

irwell
valley
homes

consolidated financial statements

for the year ended
31 March 2024



Statutory
accounts for
2023/24 including
the value for
money self-
assessment



Contents

.....

page 3 – 5	Annual report of the Chair
page 6 – 7	Annual report of the Chief Executive
page 8 – 10	Association details
page 11 – 32	Strategic Report of the Board
page 33 – 37	Report of the Board
page 38 – 47	Value for Money report
page 48 – 51	Independent auditor's report to the members
page 52	Statement of comprehensive income
page 53	Statement of changes in reserves
page 54	Statement of financial position
page 55	Group cash flow statement
page 56 – 95	Notes to the financial statements



Annual report of the Chair

.....

In my role as Chair of Irwell Valley Homes (IVH), I am very pleased to introduce our 2023/24 Financial Statements.

IVH has continued to deliver the objectives set out within its Corporate Plan, despite another challenging year for the organisation and wider sector, impacted in part by wider economic challenges.

One of our core strategic priorities is to provide safe, affordable and good quality homes. During the year we have continued to invest in our existing properties and have spent £22.4m maintaining our homes. A new Asset Management Plan has been developed based upon improved stock condition data and is included within our 2024/25 Financial Plan.

During the year, IVH was successful in a bid for £757k of Social Housing Quality Funding (SHQF), to assist in tackling damp and mould. IVH invested a further £250k on top of this, bringing the total investment to tackle damp and mould to £1,007k.

The sector is fully aware of the housing crisis that the country is facing. The National Housing Federation have reported 140,000 children are homeless across England, 310,000 children are sharing beds due to severe overcrowding and 1 in 3 people facing housing issues in the past year.

1 in 5 households will be in affordable housing by 2035, making it vital for IVH to continue to provide safe, decent and affordable homes.

The Board is committed to ensuring IVH contribute to tackling the housing crisis by building new homes, as well as investing in our existing homes. During 2023/24, we have built 52 new homes and within the next 9 years of the Financial Plan, we have plans to build a further 692 new homes.

We have continued to make good progress on the regeneration of the Sale West estate. Phase 1 has now been completed which, in total, delivered 79 new homes for social rent, and we are part way through Phase 2. We have begun initial planning on Phase 3. We are proud that Sale West Regeneration was shortlisted for Best Affordable Housing Development at the Northern Housing Awards.

Over the last four years, the development programme has been adversely impacted by the pandemic and the volatile economy, which has seen schemes delayed due to the impacts this has had on both the developer market and planning capacity. We have also seen building costs and interest rates rise significantly, which has made the viability of schemes much more challenging.

We are grateful for the ongoing support of Homes England and Greater Manchester Combined Authority in helping us deliver new homes and invest in our existing homes.

Customer health & safety is of paramount importance to us. During the year, we have also continued to invest in fire safety and continued to progress our fire remediation programme. We are working with fire safety industry experts, contractors and developers to progress these works as quickly as possible.

During the year, IVH celebrated its 50th birthday, with colleagues, customers, stakeholders and board members, old and new. This was a great opportunity to reflect on what we have achieved so far and to reaffirm our core social purpose.

We were also successful in retaining our G1 governance rating and V2 viability rating from the Regulator of Social Housing, following an In-depth Assessment which was carried out in 2023. The governance rating is the highest possible rating available and reflects the quality of the Board and leadership, and our strong internal control and risk management framework. The viability rating is fully compliant and reflects the Board's desire to take on some risk by continuing to invest in both new and existing homes during more challenging financial times.

Annual report of the Chair

From a governance perspective, we have appointed a second customer Board member from the Resident Scrutiny Panel, who will bring further valuable customer insight and lived experience to the Board. The Chair of the Resident Scrutiny Panel, and fellow Board member, Christie Finnegan, was also shortlisted for Board Member / Committee Member of the Year at the Women in Housing Awards.

In addition to this, Donna Healey, a member of Resident Scrutiny Panel and the Building Safety Group was shortlisted for 'Tenant of the Year' in the Northern Housing Awards. I personally congratulate both on these nominations which reflect the positive contributions they make to Irwell Valley Homes, our customers and communities.

We welcome the renewed focus on consumer regulation, with the introduction by the Regulator of Social Housing (RSH) of the revised Consumer Standards from April 2024, and increased focus from the Housing Ombudsman Service on learning and improving services. The Board and the Senior Leadership Team have prepared for and been working towards these new standards, with our customers for some time.

We are continuing to deliver on our Customer Strategy and have delivered our 2023/24 action plan as well as engaging with customers to ensure we are embedding customer voice across our services. The new Tenant Satisfaction Measures (TSMs) have provided a clear focus for improvement for the coming years and add to the insight we receive from our own customer feedback surveys.

We have seen demand for repairs rise significantly over 2023/24, in part due to our desire to encourage our customers to report repairs issues to us as soon as possible. This increase in demand, along with the increases in the costs of materials and the challenging labour market, has seen our repairs and maintenance costs increase. This is in line with wider sector trends, and we have increased the budget in 2024/25 to help address this.

The level of demand for repairs is also impacting customer complaints, and this is consistent across the sector as demand and customers' expectations increase. IVH are monitoring all complaints, identifying key themes and learning from them to make improvements. Complaint learning will feed into our most important project for 2024/25, which is repairs transformation. The Board has signed off compliance with new Housing Ombudsman Handling Code 2024, which is effective from April 2024.

The challenges we have faced during the year, in common with the whole sector, have inevitably impacted our financial performance.

We have felt the long-term effects of the rent cap of 7%, whilst inflation rates on our costs was still at much higher levels. In line with our strategic objective to make a difference in the communities we serve and the challenges we know our customers are facing, we have been keen not to reduce services at this crucial time, and therefore this is impacting our financial performance. The impact of the cost-of-living crisis is still prevalent for our customers and communities, and this is evident from the increase in rent arrears that we have experienced. We continue to offer support during these challenging times, to help customers sustain their tenancies.

The financial challenges and uncertainty have also impacted our future carbon zero commitments. If a long-term rent settlement of CPI +1% was confirmed by Government, this would enable IVH to invest significantly more in carbon zero, including an additional £38m to reach 100% EPC C. Even without significant funding and a rent cap, IVH has been able to invest to improve the energy efficiency of a further 375 properties above EPC C.

Annual report of the Chair *(continued)*

It is encouraging to see that in June 2024, inflation did fall sufficiently to reach the Bank of England's target of 2%, due to the impact of reduced energy prices finally passing through to consumer costs. However, we are not expecting the Bank to implement significant reductions in interest rates in the near future in response to this, and in the long-term are not expecting rates to fall back to the historically levels we saw between 2009 and 2022. Our Financial Plan is based on the anticipated "new normal" level of rates, which without increases in grant rates or a long-term guaranteed rent settlement, impacts the level of development and investment we can deliver. The Board is ready to flex our development and investment programmes back up if some of these hurdles are removed.

Looking forward, we are hopeful that we are entering more stable economic and political times. Labour have promised to priorities housing by updating the National Planning Policy Framework and have restored mandatory building targets for councils as part of a goal to build 1.5 million homes and deliver "the biggest boost to social and affordable housing in a generation". This is promising and exciting for the sector.

We are looking forward to seeing how the new Government can facilitate and simplify the planning process, how funding can be simplified and devolved across England, how they can support the sector to deliver on its carbon zero targets, and most crucially more long-term certainty around rents and grant funding, which would enable more effective long-term financial and business planning. We are ready to play our part in supporting Government and Greater Manchester Combined Authority to deliver.

Our final strategic objective is to support colleagues to enjoy work, learn and grow. To enable IVH to commit to its customers, we need the commitment and dedication of our colleagues. We continue to recognise, invest in, and empower our colleagues to improve services and our retention rates and attendance rates have improved during 2023/24.

We carried out a People Survey earlier in 2024, which showed very positive results, with 86% of colleagues feeling proud to work for IVH and 89% having a clear understanding of what we are trying to achieve. These results will help us to retain existing and attract new talent across the organisation.

I would like to take this opportunity to thank my fellow Board members for their dedication, support and commitment to ensuring IVH 's continued success. I would also like to thank Sasha and the Leadership Team for their vision and hard work, producing strong performance and delivering on our commitments to customers.



Niki Stockton
Chair, IVH

Annual report of the Chief Executive

.....

The second year of our Living Well corporate plan was extra special in the history of Irwell Valley Homes, as we marked five decades of providing affordable homes and services to communities across Greater Manchester. Half a century on from when we were formed in May 1973, many things had changed – but our commitment to our social purpose of providing safe and affordable homes for those in housing need is as strong as ever.

Our Living Well corporate priorities to provide decent, safe and affordable homes; make a difference in the communities we serve; build more affordable homes and support our colleagues to learn and grow remain as relevant today as they were 50 years earlier, when we started out with a handful of homes in Salford.

During 2023/24, now with more than 7,000 homes and 22,000 customers, we have delivered against these priorities within an increasingly challenging regulatory, economic and social landscape. With on-going costs of living pressures facing our customers, new consumer regulation, increased Housing Ombudsman powers and significant inflationary pressures impacting on our own costs, to name but a few.

Continuing to put our customers first, driving up the quality of our homes, and ensuring safety and decency have remained key priorities this year, particularly with the launch of the Tenant Satisfaction Measures (TSMs) and the new Consumer Standards. Our Resident Scrutiny Panel carried out a review into our approach to Damp, Mould and Condensation and Anti-social Behaviour - making a series of recommendations and commendations to help us drive up service quality. Our Customer Standards Group helped us to develop new performance reporting around the new consumer standards and inputted into the development of our new customer survey programme to make sure we are asking the right questions to understand how we are delivering against the new standards.

We also launched a new Building Safety Forum made up of customers from our high-rise buildings as well as a Customer Communications Group and were delighted to welcome another customer onto our board of management. Across the year we engaged with more than 800 customers through our customer groups and networks and gathered feedback from 1,300 more through our customer survey programmes.

We completed our first TSM surveys, speaking to 18% of our customers about their experiences. We were heartened to find that 73% of our customers felt we treated them fairly and with respect, but acknowledged improvements are needed to drive up overall customer satisfaction from the 64% score we received. A repairs transformation programme and a customer experience project are now underway to help us drive up standards for our customers.

The shortage of decent, affordable homes remains a chronic issue and demand continues to grow. On average our social rent homes remain at 59% of the market rent, whilst our affordable rent homes are let at 80% of the market value. Over the course of the year, we also completed 52 new affordable homes, including as part of our award-winning regeneration of Sale West in Trafford. We were on-site with 156 more at the end of March 2024.

We also delivered supported housing to 326 people with additional needs and supported 457 older people to live independently in their community. We welcomed 297 new customers into our homes and widened our reach in tackling homelessness – with new homes going to 131 people who were previously homeless during 2023/24.

Annual report of the Chief Executive *(continued)*

We have supported the growth of a strong local economy and understand the impact this has on our communities. Last year 86% of our employees lived in Greater Manchester and all colleagues were paid the real living wage.

With high living costs continuing to affect customers' ability to pay rent and make ends meet, colleagues have remained focused on maximising customer income. During the year, we supported customers to unlock an extra £502,656 in income they were entitled to.

Our Tenancy Sustainment Team also secured £52,283 for customers through the Housing Associations Charitable Trust (HACT), and we continued to support customers through our own Cost of Living Support Fund. In total, our tenancy sustainment team supported 261 customers during the year, often with increasingly complex needs. Their work included 463 financial interventions designed to support customers in the short and longer term. We continued to support food projects across the communities we serve and delivered 1,910 free meals for children during the school holidays from our community café thanks to funding from Our Sale West.

This year we supported 576 people into secure employment and 5,346 people with employment and skills.

We also employed apprentices and have supported work experience which resulted in people securing full-time work and long-term career prospects. Working together with our statutory, community and voluntary sector partners we have been able to maximise our impact in our neighbourhoods – responding to specific challenges to meet local needs and supporting the delivery of 1,152 hours of volunteering in our communities.

We're committed to supporting our colleagues to learn and grow, ensuring we retain talented people who can serve our customers in the way they need and ensuring we have trained and qualified professionals within our teams. Despite the increased costs we faced - including the impact of the 23-24 rent cap - we recognised the pressures our colleagues were also dealing with around rising household bills. As a result, everyone received a pay increase. Over the year, the Irwell Valley Foundation supported customers and community projects with grant funding. Over the year we issued £66,647 in grants to support those living and working in our neighbourhoods.

To mark our 50th birthday, we also hosted a series of community celebrations. From a community play date to mark the opening of a new play area, to the launch of a new community mental health garden, our 50th birthday will continue to deliver a legacy in our neighbourhoods.

Overall, 2023-24 was another busy and challenging year. Our colleagues have continued to rise to these challenges – committed to going the extra mile to continue delivering against the social purpose we were founded with half a century ago.

We look forward to another 50 years of enabling people across Greater Manchester to live well in their homes and communities.



Sasha Deepwell, Chief Executive, IVH.

Association details

.....

Registered Office:

Soapworks
1st Floor Colgate Lane
Salford
M5 3LZ

Bankers:

Lloyds Bank Plc
25 Gresham Street
London
EC2V 7HN

Santander
2 Triton Square
London
NW1 3AN

Nationwide
Nationwide House,
Piper's Way
Swindon
SN38 1NW

Auditors:

Azets Audit Services
Fleet House,
New Road
Lancaster
LA1 1EZ

Registration Numbers:

20684R – Co-Operative and Community
Benefit Society Act 2014

L0061 – Regulator of Social Housing



The Board

Niki Stockton



Appointed Chair

Shahida Latif-Hader



Jane Healey Brown



Adam Warburton



Laureen Donnan



Jade Taylor



Co-opted 25th March
2024

Gemma Bell Smith



Fiona Car



Resigned 18 September
2023

Rachael McCullough (co-opted)



Resigned 20th May 2024

Gareth Rees



Guy Millichamp



Christine Finegan (co-opted)



Appointed 6 February
2023

Senior Leadership Team

Sasha Deepwell

Chief Executive



Linda Levin

Executive Director of,
Customer Experience



Resigned 19 May 2023

Sam Young

Director of People,
Technology & Innovation



Helen Nicholson

Executive Director of Finance,
Governance & Investment



Ceris Esplen

Executive Director of
Customers



Scott Murray

Executive Director of Homes



Appointed 22 May 2023

Appointed 17 July 2023

Strategic report of the Board

Irwell Valley Homes group structure

Our group is known as Irwell Valley Homes (IVH). We have a simple structure which provides a clear line of sight from the Group Board over our active subsidiary and joint venture. Our subsidiary Board and Committee members are drawn from the Group Board. We believe this approach provides the best overview of risks and ensures that activities carried out by our subsidiary supports the corporate objectives.

The group consists of:

- **Irwell Valley Housing Association Ltd. (IVHA)** – The asset holding Housing Association is the group parent. It is a registered Co-operative and Community Benefit Society and a Registered Provider of Social Housing with the Regulator of Social Housing (RSH). The Association is an exempt charity.
- **Irwell Valley Developments Ltd. (IVDL)** – A wholly owned company limited by shares. The company provides development services and delivering of development contracts to IVHA. This company also oversees the activities of our development Joint Venture, Hive Homes.
- **The Board have clear oversight of the Group with:**
 - a common Board for IVHA and IVDL;
 - consolidated accounts.
 - consolidated financial plan; and
 - consolidated group strategic risk map.

The Irwell Valley Foundation (IVF) is not part of the Group structure of Irwell Valley Homes. IVF is a £2m endowment investment fund, managed by Forever Manchester, the Community Foundation for Greater Manchester. The work of IVF is overseen by a resident-led panel, chaired by a resident Board Member.

Irwell Valley Homes Group

Irwell Valley Housing Association Limited (IVHA)

Registered Society (20684R), Registered Provider (L0061) Exempt Charity
Asset holding housing association and group parent

Irwell Valley Developments Limited

(IVDL) (Reg. 03923984)

Wholly owned company limited by shares

Development services company

Delivery of development contracts

Investment in Hive
Homes GMJV

Strategic report of the Board *(continued)*

.....

IVH provides homes for general needs social rent, as well as more specialist services in our supported accommodation, for over 20,000 people across Greater Manchester. From the income we receive for rents and service charges, we deliver housing management & associated support services and repairs & maintenance services to our customers. We also invest in these homes and meet the interest payments on loans, which help to finance the delivery of new homes.

The group needs to generate an appropriate level of surplus and maintain its reserves and liquidity to ensure it is financially resilient to withstand shocks and to reinvest surpluses back into our corporate priorities.

Regulation

We are regulated by the Regulator of Social Housing (RSH) and retain the highest grade available for governance (G1). In 2023 we completed an in-depth assessment by the Regulator who confirmed our governance rating of G1 and our financial viability rating as V2.

Following the implementation of the new Consumer Standards in April 2024, IVH will confirm its performance to the Regulator annually through our submission of Tenancy Sustainment Measures (TSMs), with a full assessment against these new Standards at the next in-depth assessment.



Strategic report of the Board *(continued)*

Board and committee structure

Our Board and its sub-Committees are key in setting the strategic direction of the organisation and monitoring our performance. Board and Committee membership is based on skills and knowledge and members are remunerated for the time, skills, and knowledge that they bring.

In line with our rules and adopted code of governance, the Board annually review their effectiveness and skills as a group. The annual skills review also ensures that Board skills are aligned with our corporate priorities. All Board Members were asked to give their views in relation to key strategic areas and the findings were collated and summarised to identify and recommend areas for improvement.

The quality of debate and challenge at Board and Committee meetings is extremely important to us. It is, therefore, essential that we have high levels of attendance at meetings to ensure that there is full discussion and challenge, to underpin key decisions.

We have one main Board for the Group, with members also sitting on the various Committees. This ensures effective oversight between the Board and committees.

The IVDL Board, which is made up of Executive Directors, continues to be responsible for approving contracts and monitoring the overall delivery of the development programme, including key performance indicators, which are aligned to the Group's priorities. An update is provided to the Chair of Development and Major projects Committee.

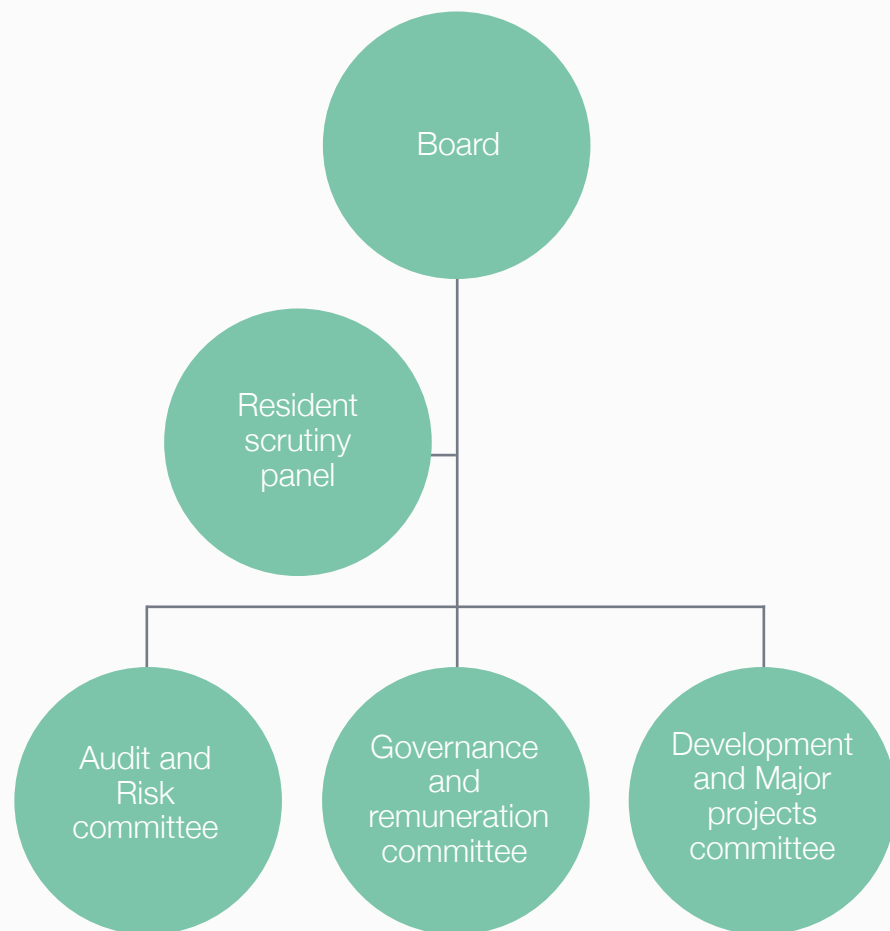
The Terms of Reference for the Board, IVDL Board, Committees, and Resident Scrutiny Panel (RSP) are reviewed and updated annually and clearly outline the roles and responsibilities of each. A two-year forward agenda and meeting dates are set in advance of the start of the year. The Board meets at least 6 times per annum and Committees meet at least quarterly. This ensures that consideration and discussion take place in advance of key decision items and that all statutory and legislative deadlines are maintained.

At each Board meeting, the Chair of each Committee provides feedback on the discussion of the last committee meeting.

The Board and Committees continued to be flexible throughout 2023-24 and were able to respond to efficiently and effectively to sector wide issues.



Strategic report of the Board *(continued)*



Three separate committees support the work of the Board:

The Committees have delegated authority from the Board to conduct the business in relation to key areas and make decisions on behalf of the Board, thereby enabling the Board to operate on a strategic level and yet retain oversight of these areas:

- **Audit and Risk Committee** – provides an essential assurance function, including risk management and internal controls. They are supported by our independent internal and external auditors and other experts. The internal audits identify recommendations for action and improvement, which are agreed by management with implementation plans. The internal auditor carries out follow-up audits to provide assurance that implementation has taken place.
- **Governance & Remuneration Committee** – makes recommendations to the Board on membership, succession planning, colleague remuneration and pension arrangements.
- **Development and Major projects Committee** – has delegated responsibility for approving and monitoring development schemes, provided these are delivered in accordance with the overall approved parameters and programme set annually by Board. The Committee discuss and deliberate the benefits and risks associated with individual development schemes, before approving them. We have co-opted an additional member to this Committee with particular expertise development activities.



Strategic report of the Board *(continued)*

Customer Engagement

In 2022, Board agreed a three-year Customer Strategy that had been developed with customers at a time when the Government's proposals to implement more robust consumer regulation were emerging. The Strategy set out our direction in relation to customer experience and customer voice with two overall aims: Building and maintaining excellent relationships with our customers and Delivering services brilliantly.

Since the introduction of the Strategy, the environment in which we operate has changed significantly. The regulatory landscape has shifted, placing greater emphasis on customers through the new Consumer Standards, and the strengthened powers of the Housing Ombudsmen and Building Safety Regulator. The sector has also come under significant scrutiny over the quality of our homes which in turn is driving contact, demand and increasing the expectations of landlords.

Last year was extremely challenging for IVH. Compared to the first year of the Strategy, contact with customers has increased from 75,000 to 162,000 (116%) and complaints has increased from 547 to 720 (32%). These increases are partly due to the current challenges around the repairs experience and general support with property condition including communal and estate issues, as well as a pro-active approach by IVH, encouraging customers to contact us in relation to any issues they have.

The new requirements under the Complaint Handling Code to treat every interaction where a customer expresses dissatisfaction as a complaint has also resulted in greater numbers of contacts treated as a complaint that previously would have been dealt with as a request for service or 'follow on'. We comply with the Housing Ombudsmen Complaint Handling Code and our self-assessment is published on our website annually.

Following the move to 100% nominations through the Choice Based Lettings schemes in 2022, we have seen an increase in new customers presenting with more complex needs, with 139 people out of 305 new customers (45%) previously homelessness. As customers require more support, resources available to help people sustain their tenancies has become strained. Demand on the Communities' Team has increased due to increasing levels of ASB and neighbourhood issues. Over 400 ASB cases were investigated in the year with 136 of these falling into the most serious categories, often involving Domestic Abuse and Violence, hate harassment, and drugs misuse.

Despite the challenges set out above, we continue to have a long history of listening to customers to shape and review our services. The customer voice is heard at Board level. We have two members of the Board who are customers of IVH as well as our Resident Scrutiny Panel and Customer Standards Group.

We are improving the quantity and quality of the data we hold about our customers, to help us to tailor services to meet customer needs. During the year we have conducted a programme of tenancy review visits, the programme consisted of 450 properties with access to 250 properties. We are also enhancing our questioning to customers who call our Customer Services Team, to help improve the data we hold.

Actions arising from resident scrutiny reviews are monitored via the Audit & Risk Committee. We support customers to feed back in ways to suit them and their circumstances. This includes taking part in transactional surveys at the point of service delivery or taking part in our Customer Offer Panel.

Strategic report of the Board *(continued)*

Equality, Diversity and Inclusion

IVH is all about people and we want to provide fair and equitable homes, services, and employment, foster an inclusive culture, promoting diversity and advocating for change. Our Equality Diversity and Inclusion (EDI) Strategy sets out our ambitions for customers, colleagues, and partners to help us achieve this. Developed in consultation with IVH's EDI panel and customers, the strategy has been informed by public data, alongside our own EDI data using the National Housing Federation's EDI data tool. Furthermore, to provide insight, we have used transactional survey data to understand differences in satisfaction linked to customers' protected characteristics.

The Strategy also incorporates the findings and recommendations from the DICE Baseline Survey Reports, studies carried out in 2020 and 2023 by IVH to understand how members of the Greater Manchester Housing Providers partnership are tackling inequality within our own organisations and collaboratively, and priorities for future joint working. An action plan was developed to support the Strategy and the progress is reported to the Board of Management annually.

The Better Social Housing Review and government's work on the new regulatory standards has found many tenants face structural inequalities, especially people from black and minority ethnic communities, those with disabilities, and single parents. The ongoing work that is being directed through our EDI Strategy continues to focus our efforts in addressing these issues.



Strategic report of the Board *(continued)*

Sustainability Framework

In March 2022, Board approved the Sustainability Framework which sets out Irwell Valley Homes' (IVH) approach to:

- Enabling people to live well in their home and community (*our social impact*).
- Having a positive impact on the environment (our environmental impact); and
- Remaining a well-managed organisation (*effective governance*).

Despite the continued challenging operating environment, during 2023/24 IVH has maintained good progress towards the social, environmental and governance targets in the framework. The report detailing the progress within 2023/24 can be found here, this provides details against each target and sets out several revised targets going forwards in-line with the updated corporate plan and 30-year Financial Plan agreed by members in March 2024.

Corporate Plan

IVH's Corporate Plan 'Living Well' ensures customers are at the heart of what we do.

Irwell Valley Homes' mission is to ensure people live well in their homes and communities. IVH are all about people. The people who live in our homes, the people living in the communities we serve, and the people we work with. They are at the heart of what we do. Each financial decision, operating decision and corporate decision IVH make is to ensure our mission is achieved.

To enable us to achieve this mission, our new Corporate Plan identifies the following corporate priorities:



Supporting colleagues to enjoy work, learn and grow



Making a difference in the communities we serve



Providing safe, affordable and good quality homes

Strategic report of the Board *(continued)*

Provide safe, affordable and good quality homes

- Invest in homes to improve housing standards
- Listen to customers and keep them informed
- Work with customers to shape, improve and scrutinize our services

Making a difference in the communities we serve

- Build new affordable homes to meet a range of needs
- Regenerate homes and invest in our neighbourhoods
- Work with partners to support communities, tackle inequalities, and safeguard wellbeing

Supporting colleagues to enjoy work, learn and grow

- Provide opportunities for colleagues to develop existing and new skills
- Invest in our culture to ensure we are inclusive and can be at our best for ourselves, team, and customers
- Work together to innovate and improve how we work and our customer services

Objectives are set for teams and individuals as part of this corporate planning process, linked to projects and performance. The financial budget is also set in quarter four and is linked to the short-term action plans and objectives detailed above.

Within 2023-24 IVH focused on the following to work towards achieving our corporate priorities:



Providing safe and good quality homes and services:

- Completed c. 55% stock condition surveys within the period 2022-24, through external and in-house surveys.
- Improved overall compliance performance year on year from 93.41% to 94.88%.
- Introduced and embedded annual building safety survey to customers within high rise buildings.
- Implemented the Building Safety Resident Engagement Strategy.
- Built 51 new homes within the year and acquired and refurbished 1 new home.
- Increased the number of homes achieving a minimum of EPC C from 56% to 65% due to investment works and improvements in data in DREAm, our sustainability tool.
- Established a programme of works for delivery of SHDF Wave 2 delivery in 2024/25 of £750k (match funded).
- Sought additional funding, such as Social Housing Quality Fund (SHQF), delivering c. £1.14m works to 965 homes.
- Developed a new 30-year Asset Management Plan based on analysis of the recent stock condition surveys and clear investment rules.
- Invested c £7.2m improving our homes, including reactive capital works.

Strategic report of the Board *(continued)*



Making a
difference in the
communities
we serve



Making a difference in the communities we serve:

- Engaged the Customer Standards Group (previously called Customer Offer Panel) with the TSMs and designing new transactional surveys, resulting in a greater focus on things that matter most to customers.
- Worked with RSP to conduct 2 reviews into damp and mould and ASB, with recommendations accepted and actions monitored by ARC.
- Involved customers in the procurement of the new ground's maintenance and cleaning contractors. Customer feedback on the new cleaning service has been positive and complaints about cleaning have reduced by 40%.
- Involved customers in the recruitment of the Executive Director (Homes), Executive Director (Customers), Customer Voice Lead, and Head of Repairs.
- Strengthened customer focus at Board with a new co-opted customer member, a new quarterly Customer Insight report and customer attendance at the Strategy Day.
- Recruited a new Complaints Team and developed new processes to support greater compliance with the Housing Ombudsman Complaints Code and Consumer Standards.
- Consulted residents on the next phases of the Sale West Regeneration. This resulted in changes made to the designs including alterations to the shape and height of the building, and traffic calming measures.
- Improved digital options for customers, launching the new portal (2,423 users registered, 1,212 using it) and improving Live Chat experience (usage increased by 345% over the course of the year). Supported older people to get online with drop-in surgeries at our 50-plus schemes. Automated digital communications were also developed in our Housing Management system, Rubixx, to keep customers informed about repairs.
- Completed over 250 tenancy reviews, focusing on customers with vulnerabilities and properties with capped gas or overdue gas certificates to provide greater assurance of the safety of the most vulnerable customers.
- Engaged a group of customers with disabilities to investigate how we can better support their housing needs and commenced a review of our aids and adaptations services with outcomes for this will be delivered in 2024/25.

Strategic report of the Board *(continued)*



Supporting
colleagues to
enjoy work,
learn and grow



Supporting colleagues to enjoy work, learn and grow:

- Conducted Mary Gobar training with new colleagues and provided refresher training to all managers and front-line teams to improve communication (130 colleagues trained). In addition, 18 front line colleagues and managers have begun CIH qualifications.
- The IVH Academy has been successful and is embedding our commitment to develop our colleagues. To date 72 development requests have been received all of which have been actioned, relating to management development and continuing professional development.
- 15 colleagues have taken up the opportunity to engage in external mentoring programmes including HDN, BOOST and GAP programme.
- Our Managers Expectations Guide has been refreshed by our Managers Forum based on feedback from colleagues.
- Pay benchmarking and pay award.
- We have refreshed our values – Inclusive, Innovative, Honest, Caring will wrap around our established behaviours, and we will work to embed those with colleagues in the coming year.
- We have achieved the Disability Confident accreditation and the Armed Forces Covenant – Silver level accreditation.
- In our recent Colleague Survey, 86% of staff said they were proud to work for Irwell Valley Homes, whilst 87% of colleagues felt that Irwell Valley values the diversity of colleagues and their different perspectives.
- Other strong responses surrounded the reliability and supportiveness of colleagues and managers, opportunities for training and support for personal development.

Strategic report of the Board *(continued)*

Risk management

IVH has an established risk management framework, aligned to our Corporate Plan and Financial Plan. Our risk management framework has a clear link between the controls and mitigations we have in place to manage risk and the high-level causes of risk.

The Board sets our top strategic risks at their annual strategy day, in the context of our corporate priorities, the wider sector and economic operating context.

The top risks are reviewed by the Board on a six-monthly basis or more frequently, by exception. The reviews include any changes to the risk profile, including the impact and probability should a risk materialise, and the controls in place to mitigate this risk. The Board also receive a dashboard risk report in between their six-monthly reviews, including any updates to the risk profile or changes proposed by Audit & Risk Committee.

All Board decisions are made with a consideration of relevant risks in the context of our agreed risk appetite, mitigating controls and financial, value for money and regulatory implications.

PwC were our Internal auditors for 2023/24 and have provided an Annual Report to the Audit & Risk Committee advising on the appropriateness of the risk management framework and its capacity for risk taking, this assurance is provided to Board when reviewing and approving the financial statements. For 2024/25 Mazars will be our new internal auditors, following a successful tender process in in quarter three of 2023/24.

IVH use risk management software, Decision Time. The Board have maintained and reviewed our strategic risks, with any operational implications/risks embedded as sub risks throughout the year.

When setting the Financial Plan, the Board considers and sets our risk appetite and associated triggers for each risk area, which are monitored via identified performance measures quarterly by Board.

All Board approvals require consideration of the impact on the risk appetite. The risk appetite allows for innovation to progress our corporate priorities, whilst taking appropriate risk, balanced against maintaining robust financial performance.



Strategic report of the Board *(continued)*

The Audit & Risk Committee, on behalf of the Board, oversees the management of risk on a quarterly basis and receives assurance that risks are being appropriately managed and mitigated.

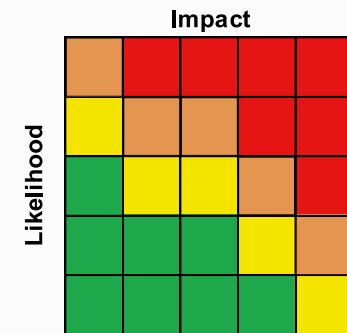
Risk management is inherent throughout decision making and operational risks are discussed quarterly with risk owners to take account of new or emerging internal and external factors, with any changes to risk profiles discussed by Audit & Risk Committee and Board.

Strategic Risks held in the Risk Register, monitored against sector risk profiles (RSH & PwC (24/25 Mazars)). Owned and monitored by the Board, overseen by Audit & Risk Committee.
Controls managed by SLT and Leadership Team.

Operational Risks held in the Risk Register.
Linked to Strategic Risks.
Controls managed by SLT and Leadership Team.

Quarterly risk review - Documentation held by departments and centrally, within Decision Time where required.
Advice from Subject experts.
Owned and controlled by departmental colleagues.
Controls managed by colleagues.

Based on the presence and effectiveness of Controls, all risk levels quantified against the 5 x 5 matrix



Strategic report of the Board *(continued)*

Strategic risks and mitigations

Strategic Risk, Risk Appetite, and colour	Causes/key concern	Mitigations/Controls
Strategic Risk 1 Operating Environment Cautious (Amber)	<ul style="list-style-type: none"> • Changes in inflation and interest rates and how these might impact customers and counterparties. • Flexibly to National Policy changes or in the political climate. • Reduced availability or service/materials delivery from counterparties. • Impairment of property values. • Malicious actors' intent on Fraud or Money Laundering activities. • Pension liabilities relating to past service deficit. • Cost of Living crisis impacts surplus and long-term viability, customers & colleagues. • Tightening insurance market, increasing costs for IVH and leaseholder customers. 	<ul style="list-style-type: none"> • Financial forecasts and Financial Plan based on reasonable assumptions with expert advice and market data. Annual scenario-based stress-testing of Financial Plan. • Rent Policy, Treasury Management Policy, Treasury Strategy and Funding Plan in place, • Financial trigger points included with Financial Plan and Treasury Strategy, monitored throughout the year such as the monitoring of % of portfolio subject to variable rates. External review. • Process for credit checks / review of financial standing and monitoring of counterparty risks. • Limited Investment Property Portfolio and limited exposure to sales risk. • Impairment Value Triggers, properties subject to annual external valuation. • Monitor liquidity regularly, triggers and contingencies in place to ensure sufficient cash. • Market benchmarking / soft market testing prior to re-tendering of contracts or contract extensions, to reduce exposure to contract and tender cost inflation. • Pensions advisors provide assurance and advice in relation to option for the pension scheme. • Holistic financial modelling to ensure financial decisions are made considering all aspects of costs. • Various community initiatives to help support customers and colleagues as well as tenancy reviews on vulnerable customers. • Review insurance cover annually, tender exercise for 2024/25 to ensure full coverage and VfM.
Strategic Risk 2 Development Cautious (Amber)	<ul style="list-style-type: none"> • Unplanned loss of properties through sales. • Supplier and contractor labour and material shortages. • Increases in construction costs. • Potential reduced grant funding. • Growth above Financial Plan approved development programme. • Inflationary increases impacting development contractors and contract prices adversely. • Issues, delays and overspends or inability to achieve desired outcomes due to complex nature of scheme. 	<ul style="list-style-type: none"> • Limited exposure to sales risk, 7% of programme shared ownership. • Development and Major projects Committee have delegated authority for approving and monitoring schemes. • Development strategy, scheme parameters, financial assumptions agreed annually. • Monthly and quarterly cashflow monitoring, forecast regularly to assess future needs and impact of price increases. Also conduct regular stress testing. • Scheme appraisals reviewed by Finance, approved by Dev Comm, assess impact of reduced grant. • The new development opportunities are reviewed monthly by the Director of Development to ensure a strong pipeline is established. • Financial credit safe reports reviewed monthly, statutory and management accounts reviewed before instruction and obtained throughout the contract. • Intensive project management, overseen by Director of Development. • Regular reporting to Development and Major projects Committee and Board, where required. • Regular dialogue with Homes England.

Strategic report of the Board *(continued)*

Strategic risks and mitigations continued...

Strategic Risk, Risk Appetite, and colour	Causes/key concern	Mitigations/Controls
Strategic Risk 3 Asset Management Open (Amber)	<ul style="list-style-type: none"> • Compliance with new and emerging building safety legislation. • Balance of investment and repairs. • Aging stock and maintaining DHS. • Complex needs and resource required to maintain leasehold properties. • Managing the challenge of ensuring the energy efficiency of properties is improved with reduced funding. • Complexities of maintaining investment in repairs and maintenance across a large, varied, and aged range of properties, whilst meeting new or emerging standards and working towards environmental targets. • Major Remedial work on required on buildings. • Increased spend in repairs, due to complex repairs, increase in customer expectations. 	<ul style="list-style-type: none"> • Asset management policies, procedures, and systems setting out expectations to maintain and invest in properties and their ongoing management/repair. • Financial Plan that balances customer need and IVH investment priorities, risk trigger and performance targets in place. • Progression in stock condition surveys completed, 100% by 2026. • Target energy efficiency funding opportunities. • Appropriately designated leadership, staffing, skill mix, and resources to meet customer and property safety needs in a timely manner. • Compliance Systems in place (C365) to monitor, maintain, and respond to regulatory standards and IVH KPIs. System RAG rates areas of compliance/partial or non-compliance. • All buildings requiring remediation have had a safety assessment conducted with relevant safety controls actioned. Regular inspections to ensure measures have been implemented. • To ensure customer safety using a risk-based approach. • Regular reporting on Building Safety issues. • Third party specialist appointments - Legal Advisors, Fire Engineer Consultants, Building Surveyors and Structural Engineers. • Implementation of a new Asset Management System in 2024. • Repairs transformation project, review and improve services through dedicated project teams.
Strategic Risk 4 Customer Experience Open (Yellow)	<ul style="list-style-type: none"> • Poor performance on reducing the period and volume of Empty Homes. • Failure to manage/respond to customer expectations and needs, increasing complaints. • Inadequate Safeguarding measures in place or being adhered to. • Failure to effectively let our homes. • Complexities of maintaining and improving customer experience, performance and reputation in an environment of increasing expectations i.e., complaints. 	<ul style="list-style-type: none"> • Customer Strategy- three-year action plan to improve services, with customers, to be updated within 2024. • Rent Policy and Complaints Policy supported by continuous customer surveys, include TSMs. • Customer Offer developed with customers, monitored by Customer Standards Group. • Tenancy Sustainment Team assist customers obtain additional benefits and support schemes. • Rent Smart Model, prioritise arrears cases, targeted approach, automate customer interactions. • RSP offering scrutiny, feedback, and recommendations to improve. • A communications strategy, support the delivery of the corporate plan and protect and promote the organisation's reputation. • Continuous Customer surveys and TSMs, Tenancy Review programme. • A communications strategy running until 2026 has been developed by the Executive Director (Customers).

Strategic report of the Board *(continued)*

Strategic risks and mitigations continued...

Strategic Risk, Risk Appetite, and colour	Causes/key concern	Mitigations/Controls
Strategic Risk 5 Health & Safety Averse (Yellow)	<ul style="list-style-type: none"> • Lack of compliance with regulatory requirements. • Reduced building safety systems and infrastructure. • Ongoing requirement for fire remedial work. • Establishing and embedding widespread safe practice, recording and investigating safety incidents to address root causes. • Poor H&S management systems. • Weaknesses in Gas Safety Systems. 	<ul style="list-style-type: none"> • Health & Safety Policy, Fire Safety Management Policy, and support from H&S Manager and competent external contractors. • Annual H&S colleague training, corporate induction, and local induction/instruction, and certification of specialists as required. • Leadership Team H&S Training, highlighted responsibility of senior colleagues within the organisation. • Colleague reporting of accidents, incidents, with automated notification to H&S Manager and managers. • RAG-rated compliance checks against regulatory requirements. • Internal H&S inspections completed and documented online to determine gaps in safety. • Gas Safety Inspection and Servicing Policy, Gas Servicing Access and No Access Procedure, regular monitoring and reporting.
Strategic Risk 6 Charitable Investments Cautious (Green)	<ul style="list-style-type: none"> • Exposure to market rented properties and market for sale properties. • Hives Homes joint venture. • Changes in market conditions. 	<ul style="list-style-type: none"> • Charitable Investment Policy sets out the ambitions and boundaries associated with financial investment decisions. • Portfolio of Investment Properties with performance monitoring, annual appraisal of investments, and annual independent external valuation. • Members of Leadership Team sit on the Board of Hive Homes and the Fund Company. • Cap on market for sale schemes >2% of total stock. • Scenario planning for changes in market conditions on individual charitable investments. • Review of schemes, potential sales overseen by Operational Property Forum.
Strategic Risk 7 Leadership & People Open (Yellow)	<ul style="list-style-type: none"> • Recruitment, retention, and succession planning fail to meet business needs. • Colleague capacity, skill mix fail to meet business needs. • Lack of training, growth, and development opportunities. • Managing the challenge of recruiting to specific specialist Supported Housing roles in a tight labour market, as well as Homes Team Roles. 	<ul style="list-style-type: none"> • Annual Pay Award to colleagues as a component of Financial Plan. • Recruitment & Selection Policy and procedures to ensure opportunities for all. • Pay Policy to remain competitive and attract and retain the best talent, annually benchmarked across the sector. • People Strategy Developed with three-year action plan. • Colleagues given opportunities to grow and achieve, supported by the Successful Conversations initiative. • Colleague benefit package including full commitment to agile/flexible working. • Colleague Forum and attendance of SLT. • Systems in place to meet the Equality, Diversity, and Inclusion needs of IVH colleagues. • Mandatory Policies and Training.

Strategic report of the Board *(continued)*

Strategic risks and mitigations continued...

Strategic Risk, Risk Appetite, and colour	Causes/key concern	Mitigations/Controls
Strategic Risk 8 Financial Management Cautious (Amber)	<ul style="list-style-type: none"> • Poor budgetary control, overspending on budgets. • Poor performance, limits access to funding/ refinancing options. • Increased costs, inflationary increases. 	<ul style="list-style-type: none"> • Development of 30-year Financial Plan and Budget allows headroom against funders covenants and includes cashflow forecasting. • Treasury Management Policy and Treasury Management Strategy updated as required and Funding Plan updates reported quarterly to Board. • Policies and procedures/processes are in place for all aspects of the financial management function. • Delegation and segregation of financial duties across a qualified and experienced Financial Reporting Team. • General financial management with review and reporting processes between the Financial Reporting Team and budget holders, monthly reporting to the Leadership Team and quarterly reporting to the Board. • New Finance System, additional transparency and budget control.
Strategic Risk 9 IT & Cyber Security Cautious (Yellow)	<ul style="list-style-type: none"> • Increase in malicious global cyber-security threats spread electronically. • Continuous development to reduce paper-based systems, digitise information, and streamline processes. • Lack of adherence to personal data security controls. • System lifecycle can lead to unsupported systems requiring further investment. • Implementation of new Housing Management processes supported by modern Housing Management and Repairs Management Systems. 	<ul style="list-style-type: none"> • Digital Innovation Strategy for 2022-2025. • Cyber Incident Response Plan in place. • Data quality Continual Improvement approach. • Change and Demand Group and planning of associated digital sprints with appropriate change control. • Projects and Lean Systems Reviews to improve data quality, processing of data for decision-making, and service delivery. • Implementation of identified necessary integrations and automations prior to go-live of new systems. • Robust supplier relationship management controls in place. • Completion of the integration and interoperability testing as part of the implementation roadmap.

Strategic report of the Board *(continued)*

Strategic risks and mitigations continued...

Strategic Risk, Risk Appetite, and colour	Causes/key concern	Mitigations/Controls
Strategic Risk 10 Governance Cautious (Green)	<ul style="list-style-type: none"> • Insufficient, weak, or poorly evidenced systems of internal control and maintaining statutory compliance. • Inefficient Board operations/ planning, member experience and /or skill mix. • Unexpected financial loss by the organisation or customers as a result of Fraud or Money Laundering. • Managing and minimising reputational damage from negative and extensive media coverage. • Increasing public profile and powers of the Housing Ombudsman Service (HOS) and interventions (on behalf of customers). • Data Governance: maintaining sound technical and organisational systems for the creation, collection, and storage of personal and business critical data. 	<ul style="list-style-type: none"> • Registered with the RSH in accordance with the Regulatory Standards (G1/V2). • Annual review of compliance with current and future legislation. • Range of approved policies for all staff accessible via The Hub and part of mandatory training. • Segregation of duties embedded within systems. • Terms of Reference in place for Board, committees, and IVDL. Annual Board succession and effectiveness review. Simple group structure providing clear oversight of activities, with intragroup agreement, design and build contract, and SLAs between IVHA and its subsidiary IVDL. • Risk Management Framework and risk register in place and assignment of risk owners, annually appraised against RSH Sector Risk Profile and internal auditors' risk profile. • Independent internal and external audits produced each year, conducted across the organisation. • Internal annual self-assessments against the regulatory standards, codes of conduct and governance. • Regular and transparent customer communications. • Communications element within incident response plan review annually. • A process and team are in place for dealing with media enquiries, managed by the Executive Director (Customers) and the communications manager. • Adherence to HO Handling Code issued April 2024. • The Data Governance Policy and Digital Recordings Policy are reviewed annually. • Data Governance Policy meeting regulatory requirements, qualified DPO in place with team to manage data incidents, subject requests, and maintain profile of data protection.

Strategic report of the Board *(continued)*

.....

Financial overview

Long term financial plan

Setting the long-term Financial Plan ('the Plan') for 2024-25 has continued to be a challenging process due to the uncertainty within our external economic environment. We continually monitor economic forecasts and have used inflation and interest rate forecasts from our treasury advisors, the Bank of England (BoE) and other recommended Treasury sources. We have included a number of varying housing sector issues such as consumer standard implications, anticipated rent policy, cost of living crisis, the impact on our customers as well as the impact on rent arrears and void loss. We have also considered our carbon zero obligations and increasing and emerging building safety regulation, increase in repairs spend, as well as increasing customer expectations.

Following in depth challenge and discussions the Plan was approved by Board in March 2024 and has been developed in the context of the current and forecast political, regulatory, and economic environment mentioned above. The Plan provides assurance of IVH's financial strength and viability, demonstrating ongoing compliance with funders' covenants. The Plan is underpinned by the investment in existing homes and the development programme which includes approved and pipeline schemes.

These key areas of investment determine our requirements for long term funding which has become increasingly challenging due to the current economic climate, due to the rising interest rates and increased material costs.

The EPC data from the Savills surveys, as well as the EPC assessments on void properties, and the input of this into the DREam energy performance system has helped us to refine our carbon zero requirements and assist in the preparation of accurate funding bids. However, due to the IVH's financial constraints, costs in relation to carbon zero are limited to £0.75 million SHDF and £0.4 million across the first four years of the plan to invest in EPC C. Additional investment in EPC improvements and carbon zero is included as a sensitivity, predicated on a positive long-term rent settlement.

Asset Management Programme

The 30-year capital investment in our existing homes within the Plan is £305.7m, including £45m over the first five years (excluding inflation). This investment is key to achieving our priority of providing safe and good quality homes and is based on the stock condition surveys completed by Savills in 2023 and an on-going in-house programme. As part of the Asset Management Strategy, we set out a plan to develop a 100% stock condition survey of our properties on a rolling 5-year basis, through both external and internal surveys.



Strategic report of the Board *(continued)*

Development

Within our strategic priorities we are committed to providing more affordable homes, however due to the challenges faced by the sector IVH extended its pipeline spend within to year 9 of the 2024-25 Plan. In 2023-24, we completed 52 new homes, with a further 156 new homes on-site or committed and 161 new homes approved to progress as of 31 March 2024.

The investment in the current development programme is £103.6 million over the first five years, supported by £30.9 million of grant and £3.0 million of proceeds from sales, with 427 new homes completing during this period. Of the total gross spend, £61.1 million relates to committed schemes (317 homes) and £42.5 million is uncommitted (110 homes).

Beyond this, the Financial Plan includes an uncommitted programme of an additional 265 homes from year six to nine (total 692). This requires a further £40.9 million of investment, supported by £7.9 million grant and £3.0 million shared ownership proceeds.

Decisions to commit to the uncommitted schemes, will be based on economic forecasts, availability of grant, continual monitoring of cash balances, required loan draw downs and the impact on interest cover and gearing. It remains a strategic priority of IVH's to continue to develop new homes.

Other assumptions

The Rent Policy implemented for 2024-25 allows rents to increase up to 7.7% for social rented properties, (CPI +1%).

The Plan makes allowance for inflationary pressures within the first 2 years, with a return to Bank of England target of 2% by 2026/27. Interest rates remain high, with inclusion of a small risk buffer in the Plan due to the continued economic uncertainty. The Plan prudently assumes that rent increases are restricted to CPI after 2026/27, although this level of increase would not facilitate our carbon zero ambitions. We are also aware of the continuing challenges to the cost of living for our customers and colleagues. This is a key priority for Board ensuring that our strategies and procedures are fit for purpose to over support and guidance to our customers who may be struggling.

The Plan also considers the increased repairs and maintenance spend incurred within 2023-24 and expects the trend to continue into the next financial year, the increase in the asset management programme will provide some downward pressure on repairs spend within the future years.

Non-social housing

IVH has a small portfolio of non-social properties, including 53 market rented homes and 12 commercial properties. These are reviewed every year by the Board to ensure projected returns continue to be in line with our charitable investment policy. Valuations of our market rented properties are provided by external valuers.

In 2019, IVDL became a member of GMJV FundCo LLP along with nine other housing associations in Greater Manchester. GMJV FundCo LLP holds an 80% investment in Hive Homes (Greater Manchester) LLP with the remainder held by the Greater Manchester Combined Authority (GMCA). The purpose of Hive Homes is to increase the supply of housing in the region, predominately housing for sale, with the long-term aim of generating returns from the joint venture to reinvest into the housing association's core social housing business.

In February 2024, IVH Board, along with the other investors, approved an extension of the Hive Homes Business Plan to 10 years from 7 years, providing a higher return on our investment. The total number of new homes in the new 10-year Hive Business Plan is now 774. IVH have invested £2.3m up to the end of March 2024 out of the total £3m planned and approved, in line with the other housing association partners.

Strategic report of the Board *(continued)*

Results for the year

The financial statements have been prepared in accordance with SORP (Statement of Recommended Practice) 2018 and FRS102 (The Financial Reporting Standard applicable in the UK and Republic of Ireland).

The group's operating surplus for the year was £9.5m (2023: £10.6m) which is 22% of turnover (2023: 23% of turnover). This includes a surplus from the sale of housing properties of £0.3m (2023: £1.5m, which included the sale of a market rented scheme).

Total group operating costs were £33.4m (2023: £30.3m). The increase is predominately due to an increase in routine maintenance spend which included £1m damp and mould property improvements, offset by £757k Social Housing Quality Funding (SHQF) within income. IVH also incurred increased repairs demand from customers during the year, an increase of 30% over the last two years as well inflationary increases. Within 2022/23 IVH reported increased spend on planned maintenance due to stock condition surveys and additional building safety works. The level of planned maintenance spend has remained consistent within 2023/24, however with focus being on a small number of properties requiring additional fire remedial works.

The operating surplus for the year is stated after charging depreciation on housing properties of £6.4m (2023: £6.5m) and the write-off on disposal of components of £337k (2023: £nil).

Net turnover from lettings increased by £3.0m to £41.7m (2023: £38.7m) due to the impact of the rent increase for social lettings and rent from new homes and increased service income.

The total expenditure on repairs and planned maintenance, major repairs, and improvements to existing social lettings properties was £22.4m (2023: £19.9m). Of this amount, there was £7.2m (2023: £7.7m) relating to improvements, which has been capitalised and added to housing fixed assets.

The surplus on ordinary activities before tax was £2.2m (2023: £4.3m). The further reduction in surplus is due to the increase of £1.9m in interest payable and similar charges due to the completed drawdown of a £60m facility as well as the increase in variable interest rates on our variable loans. This was offset slightly by an increase interest receivable of £0.9m, due to high bank balances following delays in the development programme, IVH have deposited funds into high interest-bearing accounts. Total comprehensive income is £1.3m (2023: £2.6m) which includes an actuarial loss on pension schemes of £0.9m (2023: Loss £1.7m).



Strategic report of the Board *(continued)*

Surpluses and reserves

The generation of annual surpluses is necessary to support the development of new homes and to provide for unforeseen events which may arise, ensuring that we can continue to meet our obligations to lenders. The Group had reserves at 31 March 2024 of £80.8m (2023: £79.6m), which have been generated from surpluses over the years. The increase in reserves to March 2024 is due to the surplus in year.

Fixed assets

The group's total fixed assets (after accounting for depreciation) are £359.1m (2023: £347.7m). This includes the value of housing properties after depreciation of £346.9m (2023: £336.1m). These have been funded from Social Housing Grants of £117.9m (2023: £118.1m), loans and the group's own reserves.

Properties held for investment purposes reported during the year have been valued at £8.5m (2023: £8.1m). An impairment review has been carried out on all properties at 31 March 2024. Based on the current valuations no impairment has been recognised as the external valuation indicated an increase in value of £0.3m.

Fixed asset investments

Irwell Valley Housing Association Limited continues to hold the entire issued share capital of Irwell Valley (Development) Limited. IVHA, via IVDL, holds an investment of £2.3m in Hive Homes which reflects our share in the joint venture with nine other housing associations and GMCA. As at 31 March 2024, IVH foresees the equity investment to be repaid within the foreseeable future, based on this assumption the investment has been apportioned in the financial statements with £800k shown as an equity investment and the remainder within long term debtors.

Treasury management

The Treasury Strategy and Funding Plan Treasury Management Policy (TMP) reflect our key priority to invest in existing homes and deliver new homes. Group borrowings, primarily from banks and building societies are £193.7m (2023: £160.6m), which includes planned drawdowns less scheduled repayments on our existing borrowing. During the year, IVH completed the drawdown of a £60m bond facility, with £20m drawn in the prior year.

The TMP sets out how we manage funding and liquidity risk to ensure that funding is agreed and available in advance of business requirements and interest rate exposure is minimised by fixed-term borrowings.

The TMP states that debt subject to fixed rates should ideally exceed 65% of total borrowings. At 31 March 2024, 77% (2023: 75%) of facilities were subject to fixed rates. The current ratio in terms of drawn debt is 85%.

All loan covenants for the year to 31st March 2024 were met. Actual and forecast compliance is monitored monthly by the Leadership Team and quarterly by Board. The 30-year Financial Plan projects that all loan covenants will be met throughout the life of the Plan. The most restrictive loan covenants are shown in the following table. It should be noted that the funders' covenants are calculated on a different basis to the Value for Money metrics:

Covenants	Actual as at 31.03.2024	Compliant	Limit
Interest Cover	IVHA 194% (Group 189%)	✓	130% (min)
Gearing	45% IVHA & Group	✓	65% (max)
Asset Cover	152% IVHA & Group	✓	150% (min)

Strategic report of the Board *(continued)*

Security valuations

All our funding is secured by our housing stock, and in some cases the valuation for security purposes is based on Market Value – subject to tenancy (MV-STT or MV-T). During the financial year, IVH have conducted a number of valuations, based on the valuation outcomes there has been no reduction on the MV-STT that would cause us to breach any loan covenants, taking into account the current housing market prices. Our tightest asset cover covenant is 150%, with headroom of 2%, the lender and IVH are satisfied with the level of cover. Within quarter 2 of 2024/25 the 5-year valuation was completed increasing the headroom above 5%.

Cashflow and liquidity

The net cash generated from operations before interest costs and investment activities for the group was £12.2m (2023: £14.4m). Bank balances at the year-end were £39.8m (2023: £17.6m). The cash balance is high due to the completed drawdowns of the bond facility combined with the reduction in development activity within the year.

The TMP ensures that adequate liquidity is available, with a minimum requirement of 18 months to meet committed and uncommitted forecast expenditure, and a trigger point of 21 months to provide headroom above and beyond the minimum requirement. As of 31 March 2024, IVH had 35 months liquidity available which well above our trigger point.

Cash balances are held in interest bearing accounts, Board agreed during the financial year to increase balance limits in individual accounts to take advantages of some banks providing more generous rates. Cashflow forecasts are reported within the quarterly finance and performance report to Board and to each Development and Major projects Committee.

Going concern

The Board and Executive Team review the financial forecasts on a quarterly and monthly basis respectively. The continued impact of the cost of living and the uncertainty of the economic climate on IVH's activities has been monitored throughout the year.

The Financial Plan is underpinned by assumptions approved by Board, which reflect a level of prudence as a result of economic uncertainty reflecting high interest rates and repairs demand. The robustness of the Plan has been tested through rigorous stress testing, taking into account increases in inflation, interest rates rises and

increased costs of materials and labour.

Given the strength of the balance sheet, the availability of undrawn loan facilities of £60m, the Board believe that, while uncertainty exists given the extent of the stress testing we have carried out and the detailed mitigation plan we have in place, this does not pose a material uncertainty that would cast doubt on IVH's ability to continue as a going concern, and the accounts are prepared on this basis.



Report of the Board

.....

Financial statements

The Board presents its reports and audited financial statements of Irwell Valley Housing Association Limited for the year ended 31 March 2024. The consolidated statements have been prepared in accordance with Social Housing SORP 2018 and UK GAAP including FRS 102.

Legal status

Irwell Valley Housing Association Limited is incorporated under the Co-operative and Community Benefit Society Act 2014 and is a Registered Provider of Social Housing.

Activities

The Association exists for the benefit of the community and its principal activities are the management and development of social housing and related services.

Review of the year

A review of the business during the year is contained within the Annual Report of the Chair and the Strategic Report of the Board.

Results

The results for the year are set out in the financial statements on page [56-95](#).

Internal control

The Board has ultimate responsibility for ensuring that Irwell Valley Homes (IVH) group has an effective risk management and internal controls assurance framework in place. The risk management and internal controls framework is designed to manage rather than eliminate the risk of failure and to provide reasonable assurance against material misstatement or loss.

The IVH Combined Assurance Framework provides assurance to Board that risk is being appropriately managed and controlled. Assurance is derived from our three lines of defence as shown on the page below.



Report of the Board *(continued)*

The IVH Combined Assurance Framework provides assurance to Board that risk is being appropriately managed and controlled. Assurance is derived from our three lines of defence as shown below.



First line of defence - This is formed by IVH Colleagues who are responsible for identifying and managing risk as part of their responsibility for achieving objectives. Collectively, they should have the necessary knowledge, skills, information, and authority to operate the relevant policies and procedures of risk control. This requires an understanding of IVH, its objectives, the environment in which it operates, and the risks it faces. This is the function that owns and manage risks.

Second line of defence - Provides the policies, frameworks, tools, techniques, and support to enable risk and compliance to be managed in the first line, conducts monitoring to judge how effectively they are doing it and helps ensure consistency of definitions and measurement of risk. This is the function that oversee or who specialise in compliance or the management of risk.

Third line of defence - This is provided by internal audit. Sitting outside the risk management processes of the first two lines of defence, its main roles are to ensure that the first two lines are operating effectively and advise how they could be improved. Tasked by, and reporting to the Audit & Risk committee, it provides an evaluation, through a risk-based approach, on the effectiveness of governance, risk management, and internal control to the Board and senior management. It can also give assurance to the Regulator of Social Housing and our external auditors that appropriate controls and processes are in place and are operating effectively. This is the function that provides independent assurance.

Report of the Board *(continued)*

Risk management is embedded across all areas at IVH – risk identification, evaluation, and the management of risk through associated controls is a continuous process:

- The strategic risks are identified and discussed by the Board at least annually at the strategy day with a focus on future horizon scanning, incorporating housing market and demand analysis, the Regulator of Social Housing sector risk profile, and the consideration of risks specific to IVH's corporate priorities.
- The strategic risks are reviewed at least every six months by the Board, or more frequently if the profile of risk moves as a result of business changes, sector changes or events in the external operating environment. The Board considers the controls we have in place to mitigate any possible impacts of the risk occurring.
- The operational risks cascade from the strategic risks – the Leadership team work closely with operational managers to identify and implement suitable controls for each operational/sub risk.
- The Audit & Risk Committee are provided with assurance on a quarterly basis that our key risks are being managed as part of our Combined Assurance Framework. On an annual basis, the Audit & Risk Committee reviews the effectiveness of the internal control system on behalf of the Board, and this is discussed by the Committee as part of the preparation of the annual accounts.
- A three-year risk-based Internal Audit programme is in place to provide assurance relating to the operation and validity of the system of internal control. The Plan is discussed and approved by the Audit & Risk Committee using a risk-based approach. The Plan is reviewed, updated, and agreed with the Committee on an annual basis in line with any new or emerging risks. Our independent Internal Audit service during the year was provided by PwC, from 2024-25 our Internal Audit service will be conducted by Mazars.
- At the end of each financial year, the Internal Auditors provide the Audit & Risk Committee with an annual report which summarises the audit work undertaken during the year, the scope and outcome of the work completed and the Auditor's annual statement on internal controls assurance.
- The 2023-24 Internal Audit annual report stated ***"We have completed seven internal audits and two follow up audits. This resulted in the identification of one high, seven medium, ten low risk and two advisory findings to improve weaknesses in the design of controls and/or their operating effectiveness. One report had a conclusion of high risk, one report had a conclusion of medium risk, with five reports having a low-risk conclusion. Based on the work completed, we believe that the high and medium risk findings are not considered pervasive to the system of internal control as a whole."***

During the course of our work, we have not identified any weaknesses that we consider should be reported in your Statement on Internal Control. Where findings have been raised, action plans have been agreed with management to address the risks identified. Our follow up work has identified that there are effective controls in place within IVH to ensure that actions agreed as a result of internal audit reviews are implemented in a timely way and that evidence to support implementation is recorded."

- IVH monitor risk ratings against the RSH sector risk profile and the Internal Auditors Sector Risk profile, which contains emerging risks producing an annual gap analysis comparing our strategic risks. This has been monitored on IVH's risk management database.
- A Fraud Policy is in place covering prevention, detection and reporting of fraud and the recovery of assets. Any incidents of fraud or attempted fraud are recorded in the IVHA Public Register and reported to Audit and Risk Committee annually. During 2023-24 two cases of actual fraud were recorded, the frauds were reported to the police and recovery of losses being claimed through IVH's insurance.

Report of the Board (*continued*)

.....

Corporate governance

- The Board is committed to achieving the highest standards of corporate governance in its management and oversight of IVH. The Board have adopted the National Housing Federation (NHF) model rules, the NHF Code of Governance and the NHF Code of Conduct. From April 2021, the Board adopted the 2020NHF Code of Governance and the 2022 NHF Code of Conduct from 2022/23.

Statement of compliance by the Chair of the Board

As part of our co-regulatory commitment, the Board reviews our compliance with:

- the economic standards set by the Regulator of Social Housing (RSH), including the Governance, Financial Viability, Rent and Value for Money Standard.
- the Consumer Standards set by the RSH.
- the Housing Ombudsman Complaints Handling Code.
- legislative requirements; and
- the NHF Code of Governance and the NHF Code of Conduct.

We currently have no areas of non-compliance with the above and the Board is satisfied that effective processes are in place to evidence our compliance. Our full supporting document can be viewed on our website.

www.irwellvalley.co.uk



Report of the Board *(continued)*

Statement of Board's responsibilities under the Co-operative and Community Benefit Societies Act 2014 for a Registered Social Landlord

The Board members are responsible for preparing the Report of the Board and the financial statements in accordance with applicable law and regulations.

The Co-operative and Community Benefit Society law and social housing legislation require the Board members to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the association and of the income and expenditure of the association for that period.

In preparing these financial statements, the Board members are required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and accounting estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards have been followed.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Association will continue in business.

The Board members are responsible for keeping adequate accounting records which 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 Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. 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 is responsible for the maintenance and integrity of the corporate and financial information included on the association's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Board 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 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 members. The Board members' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Disclosure of information to auditors

The Directors, who held office at the date of the approval of this report, confirm that, so far as they are each aware, there is no relevant information which the auditors need to be made aware of; and each Director has taken all the steps that they ought to have taken as a member to make themselves aware of any relevant audit information and to establish that Azets Audit Services are aware of that information.

Auditors

The Audit services are provided by Azets Audit Services, who were awarded the contract for three years from April 2024.

Approved by the Board on 23rd September 2024
and signed on their behalf by

Niki Stockton
Chair

Value for money

What Value for Money means for Irwell Valley Homes

Irwell Valley Homes (IVH) is committed to providing Value for Money for our customers and other stakeholders who benefit from or support our services. Our Value for Money (VfM) Strategy covers the period up to 2026 and has been developed in the context of our strategic priorities and the external operating environment in which we operate.

For IVH, VfM means delivering high quality services and homes to both existing and new customers using an optimal combination of cost and quality, whilst at the same time ensuring the sustainability of our assets:

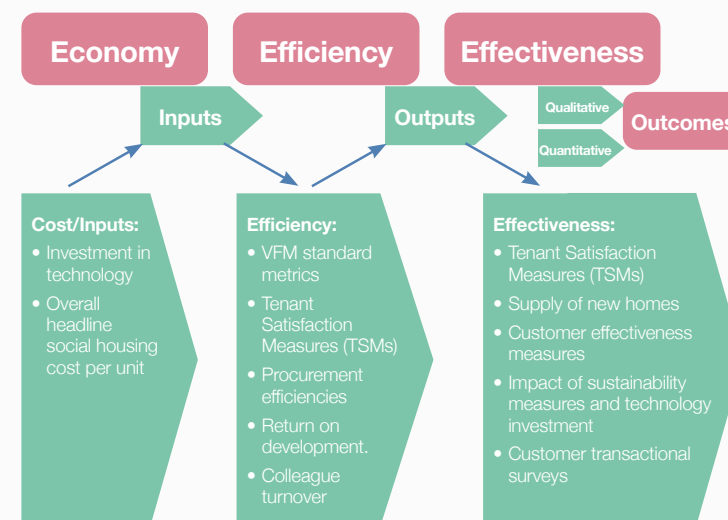
- **Cost** – consideration of both short term and whole life cycle costs.
- **Quality** – ensuring we provide services and homes that are fit for purpose and meet our standards, as described in our customer offer, as well delivering added social value.
- **Sustainability** – consideration of the economic, social, and environmental impact of our assets

The VfM savings efficiencies that we achieve help us to maintain our financial strength and to maintain the confidence of external stakeholders. Surplus VfM gains are reinvested in:

- New or improved services - to meet customer needs and preferences.
- Existing homes - where this has an economic or social benefit, we will ensure we help customers live successfully in their homes and community.
- New homes - which helps address the shortage of affordable homes as well as improving our asset base to ensure the long-term sustainability of our business.

Irwell Valley Homes' mission is ***to ensure people live well in their homes and communities***. IVH are all about people. The people who live in our homes, the people living in the communities we serve, and the people we work with. They are at the heart of what we do. Each financial decision, operating decision, and corporate decision IVH make is to ensure our mission is achieved.

Our mission is incorporated into the Corporate Plan through our three corporate priorities, the way we reinvest our VfM gains ensures we are working towards achieving our corporate priorities. Achieving VfM is often described in terms of the '3 E's' – economy, efficiency, and effectiveness. IVH monitor the achievement of the 3 E's using the following performance measures:



The Regulator of Social Housing (RSH) has a VfM Standard, published in April 2018, which sets out the following requirements for all housing associations:

- A robust approach to decision making and a rigorous appraisal of potential options for improving performance.
- Regular and appropriate consideration by the board of potential VfM gains across their whole business.
- Have appropriate targets in place for measuring performance.

Value for money (continued)

In order to measure the performance of the housing association sector in a consistent way, the RSH has set a defined set of VfM performance metrics (known as the “core VfM metrics”). These metrics allow the Regulator and IVH, to compare performance against peer groups and to explain why performance differs from others, in the context of our own organisation and operating environment.

VfM table one – Core metrics performance

metric	definition	type	Irwell Valley Homes			peer group ¹
			2023/24 group	2023/24 group	2022/23 target	2022/23
1: Reinvestment	Investment in properties including both in existing and new homes, as a percentage of the value of total properties held.	Efficiency	5.2%	8.8%	5.7%	7.9%
2: New supply delivered	Social: The number of new social housing units acquired or developed in the year as a proportion of total social housing units owned at period end.	Effectiveness	0.7%	0.4%	0.9%	1.0%
	Non-social: The number of new non-social housing units that have been acquired or developed in the year as a proportion of total social housing units and non-social housing units owned at period end.	Effectiveness	0.0%	0.0%	0.0%	0.1%
3: Gearing	How much of the adjusted assets (on a net book value basis) are made up of debt and the degree of dependence on debt finance. It is an indicator of appetite and scope for growth.	Efficiency	44%	45%	43%	37.5%
4: Interest cover based on earnings before interest, tax and depreciation, less major repairs (EBITDA MRI)	A key indicator for liquidity and investment capacity. It seeks to measure the level of surplus that a registered provider generates compared to interest payable.	Efficiency	98%	120%	106%	98%

¹ Registered providers across Northwest, excluding LSVTs.

Value for money (continued)

VfM table one – Core metrics performance continued

metric	definition	type	Irwell Valley Homes			peer group ¹
			2023/24 group	2023/24 group	2022/23 target	2022/23
5: Headline social housing costs	This includes management, service costs, routine & planned maintenance, major repairs, lease costs, capitalised major repairs and other social housing costs. This total cost is divided by the total social housing units owned/managed at year end.	Economy	£4,328	£3,745	£3,867	£4,809
6: Operating margin	Social Housing operating margin: The operating surplus generated from social lettings as a proportion of turnover from social lettings. This demonstrates the profitability of operating assets before exceptional expenses are taken into account.	Efficiency	24%	28%	28%	17%
	Overall operating margin: The overall operating surplus before the gain on disposal of housing assets, as a proportion of overall turnover.		22%	28%	23%	14%
7: Return on capital employed	Compares the operating surplus to total assets, less current liabilities and is a common measure in the commercial sector to assess the efficient investment of capital resources.	Efficiency	2.5%	2.9%	3.0%	2.7%

Value for money *(continued)*

Commentary on the core VfM metrics

1. Reinvestment

We have invested £10.7m (2023: £11.6m) in developing new homes and a further £7.2m (2023: £7.7m) in our existing homes. Despite this spend our reinvestment ratio is below target which is due to slippage in our development programme spend following continued delays in planning applications and negotiating price increases with contractors not yet in contract. As in the previous year, the Asset Management Programme has been fully spent within 2023-24, with some additional reactive capital replacements which collectively has had a positive impact on our reinvestment ratio.

IVH's level of reinvestment is above our peer group for 2022-23, the average spend per property was £957, with IVH's average spend being £1,006. This provides assurance to IVH that we are continuing to enhance our existing homes, as well as (although currently challenging) developing new homes.

Within the 2024-25 Financial Plan, IVH have maintained its pipeline schemes however stretched the programme to year 9 of the Plan, to address the increasing level of demand on repairs and balance investment in existing homes and services with building new homes. Despite this, the reinvestment ratio is estimated to increase to 9.5%.

2. New supply

We have completed 52 new homes during the year across 4 schemes, this is a combination of social rent and affordable rent. New supply has exceeded target of 0.4% to 0.7% due to slippage from 2022-23 completing within 2023-24. Despite exceeding target IVH are below the peer average of 1.0%. Building affordable homes is a key priority for IVH, the 2024-25 Financial Plan and funding portfolio enables IVH to continue to invest in 692 new homes by 2034.

3. Gearing

The gearing ratio is 44% against a target of 45%. Our gearing ratio is above the peer group average of 38%, previously we have always been below our peer group, but our level of borrowing has increased since 2018-19, in line with expectations, as we progress with our development programme.

Our funding covenant for gearing is measured on a different basis and is 45% for the year-end against a covenant limit of 65%, providing headroom of £39m against our trigger point of 54%.

4. Interest cover (EBITDA MRI)

This metric is based on a more stringent measure of interest cover than we have in our funding agreements, however it is monitored by Board through our quarterly finance reports.

During the year, the Board approved additional spend compared to the Financial Plan to meet the increased demand in routine repairs, to match fund the Social Housing Quality Fund (SHQF) spend on tackling and addressing damp and mould as well as one-off building safety and fire remedial works on specified properties. The ratio has also been impacted by the costs associated with 3 abortive development schemes and development team salary costs unable to be capitalised due to reduced development activity throughout 2023-24.

The 2024-25 Financial Plan takes into the additional challenges faced within the sector and Board have consequently revised the risk triggers associated with EBITDA MRI. Within 2024-25 IVH will aim to achieve an EBITDA MRI of 100%, with a risk trigger of 95%. The Board have assessed the requirements to invest in existing stock, maintain services in line with customer expectations, continue routine repairs at current levels for the next 12 months and invest in new homes. Resources are being prioritised to ensure a level of service in line with IVH priorities.

IVH are consistent with our peers EBITDA MRI, indicating the challenges facing IVH are consistent across the sector. We continue to have comfortable levels of headroom against our funder's covenants, and this continues within the Financial Plan forecasts.

Value for money (continued)

5. Headline social housing cost per unit

The headline social housing cost is £4,328 per property in 2023-24, which is above our target but below our peer average. The cost per unit is due to the approved additional spend mentioned above as well as the increase in maintenance costs caused by increased customer expectations and demands and the spend relating to the SHQF funding. Our headline social housing cost is forecast to be £4,664 per property in our baseline Financial Plan for 2024-25, which takes account of a continued increase in the demand for repairs.

6. Operating margin

The overall operating margin, excluding surplus on sales has decreased slightly from 23% to 22% and is below the target for the year, the fall is due to the agreed additional spend on routine repairs, SHQF spend and planned building safety and fire remedial works. The operating margin for social housing is higher than the overall margin at 24%.

The overall operating margin is expected to remain consistent with current performance of 24% within the first year of the 2024-25 Financial Plan, then increase to 29% by year 5.

7. Return on capital employed

This measure has decreased to 2.5% from 3.0% in the prior year but does indicate some growth based on the generation of an operating surplus from the organisation's capital base. The measure is below target due to a decline in operating margin, against a slightly reduced capital base. Investment decisions will continue to be made based on meeting agreed parameters for returns on new investment.



Value for money (continued)

VfM table two - Additional VfM measures against Corporate Priorities

corporate priority	definition	type	Irwell Valley Homes		
			2023/24 actual	2023/24 target	2022/23 actual
Making a difference in the communities we serve	Percentage of customers engaged who are in arrears	Effectiveness	41%	43%	43%
Providing safe and good quality homes and services	Right first fix	Efficiency	89%	85%	86%
Providing safe and good quality homes and services	Channel shift	Effectiveness	41%	30%	31%
Providing safe and good quality homes, services	Ratio of responsive repairs to planned maintenance	Efficiency	49%	45%	43%
Providing more affordable homes	Void rent loss as a percentage of rent due	Efficiency	1.4%	1.1%	1.2%
Supporting colleagues to enjoy work, learn and grow.	Colleague attendance - average number of sick days excluding long- term sickness	Effectiveness	3.2 days	4.0 days	5.5 days
	Colleague turnover percentage	Effectiveness	14%	20%	26%
Supporting colleagues to enjoy work, learn and grow.	Proportion of IT spend on business change and innovation	Economy	27%	25%	27%

Value for money (continued)

Commentary on our additional VfM metrics:

- **Percentage of general needs customers engaged who are in arrears** - Throughout the year engagement from customers in arrears varied, averaging 41% for the year against a target of 43%. Arrears have increased and the number of customers entering arrears have also increased. Towards the end of the year, the Rents Team have recruited new team members to help assist with rent arrears and support our customers. Despite the fall in the metric compared to last year, bad debts written off have been below target, indicating arrears are not escalating to the levels envisaged.

The Income and Tenancy Sustainment Teams continue their efforts through initiating repayment agreements, financial inclusion, or tenancy support cases, and being as proactive as possible in contacting customers.

- **Right first fix (RFF)** - IVH have exceeded target of 85% RFF at 89% throughout the year. Despite this, the number of complaints regarding repairs is increasing, in line with the increased demand for repairs. Therefore, a transformation project has begun within 2024-25 on the repairs service to understand the reasons for the increased demand and address issues that cause complaints.
- **Channel shift** - This ratio quantifies the proportion of customer interactions that have been initiated through digital channels.

The shift to digital channels provides ease and convenience for our customers, who can log or report a repair, complaint, complement at any point during the day or night. Within the year IVH changed housing management system, however despite the change at the end of the year 41% of recordable transactions were initiated digitally. Following the full transition to the new portal, the channel shift ratio is estimated to improve further within 2024-25.

- **Ratio of responsive to planned** - This measure is above target at 49% due to the increased spend on routine repairs caused by rising demand as well as an increase in spend to match-fund the SHQF funding. As we continue to invest in our existing stock, this metric will reduce, as less repairs are required due to the increased planned works on each home. As at 31 March 2024, 55% of IVH's stock has had a full stock condition survey in the last two years, the data gathered has been analysed, ensuring spend is allocated efficiently. Within 2024-25, the ratio is expected to fall to only 43% as we expect customer expectations for reactive repairs to continue at current levels pending the repairs transformation and due to the challenges faced by the sector.
- **Rent loss from voids** - This was slightly higher than target for the year due to a high level of voids in independent and supported housing, 1 scheme in quarter 1 generated high voids due to independent on local authority nominations. However, the ratio is an improvement on the prior year due following the improvements in the process for letting new homes.

- **Colleague attendance** - This was better than target at 3.2 days across all departments, a decrease from 5.5 days in 2022-23. A robust approach to return-to-work interviews and sickness absence triggers is in place and is adhered to by managers. Our Sickness Absence Policy has recently been reviewed and all managers have received briefing updates. Mental health, musculoskeletal, and general cold/flu symptoms were the highest reported reasons for absence. The highest reported reason for long term absence was mental health (none of which were fully work related). We have in place colleague benefits, such as MediCash and Perkbox which provide access to mental health support, as well as access to Occupational Health and person-centred 'Stress' Risk Assessments when issues present.
- **Colleague turnover** - This was 14% against a target of 20% and significantly lower than the previous year of 26%. Following the recent staff survey, IVH colleagues shared they are proud to work at IVH, which is reflected within the reduced colleague turnover.



Value for money (continued)

- **Proportion of IT spend on business change and innovation Investment in technology** - We continue to improve our systems to ensure our work processes are as efficient as possible for our customers and colleagues. The metric is above the target set, due to additional transformation and opportunities identified during the year. We have invested in two major IT systems, Housing Management System and Finance System during the year which are expected to help drive future efficiencies.

Understanding our Properties Assets

Over the last 2 years, IVH completed c. 55% stock condition surveys (SCS). Using the data compiled from the surveys conducted externally and internally, a new Asset Management Plan has been developed and fed into the 2024-25 Financial Plan.

We have set a target to increase survey data less than 5 years old to 80% by the end of 2024/25 and 100% by 2025/26, these will be conducted externally via a framework to commence on site in 2024-25.

During 2024-25, new asset management software will enable us to analyse stock condition data and to carry out smoothing, planning and forecast in a much more efficient way. We have selected a preferred system with final integration awaiting sign off. We recognise the increasing importance of taking every opportunity to gain a better understanding of the condition of homes, to do this we will revise our Asset Management Policy and continue to communicate the importance of 'every access to a home counts' culture to gather data and ultimately to increase our data confidence to inform our decision making.

Discussions throughout the year with Board have detailed the challenges we face with balancing investment in component items, enhancing the energy performance with our homes and investment in new homes. A long-term CPI +1% rent increase would allow us to fund our EPC C ambitions and this has been modelled as a sensitivity on the 2024-25 Financial Plan.

As well as monitoring against the VFM metrics noted above, IVH have also set out our approach to delivering social purpose, having a positive impact on the environment, and remaining a well-managed organisation within our Sustainability Framework. Within the framework we have a number of future targets to increase the impact we make to our community and environment every year. Within the IVH VfM annual metrics we have included specific measures to monitor our carbon footprint and impact on the environment.

IVH had a procurement efficiency target of £360k during 2023/24. The total efficiencies secured on procurement activities over the contract period, up to March 2024, are £1,053k, of which £362k is the annualised efficiency. This saving related to 16 new contracts procured during the year.



Value for money *(continued)*

VfM table three – Annual VfM measures

corporate priority	definition	type	Irwell Valley Homes		
			2023/24 actual	2023/24 target	2022/23 actual
Making a difference in the communities we serve	Social value generated for customers. Number of customers supported into existing and/or new jobs. Benefits and grants gained for customers (£)	Effectiveness	576 £503k	200 £150k	221 £170k
Making a difference in the communities we serve	Investment in green technology (annual)	Effectiveness	£1,140k	£100k	-
Making a difference in the communities we serve	Improvements to the open environment	Effectiveness	Qualitative measure	see below	-
Provide safe, affordable, and good quality homes	Additional properties at EPC C or above by 2024/25 (Year 2)	Efficiency	375	100	-

Value for money *(continued)*

.....

Commentary on Annual VfM measures

Social Value generated by Customers.

The Tenancy Sustainment team have maximised customers income to the value of £503k during the year in benefits and grants to support customers. £361k has circulated to IVH through housing related benefits, DHP's and APAs.

The Tenancy Sustainment Team also secured a further £52k for customers at risk of disconnection by their energy provider, by applying for funding through an energy specific HACT campaign. 515 customers in crisis were supported to get food and/or energy vouchers to the value of £31k from IVH's cost of living fund. During the year IVH helped 576 customers into existing or new jobs, this was through various initiative and support methods.

Investment in green technology

During the year, IVH received additional funding from the SHQF, which helped deliver c. £1.14m works to 965 homes focused mainly on installing positive ventilation to reduce the issues of damp and mould, with c.160 properties on Sale West to support the wider regeneration. This was supported by £757k of SHQF.

Improvements to the open environment

During the year IVH incurred £200k of costs in relation to Levelling Up Grant received with the prior years. This spend was used to assist with the continuation of the regeneration of Sale West. The spend was allocated to the car parks around the area, increasing spaces and accessibility to existing customers.

Properties at EPC or above

During the year, based on the works conducted through the asset management programme a further 375 properties were converted to EPC C or above. During the next 4 years, spend of £100k per annum has been allocated to c470 properties to enhance their EPC rating to EPC C or above.

Responsibilities & reporting

The Board is ultimately responsible for setting the VfM Strategy and ensuring we are achieving VfM in all operations across our organisation. They must be satisfied the actions taken to improve our VfM metric performance are adequate and will generate the optimal benefit from our resources and assets. The Audit & Risk Committee is responsible for monitoring and scrutinising the achievement of VfM metrics and the target efficiencies based on the Procurement Plan. Day to day responsibility for delivering VfM is delegated to the Leadership Team and budget holders.

Delivering our VfM targets requires an organisation-wide approach, which is embedded in the way we do things. VfM needs to be at the forefront of all investment decisions and plays a key part in process improvement. Collaboratively we need to prioritise our resources to deliver the best possible outcomes for customers and other stakeholders.



Independent auditors report to the members of irwell valley housing association limited

Opinion on financial statements

We have audited the financial statements of Irwell Valley Housing Association Limited (the 'association') and its subsidiary (the 'Group') for the year ended 31 March 2024 which comprise the Group and Associate Statement of Comprehensive Income, the Group and Associate Statement of Financial Position, the Group and Associate Statement of Changes in Equity, the Group and Associate Statement of Cashflows and Notes to the Financial Statements, including significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and

Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, the Statement of Recommended Practice (SORP) accounting by Registered Social Housing Providers 2018 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

In our opinion the financial statements:

- give a true and fair view of the state of the association's affairs as at 31 March 2024 and of the 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 Housing and Regeneration Act 2008, the Statement of Recommended Practice (SORP) accounting by Registered Social Housing Providers 2018 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

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



Independent auditors report to the members of irwell valley housing association limited *(continued)*

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where we are required by the Co-operative or Community Benefit Societies Act 2014 or the Housing and Regeneration Act 2008 to report to you if, in our opinion:

- adequate accounting records have not been kept, and have not maintained a satisfactory system of internal control over transactions; or
- the financial statements are not in agreement with the accounting records and returns; 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 the Board members' responsibilities set out on **page 38**, the Board members are 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 members determine 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 members are responsible for assessing 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 members either intend to liquidate the association or to cease operations, or have no realistic alternative but to do so.

Independent auditors report to the members of irwell valley housing association limited *(continued)*

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

Independent auditors report to the members of irwell valley housing association limited *(continued)*

.....

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud.
- Reviewing minutes of meetings of those charged with governance.
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the association through enquiry and inspection.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the association's members, as a body, in accordance with section 128 of the Housing and Regeneration Act 2008 and 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's members those matters we are required to state to the members 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 and the association's members, as a body, for our audit work, for this report, or for the opinions we have formed.

**Susanna Cassey
(Senior Statutory
Auditor)**

For and on behalf of
Azets Audit Services

Group and association statement of comprehensive income

		Group		Association	
		2024	2023	2024	2023
	Note	£'000	£'000	£'000	£'000
Turnover	3	42,359	39,334	42,747	39,759
Operating Costs	3	(33,412)	(30,300)	(33,404)	(30,276)
First Tranche Sales	3	196	79	196	79
Surplus on sale of fixed assets	9	349	1,474	349	1,474
Total Operating surplus	8	9,492	10,587	9,888	11,036
Investment income from joint venture		29	-	-	-
Interest receivable and similar charges	7	1,128	191	1,094	159
Interest payable and similar charges	7	(8,802)	(6,884)	(8,802)	(6,884)
Gift aid receivable	-	-	-	141	650
Movement in valuation of investment properties	12	326	440	326	440
Movement in valuation of fixed asset investments		-	-	-	-
Surplus on ordinary activities before tax	-	2,173	4,334	2,647	5,401
Tax on surplus on ordinary activities	10		(23)		-
Surplus for the year		2,173	4,311	2,647	5,401
Actuarial (loss)/gain in respect of pension schemes	29	(902)	(1,710)	(902)	(1,710)
Total comprehensive income		<u>1,271</u>	<u>2,601</u>	<u>1,745</u>	<u>3,691</u>

The notes on pages 56 to 95 form part of these financial statements.

Group and association statement of changes in reserves

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Balance as at 1 April 2023	79,550	76,949	82,056	78,365
Total comprehensive income for the year	1,271	2,601	1,745	3,691
Balance as at 31 March 2024	80,821	79,550	83,801	82,056

The notes on pages 56 to 95 form part of these financial statements.

Group and association statement of financial position

		Group		Association	
	Note	2024	2023	2024	2023
		£'000	£'000	£'000	£'000
Fixed Assets					
Housing properties	11	346,921	336,140	345,321	334,084
Investment properties	12	8,451	8,053	8,451	8,053
Tangible fixed assets	13	2,765	2,749	2,765	2,749
Fixed asset investment	14	800	573	-	-
Homebuy properties	15	181	181	181	181
		<u>359,118</u>	<u>347,696</u>	<u>356,718</u>	<u>345,067</u>
Debtors: due after one year	16	2,846	1,712	2,685	1,324
Current assets					
Trade & other debtors	16	4,277	4,211	11,344	10,025
Stock	17	255	780	255	810
Cash & cash equivalents	-	39,760	17,562	39,398	17,179
		<u>44,292</u>	<u>22,553</u>	<u>50,997</u>	<u>28,015</u>
Creditors: falling due within one year	18	(18,366)	(16,677)	(19,530)	(16,616)
Net current assets/(liabilities)		<u>25,926</u>	<u>5,876</u>	<u>31,467</u>	<u>11,399</u>
Total assets less current liabilities		<u>387,890</u>	<u>355,284</u>	<u>390,870</u>	<u>357,790</u>
Creditors: due after one year	19	(303,006)	(271,796)	(303,006)	(271,796)
Provision for liabilities					
Pension – Defined benefit liability	22	(4,063)	(3,938)	(4,063)	(3,938)
Total net assets		<u>80,821</u>	<u>79,550</u>	<u>83,801</u>	<u>82,056</u>
Capital and reserves					
Non-equity capital	25	-	-	-	-
Revenue reserves		80,821	79,550	83,801	82,056
Total reserves		<u>80,821</u>	<u>79,550</u>	<u>83,801</u>	<u>82,056</u>

The notes on 55 to 94 form part of these financial statements.

The financial statements were approved by the Board and signed on its behalf on 23 September 2024.

Chair
Niki Stockton

Board Member
Shahida Latif-Hader

Secretary
Helen Nicholson

Group statement of cash flow

	Note	2024 £'000	2023 £'000
Net cash generated from operating activities	26		
		12,635	14,357
Cashflow from investing activities			
Purchase and improvement of housing properties		(17,122)	(20,687)
Purchase of tangible fixed assets		(731)	(762)
Proceeds from sale of housing properties		666	5,699
Grant received		2,578	2,091
Investment in Joint Ventures		(1,271)	(222)
		(15,880)	(13,881)
Cash flow from financing activities			
Interest paid		(8,750)	(6,955)
Interest received		888	89
Repayment of borrowings		(6,695)	(6,646)
Loan received		40,000	20,000
New borrowing fees		-	(588)
		25,443	5,900
Net change in cash and cash equivalents		22,198	6,376
Cash and cash equivalents at 1 April 2022		17,562	11,186
Cash and cash equivalents at 31 March 2023		39,760	17,562

Notes to the consolidated financial statements

Legal status

Irwell Valley Housing Association Limited is registered under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing as a housing provider. The registered office is Soapworks, Colgate Lane, Salford, M5 3LZ.

Principal accounting policies

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland (United Kingdom Generally Accepted Accounting Practise) the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, the Statement of Recommended Practise (SORP) accounting by Registered Social Housing Providers 2018 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

The financial statements are presented in pound sterling and rounded to the nearest thousand unless otherwise stated. The financial statements are prepared on the historical cost basis, modified to include certain items at fair value.

Going concern

The financial statements have been prepared on a going concern basis. The Group and Association's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report of the board on **pages 11 to 32**.

The Group and Association has long-term debt facilities in place to fund its future development aspirations as well as to provide adequate resources to finance committed reinvestment and day to day operations. The Association also has a long-term business plan which shows that it is able to service these debt facilities whilst continuing to comply with lenders' covenants.

The Financial Plan is underpinned by assumptions approved by Board, which reflect a level of prudence as a result of economic uncertainty. The robustness of the Plan has been tested through rigorous stress testing, taking into account increases in inflation, interest rates rises and increased costs of materials and labour. The Group continue to carry out stress testing on the Plan throughout the year and analyse the monthly forecast results.

On this basis, the board has a reasonable expectation that the association has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.



Notes to the consolidated financial statements *(continued)*

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below:

- Useful lives of depreciable assets - Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to deterioration of assets, technological obsolescence that may change the utility of certain software and IT equipment and changes to decent homes standards which may require more frequent replacement of key components.
- Defined benefit obligation (DBO) - Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses (as analysed in Note 29).
- Recoverability of rent arrears - Management estimate the recoverability of rental bad debts at each reporting date, as well as monthly for management accounts purposes. The estimate is based on the life of the debt and the situation of individual customers.

Basis of consolidation

The financial statements for the Group are the results of the consolidation of the financial statements of the association and its subsidiary undertakings at 31 March 2024.

Details of these subsidiaries are given in note 28.

Turnover recognition

Turnover substantially represents rental income receivable together with income from services to other housing associations and amortised capital grant and revenue grant from local authorities.

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids. Income from sales of properties built for sale is recognised at the point of legal completion of the sale.

Charges for support services funded under Supporting People are recognised as they fall due under the contractual arrangements with Administering Authorities. Community regeneration income is recognised as the income is received.

Service charges

The Group adopts the variable method for calculating and charging service charges to its tenants and leaseholders. Expenditure is recorded when a service is provided and charged to the relevant service charge account or to a sinking fund. Income is recorded based on the estimated amounts chargeable.

Interest payable and receivable

Interest payable and receivable are charged to the Statement of Comprehensive Income on an accrual basis in the year. Any interest receivable is credited to the Statement of Comprehensive Income and any interest payable is debited to the Statement of Comprehensive Income.



Notes to the consolidated financial statements *(continued)*

Stock

Stocks are stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

Cash and cash equivalents

Cash and cash equivalents Cash and cash equivalents in the Group's consolidated statement of financial position consist of cash at bank, in hand, deposits and short-term investments.

Taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured at the tax rates that are expected to apply in the periods when the timing differences are expected to reverse, based on tax rates and law enacted or substantively enacted at the Statement of Financial Position date. Deferred tax assets and liabilities are not discounted.

Value Added Tax

The Group and Association charges Value Added Tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is suffered by the Group and Association and not recoverable from HM Revenue and Customs. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

Financial Instruments

Financial instruments which meet the criteria of a basic financial instrument as defined in Section 11 of FRS 102 are accounted for under an amortised historical cost model.

Direct costs incurred in connection with the issue of a basic financial instrument are deducted from the proceeds of the issue. Finance interest, transaction costs and associated premium or discount are charged to the Statement of Comprehensive Income using either the effective interest rate (EIR) method or on a straight-line basis where not materially different.

The EIR method spreads all associated costs over the life of the instrument by comparing the borrowing amount at initial recognition and amount at maturity. On the basis that the difference produced by the two methods is not material, these costs have been amortised on a straight-line basis in this set of financial statements.

Debtors

Short term debtors are measured at transaction price, less any appropriate provision for estimated irrecoverable amounts. A provision is established for irrecoverable amounts when there is objective evidence that amounts due under the original payment terms will not be collected. The amount of the provision is recognised in the Statement of Comprehensive Income.



Notes to the consolidated financial statements *(continued)*

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs.

Employee Benefits

Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

Pensions

The association participates in defined contribution and defined benefit pension schemes. Since April 2016 we have no active members of the defined benefit scheme. Following an actuarial valuation for 31 March 2024 the share of underlying assets and liabilities of the defined benefit scheme belonging to participating employees has been identified and recognised as a liability within the financial statements.

Housing properties

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit. Housing properties are principally properties available for rent and are stated at cost less accumulated depreciation and impairment losses. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised as improvements.

Shared ownership properties are split proportionally between current and fixed assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as unsold current assets and any sales made during the year are included within turnover. The remaining element is classed as fixed asset and included in housing properties at cost, less any provisions needed for depreciation or impairment.

Depreciation of housing properties

The association separately identifies the major components which comprise its housing properties, and charges depreciation, so as to write-down the cost of each component to its estimated residual value, on a straight-line basis, over its estimated useful economic life. The association depreciates the major components of its housing properties at the following length of time:

Component	Years
Structure	100
Roof	50
Windows and Doors	30
Boilers	15
Kitchens	20
Bathrooms	30
Heating and Ventilation	30
Electrics	30
Fencing	20
Lifts	30
Road Surfacing	40
Fires	20
Other fixtures and fittings	12
Lighting	15
Cladding	30
Solar panels	25

Freehold land is not depreciated. Leasehold properties are amortised over the life of the lease or their estimated useful economic lives.

Notes to the consolidated financial statements *(continued)*

Donated land and other assets

Land and other assets donated by local authorities and other government sources are added to cost at the fair value of the land at the time of the donation. Where the land is not related to a specific development and is donated by a public body an amount equivalent to the increase in value between fair value and consideration paid is treated as a non-monetary government grant and recognised on the statement of financial position as deferred income within liabilities. Where the donation is from a non-public source, the value of the donation is included as income.

Fixed asset investments

Fixed asset investments are accounted for at cost less any impairment at year end.

Homebuy properties

Homebuy loans are treated as concessionary loans. They are initially recognised as a loan at the amount paid to the purchaser and are subsequently updated to reflect accrued interest and any impairment loss is recognised in income and expenditure to the extent that it cannot be offset against the Homebuy grant. The associated Homebuy grant is recognised as deferred income until the loan is redeemed.

Investment properties

Investment properties consist of market rented, commercial properties and other properties not held for social benefit or for use in the business. The purpose of holding these assets is to generate surpluses to apply to Irwell Valley's charitable purposes. Investment properties are measured at cost on initial recognition and subsequently at fair value as at the year end, with changes in fair value recognised in income and expenditure.

Government grants

Government grants include grants receivable from Homes England (HE), local authorities, and other government organisations. Government grants received for housing properties are recognised in income over the useful life of the housing property structure and, where applicable, its individual components (excluding land) under the accruals model.

Grants relating to revenue are recognised in income and expenditure over the same period as the expenditure to which they relate once reasonable assurance has been gained that the entity will comply with the conditions and that the funds will be received. Grants due from government organisations or received in advance are included as current assets or liabilities.

Government grants received for housing properties are subordinated to the repayment of loans by agreement with HE. Government grants released on sale of a property may be repayable but are normally available to be recycled and are credited to a Recycled Capital Grant Fund and included in the statement of financial position in creditors.

If there is no requirement to recycle or repay the grant on disposal of the asset, any unamortised grant remaining within creditors is released and recognised as income in the Statement of Comprehensive Income. If there is a requirement to recycle the grant upon disposal of the associated property, the Group and Association is required to recycle grant proceeds and recognise them as a liability.

Other grants

Grants received from non-government sources are recognised using the performance model. A grant which does not impose specified future performance conditions is recognised as revenue when the grant proceeds are received or receivable. A grant that imposes specified future performance-related conditions is recognised only when these conditions are met. A grant received before the revenue recognition criteria are satisfied is recognised as a liability.

Notes to the consolidated financial statements (continued)

Scheme Equipment

Scheme equipment is for the refurbishment or replacement of equipment, which are capitalised and then depreciated over the estimated useful life of the item and are service charged to the residents over the useful economic life:

Scheme Equipment	Years
Blinds & Curtains	12
Disabled adaptations	8
CCTV & Aerials	15
Communal furniture	15
Door entry	15
Communal fire equipment	15
Communal lighting	15
Floor covering & carpet	12
Lifts	30
Cladding	30
Security & digital	15
White goods	8

Impairment

From 1 October 2020, the association has increased social housing rents by CPI plus 1% in accordance with the Housing and Planning Act 2016. Following the continued economic and political uncertainty and the rent cap of 7% implemented for 2023/24, the association considered this as a trigger for impairment.

As a result, we estimated the recoverable amount of our housing properties and other tangible fixed assets in accordance with SORP 2018 and compared this to the carrying amount of our assets to determine if any impairment loss has occurred. Where able, the association have instructed external valuations and discussed the impact of the economic situation on housing properties with our valuer, JLL.

Any major remedial property projects have been reviewed separately and assessed on their carrying amount and any committed remedial works. Based on these assessments and discussions, we do not consider there to be an impairment charge against social housing properties or other tangible fixed assets.

Other tangible fixed assets

Depreciation is provided on all other tangible fixed assets, at rates calculated to write off each asset evenly over its expected useful life as follows:

- Improvement to leaseholders – over the term of the lease
- Fixtures, equipment and computer equipment – between 3-15 years

Gains or losses arising on the disposal of other tangible fixed assets are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised as part of the surplus/deficit for the year.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Group and Association. All other leases are classified as operating leases.

Assets held under finance leases are recognised initially at fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation using the effective interest method to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. They are included in tangible fixed assets, depreciated and assessed for impairment losses consistent with owned assets.

Rentals payable under operating leases are charged to income and expenditure on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the Group and Association recognises annual rent expense equal to amounts owed to the lessor. The aggregate benefit of lease incentives is recognised as a reduction to the expense recognised over the lease term on a straight-line basis.

Notes to the consolidated financial statements *(continued)*

Provisions for liabilities

Provisions are recognised when the association has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group and Association will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in Statement of Comprehensive Income in the period it arises. The Group and Association recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next nine months. The provision is measured at the salary cost payable for the period of absence.

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgments and estimates have been made include:

- **Adjustment to net interest on net defined pension** - FRS 102 requires that the net interest on the net defined benefit liability is calculated using the liability discount rate for the scheme.
- **Categorisation of housing properties** - the Group and Association undertake a detailed review of the intended use of all housing properties. In determining the intended use, the association has considered if the asset is held for social benefit or to earn commercial rentals. The review is conducted in line with the Charitable Investment Policy reviewed and approved by Board.
- Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. The association has relied on an external valuation of its investment properties as at 31 March, the group are satisfied that the external consultant has estimated a reasonable fair value.
- **Impairment** - the association assessed at 31st March, whether an indicator of impairment exists, if an indicator exists the Group and Association perform an impairment assessment at property scheme level. Indicators of impairment are examples of the following: Change in government policy, regulation or legislation, a change in demand of the properties or a material reduction in market values.
- **Capitalisation of property development costs** - Distinguishing the point at which a project is more likely than not to continue, allowing capitalisation of associated development costs requires judgement. After capitalisation management monitors the asset and considers whether changes indicate that impairment is required.

Notes to the consolidated financial statements *(continued)*

3a. Turnover, cost of sales, operating costs and operating surplus

Group	Turnover £'000	2024 Operating Costs £'000	Operating surplus £'000	Turnover £'000	2023 Operating Costs £'000	Operating surplus £'000
Social housing lettings	40,880	(31,067)	9,813	37,787	(26,606)	11,181
Other social housing activities						
Supporting people contracts	521	(642)	(121)	520	(590)	(70)
Community regeneration	122	(324)	(202)	105	(491)	(386)
First Tranche Sales (note 9)	-	-	196	-	-	79
Surplus on sales of fixed assets (note 9)	-	-	349	-	-	1,474
Development activities	13	(259)	(246)	1	(104)	(103)
	41,536	(32,292)	9,789	38,413	(27,791)	12,175
Non-social housing activities - lettings	823	(1,120)	(297)	921	(2,509)	(1,588)
	42,359	(33,412)	9,492	39,334	(30,300)	10,587

Notes to the consolidated financial statements *(continued)*

3a. Turnover, cost of sales, operating costs and operating surplus

	Turnover	2024 Operating Costs	Operating surplus	Turnover	2023 Operating Costs	Operating surplus
Association	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings	40,880	(31,067)	9,813	37,787	(26,606)	11,181
Other social housing activities						
Supporting people contracts	521	(642)	(121)	520	(590)	(70)
Community regeneration	122	(324)	(202)	105	(491)	(386)
First Tranche Sales	-	-	196	-	-	79
Surplus on sales of fixed assets (note 9)	-	-	349	-	-	1,474
Development activities	401	(251)	150	426	(80)	346
	41,924	(32,284)	10,185	38,838	(27,767)	12,624
Non-social housing activities – lettings	823	(1,120)	(297)	921	(2,509)	(1,588)
	42,747	(33,404)	9,888	39,759	(30,276)	11,036

Notes to the consolidated financial statements *(continued)*

3b. Group and Association – Income and expenditure from social housing lettings

	General needs housing	Low-Cost Home Ownership	Supported housing & housing for older people	Association and Group Total	Association and Group Total
	£'000	£'000	£'000	2024 £'000	2023 £'000
Rent receivable net of service charges	29,668	2,075	3,458	35,201	33,006
Service charges receivable	1,243	554	1,543	3,340	2,661
Amortised government grants	1,209	37	155	1,401	1,366
Government grants taken to income	-	-	-	-	-
Other income	938	-	-	938	754
Turnover from social housing lettings	33,058	2,666	5,156	40,880	37,787
Management	4,050	312	611	4,973	4,345
Services	1,597	638	1,461	3,696	3,309
Routine repairs	9,648	311	967	10,926	8,031
Planned repairs	3,501	336	497	4,334	4,103
Major repairs	-	12	-	12	15
Rent losses from bad debts	299	9	38	346	283
Depreciation of housing properties	5,560	170	713	6,443	6,515
Component write off	291	9	37	337	-
Other costs	-	-	-	-	5
Operating costs on social housing lettings	24,946	1,797	4,324	31,067	26,606
Operating surplus on social housing lettings	8,112	869	832	9,813	11,181
Rent losses from voids	242	0	269	511	327

Notes to the consolidated financial statements *(continued)*

4. Accommodation in management and developments

	Owned not managed. No. Units	Managed not owned. No. Units	Owned and managed. No. Units	Total owned and managed. No. Units 2024	Total owned and managed. No. Units 2023
General needs – social rent	0	0	6,072	6,072	6,041
General needs – affordable rent	0	0	228	228	218
Low-Cost Home Ownership	0	0	197	197	191
Supported Housing	174	0	170	344	355
Supported Housing – affordable rent	24	0	0	24	24
Supported Housing for older people	0	0	457	457	457
Intermediate rent	0	0	137	137	138
Non-social rent	47	0	57	104	99
Social leased	0	0	237	237	252
Non-social leased	0	0	0	0	-
Total	245	0	7,555	7,800	7,775
Accommodation in development at year end					
Social rent	0	0	42	42	33
Affordable rent	0	0	0	0	28
Low-Cost Home Ownership	0	0	0	0	9
Rent To Buy	0	0	51	51	-
Total	0	0	93	93	70

Notes to the consolidated financial statements *(continued)*

4. Accommodation in management and developments

Reconciliation of Unit Numbers

	General needs – social rent	General needs – affordable rent	Low-Cost Home Ownership	Supported	Intermediate rent	Other	2024 Total	2023 Total
Opening stock numbers	6,041	218	191	836	138	351	7,775	7,813
New stock into management	33	10	9	0	0	0	52	72
Other gains	0	0	0	1	0	0	1	3
Sales to Local authorities	0	0	0	0	0	0	0	-
Sales to another Registered Provider	0	0	0	0	0	0	0	-
Sales to Open Market	0	0	0	0	0	0	0	(100)
Sales to tenant's freehold	-1	0	-2	0	0	0	-3	(10)
Sales to tenant's leasehold	-2	0	-1	0	0	3	0	-
Other losses	0	0	0	-4	0	-18	-22	(4)
Movement within category	1	0	0	-8	-1	5	-3	-
Prior period amendment							-	1
Net change within stock	31¹	10²	6³	-11⁴	-1⁵	-10⁶	25	(38)
Closing unit numbers	6,072	228	197	825	137	341	7,800	7,775

¹ 3 RTB/RTA Sales, 33 newly development homes, 1 transferred from supported.

² 9 new build affordable homes, 1 affordable acquired.

³ 3 Fully staircased shared ownership properties, 9 newly developed properties

⁴ 1 additional bedspace, 3 bedspaces repurposed to 1 GN, 5 bedspaces moved to 4 non-social rented bed space, removal of 2 staff bed spaces, reconfigured removal of 2 bedspaces.

⁵ 1 unit moved to MR.

⁶ 4 units moved from Supported, 1 unit from IMR, 18 Units Leaseholder transferred to external management company, 3 units to leaseholders.

Notes to the consolidated financial statements (continued)

5. Directors' emoluments and expenses

Group and Association

Executive Directors*

	2024 £'000	2023 £'000
Remuneration and fees (excluding pension contributions)	470	368
National insurance	60	50
Pension contributions	41	33
Expenses allowances (subject to tax)	39	32
	610	483

The total amount payable to the Chief Executive, who was also the highest paid director in respect of emoluments (Gross Salary, Car Allowance and National Insurance) was £208k (2023: £203k). Pension contributions of £15k (2023: £15k) were made to a money purchase scheme on her behalf. The Chief Executive has no enhanced or special terms in relation to the pension scheme.

*From July 2023, the Exec team increased to four members which has resulted in an increased in costs.

Board members

	2024 £'000	2023 £'000
Nikki Stockton – Chair	16	13
Shahida Latif-Haider	11	10
Fiona Carr	3	5
Gemma Bell-Smith	9	7
Laureen Donnan	5	5
Jane Healey-Brown	8	8
Adam Warburton	5	5
Rachael McCullough	5	3
Guy Millichamp	5	3
Gareth Rees	5	3
Christie Finegan	5	1
Paul Wilcox	-	8
Susan Curran	-	6
Total	77	77

The aggregate amount of emoluments payable to Board of Management was £77k (2023: £77k). Total expenses reimbursed to the Board of Management were £nil (2023: £nil).

Notes to the consolidated financial statements *(continued)*

6. Employees

Group and Association

Average number employed

Executive Directors & Board
Office & Operational Staff

	2024 Number	2023 Number
	16	13
	264	259
	280	272
Part Time	50	45
Full Time	230	227
Total	280	272
Full time equivalent (calculated based on a standard working week of 35 hours)	257	256

A defined contribution pension scheme is operated by the Group and Association on behalf of the employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

Staff costs

Wages & Salaries
Redundancies
Social Security Costs
Pension Costs

	2024 £'000	2023 £'000
	9,658	8,865
	-	28
	902	841
	555	507
	11,115	10,241

The remuneration paid to staff (including Executive Management Team) earning over £60,000 upwards.

Salary bandings for employees above £60,000 per annum

	2024	2023
£60,000 - £70,000	2	3
£70,000 - £80,000	6	4
£80,000 - £90,000	1	3
£90,000 - £100,000	1	-
£100,000 - £110,000	1	1
£110,000 - £120,000	-	-
£120,000 - £130,000	1	1
£170,000 - £180,000	-	-
£180,000 - £190,000	1	1
	13	13

Notes to the consolidated financial statements *(continued)*

7a. Interest receivable and other income

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Interest receivable on bank deposits	<u>1,128</u>	<u>191</u>	<u>1,094</u>	<u>159</u>

7b. Interest payable and similar

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Interest on bank loans and overdrafts	8,633	6,812	8,633	6,812
Net interest on net defined benefit liability	169	72	169	72
	<u>8,802</u>	<u>6,884</u>	<u>8,802</u>	<u>6,884</u>



Notes to the consolidated financial statements *(continued)*

8. Operating surplus

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Is stated after charging:				
Depreciation:				
- Housing Properties	6,443	6,515	6,443	6,515
- Scheme Equipment	145	143	145	143
- Other Tangible Fixed Assets	367	415	367	415
Loss on Disposal:				
- Housing properties - components	(337)	-	(337)	-
- Scheme Equipment	(2)	-	(2)	-
- Other Tangible Fixed Assets	(111)	-	(111)	-
Operating Lease Charges:				
- Plant and Machinery	379	273	379	273
- Other	339	379	339	379
Auditor Remuneration:				
- For audit services	51	36	43	31
- For non-audit services	-	4	-	4
- Tax compliance	6	3	6	3

Notes to the consolidated financial statements *(continued)*

9. Surplus on sale of fixed assets - housing properties

	Group and Association	
	2024	2023
	£'000	£'000
1st Tranche Sales		
Proceeds	750	606
Cost of Sales	(554)	(527)
Surplus	196	79
RTA/RTA Sales		
Proceeds	397	415
Cost of Sales	(170)	(123)
Surplus	227	292
Fully Staircased		
Proceeds	270	678
Cost of Sales	(148)	(429)
Surplus	122	249
Non-social Sales		
Proceeds	-	4,000
Cost of Sales	-	(3,067)
Surplus	-	933
Total Sales excluding 1st Tranche	349	1,474

Notes to the consolidated financial statements *(continued)*

10. Tax on surplus on ordinary activities - Group

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Analysis of tax credit for the period				
<i>Current Tax</i>				
UK Corporation tax at 25% (2023:19%)	-	-	-	-
<i>Deferred Tax</i>				
Origination and reversal of timing differences	-	-	-	-
Tax on profit on ordinary activities	-	-	-	-
 Profit on ordinary activities before tax	2,173	4,334	2,647	5,401
 Profit on ordinary activities at 25% tax (2023:19%)	543	823	662	1,026
 Fixed asset differences	1,765	-	1,765	-
Income not taxable/deductible	(11,252)	(8,086)	(11,213)	(8,086)
Expenses not deductible for tax purposes	8,940	7,298	8,786	7,060
Tax relief for gift aid	-	(35)	-	-
Tax Adjustment for GMJV	-	23	-	-
Deferred tax not recognised	4	-	-	-
 Total tax charge for the period	-	23	-	-

Notes to the consolidated financial statements (continued)

11. Housing properties - Group

	Housing Properties				Under Construction			Total
	Social Housing	Non-Social Housing	Intermediate Market Rent	Shared Ownership	Social Housing	Intermediate Market Rent	Shared Ownership	£'000
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost								
At 1 April 2023	374,386	2,152	18,099	11,096	8,818	42	761	415,354
Replaced components	7,107	7	42	-	-	-	-	7,156
Construction costs	-	-	-	-	8,089	2,512	147	10,748
Transfer to Other Investment Properties			(81)		-	-	-	(81)
Transfer to Housing Properties	8,329	-		904	(8,329)		(904)	0
Transfer to Assets Held for Sale	-	-	-	-	-	-	(17)	(17)
1st Tranche Adjustment	-	-	-	26	-	-	12	38
Disposal of Components	(1,132)	-	(23)	-	-	-	-	(1,155)
Disposal of Housing Properties/Staircasing Sales	(189)	-	-	(151)	-	-	-	(340)
At 31 March 2024	388,501	2,159	18,037	11,875	8,578	2,554	-	431,704
Depreciation								
At 1 April 2023	75,445	440	2,168	1,159	-	-	-	79,212
Charged in year	6,085	33	234	92	-	-	-	6,444
Transfer to Investment Properties	-	-	(8)	-	-	-	-	(8)
Disposal of Components	(814)	-	-	-	-	-	-	(814)
Disposal of Housing Properties/Staircasing Sales	(33)	-	-	(18)	-	-	-	(51)
At 31 March 2024	80,683	473	2,394	1,233	-	-	-	84,783
NBV At 31 March 2024	307,818	1,686	15,643	10,642	8,578	2,554	-	346,921
NBV At 31 March 2023	298,941	1,712	15,931	9,937	8,818	42	761	336,140

The net book value of housing properties held by freehold are £261m (2023: £245m) and leasehold are £86m (2023: £86m). The Group and Association had property with a net book value of £226m pledged as security at 31 March 2024 (2023: £224m).

Notes to the consolidated financial statements (continued)

11. Housing properties - Association

	Housing Properties				Under Construction			Total
	Social Housing	Non-Social Housing	Intermediate Market Rent	Shared Ownership	Social Housing	Intermediate Market Rent	Shared Ownership	£'000
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost								
At 1 April 2023	375,807	2,152	18,316	11,236	4,875	47	863	413,296
Replaced components	7,107	7	42	-	-	-	-	7,156
Construction costs	-	-	-	-	8,579	2,570	58	11,207
Transfer to Housing Properties	8,533	-	-	904	(8,533)	-	(904)	-
Transfer to Investment Properties	-	-	(81)	-	-	-	-	(81)
Transfer to Assets Held for Sale	-	-	-	-	-	-	(16)	(16)
1st Tranche Adjustment	-	-	-	38	-	-	-	38
Disposal of Components	(1,132)	-	(23)	-	-	-	-	(1,155)
Disposal of Housing Properties/Staircasing Sales	(189)	-	-	(151)	-	-	-	(340)
At 31 March 2024	390,126	2,159	18,254	12,027	4,921	2,617	-	430,104
Depreciation								
At 1 April 2023	75,445	440	2,168	1,159	-	-	-	79,212
Charged in year	6,084	33	234	92	-	-	-	6,443
Transfer to Investment Properties	-	-	(8)	-	-	-	-	(8)
Disposal of Components	(813)	-	-	-	-	-	-	(813)
Disposal of Housing Properties/Staircasing Sales	(33)	-	-	(18)	-	-	-	(51)
At 31 March 2024	80,683	473	2,394	1,233	-	-	-	84,783
NBV At 31 March 2024	309,443	1,686	15,860	10,794	4,921	2,617	-	345,321
NBV At 31 March 2023	300,362	1,712	16,148	10,077	4,875	47	863	334,084

Notes to the consolidated financial statements *(continued)*

11. Expenditure on works to existing properties

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Amounts capitalised	7,156	7,720	7,156	7,720
Amounts charged to income and expenditure accounts	<u>15,272</u>	<u>12,150</u>	<u>15,272</u>	<u>12,150</u>



Notes to the consolidated financial statements *(continued)*

12. Investment properties - Group

The Group's and Association's freehold commercial investment properties were subject to an external valuation as at 31 March 2024. This valuation was carried out by JLL under instruction from the Officers of Irwell Valley Housing Association Limited.

	Group and Association	
	2024	2023
	£'000	£'000
At 1 April	8,053	10,662
Additions from Housing Properties	73	-
Movement in Valuation	325	440
Disposal	-	(3,049)
At 31 March	8,451	8,053



Notes to the consolidated financial statements *(continued)*

13. Tangible fixed assets - Group and Association

	Scheme Equipment £'000	Leasehold Office Premises £'000	Computer Equipment £'000	Fixtures & Equipment £'000	Total £'000
Cost					
At 1 April 2023	3,152	39	3,567	939	7,697
Additions	130	-	508	3	641
Disposals	(7)	-	(2,122)	-	(2,129)
At 31 March 2024	<u>3,275</u>	<u>39</u>	<u>1,953</u>	<u>942</u>	<u>6,209</u>
Depreciation					
At 1 April 2023	1,637	36	2,682	593	4,948
Charged for the Year	145	1	334	32	512
Disposals	(5)	-	(2,011)	-	(2,016)
At 31 March 2024	<u>1,777</u>	<u>37</u>	<u>1,005</u>	<u>625</u>	<u>3,444</u>
NBV At 31 March 2024	1,498	2	948	317	2,765
NBV At 31 March 2023	<u>1,515</u>	<u>3</u>	<u>885</u>	<u>346</u>	<u>2,749</u>

Notes to the consolidated financial statements *(continued)*

14. Fixed asset investments

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Investment in subsidiaries				
Irwell Valley Development Limited	-	-	-	-
Investment in Joint Ventures				
GMJV – Hive Homes	800	573	-	-

Irwell Valley Homes has investment in its 100% owned subsidiary of £nil (2023 £nil).

Investments represent a 9% share in GMJV Fundco LLP, a Limited Liability Partnership incorporated in England & Wales. The Investment has been made in the form of an equity stake representing a 9% stake of the partnership with a value of £800k (2023 - £573k) and a debtor of £1,461k (2023 - £388k) as interest on the debt investment is due in the foreseeable future. Interest is charged at 7.2% on the outstanding debtor balance.

The net cashflow to the subsidiary within the financial year was £1.3m.



Notes to the consolidated financial statements *(continued)*

15. Home buy properties

	Group and Association	
	2024	2023
	£'000	£'000
At 1 April	181	181
Movement within year	-	-
At 31 March	181	181



Notes to the consolidated financial statements *(continued)*

16. Debtors

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Amounts receivable after one year				
Loan to IVDL	-	-	1,300	-
THFC interest prepayment	1,385	1,324	1,385	1,324
Loan to GMJV	1,461	388	-	-
Total amounts receivable after one year	2,846	1,712	2,685	1,324
Amounts receivable within one year				
Rent and Service Charges	3,844	3,163	3,844	3,163
Less: Provision for Bad Debts	(1,205)	(1,166)	(1,205)	(1,166)
Amounts due from group undertakings	-	-	7,302	5,977
Other debtors	1,430	2,156	1,243	2,051
Other tax and social security	208	58	160	-
Loan interest prepayment	-	-	-	-
Total amounts receivable within one year	4,277	4,211	11,344	10,025
Total amounts receivable	7,123	5,923	14,029	11,348

17. Stock and Work In Progress

	Group		Association	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Stock - Van & Materials	255	232	255	232
Shared Ownership Properties - Work in Progress	-	548	-	578
Shared Ownership Properties - Completed	-	-	-	-
	255	780	255	810

Notes to the consolidated financial statements *(continued)*

18. Creditors: amounts falling due within one year

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Social housing and other grants (see note 23)	1,409	1,371	1,409	1,371
Bank loans (see note 19)	8,101	6,706	8,101	6,706
Rent received in advance	996	1,082	996	1,082
Amounts due to contractors	109	149	109	149
Trade creditors	1,263	1,677	469	1,676
Recycled Capital Grant Fund (see note 24)	186	242	186	242
Amounts due to group undertakings	-	-	3,233	1,364
Other tax and social security	-	32	0	9
Other creditors	2,620	930	1,343	930
Accruals	3,682	4,488	3,684	3,087
	18,366	16,677	19,530	16,616

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

	Group and Association	
	2024	2023
	£'000	£'000
Social Housing and other grants (see note 23)	116,465	116,695
Bank loans	185,581	153,923
Recycled Capital Grant Fund (see note 24)	343	317
Homebuy grant	181	181
Other Creditors	436	680
	303,006	271,796

Notes to the consolidated financial statements *(continued)*

Debt Analysis

	Group and Association	
	2024	2023
	£'000	£'000
Debt on bank loans repayable as follows:		
Between one and two years	7,703	8,408
Between two and five years	25,080	24,123
In five or more years	152,798	121,392
	185,581	153,923
In one year or less	8,101	6,706
	193,682	160,629

Housing loans from lending institutions are secured by specific charges on majority of the Group and Association's housing properties and are repayable at rates of interest of between 2.65% and 11.7%. The level of undrawn facilities at the year-end stands at £60m, this relates to a revolving credit facility of £30m and a £30m fixed term loan.

20. Financial instruments

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Financial Assets				
Debt instrument measured at amortised cost	47,475	24,001	51,963	28,528
Financial Liabilities				
Measured at amortised cost	202,628	168,730	200,558	167,329

Notes to the consolidated financial statements *(continued)*

21. Operating leases

As at 31 March 2023 and 2024, the Group and Association had annual commitments under non-cancellable operating leases as set out below:

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Land and building				
Within 1 Year	379	273	379	273
Between 2-5 Years	1,303	1,091	1,303	1,091
After 5 Years	1,806	1,545	1,806	1,545
	3,488	2,909	3,488	2,909
Other operating leases				
Within 1 Year	339	379	339	379
Between 2-5 Years	413	896	413	896
After 5 Years	-	-	-	-
	752	1,275	752	1,275

22. Provision for liabilities

	Group		Association	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Pension deficit liability (see note 29)	4,063	3,938	4,063	3,938
	4,063	3,938	4,063	3,938

Notes to the consolidated financial statements *(continued)*

23. Deferred grant income

	Group and Association	
	2024	2023
	£'000	£'000
At 1 April	118,066	116,869
Grants received during the year	1,120	3,306
Grants recycled (from) /to the RCGF	226	(144)
Released to income in the year	(1,540)	(1,965)
At 31 March	117,872	118,066
Amounts to be released within one year	1,409	1,371
Amounts to be released in more than one year.	116,463	116,695
	117,872	118,066

24. Recycled Capital Grant Fund (RCGF)

	Group and Association	
	2024	2023
	£'000	£'000
At 1 April	559	703
Additions to fund	196	222
Utilised in the year	(226)	(366)
At 31 March	529	559
Amounts to be released within one year	186	242
Amounts to be released in more than one year	343	317
	529	559

Notes to the consolidated financial statements *(continued)*

25. Share Capital Group

	Group and Association	
	2024	2023
Shares of £1 each issued and fully paid		
At 1 April 2023	9	9
Issued during the year	1	2
Surrendered during the year	(1)	(2)
At 31 March 2024	9	9

The shares provide members with the right to vote at general meetings but do not provide any rights to dividends or distributions. The members' liability is limited to £1 on a winding up of Irwell Valley Housing Association Limited.



Notes to the consolidated financial statements (continued)

26. Notes to Group cash flow statement

Reconciliation of operating surplus to net cash generated from operating activities

	Group and Association	
	2024	2023
	£'000	£'000
Surplus	2,172	4,334
First Tranche Sales surplus	(196)	0
(Increase)/Decrease in valuation of Investment Properties	(325)	(440)
Interest charge	8,802	6,812
Interest received	(1,128)	(191)
Surplus on the sale of housing properties	(349)	(1,553)
Bad debt	347	283
Depreciation charges	6,955	7,073
Loss on disposals	450	-
Decrease/(Increase) in debtors	(1,367)	(153)
Amortisation of Housing Grant	(1,401)	(1,366)
Difference between net pension expense and cash contribution	(949)	(836)
Decrease/(Increase) in creditors	(1,097)	987
Non-cashable income	0	(593)
Joint Venture receipt	(29)	0
First Tranche Sales Income	750	-
	12,635	14,357

Net debt reconciliation

	1 April 2023	Cashflows	Non-cash movement	31 March 2024
	£'000	£'000	£'000	£'000
Cash at bank and in hand	17,562	22,198	-	39,760
Bank loans	(160,630)	(33,305)	253	193,682
Net debt	(143,068)	(11,107)	253	(153,922)



Notes to the consolidated financial statements *(continued)*

27. Capital commitments

	Group and Association	
	2024	2023
	£'000	£'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	20,340	14,011
Capital expenditure that has been authorised but not yet contracted for	21,201	31,858
	41,541	45,869
The group and association expect to finance the above commitments by:		
Loan facilities, shared ownership stair-casing sales and other trading cash flows	41,541	45,869



Notes to the consolidated financial statements *(continued)*

28. Related parties

	Group and Association	
	2024	2023
	£'000	£'000
Irwell Valley (Developments) Limited		
Intercompany balances		
Amounts owed in relation to design and build to IVHA	2,651	1,350
Cash amounts transferred to IVDL for the Rivington development	4,650	4,627
Amounts owed in relation to design and build to IVDL	3,233	1,364
Amounts owed to IVH representing the loan to GMJV	1,300	-
Intercompany transactions		
Management fee charged to IVDL for Development & back office	388	425
Amounts recharged to IVHA for scheme contracts	8,624	8,352
GMJV - Hive Homes		
Investment in Joint Venture	800	573
Interest on debtor	83	32
Investment within the year	1,300	222

Other related parties

The Association has three resident Board of Management members, F Carr had a credit balance of £2 as at 31 March 2024 and rental charges for 2023/24 of £8,400 and C Finegan had a £3 credit balance and rental charges for 2023/24 of £3,433. J Taylor had a credit balance of £12 and rental charges for 2023/24 of £6,918.

Linda Levin, Irwell Valley Housing Association's Executive Director of Customers and Communities (up to June 2023) is a Board Member of Bolton Community Homes. During the year, the group paid partnership fees totalling £11k (2023: £10k) to Bolton Community Homes.

Notes to the consolidated financial statements *(continued)*

29. Pension costs - SHPS

The Association participates in the Social Housing Pension Scheme (SHPS), a multi-employer scheme which provides benefits to some 500 non-associated employers. A new approach was agreed in 2019/20 financial year through TPT and the SORP working party which identifies the liability due from IVH.

IVH's liability is calculated for inclusion on the balance sheet. This is not linked to the stream of deficit contributions; actuarial assumptions are applied to determine the organisation's share of the liabilities. The assumptions are updated annually and the major changes to the position go through the 'Other comprehensive income' statement and the calculations are carried out annually and independently of the pension scheme's triennial valuation.

Based on the actuarial valuation received for 31 March 2024, Irwell Valley Housing Association Limited has included within provisions £4.1m (2023: £3.9m). The actuarial movement within the year amounts to a loss of £902k (2023: Loss £1,710k). The trustees of SHPS have communicated that an ongoing benefits review has identified that certain historic changes to scheme member benefits require clarification on whether scheme rules have been followed. The main issue is linked to the application of inflation changes and TPT is seeking direction from a Court ruling as to the correct interpretation of scheme rules with a ruling not currently expected before late 2025. No provision has been made within the pension liability for this amount.

	Group and Association	
	2024	2023
	£'000	£'000
<i>Fair value of plan assets, present value of defined benefit obligation and defined benefit asset (Liability)</i>		
Fair value of plan assets	17,796	18,112
Present value of defined benefit obligation	21,860	22,050
(Deficit) in plan	(4,064)	(3,938)
Unrecognised surplus	-	-
Defined (liability) to be recognised	(4,064)	(3,938)
Deferred tax	-	-
Net defined benefit (liability) to be recognised ⁹	-	-

	Group and Association	
	2024	2023
	£'000	£'000
<i>Reconciliation of opening and closing balances of the defined benefit obligation</i>		
Defined benefit obligation at start of period	22,050	30,259
Current service cost	-	-
Expenses	17	17
Interest expense	1,057	830
Member contributions	-	-
Actuarial losses due to scheme experience	(228)	593
Actuarial losses due to changes in demographic assumptions	(147)	104
Actuarial gains due to changes in financial assumptions	(165)	(8,987)
Benefits paid and expenses	(724)	(766)
Defined benefit obligation at end of period	21,860	22,050

Notes to the consolidated financial statements *(continued)*

Reconciliation of opening and closing balances of the fair value of plan assets

	Group and Association	
	2024	2023
	£'000	£'000
Fair value of plan assets at start of period	18,112	27,212
Interest income	888	758
Experience on plan assets (excluding amounts included in interest income) - loss	(1,442)	(10,000)
Employer contributions	962	908
Member contributions	-	-
Benefits paid and expenses	(724)	(766)
Assets acquired in a business combination	-	-
Assets distributed on settlements	-	-
Exchange rate changes	-	-
Fair value of plan assets at end of period	17,796	18,112

Notes to the consolidated financial statements *(continued)*

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2023 to 31 March 2024 was (£554k).

Defined benefit costs recognised in statement of the comprehensive income (SOCl)

Group and Association

	2024 £'000	2023 £'000
Current service cost	-	-
Expenses	17	17
Net interest expense	169	72
Losses on business combinations	-	-
Losses on settlements	-	-
Losses on curtailments	-	-
Losses due to benefit changes	-	-
Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)	186	89

Defined benefit costs recognised other comprehensive income (OCI)

Group and Association

	2024 £'000	2023 £'000
Experience on plan assets (excluding amounts included in net interest cost) - (loss)	(1,442)	(10,000)
Experience gains and losses arising on the plan liabilities - (loss)	228	(593)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - (loss)	147	(104)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain	165	8,987
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - (loss)	(902)	(1,710)
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) – gain	-	-
Total amount recognised in Other Comprehensive Income - (loss)	(902)	(1,710)

Notes to the consolidated financial statements *(continued)*

	Group and Association	
	2024	2023
	£'000	£'000
Assets		
Global Equity	1773	338
Absolute Return	695	196
Distressed Opportunities	627	548
Credit Relative Value	583	684
Alternative Risk Premia	565	34
Fund of Hedge Funds	-	-
Emerging Markets Debt	230	97
Risk Sharing	1,042	1,333
Insurance-Linked Securities	92	457
Property	715	780
Infrastructure	1,798	2,069
Private Equity	15	-
Private Debt	700	806
Opportunistic Illiquid Credit	695	775
High Yield	3	63
Opportunistic Credit	-	1
Cash	351	131
Corporate Bond Fund	-	-
Liquid Credit	-	-
Long Lease Property	115	546
Secured Income	531	831
Liability Driven Investment	7,242	8,342
Currency Hedging	(7)	35
Net Current Assets	31	46
Total assets	17,796	18,112

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

Notes to the consolidated financial statements *(continued)*

	Group and Association	
	2024	2023
<i>Key assumptions</i>		
Discount Rate	4.91%	4.86%
Inflation (RPI)	3.14%	3.19%
Inflation (CPI)	2.78%	2.77%
Salary Growth	2.78%	2.77%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance
	Life expectancy at age 65 (Years)	Life expectancy at age 65 (Years)
Male retiring in 2024	20.5	20.8
Female retiring in 2024	23	23.4
Male retiring in 2044	21.8	22.1
Female retiring in 2044	24.4	24.8

Notes to the consolidated financial statements *(continued)*

30. Joint Venture – GMJV The Hive

In 2019, IVDL, a fully owned subsidiary of Irwell Valley Housing Association Limited became a member of GMJV Fundco LLP with 9 other local registered providers. The LLP holds an 83% investment in Hive Homes LLP, a partnership which is helping to address growing housing crisis in Greater Manchester. IVDL made a contribution of £1.3m within the year (2023: £222k). Below is Hive Homes financial performance for the year ended 31 March 2024.

	GMJV Hive Homes	
	2024	2023
	£'000	£'000
Current Assets		
Work in Progress	23,701	8,356
Trade Debtors	110	106
Cash at bank	3,666	11,910
	27,477	20,372
Current liabilities		
Creditors	(3,847)	(4,549)
Net Current Assets	23,630	15,823
Reserves		
Members capital classified as equity	9,958	7,118
Members capital classified as debt	14,610	8,057
Revenue Reserves	(1,224)	1,926
Retained Earnings	286	(1,278)
Profit and Loss Account	23,630	15,823

For a copy of the signed accounts please contact us.



0300 561 1111



contact@irwellvalley.co.uk



Irwell Valley Housing Association Limited is a charitable Community Benefit Society registered under the Co-operative and Community Benefit Societies Act 2014 with registered number 20684R. Registered address: First Floor, Soapworks, Colgate Lane, Salford, M5 3LZ. Registered provider of social housing registered with the Regulator of Social Housing with RP number: L0061