Grand Union
Housing Group

Annual report and financial statements for the year ended 31 March 2023

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

The Board, Executive Officers and Advisors

Chair

Steve Benson (appointed 1 April 2023)

Colin Dennis (appointed as Chair-Designate 1 July 2022 and as Chair from 30 September 2022, resigned 24 November 2022)

James Macmillan (resigned 30 September 2022)

Board members

Gillian Walton, Senior Independent Director (Vice Chair from 28 October 2022 – 1 May 2023)

Richard Broomfield (resigned 9 September 2022)

John Edwards

Brent O'Halloran

Peter Fielder (appointed interim Chair 24 November 2022 – 1 April 2023, Vice Chair from 1 May 2023)

Dave Willis

Craig Thornton

Kalwant Grewal

Kevin Gould

Nannette Sakyi (appointed 1 April 2022)

Emma Killick (appointed 1 July 2022)

Ashleigh Webber (appointed 9 January 2023)

Company Secretary

Mona Shah (resigned 1 December 2022)

Suzanne Maguire (appointed 1 December 2022)

Executive Officers

Aileen Evans, Group Chief Executive

Mona Shah, Executive Director of Finance & Business Services

Phil Hardy, Executive Director of Operations

Registered Office

K2
Timbold Drive
Kents Hill
Milton Keynes
Bucks
MK7 6BZ

Solicitors

EMW Law

Trowers & Hamlins

Devonshires

Wright Hassall

Perrin Myddelton

Funders

NatWest Bank plc

Santander Plc

Royal Bank of Scotland plc

Barclays Plc

Bankers

NatWest Bank plc

Auditors

Beever and Struthers (External)

KPMG (Internal)

Valuers

Savills plc

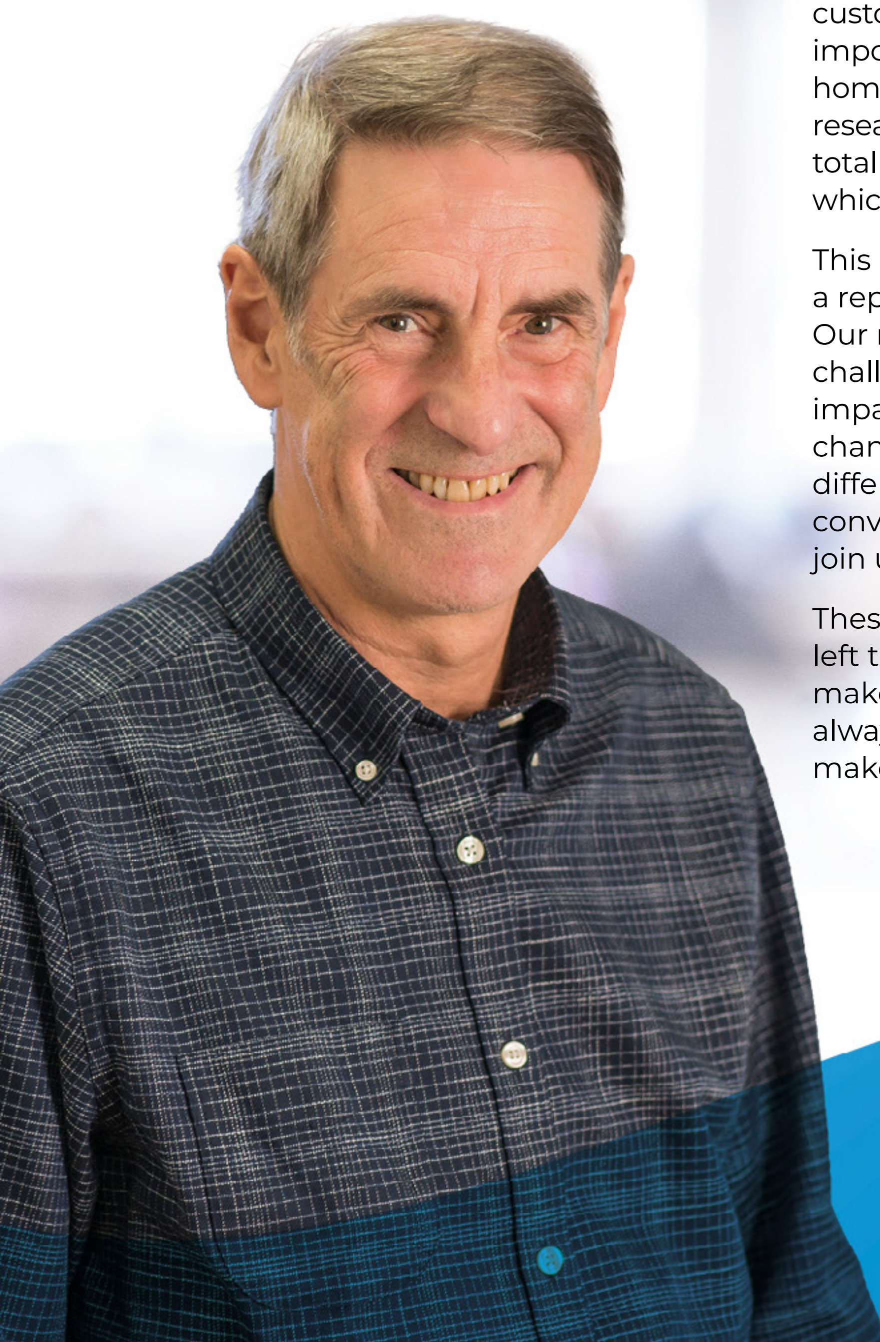
Berrys

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

Welcome

Statement from the Chair

I'm proud to have served on Grand Union's Board since 2018 and acted as interim Chair between November 2022 and April 2023. Throughout my tenure, we have faced a variety of challenges but few, not even Covid, have had quite as much impact on our customers and colleagues as the recent cost-of-living crisis.



The impact of inflation, which peaked at 11.1% (CPI), affected the price of food, fuel and energy, leaving many in real financial hardship. We've seen examples where customers have been forced to make near impossible choices such as heating their homes or eating meals. Recent extensive research found that 22% of our customers' total household income is under £10,000, which is just not enough to make ends meet.

This is one of the reasons we have published a report on the UK's welfare system. Our report sets out the experiences and challenges faced by our customers, the impact on us as a landlord, and the possible changes that could make a significant difference. We hope that it sparks a conversation and have called for others to join us in the fight for change.

These high levels of inflation have, at times, left the Board with difficult decisions to make, but I'm proud that together we've always maintained our focus on trying to make a difference for our customers.

> “We’ve always maintained our focus on trying to make a difference for our customers.”

Peter Fielder
Interim Chair

To make that difference, we have needed to get a better understanding of who our customers are and what they need from us. Thanks to recent extensive customer research and the launch in September 2022 of our customer feedback platform, ‘Voice’, we are now able to use their feedback to genuinely shape our services for the future.

Thanks to this feedback, we know how important an effective and efficient repairs service is to them. That’s why we’ve been focussing on improving our service during the last year. We know this will be a continued challenge moving forward, but we’re driven in our desire to provide a great customer experience.

This same drive also saw us change our approach to dealing with damp and mould in customers’ homes. During 2022/23, we implemented a number of changes which are enabling us to prevent or remove damp, mould and condensation. This was the culmination of work that began in July 2021, so I’m pleased we are seeing how this positive work has progressed.

We remain in a housing crisis and despite external challenges such as rising materials costs and labour shortages, we have continued to do our bit to deliver much needed affordable homes. I’m proud that 90 of the 282 homes we built last year were for social rent, including 68 in our largest ever extra care scheme, Chamomile Gardens in Biggleswade, Bedfordshire. Completed in November, the 93-apartment development is for people over 55 with an identified care need.

We also remain focussed on promoting good mental health. Early in 2022/23 we launched an innovative partnership with regional public health teams to create a blueprint for a new way of working between health and housing.

As I prepare to step down from my role, I wanted to thank all Board and Committee members, both past and present, for making the time enjoyable while helping drive the organisation forward.

We say that “what we do matters” and the continued work we do showcases just that. I want to thank everyone at Grand Union for making a difference to the communities we serve every day.

Peter Fielder
Interim Chair

Welcome

Statement from the Group Chief Executive

In the last 18 months or so, we've seen our sector in the spotlight from the media, government, and customers, and not in a good way.

The quality of homes we provide, the level of professionalism of our people and whether we listen enough to our customers have all been questioned.

At Grand Union, we're driven to continue to make a difference to the customers and communities we serve. And while we know that we can improve collectively, I'm proud of the work Grand Union has done in the last year to ensure we continue to make a difference to the people living in our homes.

We welcomed the publication of the Better Social Housing Review, which made recommendations to drive improvements in the quality of social housing. One of the key recommendations was to ensure that customers have a voice and influence in organisations, and during the past year we have worked hard to ensure this. The launch of Voice, our customer feedback platform, has already provided invaluable feedback which has helped to shape our services.

Knowing what customers want and what their needs are is core to what we want to achieve. We want to better understand what 'home' means to our customers and have asked them this very question. We will use their feedback to directly inform our new corporate plan; we essentially want to co-create this with customers, colleagues and stakeholders.

We are already using our sector-leading research, that helps us understand more about our customers, to make changes to our service offer. The services we provide must meet the high standards our customers expect and deserve, and we recognise that we will need to vary our service offer dependent on the needs of individual customers. That's why we're using data from our research, coupled with customer feedback, to ensure that the support services we provide are what our customers need.

As Group Chief Executive, my role is to make it easy for everyone at Grand Union to do their job well. We're looking at ways we can do this that will benefit both colleagues and customers.

We're working hard, looking at the systems we use every day and the processes we have in place to deliver a consistently great customer experience. This transformational work is already helping us to become a more efficient and effective business and I look forward to seeing where it can take us.

We have been investing in our people for years because we see this an investment in the communities they serve. We've prepared for today and continue to prepare for the future. This ongoing work will tie in with the Government's push for professionalism in housing, which we welcome.

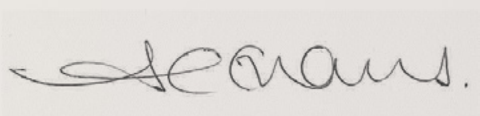
> “Knowing what customers want and what their needs are is core to what we want to achieve.”

Aileen Evans
Group Chief Executive

Last year we saw some great outcomes from the investment in the development of our colleagues, managers and leaders. I was particularly pleased to see the promotion of two female colleagues into Head of Service roles in the property side of the business - a traditionally male dominated field. I hope that we see more examples of colleagues rising through the ranks, breaking traditions, and bringing new and exciting ideas to the table.

I’m immensely proud of what we achieved in the last year as we continue to work towards being a more efficient and customer-focussed business. Our colleagues and Board and Committee members have, once again, risen to the challenges we’ve set them, and I want to thank them all for their compassion, skill, and dedication to our vision.

Finally, I wanted to express my gratitude to Peter Fielder for stepping into the role of Board Chair on an interim basis after Colin Dennis stepped down late in 2022. His support and steady hand were invaluable as we worked to appoint a new Chair and finish the year strongly.



Aileen Evans
Group Chief Executive

The year at a glance

Who we are

We've been in business for almost **30 years** and provide nearly **13,000 homes** for more than **29,000 people** across Bedfordshire, Buckinghamshire, Northamptonshire and Hertfordshire. We're a **£92 million** turnover social housing business with almost **400 staff**.

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

We're a financially stable and innovative not-for-profit organisation that believes in partnership and collaboration. We plan to build over 1,500 more new homes over the next five years to play our part in ending the housing crisis.

Key progress against our commitments:

For today and tomorrow

£92m
Turnover

£764m
Total assets

£0.25m
Value for Money savings

£50m
new long-term funding secured

In 2022/23 we built 282 new homes

90
for rent (including social rent, affordable rent and supported living)

118
shared ownership homes

69
for supported housing and housing for older people

5
for market sale

G1/V1

Confirmed Governance and Financial Viability Standard in July 2023 by the Regulator of Social Housing following an In-Depth Assessment

A3 (Negative)

Confirmed Moody's credit rating in December 2022

For our customers

39,193 repairs were carried out and **513** voids were completed. We spent **£26.173m** on home improvements and repairs which included:

549 homes with new windows and doors with a further **79** partial upgrades

174 new kitchens and **2** kitchen upgrades

51 new bathrooms

17 new wet rooms installed as part of our accessibility work

375 new boilers installed

18 new central heating systems and **4** upgraded

630 properties received high level works and **36** upgraded

13 homes were fitted with highly efficient air source heat pumps

Year-end compliance levels:

100% **Fire risk assessments**

96.77% **Legionella risk assessments**

99% **Asbestos communal re-inspections**

88.10% **Asbestos domestic surveys** including **9.6%** cloned data based on similar aged and sized properties

99.59% **Gas**

94.84% **Electric** (within five years)

1,214 Energy performance (EPC) surveys undertaken in the year

114 Homes benefitted from new, higher performing insulation

£3.21m benefits secured for customers in 2022/23

£995k of assistance with rent such as Housing Benefit, Discretionary Housing payments or the housing costs element of Universal Credit

£1.02m in disability payments which provide extra money for customers with long-term health problems or disabilities

99,860

phone calls, web chats and emails answered by our Customer Contact team

1,661 customers signed up to **MyGUHG**, our customer portal

We received **8,474** customer responses through Rant & Rave

Rent arrears were just **2.44%** (net) of the total **£74.5m** annual rent due

157 domestic abuse referrals made for customers

5 colleagues offered domestic abuse support

260 safeguarding referrals made for customers

54,500 wellbeing checks completed by colleagues

558 personal alarm systems installed

670 customers signed up to Voice, our customer feedback platform. Between its launch on 5 September and 31 March, members took part in:

- **13** surveys with 41.5% average response rate
- **13** polls
- **6** forums

For each other

We have **393** members of staff

60 have been here for more than 15 years

-1.53% gender pay gap – reduced from 1.16% in 2022. This means that on average women are paid 1.53% more than men at Grand Union

-4.72% median pay gap in favour of women

3.84% ethnicity pay gap in favour of white colleagues

4.27% median ethnicity pay gap in favour of white colleagues

22.8% of new recruits from People of Global Majority (PGM) backgrounds

13.7% ethnic diversity, up from 12.26% in 2022

K2 Academy

44 courses run

153 course delegates received training

3 Leadership Elevator programmes run

38 programme delegates trained

290 training delivery hours

4.68/5 post-learning recommendation score

48 CIH memberships

18 certified practitioners

22 CIH qualified colleagues with two more currently studying

Investors in People Silver achieved

For our partners

79 essential worker homes now managed by Grand Union as part of a new agreement with Habitare Homes

11 affordable homes delivered in partnership with Northamptonshire Rural Housing Association

£2.2m joint grant funding secured with Central Bedfordshire Council to improve the energy efficiency of our homes

Strategic Report

The Board presents its Strategic and Board reports on the affairs of Grand Union Housing Group Limited (the "Group") together with the financial statements and auditor's report for the year ended 31 March 2023.

The Group is comprised of

Grand Union Housing Group Limited
Registered

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

Our strategic commitments for now and the future

Going further together

In 2023 we entered the final year of our corporate plan, **Further together**, which sets out Grand Union's aspirations and goals.

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

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

For today and tomorrow

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

For our customers

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

For each other

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

For our partners

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

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

You can read more details about each of the commitments in Further together at **guhg-furthertogether.co.uk**.

Grand Union Housing Group delivery map

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

Outlook and Risk Management

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

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

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

Our values

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

Driven

We're driven to do more.

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

Together

We're in it together.

Our can-do attitude and collaborative approach help us achieve our goals and provide what our customers, colleagues and partners need from us.

Deliver

We deliver on our promises.

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

Strategy update

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

1

For today and tomorrow

We take our responsibilities seriously

2

For our customers

We serve our customers and their communities fairly and with integrity

3

For each other

We support our people in their service

4

For our partners

We're an honest and constructive partner

For today and tomorrow

1

Financial and operational performance analysis

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

Assets	£'000
Housing properties	700,217
Other fixed assets	1,346
Investment properties	31,996
Intangible assets	170
Current assets	30,340
Total	**764,069**

Financed by	£'000
Debt	349,763
Pension liability	853
Reserves brought forward	344,433
Creditors (excluding debt)	40,455
Surplus for the year	28,565
Total	**764,069**

Group financial performance three-year summary	2023 £'000	2022 £'000	2021 £'000
Total turnover	91,535	85,858	74,943
Cost of sales	14,010	12,031	5,821
Operating costs	53,999	50,994	48,374
Surplus on disposal of property, plant and equipment	3,299	2,397	1,764
Operating surplus/(deficit)	26,825	25,230	22,512
Comprehensive income for the year	28,565	9,109	6,820
Fixed assets	733,729	703,840	660,281
Net current assets	13,813	21,479	18,622
Creditors – more than one year	373,691	365,191	328,896
Revenue reserve	189,236	160,368	150,917

Financial Viability

The Board governs the affairs of the Group, which is regulated by the Regulator of Social Housing (RSH). Following an In-Depth Assessment in July 2023, the Group retained its highest-level ratings from the RSH for both Governance and Financial Viability (G1/V1). The Group's credit rating was changed to A3 (Negative) by Moody's during the year, this change being driven by a downgrade of the UK Sovereign in October 2022.

Governance

There has been significant change in the composition of the Board during the year 2022/23. James Macmillan stepped down as Chair on 30 September 2022 after seven years on the Grand Union Board. Colin Dennis served as Chair for a short time before it was mutually agreed in November 2022 that the cultural fit wasn't right. Long-standing member of the Board, Peter Fielder, acted as interim Chair until 1 April 2023 when Steve Benson was appointed as Chair. Peter remains on the Board as Vice Chair.

During the year, we also appointed three new Board members. Nannette Sakyi was appointed to Board in April 2022 and also serves on the boards of Grand Union Homes Limited and GUHG Development Company Limited. Emma Killick, who has served on the Customer Experience Committee since 2017, was appointed as a Board member from 1 July 2022 and as Chair of the Customer Experience Committee from 1 October 2022. We also appointed our first Customer Board Member, Ashleigh Webber, who has served on the Customer Experience Committee since 2020 and joined us as a Board member in January 2023.

Richard Broomfield, who was approaching the end of his tenure on the Board, stepped down from his role as member and Vice Chair in September 2022.

Grand Union is fully compliant with the NHF 2020 Code of Governance and the Governance and Financial Viability Standard from the Regulatory Framework for the year 2022/23. In July 2023 the Regulator of Social Housing confirmed a rating G1/V1 once again.

Environmentally responsible (as a business and a landlord)

Results for SECR (Streamlined Energy and Carbon Reporting) reflect normal working operations since Covid restrictions were lifted. This is why business mileage and fleet transport emissions have increased. Business mileage now also includes the home to office mileage which it excluded as part of our expenses claims in previous years. We have REGO (Renewable Energy Guarantees of Origin) certificates to demonstrate that we have sourced our own energy from our office sites from renewable sources. Energy consumption has decreased, reflecting consolidation of office premises. Carbon intensity has increased, but only marginally when increases in fuel consumption reflecting normal working practises are considered.

Our Environmental and Sustainability Strategy was amended to reflect the need to understand the scale of our impact on climate change and develop a comprehensive and dynamic plan to tackle our environmental footprint. We have identified which scope three emissions we need to report on as part of the Green House Gas Protocol and have the methodology for how we are going to report on these emissions in the future. Once we have calculated our whole carbon footprint, we will commission a piece of work that uses our data to create a pathway to net zero.

We have continued to undertake energy performance certificate (EPC) ratings, delivering 1,214 surveys this year. These help to plan and scope our retrofit programme. This will see all properties achieve Band C by 2030. This target has been amended from 2028 as previously reported.

To commence our retrofit programme, we were successful in our application for funding for phase 2 of the Local Authority Delivery scheme (LAD 2) for properties with EPC ratings below D across North Northamptonshire and Central Bedfordshire. Fourteen properties benefitted from retrofits works which accounted as £172k worth of funding.

Working alongside Warm Front, who delivered energy company obligation (ECO3) funding, 114 of our properties benefitted from insulation (£136,822 of carbon funding).

Alongside Central Bedfordshire Council, we have jointly won £2.2m in grant funding to help improve energy efficiency in our homes. Further information on this can be found on page 45.

During the year we progressed our Disposals Strategy. This sets out our plans over the coming 30 years to replace poor performing homes on a 1:1 basis with new, energy efficient homes. We have identified 2,000 homes that we will look to replace as they become available.

Work on an environmental management system that is compliant with ISO14001 is complete and we will be implementing this across the business in the coming year.

Working with the Re-Use Community Project in Milton Keynes, our voids team have started to arrange collections of reusable furniture that is left behind by customers in our void properties.

Our first cohort of Carbon Literacy training was delivered. Due to positive feedback received from this training, we have committed to delivering Carbon Literacy training to all managers in the coming year and will plan how to roll this out to all colleagues.

SECR reporting – energy and carbon

Scope one
Energy use and emissions from use of purchased gas.

	2020/21	2021/22	2022/23
kWh	940	-	-
tCO2e	0.17	-	-

Energy use and emissions from fleet transport and machinery.

	2020/21	2021/22	2022/23
kWh	1,503,794	1,997,725	2,544,320
tCO2e	366.53	473.02	610.39

Scope two
Energy use and emissions from purchase of electricity for Grand Union offices and sites.

	2020/21	2021/22	2022/23
kWh	289,934	179,710	129,174
tCO2e	67.60	38.16	24.98

Scope three
Energy use and emissions from business travel in rental cars or employee-owned vehicles where Grand Union is responsible for purchasing the fuel or awarding mileage allowance.

	2020/21	2021/22	2022/23
kWh	249,828	387,616	634,812
tCO2e	62.59	95.63	157.50

Totals
Total annual energy and emissions

	2020/21	2021/22	2022/23
kWh	2,044,496	2,565,052	3,308,306
tCO2e	496.89	606.80	792.87
Intensity ratio: tCO2e per property managed	0.04	0.05	0.07

Our current SECR reporting does not reflects Grand Union's entire carbon footprint. We have been working to improve our reporting and have identified the key areas that we need to report on for scope three emissions in line with the Green House Gas Protocol and are gathering data to be able to report.

Building more new homes

The economic conditions – inflation, labour shortages and the rising cost of materials – we faced during the year made it harder for the sector to build new homes, but we're proud to have risen to the challenge, completing 282. Once again it was a big year for the delivery of social and affordable rent properties, with 90 completed.

Working with Homes England saw us secure over £2.8m of new grant funding from their latest funding programme to help build 82 much needed affordable homes in three rural sites across Bedfordshire and Northamptonshire.

We continued to use entry level exception sites to provide much needed homes, completing 21 homes at Hackleton, Northamptonshire, and making great progress on 19 homes in Paulerspury, Northamptonshire. Redevelopment of our old office site in Towcester also started and will see us build 20 affordable homes.

A key development during the year was our flagship extra care scheme, Chamomile Gardens. The scheme in Biggleswade, Bedfordshire, has 93 one and two-bedroom apartments for over-55s and offers independent living with tailored care and support.

We continue to build a strong pipeline of future affordable new homes. We have an identified pipeline of over 1,500 new homes, with over 95% of these being affordable.

During 2023/24 we are on course to deliver more new homes with a strong pipeline to follow in subsequent years. Our New Business and Development Strategy places greater emphasis on land led opportunities, relationships with local authorities, creating our road map to net zero carbon homes and delivery through partnerships.

1,000 shared ownership homes and counting

Interest in shared ownership homes remains strong. We generated over £13.7m from selling 105 properties and customers continue to reserve homes off plan across our operational area.

During the year, we completed our 1,000th shared ownership home. The property in question, a three-bedroom home in Shefford, Bedfordshire, is home to Alice, her husband Adam, and son Oscar. It's one of 42 affordable homes on this site at Ivel Road, which was originally one very large house and its land.

Alongside these, we continued to build and sell homes at full market rate on our site in the Bedfordshire village of Gravenhurst. Five new homes were completed and sold through our subsidiary, Grand Union Homes Limited. All profits from these sales are reinvested to help us continue to provide more affordable homes.

Success story

"It's perfect for our needs."

Tony and Sarah had always dreamed of settling in Whitehouse, Milton Keynes (MK), but with costly property sale prices, it seemed like an unattainable aspiration. The couple had spent many years renting, until they learned of Grand Union's shared ownership scheme. Through shared ownership, they could afford a place of their own, in the estate they longed to live in – moving in in August 2017 and soon after starting a family.

Success story

"We've accomplished a great deal in the years we've been here. Since moving in, we've had two beautiful daughters and helped to set up the Whitehouse Church, which has been a fantastic way to connect with other families living in the area.

"The homes are really picturesque; you can't tell the affordable properties from the private sale homes, which I think really helps to reduce the stigma associated with affordable housing. Because Grand Union is so local, it's a personable service, you really get to know people in the organisation and build relationships."

Tony grew up in and around Milton Keynes and, after his parents fell on hard times, he and his family lived in a static caravan for several years.

"I was living in the caravan for a long time, into my early twenties. While completing my degree in Youth Work, it made sense to live at home, keeping my outgoings lower. I spent a year out living with my uncle in Tanzania, before returning to the UK and gaining employment at Loughton Baptist church in Milton Keynes, where I met my future wife, Sarah.

"Sarah and I rented for many years and, once we were married, the only place we could afford to live in was a one-bedroom bungalow for £750pcm. It wasn't fit for our needs, but we made do. We had dreams of settling in MK but affording to buy a property seemed out of reach. I remember looking around a development at Whitehouse, with a starting price of properties at £450k. It was really disheartening."

Tony's mum had worked with Grand Union in her role at the Fremantle Trust and suggested he and Sarah check out our website. When Tony visited the site, he couldn't believe what he saw.

"My jaw dropped when the first home I saw advertised was a two-bed in Whitehouse, available for shared ownership – the very location we'd dreamed of living in. I stayed up until 1am, filling in a form and was delighted when our application was approved.

"It wasn't just the house itself and the location, which was perfect, within six months several families had moved into the estate, and it felt like a real sense of community. With my background in the church, I helped set up the Whitehouse Church and launched lots of local events, primary school visits and organised meal drops during the pandemic.

"We definitely wouldn't have been able to afford to live in Whitehouse without Grand Union's shared ownership scheme. What's more, we're keen to staircase – buying more shares of our property, with the view of owning it outright one day. Though our family has grown since moving in, it's perfect for our needs and we particularly love the garden space."

National recognition

Early in 2023, one of our extra care schemes was highly commended at a national awards ceremony.

Quince Court in Sandy, Bedfordshire, was praised by judges but just missed out on the award for best purpose-built accommodation at the Local Authority Building Control (LABC) Excellence Awards.

The scheme won the regional award for the Central region in autumn 2022 and was one of six national finalists in the category at the awards which recognise and reward people in construction who work in all types of building projects.

2022 saw the completion of 25 new modern self–contained apartments at the scheme, which sit alongside 30 existing apartments, and offer tailored care and support to over 55s.

Using our voice for good

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

In June 2022 we supported the Harry's Pledge campaign at a breakfast meeting in Westminster. Aileen Evans, along with other supporters of the Pledge, discussed the importance of supporting carers and those they care for. As a result of this, Peter Bone MP introduced a Private Members' Bill in parliament.

In October 2022 we wrote to 10 MPs from across our operating area urging the Government to keep its pledge of raising benefits at least with inflation and make changes to funding so we can invest more in existing and new homes. We did this alongside other members of PlaceShapers, a national network of place-based housing organisations, of which we're a member.

We began working on a report on the UK's welfare system during the year. It sets out the experiences and challenges faced by our customers, using case studies and line-by-line budgets to demonstrate how difficult it is for families to make ends meet. Now the report has been published, we are calling for a fundamental review of the system to make things better for our customers.

In March 2023 we once again took part in No More Week, a national campaign dedicated to ending domestic abuse and sexual assault by increasing awareness, inspiring action and creating a culture change.

We also responded to government consultation on disability benefits and the call for evidence on health assessments for benefits. We know the impact this has on our customers so felt it was important to have our say.

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

For our customers

2

Giving our customers a voice

The Social Housing White Paper highlighted the importance of customer voice and influence and we have been working hard to ensure that this is at the core of the work we do.

In July 2022 we launched our new Customer Influence Framework. It details our strategic approach to bringing the customer voice into the organisation and covers feedback, complaints and engagement.

The framework, which was informed by extensive research, enables our customers to influence our services and really hold us to account.

One of our first actions was to provide an inclusive channel to seek a representative customer voice. We did this in September 2022 with the launch of Voice – a fully anonymous customer feedback platform.

We have almost 700 active users and the membership is representative across our customers. As a result, the feedback we receive provides an accurate representation of our customers' views.

So far, the feedback received on Voice has already helped us review our Pet Policy, find out what's important to customers when moving into their new home, and inform improvements in our customer portal, MyGUHG.

We also wanted to improve the level of transparency of customer feedback on our website. We used Voice to gain valuable insight into what they wanted to see on the page and have designed it around their feedback.

We have been proactively preparing for the collection of our first Tenant Satisfaction Measures data. This survey will be delivered through Voice, additional emails to those not using Voice and some telephone interviews. We have designed a methodology that reflects the needs of our customers, and ensures we get a broad and inclusive response. We know from previous work with customers that we reach a more representative group if we offer digital channel collection. We will be sharing the results with customers during the Summer of 2023.

Shaping the business around the customer experience

Our customers, stakeholders and our organisation are facing significant challenges and it is more important than ever that we are able to effectively respond to our customers' needs. We recognise that designing our services around our customers is vital - not only to ensure we are meeting their needs but also because we know it drives value, as each unnecessary touchpoint costs money, time and effort.

By using customer feedback and the comprehensive piece of customer research we did in 2021, we've been able to shape a number of services to ensure they are better suited to our customers' needs.

Thanks to their feedback, we know that managing the delivery of our repairs service is a priority for both our customers and the business. We have combined our repairs planning team and Customer Contact team under a single management structure, which enables us to have clearer oversight and management of our repairs reporting and scheduling. This in turn will improve the end-to-end processes for customers contacting us through different channels.

We had reviewed our Assisted Gardening Scheme to see whether it was a service that was still used or required. Our customer research has clearly evidenced that a significant proportion of customers are unable to maintain their outside space. In addition, we can see that the customers most likely to be experiencing difficulties are also likely to have potential protected characteristics which we need to consider. This research has enabled us to evidence the need and difficulties or challenges faced by our customers.

During the year we ran a cost-of-living survey with customers which highlighted the impact of poverty on them as well as the reality of escalating costs. We can see that customers do prioritise their rent, so where they are experiencing difficulty paying us, it is likely they are in debt with others too. We have used this information to consider our processes across our Payment Support and Financial Wellbeing teams. It has also informed a merging of two teams – Customer Support and Wellbeing & Support – to enable a consistent support for those most in need.

Our existing homes

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

Key highlights of 2022/23 spend and works:

Component	Cost £'000		Total no.
Central heating	**£1,257**	Boiler changes	**375**
		Full systems	**18**
		Upgrades	**4**
Air source heat pumps	**Included in heating**	Full systems	**13**
Roofing	**£2,558**	High level works	**630**
		Upgrades	**36**
Electrical testing and upgrades	**£1,749**	Electrical testing jobs in total	**2,621**
Kitchens	**£1,318**	Kitchens	**174**
		Upgrades	**2**
Bathrooms	**£484**	Bathrooms	**51**
		Upgrades	**1**
		Wet rooms	**375**
Windows and doors	**£2,168**	Windows and doors	**18**
		Upgrades	**4**
External works	**£381**	Programmed works	**13**
		Upgrades	**630**

Keeping homes safe

At Grand Union, we have a responsibility to keep more than 29,000 customers safe in their homes.

A key part of this responsibility is the successful management of our health and safety activities.

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

- **Fire safety**
- **Legionella management**
- **Asbestos management**
- **Gas safety**
- **Electrical safety**
- **Lift management**

Transparency around our health and safety performance is important for us. That's why we display live compliance figures for each of these areas on our website so that customers and partners can see how we're doing.

Each year, two areas of our property compliance activities are subject to independent audit and in 2022/23 these were fire risk and electrical safety.

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

New fire safety legislation

During the year, new fire legislation came into force in the shape of The Fire Safety Act 2021 and Fire Safety (England) Regulations 2022. As a result of the new legislation, Grand Union made a number of provisions for all our residential blocks of flats with common areas.

We have adopted the Fire Risk Assessment Prioritisation Tool (FRAPT), which provides a standardised framework for scoring our buildings to prioritise the updating of Fire Risk Assessments (FRA). We will use this tool to determine if any of our blocks require their FRA bringing forward in our current five-yearly cycle of formal updating.

Under the new regulations, we are required to provide fire safety instructions to all customers in multi-occupied residential buildings. We ensured that all Fire Action Notices, which explain what to do in the event of a fire, were updated in all 345 communal areas of our blocks of flats. We also provided an updated fire safety leaflet to over 3,000 customers living in our blocks of flats. These were posted to customers and uploaded to our website, and they included updated information on the importance of fire doors.

For residential buildings between 11m and 17.9m tall, of which we have two, we are now required to undertake annual checks of flat entrance fire doors and undertake quarterly checks of all fire doors in the common parts. In October and November 2022, we installed an asset tagging system, linked to an app, which makes it easier for us to monitor our compliance in this area.

Dealing with damp and mould

A key focus in the last year was dealing with damp and mould in our customers' homes.

The tragic case of Awaab Ishak - the two-year-old who died from a respiratory condition caused by prolonged exposure to mould in his family's home in Rochdale – highlighted the need for housing associations to look at how they deal with the issues of damp, mould and condensation.

Having already set up a project team in July 2021 to help improve what we do and how we deal with the issues, we implemented a number of proactive measures during 2022/23 to reduce and remove damp, mould and condensation in customers' homes.

Changing how we work

Where we know of cases of damp, mould and condensation we take primary responsibility for this – it is never treated as a lifestyle issue.

Getting the problem sorted as quickly as possible is our priority, which is why we changed our policies to treat the mould on the initial visit rather than starting with an inspection. We also set up a dedicated team of trades operatives to focus on dealing with damp, mould and condensation issues.

As well as these specialists, the rest of our trades teams and a number of other colleagues have undergone training on dealing with damp, mould and condensation to ensure they can identify potential signs when visiting customers' homes.

Focus on...

Jason and Stuart – specialist damp and mould operatives

Focus on...

Jason Stretton and Stuart McNeal joined Grand Union in September 2022 in specialist roles that deal with damp, mould and condensation issues. Jason explained the kind of work they've been doing.

"In our role we tend to be the first visit for damp and mould treatment. When I arrive at a customer's home, I always try to go around all the rooms to check for any other signs of damp or mould. If we find anything, we always try to take pictures first.

"After that, we get sheets down and use a specialist product called fungi blitz which is specifically designed to eliminate deep lying mould spores.

"We wash the areas down with this and then talk the customer through how long it takes to dry and what the next stages are."

Part of Grand Union's approach has been to use technology to help solve damp, mould and condensation issues. Stuart explained that they use damp meters during visits.

"These measure the levels of moisture in walls which allow us to identify where an issue could be coming from.

"There are certain signs we can recognise too by eye. Sometimes you can see signs of damp in a corner of a room, so I'd have a look outside to see if there's anything that could be causing it, such as a blocked gutter. We're always looking for reasons."

While Grand Union never treat damp, mould and condensation as a lifestyle issue, the team know that it can often be really useful for them to pass on valuable advice and guidance that will help reduce or even remove the issues.

Stuart explained: "I visited a customer recently who was drying her washing inside, which we all do during the winter. If you put your washing outside in November, you'll be bringing it in in March! However, she said she didn't open the trickle vents because it's too cold.

"So that's where I explained that the moisture needs to go somewhere, so you should open the trickle vents or ideally open the window in the room for a bit.

"We suggest lots of little things and even if customers don't do everything, doing one or two can really make a difference."

Jason added: "We understand it's tricky though with the cost-of-living crisis at the moment. People are dubious about having the windows open and letting heat out if it's cold outside. That's fine, but we often find people with radiators crammed with things drying and sofas pushed in front of them. Houses are like us; they need to breathe.

"I've also visited a few homes where people don't open the curtains to try to keep the heat in. All that does though is contain moisture in the home – from cooking, showering and even breathing.

"We obviously aren't trying to tell people how to live, but we can advise them on how to make a difference."

Both Jason and Stuart know that they're playing their part in making a difference to customers, helping to ensure they are safe in their homes. And it's knowing this that makes the job so rewarding, as Stuart says.

"It's not the most glamorous of jobs, but if we can make customers' lives better by giving them a safe environment to live in, then that's all that matters."

Using data and technology and customer feedback

We ran a full analysis of previous cases of damp and mould to see if there were any trends. This work found no pattern in particular building types or layouts but, as expected, identified some links with older properties with lower energy performance certificate (EPC) ratings.

In the summer we began installing environmental sensors in a number of our homes which track the temperature and humidity in the property.

These sensors, that we are looking to roll out to all homes over the next few years, allow us to keep track of the property's performance. Using this data, we can then see when conditions aren't quite right, helping us to act before mould and damp become a problem. Customers can also use an app linked to the environmental sensors to monitor the conditions in their own homes.

We know from our extensive customer research that some of our customers may not want to call us when they have issues such as damp and mould.

That's why we put a survey on Voice, our customer feedback platform, to ask how many customers have issues with damp, mould or condensation.

We had 249 responses and 58% of these said they had an issue. Due to the anonymous nature of Voice, we had to ask if customers were happy to provide their details so we could get the problems sorted. Thankfully 75 did so and we were able to attend their properties and begin fixing the issues.

We also set up a dedicated damp and mould email address to make it easier for customers to report issues they had in their home.

Success story

"The difference this bungalow has made is incredible."

Karen was living in a rented house in Luton, when she needed to take over the care of her 11-year-old grandson who lives with severe learning and sensory disabilities. As well as living with autism and ADHD, her grandson is profoundly deaf, has partial cataracts, limited communication abilities, is doubly incontinent and has mobility issues, relying on a wheelchair most of the time.

Success story

"I loved my house, but it was so unsuitable for looking after my grandson. He has no concept of depth, so steps and stairs are a real problem. Social Services moved us into temporary Airbnb places, but these didn't meet my grandson's needs and they were expensive for the local authority.

"One of these places was a Victorian terraced house with a narrow staircase. I would only manage to tackle the stairs with him once in the morning and then again at bedtime, so my grandson was limited to just the two downstairs rooms all day. With only a shower cubicle in the house, it was a nightmare to get my grandson in and out of it safely. I was physically struggling and finding it hard to cope. It was imperative that suitable housing was found for us.

"Then a property came up with Grand Union, a spacious bungalow with a garden, in a Bedfordshire village not too far from other members of my family. It needed quite a bit of work to make it safe for my grandson – a wet room, handrails and the back garden fencing off because there was a deep pond at the rear. With limited learning capacity and no fear of danger, my grandson just wouldn't be safe in the garden unless it was fully enclosed.

"Alex in Grand Union's Onboarding team was really good and kept me informed along the way, as the Occupational Therapy team helped with the extensive amount of work that was needed to make the bungalow as safe as possible for my grandson.

"The work was completed, and we moved in a few months ago. Now he has a safe environment and has options about where he can be – in his bedroom, that he loves, the living room, the kitchen, where we have an induction cooker so he can't burn himself, or the garden, where he has a slide to play on or his bike."

"The difference this bungalow has made is incredible. My grandson's independence is growing already; he can make his own decisions about where he wants to be over the course of the day, which is the right of every child. Before, I had to be his shadow, following him round all the time.

"Physically, it's much easier for me to care for him here – there are no stairs for me to manoeuvre him up or down, which makes my life so much easier."

Support where it's needed

Our customers turn to us when they need support, and we make sure they get the advice or practical support they need.

The challenging economic environment had an impact on many of our customers, which is why we've continued to invest in their financial wellbeing.

It was another successful year for our Financial Wellbeing team who continue to provide customers with welfare benefit and debt advice.

	2022/23	2021/22
Welfare Benefits referrals	1,160	1,267
Debt advice referrals	162	182
Benefits gains for customers	£3.21m	£2.4m

We also allocated £25,448 in emergency hardship funding to help customers we are supporting, much of this utilising government Household Support Funds in partnership with local authorities.

Our customers continue to face challenges accessing the welfare system, which is why we launched a report highlighting these, as well as the impact on us as a landlord, and the possible changes – both long and short term – that could make a significant difference.

The report, Investing in the Future: Reforming the UK's Welfare System, provides case studies and line-by-line budgets that demonstrate how difficult it is for families to make ends meet and is available on our website.

Stronger, healthier communities

Social housing plays a key role in tackling health inequalities and supporting the work to improve our customers' overall wellbeing.

At the start of the year, we launched an innovative partnership with fellow housing association Peabody and three regional public health teams (Bedford Borough, Central Bedfordshire and Milton Keynes City councils) to create a blueprint for a new way of working between health and housing.

The approach is designed to help tackle health inequalities through partnership working to improve access to, and engagement with, public health services.

Some of the key areas focussed on in the first year have been smoking, mental health and wellbeing, weight management and physical activity, and drugs and alcohol.

During the year we recruited a dedicated Health & Housing Co-ordinator, who has helped to roll out a number of key initiatives including tea and talk sessions at our community hub in Clifton, Bedfordshire. She has delivered a number of health-check roadshows for customers across our regions. Over 130 customers attended the roadshows, which included blood pressure and BMI checks, as well as conversations around healthy living.

We're pleased to continue to make a difference in our communities, despite the challenging operating environment we face. We continue our focus on wellbeing, which has seen us run dance and exercise classes at six retirement schemes across central Bedfordshire and two therapeutic gardening schemes, which are attended by customers who are socially prescribed gardening to relieve anxiety, depression or low mood.

Our Life24 and extra care schemes collectively completed almost 55,000 wellbeing checks during the year, ensuring our most vulnerable customers remained safe and well in their homes. Alongside this, we're proud that we have continued to provide a face-to-face visiting service.

Younger people have also benefitted from the support we provide. During the year, our team delivered nearly 2,361 youth participation and contact sessions and were successful in gaining £42,439 of grant funding to support our youth activities.

Success story

Wendy's gardening for her wellbeing

Wendy, 59, moved into her Grand Union home in a Bedfordshire village in 1994, having lived in the village since the age of 14.

Two years ago, after a serious illness, a social prescriber suggested gardening therapy to help with her mental health issues.

"I joined Grand Union's Gardening for Wellbeing group; I was one of the first to join.

"I love gardening, so I was keen on the idea, but I was so worried about meeting people. I was really nervous before that first session, worried about what would happen.

"But there were only three people there and Emma Dagless, Grand Union's Wellbeing Coordinator, was very nice, she really understood.

"It's become a really nice group – there's just five of us. During spring, summer and autumn, we garden for a couple of hours on a Tuesday afternoon in Flitwick, sowing seeds, preparing ground, weeding, propagating plants etc.

"During the second winter, when we were not gardening, I joined a 12-week healthy eating cookery class, also run by Grand Union. There were four of us there from the gardening sessions.

"I really enjoyed it, trying a lot of food I'd not tried before. We made burgers with hidden vegetables to make them healthier, granola bars and oatcakes, as well as soups and pancakes, and learning other tips, for example using broccoli stalks in our cooking.

"I'm now using more herbs in my food to make my food taste different and I'm making a lot more meals from scratch."

"I think it's good that Grand Union offer these services, as it's really helped me with my mental health to be with other people and get me out of my house."

Domestic abuse and safeguarding

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

During the year, our Domestic Abuse & Safeguarding team supported 157 customers with domestic abuse varying from helping them to be safer in their home, to moving across the country or into a refuge. There were also 260 safeguarding referrals made for customers and domestic abuse support provided for five colleagues.

As part of our ongoing work towards Domestic Abuse Housing Alliance (DAHA) accreditation, we began delivering mandatory training to all colleagues. The training helps to enhance colleague understanding of domestic abuse and Grand Union's approach.

Four colleagues from across the business received more in-depth training and became Domestic Abuse Responders. Their role is to provide support and guidance to colleagues.

National award for community work

In May 2022 our work to transform a housing estate rife with drug-dealing and gang culture was recognised with a national award.

We picked up the Neighbourhood Transformation award at the Community Awards by Aico HomeLINK for our work on the Bilberry Road estate in Clifton, Bedfordshire.

Residents on the estate were living in fear five years ago, but thanks to the work of Grand Union, Central Bedfordshire Council, the police and the local community, the crime taking place there has been eradicated and residents now say it's "a really nice neighbourhood and a lovely place to live."

As well as taking action against the perpetrators, which included issuing community protection notices, an injunction order and then four simultaneous full closure orders – a first for Bedfordshire – Grand Union has been working hard to carry out estate improvement work and has introduced a new community hub to help with community engagement.

For each other
A sense of belonging

3

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

We know that diversity makes us stronger and have been working hard to ensure that our workforce is representative of the communities we serve. Using the NHF data tool, we have been able to confirm that our People of Global Majority (PGM) representation is currently higher than our communities, but we are continuing to look to attract a more diverse range of candidates for roles. We're pleased with our efforts but understand there's more to do, especially around supporting those with disabilities and increasing LGBTQ+ diversity. We also need to increase the number of younger people we are recruiting. We will continue to work hard to ensure equality and diversity representation across all levels of the organisation including the Board, where we have seen an increase in age and ethnic diversity in the last year.

We have been piloting a new scheme for neurodiverse graduates as part of an innovative partnership. Working alongside Ambitious about Autism and the GEM Programme (a career development course for those wanting to progress in the Social Housing Sector), we provided an exciting opportunity for an autistic person to join us for a year-long placement in a property compliance role.

We once again supported the Milton Keynes Pride festival and we've continued to celebrate religious festivals throughout the year.

By providing authentic food and decorations in the office, and blogs and posts on our intranet, we've helped each other learn more about colleagues' religions and faiths.

To celebrate International Wheelchair Day in March 2023, we hosted a wheelchair assault course to highlight the challenges disabled colleagues face in and around our office. This was part of our mission to create a culture of understanding to ensure everyone feels that they belong in their workplace and their community.

Grand Union fully complies with its obligations on gender pay gap reporting and will be publishing an ethnicity pay gap report for the third time in 2023. All of these can be found on our website. We also have a Single Equality Statement which goes beyond the legal requirements and is reviewed annually.

Staff Engagement Statement

With Covid restrictions fully lifted, 2022/23 was the first full year without them. Our post-Covid operating model is one of an agile or hybrid nature, with previously office-based colleagues spending at least 80% of their time now working from home.

While this level of flexibility has been well received by colleagues, it has meant that we've needed to adapt our communications to ensure everyone is kept up-to-date with key information and has access to it wherever they work.

Staying in touch

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

Since last year, we've seen engagement on GUS increase, with an average of 95.07% of colleagues using the intranet each month.

We kept colleagues up-to-date by posting just over 506 news, features and information articles, which collectively were viewed over 105,000 times.

The Executive team continues to provide colleagues with regular business updates in a variety of ways.

We started holding quarterly briefings where a member of the Executive team has given business updates. These are held in our office and simultaneously live streamed so that colleagues can watch online. We also record these sessions so people can watch if they were unable to be present on the day. This has proven popular, and we've seen high levels of engagement at each briefing.

As well as this, we held a staff conference in October, bringing all colleagues together in one place for the first time in four years. Held at Stadium:MK in Milton Keynes, the morning session saw members of the Leadership team give updates on our performance and upcoming priorities. We organised a fun fair in the afternoon so that colleagues could mix with people they might not normally interact with. We had excellent feedback about the day, particularly for the morning session.

Listening to colleagues

In September 2022 we launched an anonymous colleague feedback platform, called Voice.

We wanted to find a way to allow colleagues to share their opinions and make Grand Union better for both them and our customers.

So far, more than half of colleagues have signed up and we've had feedback on our staff conference, our domestic abuse policy, how colleagues have been affected by the cost-of-living crisis, how they are using our benefits, along with feedback on a potential new benefit.

Looking ahead, we plan on seeking their views on other key policies and strategies and will use Voice to do this.

We found that some colleagues were not comfortable giving feedback, choosing not to sign up to Voice despite it being completely anonymous. This was also a theme during some of the Investors in People interviews. As a result, we asked colleagues to complete a survey around trust. We are currently working on the outputs from this survey and will use these to improve levels of trust with our colleagues.

Publicising our performance

We believe it's important that customers know how the business is doing, which is why we publish performance updates on our intranet.

Every six months we provide updates on our progress against the targets set out in our corporate plan, Further together. We have also published dashboards where colleagues can see live data and key performance indicators.

We produce a "year at a glance" summary animation based on our annual report and financial statements. This was published on our intranet, while both printed and digital copies of the full document were also made available for colleagues.

Coming together

We understand the benefits agile working can bring, but we also know how it is important for colleagues to connect in person. That's why, where we can, we've looked to get together regularly throughout the year.

Alongside the staff conference and quarterly briefings, we hold other events and celebrations in our office to get people together to socialise and connect.

As part of our work on our Belonging strategy, we celebrated diversity during the year. In June we decorated the office to celebrate Pride month and offered colleagues pin badges to show their support for the LGBTQ+ community. We also ran a "wear it with pride" week, where colleagues wore colours from the Pride flag to show their support for the event.

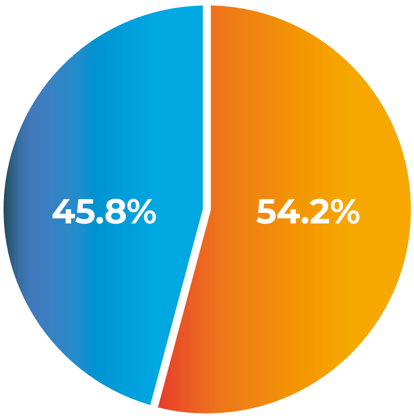
Other events held in the office included a "cuppa and connect" session for mental health awareness week, and a "coffee roulette" session which we used to discuss age as a protected characteristic.

In September our social club put together a team of colleagues to take part in the Milton Keynes Dragon Boat Festival. In December they also ran a craft fair in the office where colleagues brought in items they had made to sell ahead of Christmas.

During the year we established a new Trades Consultative Group, which is a forum for our Operative colleagues to share and discuss ideas and work together to make Grand Union a better place to work. We also held two trades briefings, which provided a great opportunity for us to get all of our operatives together and update them on what's going on around the business. The teams also meet up every quarter in our office for a breakfast briefing. Here they discuss key business updates and can share any feedback they have from their roles.

A brief overview of our equality and diversity monitoring 2022

Gender



Colleagues are **female**

Colleagues are **male**

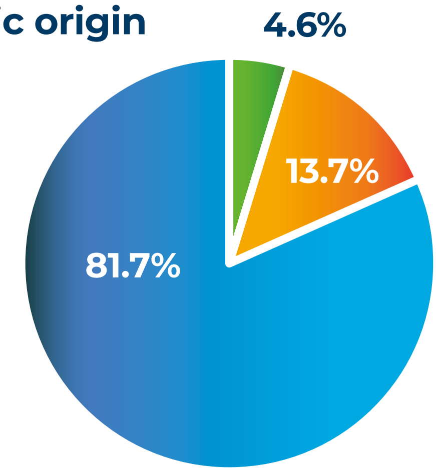
Grand Union's female to male ratio is over **3.4%** higher than the population in the areas in which we operate.

54.5% of our Executive and Leadership team is female

35.7% of our Board is female

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

Ethnic origin



Colleagues identify as **unknown**

Colleagues identify as **PGM**

Colleagues identify as **white**

This compares to the population data which reports **8.1%** of those in our operational area are from PGM groups. This suggests that the workforce is fairly representative based on this data. Board ethnic diversity has improved with **21.4%** from PGM backgrounds.

During the year we took positive action to improve the mix of candidates we sourced and improve the numbers of colleagues recruited with PGM backgrounds. This increased the representation of those recruited with PGM backgrounds to **18.8%** during the year. We are continuing to focus energy on improving this further.

Age

Our workforce is represented by less than **50%** of 16 to 24-year-olds when compared to the population. The age diversity of the Board has improved this year.

Our apprenticeship recruitment has been paused for this year, but we hope to restart next year. This should have a positive impact on the 16-24 age group.

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

Sexual orientation

1.78% categorised themselves as gay or lesbian. This compares to **1.16%** of the population

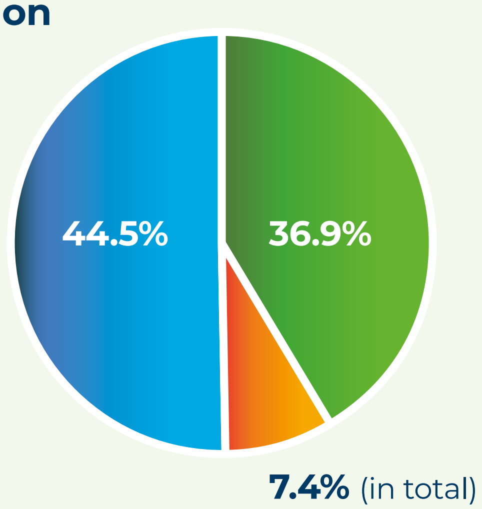
0.76% categorised themselves as bisexual. This compares to **1.06%** of the population

13.2% categorised their sexual orientation as 'unknown' or 'prefer not to say'

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

We are planning to do work to attract more LGBTQ+ applications in order to improve our diversity in this area.

Religion



Colleagues identify as **Christian**

Colleagues are **Buddhist**, **Hindu**, **Sikh**, **Muslim** or follow another religion. This compares to **7%** of the population

Colleagues have **no religious beliefs**

The Leadership team and Board are less diverse in the area of religion.

The data gap has also improved on the reporting of religion, with only **11.2%** now missing – an improvement of **3.2%**.

Disability

3.3% of the workforce categorise themselves as disabled compared to:

0% of the Leadership team

7.14% of Board (one member)

This compares to **22.6%** of the population stating they have a disability/long-term physical or mental health condition. This **22.6%** say their day-to-day activities are either limited a little, limited a lot or they have a long term physical or mental health condition but day-to-day activities are not limited.

In our colleague segmentation survey, **46%** of colleagues reported having at least one health condition that impacts them on a daily basis.

Providing additional support

During the year, the cost-of-living crisis has had an impact on both our colleagues and the cost of doing business. We understand how challenging it's been, which is why we tried to support colleagues in a number of different ways.

With energy bills rising and colleagues working from home more, we paid a £26 per month working from home allowance during the autumn and winter months and provided colleagues with a one-off £500 payment to help with their rising costs.

We chose to close the business between Christmas and New Year, giving colleagues the full week off. This was in addition to their holiday entitlement, as we felt colleagues would benefit from the break after a challenging year.

Promoting positive mental health is in our DNA and we continued to do this throughout the year. Our Mental Health Champions have continued to provide support and guidance to colleagues where needed.

We've continued our partnership with Thrive Homes so that colleagues from both organisations can benefit from the support of independent, trained mental health first aiders.

This focus on mental wellbeing has seen mental health related absence drop from 49% to 41% from 1 April 2022 to 31 March 2023.

Listening to colleagues

We wanted to get a greater understanding of our colleagues, so we can be a better employer for them.

To do this we carried out a colleague segmentation survey on Voice. This provided us with some real quality data about colleagues and we will use it to ensure our colleague offer meets their needs.

One example of this is with the number of disabled colleagues. Only a small percentage of colleagues categorised themselves as disabled on our HR portal, but the segmentation survey showed that 46% of colleagues said they had health conditions that impact them on a daily basis. This new data is helping us to look at how we can better support these colleagues.

During the year we launched our revamped colleague consultation group. The group is called the Colleague Action Team (CAT) – as voted for by colleagues – and is smaller than before. We expect that this will drive more participation, enabling all members to actively contribute to decision-making on matters affecting them. So far CAT have contributed to a new dress code, made changes to our check-in process, and provided ideas for a review of our benefits package. This is another way we are ensuring colleagues are helping to shape the business.

Investing in our people

Investment in our people is an investment in the communities they serve. Our centre of excellence, the K2 Academy, continued to grow during the year, running 44 courses, with over 150 delegates receiving training.

Some of these were part of our Leadership Elevator, a series of development programmes to support team leaders and managers to gain the skills, experience and qualifications to move to the next level of leadership.

In July 2022, our first cohort of colleagues graduated from our Operations Leadership Programme, which helps managers from across the business learn the skills needed to move into more senior leadership roles. Since then, three of the graduates have been promoted, proving just how successful the programme is.

Two of these, Emma and Susan, were promoted into roles within the property side of the business – Head of Empty Homes and Head of Property Operations. Property is a traditionally male-dominated working environment, so we're pleased to see the new ideas and positive changes they are bringing to their respective roles.

In April 2022 we achieved silver accreditation from Investors in People.

To achieve this, all colleagues were invited to provide feedback to the Investors in People consultant. Our silver accreditation, which only 15% of companies achieve, means that the right principles are in place at Grand Union. More than that though, it means people and leaders are making active efforts to make sure that there's real consistency and everyone in the organisation is feeling the positive effects.

We were particularly pleased with the feedback we got from the consultant, especially this comment: "You have a team of people who share your values and are committed to working towards a positive outcome for your customers."

We committed to market test all our roles in the autumn of 2022 to ensure that we are paying market rates. This was carried out and informed our April 2023 pay review.

Focus on...

Susan and Emma

Pictured l-r:
Emma and **Susan**

Focus on...

The world of property is traditionally a male-dominated working environment and continues to show a high proportion of men (85%) over women (15%) working in the industry.

Emma Sheer and Susan Bland graduated from Grand Union's Operations Leadership Programme last year and within a few months, both found themselves promoted to new Head of service roles in Property Services.

Emma, moved from Onboarding Manager to become Head of Empty Homes in November 2022, and the new role allows her to manage the key-to-key process of ending one tenancy and starting another.

"I have fantastic people in my team; I trust them and don't need to be involved in absolutely everything, which in turn enables me to make the most of my role. I'm clear about my expectations and where I see my team going, as well as what I expect from them. I want my teams to feel fulfilled in their roles, deliver great customer service and provide good homes for our customers."

After 14 years in Grand Union's Development team, Susan was promoted to Head of Property Operations at the start of 2023.

"I completed the Operations Leadership programme last year, which really refreshed my confidence and was probably the catalyst for me getting my current role as Head of Property Operations.

"I'm really proud of my team because they really do care about our customers and work very hard. I think that changing some of the processes will make it easier for them to do their job more efficiently and hopefully a bit more easily.

Emma and Susan are both helping to make property more diverse and bringing new ideas to the table, but as Susan explains, it's not without its challenges.

"I think working in any male dominated role as a woman is hard. I've definitely dealt with sexism before and working in construction, it's something you just have to get used to! Working in property now, there's a long way to go but it's definitely a lot more equal."

"I am proud to work for Grand Union because there are lots of female leaders in our organisation and I feel women are well represented at a leadership level, less so in trades. I'm looking to get more women into trades in the future because there are definite benefits to working at Grand Union compared to being self-employed."

Emma, like Susan, is equally proud of Grand Union and is passionate about making positive change happen.

"I want to encourage more females in trades, enhancing our diverse work force and supporting other women to be brave and go for roles that they might not have done in the past.

"I think it's great that Grand Union champions diversity and that your gender doesn't limit your potential. Women shouldn't feel afraid to work in a male environment. I think women have as much to bring to the table as anyone else; if you've got skills to bring to the position, your gender doesn't matter."

For our partners

Understanding what matters

4

We spend time understanding our partners' priorities and values, so we know how we can help.

Last year we worked with NHS England and local authority partners, as part of transforming care to provide three bespoke housing solutions for autistic people, each of whom came from long-stay institutional care.

By collaborating with the individuals and their families and advocates, we were able to provide incredibly positive outcomes – specifically providing a place for them to call home, where they had their own front door and care is provided on site, 24-7.

We also worked together with Bedford Borough Council to provide homes for 18 customers with mental health conditions. Anvil House, part of our Britannia Gate development, is made up of high specification one bed flats with integrated kitchens. Three of the flats are fully accessible for those with physical conditions. As a result, we have also been able to help the council provide temporary accommodation for a customer with physical disabilities until he finds a permanent home.

'Green' funding for consortium

In March 2023 it was confirmed that we had been successfully awarded grant funding under the Government's Social Housing Decarbonisation Fund (SHDF).

Alongside Central Bedfordshire Council (CBC), we were awarded over £2.2m to help improve the energy efficiency of our homes. This will see £1.2m going to Grand Union and just over £1m going to CBC.

The £2.2m will help Grand Union and CBC bring 374 lower performing homes up to Energy Performance Certificate (EPC) C rating, in line with Government targets.

As part of our recent Retrofit Improvement Programme, we committed to match the funding and have already identified 170 properties that will benefit from energy improvements over the next two years.

We also undertook 149 retrofit assessments as part of our application to SHDF.

Sharing our knowledge and expertise

Different organisations choose to work with us because they trust us to share our expertise and help them to get things right.

Our experience in providing affordable homes was one of the reasons we were approached to help a partner build a genuinely sustainable community in Milton Keynes.

In November we signed a 10-year deal with Habitare Homes, part of Man Global Private Markets, to manage 79 homes for key workers.

The apartments, which sit alongside the Grand Union Canal at the sought-after Campbell Wharf development in Milton Keynes, are a mix of 1, 2 and 3-bed apartments, and were being offered specifically to essential workers at a discounted rent at 80% of the market rate.

The agreement has seen Grand Union take on the day-to-day management of the apartments for the next decade.

During the year we continued our partnership with Northamptonshire Rural Housing Association.

We shared our knowledge and resources to help them deliver their aspirations and, through our consortium, access Homes England grant under the new Affordable Homes Programme 2021/26.

As a result of this partnership, we were able to help deliver 11 high-quality, genuinely affordable places for people to call home in the Northamptonshire countryside.

In 2021 we delivered the most comprehensive piece of customer research to date which enabled us to create a statistically robust understanding of who our customers are - showing their needs, capability, strengths and challenges. This work also provided us with detailed information around equality, diversity and inclusion.

Following this, we were approached last year to undertake similar research for a number of other housing associations in the east of England. This work is highlighting what motivates and challenges our customers and will bring their voice into our organisations.

This is more important than ever, as we all seek to ensure our services are informed by evidence and that we hear a representative customer voice.

Transparent and accountable

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

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

During the year we updated our website to include live performance data so customers and partners could see how we're doing.

The information, which is updated daily from our systems, includes customer satisfaction scores across a number of topics, repairs and empty homes performance and safety compliance scores.

Valuing our reputation

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

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

During the year we published a social media survey on Voice to find out which channels our customers are using and what kind of content they want from us. We are using this feedback to shape our upcoming Social Media Strategy.

Value for Money (VfM)

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

- We'll get the balance right between current and future customers.
- We'll optimise social value by working efficiently and, from customer insight and analytics, consider different approaches to delivery to support a proactive customer-first approach.
- We'll consult with our customers to provide a transparent service where we are held to account for our performance and to ensure that the customer voice determines where we invest, balancing costs and quality, homes and services.

Highlights in 2022/23

Our focus continues to be on transformation, systems, reporting and investing in our people. The key achievements for the year are highlighted under the efficiency, effectiveness and economy categories.

Efficiency and Effectiveness

Structure changes

During the year we had two existing teams that support our customers with wellbeing needs - Wellbeing & Support within Life24 and Customer Partners within Successful Tenancies. Whilst there is a close working relationship between teams, colleagues have raised concerns about role responsibilities and how the allocation of work can lead to duplication or crossover. We have removed the Wellbeing & Support team from the Life24 structure and merged them with the Customer Partner team within Successful Tenancies. This should lead to seamless processes for the team, providing a clearer remit of work and clearer triaging of customers.

By bringing our recruitment process in-house, we have recruited 79 colleagues without the expense of agencies.

We have created a new one stop repairs hub for customers and colleagues by having one manager overseeing the Customer Contact team, the Customer Resolutions team and the Works Planning team.

A Head of Empty Homes role has been created to oversee the end-to-end void and onboarding process and our Relocations team.

Our customer segmentation work and customer feedback has informed us that we need to focus on some key areas. We know we have some processes which create silo working, inconsistency in delivery and a poor outcome for our customers. We have therefore made some changes taking an end-to-end process and have pulled together all the colleagues that we need into single, focused teams, to enable us to deliver improved services and better outcomes.

To focus on improvements required to Property Operations systems and processes in order to clear the backlog and manage these going forward, we have allocated some dedicated resource who will work alongside the IT team focusing on implementing the latest version of our Dynamic Works Scheduling system.

Economy

The current environment makes it a challenging time to capture value for money savings. The escalating inflation costs across all areas, combined with the reduced income from the capped rent, has proved very constraining for economic value for money savings. Despite this, we have saved £0.2m through various IT contracts, communication tenders and other small efficiencies.

Procurement

In a year that has provided multiple challenges for supply chains, our procurement partnerships have helped us mitigate the significant risks we have faced. Our central procurement function has developed our wave plan further so that we can be more proactive in contract negotiation.

Our materials procurement ensured increases were limited to an average of 15% compared to the wider market of circa 20%. We are members of several procurement partnerships, ensuring competitive tenders are received in the most efficient way. Furthermore, Grand Union acts as a contracting authority on a number of frameworks, including materials supply and utilities, which achieves additional value. The fixing of energy prices has limited the impact for Grand Union and customers in schemes from significant rises this year.

Learning and Development

K2 Academy (K2A) has been open for over two years and its main aim is to offer tailored training to colleagues through a planned annual offer. We commit to deliver learning interventions to colleagues, through a range of blended learning solutions that are wide-reaching and that represent VfM. This year we have delivered 62 courses including building resilience, increasing emotional intelligence, problem-solving, managing conflict and mental health awareness, along with a strong focus on developing our management and leadership capacity.

Systems Development

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

Performance Reporting Framework

We are working with an external consultant to shape a new performance framework for the business. We have conducted stakeholder interviews, looked at current information we have through KPIs and strategic plans, identified the corporate KPIs and we are in the process of identifying the performance and management indicators. Once fully designed, it will help to drive a positive performance culture by enabling all levels of the business to easily view and understand performance and identify areas for improvement.

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

Funding the growth

We completed a new funding issue for £50m which includes consideration of the Affordable Homes Guarantee Scheme 2020. This new funding demonstrates VfM in two ways, from the cost of funds (attractive rates due to MHCLG guarantees) and the continued commitment to develop additional new build affordable homes. The all-in rate was 3.208% which was lower than the other market rates.

VfM metrics

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

Metric	2022/23	*Restated 2021/22	**Peer group average 2021/22	Sector scorecard 2021/22	2023/24 Targets
Reinvestment	6.29%	7.25%	8.0%	7.0%	8.90%
New supply delivered – social housing	2.13%	2.36%	2.10%	1.60%	2.12%
New supply delivered – non-social housing	0.06%	0.20%	0.10%	0.50%	0.06%
Gearing	48.15%	48.57%	52.30%	45.50%	49.00%
EBITDA MRI ^	147.43%	139.09%	156.10%	164.60%	151.00%
Headline social housing cost per unit £	£4,069	£3,670	£4,115	£4,377	£4,596
Operating margin – social housing lettings only	26.81%	27.86%	29.50%	24.50%	30.19%
Operating margin – overall	25.70%	26.59%	27.80%	21.40%	29.50%
Return on capital employed (ROCE)	3.59%	3.48%	3.60%	3.30%	3.62%

* Restatement following the separate classification of abortive scheme costs

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

^ During 2021/22, loans with Nationwide and Newcastle were refinanced triggering early repayment breakage costs of £4.37m. Excluding the breakage costs the EBITDA MRI metric for the year would have been 179.38%.

Reinvestment has reduced slightly during the year at 6.29% and includes both new supply and investment in existing stock. The main driver for the decrease being new supply with delays impacting the number of new homes completed.

The provision of new supply of social stock was broadly in line with last year but impacted by lower than anticipated development activity. This level of growth is expected to continue into the next financial year with a target of 287 new homes and then for further growth as the development programme reaches 1,513 units in the next five years of the business plan. We continue to look at growth opportunities including strategic partnerships. There will also be future growth in the delivery of non-social housing as new tenure streams are developed, including market sale homes to complement the market rent portfolio already managed by the Group.

Our gearing ratio has reduced marginally over the past 12 months from the growth in the development pipeline and increases in general operating costs from inflationary pressures driven from the external economic environment. Inflationary cost pressures are being felt most in the construction sector due to a number of factors including supply chains not recovering since the pandemic, increases in fuel and energy costs, a shortage of labour and the war in Ukraine; this is driving up both materials and salary costs and, as a result, impacting the cost of our repairs service and new build development. The development market also continues to be increasingly competitive resulting in price pressures on S106 delivery.

EBITDA MRI has been impacted by higher operating costs and higher interest costs due to the interest rate increase, which is being mitigated as much as possible by maintaining circa 85% of our loans on fixed rates. The next few years will continue to be challenging due to the external environment pressures, but we expect our EBITA MRI to remain stable if not improve.

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

The Headline Social Housing cost per unit has increased by £399 (11%); this increase can be broken down as:

- **£147** increase in responsive repairs and **£230** increase in major repairs
- **£27** increase for major management costs due to increases in salary and overhead costs
- **£21** increase in service charges due to increases in utility costs and furniture and equipment (F&E) purchases in a number of our supported schemes
- **£26** reduction in other social housing costs due to lower pension service costs and component replacement write-offs.

Although the Group is committed to reducing our overall cost per unit over the coming years, the environment we are in is extremely challenging and it will be difficult. We need to continue to invest in our IT systems through the systems architecture review. Our commitment is to improve the service we offer to our customers and will be achieved through our ongoing customer insight work. By having a greater understanding of our customers, we can use segmentation analysis to tailor our services to ensure that they are effective, efficient and represent real value for money to every customer group. We have already made some changes, for example, pet policy and assisted gardening requirements, based on the insight we have. The future development of the K2 Academy will ensure the continued investment and development in our staff team.

The operating margin has been negatively affected for both social housing lettings and overall, as a result of the increased operating costs mainly from routine and planned maintenance costs resulting from additional material and labour costs, component replacement write-outs, pension service costs and overall management costs.

Sector scorecard

Metric	2022/23	Restated 2021/22	Sector scorecard 2021/22
Customer satisfaction	4.0	4.4*	N/A
Investment in communities	£1.0m	£1.0m	N/A
Occupancy	99.18%	99.07%	99.5%
Ratio of responsive to planned maintenance spend	0.70	0.73	0.70
Rent collected	99.85%	99.44%	100%
Overheads as a % of adjusted turnover	12.37%	12.99%	14.9%

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

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

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

Our plans for further improvement

As for many in the sector, the main concern is how the current economic situation will play out over the next year or two. The rapid increases in inflation experienced over recent months have created a cost-of-living crisis which is likely to not only have a significant impact on our customers' finances but also on the organisation's ability to control costs, grow, develop systems and enhance services whilst ensuring rents remain affordable over the next year. We have some key projects planned for next year which support our value for money strategy, some of which are detailed below.

- Implement a new CRM as part of the systems architecture review and review system requirements for a new housing management system.
- To complete the Performance Framework project and embed the reporting through the business.
- As part of our funding strategy, review existing loans for costs and covenant flexibility.
- Working as members of HouseMark, further understand our margin at tenure level.
- In accordance with our Strategic Asset Management Strategy, commence our proposed stock disposal programme in order to maximise the social value our property portfolio provides.
- Progress our work on the Customer Segmentation project to redesign our

services to meet the expectations and requirements of our customers in an efficient and cost-effective way.

- Continue our carbon stock investment programme in line with our Sustainability Strategy to ensure our stock meets EPC C by 2030.
- Revise our procurement process based on the new wave plan information collated this year and we will be procuring some major contracts that will have an impact next year.
- Financial awareness training for all managers to ensure accurate budgeting, forecasting and the impact of any decisions made.

Group Board

The members of the Board are shown on page 4. Board members, who are all non-executive members, are drawn from a wide background, bringing together professional, commercial and local experience. At 31 March 2023 the Group had issued 11 £1 shares. Grand Union Housing Group operates a closed shareholding of which only Board members are shareholders.

The Grand Union Housing Group Board met formally four times during the year in accordance with its terms of reference. Throughout the year, members also participated in two strategy days, a Board risk appetite workshop and sessions on rent setting, asset spend, strategic asset management strategy and cyber awareness. In addition, the Group Board was supported during the year by the group-wide committees.

Subsidiary Boards

Grand Union Homes Ltd

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

Grand Union Group Funding PLC

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

GUHG Development Company Limited

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

Committees

Audit & Risk Committee

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

Governance & Remuneration Committee

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

Customer Experience Committee

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

Regulator of Social Housing Regulatory Framework

The Board reviews annually its compliance with the Regulatory Framework and confirms that it complies fully with its requirements at year end. We take a transparent approach to self-reporting to the Regulator and during 2022/23 we have self-reported twice and the Regulator has approached us for further information on one occasion. In all cases, feedback received from the Regulator was that they were taking no further action.

National Housing Federation Code of Governance 2020

In April 2021, the Board adopted the National Housing Federation's Code of Governance 2020. The Board reviews compliance against the Code annually and confirms it is in compliance for the year 2022/23.

Executive Directors

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

Directors' and Officers' Liability Insurance

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

Employees

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

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

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

The Governance and Viability Standard

Following an In-Depth Assessment, the Regulator of Social Housing reconfirmed the status of the Group as G1/V1 in July 2023, indicating that the highest standards of governance and financial viability are being met. The Board confirms compliance with the Governance and Viability Standard for the year 2022/23.

Risk management & internal controls

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

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

Risk Management Framework

At Grand Union we are committed to providing high quality services in the most efficient and cost-effective way that puts customers first. The management of risk is a core element of our corporate governance to ensure we are able to prioritise improvements as well as delivering our day-to-day services as expected and to a high standard.

Effective risk management enhances our:

- **Likelihood of delivering our objectives**
- **Reputation and trust**
- **Ability to innovate**
- **Financial sustainability**
- **Planning and decision-making**
- **Leadership, management, and corporate governance**.

The approach we take in the management of risk ensures that our activities are:

- **Proportionate to the level of acceptable risk-taking**
- **Aligned with our objectives**
- **Embedded throughout**
- **Dynamic and responsive to emerging and changing risks.**

Roles and responsibilities

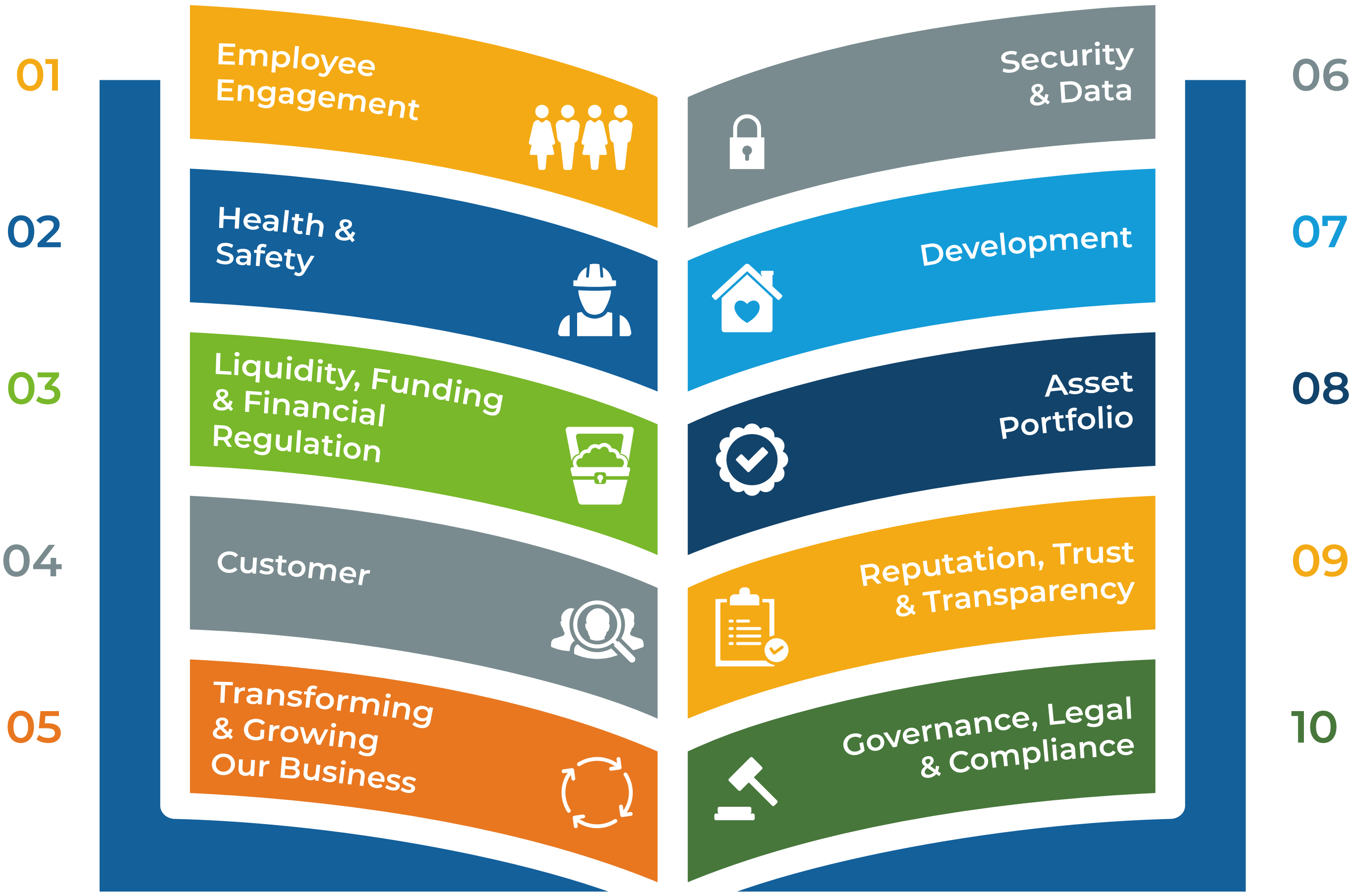
The diagram below details some of the key responsibilities in our approach to risk management at Grand Union:

Grand Union Board	• Determine our risk appetite • Determine the nature and extent of the principal risks we are willing to take in achieving our strategic objectives
Audit & Risk Committee	• Review, scrutinise and challenge current and proposed risk management procedures and processes including progress against planned actions
Executive Management Team	• Ensure that key risks are added to and removed from the Key Risk Register as appropriate • Review, scrutinise and challenge current and proposed risk management procedures and processes including progress against planned actions
Senior Leadership Team	• Manage risk effectively in their area of responsibility • Complete the risk management process as per our Framework • Complete, track and monitor the progress of action plans
Governance & Risk Team	• Develop and maintain the risk management framework • Provide challenge to risk owners • Provide training and advice
Risk Champions	• Promote and embed Risk Management within their Service to engage staff in the management of risk

During 2022/23 we have moved forward significantly with the management of risk, introducing a new Risk Universe, which consists of every type of risk that may affect our organisation, on every level. Working with the Senior and Executive Leadership teams through a series of workshops, we have identified risks that could harm our ability to function.

Following this, we have worked with the Executive, Audit & Risk Committee and our Board to develop an agreed Risk Appetite, based upon the categories of our Risk Universe shown below.

Risk Universe



Risk appetite is a critical component of our Risk Management Framework. From supporting our ability to make better decisions, providing our board with assurance that our decision-making and subsequent risk-taking is always carried out with their appetite for risk at the forefront of our mind and will assist managers to manage risks to achieve the following business benefits:

- **Achieve Grand Union's priority of putting customers first.**
- **Ensure robust financial management.**
- **Protect staff and customers.**
- **Protect our assets; and**
- **Maintain and promote Grand Union's reputation.**

Following the work completed on developing our Risk Universe and Appetite statements, we held a number of workshops with the Senior and Executive Leadership teams to develop our Risk Universe categories (shown on page 57) into well-defined and articulated Principal Risks to take forward and manage through the identified mitigations for each Principal Risk.

Principal Risks

Health & Safety (Building Safety)

Appetite	Rationale
Averse	Having a comprehensive Health & Safety (Building Safety) programme is vital for social housing providers. To ensure the safety and wellbeing of our customers, the implementation of a robust Health & Safety (Building Safety) programme demonstrates Grand Union's commitment to providing quality housing and a secure living environment for its customers.

Health & Safety (Operating Environment)

Appetite	Rationale
Averse	Ensuring the health and safety of our customers and employees is a primary responsibility of Grand Union and one that we take very seriously. Managing operational risks helps us to proactively prevent accidents, injuries, and illnesses, promoting safe and healthy living and working environments.

Information Security

Appetite	Rationale
Minimalist	Considering information security risks is important for Grand Union to enable us to protect customer data, comply with regulations, prevent cyberattacks and ensure operational continuity. Proactively addressing these risks enables us to create a secure environment and maintain the integrity for the data that we hold.

Data Quality

Appetite	Rationale
Minimalist	Identifying data quality risks is important for Grand Union to enable us to support informed decision-making, enhance customer satisfaction, ensure regulatory compliance, promote data integration, protect data security and privacy, and improve operational efficiency. Prioritising our data quality assists us to enhance our overall performance and deliver better services to customers.

Development

Appetite	Rationale
Open	Identifying Development risks is a crucial element to support our strategic planning, financial sustainability, timely project delivery, quality assurance, stakeholder engagement, compliance, and portfolio management. Addressing these risks ensures the successful development of our affordable housing projects, providing safe and suitable housing to those in need.

Government Policy (External Environment)

Appetite	Rationale
Minimalist	Government policies play a significant role in the social housing sector, and compliance with these policies is crucial. Identifying government policy risks helps us to stay informed about changes in regulations, funding requirements, and compliance obligations, and allows us to proactively adapt our operations and ensure compliance.

Asset Management

Appetite	Rationale
Open	Identifying asset management risks is crucial in the current challenging operating environment to ensure financial sustainability, prioritise maintenance and repairs, enhance customer satisfaction, comply with regulations, preserve asset value, improve operational efficiency, and support portfolio management and growth.

Sustainability, Net Zero & Carbon Retrofitting

Appetite	Rationale
Open	Identifying sustainability risks is crucial for Grand Union to fulfil our environmental responsibilities, achieve cost savings, ensure regulatory compliance, meet the needs of our customers, enhance resilience, demonstrate social responsibility, and foster innovation. Proactively managing sustainability risks enables us to contribute to a more sustainable future, deliver long-term value, and address the evolving needs of our customers and communities.

People, Culture & Execution Capability

Appetite	Rationale
Open	Managing people culture risks enables us to enhance employee engagement and satisfaction, improve service quality and customer satisfaction, attract, and retain talent, foster organisational resilience, ensure ethical conduct and compliance, and strengthen our leadership and governance. Proactively managing our people culture enables us to create a supportive work environment, deliver high-quality services, and navigate challenges with resilience and effectiveness.

Finance Shock

Appetite	Rationale
Cautious	Recognising and understanding financial risk is even more crucial in the current challenging operating environment. This ensures our financial sustainability, enabling us to optimise resource allocation, secure funding sources, improve budgeting and financial planning, mitigate risks, maintain stakeholder trust, and comply with financial regulations. Proactively managing financial risks means we can navigate financial challenges, maintain our mission of providing affordable housing, and deliver sustainable services.

To progress our risk maturity further we are now working on our functional risk registers to support the day-to-day operations.

There are several aims for the 2023/24 period to further improve and embed the management of risk across Grand Union including:

- **Risk Maturity Review:** We continue to work with an external consultant to support these improvements on our risk maturity.
- **Risk Workshops & Horizon Scanning:** The Governance & Risk team will continue to promote risk management and horizon scanning through ongoing workshops so that service areas are confident in identifying risks. Information, trends, and intelligence from a range of global and national risk sources will be communicated to teams so that this can be fed back into service delivery.
- **Risk Culture:** We will continue to embed the importance of risk management at every level of Grand Union and encourage colleagues not to view risk management in silos, but to understand how a risk in their service area may affect other areas and the achievement of our overall aims, objectives, priorities, and vision.
- **New Risk Champions** will be introduced to enable us to fully appreciate the interdependencies of risks across the organisation.

Disclosure of information to the auditor

The Board members at the date of approval of this report have confirmed that:

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

Going concern

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

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

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

Approved by the Board and signed on its behalf by:

Steve Benson

Steven Benson
Chair

25 July 2023

Board Report

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

Statement of Board members' responsibilities

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

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

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

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

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

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

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

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

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

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

The Board has received the Group Chief Executive's annual report, has conducted its annual review of the effectiveness of the system of internal control and has taken account of any changes needed to maintain the effectiveness of the risk management and control process. No successful frauds were carried out against the Group in 2022/23 resulting in financial losses.

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

Auditor

KPMG were re-appointed following a formal tender exercise as Internal Auditors in February 2023, and Beever and Struthers were appointed as External Auditors in January 2020.

Statement of Compliance

The Board has followed the principles set out in the Statement of Recommended Practice (SORP) for Registered Social Providers 2018. The Group has fully complied with the Accounting Direction for Private Registered Providers of Social Housing 2022.

Approved by the Board and signed on its behalf by:

Steve Benson

Steven Benson
Chair

25 July 2023

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

Opinion

We have audited the financial statements of Grand Union Housing Group Limited (the 'Association') and its subsidiaries (the 'Group') for the year ended 31 March 2023 which comprise the Consolidated and Association Statement of Comprehensive Income, Consolidated and Association Statement of Financial Position, Consolidated and Association Statement of Changes in Reserves, Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies in notes 1 and 2. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Association's affairs as at 31 March 2023 and of the Group's income and expenditure and the Association's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Board

As explained more fully in the Statement of Board Members' Responsibilities set out on pages 62 - 63, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

- We obtained an understanding of laws and regulations that affect the Group and Association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Co-operative and Community Benefit Societies Act 2014, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the regulated nature of the Group's activities.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.

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

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

Use of our report

This report is made solely to the members of the Association, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and Section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the members as a body, for our audit work, for this report, or for the opinions we have formed.

Beever and Struthers
Statutory Auditor
One Express
George Leigh Street
Manchester
M4 5DL

Date: 11 August 2023

Consolidated Statement of Comprehensive Income

As at 31 March 2023

	Note	2023 £'000	2022 £'000
Turnover	**3a**	**91,535**	**85,858**
Cost of sales	3a	(14,010)	(12,031)
Operating expenditure	3a	(53,999)	(50,994)
Gain on disposal of housing properties, plant and equipment	4	3,299	2,397
Operating surplus		**26,825**	**25,230**
Interest receivable	5	292	233
Interest and financing costs	6	(15,055)	(13,253)
Break costs on early redemption of loans	6	-	(4,371)
Movement in fair value of investment properties	13	-	1,470
Surplus before tax		**12,062**	**9,309**
Taxation	10	-	-
Surplus for the year		**12,062**	**9,309**
Other comprehensive income			
Actuarial surplus/(deficit) in respect of defined benefit pension schemes	19	24,455	(200)
Restriction of pension asset	19	(7,952)	-
Total comprehensive income for the year		**28,565**	**9,109**

The financial statements on pages 68 to 110 were approved and authorised for issue by the Board on 25 July 2023 and were signed on its behalf by:

Steve Benson
Chair

Peter Fielder
Vice Chair

Suzanne Maguire
Company Secretary

Date: 25 July 2023

The notes on **pages 75 - 110** form an integral part of these financial statements.

Association Statement of Comprehensive Income

For the year ended 31 March 2023

	Note	2023 £'000	2022 £'000
Turnover	**3a**	**88,617**	**80,488**
Cost of sales	3a	(11,305)	(7,095)
Operating expenditure	3a	(53,997)	(50,994)
Gain on disposal of housing properties, plant and equipment	4	3,299	2,397
Operating surplus		**26,614**	**24,796**
Interest receivable	5	417	588
Interest and financing costs	6	(15,055)	(13,253)
Break costs on early redemption of loans	6	-	(4,371)
Movement in fair value of investment properties	13	-	1,470
Surplus before tax		**11,976**	**9,230**
Taxation	10	-	-
Surplus for the year		**11,976**	**9,230**
Other comprehensive income			
Actuarial surplus/(deficit) in respect of defined benefit pension schemes	19	24,455	(200)
Restriction of pension asset	19	(7,952)	-
Total comprehensive income for the year		**28,479**	**9,030**

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Chair

Peter Fielder
Vice Chair

Suzanne Maguire
Company Secretary

Date: 25 July 2023

The notes on pages 75 - 110 form an integral part of these financial statements.

Consolidated Statement of Financial Position

As at 31 March 2023

	Note	2023 £'000	2022 £'000
Fixed assets			
Housing properties	11	700,217	669,895
Other property, plant and equipment	12a	1,346	1,667
Investment properties	13	31,996	31,942
Intangible assets	12b	170	336
		733,729	**703,840**
Current assets			
Stock	15	13,161	15,172
Debtors	16	7,740	9,140
Cash and cash equivalents	21	9,439	11,865
		30,340	**36,177**
Creditors: Amounts falling due within one year	17	(16,527)	(14,698)
Net current assets		**13,813**	**21,479**
Total assets less current liabilities		**747,542**	**725,319**
Creditors: Amounts falling due after more than one year	18	(373,691)	(365,191)
Defined benefit pension liability	19	(853)	(15,695)
Net assets		**372,998**	**344,433**
Capital and reserves			
Share capital	20		-
Revenue reserve		189,236	160,368
Revaluation reserve		183,762	184,065
Total reserves		**372,998**	**344,433**

The financial statements on pages 68 to 110 were approved and authorised for issue by the Board on 25 July 2023 and were signed on its behalf by:

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Peter Fielder
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Date: 25 July 2023

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Association Statement of Financial Position

As at 31 March 2023

	Note	2023 £'000	2022 £'000
Fixed assets			
Housing properties	11	700,217	669,895
Other property, plant and equipment	12a	1,346	1,667
Investment properties	13	31,996	31,942
Fixed asset investments	14	50	50
Intangible assets	12b	170	336
		733,779	**703,890**
Current assets			
Stock	15	11,768	11,368
Debtors	16	9,468	13,360
Cash and cash equivalents	21	9,403	11,834
		30,639	**36,562**
Creditors: Amounts falling due within one year	17	(16,563)	(14,734)
Net current assets		**14,076**	**21,828**
Total assets less current liabilities		**747,855**	**725,718**
Creditors: Amounts falling due after more than one year	18	(373,691)	(365,191)
Defined benefit pension liability	19	(853)	(15,695)
Net assets		**373,311**	**344,832**
Capital and reserves			
Share capital	20		-
Revenue reserve		189,549	160,767
Revaluation reserve		183,762	184,065
Total reserves		**373,311**	**344,832**

The financial statements on pages 68 to 110 were approved and authorised for issue by the Board on 25 July 2023 and were signed on its behalf by:

Steve Benson
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Peter Fielder
Vice Chair

Suzanne Maguire
Company Secretary

Date: 25 July 2023

The notes on **pages 75 - 110** form an integral part of these financial statements.

Consolidated Statement of Changes in Reserves

For the year ended 31 March 2023

	Revenue reserve £'000	Revaluation reserve £'000	Total reserves £'000
At 1 April 2022	160,368	184,065	344,433
Surplus for the year	12,062	-	12,062
Other comprehensive income:			
Actuarial surplus in respect of defined benefit pension schemes	24,455	-	24,455
Restriction of pension asset	(7,952)	-	(7,952)
Total comprehensive income	28,565		28,565
Reserve transfers	303	(303)	-
At 31 March 2023	**189,236**	**183,762**	**372,998**
At 1 April 2021	150,917	184,407	335,324
Surplus for the year	9,309	-	9,309
Other comprehensive income:			
Actuarial deficit in respect of defined benefit pension schemes	(200)	-	(200)
Total comprehensive income	9,109	-	9,109
Reserve transfers	342	(342)	-
At 31 March 2022	**160,368**	**184,065**	**344,433**

Reserves

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

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

The notes on **pages 75 - 110** form an integral part of these financial statements.

Association Statement of Changes in Reserves

For the year ended 31 March 2023

	Revenue reserve £'000	Revaluation reserve £'000	Total reserves £'000
At 1 April 2022	160,767	184,065	344,832
Surplus for the year	11,976	-	11,976
Other comprehensive income:			
Actuarial surplus in respect of defined benefit pension schemes	24,455	-	24,455
Restriction of pension asset	(7,952)	-	(7,952)
Total comprehensive income	28,479	-	28,479
Reserve transfers	303	(303)	-
At 31 March 2023	**189,549**	**183,762**	**373,311**
At 1 April 2021	151,395	184,407	335,802
Surplus for the year	9,230	-	9,230
Other comprehensive income:			
Actuarial deficit in respect of defined benefit pension schemes	(200)	-	(200)
Total comprehensive income	9,030	-	9,030
Reserve transfers	342	(342)	-
At 31 March 2022	**160,767**	**184,065**	**344,832**

Reserves

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

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

The notes on **pages 75 - 110** form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 March 2023

	Note	2023 £'000	2022 £'000
Net cash generated from operating activities	21	39,079	33,718
Cash flows from investing activities			
Purchase of property, plant and equipment		(44,141)	(48,871)
Purchase of investment property		(54)	(7,133)
Proceeds from sale of property, plant and equipment		6,374	5,595
Grants received		1,569	3,030
Taxation		-	-
Interest received		292	233
Net cash flows from investing activities		**(35,960)**	**(47,146)**
Cash flows from financing activities			
Interest paid		(15,055)	(13,253)
Break costs on early redemption of loans		-	(4,371)
Net loan movement		9,510	24,662
Net cash flows from financing activities		**(5,545)**	**7,038**
Net increase/(decrease) in cash and cash equivalents	17	**(2,426)**	**(6,390)**
Cash and cash equivalents at beginning of year		11,865	18,255
Cash and cash equivalents at end of year		**9,439**	**11,865**

The notes on **pages 75 - 110** form an integral part of these financial statements.

Notes to the financial statements

For the year ended 31 March 2023

1. Accounting policies

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

The main activities of the Group are the provision of affordable homes for people in housing need. The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

General information and basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102) and comply with the Statement of Recommended Practice for Registered Social Housing Providers 2018 (SORP), the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. The Group is a public benefit entity, as defined in FRS 102 and applies the relevant paragraphs prefixed 'PBE' in FRS 102.

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

- A Statement of Cash Flows has not been presented for the Association.

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

Property, plant and equipment - housing properties at cost

Housing properties are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the cost of acquiring land and buildings, directly attributable development costs and borrowing costs directly attributable to the construction of new housing properties during the development calculated at the weighted average cost of capital during 2022/23. Capitalisation ceases when substantially all the activities that are necessary to prepare the asset for use are complete.

Property, plant and equipment - housing properties at deemed cost

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

Major components

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

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

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

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

Improvements

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

Sales of Housing Property

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

Non-housing property, plant and equipment

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

Expected useful lives are as follows:

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

Intangible assets

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

Computer software	3 years

Investment properties

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

Land is accounted for based on its intended use. Where land is acquired speculatively with the intention of generating a capital gain and/

or a commercial rental return it is accounted for as investment property. Where land is acquired for use in the provision of social housing or for a social benefit it is accounted for as property, plant and equipment.

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

Impairment of social housing properties

Properties held for their social benefit are not held solely for the cash inflows they generate and are held for their service potential. The Group has identified a cash generating unit for impairment assessment purposes at a property scheme level.

An assessment is made at each reporting date as to whether an indicator of impairment exists. If such an indicator exists, an impairment assessment is carried out and an estimate of the recoverable amount of the asset is made. Where the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised in surplus or deficit in the Statement of Comprehensive Income. The recoverable amount of an asset is the higher of its value in use and fair value less costs to sell. Where assets are held for their service potential, value in use is determined by the present value of the asset's remaining service potential plus the net amount expected to be received from its disposal. Depreciated replacement cost is taken as a suitable measurement model.

An impairment loss is reversed if the reasons for the impairment loss have ceased to apply and is included in surplus or deficit in the Statement of Comprehensive Income.

As part of the end of year review an impairment was identified on one development scheme, this was scheme specific and not a general indication of impairment.

Social Housing Grant and other government grants

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

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

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

Leased assets

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

Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to surplus or deficit in the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

Interest payable

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

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

Taxation

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

Value Added Tax (VAT)

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

Pensions

Local Government Pension Scheme

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

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

The Group recognises a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Multi-employer defined benefit pension scheme – Social Housing Pension Scheme (SHPS)

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

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

Defined contribution scheme

The Group participates in a defined contribution scheme where the amount charged to surplus or deficit in the Statement of Comprehensive Income in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Statement of Financial Position.

Investments

Investments are measured at cost less impairment.

Turnover

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

Revenue for the main income streams is recognised as follows:

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

Supported housing and other managing agents

Where the Group has ownership of a supported housing or other scheme but also has an agreement with a third party to manage the scheme (including Supporting People funded schemes or services), where there has been a substantial transfer of the risks and benefits attached to the scheme to the third party, any scheme revenue and expenditure is excluded from these financial statements.

Shared ownership property sales

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

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

Inventories/WIP

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

Financial instruments

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

Financial assets carried at amortised cost

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

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

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

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

Financial liabilities carried at amortised cost

These financial liabilities include trade and other payables and interest-bearing loans and borrowings.

A financial liability is initially recognised at transaction value adjusted for any directly attributable transaction cost and subsequently measured at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs in the Statement of Comprehensive Income. Discounting is omitted where the effect of discounting is immaterial.

A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

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

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

Public benefit entity concessionary loans

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

Cash and cash equivalents

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

2. Significant management judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Significant management judgements

The following are management judgements in applying the accounting policies of the Group that have the most significant effect on the amounts recognised in the financial statements.

Impairment of social housing properties

The Housing SORP 2018 requires the Group to assess if there are any triggers for impairment. Management have considered the triggers and confirmed no further impairment is required in addition to the specific previously identified scheme.

Categorisation of investment properties

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

Loan issue costs

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

Classification of financial instruments between basic and other

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

Modification of financial liabilities

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

Capitalisation of property development costs

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

Mixed tenure developments

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

Estimation uncertainty

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

Fair value measurement

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

Provisions

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

Valuation of investment properties

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

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

Defined benefit pension scheme

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

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

The future salary increases provided by the actuaries ranged between 3.40% and 3.78%.

The future CPI assumptions (basis for pension increases) provided by the actuaries ranged between 2.78% and 2.95% and discount rates ranged between 4.75% and 4.85%.

As the assumptions for the Social Housing Pension scheme differed to the LGPS actuary assumptions we have applied the following:

Salary increases	3.40% (actuary 3.78%)
CPI inflation assumption	2.90% (actuary 2.78%)
Discount rate	4.80% (actuary 4.85%)

The net impact of the changes to the applied standard actuary assumptions detailed above is to increase the pension liability by £35k, reducing the actuarial gain for the year from £24,490k to £24,455k.

The Northamptonshire scheme asset has been restricted to comply with FRS 102 section 28: An entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. There are no refunds from the plan and the reduced contributions in the future were not considered to be sufficient to fully meet the criteria. The asset was therefore not recognised. Further details are given in note 19.

Inventory

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

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

The Group effectively monitors sales risk by monitoring the market and stress testing the business plan including scenarios of a 31% reduction in-house prices, delays in sales and completions of up to five years and an increase in build costs over and above current inflation forecasts. The Group is able to withstand all these scenarios and can ensure that suitable mitigation strategies are in place to protect its long-term financial viability.

Components of housing properties and useful lives

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

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

2023	Turnover £'000	Cost of sales £'000	Operating costs £'000	Operating surplus* £'000
Social housing lettings (note 3b)	69,422	-	(50,810)	18,612
Other social housing activities				
First tranche property sales	13,749	(10,458)	-	3,291
Leasehold properties	86	-	(86)	-
Community investment	-	-	(1,000)	(1000)
Alarm services	775	-	(919)	(144)
Non-social housing activities				
Garages	1,130	-	(230)	900
Market rent accommodation	1,488	-	(300)	1,188
Solar panel feed-in tariff	628	-	(291)	337
Other	776	-	-	776
Management services	178	-	(122)	56
Alarm services third parties	248	-	(248)	-
Leasehold management services	137	-	(167)	(30)
Impairment	-	(847)	-	(847)
Development - abortive costs	-		176	176
Total Association	**88,617**	**(11,305)**	**(53,997)**	**23,315**
Open Market Property Sales	2,900	(2,689)	(1)	210
Design and Build Services	18	(16)	(1)	1
Total Group	**91,535**	**(14,010)**	**(53,999)**	**23,526**

2022 restated^	Turnover £'000	Cost of sales £'000	Operating costs £'000	Operating surplus* £'000
Social housing lettings (note 3b)	65,438	-	(47,209)	18,229
Other social housing activities				
First tranche property sales	10,231	(7,095)	-	3,136
Leasehold properties	77	-	(77)	-
Community investment	-	-	(997)	(997)
Alarm services	787	-	(931)	(144)
Non-social housing activities				
Garages	1,127	-	(207)	920
Market rent accommodation	1,303	-	(241)	1,062
Solar panel feed-in tariff	603	-	(270)	333
Other	419	-	-	419
Management services	163	-	(120)	43
Alarm Services third parties	340	-	(340)	-
Development – abortive costs	-	-	(602)	(602)
Total Association	**80,488**	**(7,095)**	**(50,994)**	**22,399**
Open Market Property Sales	5,370	(4,936)	-	434
Total Group	**85,858**	**(12,031)**	**(50,994)**	**22,833**

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

3b. Particulars of income and expenditure from social housing lettings

Group and Association Year ended 31 March 2023	Rented social housing £'000	Shared ownership £'000	Supported housing £'000	Total £'000	2022 Restated £'000
Income					
Rents receivable	50,742	3,679	11,641	66,062	62,344
Supporting People	-	-	325	325	303
Service charge income	473	197	1,712	2,382	2,112
Other income	296	-	-	296	338
Amortised government grant	164	110	83	357	341
Turnover from social housing lettings	**51,675**	**3,986**	**13,761**	**69,422**	**65,438**
Expenditure					
Management	(6,615)	(825)	(2,495)	(9,935)	(9,381)
Service charge costs	(420)	(194)	(2,049)	(2,663)	(2,338)
Routine maintenance	(11,316)	-	(2,523)	(13,839)	(12,100)
Planned maintenance	(2,637)	-	(950)	(3,587)	(3,226)
Major repairs expenditure	(4,835)	-	(2,492)	(7,327)	(7,007)
Write out components	(956)	-	(262)	(1,218)	(1,301)
Bad debts	(282)	-	(106)	(388)	(404)
Depreciation of housing properties	(7,913)	(553)	(1,942)	(10,408)	(9,698)
Depreciation - other	(270)	(34)	(102)	(406)	(564)
Amortised intangible assets	(140)	(18)	(53)	(211)	(249)
Lease cost	(64)	-	(413)	(477)	(466)
Pension	(234)	(29)	(88)	(351)	(475)
Operating costs	(35,682)	(1,653)	(13,475)	(50,810)	(47,209)
Operating surplus social housing lettings	**15,993**	**2,333**	**286**	**18,612**	**18,229**
Void losses	778	2	106	886	562

4. Surplus on disposal of property, plant and equipment

Group and Association	2023 £'000	2022 £'000
Sale of property	6,304	5,203
Sales proceeds from the sale of land	62	108
Costs of sale	(3,091)	(2,970)
Loss from other fixed asset disposals	24	56
Surplus on disposal	**3,299**	**2,397**

5. Finance income

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Bank interest receivable	292	233	292	233
Interest receivable from a group member	-	-	125	355
	292	**233**	**417**	**588**

6. Interest and financing costs

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Interest payable on loans and overdrafts	(15,937)	(14,751)	(9,956)	(8,764)
Interest payable to group member	-	-	(5,981)	(5,987)
Break costs on early redemption of loans	-	(4,371)	-	(4,371)
Net interest on defined benefit liability (note 19)	(1,310)	(337)	(1,310)	(337)
Borrowing costs capitalised	2,192	1,835	2,192	1,835
	(15,055)	**(17,624)**	**(15,055)**	**(17,624)**

Borrowing costs on properties during construction have been capitalised based on a capitalisation rate of 4.5% (2022: 4.5%). The break costs relate to the early redemption of Group's Newcastle Building Society and Nationwide Building Society loans during the prior financial year.

7. Surplus on ordinary activities before taxation

Surplus on ordinary activities before taxation is stated after charging:

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Depreciation of housing properties	10,615	9,904	10,615	9,904
Depreciation of other property, plant and equipment	405	564	405	564
Amortised government grants	(306)	(289)	(306)	(289)
Amortised intangible assets	210	249	210	249
Auditor fees – statutory (excluding VAT)	62	56	45	41
Auditor fees – other services (excluding VAT)	17	18	17	18
Operating lease rentals - hire of motor vehicles	607	526	607	526
(Surplus) on disposal of fixed assets	(3,299)	(2,397)	(3,299)	(2,397)

8. Staff costs

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Wages and salaries	14,029	12,978	14,029	12,978
Social security costs	1,477	1,318	1,477	1,318
Other pension costs (see note 19)	1,964	1,995	1,964	1,995
	17,470	**16,291**	**17,470**	**16,291**

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

	Group		Association	
Salary Band £	2023	2022	2023	2022
60,000 - 69,999	7	5	7	5
70,000 - 79,999	1	3	1	3
80,000 - 89,999	4	5	4	5
90,000 - 99,000	3	-	3	-
140,000 - 149,999	1	1	1	1
150,000 - 159,999	1	1	1	1
170,000 - 179,000	-	1	-	1
200,000 - 209,999	1	-	1	-

The average full-time equivalent number of employees was:

Group		Association	
2023	2022	2023	2022
367	358	367	358

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

9. Board and Executive Directors' remuneration

Directors are defined as Board Members and the Executive Management Team, who are key management personnel. Board members are remunerated at different levels dependent upon their role. Board members are also reimbursed for travel expenses totalling £3k (2022: £2.1k).

Non-Executive Board Member/ Committee Member	**£'000**	Grand Union Housing Group	Investment & Development Group	Governance & Remuneration	Audit & Risk	Grand Union Group Funding PLC	Grand Union Homes Ltd	GUHG Development Company Ltd	Customer Experience
James Macmillan (resigned 30/09/22)	7.5	✓		✓					
Colin Dennis (appointed Chair 1/07/22, resigned 24/11/ 22)	6.3	✓		✓		✓			
John Edwards	8.5	✓	✓			✓	✓	✓	
Peter Fielder (appointed Chair 24/11/ 22)	11.2	✓		✓		✓			✓
Richard Broomfield (resigned 9/11/22)	4.2	✓	✓				✓	✓	
Gillian Walton	12.0	✓		✓					
Tom Paul	6.0				✓				
Brent O'Halloran	6.0	✓							✓
Dave Willis (Appointed Chair G & R 24/11/22)	7.0	✓	✓	✓			✓	✓	
Craig Thornton	6.0	✓							
Ian Bovingdon (resigned 24/04/22)	0.5						✓		
Kalwant Grewal	6.0	✓			✓				
Kevin Gould	8.5	✓			✓				
Nannette Sakyi (appointed 01/04/22)	6.0	✓	✓				✓	✓	
Emma Killick (appointed to Board 01/07/22)	7.2	✓							✓
Ashleigh Webber (appointed to Board 09/01/23)	4.1	✓							✓
Shawna Barnes	3.5								✓

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

	Group		Association	
Total Executive Directors' remuneration	**2023 £'000**	**2022 £'000**	**2023 £'000**	**2022 £'000**
Wages and salaries	503	465	503	465
Social security costs	65	58	65	58
Pension payments	37	70	37	70
	605	**593**	**605**	**593**

	Group		Association	
Remuneration of the highest paid director (excluding pension contributions)	**2023 £'000**	**2022 £'000**	**2023 £'000**	**2022 £'000**
Group Chief Executive	**202**	**174**	**202**	**174**

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

During the year the company paid pension contributions of £6,970 which reduced from £40,368 in 21/22 on behalf of the highest paid director who received a compensatory adjustment to their salary.

10. Taxation

The Group has charitable status for tax purposes and no liability to Corporation Tax arises on its charitable activities. In 2022/23 financial year, the Group paid no tax (2021/22: £nil) relating to its non-charitable activities.

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

11. Tangible fixed assets – Housing Properties

Group and Association	Housing properties £'000	Land and housing properties under construction £'000	Leasehold properties £'000	Shared ownership £'000	Shared ownership under construction £'000	Total £'000
Cost						
At 1 April 2022	651,348	23,060	5,625	74,000	18,678	772,711
Additions	-	24,169	-	-	10,575	34,744
Transfer from investment property	-	-	-	-	-	-
Schemes completed	25,733	(25,733)	-	14,816	(14,816)	-
Improvements	9,258	-	7	-	-	9,265
Disposals	(497)	-	-	(1,525)	-	(2,022)
Write Out Component	(1,218)	-	-	-	-	(1,218)
At 31 March 2023	**684,624**	**21,496**	**5,632**	**87,291**	**14,437**	**813,480**
Depreciation						
At 1 April 2022	(98,935)	-	(937)	(2,944)	-	(102,816)
Charge for the year	(9,931)	-	(131)	(553)	-	(10,615)
Disposals	96	-	-	72	-	168
At 31 March 2023	**(108,770)**	**-**	**(1,068)**	**(3,425)**	**-**	**(113,263)**
Net book value						
At 31 March 2023	**575,854**	**21,496**	**4,564**	**83,866**	**14,437**	**700,217**
At 31 March 2022	552,413	23,060	4,688	71,056	18,678	669,895

Completed properties with a combined net book value of £384 million (2022: £368 million) have been pledged to secure borrowings of the Group. The Group is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

Analysis of works to existing properties	2023 £'000	2022 £'000
Capitalised: replacement of components	5,373	4,673
Capitalised: improvements	3,892	1,703
Charged to Statement of Comprehensive Income	7,327	7,007

12a. Property, plant and equipment – Other

Group and Association	Leasehold improvements £'000	Fixtures and fittings £'000	Vehicles £'000	Computer equipment £'000	Assistive tech £'000	Total £'000
Cost						
At 31 March 2022	1,720	195	127	1,285	113	3,440
Additions	-	-	-	78	9	87
Disposals	-	-	(104)	(229)	-	(333)
At 31 March 2023	**1,720**	**195**	**23**	**1,134**	**122**	**3,194**
Depreciation						
At 31 March 2022	(426)	(98)	(127)	(1,084)	(38)	(1,773)
Charge during year	(172)	(39)	-	(171)	(23)	(405)
Disposals	-	-	104	226	-	330
At 31 March 2023	**(598)**	**(137)**	**(23)**	**(1,029)**	**(61)**	**(1,848)**
Net book value						
At 31 March 2023	**1,122**	**58**	**-**	**105**	**61**	**1,346**
At 31 March 2022	1,294	97	-	201	75	1,667

12b. Intangible Assets

Group and Association	IT Software £'000
Cost	
At 31 March 2022	2,407
Additions	45
Disposals	(38)
At 31 March 2023	**2,414**
Amortisation	
At 31 March 2022	(2,071)
Charge for the year	(211)
Disposals	38
At 31 March 2023	**(2,244)**
Net book value	
At 31 March 2023	**170**
At 31 March 2022	336

13. Investment properties

Group and Association	2023 £'000	2022 £'000
Valuation		
At 1 April	31,942	23,500
Transfer to housing properties	-	(160)
Additions	54	7,132
Fair value surplus	-	1,470
Carrying value at 31 March	**31,996**	**31,942**

Investment properties were valued by Savills at fair value at 31 March 2023. These are independent valuers with recent experience in the location and class of the investment property being valued. The method of determining fair value was in accordance with the RICS Valuation – Global Standards (effective from 31 January 2020) and significant assumptions were as follows:

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

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

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

14. Fixed asset investments

Association	2023 £'000	2022 £'000
At 1 April	50	50
At 31 March	**50**	**50**

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

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

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

15. Stock

	Group		Association	
	2023 £'000	**2022 £'000**	**2023 £'000**	**2022 £'000**
Properties in construction	8,271	12,070	6,878	8,266
Completed properties	4,035	2,757	4,035	2,757
Consumable stock	855	345	855	345
	13,161	**15,172**	**11,768**	**11,368**

An amount of interest of £1,677k (2022: £1,202k) is included in work in progress and the number of inventories recognised as an expense in the year was £4,743k (2022: £4,272k).

16. Debtors

	Group		Association	
	2023 £'000	**2022 £'000**	**2023 £'000**	**2022 £'000**
Amounts falling due within one year				
Rent arrears	3,158	2,859	3,158	2,859
Provision for bad debts	(2,168)	(1,969)	(2,168)	(1,969)
Cash due from collecting agencies	234	206	234	206
	1,224	**1,096**	**1,224**	**1,096**
Other debtors	1,245	2,598	1,083	2,529
Amounts owed by Group undertakings	-	-	-	-
Prepayments and accrued income	1,259	1,317	1,259	1,317
	3,728	**5,011**	**3,566**	**4,942**
Amounts falling due after more than one year				
Bedford Citizens Housing Association	4,012	4,129	4,012	4,129
Amounts owed by Group undertakings	-	-	1,890	4,289
	4,012	**4,129**	**5,902**	**8,418**
Total debtors	**7,740**	**9,140**	**9,468**	**13,360**

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

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

The amounts owed by the group members are secured by floating charges and interest is charged based on the Group's weighted average cost of borrowing and is reviewing annually. The final repayment date on these loans is 31 March 2030.

17. Creditors – amounts falling due within one year

	Group		Association	
	2023 £'000	**2022 £'000**	**2023 £'000**	**2022 £'000**
Rents received in advance	2,607	2,312	2,607	2,312
Housing loans	1,929	-	1,929	-
Amounts owed to group members	-	-	2,071	2,071
Other creditors	2,189	2,033	2,189	2,033
Government grants - received in advance	306	289	306	289
Recycled capital grant fund	104	112	104	112
Accruals and deferred income	9,392	9,952	7,357	7,917
	16,527	**14,698**	**16,563**	**14,734**

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

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

	Group		Association	
	2023 £'000	**2022 £'000**	**2023 £'000**	**2022 £'000**
Housing loans	155,651	193,205	155,651	193,205
Bond	186,000	136,000	186,000	136,000
Bond premium	3,323	8,313	3,323	8,313
Government grants	28,647	27,401	28,647	27,401
Recycled capital grant fund	70	272	70	272
	373,691	**365,191**	**373,691**	**365,191**

Housing loans

At 31 March 2023, £346.4 million (of the total facility of £461.4 million) had been drawn down, of which £289.2 million was fixed at interest rates between 3.08% and 7.13% and £57.2 million was at variable rates. These housing loans are secured by a fixed charge on a proportion of the assets of the Group.

Housing loans due after more than one year are stated above net of loan issue costs of £2,860k (2022: £2,735k).

Housing loans are repayable as follows:

Bank loans	2023 £'000	2022 £'000
Between one and two years	25,786	1,928
Between two and five years	43,849	72,286
After five years	88,876	121,726
On demand or within one year	**1,929**	**-**
	160,440	**195,940**

Bond

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

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

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

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

Government grants - deferred income	2023 £'000	2022 £'000
Original capital grant value		
At 1 April	28,768	25,738
Grants receivable	1,569	3,030
At 31 March	**30,337**	**28,768**
Amortisation		
At 1 April	(1,078)	(789)
Amortisation to Statement of Comprehensive Income	(306)	(289)
To recycled capital grant	-	-
At 31 March	**(1,384)**	**(1,078)**
At 31 March	**28,953**	**27,690**
Due within one year (note 17)	306	289
Due after one year (note 18)	28,647	27,401

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

Recycled capital grant	2023 £'000	2022 £'000
Opening balance	384	531
Grant recycled	(228)	51
Interest accrued	-	-
New build (grant utilised)	18	(198)
Carried forward	**174**	**384**
Grants to be recycled less than one year (note 17)	(104)	(112)
At end of the year	**70**	**272**

19. Retirement benefit schemes

Since April 2013, Grand Union Housing Group has offered to all new employees a defined contribution pension scheme, the Grand Union Housing Aviva Pension Plan. During 2022/23 the Group paid £757,752 (2022: £652,839) on behalf of employees who have joined the scheme. £107,804 (2022: £nil) was outstanding as at 31 March 2023.

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

The latest available valuations were as at 31 March 2022 and these showed the overall actuarial value of the scheme's assets at that date of £59,148k (market value). The actuarial value was sufficient to cover 76% of the benefits that had accrued to members and past members of the pension schemes.

	Northamptonshire scheme valuation at		Bedfordshire scheme valuation at	
	2023	2022	2023	2022
Key assumptions used:				
Discount rate	4.75	2.70	4.80	2.70
Future pension increases	2.95	3.20	2.90	3.20
Salary increases	3.45	3.70	3.40	3.70

Mortality assumptions

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

	Northamptonshire scheme valuation at		Bedfordshire scheme valuation at	
	2023	2022	2023	2022
Retiring today:				
Men	21.5	21.7	21.4	22.0
Women	24.4	24.0	24.2	24.4
Retiring in 20 years:				
Men	22.8	22.7	22.4	22.9
Women	25.6	25.8	25.8	26.0

19. Retirement benefit schemes continued

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

	2023 £'000	2022 £'000
Current service cost	1,527	1,746
Net interest cost	407	320
Recognised in other comprehensive income	(23,622)	226
Total cost relating to defined benefit scheme	**(21,688)**	**2,292**

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

	2023 £'000	2022 £'000
Present value of defined benefit obligations	50,640	74,175
Fair value of scheme assets	(58,040)	(58,783)
Restriction of pension asset*	7,952	-
Net (asset)/liability recognised in the Statement of Financial Position	**552**	**15,392**

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

	2023 £'000	2022 £'000
At 1 April	74,175	69,139
Service cost	1,499	1,672
Interest cost	1,991	1,579
Actuarial gains and losses	(25,763)	3,107
Contributions from scheme participants	253	292
Benefits paid	(1,500)	(1,636)
Past Service costs	-	36
Unfunded benefits paid	(15)	(14)
At 31 March	**50,640**	**74,175**

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

	2023 £'000	2022 £'000
At 1 April	58,783	54,809
Actuarial gains and losses	(2,141)	2,881
Return on plan assets (excluding amounts included in net interest cost)	1,584	1,259
Contributions from the employer	1,104	1,230
Administration expenses	(28)	(38)
Contributions from scheme participants	253	292
Benefits paid	(1,515)	(1,650)
Restriction of pension asset*	(7,952)	-
At 31 March	**50,088**	**58,783**

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

	Fair value of assets	
	2023 £'000	2022 £'000
Equity instruments	37,825	37,265
Debt instruments	10,801	13,289
Property	7,545	7,288
Cash	1,869	941
	58,040	**58,783**

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

* The Northamptonshire scheme asset has been restricted to comply with FRS 102 section 28: An entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. There are no refunds from the plan and the reduced contributions in the future were not considered to be sufficient to fully meet the criteria. The asset was therefore not recognised.

19. Retirement benefit schemes continued

Social Housing Pension Scheme (SHPS)

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

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

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

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

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

	2023	2022
Key assumptions used:		
Discount rate	4.80	2.70
Future pension increases	2.90	3.20
Salary increases	3.40	3.70

Mortality assumptions

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

The assumed life expectations on retirement at age 65 are:

	2023	2022
Retiring today:		
Men	21.4	21.1
Women	23.8	23.7
Retiring in 20 years:		
Men	22.6	22.4
Women	25.4	25.2

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

	2023 £'000	2022 £'000
Current service cost	38	41
Net interest cost	7	8
Recognised in other comprehensive income	(833)	(26)
Total cost relating to defined benefit scheme	**(788)**	**23**

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

	2023 £'000	2022 £'000
Present value of defined benefit obligations	1,518	2,240
Fair value of scheme assets	(1,217)	(1,937)
Net liability recognised in the Statement of Financial Position	**301**	**303**

19. Retirement benefit schemes continued

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

	2023 £'000	2022 £'000
At 1 April	2,240	2,225
Service cost	38	41
Interest cost	60	51
Actuarial gains and losses	(780)	17
Contributions from scheme participants	-	8
Benefits paid	(40)	(102)
Unfunded benefits paid	-	-
At 31 March	**1,518**	**2,240**

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

	2023 £'000	2022 £'000
At 1 April	1,937	1,872
Actuarial gains and losses	53	43
Return on plan assets (excluding amounts included in net interest cost)	(843)	34
Contributions from the employer	110	82
Contributions from scheme participants	-	8
Benefits paid	(40)	(102)
At 31 March	**1,217**	**1,937**

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

	Fair value of assets	
	2023 £'000	2022 £'000
Equity instruments	204	326
Debt instruments	900	1,433
Property	110	174
Cash	3	4
	1,217	**1,937**

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

20. Share capital – Association

	2023 £	2022 £
At beginning of year	10	10
Issued during the year	3	4
Cancelled during the year	(2)	(4)
At end of year	**11**	**10**

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

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

Co-opted Board Members are not shareholders.

21. Statement of cash flows

Group	2023 £'000	2022 £'000
Cash flow from operating activities		
Operating surplus for the year	26,825	25,230
Adjustment for non-cash items:		
Depreciation of property, plant and equipment	11,230	10,717
Decrease/(Increase) in debtors	1,402	(1,828)
Decrease in stock	2,011	512
(Decrease)/Increase in creditors	(751)	672
Pension costs less contributions payable	1,661	812
Adjustment for investing or financing activities:		
Less Gain on disposal of tangible fixed assets	(3,299)	(2,397)
Cash generated by operations	**39,079**	**33,718**

22. Financial commitments

Capital commitments are as follows:

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Contracted for but not provided for	84,265	67,432	84,215	67,111
Approved by the directors but not contracted for	38,031	15,663	38,031	15,663
	122,296	**83,095**	**122,246**	**82,774**

The total amount contracted for at 31 March 2023 in respect of new dwellings relates to approved schemes for which grant approval has been received and is covered by cash balances and undrawn revolving credit facilities

23. Analysis of changes in net debt

Group

	At Start of Year £'000	Cash Flows £'000	Non-Cash movements £'000	At Year end £'000
Cash and cash equivalents	11,865	(2,426)	-	9,439
Housing loans due in one year	-	(1,929)	-	(1,929)
Housing loans due after one year	(340,253)	(7,581)	-	(347,834)
	(328,388)	**(11,936)**	**-**	**(340,324)**

Association

	At Start of Year £'000	Cash Flows £'000	Non-Cash movements £'000	At Year end £'000
Cash and cash equivalents	11,834	(2,431)	-	9,403
Housing loans due in one year	-	(1,929)	-	(1,929)
Housing loans due after one year	(340,253)	(7,581)	-	(347,834)
	(328,419)	**(11,941)**	**-**	**(340,360)**

24. Operating lease commitments

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

	Group		Association	
	2023 £'000	Restated* 2022 £'000	2023 £'000	Restated* 2022 £'000
Payments due:				
- within one year	2,426	1,386	2,426	1,386
- between one and five years	7,946	4,584	7,946	4,584
- in five years or more	15,207	10,998	15,207	10,998
	25,579	**16,968**	**25,579**	**16,968**

* The 2022 disclosure has been restated to take account of previously unrecorded operating lease commitments in our supported housing property portfolio.

25. Number of units in management

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

Group and Association	2023 units	2022 units
Owned and managed		
General needs	8,118	8,025
Supported housing and housing for older people	3,057	3,010
Shared ownership accommodation	1,018	916
Market rent	146	148
Intermediate market rent	73	73
Housing accommodation owned at the end of year	**12,412**	**12,172**
Managed not owned		
General needs	89	42
Supported housing and housing for older people	100	100
Shared ownership accommodation	42	42
Market rent	2	-
Intermediate market rent	54	54
	12,699	**12,410**

Reconciliation of residential accommodation owned and/or managed

	2022 No	Additions* No	Disposals No	Other	2023 No
General needs	8,025	90	(14)	17	8,118
Supported housing and housing for older people	3,010	69	-	(22)	3,057
Shared ownership accommodation	916	118	(16)	-	1,018
Market rent	148	-	-	(2)	146
Intermediate market rent	73	-	-	-	73
	12,172	**277**	**(30)**	**(7)**	**12,412**

* the total number of new build property completions during the year of 282 includes 5 open market sales.

26. Related party transactions

There was one Customer but no Leaseholder members of the Group Board as at 31 March 2023. There were no Board members nominated by local authorities.

The directors of Grand Union Housing Group have committed to providing support to Grand Union Homes Limited to ensure that the entity has adequate resources to continue in operational existence for the foreseeable future. This support is anticipated to be required in the short term as, despite the immediate risks from the current economic climate and a perceived slowdown in the housing market, we are confident that in time, with incentives available, sales will be achieved.

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

	2023 £'000	2022 £'000
Payments made to subsidiaries		
Grand Union Group Funding Plc – loan interest	5,981	5,987
Grand Union Homes Limited – development cash flows	(2,284)	(2,955)
Receipts from subsidiaries		
Grand Union Homes Limited – intercompany loan interest	124	355
GUHG Development Company Ltd – intercompany loan interest	1	-
Amounts owed by subsidiaries at 31 March		
Due within one year:		
Grand Union Homes Limited	-	-
Due after more than one year:		
Grand Union Homes Limited	1,881	4,289
GUHG Development Company Ltd	9	-
Amounts owed to subsidiaries at 31 March		
Due within one year:		
Grand Union Group Funding Plc – unpaid share capital	38	38
Grand Union Group Funding Plc – Bond interest	2,033	2,033
Due after more than one year:		
Grand Union Group Funding Plc – Bond	136,000	136,000

GUHG Development Company Limited started trading on 1 April 2022.

27. Ultimate Controlling Party

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

Grand Union Housing Group is the ultimate controlling party of:

- **Grand Union Homes Limited** - a non-regulated private company, registered in England and Wales, limited by shares set up to undertake sales of homes on the open market for the Group.
- **GUHG Development Company Limited** - a non-regulated private company, limited by shares registered in England and Wales, set up to provide design and build services on behalf of the Group. This company began trading on 1 April 2022 during the year.
- **Grand Union Group Funding Plc** - a non-regulated public limited company, registered in England and Wales, formed to on-lend all proceeds of a bond issue to members of the Group.

28. Financial instruments

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

	Group	
	2023 £'000	2022 £'000
Financial assets that are measured at amortised cost		
Debtors	2,503	3,914
Debtors falling due after one year	4,012	4,129
Cash	9,439	11,865
	15,954	**19,908**
Financial liabilities that are measured at amortised cost		
Trade and other payables	5,081	4,795
Public bonds	189,323	144,313
Loans and borrowings	160,440	195,940
Accruals and deferred income	9,392	9,950
	364,236	**354,696**

29. Legislative provisions

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

Email: help@guhg.co.uk
Web: www.guhg.co.uk

Tel: 0300 123 55 44

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