line with the provision.

Pensions

RBH is an admitted body within the Greater Manchester Pension Fund (GMPPF), a funded multi-employer defined benefit scheme. Scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at appropriate high quality corporate bond rates.

The net surplus or deficit is presented separately from other net assets on the statement of financial position. A net surplus is recognised only to the extent that it is recoverable by the group.

The current service cost and costs from settlements and curtailments are charged against operating profit. Past service costs are recognised as the benefits accrue. Interest on the scheme liabilities and the expected return on scheme assets are included net in other finance costs. Actuarial gains and losses are reported in the statement of comprehensive income.

From the 1 January 2017 RBH also has a defined contribution scheme which is administered by Royal London. Following the closure of the scheme to new entrants, RBH procured Royal London to provide its alternative Defined Contribution scheme. All new employees and those being auto-enrolled, now go into this scheme, which currently has 205 members. In addition, RBH has 2 employees who are not on RBH's terms and conditions and therefore we also operate the NEST scheme for these employees.

1 Principal Accounting policies continued

Fixed Assets and depreciation

Housing Properties

The cost of housing land and property includes the cost of acquiring land and buildings, development costs, directly attributable administration costs and expenditure incurred in respect of improvements which comprise the modernisation and extension of existing properties.

Expenditure on major refurbishment to properties is capitalised where the works increase the net rental stream over the life of the property. An increase in the net rental stream may arise through an increase in the net rental income, a reduction in future maintenance costs, or a subsequent extension in the life of the property. All other repair and replacement expenditure is charged to the Statement of Comprehensive Income. There is a de-minimis limit for capitalisation of £2,000.

Housing properties continued

Housing properties in the course of construction, excluding the estimated cost of the element of shared ownership properties expected to be sold in the first tranche, are included in tangible fixed assets- housing properties and held at cost less any impairment, and are transferred to completed properties when ready for letting.

When housing properties are developed for sale to another social landlord, the cost is dealt with in current asset under housing properties and stock for sale.

Gains and losses on disposals of housing properties are determined by comparing the proceeds with the carrying amount and incidental costs of sales and recognised within gain/loss on disposal of fixed assets in the statement of comprehensive income.

Where land has been acquired for regeneration, on completion of ownership, the land will be held under Other Assets - Land until such time it's future use is confirmed. The carrying value is assessed for impairment each year in line with FRS102.

Capitalised interest

Finance costs are not capitalised. This is in accordance with RBH's Capitalisation Policy.

Development Costs

Development costs are capitalised as a fee percentage on works costs.

Regeneration Costs

For the purposes of the accounts, revenue Regeneration spend will be classified as 'Social Other' activity. This reflects costs associated with the Regeneration Programme of Rochdale Town Centre and is not considered directly attributable to the cost of social lettings.

Donated Land

Land donated by local authorities and others is added to cost at the market value of the land at the time of donation. Where the donation is from a public body the difference between the value and cost is added to other grants, otherwise it is treated as income. Assets under construction are stated at cost and transferred to completed properties when ready for letting.

General repairs

All other expenditure incurred in respect of general repairs to the housing stock will be charged to the statement of comprehensive income in the year it is incurred.

Depreciation

Housing land and property is split between land, structure and other major components that are expected to require replacement over time with substantially different economic lives.

Land is not depreciated on account over its indefinite useful economic life.

The portion of shared ownership property retained or expected to be retained is not depreciated on account of the high residual value. Neither the depreciable amount nor the expected annual depreciation charge for such assets is considered material, individually or in aggregate.

Assets in the course of construction are not depreciated until they are completed and ready for use to ensure that they are depreciated only in periods in which economic benefits are expected to be consumed.

Housing properties are split between the structure and the major components which require periodic replacement. The costs of replacement or restoration of these components are capitalised and depreciated over the determined average useful economic life on a straight-line basis as follows:

1 Principal Accounting policies continued

Depreciation Rates

Component	Depreciation Period
Buildings (General)	100 years
Cladding	60 years
Roofs	50 years
Windows	40 years
Doors	40 years
Bathrooms	30 years
Lifts	30 years
Central heating distribution systems	30 years
Other heating systems	30 years
Rewires	30 years
Renewable energy	25 years
Kitchens	20 years
Boiler	15 years
Alarm systems	15 years

Depreciation continued

Depreciation begins from the month following installation, and a full months' depreciation will be charged in the month of disposal.

Following the issue of Initial Demolition Notices to some of the blocks in College Bank and Lower Falinge depreciation on these blocks has been accelerated to the date of their expected demolition.

Other tangible fixed assets

Other tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefit to the group. The carrying amount of the replacement part is recognised. Repairs and maintenance are charged to the Statement of Comprehensive Income during the period in which they are incurred.

Depreciation is calculated on a straight line basis on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives.

Asset	Depreciation period
Offices	3-5 years
Fixtures & fittings	3-5 years
Plant & Machinery	Various
IT Systems	3-5 years
Assets under construction	Not depreciated
Land	Not depreciated

Impairment

The housing property portfolio of the Group is assessed for indicators of impairment at each accounting date. Where indicators are identified then a detailed assessment is undertaken to compare the carrying amount of assets or cash generating units for which impairment is indicated to their recoverable amounts.

The Group looks at the net realisable value when considering the recoverable amount for the purposes of impairment assessment. The recoverable amount is taken to be higher of the fair value less cost to sell or value in use of an asset cash generating unit.

RBH deem that neighbourhoods are cash generating units. The assessment of value in use may involve considerations of the service potential of the assets or cash generating units concerned or the present value of future cash flows to be derived from them appropriately adjusted to account for any restrictions on their use. No properties have been valued at VIU SP.

Other fixed assets and land are reviewed for impairment if there is an indication that impairment may have occurred. Where there is evidence of impairment, fixed assets are written down to their recoverable amount. Any such write down will be charged to the operating surplus.

1 Principal Accounting policies continued

Where land has been acquired for regeneration, on completion of ownership the carrying value is assessed against the market value and impaired as appropriate. The carrying value is assessed for impairment each year in line with FRS102.

Social Housing Grant and other government grants

Grants received in relation to assets are accounted for using the accrual model set out in FRS 102 and the Housing SORP 2018. The grant is carried as deferred income in the statement of financial position and released to turnover on a systematic basis over the useful economic lives of the asset for which it was received. In accordance with Housing SORP 2018 the useful economic life of the housing property structure has been selected.

Where social housing grant (SHG) funded property is sold, the grant becomes recyclable and is transferred to a recycled capital grant fund until it is reinvested in a replacement property. If there is no requirement to recycle or repay the grant on disposal of the assets any unamortised grant remaining within creditors is released and recognised as turnover in the statement of comprehensive income.

Grants relating to revenue are recognised in income over the same period as the expenditure to which they relate once performance related conditions have been met. Grants due from government organisations or received in advance are included as current assets or liabilities.

Shared Ownership Properties

Shared ownership properties are split proportionally between current and fixed assets based on the element relating to first tranche sales. The first tranche proportion is classed as a current asset and the remaining element is classed as a fixed asset and included in housing properties at cost less any provisions needed for depreciation or impairment and are valued at lower of cost and net realisable value.

As part of the Regeneration Programme Equity Assistance is offered to residents as an option to allow the rehousing of those residents who own their own home. These transactions are treated in the same way as Shared Ownership properties in the financial statements.

Leased Assets

Rentals payable under operating leases are charged to the statement of comprehensive income on a straight-line basis over the lease term.

Stocks

Stocks are stated at the lower of cost and net realisable value and are issued on a First in First out (FIFO) basis. Cost comprises of materials, direct labour and direct development overheads.

Properties Held For Sale

Properties developed for outright sale 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.

An assessment of whether there is any impairment is made at each reporting date. Where an impairment loss is identified, it is immediately recognised in the statement of consolidated income.

Taxation

No corporation tax is payable on the surpluses of charitable activities of RBH since transfer, as it has charitable status.

Cash and cash equivalents

Cash and cash equivalents in the Group's Consolidated Statement of Financial Position consists of cash at bank, in hand, deposits and short-term investments with an original maturity of three months or less.

Management charges

RBH Group subsidiary companies do not have any employees and therefore management charges are made on an arm's length basis to them for services provided by RBH, in accordance with an Intra Group Agreement. Management charges consist mainly of Finance, IT, Legal and Company Secretarial services.

Sale of housing properties

The surplus or deficit arising from disposal of properties under the Preserved Right to Buy (PRTB) legislation and other property disposals are disclosed on the face of the statement of comprehensive income. The surplus or deficit is net of any sum's payable to Rochdale Council under the terms of the Transfer Agreement.

1 Principal Accounting policies continued

Refurbishment Provision

Properties are acquired from local authorities for a consideration equivalent to their current market value plus the cost of bringing them into a good state of repair. Immediately prior to the transfer, the local authority contracts with the association to carry out these refurbishment works for a fixed sum, equal to the expected cost of the required work. The terms of the local authorities' undertaking to refurbish/repair the properties and the terms of the contract with the association are essentially similar; in particular, the price is fixed, and no time limit imposed. Subcontractors are subsequently employed to carry out the work over a number of years.

The underlying substance of the transactions is reflected on a gross basis; recognising the contractual position of the association which has both an asset for which it has paid (the local authorities' obligation to perform the refurbishment) and a legal obligation to complete the works under the refurbishment contract. These assets and liabilities are recognised in the statement of financial position within debtors and provisions respectively.

Bad debts and write offs

RBH make a prudent provision for bad debts based on the age of the debt in accordance with the following tables as recommended by the Chartered Institute of Public Finance and Accountancy.

Current Tenants	Age of Debt	% Provision
	0-4 Weeks	0%
	4-13 Weeks	10%
	13-26 Weeks	25%
	26-39 Weeks	50%
	39-52 Weeks	75%
	52 > Weeks	95%
Former Tenants		
	All	99%

In addition, outstanding debts are reviewed on an individual basis and additional provisions to those shown in the above table are applied where appropriate. Any write offs, deemed to be uncollectable by the Income Recovery Team are approved in accordance with the Scheme of Delegation.

Service charges

Our service charges are defined as variable service charges. This means that charges raised reflect the cost of service delivery. RBH complies fully with the legislative regime controlling the imposition of service charges. RBH will limit the amount of any charge raised to costs, which have been reasonably incurred as contained within the Landlord & Tenant Act 1985 Section 19.

RBH have an obligation for extensive consultation with tenants before major works or long term contracts are entered into. The regime is contained in the Landlord and Tenant Act 1985 Sections 18 to 30 (as amended) and Service Charges (Consultation Requirements) Regulations 2003.

Variable service charges are calculated annually on the basis of the previous year's cost of service (April to March) plus estimates for some of the costs that RBH will not know. Once the financial year has ended, RBH will check the amount that was spent on delivering the service and adjust the following years charge with the surplus or deficit between the actual and estimated costs. The service charge calculation will be applied to rent accounts and charged over a 48-week period.

Debtors and Creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded initially at transaction price less attributable transaction cost. Subsequent to initial recognition they are measured at the undiscounted value of amounts expected to be received. Any losses arising from impairment are recognised in the income statement in other operating expenses.

1 Principal Accounting policies continued

Financial Instruments

Financial assets and liabilities are recognised when the group becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all its liabilities.

Finance costs

Financial costs are charged to profit or loss over the term of the debt using the effective interest rate method so that the amount charged is a constant rate on the carrying amount. Issue cost are initially recognised as a reduction in the proceeds of the association capital instrument.

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, key judgements have been made in respect of the following:

- whether there are indicators of impairment of the group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. The members have considered the measurement basis to determine the recoverable amount of assets where there are indicators of impairment based on EUV-SH or depreciated replacement cost. The members have also considered impairment based on their assumptions to define cash or asset generating units.
- the anticipated costs to complete on a development scheme based on anticipated construction cost, effective rate of interest on loans during the construction period, legal costs and other costs. Based on the costs to complete, RBH then determine the recoverability of the cost of properties developed for outright sale and/or land held for sale. This judgement is also based on the best estimate of sales value based on economic conditions within the area of development.
- the critical underlying assumptions in relation to the estimate of the pension defined benefit scheme obligation such as standard rates of inflation, mortality, discount rate and anticipated future salary increases. Variations in these assumptions have the ability to significantly influence the value of the liability recorded and annual defined benefit expense.
- whether leases entered into by the group either as a lessor or a lessee are operating leases or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Loan classifications of new capital structure following Refinance within year.

Other key sources of estimation uncertainty

- **Tangible fixed assets (see note 15)**
Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

For housing property assets, the assets are broken down into components based on management's assessment of the properties. Individual useful economic lives are assigned to these components.

- **Rentals and other debtors (see note 19)**
The estimate for receivables relates to the recoverability of the balances outstanding at year end. A review is performed on an individual debtor basis to consider whether each debt is recoverable.

**Rochdale Boroughwide Housing
Report and Financial Statements
For the year ended 31 March 2022**

2 Particulars of turnover, cost of sales, operating costs and operating surplus

RBH Group (2022)	Turnover	Operating costs	Operating surplus
	£'000	£'000	£'000
Social housing lettings (Note 3)	50,965	(45,489)	5,476
Other social housing activities			
First Tranche Low Cost Home Ownership Sales	100	(1)	99
Support services	153	(1)	152
Garages	394	-	394
Shops	427	(1)	426
Homeless Contract with RBC	2,012	(2,014)	(2)
United Utilities commission	801	(1,047)	(246)
Regeneration	1,273	(3,628)	(2,355)
Other	611	(959)	(348)
Non-social housing activities			
Leaseholders	302	(284)	18
Other	42	(7)	35
	57,080	53,431	3,649

RBH Group (2021)	Turnover	Operating costs	Operating surplus
	£'000	£'000	£'000
Social housing lettings (Note 3)	50,709	(37,752)	12,957
Other social housing activities			
First Tranche Low Cost Home Ownership Sales	1,842	(1,699)	143
Support services	157	(19)	138
Garages	419	(242)	177
Shops	395	(3)	392
Homeless Contract with RBC	2,008	(1,920)	88
United Utilities commission	801	(1,037)	(236)
Regeneration	-	(2,801)	(2,801)
Other	514	(794)	(280)
Non-social housing activities			
Leaseholders	236	(176)	60
Other	395	(227)	168
	57,476	(46,670)	10,806

**Rochdale Boroughwide Housing
Report and Financial Statements
For the year ended 31 March 2022**

2 Particulars of turnover, cost of sales, operating costs and operating surplus

RBH Limited (2022)	Turnover	Operating costs	Operating surplus
	£'000	£'000	£'000
Social housing lettings (Note 3)	51,087	(45,489)	5,598
Other social housing activities			
First Tranche Low Cost Home Ownership Sales	100	(1)	99
Support services	153	(1)	152
Garages	394	-	394
Shops	427	(1)	426
Homeless Contract with RBC	2,012	(2,014)	(2)
United Utilities commission	801	(1,047)	(246)
Regeneration	1,273	(3,628)	(2,355)
Other	611	(959)	(348)
Non-social housing activities			
Leaseholders	302	(284)	18
Other	42	(2)	40
	57,202	53,426	3,776

RBH Limited (2021)	Turnover	Operating costs	Operating surplus
	£'000	£'000	£'000
Social housing lettings (Note 3)	51,064	(37,752)	13,312
Other social housing activities			
First Tranche Low Cost Home Ownership Sales	1,842	(1,699)	143
Support services	157	(19)	138
Garages	419	(242)	177
Shops	395	(3)	392
Homeless Contract with RBC	2,008	(1,920)	88
United Utilities commission	801	(1,037)	(236)
Regeneration	-	(2,801)	(2,801)
Other	514	(794)	(280)
Non-social housing activities			
Leaseholders	236	(176)	60
Other	212	(194)	18
	57,648	(46,637)	11,011

**Rochdale Boroughwide Housing
Report and Financial Statements
For the year ended 31 March 2022**

3 Particulars of income and expenditure from social housing lettings

RBH Group (2022)	General needs	Supported housing	2022 Total	2021 Total
	£'000	£'000	£'000	£'000
INCOME				
Rent receivable net of identifiable service charges	42,599	3,216	45,815	45,798
Service charge income	2,538	2,305	4,843	4,900
Amortised government grants	147	12	159	137
Other revenue grants	12	-	12	14
Other	140	(4)	136	-140
Turnover from social housing lettings	45,436	5,529	50,965	50,709
EXPENDITURE				
Management	(13,073)	(1,437)	(14,510)	(12,118)
Service charge costs	(2,967)	(2,184)	(5,151)	(4,691)
Routine maintenance	(10,255)	(853)	(11,108)	(10,256)
Planned maintenance	(4,624)	(386)	(5,010)	(2,095)
Major repairs expenditure	(2,449)	(205)	(2,654)	(2,301)
Bad debts	(692)	(10)	(702)	(725)
Depreciation of housing properties	(4,240)	(573)	(4,813)	(4,598)
Depreciation of other fixed assets	(571)	(48)	(619)	(594)
Impairment	(922)	-	(922)	(374)
Operating costs on social housing lettings	(39,793)	(5,696)	(45,489)	(37,752)
Operating surplus on social housing lettings	5,643	(167)	5,476	12,957
Empty Homes losses	837	67	904	825

RBH Limited (2022)	General needs	Supported housing	2022 Total	2021 Total
	£'000	£'000	£'000	£'000
INCOME				
Rent receivable net of identifiable service charges	42,599	3,216	45,815	45,798
Service charge income	2,538	2,305	4,843	4,900
Amortised government grants	148	12	160	137
Other revenue grants	12	-	12	14
Other	261	(4)	257	215
Turnover from social housing lettings	45,558	5,529	51,087	51,064
EXPENDITURE				
Management	(13,073)	(1,437)	(14,510)	(12,118)
Service charge costs	(2,967)	(2,184)	(5,151)	(4,691)
Routine maintenance	(10,255)	(853)	(11,108)	(10,256)
Planned maintenance	(4,624)	(386)	(5,010)	(2,095)
Major repairs expenditure	(2,449)	(205)	(2,654)	(2,301)
Bad debts	(692)	(10)	(702)	(725)
Depreciation of housing properties	(4,240)	(573)	(4,813)	(4,598)
Depreciation of other fixed assets	(571)	(48)	(619)	(594)
Impairment	(922)	-	(922)	(374)
Operating costs on social housing lettings	(39,793)	(5,696)	(45,489)	(37,752)
Operating surplus on social housing lettings	5,765	(167)	5,598	13,312
Empty Homes losses	837	67	904	825

**Rochdale Boroughwide Housing
Report and Financial Statements
For the year ended 31 March 2022**

4. Accommodation in management and development

At the end of the year accommodation in management for each class of accommodation was as follows (RBH Group and RBH Limited):

			2022	2021
	Owned and Managed	Managed not Owned	Total Owned and Managed	Total Owned and Managed
Social housing				
General Needs – Social Rent	10,519	-	10,519	10,615
General Needs – Affordable Rent	987	11	998	989
Supported housing and housing for older people	967	-	967	968
Low cost homeownership	48	-	48	49
Sub-total social housing	12,521	11	12,532	12,621
Non-social housing				
Non-social rented	1	34	35	35
Total	12,522	45	12,567	12,656
Properties under construction	222	-	222	119

Reconciliation of unit numbers

	General Needs – Social Rent	General Needs – Affordable Rent	Supported housing and housing for older people	Low cost home ownership	Other	Total
Opening unit numbers	10,615	989	968	49	35	12,656
New homes into management	-	15	-	-	-	15
Other gains	12	2	-	3	-	17
Sales – open market	(3)	-	-	-	-	(3)
Sales to tenants - Freehold	(96)	(8)	-	-	-	(104)
Sales to tenants - Leasehold	(13)	-	-	(1)	-	(14)
Demolitions	-	-	-	-	-	-
Movement within categories	4	-	(1)	(3)	-	-
Net change in stock	(96)	9	(1)	(1)	-	(89)
Closing unit numbers	10,519	998	967	48	35	12,567

5 Surplus on ordinary activities before taxation

The operating surplus is arrived at after charging:

	RBH Group		RBH Limited	
	2022	2021	2022	2021
	£000	£000	£000	£000
Depreciation of housing properties	4,813	4,598	4,813	4,598
Depreciation of other tangible fixed assets	619	594	619	594
Operating lease rentals				
- Premises leases	122	342	122	342
- Vehicles	631	626	631	626
Auditors' remuneration				
- External auditors – in their capacity as auditors	34	28	30	23
- External auditors – for non-audit services	-	3	-	3
- Internal auditors	62	56	62	56

**Rochdale Boroughwide Housing
Report and Financial Statements
For the year ended 31 March 2022**

6 Surplus on sale of fixed assets

	RBH Group		RBH Limited	
	2022	2021	2022	2021
	£000	£000	£000	£000
Disposal proceeds	7,062	5,304	7,062	5,304
Cost of sales	(1,189)	(928)	(1,189)	(928)
Claw back costs to Rochdale Council	(1,477)	(689)	(1,477)	(689)
Surplus	4,396	3,687	4,396	3,687

The surplus from the sale of 1st tranche shared ownership homes is included in the operating surplus and reported in **note 2**.

7 Interest receivable and other income

	RBH Group		RBH Limited	
	2022	2021	2022	2021
	£000	£000	£000	£000
Interest receivable on short term deposits	29	61	29	61

8 Interest payable and similar charges

	RBH Group		RBH Limited	
	2022	2021	2022	2021
	£000	£000	£000	£000
Interest payable on long term loans	1,646	1,826	1,646	1,826
Loan Finance issue costs	397	70	397	70
Other finance costs	678	301	678	301
Loan Re-measurement	(189)	-	(189)	-
Break cost	1,867	-	1,867	-
Bond discount	4	-	4	-
Total	4,404	2,197	4,404	2,197

Loan re-measurement £189K relates to a non-cash adjustment made as a result of a loan modification, blend and extend, completed in September 2019, which was repaid in December 2021. Bond discount relates to MORhomes.

Loan finance issue cost relates to release of old facility costs due to repayment of facility plus amortisation of new loans.

Other finance costs include all the refinance cost plus commitments fee. Financing from the syndicate facility with RBS/Santander ended December 2021.

9 Other Finance costs

	RBH Group		RBH Limited	
	2022	2021	2022	2021
	£000	£000	£000	£000
Interest income on plan assets	3,202	3,002	3,202	3,002
Interest cost on obligations	(3,457)	(3,250)	(3,457)	(3,250)
Pension finance costs (Note 13)	(255)	(248)	(255)	(248)

10 Dividend in specie received from subsidiary

	RBH Group		RBH Limited	
	2022	2021	2022	2021
	£000	£000	£000	£000
Dividend received from subsidiary	-	-	-	213

This relates to waiver of an intra-group debt from SSL shown as dividend payment in SSL and dividend in specie in RBH.

**Rochdale Boroughwide Housing
Report and Financial Statements
For the year ended 31 March 2022**

11 Employees

Average monthly number of employees expressed as full-time equivalents:

Employee Numbers:	RBH Group		RBH Limited	
	2022	2021	2022	2021
Housing management	236	243	236	243
Housing maintenance	202	179	202	179
Administrative and Clerical	134	129	134	129
Total	572	551	572	551

Full time equivalents are calculated based on a standard working week of 36.25 hours.

Employee costs:	RBH Group		RBH Limited	
	2022	2021	2022	2021
	£000	£000	£000	£000
Wages and salaries	16,772	16,255	16,772	16,255
Social security costs	1,602	1,542	1,602	1,542
Other pension costs	2,538	2,404	2,538	2,404
Total	20,912	20,201	20,912	20,201

The majority of the society's employees are members of the Greater Manchester Pension Fund (GMPF). Further information on the scheme is in **note 13**. Since the GMPF was closed to new entrants from 1st January 2017, new employees and those being auto-enrolled have been admitted to a defined contribution scheme administered by the Royal London Scheme. In addition, RBH has 2 employees who are not on RBH's terms and conditions and therefore we also operate the NEST scheme for these employees.

12 Board members and executive directors

The remuneration paid to the Board members and executive directors of RBH (including the Executive Leadership Team) was as follows

	2022	2021
	£000	£000
Aggregate emoluments payable to Chair of the Board, other Board members and Executive Leadership Team (including pension contributions)	578	685
Pension contributions in the year amounted to:	75	85

The Chair was remunerated £11k for the year (2021: £11k) and other Board members received a total of £20k (2021: £20k). Expenses paid to board members in total were £0.37k (2021:£1k).

	2022	2021
	£000	£000
Alison Tumilty (Chair)	11	11
Paul Joyce	4	4
Asrar UI Haq (Left February 2021)	-	4
Luen Thompson	2	4
Guy Millichamp	4	4
Mike Nuttall	4	4
Neil McInroy	4	-
Ruth Welford	2	-
Gareth Swarbrick	185	170
Nickie Hallard	127	124
Clare Tostevin	126	121
Nadhia Khan	108	107
Rowena Culshaw (Left February 2021)	-	132
	577	685

12 Board members and executive directors continued

The emoluments of the directors include £157k (Chief Executive – the highest paid director) and £108k (Deputy Chief Executive and Director of Resources), excluding pension contributions (2021: £144k and £105k respectively). The pension contributions for the Chief Executive as the highest paid director are £28k (2021: £26k).

The Chief Executive is a normal member of the Greater Manchester Pension Fund. He is an ordinary member of the pension scheme, and no enhanced or special terms apply. The society does not make any further contribution to an individual pension arrangement for the Chief Executive.

The remuneration paid to employees (including executive management) earning over £60,000 upwards:

	2022	2021
	No.	No.
Including pension contributions		
£60k - £70k	2	2
£70k - £80k	4	5
£80k - £90k	-	-
£90k - £100k	-	2
£100k - £110k	1	1
£110k - £120k	-	-
£120k - £130k	2	-
£130k - £140k	-	1
£140k - £150k	-	-
£150k - £160k	-	-
£160k - £170k	-	-
£170k - £180k	-	1
£180k - £190k	1	-

13 Greater Manchester Pension Fund (Group and RBH Limited)

RBH participates in the Greater Manchester Local Government Pension Scheme (LGPS), a multi-employer funded defined benefit scheme where contributions payable is held in a trust separately for RBH.

Valuations are performed by a qualified actuary, using the projected unit credit method as required by Accounting Standards. The results of the last formal actuarial valuation have been projected forward from this point using approximate methods. The potential impact of the McCloud judgement is included in the results set out below.

RBH is an Admitted Body and has an Admission Agreement with Greater Manchester Pension Fund in its own right. The employers' contributions to the Pension Fund for the period ended 31 March 2022 were £1.959M (2021: £2.225M).

Financial assumptions

	31 March 2022	31 March 2021
	% per annum	% per annum
Discount rate	2.01	2.01
Future salary increases	2.63	2.63
Future pension increases	2.63	2.63

Demographic assumptions

Life expectancy is based on the funds VitaCurves with future improvements in line with the CMI 2020 model, an allowance for smoothing of initial adjustment of 0.25% and a long-term experience rate of improvement of 1.5% p.a. for males and females.

Under the mortality assumptions used, the future life expectancy at the age of 65 is as follows:

	2022	2021
	No. of years	No. of years
Current Pensioners		
Males	20.3	19.9
Females	23.2	22.8
Future Pensioners		
Males	21.6	20.8
Females	25.1	24.4

**Rochdale Boroughwide Housing
Report and Financial Statements
For the year ended 31 March 2022**

13 Greater Manchester Pension Fund (Group and RBH Limited) continued

Commutation

An allowance is included for future retirements to elect to take 55% of the maximum additional tax-free cash up to HMRC limits for pre-April 2008 service and 60% of the maximum tax-free cash for post-April 2008 service.

Analysis of the amount charged/(credited) to the statement of comprehensive income:

Year ended 31 March	2022	2021
	£000	£000
Expected return on employer assets	(3,202)	(3,002)
Interest cost	3,457	3,250
Total charged to other finance costs (Note 9)	255	248
Current service cost	4,648	3,839
Losses on Curtailments and Settlements	139	174
Total charged to administrative expenses	4,787	4,013
Total charge recorded in the statement of comprehensive income	5,042	4,261

Analysis of re-measurements recognised in other comprehensive income

Year ended 31 March	2022	2021
	£000	£000
Actual return less expected return on pension scheme assets	14,637	25,991
Changes in assumptions underlying the present value of the scheme's liabilities	(3,857)	(25,347)
Actuarial gain recognised in other comprehensive income	10,780	644
Cumulative Actuarial gains	21,456	10,676

Amounts recognised in the statement of financial position

Net pension liability at 31 March	2022	2021
	£000	£000
Fair value of employer assets (bid value)	177,018	159,611
Present value of funded liabilities	(180,627)	(170,917)
Net liability recognised in the statement of financial position	(3,609)	(11,306)

Reconciliation of defined benefit obligation

	2022	2021
	£000	£000
Opening defined benefit obligation	170,917	140,487
Current service cost	4,648	3,839
Interest cost	3,457	3,250
Contributions by members	728	753
Actuarial gains	3,857	25,347
Losses on Curtailments	139	174
Estimated Benefits paid	(3,119)	(2,933)
Closing defined benefit obligation	180,627	170,917

The service cost figures include an allowance for administration expenses of 0.3% (2021: 0.3%) of payroll.

Reconciliation of fair value of employer assets

	2022	2021
	£000	£000
Opening fair value of employer assets	159,611	130,573
Expected return on assets	3,202	3,002
Contribution by members	728	753
Contribution by employer	1,959	2,225
Actuarial gains	14,637	25,991
Benefits paid	(3,119)	(2,933)
Closing fair value of employer assets	177,018	159,611

**Rochdale Boroughwide Housing
Report and Financial Statements
For the year ended 31 March 2022**

13 Greater Manchester Pension Fund (Group and RBH Limited) continued

Major categories of plan assets as a percentage of total plan assets

	2022	2021
	%	%
Equities	67	72
Bonds	15	12
Properties	8	7
Cash	10	9

Amounts for the current and previous four accounting periods

	2022	2021	2020	2019	2018
	£000	£000	£000	£000	£000
Fair value of employer assets	177,018	159,611	130,573	142,296	131,496
Present value of defined benefit obligation	(180,627)	(170,917)	(140,487)	(167,196)	(145,649)
Deficit on scheme	(3,609)	(11,306)	(9,914)	(24,900)	(14,153)
Experience gains/(losses) on assets	14,637	25,991	(15,216)	6,247	558
Experience gains on liabilities	-	-	-	-	-

Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions at year ended 31 March 2022	Approximate % increase to employer liability	Approximate monetary amount £000
0.1% decrease in real discount rate	2	3,857
1 year increase in member life expectancy	4	7,225
0.1% increase in salary increase rate	-	436
0.1% increase in pension increase rate (CPI)	2	3,387

Projected pension expense for the year ended 31 March 2023.

	£000	% of pay
Projected current service cost	(4,748)	(45.6)
Expected return on employer assets	3,551	34.1
Interest on obligation	(3,652)	(35.0)
Total	(4,849)	(46.5)

Employer's contributions for the year ended 31 March 2023 are estimated to be approximately £1,890,000.

14 Taxation (Group)

	2022	2021
	£000	£000
Current tax		
UK corporation tax on surplus for the year	-	-
Total tax charge	-	-

The group did not incur a tax charge in the year as RBH Limited has been granted exemption from taxation under Section 505 of the Income and Corporation Taxes Act 1988 because of its charitable status. The trading subsidiary RBH (D&B) Ltd made a qualifying charitable donation to RBH Limited to eliminate any taxable profits.

**Rochdale Boroughwide Housing
Report and Financial Statements
For the year ended 31 March 2022**

15a Tangible fixed assets - housing properties (RBH Group)

	Held for Letting			Shared Ownership			Non-Social Properties £'000	TOTAL £'000
	Completed £'000	Under Construction £'000	Total £'000	Completed £'000	Under Construction £'000	Total £'000		
COST								
At 1 April 2021	163,106	8,746	171,852	3,584	-	3,584	3,439	178,875
Additions		11,525	11,525	282	-	282	-	11,807
Capitalisation of Components	10,355	637	10,992	-	-	-	-	10,992
Disposals	(1,175)	-	(1,175)	(106)	-	(106)	-	(1,281)
Transfers	1,352	(1,352)	-	(27)	-	(27)	47	20
At 31 March 2022	173,638	19,556	193,194	3,733	-	3,733	3,486	200,413
DEPRECIATION								
At 1 April 2021	23,043	-	23,043	35	-	35	123	23,201
Charge for the Year	4,730	-	4,730	36	-	36	48	4,814
Disposals	(173)	-	(173)	(2)	-	(2)	0	(175)
At 31st March 2022	27,600	-	27,600	69	-	69	171	27,840
NET BOOK VALUE								
At 31st March 2022	146,038	19,556	165,594	3,664	-	3,664	3,315	172,573
At 31st March 2021	140,063	8,746	148,809	3,549	-	3,549	3,316	155,674

The group considers each separate housing property scheme in its fixed asset register to represent separate cash generating units (CGU's) when assessing for impairment in accordance with the requirements of FRS 102 and SORP 2018. During the current year, the group and association have recognised an impairment loss of £Nil (2021: £Nil) in respect of general needs housing. As part of the Town Centre Masterplan Initial Demolition Notices were issued in July 2018 to tenants in some blocks within the Lower Falinge neighbourhood. As a result of this, depreciation on these assets and components was accelerated to reflect estimated demolition dates.

**Rochdale Boroughwide Housing
Report and Financial Statements
For the year ended 31 March 2022**

15b Tangible fixed assets – housing properties (RBH)

	Held for Letting			Shared Ownership			Non-Social Properties £'000	TOTAL £'000
	Completed £'000	Under Construction £'000	Total £'000	Completed £'000	Under Construction £'000	Total £'000		
COST								
At 1 April 2021	163,203	9,946	173,149	3,583	-	3,583	3,440	180,172
Additions		11,405	11,405	282	-	282	-	11,687
Capitalisation of Components	10,355	637	10,992	-	-	-	-	10,992
Disposals	(1,175)	-	(1,175)	(106)	-	(106)	-	(1,281)
Transfers	1,352	(1,352)	-	(27)	-	(27)	47	20
At 31 March 2022	173,735	20,636	194,371	3,732	-	3,732	3,487	201,590
DEPRECIATION								
At 1 April 2021	23,082	-	23,082	34	-	34	123	23,239
Charge for the Year	4,730	-	4,730	36	-	36	48	4,814
Disposals	(173)	-	(173)	(2)	-	(2)	-	(175)
At 31st March 2022	27,639	-	27,639	68	-	68	171	27,878
NET BOOK VALUE								
At 31st March 2022	146,096	20,636	166,732	3,664	-	3,664	3,316	173,712
At 31st March 2021	140,121	9,946	150,067	3,549	-	3,549	3,317	156,933

**Rochdale Boroughwide Housing
Report and Financial Statements
For the year ended 31 March 2022**

15c Tangible fixed assets – other (RBH Group and RBH Limited)

	Offices	Plant & Machinery	Fixtures & Fittings	IT Systems	F&F & IT Assets under Construction	Land	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
COST							
At 1 April 2021	778	64	338	4,017	650	276	6,123
Additions	-	-	-	-	1,171	1,727	2,898
Transfers	-	-	9	630	(639)	-	-
Impairment	-	-	-	-	-	(922)	(922)
Disposals	-	-	-	-	-	-	-
At 31 March 2022	778	64	347	4,647	1,182	1,081	8,099
DEPRECIATION							
At 1 April 2021	605	64	198	2,371	-	-	3,238
Charge for the Year	123	-	14	482	-	-	619
Disposals	-	-	-	-	-	-	-
At 31st March 2022	728	64	212	2,853	-	-	3,857
NET BOOK VALUE							
At 31st March 2022	50	-	135	1,794	1,182	1,081	4,242
At 31st March 2021	173	-	140	1,646	650	276	2,885

**Rochdale Boroughwide Housing
Report and Financial Statements
For the year ended 31 March 2022**

16 Improvements to Housing Properties

	RBH Group		RBH Limited	
	31/3/2022	31/3/2021	31/3/2022	31/3/2021
	£000	£000	£000	£000
Fire safety-Regeneration	133	-	133	-
Fire safety	2,010	93	2,010	93
Decarbonisation	943	-	943	-
Investment programme	7,927	5,691	7,927	5,691
Improvements to existing properties capitalised	11,013	5,784	11,013	5,784
Major repairs expenditure to statement of comprehensive income	2,654	2,301	2,654	2,301
	13,667	8,085	13,667	8,085

17 Capital commitments

	31/3/2022	31/3/2021
	£000	£000
Capital expenditure		
Expenditure contracted for but not provided in the accounts	10,272	17,191
Expenditure authorised by the board, but not contracted	-	-
	10,272	17,191
RBH expects these to be financed by:		
Committed Loan Facilities	10,272	17,191
	10,272	17,191

18 Stock

	RBH Group		RBH Limited	
	31/3/2022	31/3/2021	31/3/2022	31/3/2021
	£000	£000	£000	£000
Materials in stock	337	563	337	563

The replacement cost of stock is not materially different from the carrying value of stock in both the current and prior year.

19 Debtors

	RBH Group		RBH Limited	
	31/3/2022	31/3/2021	31/3/2022	31/3/2021
	£000	£000	£000	£000
Due within one year				
Rent and service charges arrears	6,081	5,420	6,081	5,420
Less: provision for bad and doubtful debts	(3,816)	(3,277)	(3,816)	(3,277)
	2,265	2,143	2,265	2,143
Other debtors	2,794	3,089	2,794	3,037
Taxation - VAT	1,022	452	983	452
Short-term refurbishment obligation (Note 23)	8,744	8,744	8,744	8,744
Prepayments and accrued income	2,835	1,025	1,470	969
Amounts owed by group undertakings	-	-	15	52
	17,660	15,453	16,271	15,397
Due in more than one year				
Refurbishment obligation (Note 23)	43,800	54,813	43,800	54,813
Total debtors	61,460	70,266	60,071	70,210

Amounts owed by Group undertakings are interest free and due on demand.

Other debtors include amount for RSPCA (£1,800k) to acquire land, as the legal title of these purchases has not been transferred to RBH as at year end.

**Rochdale Boroughwide Housing
Report and Financial Statements
For the year ended 31 March 2022**

20 Creditors: Due within one year

	RBH Group		RBH Limited	
	31/3/2022	31/3/2021	31/3/2022	31/3/2021
	£000	£000	£000	£000
Loans and overdrafts	724	2,118	724	2,118
Trade Creditors	4,480	2,031	4,335	1,920
Rent and service charges received in advance	140	48	140	48
Taxation and social security	477	405	477	416
Deferred capital grant (Note 22)	298	212	298	212
Accruals and deferred income	9,849	6,918	8,471	6,923
Short term refurbishment provision	8,744	8,744	8,744	8,744
Amounts owed to Group undertakings	-	-	-	189
Total	24,712	20,476	23,189	20,570

Amounts owed by Group undertakings are due on demand and interest.

21 Creditors: Amounts falling due after more than one year

	RBH Group		RBH Limited	
	31/3/2022	31/3/2021	31/3/2022	31/3/2021
	£000	£000	£000	£000
Loans repayable:				
Due between one and two years	734	2,124	734	2,124
Due between two and five years	2,238	6,419	2,238	6,419
Due in five years or more	43,451	31,752	43,450	31,752
	46,423	40,295	46,422	40,295
Loan arrangement fees	(396)	(391)	(396)	(391)
Loan re-measurement	-	189	-	189
Bond discount	(668)	-	(668)	-
Total loans	45,359	40,093	45,358	40,093
Deferred capital grant (Note 22)	19,608	17,480	19,608	17,480
Total	64,967	57,573	64,966	57,573

The loan re-measurement of £189K relates to a non-cash adjustment made as a result of a loan modification, blend and extend, completed in September 2019.

Loans are secured by specific charges on the housing properties of the group. The loans bear interest at fixed rates ranging from 1.94% to 2.775% or annuity rates ranging from 4.24% to 5.25%.

22 Deferred Capital Grant

	RBH Group		RBH Limited	
	31/3/2022	31/3/2021	31/3/2022	31/3/2021
	£'000	£'000	£'000	£'000
At 1 April 2021	17,692	14,647	17,692	14,647
Grants received during the year	2,420	3,263	2,420	3,263
Released to income during the year	(206)	(218)	(206)	(218)
At 31 March 2022	19,906	17,692	19,906	17,692
Amounts due in less than one year	298	212	298	212
Amounts due in greater than one year	19,608	17,480	19,608	17,480
Total	19,906	17,692	19,906	17,692

**Rochdale Boroughwide Housing
Report and Financial Statements
For the year ended 31 March 2022**

23 Refurbishment Provision

	RBH Group		RBH Limited	
	31/3/2022	31/3/2021	31/3/2022	31/3/2021
	£000	£000	£000	£000
At 1 April 2021	63,557	69,341	63,557	69,341
Improvement expenditure (Note 16)	(11,013)	(5,784)	(11,013)	(5,784)
Release of provision	-	-	-	-
At 31 March 2022	52,544	63,557	52,544	63,557
Short-term	8,744	8,744	8,744	8,744
Long-term	43,800	54,813	43,800	54,813
	52,544	63,557	52,544	63,557

This provision represents RBH's liability to carry out refurbishment works included in the Works Agreement with Rochdale Council. It will be written off when the work to housing properties is undertaken for the life of the VAT Share Agreement with Rochdale Council.

This agreement ends on 31st March 2027. This is also recognised as a debtor (see note 20). During 2018/19 there was a release of £385m from the Refurbishment provision so that the remaining provision matched the Investment Programme capital spend for the remaining life of the VAT share agreement with Rochdale Borough Council. This agreement ends on the 31 March 2027.

24 Provision for liabilities

	RBH Group		RBH Limited	
	31/3/2022	31/3/2021	31/3/2022	31/3/2021
	£000	£000	£000	£000
At 1st April 2021	12	23	12	18
Amounts provided during the year	-	12	-	12
Utilised during the year	(12)	(23)	(12)	(18)
Released in year	-	-	-	-
Provisions at 31st March 2022	-	12	-	12

25 Leasing commitments

At the end of the year RBH (Group and Ltd) had minimum lease payments under non-cancellable operating leases as set out below:

	Year ended 31/3/2022	Year ended 31/3/2021
	£000	£000
Land and buildings amount payable:		
Not later than 1 year	122	342
Later than 1 year and not later than 5 years	267	301
Later than 5 years	-	2
	389	645
Other amounts payable:		
Not later than 1 year	631	626
Later than 1 year and not later than 5 years	1,111	1,724
Later than 5 years	-	-
	1,742	2,350

26 Investment assets

	RBH Group		RBH Limited	
	2022	2021	2022	2021
	£000	£000	£000	£000
Equity in MORhomes	95	-	95	-
Contingent Convertible Loan Notes	173	-	173	-
Investments Assets	268	-	268	-

The above relates to fixed asset investments as part of a £15m bond arranged with MORhomes.

27 Reserves

Income and Expenditure Reserve

The Income and Expenditure Reserve includes the accumulated profits and losses arising from the statement of comprehensive income and certain items from the Statement of Changes in Equity attributable to equity shareholders net of distributions.

Pension Reserve

The Pension Reserve includes the accumulated actuarial gains and losses from the defined benefit scheme net of any amounts transferred to the income and expenditure reserve.

28 Contingent liabilities

There are no contingent liabilities at 31 March 2022 (2021: Nil).

29 Related parties

All transactions with group subsidiaries are calculated in line with the Group Transfer Pricing Policy and are therefore on an arms-length basis.

Executive and Senior Management - Chief Executive, Gareth Swarbrick is a director of Rochdale Housing Initiative, a housing partnership company which brings together registered providers of social housing in the borough. He remains a director of RBH Professional Limited. He receives no remuneration for either of these positions.

Nickie Hallard - Director of Resources and Deputy Chief Executive until 10 June 2022. Nickie is a member of the Employee Ownership Council and Employee Membership council, she joined June 2021 and she receives no remuneration for either of these positions.

Clare Tostevin – Director of Growth, is a director of RBH Design and Build, having been appointed in October 2018, she is the Chair of Southway Housing Trust since 2020. She receives no remuneration for this position.

Nadhia Khan – Director of Customer and Communities, is a director of D&B, having been appointed in March 2021. She is a Board Member of Care Housing Association since February 2020 and a member of the Chartered Institute of Housing’s Governing Board. She receives no remuneration for either of these positions.

Representative Body - As set out in the Rules of RBH, being an employee or tenant of RBH does not represent an interest in itself for business of the Representative Body. This includes those nominated from the tenant management organisations.

Transactions with non-regulated entities

The association provides management services and other services to its subsidiaries. The association also receives charges from its subsidiary. The quantum and basis of those charges is set out below.

	Management charges		Other charges	
	2022	2021	2022	2021
Recharges to association from subsidiary	£'000	£'000	£'000	£'000
RBH (Design & Build) Limited	121	195	10,382	5,952
	121	195	10,382	5,952

	Management charges		Other charges	
	2022	2021	2022	2021
Recharges by association to subsidiary:	£'000	£'000	£'000	£'000
RBH (Design & Build) Limited	-	-	10,452	6,282
	-	-	10,452	6,282

At 31 March 2022, there were no recharges outstanding. (2021: £Nil).

29 Related parties continued

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. The management fee is calculated on a department basis, with varying methods of allocation. The costs are apportioned as follows:

Department	By Reference to
Finance	Employee Time
Human Resources	Employee Time
Information Technology	Employee Time
Governance	Fixed Sum
Legal	Fixed Sum

Other Intra Group Charges

Other intra-group charges which are payable to the association from subsidiaries relate to employee recharges and gift aid payments.

30 Fixed asset investments

Subsidiary undertakings, associated undertakings and other investments

The principal undertakings in which RBH Limited's interest at the year-end is 20% or more are as follows:

Name	Country of incorporation or registration	Proportion of voting rights and ordinary share capital held	Nature of business	Registered Address
RBH Professional Limited.(Dormant)	England	100%	Management Services	Unique Enterprise Centre, Belfield Road, Rochdale, OL16 2UP.
RBH (Design & Build) Limited.	England	100%	Construction	Unique Enterprise Centre, Belfield Road, Rochdale, OL16 2UP.

Investment in RBH professional Limited

RBH Professional was made dormant during the 2015-16 financial year. RBH maintains an investment of £1 (2021:£1) in RBH Professional Limited.

31 Net Debt reconciliation

	1/4/2021	Cash flows	31/3/2022
	£000	£000	£000
Cash at bank and in hand	41,489	(2,389)	39,100
Obligations under finance leases	(2,995)	864	(2,131)
Bank loans	(42,211)	(3,872)	(46,083)
Net debt	(3,717)	(5,397)	(9,114)

**Rochdale Boroughwide Housing
Report and Financial Statements
For the year ended 31 March 2022**

32 Debt Analysis

	RBH Group		RBH Limited	
	31/3/2022	31/3/2021	31/3/2022	31/3/2021
	£000	£000	£000	£000
Due within one year				
Bank loans and overdrafts (Note 20)	724	2,118	724	2,118
Due after more than one year				
Bank loans (Note 21)	46,423	40,295	46,422	40,295
Total loans and overdrafts	47,147	42,413	47,146	42,413
Loan repayable by instalments				
In one year or less (Note 20)	724	2,118	724	2,118
Due between one and two years	734	2,124	734	2,114
Due between two and five years	2,238	6,419	2,238	6,419
Due in five years or more	28,451	31,752	28,450	31,752
Total loans repayable by instalments	32,147	42,413	32,146	42,413
Loan issue costs	(396)	(391)	(396)	(391)
Total loans repayable by instalments net of issue costs	31,751	42,022	31,750	42,022
Loans not repayable by instalments				
Due in five years or more	15,000	-	15,000	-
Total loans not repayable by instalments	15,000	-	15,000	-

RBH has a portfolio of funding facilities with various lenders, each of which is secured by fixed charges on a specific portfolio of individual properties, which are subject to periodic revaluation in line with the terms of the relevant funding agreement.

The committed repayment profile is based on debt drawn from the facility repayment in place at 31 March 2022, which is currently £30m undrawn.