Havebury
Housing Partnership

Report and consolidated financial statements

For the year ended 31 March 2022

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Association information

FCA registration number:	7648 The Havebury Housing Partnership is a charitable registered society under the Co-operative and Community Benefit Societies Act 2014	
Regulator for Social Housing registration number:	LH4339	
Office:	Havebury House, Western Way, Bury St Edmunds, Suffolk IP33 3SP	
Strategic Board Chairman	Ian Mashiter	
Strategic Board Vice Chairman	Mark Webster	
Strategic Board Directors	Clive Gardner Michael Sheren - (retired 15 February 2022) Kym Hudson Clive Springett Adam Colby Nikki Stonebridge William Howard Cresswell – (appointed 5 January 2022)	
Chief Executive	Andrew Smith	
Director of Operations	Jenny Spoor	
Director of Resources	Marie McCleary	
Company Secretary	Marie McCleary	
Director of Development	Scott Bailey	
Bankers/Funders	***Pension Insurance Corporation Plc*** 14 Cornhill, London, EC3V 3ND	***Barclays Bank Plc*** Level 27, 1 Churchill Place, London, E14 5HP
	BP Pension Trustees Limited Chertsey Road, Sunbury on Thames Middlesex, TW16 7BP	***Phoenix Life Limited*** 1 Wythall Green Way Wythall, Birmingham B47 6WG
	The Lincoln National Life Insurance Company c/o Macquarie Investment Management Advisers, 100 Independence Mall West, 610 Market Street – 9th Floor Philadelphia, PA 19106	***Just Retirement Ltd*** Enterprise House Bancroft Road, Reigate Surrey, RH2 7RP
	Macquarie Bank Limited c/o Bank of New York Mellon, London branch, One Canada Square London, E14 5AL	***Lloyds Bank Plc*** 10 Gresham Street London, EC2V 7AE
Principal Solicitors	***Capsticks*** 1 St George's Road, Wimbledon, London, SW19 4DR	
Auditors	***RSM UK Audit LLP*** Blenheim House, Newmarket Road, Bury St Edmunds, Suffolk, IP33 3SB	

Chair's Statement

We are now approaching the 20th Anniversary of the creation of Havebury Housing Partnership, and I am delighted to say that the business is in very good heart.

We now manage over 7000 homes, and one of the highlights of the year has been a very successful re-financing - raising £210m, to continue upgrading and improving our existing stock and investing in new homes. And although most of the work was done in the previous year, we have now adopted and are working to our new 5-year plan which sets our objectives through to 2026 (But in these changing times, elements of the plan will continue to be reviewed as we go forward!).

We have also maintained our G1/V1 rating; easily taken for granted as we have never been given a lower rating - but particularly when our plans require significant levels of borrowing this is a great credit to the whole team. As the business becomes larger and more sophisticated, we continue to keep our governance arrangements under review. Here we have been working with an external advisor on our formal 3 yearly governance review and will be implementing their recommendations in the coming months. With several Board and Committee members retiring in September 2022, we have already appointed Howard Cresswell as Chair Designate of Havebury, and Kym Hudson as Chair Designate of Audit and Risk Committee. Kym has been on the Board and our A&R Committee for almost 3 years, and has a wealth of business experience, while Howard brings a great track record in both executive and non-executive roles in the Housing Association sector. More appointments will follow – with an emphasis on greater tenant representation and improved diversity in our governance structure.

I have deliberately relegated any mention of Covid-19 to the third paragraph of this report. It may remain a fact of life for some time yet, but we have adapted to maintain smooth running of our business throughout the last 2 years, and we have now redesigned and remodelled parts of our business to operate flexibly and efficiently in the face of Covid, Omicron, and other challenges.

I would like to mention various aspects of Havebury's work and putting our people and our customers at the top of my agenda. I'd like to thank all our people for their good work over the past year – and for their support and goodwill in a time of change. We have now successfully transitioned all our team to new flexible and hybrid working contracts – taking what we have learnt from changes in our operating environment and remote working over the last 2 years and embedding them in permanent arrangements.

The success of these changes is underlined by the fact that we have achieved Great Place to Work accreditation at the first attempt this year – reflecting our ongoing investment in people, the transfer to new terms and conditions, and continued support around wellbeing.

I believe that a greater priority now is to improve our engagement with all our tenants – our customers. Both the external governance review and a separate piece of work with TPAS feed into this, and we will be working to get better representation of tenants on the Board and

Committees and establishing new customer groups (both online and meeting face to face). Linked to this we are reviewing the scope and function of the Operations Committee and creating a new Tenant Experience Committee.

We are also very conscious of the pressures our tenants face, with big increases in the cost of living; and although April 2022 has seen implementation of the full (CPI+1%) rental increase, this is linked to an increased support fund, and we will continue to do all we can to help tenants in need. Particularly when other costs are rising, rental increases create an extra pressure; we already involve tenants in this process more than our peer group, and we have also established a Working Group to consider whether we can enhance the process of rent setting.

On the new homes front, we have completed 180 new homes and started 136 – continuing to be towards the top of the league in the rate at which we are adding to our portfolio – and that remains a key objective bearing in mind the ongoing shortage of supply and the number of people who are homeless or in unsatisfactory conditions. These figures are a credit to Scott Bailey and our development team, at a time when Brexit and Covid have caused shortages of labour and materials, and we have seen very high inflation on building costs.

Our recent £210m of additional financing was in part to finance new housing, but also very much to support improvements in our existing homes, and in particular to upgrade the energy

"We have now redesigned and remodelled parts of our (business) to operate flexibly and efficiently in the face of Covid, Omicron, and other challenges.

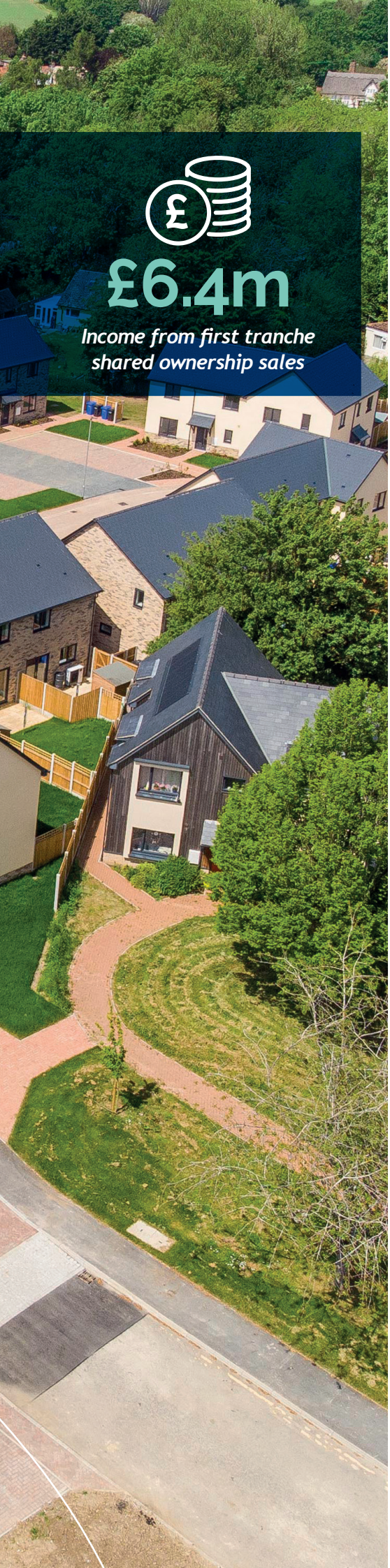
180

new homes delivered in 2021/22

7,074

properties managed

"On the new homes plan we have completed 180 new homes and started 136 - continuing to be towards the top of the league in the rate at which we are adding to our portfolio.



efficiency of our homes, aiming to get all homes to EPC Level C by 2030; and linked to that, reducing energy bills for our customers. The £210m raised comprised £150m through a Private Placement provided by Pension Insurance Corporation PLC, BP Pension Trustees Ltd, The Lincoln National Life Insurance Company, Phoenix Life Ltd and Just Retirement Ltd, and a £60m revolving credit facility with Lloyds Bank. This gives us a very competitive weighted average cost of capital for the long term and provides a sound platform for our investment programme. I would like to thank Mark Webster, Michael Sheren, Julian Foster, Marie McCleary and team, & our legal and treasury advisors for the work undertaken to complete the refinancing.

Our annual accounts also remain strong; we have delivered a surplus of £2.8m and delivered an EBITDA MRI of 166%. One of the board's concerns remains our pension position, and we continue to monitor our liabilities in relation to our defined benefit pension scheme (now closed to new members) – with a view to funding this deficit in the medium term.

I will just comment on all the merger activity which seems to be going on in the sector. In many cases there are good reasons for this (often flowing from securing sound governance and strong balance sheets). However, Havebury remains in a strong position in terms of governance and financing; and our peer group comparisons still indicate that we are operating efficiently. Added to that, and very importantly, we still see a place for strong independent housing associations covering a local area, where we know where our tenants live, and equally important they know where to find us! However, we are working with similar sized Housing Associations in East Anglia to share knowledge and expertise and identify further efficiencies where we can.

In closing, I would like to thank all those involved with Havebury's business for all their hard work and support throughout the year. As mentioned above we have several Directors and Members retiring in September, and I would particularly like to thank Clive Springett, Clive Gardner, and Michael Sheren for their great contributions over the last 8 or 9 years (Michael stood down in February this year, having kindly stayed with us until the re-financing was completed). I will also be standing down in September after 3 years as chair, and 6 years on the Board prior to that; it has been a pleasure working with everyone at Havebury - I believe that we leave the company in good shape, but there is always more to do and I am sure Howard Cresswell, together with other directors and members both new and existing, will do a great job in taking Havebury forward, and I wish all involved every success in that.

Ian Mashiter

Ian Mashiter
Chair

Strategic Report

Principal activities

The group comprises The Havebury Housing Partnership ('the Association'), and its two subsidiary undertakings, Havebury Homes Limited and Design & Build Services East Limited (dormant) (together 'the group').

The group's principal activity is the management and development of affordable housing in Suffolk and its neighbouring counties.

The Association operates three key business streams:

- housing for rent, primarily by families who are unable to rent or buy at open market rates
- supported housing and housing for older people
- low-cost home ownership, primarily shared ownership

As well as managing over 7,074 properties, the Association develops new affordable housing under the Homes England Shared Ownership Affordable Homes Programme (SOAHP).

The Association also provides non-social housing services, in particular garages for rent. However, the Association's focus is its social housing activities, and these are expected to continue to constitute over 90% of its activities by turnover.

During 2016/17 a group structure was established and during 2018/19 Havebury Homes Limited started on site with its first four homes for market sale, these were completed in November 2019, with the first property being sold in December 2019. By the end of the 2021/22 financial year all properties had been sold and there are currently no plans to build any more homes for outright sale through Havebury Homes Limited. Design & Build Services East Limited is currently dormant. Any surpluses from both subsidiaries are utilised to further Havebury's charitable objectives.

Business and financial review

The Board is pleased to report a surplus for the year of £2.77m (2021: £3.70m). We have continued to invest more in our existing housing stock and undertake a series of new developments for affordable rent and shared ownership.

Turnover for the year was £46.23m (2021: £42.12m) and was principally income from lettings. The increase in income reflects the increase in property numbers year on year, including the 180 (2021: 134) properties that were completed during the year. The total property number was 7,074 (2021: 6,913). Rent losses through void properties totalled £542k (2021: £785k) which represents 1.4% (2021: 2.1%) of the rent and service charges receivable. Income from first tranche shared ownership sales was £6.4m (2021: £3.1m).

£46.23m

turnover for the year

£4.8m

properties for sale balance

61

Shared Ownership units were sold during 2021/22

We have continued to invest more in our existing housing stock and undertake a series of new developments for affordable rent and shared ownership.

To fund the ongoing development programme an additional £8m was drawn from existing facilities during the year.

£2.93m

capitalised major work

2,604

UC claimants

24.23%

operating surplus

£216.5m

total drawn down debt

The reduction in operating surplus to 24.24% (2021: 29.63%) reflects the impact of higher expenditure during the financial year following the easing of COVID restrictions which had impacted our ability to deliver some of our services during 2020/21. There was increased spend on responsive and major repairs during the year. Buoyant sales of shared ownership properties made a significant contribution to the overall income reported during the financial year. There has been an increase in the housing properties depreciation charge to £6.583m (2021: £6.387m). Expenditure of £2.93m (2021: £1.72m) was capitalised in respect of improvement works. This expenditure is expected to continue in the coming years in line with the business plan and stock condition survey forecasts.

The Statement of Financial Position indicates Total assets less current liabilities of £389m (2021: £385m) owing to an increase in total fixed assets of £14.8m to £390.2m (2021: £375.4m) in line with the developments that were completed during the year. Net current assets have decreased to net current liabilities of £1.6m (2021: net current assets of £9.9m). This movement is due to £10m of debt repayable in March 2023 now being categorised as Creditors: amounts falling due within one year. We have funds available, not yet drawn, to discharge this debt

During 2021/22 61 shared ownership units were sold and a further 17 are awaiting sale, reflected in the Properties for Sale balance of £4.8m (2021: £6.4m). These sales are forecast to complete in the first two quarters of 2022.

To fund the ongoing development programme an additional £8m was drawn during the year. The total drawn debt is now £216.5m (2021: £208.5m).

At the start of April 2022, we had 2,604 accounts with Universal Credit (UC) claimants (2,164 last year). There was a steady increase of new claims for UC during the year following the significant increase the previous year, owing to the COVID-19 pandemic hitting hard in March 2020. We have set a target to assist UC claimants to reduce any arrears that arise from the claims process in 39 weeks, and achieved this 65%, (62% last year) of the time. We have continued with extra welfare advice this year to assist this work and to administer the tenant forum COVID-related hardship fund. For 2022/23 we have put in place a support fund of £250k to assist tenants struggling because of the rising cost of living.

The average Havebury UC had risen from £200 to £204 by the end of the year. We have monitored the impact this has had on the overall arrears figure and predicted that collectable rent (net of HB owed) would be 2.21% by the end of 2021/22; the actual performance achieved was 2.44%. The target for the new financial year outturn has been set at 2.38% reflecting the current impact of the rising cost of living. The Department of Work and Pensions is aiming to migrate all working age claimants to UC by 2023. We will monitor this closely and have continued our membership of local forums.

The group's five-year Statement of Comprehensive Income accounts and Statement of Financial Positions are summarised below:

For the year ended 31 March	Group 2022 (£'000)	Group 2021 (£'000)	Group 2020 (£'000)	HHP 2019 (£'000)	HHP 2018 (£'000)
Statement of Comprehensive Income					
Total turnover	46,228	42,116	42,139	42,054	37,595
Operating surplus	11,204	12,478	12,227	13,100	13,618
***Surplus for the year transferred to reserves**	**2,774**	**3,700**	**3,939**	**5,268**	**6,813**

*The five year trend on Surpluses transferred to reserves reflects increased interest payments as Havebury continues to invest in additional affordable homes in the communities we serve.

Statement of Financial Position					
Housing properties	387,238	372,076	353,198	330,622	302,501
Other fixed assets	2,507	2,752	2,989	3,075	3,110
Intangible assets	460	534	615	471	481
Fixed assets	390,205	375,362	356,802	334,168	306,092
Net current assets/(liabilities)	(1,667)	9,874	11,169	3,579	6,976
Total assets less current liabilities	**388,538**	**385,236**	**367,971**	**337,747**	**313,068**
Loans (due over one year)	211,313	213,537	202,992	185,865	169,734
Pensions liability	3,270	9,538	4,331	6,093	3,436
Deferred income grant	30,190	28,208	25,579	17,065	13,782
Reserves					
Revenue	57,342	47,092	48,208	41,117	38,068
Revaluation	86,423	86,861	86,861	87,607	88,048
Retained Funds	**143,765**	**133,953**	**135,069**	**128,724**	**126,116**
	388,538	**385,236**	**367,971**	**337,747**	**313,068**
Housing properties owned at year end:					
Social housing	6,778	6,677	6,560	6,394	6,307
Non-social housing	296	236	233	168	117
	7,074	**6,913**	**6,793**	**6,562**	**6,424**
Statistics:					
Operating surplus as % of turnover	24.23%	29.63%	29.02%	31.15%	36.22%
Surplus for year as % of income from lettings	7.1%	9.8%	10.93%	14.95%	19.92%
Rent losses (voids and bad debts as % of rent and service charges receivable)	1.84%	2.47%	1.98%	2.44%	1.22%
Rent arrears (current arrears as % of rent and service charges receivable)	2.38%	2.4%	2.65%	2.56%	2.34%
Liquidity (current assets divided by current liabilities)	0.93	1.84	2.06	1.31	1.76

Performance against key objectives

Objectives and Strategy

Our vision is "creating Homes and Communities".

Our values are:

- Respecting
- Engaging
- Fair

These values reflect Havebury, where we respect our colleagues, tenants and stakeholders. Where we are prepared to engage with our stakeholders to deliver strong vibrant communities and where we are ready to roll up our sleeves and work collaboratively with others to deliver better outcomes. Engaging also reflects our 'ask' of our colleagues to be engaged in our organisation, demonstrating accountability and ownership. To push ourselves to try something new, expand our knowledge and deliver more. Underpinning all of this is our deep-rooted sense of fairness, our commitment to social justice, to ensuring equality of access for all, not judging others and being balanced and measured in all our dealings.

Senior Management and the Board have developed a series of key performance indicators (KPIs) to monitor performance against these objectives. These targets, some examples of which are detailed in the table below, are reviewed annually by the Board in to support our commitment to continuous service improvement:

	2021/22	2020/21
EBITDA MRI (using cash interest paid)	166%	187%
Asset cover	157%	147%
Net debt per unit	£30,605	£31,866
Current tenants' rent arrears as a percentage of rent due	2.5%	2.4%
Rent loss as a result of voids as a percentage of rent due	1.5%	2.3%
Proportion of income attributable to housing benefit	21.5%	25.3%
Percentage of social housing stock at affordable rents	24.1%	23.9%
Tenants eligible for right to buy	1,951	2,045
Number of Right to Buy sales	10	6
Percentage of workforce member of Local Government Pension Scheme	25%	30%

Our objectives

Our Strategic Objectives are as follows:

- Being a great landlord
- Developing new affordable homes
- Investing in existing homes and communities
- Playing our part in addressing climate change
- Building a great team
- Remaining a thriving business

Our development activity picked up during the year, following reduced completions in 2020/21 owing to various Lockdown restrictions due to COVID-19. We completed 180 new homes during the year (2020/21 – 134), 61 (2020/21 – 36) of these homes were sold on a Shared Ownership basis.

One of our key objectives this year was to address the backlog in repairs whilst continuing to ensure safe working practices and maintaining our customer service standard. We have continued to develop the accessibility of our service using digital and telephony channels. A key enabler is the continued roll out of the myHavebury App and we now have 50.4% of our Havebury households with the Havebury App. Tenants can use the App to pay their rent and report repairs.

During 2021/22 we invested over £4.4 million in existing homes, this was slightly lower than we intended to spend owing to several programmes, including electrical upgrades, roofing, central heating and kitchen & bathrooms underspending against budget for the financial year. There were a range of reasons for the underspend including resourcing and changes in priorities. However, this was much higher than the £2.6m which we were able to invest during 2020/21.

Our Value for Money self-assessment later in this report sets out our performance against our objective to drive value through an efficient, sustainable and well-run business.

Havebury's key resource is our people and during the year we have focussed on ensuring that we provide the very best workplace and environment. A new hybrid working model has been embedded, which has enabled us to recruit from a wider pool of candidates. We have obtained 'Great Place to Work' accreditation and have put plans in place to deliver a new learning and development programme. We are on track in the delivery of our People and Organisational Development Strategy.

£4.4m

invested in existing homes during 2021/22

"One of our key objectives this year was to address the backlog in repairs whilst continuing to ensure safe working practices and maintaining our customer service standard.

What value for money means to havebury

Providers are required to follow the Regulator of Social Housing's (RSH) Value for Money Standard. The standard requires us to provide evidence in the statutory accounts to enable stakeholders to understand:

- performance against value for money targets and any metrics set out by the RSH, and how that performance compares to peers;
- measurable plans to address any areas of underperformance, including clearly stating where improvements would not be appropriate and the rationale for this.

This section therefore sets out our performance against the RSH's seven metrics: reinvestment, new supply delivered, gearing, EBITDA MRI, headline social housing cost per unit, operating margin and return on capital employed. In addition, a suite of our own measures of value set by the Board are reported. Benchmarking of each indicator has been carried out to compare performance to peers, using either the sector global accounts or HouseMark. Areas of underperformance, or where performance falls below the median range, have also been explained.

For us, value for money is about maximising resources available to deliver our vision and objectives to the benefit of the communities we serve. Value for money is delivered through our strong value for money culture, sound financial and business planning, effective procurement, performance management, tenant scrutiny and governance functions.

Value is considered in the context of our charitable objectives. The provision of a variety of social housing products assists to relieve poverty and provide homes for persons in necessitous circumstances. Our community focus on existing estates and in considering new developments, helps foster homes and neighbourhoods for residents to thrive. The work of our Income, Tenancy and Estates and Tayfen teams assist in maximising income, training, and employment opportunities. As a developing housing association, we are actively involved in regeneration, building preservation and improvement of housing stock and the environment.

Our core value for money objective is to deliver our new build commitments outlined in the corporate plan, whilst maintaining median costs, and achieving or working towards top quartile performance. The organic growth will positively impact on economy, enhance our business health, benefit financial performance, and increase capacity to build more homes in future. During 2021/22, 180 new homes were completed, 64 for social rent, 51 affordable rent and 65 shared ownership.

Refinancing completed in December, cancelled a £50m, undrawn bank facility for which the rates were no longer competitive and replaced it with a £150m private placement. The interest saving across our business plan achieved through the refinancing was £18.9m.

Whilst a median position was retained, headline social housing cost per unit increased due to major works programmes building back closer to full capacity over the year, projects restarting having been paused in 2020/21 whilst Government restrictions were in place and our wider response to the pandemic took priority, and some of the additional investment to recover the repairs backlog arising from lockdowns continuing into 2021/22.

The Strategic Board has overall responsibility for value for money and continued to review our value for money performance throughout 2021/22. Against each objective we have set a number of key value for money performance indicators to be tracked throughout the life of our corporate plan. A link to which is provided here or can be found at www.havebury.com/2021/04/20/our-corporate-plan-2021-2026/.

Meeting the standard

In addition to the reporting requirements of the Value for Money Standard, it also sets out required outcomes and specific expectations of registered providers. These are set out in the table below, together with a description of how we met each aspect during 2021/22:

VfM Standard Element		2021/22 Evidence
Required outcomes - registered providers must:	clearly articulate their strategic objectives.	Our vision, values and strategic objectives are clearly publicised in our Corporate Plan and are communicated to our teams, tenants and partners. The corporate plan is available on our website, and was promoted through social media and the tenants' magazine at its launch in March 2021.
	have an approach agreed by their board to achieving value for money in meeting these objectives and demonstrate their delivery of value for money to stakeholders.	Targets set by the Board against quantitative and qualitative measures of value for each strategic objective were monitored at each of their meetings throughout the year. Reports on value for money are produced annually for tenants/ stakeholders. Each of our strategic objectives have explicit measures of value defined, around which our wider performance management framework is designed.
	through their strategic objectives, articulate their strategy for delivering homes that meet a range of needs.	Throughout our vision, objectives and values there is a strong focus on meeting the needs of tenants and developing new properties to meet local need. We remain committed to delivering a range of accommodation and tenure types. The development strategy seeks to shift the balance in available housing stock toward demand for one and two bedroom properties, however the programme includes larger properties also. During the year we completed 65 new shared ownership units and of our 115 rental completions, 64 are let at a social rent. Our Tayfen supported housing service continues to provide accommodation and support for single homeless individuals.
	ensure that optimal benefit is derived from resources and assets and optimise economy, efficiency and effectiveness in the delivery of their strategic objectives.	Our new Asset Management Strategy 2022-2026, determines the first steps in our response to meeting 2030 environmental targets and sets out to gain maximum value from our ongoing and additional investment in existing housing stock.

VfM Standard Element		2021/22 Evidence
Specific expectations - registered providers must demonstrate:	a robust approach to achieving value for money - this must include a robust approach to decision making and a rigorous appraisal of potential options for improving performance.	We have a strong governance structure, confirmed by our G1/V1 rating. The Board regularly reviews value for money performance and throughout the year in meetings and away days explore potential options to enhance value. In 2021/22 the Board undertook a specific workshop to review our value for money performance and forward projections for maintaining median costs and achieving top quartile performance.
	regular and appropriate consideration by the board of potential value for money gains - this must include full consideration of costs and benefits of alternative commercial, organisational and delivery structures.	Discussed annually at their Strategic Planning day, Board remain committed to independence. We however work closely with the other four members of the Independent East group to share knowledge and experience, support each other in the delivery of our individual corporate strategies and to explore opportunities to work better together. During 2021/22 Independent East members worked to identify areas of potential collaboration/shared learning around internal audit, health and safety, resident involvement, people and culture, development, asset management and performance benchmarking. Risk is reviewed regularly and on an annual basis Board appraises our position and mitigation plans against the regulator's sector risk profile, updating the corporate risk map with a view to taking action if necessary. In 2021/22 Board approved a refreshed risk management framework and updated risk appetite statement.

VfM Standard Element		2021/22 Evidence
Specific expectations - registered providers must demonstrate:	consideration of value for money across their whole business and where they re-invest in non-social housing activity, they should consider whether this generates returns commensurate to the risk involved and justification where this is not the case.	On the basis of a favourable assessment by board of the risk/reward, we established a new group structure in 2017 and in early 2021/22, Havebury Homes Limited completed the sale of four market sale units. Board will continue to consider opportunities as they arise, however development of units for market sale is not afforded priority in the current corporate plan. Gift aid receipts from the sale of the open market units has been ring-fenced to fund additional affordable homes.
	that they have appropriate targets in place for measuring performance in achieving value for money in delivering their strategic objectives, and that they regularly monitor and report their performance against these targets.	Against each strategic objective, explicit measures of value are defined in our corporate plan, around which our wider performance management framework is designed. KPIs, including the RSH's VfM metrics, against targets carefully set by the Board are reviewed at each of their meetings and continuously within the business. In 2021/22 we commenced work on reviewing our performance management framework, establishing a more formal process for dealing with areas of underperformance and enhancing links through the KPI suite, annual delivery plan and risk register to offer a more rounded view of performance and achieving value in delivering our strategic objectives.

Performance against the Regulator of Social Housing's Value for Money Metrics

The RSH's value for money metrics are split into measures of economy, efficiency and effectiveness. The assessment of our performance below is benchmarked against the latest release of global accounts, relating to the financial year 2020/21. As such, comparison is affected by the impact of Covid-19 on income and expenditure and therefore reference is also drawn to prior year performance where appropriate.

The allocation of overhead expenditure, lower than that budgeted for 2021/22, has been reviewed this year to better reflect the functions where it is incurred, and has meant the CPU breakdown for 2020/21 has been restated. Following the exercise to fully review all overhead expenditure, it was considered that the previous allocation did not fully reflect an appropriate allocation of the costs. The new apportionment only apportions overheads, whereas previously, management costs were also apportioned. To ensure that comparisons could be made to the prior year, the 2020/21 figures have been restated.

Economy – Headline social housing cost per unit

The cost per unit (CPU) metric enables providers to assess their expenditure in a format that can easily be compared to peers. Regression analysis conducted by the RSH indicated organisational and local environmental characteristics drive much of the variance seen between providers, however CPU is also reflective of efficiency and levels of investment, say in major repairs.

Havebury 2021/22	Havebury 2020/21 (Restated)	Havebury 2020/21
£3,690	£3,143	£3,136

2020/21 quartiles	Quartile 1	Median	Quartile 3
Sector	£3,212	£3,731	£4,760
PlaceShapers	£3,154	£3,529	£4,230
Peer Group	£3,048	£3,280	£3,590

Headline social housing CPU has increased by 17%, with expenditure used in the calculation increasing from £21.7 million in 2020/21 to £26.1 million in 2021/22. Despite outturn being below budget due to lower major repairs and overhead costs, the increase is attributable to major works programmes building back closer to full capacity over the year, projects restarting having been paused in 2020/21 whilst Government restrictions were in place and our wider response to the pandemic took priority, and some of the additional investment to recover the repairs backlog arising from lockdowns continuing into 2021/22.

CPU is below the 2020/21 median; however, our original budget (£3,830) would have placed us in quartile three. This reflects a conscious increase in establishment in response to new legislation and greater regulation around building and fire safety, plus other outcomes of the social housing white paper such as enhanced emphasis on complaints handling and listening to the tenant voice. To modernise the workforce and support delivery of our new corporate plan, restructures of the People and Finance Teams completed in 2020/21 are reflected in our 2021/22 expenditure with the filling of key vacancies in our Operations Directorate taking effect from 2022/23.

The sector quartile data indicates that other providers also saw a reduction in CPU in 2020/21 and it is therefore expected that even with our increased investment, a below median cost position will be maintained in future years, in line with our value for money objective.

Cost per unit by category of expenditure

	Havebury 2021/22	Havebury 2020/21 (restated)	Havebury 2020/21	Sector 2020/21 median	PlaceShapers 2020/21 median	Peer group 2020/21 median
Management	£945	£859	£698	£1060	£1,022	£1,018
Service Chargers	£426	£399	£404	£435	£368	£397
Maintenance	£1,283	£1,134	£1,121	£1,108	£1,151	£1,044
Major repairs	£874	£598	£725	£717	£712	£672
Other costs	£162	£153	£188	£211	£181	£162

Historically, our significant major repairs programme has been the key driver in our position compared to peers, excluding which overall CPU is typically quartile one. In 2020/21 however, major repairs programmes were paused during lockdowns and whilst spend increased in 2021/22, expenditure was again lower than budget due to programmes building back to capacity.

As expected, some of the additional expenditure on repairs and maintenance to recover backlogs arising from lockdowns continued into 2021/22, together with outturn reflecting our conscious investment in building and fire safety, and costs over and above that budgeted incurred during the year on scaffolding, asbestos reinstatement works and heating repairs.

The allocation of overhead expenditure, lower than that budgeted for 2021/22, has been reviewed this year to better reflect the functions where it is incurred, and has meant the CPU breakdown for 2020/21 has been restated.

Efficiency - Reinvestment

The reinvestment metric looks at the investment in properties (existing as well as new supply) as a percentage of the value of properties held. It provides important context, demonstrating surpluses are not being generated at the expense of investment in new and existing properties.

Havebury 2021/22	Havebury 2020/21 (restated)	Havebury 2020/21
5.95%	6.80%	6.80%

2020/21 quartiles	Quartile 1	Median	Quartile 3
Sector	8.18%	5.77%	3.98%
PlaceShapers	8.39%	5.93%	3.94%
Peer Group	7.08%	5.55%	3.93%

Typically, our reinvestment is above the median of other providers demonstrating our ongoing commitment to make a significant contribution to new supply, whilst also maintaining the condition of existing units. The lower reinvestment in 2021/22 reflects the lag in development pipeline created by the pandemic, and continued underspend against the major repairs programme. Once both programmes are back to full capacity, we expect reinvestment to increase, however both 2020/21 and 2021/22 outturns, maintain our quartile two position.

Efficiency - Gearing

The gearing metric is a measure of a provider's net debt compared to the value of its assets. Our net debt relative to assets is healthy, falling in quartile two compared to the sector/PlaceShapers and reflecting the development programme and appetite for growth.

Havebury 2021/22	Havebury 2020/21 (restated)	Havebury 2020/21
46.4%	46.9%	53.5%

2020/21 quartiles	Quartile 1	Median	Quartile 3
Sector	53.3%	43.9%	32.9%
PlaceShapers	54.7%	45.5%	35.9%
Peer Group	57.4%	53.2%	40.6%

Gearing has changed little between years due to net debt increasing from £199m to £206m, proportionally in line with the increase in value of fixed assets from £424m to £446m.

Efficiency - EBITDA MRI

EBITDA MRI is an approximation of cash generated and presenting it as a multiple of interest shows the level of headroom on meeting interest payments on outstanding debt.

Havebury 2021/22	Havebury 2020/21 (restated)	Havebury 2020/21
145%	176%	176%

2020/21 quartiles	Quartile 1	Median	Quartile 3
Sector	248%	183%	134%
PlaceShapers	246%	187%	145%
Peer Group	245%	167%	143%

The change in EBITDA MRI % interest reflects a decrease in EBITDA MRI from £17.2m to £14.9m. This is primarily as a result of repairs and maintenance expenditure beginning to return to more typical levels, which has contributed to a reduction in the operating surplus used in the calculation from £12.5m to £11.2m. Interest also increased from £9.8m to £10.3m, due to additional debt being drawn down. Outturn being below the sector median illustrates our growth and development priorities.

Efficiency - Operating margin

Although a key indicator, we are aware profitability is not the only measure of success. Whilst a high surplus is encouraging for lenders, it is important that this does not come at the cost of delivering quality services. The decrease on the previous year is attributable to costs increasing after programmes/projects having been paused during lockdowns in 2020/21 and therefore more expenditure being incurred in 2021/22.

Havebury 2021/22	Havebury 2020/21 (restated)	Havebury 2020/21
24.2%	28.9%	29.7%

2020/21 quartiles	Quartile 1	Median	Quartile 3
Sector	28.2%	23.9%	18.1%
PlaceShapers	27.9%	24.3%	19.5%
Peer Group	34.0%	32.0%	26.1%

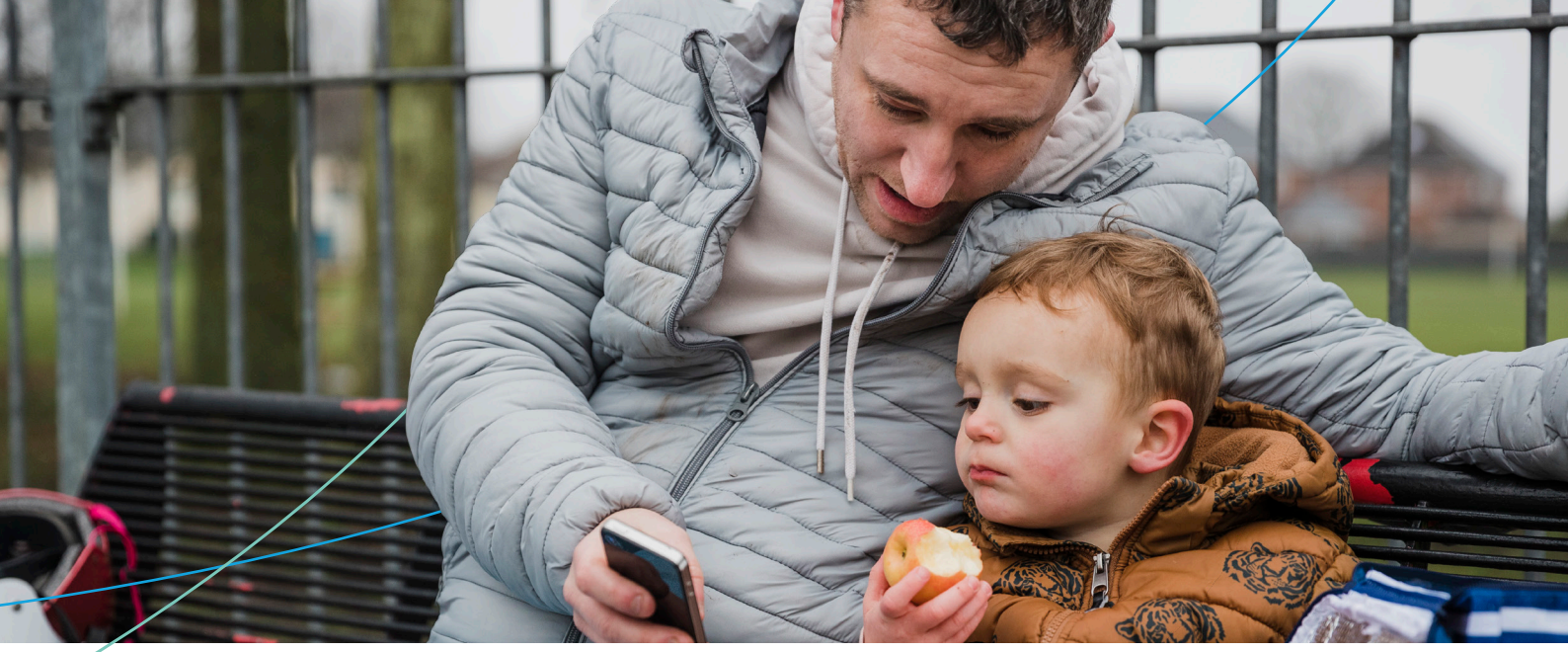
Being around the median, operating margin is healthy and within what we consider a suitable range for a provider of social housing with an aspiration to grow regionally, develop new homes and sustain value for money.

Efficiency - Operating margin (social housing lettings)

Havebury 2021/22	Havebury 2020/21 (restated)	Havebury 2020/21
26.6%	32.5%	33.3%

2020/21 quartiles	Quartile 1	Median	Quartile 3
Sector	32.6%	26.3%	22.2%
PlaceShapers	31.5%	26.3%	23.3%
Peer Group	40.4%	33.4%	26.4%

The lower operating margin on social housing lettings reflects our increase in expenditure compared to the previous year. Similarly to overall operating margin, outturn is around the median.



Efficiency – Return on capital employed

Return on capital employed (ROCE) illustrates the return generated by a provider compared to its asset base. The reduced ROCE in 2021/22 relates to the slightly increased value of total assets less current liabilities, and albeit greater than budget, lower operating surplus.

Havebury 2021/22	Havebury 2020/21
3.09%	3.27%

2020/21 quartiles	Quartile 1	Median	Quartile 3
Sector	4.19%	3.33%	2.72%
PlaceShapers	4.51%	3.32%	2.88%
Peer Group	4.44%	3.72%	2.96%

Our position in quartile three towards the sector median is consistent with performance against other metrics. When considering our typically significant investment in major repairs, strong rate of development activity and that how and when assets have been valued has a significant effect on this measure, our position is in line with expectation.

Effectiveness – New supply delivered (social housing units)

The number of units developed demonstrates a provider's absolute contribution to the supply of new homes. Showing this as a proportion of stock puts development activity into the context of organisation size and allows the figure to be benchmarked against others.

Havebury 2021/22	Havebury 2020/21
2.54%	1.94%

2020/21 quartiles	Quartile 1	Median	Quartile 3
Sector	1.97%	1.31%	0.54%
PlaceShapers	1.98%	1.32%	0.58%
Peer Group	1.89%	1.56%	0.92%

The lag effect of the pandemic impacted on development completions during 2021/22 with 92 fewer units completed than originally budgeted, which are now scheduled to complete in quarter one of 2022/23. The delays are consistent however with those felt across the sector and compared to the 2020/21 quartiles (also impacted by Covid-19) we are a top quartile developer.

Both as a percentage of stock and in absolute terms, our development programme is significant, satisfying one of the core strategic objectives of developing new affordable homes. Maintaining a strong rate of development is essential to our Corporate Plan and value for money aspirations.

Performance against Havebury's own value for money targets

In addition to the RSH's value for money metrics, performance against our own value for money indicators and a comparison to peers is set out below. The suite of measures is made up of sector scorecard indicators not already covered by the RSH's value for money metrics and others from level one of Havebury's performance management framework.

	2021/22 Result	2021/22 Target	Sector 20/21 quartile 1	Sector 20/21 median	Sector 20/21 quartile 3
Being a great landlord					
Customer satisfaction with overall service provided	93.5%	93.0%	88.6%	84.9%	79.0%
New complaints received	120				
Customer satisfaction with last repair	88.6%	93.0%	93.0%	88.4%	82.3%
Developing new affordable homes					
Social housing units developed (absolute)	180	272	236	87	26
Units to be identified	17	0			
Investing in existing homes and communities					
% of properties with a valid gas safety certificate	99.93%	100.0%	100.0%	99.83%	98.28%
Fire risk assessments overdue	0	0			
Customer satisfaction with ASB case handling	78.1%	79.0%	88.0%	75.4%	62.4%
Customer satisfaction with area as a place to live	84.7%	85.5%	87.0%	83.8%	80.0%
Playing our part in addressing climate change					
Average SAP rating	73.9	74.3	73.4	72.0	71.0
% of homes EPC C or above	69.6%				
Building a great team					
Average days/shifts lost to sickness	7.1	6.8	5.5	7.7	9.7
Staff turnover	20.0%	15.0%	8.5%	11.6%	15.6%
% of staff who say Havebury is a 'Great Place to Work'	82%				
Remaing a thriving business					
Rent collected	99.91%	99.25%	100.44%	100.0%	99.44%
Current tenant arrears (net of HB) as a % of debit	1.96%	2.21%	1.41%	2.18%	3.02%
Property occupancy rate	98.73%	99.52%	99.5%	99.23%	98.6%
Rent loss from void properties as a % of debit	1.48%	0.97%	0.83%	1.22%	1.70%
Ratio of responsive repairs to planned maintenance	0.88	0.70	0.56	0.73	0.99
Overheads as a % of turnover*	12.64%		11.72%	13.64%	15.0%

* reported one year behind other metrics

As a result of refreshed benchmarking data not yet being available, the table above compares our performance data for 2021/22 to the HouseMark quartiles for 2020/21. This produces some inconsistencies due to the effect of the pandemic on 2020/21 results, however where this is the case it is identified in the commentary below, which also draws on alternative sources of assurance.

Due to the pandemic, a general satisfaction (STAR) survey has not been carried out since 2019/20. Satisfaction with the overall service provided was however included as a question in an engagement preference consultation in 2020/21, and whilst strictly not undertaken according to STAR methodology, the result (90%) confirmed our quartile one position. In 2021/22 we commenced a new STAR survey on a rolling monthly basis, producing a sample complying with STAR methodology over the course of a year. Early results collected through a combination of telephone and email surveys during quarter four, highlighted a drop in customer opinion, consistent with that seen across all sectors due to the impact of Covid-19. Notwithstanding this we have already established that the lower levels of satisfaction are in part reflective of our repairs and maintenance function not yet having fully returned to the levels of service we were able to offer prior to the pandemic. Sustained investment in improvement works has contributed directly to our tenants typically being amongst the most satisfied in the sector and as front-line staff work to address individual expressions of dissatisfaction from the survey, our wider focus remains on improving the repairs service. In addition, we are launching a cross organisational working group to conduct an in-depth review of satisfaction drivers and help highlight any other issues that require addressing.

We maintain our zero tolerance targets against our legal responsibilities for health and safety. 2021/22 saw us undertake an independent deep dive health-check of our tenant health and safety compliance functions, supporting routine compliance reviews of our approach to gas and fire safety, and start work to fulfil recommendations arising from these. At year-end there were four properties without a valid gas safety certificate, each attributable to access issues which were progressing through the legal process and all fire risk assessments were up to date.

Customer satisfaction with antisocial behaviour case handling narrowly missed our 2021/22 target, but we perform favourably against this indicator compared to most other providers. Our 2022/23 target has been set to achieve top quartile performance. Due to delays in the development programme average SAP rating did not meet our year-end target but improved slightly on 2020/21. Our new Asset Management Strategy sets the foundation for meeting our milestone targets in achieving EPC C by 2030.

In March we launched our 'Great Places to Work' staff survey the results of which were positive and meant that we achieved certification and are now working towards being accredited. Largely as a result of Covid-19 and cold/flu like symptom cases in Autumn/Winter, average days lost to sickness absence increased towards the end of the year but remains low compared to peers.

Rent arrears performance continues to be positive with performance exceeding our predictions for the increase in arrears attributable to ongoing universal credit transition and the effect of Covid-19 on the economy. Rent collected is close to the median although we expect this position to improve once comparison to the 2021/22 quartiles is available. Overheads as a percentage of turnover is below the median. This indicates that back-office functions are lean compared to most other providers, in theory allowing for greater investment in front line or added value services.

Areas of underperformance

In 2021/22, we did not achieve some of our performance expectations, in large part due to the recovery, created by a backlog of repairs and void works following the pandemic, taking longer than anticipated and operational issues continuing. As such work to improve these service areas is ongoing, with targets having been set to regain our position as a top quartile performer as quickly as possible.

Ratio of responsive to planned maintenance

The ratio of spend on responsive to planned maintenance reduced on 2020/21 but remained above the median. This was attributable to the major repairs budget being underspent due to programmes building back to capacity after being paused in the prior year. Our budget however, places us in quartile two (and around the previous year's median), reflecting that under normal circumstances we have an efficient approach to repairs and maintenance, doing a significant proportion of work on a planned basis.

Voids

Voids has presented an operational challenge through 2021/22. Prior to the pandemic significant gains achieved through development of processes and closer performance management meant that the number of properties void was at its lowest for several years. Whilst rent loss to voids and the number of properties empty is significantly improved on 2020/21, we have not yet fully recovered from the backlog the pause in lettings due to Covid-19 created. Coupled with increased demand early in the year and the challenge of managing the letting of new build completions, this meant that our 2021/22 targets around voids were not achieved. Ongoing efforts to streamline the lettings processes and changes we are making to the management of void works, are expected to realise gains in early 2022/23, with our targets set to achieve median performance by the end of the year and top quartile performance in 2023/24.

Staff turnover

Staff turnover in 2021/22 was 20%, reflecting 44 leavers during the year. The increase is consistent with the current market, and we expect other providers, once benchmarking data is available, to have experienced a similar shift. Sector analysis shows that 56% of people in housing are planning to move roles in the next six months. We have tackled this challenge through changing our terms and conditions, undertaking a review of reward and benefits in early 2022/23 and have the bi-annual salary benchmarking later in the year. Following a positive response to a new staff survey in March, we have recently been certified as a 'Great Place to Work' and are working towards accreditation.

Development programme

We finished 2021/22, having completed 180 units of our 272 target. The shortfall of 92 units related to 50 units at Boyton Meadows/Boyton Place, 18 at Kingsfleet, 2 at Twinwood, 16 at Rule Gardens and 6 at Meddler Stud. Delays in the completion of these units were attributable to the lag effect in pipeline as result of the pausing of the building industry during the pandemic and contractors restarting. Availability of materials and labour has also proved a challenge over the last year. Positively however the delayed units will all complete in the first quarter of 2022/23.

Refinancing

A critical value for money action for 2021/22 was our refinancing exercise which completed in December. Through the process we cancelled a £50m, undrawn bank facility for which the rates were no longer competitive and replaced it with a £150m private placement. The average overall weighted cost of this new funding being below 2.5%. Our business plan reflects the required investment to deliver our Corporate Plan, with investment in energy efficiency programmes for our existing homes, together with our development programme commitments. The proposal we presented to a range of potential funders reflected the most efficient funding structure to support the plan, including a £40m drawdown in October 2021 and 3 subsequent drawdowns over the next three years, with a final drawdown of £40m in October 2024, meaning that the holding cost of capital could more closely match the planned expenditure.

We had considerable interest from a range of funders and totalling over £300m, therefore had bids to consider which exactly met our required profile. Whilst one-year deferrals are relatively common, two and three-year deferrals are more unusual. Having received positive feedback on the strength of our presentation, achieving the deferrals has meant that we have realised even greater value from the refinancing exercise.

Our original business plan reflected all the £150m private placement as 30-year bullet repayments. We managed to benefit from competitive longer-term funding and achieved a range of terms from 30 to 40 years. Overall, the interest saving across our whole business plan, achieved through the refinancing was £18.9m. This saving will enable us to build more new homes in the future and contribute to our planned investment in our current stock. Whilst we had always intended to go out to the markets in Autumn 2021, our timing proved to be fortuitous as the funding environment has changed considerably since our completion, with rates now over one percentage point higher than that we obtained.

Development

Key to our value for money strategy is our development programme. Good quality social housing provides families and individuals safe and secure homes from which to build successful lives. Where it is managed and maintained appropriately, social housing offers more than accommodation; it improves employment opportunities and facilitates social mobility. Development of new homes is the most effective method for increasing a provider's social value. In a climate where 1.2 million households are on local authority waiting lists, 47% of whom are deemed to have housing need which affords them a priority, our contribution to new housing supply is critically important.

Since stock transfer in 2002, we have delivered nearly 2,000 new affordable homes. The programme has accelerated over the last seven years and in 2017 we successfully secured additional funding, providing capacity to deliver a further 1,352 new homes by 2023. Due to the circumstances presented by the pandemic, this target was revised to 1,227 with the shortfall reprofiled into future years.

Following Covid-19 we continue to see Local Authority planning delays due to dependency on 3rd party and external consultee responses taking longer. Opportunities for land led schemes are becoming more limited too, with viability being an increasing challenge. Higher build costs have meant that some schemes it has not been possible to consider or have later become unviable. Other schemes we have been able to make work, albeit with time delays due to reappraisal.

In 2021/22 we revised the development strategy and updated our scheme viability assumptions, to allow for the changes in operating environment and unprecedented build cost inflation. The effect was a reduction in the anticipated number of units it was viable to complete from the original 250 in our 2021-2026 Corporate Plan. However, the revised assumptions and updated strategy continues to allow us to maintain 200 completions per year in our business plan, a positive response in increasingly difficult economic circumstances. Our revised strategy articulates how the customer voice is heard and influences improvement, how quality is managed and reviewed, future sustainability is considered at the approval stage, and technological progress is considered. In addition, it reflects government changes to the shared ownership programme and commits to prioritising development of units at a social rent over affordable rent. In an environment where incomes are becoming increasingly squeezed by the longer-term effects of Covid-19 and a cost-of-living crisis, social rent offers a better, more affordable product for those in need.

Reflecting a value procurement approach, a number of land-led schemes in our pipeline are 'land and build package' deals, with contractors with whom we have a positive track record. This gives us upfront cost certainty on land-led developments taking away the risk of having purchased a piece of land we are then unable to appoint a contractor to within our financial budget.

Around 80% of demand locally is for one and two-bedroom properties. Whilst new development has helped, there remains and imbalance between this and local supply, with properties of this size making up 59% of our rented stock. We continue to redress this as far as possible, with most planned completions in pipeline being of one or two bedrooms. To ensure maximum efficiency in delivering future housing management and maintenance services, the development strategy focuses our limit of operation to traditional heartlands, transport corridors and consolidating in areas where stock is already managed.

Of rented units completed in 2021/22, 83% were in our heartlands of West Suffolk or Babergh Mid Suffolk.

During the year, 180 development units were completed across 11 schemes, a significant achievement given the lag in pipeline caused by Covid-19. Of the 180 completions, 109 were land-led grant funded and 71 were Section 106. In terms of tenure, 64 were for shared ownership and 115 were for rent (of which 90 were one or two bedrooms). We continue to be successful in obtaining grant funding to build social rent units. Of the rented units completed in 2021/22, the majority (65) were grant funded and let at a social rent.

Some of our development activity in 2021/22 included:

- Wade House – 38 new homes completed following appointment of a new contractor. We secured additional grant to convert all units to social rent with some being used to accommodate households from the Afghan Citizens Resettlement Scheme.
- Orchid Fields – An attractive new scheme providing an affordable home ownership product in the overheated Cambridge market and consequently all 14 units were sold off plan. We secured additional grant to deliver all 10 rented units on the scheme at social rent.
- Pipistrelle Way – Similarly to Orchid Fields, provides an affordable home ownership offer in a village location in close proximity to Bury St Edmunds. In addition to the 25 shared ownership units on the scheme, 10 social rent units were completed with additional grant funding having been secured.
- Lark Grange (Bury St Edmunds) and Heather Gardens (Hethersett) – 23 Section 106 completions with major developer Taylor Wimpey with whom we have an ongoing positive relationship. A further 60 units were started on site during 2021/22, including 23 at Trimley, consolidating our existing stock holding in the area.
- Fairstead House – Start on site converting a 1970s office block and refurbishment of an historic flint cottage previously used for office accommodation, which will deliver 15 new units at an affordable rent in the centre of Thetford. In order to mitigate unprecedented build cost inflation and coupled with the risk posed by the refurbishment, we undertook a two stage tender whereby we appointed a contractor based on profit and overheads and a subsequent open book approach to the appointment of sub-contractor packages. This gave us greater transparency of costs and better oversight of quality.

We maintain our strong working relationship with Homes England, continuing to secure grant funding to deliver new homes at social rents. As a result, and working with a national developer, in 2021/22 we were able to bring forward a scheme at Old Newton, which will provide 47 family sized homes (27 shared ownership and 20 social rent).

Asset management and disposals

During 2021/22 we developed a new Asset Management Strategy for 2022-2026. The strategy sets out our vision to create high quality, safe and secure, affordable homes that are ready to meet the challenges of climate change and increasing expectations. It seeks to ensure our homes remain in demand, meet or exceed quality standards and are fit for the future, supporting a key element of our Corporate Plan to invest in homes and communities. Whilst initially focused on activities over the next four years, the strategy provides a foundation for a much longer-term approach to investment through improvement, regeneration and renewal. The need to meet stretching energy performance targets by 2030 and 2050, a renewed focus on how social landlords must place emphasis on the customer and provision of homes where they feel safe, new powers for the Health and Safety Executive, and enhanced fire and building safety legislation introduced following the Grenfell Tragedy are key drivers for the objectives we have set out. An additional provision of £64m, over and above existing planned programmes, has been made in our business plan from 2025 to begin to meet these emerging challenges, with opportunities for further funding being explored. To ensure value is achieved, we are immediately focused on improving our property insight and intelligence to enable us to make sound asset investment decisions and put in place well planned and integrated improvement programmes, taking a range of steps to improve efficiency and effectiveness so that our resources go further.

Currently, disposals are predominantly undertaken as opportunistic sales and tend to arise as properties become void. Properties having a poor net present value (NPV), or sustainability score, are flagged for disposal or further consideration when planning investment programmes. In line with the action plan associated with the strategy however, in 2022/23 we will develop our wider asset investment model to review and manage our homes with proactive option appraisals for our poorer performing stock. This will provide a clear and consistent approach to identifying the best value future options, including conversion, rationalisation, redevelopment, regeneration or disposal.

myHavebury and digital

During 2021/22 we continued to build on value for money gains achieved though myHavebury. In successfully delivering its planned efficiencies to date, myHavebury remains crucial to our key value for money objective of top quartile performance and median costs. Based on transactional volumes though the application, and the staff time this would otherwise have occupied calculated through time-and-motion data, myHavebury is currently generating average savings of over 60 hours per week. Whilst this is positive, we know that sign-ups are beginning to saturate and our roadmap for 2022-2024, shaped by tenant consultation, seeks to introduce new functionality to further increase transactional volumes.

As of 31st March 2022, we had 4,161 myHavebury users signed up representing 50% of households having at least one myHavebury user account. myHavebury is now being used to make over 75% of card payments and report 20% of repairs. In 2021/22, we introduced new card payment functionality to support saving card details for customer convenience as well as being compliant with the new 3D Secure 2 card authorisation process, along with improvements to existing functionality. We embarked on a new user interface to improve the customer experience with a new look and feel, as well as better compatibility for mobile devices. New versions of our iOS and Android apps were released in March 2022.

Procurement

Our Procurement and contract management function continues its transformation journey and is now 12 months in to its 18-24 month programme. The strategy's key objectives around collaboration, contract management and source-to-contract technology act as catalysts for delivering improved efficiency, effectiveness, risk mitigation, consistency, engagement, and ultimately, value for money benefits.

Implementation of Source-to-Contract (S2C) technology neared completion in 2021/22, with go-live scheduled during May 2022, and more robust contract management and governance across the organisation was developed in conjunction with Operations departments. Performance management of procurement activity plays an important role in continuously ensuring value and during the year, a Procurement Scorecard of key metrics was introduced as an interim tracker prior to more robust reporting from the S2C solution once established. The interim scorecard, covering areas such as contract performance, supply base, and risk management, will evolve to include a full suite of strategic, operational and transactional metrics.

Third party risk mitigation throughout the contract lifecycle continues to be a significant focus and improvements introduced over previous years have been enhanced and developed further. Third parties providing goods, services or works are monitored for risk management purposes, with automatic alert triggers providing early warning indicators of any financial distress.

During 2021/22 18 contracts were either procured or extended. Inclusive of development, we ended the year with 102 live contracts. Activity included procurement of four contracts via OJEU processes (framework award or tender) for Cloud Telephony, Insurance, Cx Housing Management system and the Microsoft Enterprise Agreement.

Added value services

The creation of surpluses by driving value in operational and back-office functions enables us to subsidise key added value services, such as Tayfen House, employment and welfare benefit support and the provision of funding for tenant led improvement schemes. Tayfen House is a supported housing hostel for single homeless individuals and is considered a crucial part of the organisation. In addition to the 19 beds in the hostel, there are 33 off site bed spaces in the local community, enabling residents within the service to build on their independent living skills. There are also six direct access dormitory beds in place for those who are at immediate risk of sleeping rough. A further bed space is available for clients working with the 180 Probation Team, which offers prolific offenders, who have exhausted all other housing options, a base from which to receive 'wrap around' support. In addition to those housed within the Tayfen service, we work with West Suffolk Council on the local response to the Government funded Rough Sleeper Initiative and continued to provide four beds to this project during 2021/22. Also with West Suffolk, we provide refuge space for women with complex vulnerabilities fleeing domestic abuse.

Tayfen housed 70 homeless applicants during the year, helped 52 residents to positively move on to suitable accommodation, and supported 30 residents into employment or work experience and 13 into training or education.

In 2021/22 £46k of grants were awarded to a variety of groups working within our area of operation. This helped to support projects including: Combat2Coffee – a veterans' coffee shop, restoration of Wickhambrook Memorial Social Committee's roof, replacement of a roadway at Coney Weston Bowls Club, improvements to a community field and the Queen Elizabeth II Playing Field in Bardwell, raising awareness of services offered to support adults with dementia in Haverhill by Memories are Golden, and replacement of Hundon Football Club's condemned changing facilities.

2021/22 Value for Money Action Plan

As part of our 2021/22 Annual Delivery Plan, we set out a number of value money objectives. An update on each of these is shown below:

Value for Money Action	Expected Outcome	VfM Gain	2021/22 Outturn
Being a great landlord			
Implement enhancements/ upgrades to the myHavebury application.	New functionality available for users; reduced demand on frontline services; more efficient processes.	Customer interaction shifted to better value channels.	Introduced new card payment functionality, embarked on an improved user interface, more compatible with mobile devices. Functionality added for tenant own improvements/alterations permission requests.
Develop a new tenant engagement strategy.	Data driven strategy that provides a wider menu of meaningful engagement opportunities for tenants to shape and influence our services.	Customer influence in decision making is strengthened, enhancing value outcomes for tenants.	Strategy and menu of engagement published, new Resident Engagement Officer post established and filled. Completion of strategy action plan ongoing.
Develop a new customer experience strategy.	Develop and data based customer strategy that reflects the changing needs of tenants, aligned to the Social Housing White Paper and Together With Tenants Charter.	Customer offer is fit for future and delivers services that meet the needs of tenants.	Strategy published and actions are progressing, linked to Tenant Engagement and Communications Strategies.
Review complaints policy and procedure.	Improved outcomes from tenants and better equipped to learn from service failure, ensuring compliance with the Complaints Handling Code and improved satisfaction.	Enabling continuous improvement of front line services through learning from complaints.	New policy and procedure adopted, with learning from complaints reported quarterly to teams, leadership team and the governance structure. Key learning outcomes around communication adopted.
Conduct a general satisfaction (STAR) survey.	Post pandemic customer opinion gauged, with detailed analysis facilitating learning and improvement opportunities from areas of dissatisfaction.	Enabling continuous improvement of front line services through learning from dissatisfaction. Enhancement of plans for further improvement/ recovery post pandemic led by tenant views.	New rolling approach to the STAR survey established. Teams responding to individual responses expressing dissatisfaction. Further analysis to be conducted once sample statistically significant.
Post pandemic recovery of repairs and service review, embedding of materials contract.	Repairs backlog arising from pandemic recovered, materials contract fosters effective delivery of repairs and service made fit for future demands.	An effective repairs service underpins overall customer satisfaction and delivers efficiency in an area of significant expenditure.	New materials contract improved and initial issues resolved, 'as is' position of repairs service established and work started on review of DLO.

Value for Money Action	Expected Outcome	VfM Gain	2021/22 Outturn
Developing new affordable homes			
Homes England grant funded affordable homes programme - minimum of 129 starts and 157 completions.	Programme delivered in accordance with contractual commitments.	Development of new social housing enhances our social value and positively impacts the business plan.	136 starts (15 grant funded and 121 section 106) and 180 completions (109 grant funded and 71 section 106). Pipeline affected by pandemic and build cost inflation, but shortfall in completion due in quarter one 2022/23.
Section 106 affordable home delivery programme - minimum of 62 starts and 115 completions.	Continued operation as a partner of choice for private housebuilders.		
Shared ownership programme - minimum of 49 sale and £3.9m of income from shared ownership receipts.	Shared ownership units completed in line with business plan assumptions.	Shared ownership offers a more accessible home ownership product to the communities in which we operate and assist in making development schemes viable. Receipts from first trance sales and staircasing are reinvested.	Targets exceeded. 61 sales, generating £6.4m of income.

Value for Money Action	Expected Outcome	VfM Gain	2021/22 Outturn
Invest in our existing homes and communities			
Future Funding of Tayfen House - Consideration for future funding requirements of Tayfen House following cessation of HRS funding post 2022 and new tender/ bid process.	Financial modelling; options appraisal of future funding options; engagement with key partners and stakeholders; evaluation of social impact of scheme.	Continuity of key value added service.	Financial modelling completed and approved and framework tender submitted.
Development of a community investment strategy.	Working with CEIC strategic approach to Community Investment developed, Ensuring greater social value/impact and clear success criteria.	Improved/maximum value gained from investment in community projects.	New strategy created and presented for approval

Value for Money Action	Expected Outcome	VfM Gain	2021/22 Outturn
Playing our part in addressing climate change			
Identify and establish programme to fill gaps in asset data to support Path to Zero Carbon project.	Asset data complete and accurately reflects stock condition to enable effective building of the Path to Zero Carbon programme.	Energy efficiency programmes are targeted to best address properties with lower energy efficiency ratings, delivering our targets and savings for tenants.	Data position improved and new Asset Management Strategy approved, setting the foundations for our path to EPC C and net zero carbon.

Value for Money Action	Expected Outcome	VfM Gain	2021/22 Outturn
Building a great team			
Define and implement a total reward strategy, including salary benchmarking and review of employee benefits and flexible working arrangements.	Employee offer is competitive - retaining and attracting talent, ensuring workforce feels valued and, and utilising the benefits realised from a more flexible approach post pandemic.	Modern, talented, skilled, valued and supported workforce able and willing to deliver corporate objectives effectively and efficiently.	Review of pay and reward package, talent and succession planning and learning and development strategy started and will complete in 2022/23.
Work with recruitment partner to maximise talent aquisistion and effective onboarding.	Full value is gained from talent acquisition, building long term talent pipelines and succession planning. Presence maximised across talent and social media platforms.		
Define long term approach to performance management, skills gap analysis and succession planning.	Long term approach to staff retention, employee development and internal promotion supports future resourcing.		

Value for Money Action	Expected Outcome	VfM Gain	2021/22 Outturn
Remaining a thriving business			
Obtain better security value to facilitate the next five year development programme.	Borrowing capacity increased to maximise the number of new affordable homes that can be delivered.	Development of new social housing enhances our social value and positively impacts the business plan. Cost of borrowing minimised.	Completed for existing funding.
Secure additional funding from capital markets to finance our corporate plan development aspirations.			£50m of undrawn bank facility for which rates no longer competitive cancelled and replaced with £150m private placement
Convert all loan products and funding agreements to SONIA as the basis for setting variable rates of interest.	A new more reliable basis for the calculation of the base rate for interest payments.		
Implement new controls as part of an improved IT security framework.	New security controls implemented and Cyber Essentials Plus Certification awarded, providing assurance controls are effective.	Risk of a cyber security breach and its potential financial cost minimised. Tenants protected.	All Information Security Framework and ICT Action plan actions completed. Cyber Essentials Plus Certification achieved.

Risks and uncertainties

Identifying and evaluating key risks

The Association's risk management framework, setting out the Board's attitude to risk in the achievement of its objectives, underpins the risk management, business planning and control arrangements. These arrangements clearly define management responsibility for the identification, evaluation and control of significant risks. The Executive Directors regularly consider reports on these risks and the Chief Executive is responsible for reporting to the Board any significant changes affecting key risks. All new development schemes are subject to approval from the Project Appraisal Risk Committee (PARC) and existing developments are reported in detail to the Strategic Board.

Risks are recorded and assessed in terms of their impact and probability. Major risks, presenting the greatest threats to the Association, are reported to the Strategic Board at each meeting together with action taken to manage the risks, including assessments of key controls, and the outcome of the action.

Coronavirus Pandemic

The global pandemic has had a significant impact on the risk environment in which Havebury delivers services to tenants. Since the beginning of lockdown in March all services had been suspended other than emergency repairs. At the time of writing this report plans are in place for remobilising services to tenants, works to properties and compliance checks.

The economic impact of the pandemic is not yet clear and whilst interest rates remain low, inflation is starting to increase and the costs of the support that the Government has provided are known; uncertainty remains as to how the deficit will be repaid, the impact of quantitative easing and the impact on our tenants personally and their ability to pay their rent.

Havebury's initial response to the situation included:

- Strengthening of immediately available liquidity.
- Established an Emergency Team to meet daily, now meeting weekly.
- Mobilising our teams to remote working.
- Establishment of a COVID-19 weekly dashboard.
- Strategic Board delegated authority to Chairs of Board and Committees with terms of reference and a sunset date and authority to review any commitments exceeding a defined financial threshold and to review monthly financial performance. This meeting to take place every two weeks.
- Strategic Board considered a revised forecast for 2020/21 financial year and stress tests on the agreed 30-year business plan for 2020/21.

Principal Risks and Uncertainties

Emerging from the pandemic, in early 2021/22 our Covid-19 specific risk entries and register were incorporated into the Corporate Risk Register and managed as business as usual. During the year Board approved a refreshed risk management framework and risk appetite statement and reviewed risk entries against the regulator's sector risk profile. In addition, we implemented new risk management software, 4Risk, and as part of this reviewed each entry to ensure clear links between causes, effects, controls and sources of assurance. Audit and Committee and Board review risk at each of their meetings.

Summary of consequences	Summary of measures in place
Key risk: Economic Uncertainty and Inflation Volatility	
Changes in the global and national economic environment such as interest rates, inflation and house prices could have an adverse impact on the long-term financial viability of Havebury. With inflation volatility crystallising, this is now identified and reviewed as a separate entry within the register	**The measures in place to manage this risk are as follows:** • Continued regular testing of the business plan has been and continues to be undertaken to reflect contemporary economic forecasts. This stress testing informs decision-making and facilitates a rapid response to changes as they arise. • We continue to monitor potential implications of Brexit on our financial performance and forecasts in addition to any impact on our ability to secure materials. • The Board has established clear financial Golden Rules in the form of buffers against financial targets and covenant requirements. • The Treasury Plan sets out the liquidity requirements and thresholds to ensure sufficient cash is available to meet business needs. • Cashflow and covenant compliance is reported to Board each quarter. • The majority of our loan portfolio is fixed, limiting our exposure to interest rate volatility.
Key risk: Health and Safety and Fire	
Ineffective management of health and safety compliance could lead to the death or serious injury of residents or staff	**The measures and actions in place to manage this risk are as follows:** • An overarching Health and Safety Policy is in place clearly setting out the roles and responsibilities of Board Members, managers and staff members • We carried out an independent health check of tenant facing health and safety compliance – covering, asbestos, water hygiene, gas, electrical and lifts – with an action plan in place to address the recommendations raised • Our Compliance Analyst completed a review of gas safety in 2021/22. The role was created to provide an additional level of mitigation and assurance on all aspects of tenant facing health and safety. All action plans are overseen by an executive director • Appointed a specialist Fire Safety Manager in April 2021 to provide expert oversight of our fire safety arrangements • A formal process recording near miss, incident and accident reporting is in place and in 2021/22 we implemented incident/near miss reporting software, RAIN • The Health, Safety and Wellbeing Group oversees employer health and safety obligations. The group is chaired by the Director of Resources and meets quarterly • The Health and Safety Manager is responsible for monitoring health and safety legislation generally and implementing appropriate changes within the organisation. We provide health and safety training for all employees, including regular fire safety drills and checks • The internal audit service conducts regular compliance checks across key health and safety areas, during 2021/22 an audit was undertaken on electrical installations

Key risk: Shared Ownership Sales	
Deterioration in the housing market could reduce the planned surplus from sub-market home ownership, including first tranche sales and staircasing could have an adverse impact on the business plan and cashflow	**The measures in place to manage this risk are as follows:** • There are eight trigger monitoring measures reviewed monthly by Executive Directors and quarterly by Strategic Board • The Development Committee strengthens our oversight of development activities • Appraisals are based on prudent assumptions • Shared Ownership forecasts and cashflows are reviewed against plan and stress tested • A range of mitigation options are in place • An escalation process clearly sets out the actions to be taken in the event of a crystallisation of this risk • During the year demand has remained high for this product, particularly houses, and sales are progressing well with many sold off plan

Key risk: Cyber Security	
Ineffective ICT arrangements to prevent cyber security breaches could lead to data loss, damage to reputation and sanctions from the Information Commissioner	**Cyber security risk continues to be of particular focus for the business this year not least because of the increased external threat. The Audit and Risk Committee conducted a "Deep Dive" into this area during the year to establish the scope and scale of risk, the assurance and mitigations in place to guard against an attack but also how we would recover in the event of one. The key mitigations for this risk are as follows:** • An Information Security Framework is in place • During the year we achieved Cyber Essentials Plus certification • Penetration testing of our network including remote access capabilities • The first objective of our ICT and Digital Strategy 2021-25 is "responding to increasing cyber security threats" • Anti-Virus and ransomware detection on all devices • Using best of breed tools for email security, phishing awareness training amongst our users and managing our response to threats • Systems and patches updates are applied as they become available

Key risk: Third Party Failure	
The failure of a contractor or supplier could lead to significant loss of service to customers or the inability to deliver major schemes or projects. Completion of these schemes or projects being likely to have a negative financial impact	**The key measures in place to manage this risk are as follows:** • The procurement process involves pre-contractual financial checks to determine the financial robustness and resilience of suppliers • All suppliers have a monthly credit check undertaken • A detailed register assessing the risk of contracts enables the business to focus on contracts with most exposure • The contract process is reinforced with on-site inspections where relevant • Development Committee have introduced a measure to ensure that Havebury is not disproportionately exposed to the failure of a single contractor • For major projects, independent expert confirmation is sought that the contractor has the capability to complete the contract within the agreed timescale

Key risk: Meeting Environmental Legislation targets	
The government has set ambitious strategies both for social housing, to meet EPC 'C' by 2030, and for the country to meet net zero carbon targets by 2050, requiring significant investment, resources, and skills. Prescriptive legislation may be introduced and the sector is likely to benefit from innovation, grant funding and reducing costs, however much of this remains unclear.	**The measures and actions in place to manage this risk are as follows:** • Financial provision in our 30-year business plan for additional investment from 2025. • During the year we approved an Asset Management Strategy which sets the foundation for our approach and more detailed action plan. • Accurate stock condition information is essential to this planning and we received a substantial assurance rating in a recent audit into this area • We have equipped ourselves with information and garnered appropriate expertise to inform our planning

Key risk: Repairs	
Repairs has the greatest impact on tenant satisfaction as it is the service accessed most. An effective repairs function ensures properties are appropriately maintained	**The measures and actions in place to manage this risk are as follows:** • Redirected internal resource to address the number of outstanding repairs • Completed a review of the repairs process from end to end, with the mapping out of the current 'as is' process • Undertook an external review of our DLO, the output of which will further strengthen this service area • We have now recruited a new responsive repairs manager who joined us on 8 March. This is a pivotal role to drive forward the changes we need to make

Capital structure and treasury management

The Association financed its development programme from its own reserves during the year and £8m net was drawn down from available facilities. At year end Association borrowings amounted to £216.5m (2021: £208.5m), with the ability to draw a further £43.5m from available facilities (2021: £61.5m). During the 2021/22 financial year the Association refinanced and took out a new £150m private placement. An initial drawdown from this new facility was made in December 2021. The facility has three further staged drawdowns which will be taken in October 2022, October 2023 and October 2024.

Loan facilities and liquidity

As at 31 March 2022 the Association had four committed loan facilities totalling £370m (2021: £270m). This consisted of a £85m (2021: £85m) bilateral loan facility with Barclays with drawn funding of £85m (2021: £85m), a £75m bilateral loan facility with Macquarie, with drawn funding of £75m (2021: £75m) and a £60m facility with Lloyds with drawn funding of £16.5m (2021: £48.5m), a Private Placement facility of £150m, available to draw in four tranches up to October 2024. The first tranche of £40m which is with Macquarie, Macquarie US and the Pension Investment Corporation was drawn down in December 2021.

The actual amount drawn down from these loan facilities is as follows (this is before taking into account the effective interest adjustment):

Maturity	2022 £m	2021 £m
Within one year	10	-
Between one and two years	-	58.5
Between two and five years	16.5	-
After five years	190.0	150.0
	216.5	**208.5**

Interest rate risk management

The Association finances its operations through a mixture of retained surpluses and bank borrowings. The Association's exposure to interest fluctuations on its borrowings is managed by the use of both fixed and variable rate facilities.

The Association's treasury policy is to keep between 60% and 90% of its borrowings at fixed rates of interest. As at 31 March 2022, 92.3% of the Association's borrowings were at fixed rates (2021: 76.7%). The Board agreed a waiver from the treasury management policy during the year, owing to delays in the development programme impacting the drawdown of additional variable rate debt. Further details on the profile of borrowings can be found in note 21. The fixed rates of interest range from 0.94% to 5.05% (2021: 1.86% to 5.05%).

Gearing, calculated as total loans less cash as a percentage of tangible fixed assets, was 53.0% by 31 March 2022 (2021: 51.8%).

Liquidity risk

The Association seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and invest cash assets safely and profitably. In addition to drawn borrowings, the Association has £43.5m (2021: £61.5m) of secured undrawn facilities and additional facilities for £110m which will be available to drawdown in October 2022, October 2023 and October 2024.

Credit risk

The Association's principal credit risk relates to tenant arrears. This risk is managed by providing support to eligible tenants with their application for Housing Benefit and to closely monitor the arrears of self-funding tenants. Welfare Reform and resulting changes to the benefits system has been identified as a key risk to the Association, and the teams continue to assess the impact of these changes.

A support fund of £250k has been made available within the budget to support our tenants

Compliance with loan covenants

EBITDA MRI and net debt per unit are measured monthly and reported quarterly to the lenders. For the year end 31 March 2022 all loan covenants were met.

Future developments

A key influence on the timing of borrowings is the rate at which development activity takes place. The Board has approved plans to spend nearly £56m during the next financial year to develop affordable housing as we continue to invest in the area. This will be funded from the loan facilities and grants from Homes England. In addition to our undrawn available loan facilities of £43.5m, we have a further £110m which will be drawn down over the next three years, as it becomes contractually available and in line with our business plan.

The Association continues to assess the impact of welfare reform policies on its business plan and intended future developments. Other initiatives will be developed over the next year to assist our tenants in dealing with the cost-of-living crisis, especially in relation to rent charges. A support fund of £250k has been made available within the budget for the 2022/23 financial year.

Statement of compliance

In preparing this Strategic Report and Board Report, the Board has followed the principles set out in the Statement of Recommended Practice: Accounting by registered social housing providers 2018 (SORP).

Remuneration of board directors

Association Members receive a payment for their work following benchmarking advice from a sector consultant working to national guidelines. Both individual and collective Member performance is appraised annually with the objective of enabling the Board to ensure that it is fit for purpose.

The table below shows the salaries paid to Association members during 2021/22 and 2020/21:

Association Members	2021/22 Salary	2020/21 Salary
I Mashiter – Chairman - Strategic Board	£11,000	£11,000
C Springett – Chairman – Audit and Risk Committee	£7,000	£7,000
C Gardner – Chairman – Operations Committee	£8,000	£8,000
MD Sheren – until 15 February 2022	£3,517	£4,000
M Webster – Vice Chair & Chair – Development Committee	£7,000	£7,000
K Harris	£4,000	£4,000
T Pinter	£4,000	£5,500
M Tutton	£4,000	£4,000
R Hayhurst – HHL - until 27 July 2021	£1,667	£4,000
P Basford	£4,000	£4,000
W Bryant	£4,000	£4,000
S Burton	£4,000	£4,000
A Colby	£5,000	£5,000
J Foster	£4,000	£4,000
K Hudson	£5,000	£5,000
J Harkness	£4,000	£4,000
N Stonebridge	£4,500	£4,500
S Wilson	£4,000	£825
A Ovcerenko	£1,590	-
WH Cresswell – from 5 January 2022	£968	-

Ian Mashiter

Strategic Board Chair
Ian Mashiter

Marie McCleary

Company Secretary
Marie McCleary

Date: 26 July 2022

Report of the board

The Board of Havebury is pleased to present its report together with the audited financial statements of The Havebury Housing Partnership (Havebury), a charitable society registered under the Co-operative and Community Benefit Societies Act 2014, for the year ended 31 March 2022.

Principal activities, business review and future developments

Details of Havebury's principal activities, its performance during the year and factors likely to affect its future development are contained within the Strategic Report, which precedes this report.

Compliance with the RSH Governance and Financial Viability Standard

As required by the Accounting Direction, the Board has completed an annual self-assessment of our compliance with the Governance and Financial Viability Standard. As part of this review, the Board have considered legal compliance through identifying, with legal advice, all applicable legislation, our teams have self-assessed against this schedule and provided evidence to support their assessment of compliance. Further work is required on three areas (out of a total of 257) which are considered to be relatively minor in nature and are being addressed, when action is completed, the Board considers it will be compliant with all relevant law. Health and safety compliance has been specifically monitored through the management reporting of compliance with specific areas of legislation impacting on the business. With regular management reports on data protection, we confirm compliance with new data protection legislation while continuing to improve alignment of our policies and procedures with good practice. Following this review, the Board can confirm compliance with the Governance and Viability Standard with no qualifications. In addition, the Board carries out an annual self-assessment against the RSH Economic and Consumer Standards to ensure that we are compliant and that any plans for continuous improvement are documented.

The Board has adopted the HQN Form Follows Function Toolkit to guide its approach to future opportunities for collaborative working.

Compliance with the National Housing Federation (NHF) Code of Conduct and NHF Code of Governance 2020

We have complied with the NHF Code of Governance and the NHF Code of Conduct as evidenced by an annual self-assessment with the Codes which is reported to the Strategic Board. The NHF launched a new Code of Governance in 2020 and Havebury's Board adopted that new code in December 2020. During the year we conducted a gap analysis against the code and have implemented actions to ensure compliance with the new code. The key areas for action include:

Strengthening how the Board receives more meaningful insight into tenant's concerns and ensures that the governance arrangements are more representative of the demographic profile of our tenant base.

The maximum tenure for all member appointments is now six years.

Governance

Havebury has a G1/V1 rating and remains committed to continuously reviewing and improving its governance arrangements to ensure they are fit for purpose while maintaining a Board with the necessary skills and experience to determine the strategic direction of the organisation. Our V1 rating is supported through quarterly business plan stress testing incorporating scenarios that include significant changes to the housing market and other economic assumptions.

Havebury remains committed to upholding the highest standards of governance and works within the requirements of the Code of Governance to this end. We undertake a review of the effectiveness of our governance arrangements and individual member appraisals, annually. Our governance arrangements are reviewed externally every three years, the latest review was undertaken in late 2021 and shared with Board in Spring 2022. A range of improvements were identified and will be put to our Annual General Meeting (AGM) in September for approval, following recommendation from Strategic Board. We regularly assess the skills required to oversee our business activities, along with our board recruitment and succession plan, to ensure that our Boards remain fit for purpose and consist of individuals with the right expertise. During the year we redirected resource to strengthen the support to governance and have appointed a Head of Governance. Covid-19 had a less pronounced impact on our business during the financial year compared to 2020/21. There were adjustments during the year to the measures that were put in place in response to the pandemic to provide additional oversight and assurance to our Board, and to support our staff and tenants during the Covid-19 crisis:

- home working for all our people has continued, although there is now an expectation that staff will come into the office where business need demands it or at least twice a month.
- all Covid-19 related risks have now been incorporated into our main risk reporting

Whistleblowing

We operate a whistleblowing policy and encourage our people to use this process to report serious concerns, in confidence. The policy clearly sets out who deals with and how any instances are responded to. There were no reported instances of whistleblowing in the period.

Strategic Board

This Board is the ultimate governing body of the Group. It comprises up to 9 non-Executive Directors and meets quarterly for formal business meetings, there are plans to increase this membership to enhance tenant involvement in decision making. Outside of these quarterly meetings the board meets to consider matters that need decisions, during the past year the board met 12 times, mostly in relation to refinancing decisions. In addition, strategic planning events are held with all members at least twice a year.

Our members receive remuneration to compensate them for the time they devote fulfilling their role and the valuable contribution they make. Members are drawn from a broad range of professional, lived experience and business backgrounds to ensure there is an optimum mix of skills and expertise present on our Board and Committees. We recognise that our membership has not fully reflected the demographic and diversity of the communities we serve and recruitment to current vacancies has sought to address this, whilst ensuring we have the necessary skills onboard. We worked with TPAS during the year to help us drive a stronger level of mutual engagement with our tenants to ensure that their voice is clearly heard by our members. As previously noted, the Strategic Board will be recommending to members at the Annual General Meeting, some changes to the governance arrangements that better encompass the tenant voice.

The Strategic Board delegates some of its responsibilities to the Group Audit and Risk Committee, the Operations Committee, the Remuneration and Governance Committee and the Development Committee. These Committees have clear terms of reference and delegated authority, which are set out in the Group Standing Orders and the Group Scheme of Delegated Authority. They report back to the Board regularly and, where appropriate, their recommendations are fully considered and approved. These Committees are chaired by a non-executive member of the Strategic Board and have a Groupwide remit. Matters which fall outside of the remit of these Committees and need consideration outside of formal Board meetings may be dealt with on an ad hoc basis by a Task and Finish Group, comprising of both non-executive and executive directors.

Group Audit and Risk Committee

The role of this Committee is to oversee the work of both the internal and external audit function and to oversee the risk management framework and internal control framework for the Group. The Committee reviews the audited financial statements for all parts of the Group and recommends them to the Strategic Board for approval. It submits an annual report on internal controls to the Strategic Board. Through the reports it receives, the Group Audit and Risk Committee determines whether the Group has appropriate systems of internal control and is able to comply with all its obligations in this area.

Operations Committee

The role of this Committee is to provide assurance to the Strategic Board on the performance, quality and value for money of all services provided by and to Havebury Housing Partnership homes and tenants. This includes housing services, customer services, resident involvement, asset management, repairs, community investment and support services.

This Committee also takes the lead role for providing assurance to the Strategic Board that legal and regulatory requirements are being met in the areas of all health and safety compliance, safeguarding and equality and diversity.

Remuneration and Governance Committee

The Remuneration and Governance Committee oversees the appointment of members and the Chief Executive, remuneration of staff, board and committee members. It is also responsible for ensuring that the organisation achieves compliant standards of governance alongside compliance with regulatory standards across the organisation and its governance structures.

Development Committee

The role of this Committee is to oversee the delivery of the Development Strategy and development programme. The Committee approves development schemes and scrutinises the delivery of the development programme to ensure programme targets and quality standards are maintained.

Management arrangements

The Executive Directors are the Chief Executive, Director of Resources and Company Secretary, Director of Operations and Director of Development. They hold no interest in Havebury's shares and act as executives within the authority delegated by the Board. The Executive Directors served throughout the year. Company insurance policies indemnify Board Members and Officers against liability when acting for Havebury.

Service contracts

The Chief Executive and the other Executive Directors are employed on the same terms as other staff, their notice periods ranging from three to six months.

Pensions

The Executive Directors are members of the Aviva Group scheme, a defined contribution scheme. They participate in the scheme on the same terms as all other eligible staff.

Other benefits

The Executive Directors are entitled to other benefits such as a car allowance.

Our People

We recognise that the success of our business depends on the quality of our people. Our policy is to ensure that training, career development and promotion opportunities should be available to all employees.

We are committed to equal opportunities and we support the employment of disabled people, both in recruitment and in retention of employees who become disabled whilst employed by Havebury.

The Strategic Board is aware of its responsibilities on all matters relating to health and safety. Havebury has prepared detailed health and safety policies and provides staff training and education on health and safety matters.

Going concern

Havebury's business activities, its current financial position and factors likely to affect its future development are set out within the Strategic Report. Havebury has in place long term debt facilities of £370m (including £153.5m of undrawn facilities as at 31 March 2022), which provide adequate resources to finance committed reinvestment and development programmes, along with Havebury's day to day operations. The long-term facilities include £110m with deferred drawdowns, over the period from October 2022 to October 2024. Havebury also has a long-term business plan which shows that it is able to service these debt facilities whilst continuing to comply with lenders' covenants.

On this basis and having received a supporting Going Concern paper which included additional analysis and commentary, the Strategic Board has a reasonable expectation that Havebury has adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Control environment and internal controls

The processes to identify and manage the key risks to which Havebury is exposed are an integral part of the internal control environment. Such processes, which are reviewed annually and revised where necessary, include strategic planning, the recruitment of experienced executive Directors and senior staff, regular performance monitoring, control over developments and the setting of standards and targets for health and safety, data protection, fraud prevention and detection, and environmental performance.

The Strategic Board's responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness is set out in the internal controls assurance statement below:

Statement of the Board's responsibilities on Internal controls assurance

The Strategic Board is ultimately responsible for ensuring the Group establishes and maintains a system of internal control appropriate to the business environment in which it operates. Such a system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The key elements in exercising control include:

1) Board approved terms of reference and delegated authorities for Audit and Risk, Operations, Development and Remuneration and Governance committees
2) Clearly defined management responsibilities for the identification, evaluation and control of significant risks
3) Robust strategies and business planning processes, with detailed financial budgets, forecasts and formal development appraisal targets
4) Formal recruitment, retention, training and development policies for all staff
5) Established authorisation and appraisal procedures for significant new initiatives and commitments
6) Robust treasury management, which is subject to external review each year
7) Regular reporting to the appropriate committee on key business objectives, targets and outcomes
8) Strategic Board approved whistle-blowing and anti-theft and corruption procedures
9) Strategic Board approved fraud procedures, covering prevention, detection and reporting together with recoverability of assets
10) Regular monitoring of loan covenants and requirements for new loan facilities
11) Annual review of Regulator of Social Housing 'Economic and Consumer Standards'
12) An annual legal compliance review
13) Cyber security action plan including Cyber Essentials Plus certification alongside a Business Continuity Plan

The Strategic Board confirms that it has a strategy and procedure for anti-fraud and corruption. The system of internal controls is ongoing and has been in place for the year to 31 March 2022 and up to the date of approval of the annual report and financial statements.

The Strategic Board recognises its responsibility for the system of internal control and for reviewing its effectiveness. The Strategic Board confirms that all necessary actions are taken to remedy any significant failings or weaknesses which may have been identified during the year through Internal Audit Reports and other independent reviews.

The Strategic Board cannot delegate ultimate responsibility for the system of internal control but has delegated authority to the Audit & Risk Committee to regularly review the effectiveness of the system of internal control. The Strategic Board receives Audit & Risk Committee quarterly reports and meeting minutes. The Audit & Risk Committee has received the annual report of the internal auditor and has reported its findings to the Strategic Board. The Strategic Board confirms no weaknesses were found in the internal controls for the year ended 31 March 2022 which might otherwise have resulted in material losses, contingencies or uncertainties which require disclosure in this report. The Internal Audits carried out during the year and associated assurance ratings were as follows:

Audit	Assurance level provided
Key Financial Controls: - Treasury Management, service charges, Procurement and payments, General Ledger	Strong
Health and Safety – Electrical Installations	Significant
IT Infrastructure and Cyber Security	Significant
Voids and Lettings	Significant
Budgetary Control	Significant
Management Information Data Quality	Significant
Development Programme	Significant
Asset and Liabilities Register	Significant
Follow-up Previous Recommendations	Good Progress

The Board is responsible for preparing the Financial Statements and Annual Report in accordance with applicable law and regulations.

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Registered Provider (RP) and of the surplus or deficit for that period. In preparing these financial statements, the Board is required to:

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

The Board is responsible for keeping adequate accounting records that are sufficient to show and explain the transactions and which disclose, with reasonable accuracy at any time, the financial position of the RP and to enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Social Housing in England from April 2020. It has general responsibility for taking reasonable steps to safeguard the assets of the RP and to prevent and detect fraud and other irregularities.

The Board is responsible for ensuring that the Strategic Report includes a fair review of the development and performance of the business and the position of the Association, and its subsidiaries included in the consolidation, together with the disclosure of the principal risks and uncertainties they face. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Board is responsible for the maintenance and integrity of the Group's website.

Information and reporting systems

Financial reporting procedures include detailed budgets for the year ahead and a long-term business plan. These are reviewed and approved by the Strategic Board and monitored throughout the year by the Strategic Board. Quarterly performance reports are prepared for the Operations Committee and Strategic Board. The Strategic Board, Audit & Risk Committee and Operations Committee meet regularly and receive other reports on Business-Critical Indicators to assess progress towards the achievement of key business objectives, targets and outcomes. The outcomes of these reviews have been reported to the Strategic Board throughout the year. In the light of the current economic climate the Strategic Board has decided to continue to review the business plan at every meeting.

Monitoring arrangements

Regular management reporting on control issues provides assurance to successive levels of management and to the Strategic Board. It is supplemented by regular reviews by internal audit, which provides independent assurance to the Strategic Board via the Audit & Risk Committee. The arrangements include a rigorous procedure, monitored by the Audit & Risk Committee, for ensuring that corrective action is taken in relation to any significant control issues.

Fraud

A formal written policy dealing with detected, suspected or attempted fraud is in place and is reviewed by the Board on a rolling 3-year cycle. All such frauds are reported to senior financial management for investigation and reported to the Audit & Risk Committee, and in the case of frauds exceeding £1,000, to the Regulator of Social Housing. A formal Fraud Register is maintained that is signed off annually by the Chair of the Audit & Risk Committee. The Chair of the Audit & Risk and all other Committees report back to the Board at the next Board following the Committee meeting. In the year, there were no detected, suspected or attempted frauds that resulted in financial or reputational loss to Havebury. There are no significant failings or weaknesses identified in the review.

Auditors

The Board reappointed the auditors RSM to undertake the 2021/22 audit. The directors approved the provision of all information required by RSM to undertake the audit.

Annual general meeting

The annual general meeting will be held on 20 September 2022.
The report of the Board was approved by the Board on 26 July 2022 and signed on its behalf by:

Ian Mashiter

Strategic Board Chair
Ian Mashiter

Independent auditor's report to the members of the havebury housing partnership

Opinion

We have audited the financial statements of The Havebury Housing Partnership (the 'Association') and its subsidiaries (the 'Group') for the year ended 31 March 2022 which comprise Consolidated and Partnership Statement of Comprehensive Income, Consolidated and Partnership Statement of Financial Position, Consolidated and Partnership Statement of Changes in Reserves, Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including 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 Association's affairs as at 31 March 2022 and of the income and expenditure of the Group and the income and expenditure of the Association for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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 annual report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- a satisfactory system of control over transactions has not been maintained; or
- the Association has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account of the Association; 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 Board's responsibilities statement set out on pages 43-46, 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 have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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.

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the group and the Association operate in and how the group and the Association are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2019 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from internal/external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are Health and Safety at Work Act 1974, Regulator of Social Housing Regulatory Standards (both Economic and Consumer standards) and General Data Protection Regulation as set out in the Data Protection Act 2018. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations and inspected correspondence with licensing or regulatory authorities.

The group audit engagement team identified the risk of management override of controls and completeness of income as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, substantive analytical review procedures over rental income and substantive procedures in relation to other revenue streams.

The engagement partner on the audit resulting in this independent auditor's report is Laragh Jeanroy.

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

Use of our report

This report is made solely to the Association's members as a body, in accordance with Part 7 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to 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 Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
Blenheim House
Newmarket Road
Bury St Edmunds
Suffolk
IP33 3SB

Date:

Statements of comprehensive income

For the year ended 31 March 2022

	Note	2022		(As Restated) 2021	
		Group £'000	Association £'000	Group £'000	Association £'000
Turnover	3	46,228	45,866	42,116	41,390
Cost of Sales	3	(5,177)	(4,835)	(3,084)	(2,406)
Operating Costs	3	(29,847)	(29,840)	(26,554)	(26,551)
Operating Surplus	**3,5**	**11,204**	**11,191**	**12,478**	**12,443**
Surplus on sale of housing properties	6	808	808	134	134
Interest receivable	7	2	4	5	62
Interest payable	8	(9,240)	(9,240)	(8,917)	(8,917)
Surplus before taxation		**2,774**	**2,763**	**3,700**	**3,712**
Taxation		-	-	-	-
Surplus for the financial year		**2,774**	**2,763**	**3,700**	**3,712**
Actuarial gain/(loss)in respect of pension scheme		**7,038**	**7,038**	**(4,816)**	**(4,816)**
Total comprehensive income /(loss) for the year		**9,812**	**9,801**	**(1,116)**	**(1,104)**

The results related wholly to continuing activities.

The notes on pages 56-83 form part of these financial statements.

The financial statements were approved by the Board and authorised for issue on 26 July 2022 and signed on its behalf by:

Ian Mashiter

Strategic Board Chair
Ian Mashiter

Marie McCleary

Company Secretary
Marie McCleary

Clive Springett

Audit and Risk Committee Chair
Clive Springett

Statements of changes in reserves

For the year ended 31 March 2022

Group	Revaluation Reserve £'000	Income and Expenditure Reserve £'000	Total £'000
Balance at 1 April 2020	**86,861**	**48,208**	**135,069**
Surplus for the year	-	3,700	3,700
Actuarial loss in respect of pension schemes	-	(4,816)	(4,816)
Balance at 1 April 2021	**86,861**	**47,092**	**133,953**
Surplus for the year	-	2,774	2,774
Actuarial gain in respect of pension schemes	-	7,038	7,038
Transfer from revaluation reserve to income and expenditure reserve	(438)	438	-
Balance at 31 March 2022	**86,423**	**57,342**	**143,765**

Association	Revaluation Reserve £'000	Income and Expenditure Reserve £'000	Total £'000
Balance at 1 April 2020	**86,861**	**48,199**	**135,060**
Surplus for the year	-	3,712	3,712
Actuarial loss in respect of pension schemes	-	(4,816)	(4,816)
Balance at 1 April 2021	**86,861**	**47,095**	**133,956**
Surplus for the year	-	2,763	2,763
Actuarial gain in respect of pension schemes	-	7,038	7,038
Transfer from revaluation reserve to income and expenditure reserve	(438)	438	-
Balance at 31 March 2022	**86,423**	**57,334**	**143,757**

The notes on pages 56-83 form part of these financial statements.

Statements of financial position

For the year ended 31 March 2022

	Note	2022		2021	
		Group £'000	Association £'000	Group £'000	Association £'000
Tangible Fixed Assets					
Housing properties	11	387,238	387,238	372,076	372,076
Other tangible fixed assets	12	2,507	2,507	2,752	2,752
		389,745	**389,745**	**374,828**	**374,828**
Intangible Assets	13	460	460	534	534
Total Fixed Assets		**390,205**	**390,205**	**375,362**	**375,362**
Current Assets					
Stock	15	-	-	-	-
Properties for Sale	16	4,828	4,828	6,423	6,089
Debtors	17	1,300	1,297	1,015	1,339
Cash at bank and in hand		14,831	14,820	14,256	14,248
		20,959	**20,945**	**21,694**	**21,676**
Deferred income falling due within one year	22	(316)	(316)	(267)	(267)
Creditors: amounts falling due within one year	18	(22,310)	(22,304)	(11,553)	(11,532)
Net current assets		**(1,667)**	**(1,675)**	**9,874**	**9,877**
Total assets less current liabilities		**388,538**	**388,530**	**385,236**	**385,239**
Creditors: amounts falling due after more than one year	19	211,313	211,313	213,537	213,537
Net pension liability	9	3,270	3,270	9,538	9,538
Deferred income - grant	22	30,190	30,190	28,208	28,208
		244,773	**244,773**	**251,283**	**251,283**
Capital and Reserves					
Non-equity share capital	24	-	-	-	-
Revaluation reserve		86,423	86,423	86,861	86,861
Income and Expenditure reserve		57,342	57,334	47,092	47,095
Retained Funds		**143,765**	**143,757**	**133,953**	**133,956**
		388,538	**388,530**	**385,236**	**385,239**

The notes on pages 56-83 form an integral part of these financial statements.
The financial statements were approved by the Board and authorised for issue on 26 July 2022 and signed on its behalf by:

Ian Mashiter

Strategic Board Chair
Ian Mashiter

Marie McCleary

Company Secretary
Marie McCleary

Clive Springett

Audit and Risk Committee Chair
Clive Springett

Consolidated statement of cash flows

For the year ended 31 March 2022

	Note	Group	
		2022 £'000	2021 £'000
Net cash generated from operating activities	**27**	**22,209**	**19,325**
Cash flow from investing activities			
Purchase and construction of housing properties	11	(23,911)	(22,189)
Purchase of other tangible fixed assets	12	(42)	(49)
Purchase of intangible assets	13	(29)	(31)
Proceeds from sale of tangible fixed assets	6	2,453	1,011
Costs relating to sale of tangible fixed assets	6	(440)	(911)
Proceeds from sale of Other tangible fixed assets		4	-
Grants received	22	2,308	4,173
Interest Received	7	2	5
		(19,655)	**(17,991)**
Cash flow from financing activities			
Interest paid		(9,048)	(9,345)
Loan issue costs		(931)	-
Loan drawdowns	21	45,000	10,000
Loan repayments	21	(37,000)	-
		(1,979)	**655**
Net change in cash and cash equivalents		**575**	**1,989**
Cash and cash equivalents at beginning of year		14,256	12,267
Cash and cash equivalents at end of the year		**14,831**	**14,256**

Notes to the financial statements

1 Legal status

The Association is a charitable society registered under the Co-operative and Community Benefit Societies Act 2014. The Association is also a Registered Provider of Social Housing with the Regulator of Social Housing.

The Association's and Group's principal activity is the provision of social housing. There are two subsidiaries of the Association, Havebury Homes Limited and Design and Build Services East Limited. The principal activity of the subsidiary, Havebury Homes Limited, is the development of properties for open market sale on behalf of the parent Association, The Havebury Housing Partnership. Design and Build Services East Limited is a dormant company.

The Association is registered with the Financial Conduct Authority (FCA) and its office is based in Bury St Edmunds. The principal place of business is Bury St Edmunds, Haverhill and the surrounding villages. Havebury has expanded into other areas such as South Norfolk, Mid Suffolk and Cambridgeshire.

2 Accounting policies:

Basis of accounting

The financial statements of the Association are prepared in accordance with Financial Reporting Standard (FRS) 102 and the 2018 Statement of Recommended Practice (SORP) for registered Social Housing providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2020. The Board is satisfied that the current accounting policies are the most appropriate for the Association.

Havebury Homes Limited forms part of the consolidated accounts. Design and Build Services East Limited is dormant. The Group accounts present activity in The Havebury Housing Partnership and Havebury Homes Limited.

Monetary amounts in these financial statements have been rounded to the nearest whole £1,000 except where otherwise stated.

The principal accounting policies are set out below and are in accordance with FRS 102.

Basis of consolidation

The consolidated financial statements of the Association have been prepared as required by SORP 2018 and incorporate, under the acquisition method, the financial statements of the Association and enterprises controlled by the Association (its subsidiaries) made up to the 31 March each year.

Subsidiaries are entities over which the Association has the power to govern the financial and operating policies to obtain economic benefit to the Association. Subsidiaries are fully consolidated from the effective date of acquisition, or up to the effective date of disposal, as appropriate.

The Group has taken an exemption from preparing a statement of cash flows for the Association, as permitted under FRS 102.

Going concern

The financial statements are prepared on a going concern basis. The Board has reached a conclusion about the ability of the organisation to continue as a going concern and has concluded that the organisation is a going concern.

The directors have come to this conclusion because of the financial position of the Group and Association. The Group has a surplus for the year of £9.8 million and a Statement of Financial Position showing total assets less current liabilities of £388.588 million. The business plans of the Group and Association help to forecast that the Group and Association will continue for the foreseeable future.

The Association also has access to funds in the form of bank loans which will provide cash for future expansion of the business in line with the Association's Homes England development programme 2021-2026. This programme will provide grant funding for schemes which will mitigate some of the cost of developments. The Association is developing homes for shared ownership as part of the Homes England 2021-2026 Affordable Homes Programme.

As at 31 March 2022 the going concern basis of accounting was considered to be appropriate for The Havebury Housing Partnership as no material uncertainties existed. The outbreak of COVID-19 in the early part of 2020 caused severe disruption to the global economy and this has been followed in 2022 by the impact of the outbreak of war in Ukraine and the associated impact on global and national cost of living. The Havebury Housing Partnership has performed detailed financial modelling and a comprehensive range of stress tests to consider the ongoing impact of a range of potential future scenarios and no issues were identified that would give rise to a going concern risk. Given the substantial liquidity the Havebury Housing Partnership has in place, the ongoing economic instability should not cast any doubt on the ability of the business to continue as a going concern.

Turnover

Turnover comprises rental and service charge income receivable, income from shared ownership first tranche sales, income from open market sales, other services included at the invoiced value (excluding VAT) of goods and services supplied in the period, Supporting People grants and amortised Government grants.

Rental income is recognised from the point when it becomes due. Income from Shared Ownership first tranche sales and open market sales is recognised at the point of legal completion of the sale. Charges for support services funded under Supporting People grants are recognised as they fall due under the contractual arrangements with Administering Authorities.

Housing properties

Housing properties are properties available for the provision of social and affordable housing and are principally available for rent and shared ownership purchase. Completed housing properties are stated at cost less accumulated depreciation, which is calculated per component of the property, and adjusted for impairment losses. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period and expenditure incurred in respect of major capital improvements. Improvements are works which result in an increase in the net rental income, a reduction in future maintenance costs, or result in a significant extension of the useful economic life of the property within the business. Only direct overhead costs associated with new developments or improvements are capitalised. Other improvements and maintenance expenditure are expensed as incurred.

Shared ownership properties

Shared ownership properties are split proportionally between current and fixed assets based on the element relating to expected first tranche sales. The expected first tranche proportion is classed as a current asset and included in Properties for Sale and related sales proceeds are included in turnover. The remaining element is classed as a fixed asset and included in Housing Properties at cost, less any provisions needed for depreciation or impairment.

Sales of housing properties

The sale of properties under the Right to Buy scheme are treated as sales of fixed assets and not as properties developed for sale. The surplus or deficit arising on each sale is shown net of the share due to the Council and after deducting the carrying value of the properties and related selling costs.

Properties for sale

Shared ownership first tranche sales and property under construction are valued at the lower of cost and net realisable value. Cost comprises materials, interest capitalised, direct labour and direct development overheads. Net realisable value is based on estimated sales price after allowing for all further costs of completion and disposal.

Interest capitalised

Interest is capitalised on borrowings to finance developments to the extent that it accrues in respect of the period of development if it represents either:

a) interest on borrowings specifically financing the development programme after deduction of interest on Government grants received in advance; or

b) interest on borrowings of the Association as a whole, after deduction of interest on Government grants received in advance, to the extent that they can be deemed to be financing the development programme.

Other interest payable is charged to the Statement of Comprehensive Income in the year.

Government grants

Government grants are receivable from Homes England and are utilised to part-fund the capital cost of housing properties, including land costs. Government grants due from Homes England, or received in advance, are included as a current asset or liability respectively. Government grants received for completed schemes are treated as deferred income and represented as a liability on the Statement of Financial Position. Government grants received in respect of revenue expenditure are shown in the Statement of Comprehensive Income in the same period as the expenditure to which they relate.

Government grants are receivable by the Association in respect of all development schemes. In accounting terms, the gross cost of such development schemes is recognised in these financial statements as cost of construction when invoiced to the Association. On completion of such development schemes the Association has the liability for repayment of Government grants received from the Homes England, where this applies. In cash flow terms, only the net cost of development is recognised.

Government grants are subordinated to the repayment of loans, by agreement with Homes England. Government grants released on sale of a property may be repayable but are normally available to be recycled and are credited to a Recycled Capital Grant Fund and included on the Statement of Financial Position within Creditors.

Government grants are amortised at a rate of 1% per annum and recognised in income.

Other grants

Other grants receivable are in respect of revenue expenditure and are credited to the Statement of Comprehensive Income in the same period as the expenditure to which they relate.

Donated land

Land donated by local authorities and others is added to the cost of housing properties at the market value of the land at the time of the donation.

Depreciation of housing properties

Freehold land is not depreciated. Depreciation is charged so as to write down the value of freehold housing properties other than freehold land to their estimated residual value, on a straight-line basis, over their estimated useful economic lives.

Major components are treated as separable assets and depreciated on a straight-line basis over their expected useful economic lives, or the lives of the structure to which they relate if shorter, at the following annual rates:

Structure	1.0%
Roofs	1.6%
Kitchens	5.0%
Bathrooms	4.0%
Central Heating	6.7%
Electrical Rewires	3.3%
Windows	4.0%
Doors	3.3%

A full year depreciation charge is provided in the year of acquisition with no depreciation charge provided in the year of disposal of assets.

Impairment

An assessment is made at each reporting date as to whether there are any indications that a fixed asset (including housing properties) may be impaired, or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Association estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value in use of the asset based on its service potential, are recognised as impairment losses in the Statement of Comprehensive Income.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in the Statement of Comprehensive Income. On reversal of an impairment loss, the depreciation or amortisation is adjusted to reflect the asset's revised carrying amount (less any residual value) over its remaining useful life.

Other tangible fixed assets

Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to their estimated residual values on a straight-line basis over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other tangible fixed assets are:

Freehold office building	over 40 years
Stores building	over 5 years
Furniture, fixtures and fittings	10%
Computers and office equipment	25%
Motor vehicles, plant and equipment	20%

A full year depreciation charge is provided in the year of acquisition with no depreciation charge provided in the year of disposal of assets.

Intangible fixed assets

Intangible fixed assets are stated at cost, less amortisation. Amortisation is provided at a rate calculated to write off the cost, less estimated residual values, on a straight-line basis over the expected useful lives of the assets as follows:

Computer software	10%

A full year amortisation charge is provided in the year of acquisition with no amortisation charge provided in the year of disposal of assets.

Stock

Stock is stated at the lower of the cost and net realisable value.

Taxation

The Association is a charitable registered society under the Co-operative and Community Benefit Societies Act 2014 registered with the FCA and with HM Revenue and Customs. Accordingly, the Association has no liability to corporation tax on its surplus.

Value added tax (VAT)

The Group is registered for VAT. The Group charges VAT on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is suffered by the Group and Association and not recoverable from HM Revenue and Customs. The balance of VAT payable or recoverable at the year end is included as a current liability or asset respectively. At the 31 March 2022 there was no liability.

Leased assets

Rentals payable under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The holiday year ends on 31 December each year and employees are entitled to carry forward 5 days of unused holiday. The cost of unused entitlement is recognised in the period in which employees' services are received.

Retirement benefits

Defined benefit

The Association participates in the Suffolk County Council Pension Fund (SCCPF) which is a defined benefit pension scheme which provides benefits based on final pensionable pay. The scheme falls under the Local Government Pension Scheme (LGPS).

The assets of the scheme are kept separately from those of the Association and are invested in independently managed funds. Contributions to the scheme are calculated as a percentage of pensionable salaries. The employer's contribution is charged to the Statement of Comprehensive Income during the period of the employee's pensionable service.

Pension costs are assessed in accordance with the advice of an independent qualified actuary. Costs include the regular cost of providing benefits, which it is intended should remain a substantially level percentage of current and expected future earnings of the employees covered. Variations from the regular pension costs are spread evenly through the Statement of Comprehensive Income over the average remaining service lives of current employees.

The net defined benefit asset/liability represents the present value of the defined benefit obligation minus the fair value of plan assets out of which obligations are to be settled. Any asset resulting from this calculation is limited to the present value of available funds or reductions in future contributions to the plan.

The rate used to discount the benefit obligations to their present value is based on market yields for high quality corporate bonds, with terms and currencies consistent with those of the benefit obligations.

Gains or losses relating to the defined benefit pension scheme are recognised through the Statement of Comprehensive Income. The difference between interest income on plan assets and actual returns on plan assets is recognised in the Statement of Comprehensive Income.

Defined contribution

The Association also operates a defined contribution pension plan administered by Aviva. The pension costs for the year are charged to the Statement of Comprehensive Income as they accrue.

Community investment

The Association makes grants to specific community investment projects approved by the Neighbourhood Investment Panel and the Directors. The full amount of the grant is charged to the Statement of Comprehensive Income on approval and is shown as a current liability until drawn down by the agency. Grants received by the Association in connection with Community Investment projects are included in the Statement of Financial Position as a current liability on receipt and are recognised in the Statement of Comprehensive Income as the related expenditure is incurred.

Investments

Investments are held at cost, less any provision for impairment.

Financial instruments

Financial assets and liabilities are recognised when the Association has a contractual obligation for the instrument. These are offset only when the Association currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial debt is classified as a financial instrument under Sections 11 and 12 of FRS 102 and should be accounted for as either basic or other. Depending on the type of instrument, there is a different accounting treatment. Financial debt classified as basic is accounted for using the amortised cost model, whereas debt categorised as other is treated under the fair value model, with movements flowing through the Statement of Comprehensive Income on an annual basis.

Where there is an option in a loan agreement for early repayment of the loan, FRS 102 does not stipulate whether the financial debt should be classified as basic or other. As per the loan agreement the organisation has the option to proceed with early repayment of the facilities.

Bank loans are held at amortised cost. The Association has a £370 million facility. £60 million is at variable rates of interest, being a revolving loan facility of which £16.5 million has been drawn. The remaining £200 million is at fixed rates of interest and is fully drawn.

Financial assets

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at transaction price.

The Association continues to recognise debtors until they are disposed or settled and to not measure financing transactions at present value. The decision has been taken because of the immateriality of the transactions.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in the Statement of Comprehensive Income for the excess of the carrying value of the trade debtor over the present value of future cash flows discounted using the original effective interest rate. Subsequent reversals of impairment losses, that objectively relate to an event occurring after the impairment loss was recognised, are recognised in the Statement of Comprehensive Income.

Financial liabilities

Creditors payable within one year that do not constitute a financing transaction are initially measured at transaction price and subsequently measured at amortised cost, being transaction price less any amounts settled.

The Association continues to recognise creditors until they are disposed or settled and to not measure financing transactions at present value. The decision has been taken because of the immateriality of the transactions.

Borrowings

Borrowings are initially recognised at transaction price, including transaction costs and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual right to receive cash flow expires or is settled, or substantially all the risks and rewards of ownership have been transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell it entirely to an unrelated party. A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Provisions

Provisions are recognised when the Association has an obligation at the reporting date as a result of a past event where it is more than probable that an outflow of economic benefit will occur and can be estimated reliably. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Reserves

The Association establishes restricted funds for specific purposes where their use is subject to restrictions imposed by third parties. Reserves of the Association represent the following:

- the Revaluation Reserve shows cumulative revaluation gains and losses in respect of land and buildings under the previous accounting policy of the Association, prior to the adoption of "deemed cost";
- the Income and Expenditure Reserve shows cumulative gains and losses recognised in the Revenue Reserve.

Property Sales

Open market sale surpluses of £nil (2021: £243k) are recognised in the operating surplus within other social housing activities, to reflect that these sales form part of on-going and planned operations.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Association makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined in the notes to the accounts. The items in the financial statements where these judgements and estimates have been made include:

Bad debts

A provision is created for bad debts based on the age of rental arrears. Arrears in respect of former tenants and in respect of current tenants where the debt is over one year old are fully provided for (note 17). Arrears which are less than one year old are provided for at varying percentage rates.

Accruals

Accruals for certain items are estimated based on work completed but where no invoice has been issued at the reporting date and in subsequent weeks (note 18). Management are satisfied that estimates made are reliable and in line with expectations.

Pensions

Accounting estimates are made for the defined benefit pension scheme run under the LGPS. Critical estimates are made by experts and management are satisfied that results received are reliable (note 9).

Impairment

Following an impairment review, a judgement was made by management that it was not necessary to recognise an impairment within the group's financial statements. Had such an impairment been necessary the loss would be recognised in the Statement of Financial Position.

Categorisation of housing properties

In accounting for housing properties in the financial statements all units have been classified as Property, Plant and Equipment (PPE) under section 17 of FRS 102 (note 11). Management have made the judgement that properties do not meet the definition of an investment property as per section 16 of FRS 102. This decision has been made because housing properties are used for charitable purposes rather than for capital appreciation.

Useful lives of housing properties

The Association has made accounting estimates regarding the component life of the Association's housing properties. Components are depreciated over the useful economic life as detailed out in the notes to these financial statements (note 11). The accounting policy listed is in line with the capital replacement policy followed by the Association. As a result, management are satisfied that the accounting estimates are in line with other policies in place around the organisation.

Cost allocation for mixed tenure developments

Where the Association has developed a mixed tenure scheme that incorporates general needs, shared ownership and open market sale units, a cost allocation is required to take place. Management have currently allocated costs on the basis of floor area across the units in the scheme (note 11).

Once the apportionment has been finalised, management will split the shared ownership element between fixed assets and current assets based on the proportion of the expected sales percentage. This value is in line with the current assumptions used for a development scheme appraisal which as at 31 March 2022 was 35% of the property. For schemes completed after 31 March 2023, this percentage will reduce to 25% for land led units. The percentage for S106 developments will remain at 35%. However, if the actual sales percentage is available management have made the decision to use the sales percentage as the best source of information. The amount which is held as a non-current asset is then depreciated using the same policy as all other fixed assets.

3A Turnover, cost of sales, operating costs and operating surplus

Continuing activities	2022			
	Turnover £'000	Cost of sales £'000	Operating costs £'000	Operating surplus £'000
Social housing lettings	**39,235**	**-**	**(28,788)**	**10,447**
Other social housing activities				
Supporting People contract income	143	-	(143)	-
Development costs not capitalised	-	-	(986)	(986)
First Tranche Shared Ownership Sales	6,429	(4,833)	-	1,596
Open Market Sales		(2)	-	(2)
	6,572	**(4,835)**	**(1,129)**	**608**
Non-social housing activities				
Community Initiatives	-	-	77	77
Overage Income	57	-	-	57
Gift Aid Received from subsidiary undertaking	-	-	-	-
Other Intragroup transactions	2	-	-	2
	59	**-**	**77**	**136**
Association activities	45,866	(4,835)	(29,840)	11,191
Intragroup transactions	(2)	7	-	5
Subsidiary company	364	(349)	(7)	8
Group activities	**46,228**	**(5,177)**	**(29,847)**	**11,204**

Continuing activities	(As Restated) 2021			
	Turnover £'000	Cost of sales £'000	Operating costs £'000	Operating surplus £'000
Social housing lettings	**37,754**	**-**	**(25,477)**	**12,275**
Other social housing activities				
Supporting People contract income	126	-	(126)	-
Development costs not capitalised	-	-	(921)	(921)
First Tranche Shared Ownership Sales	3,122	(2,336)	-	786
Open Market sales	313	(70)	-	243
	3,561	**(2,406)**	**(1,047)**	**108**
Non-social housing activities				
Community Initiatives	-	-	(27)	(27)
Overage Income	56	-	-	56
Gift Aid Received from subsidiary undertaking	13	-	-	13
Other Intragroup transactions	6	-	-	6
	75	**-**	**(27)**	**48**
Association activities	41,390	(2,406)	(26,551)	12,433
Intragroup charges	(19)	-	6	(13)
Subsidiary company	745	(679)	(8)	58
Group activities	**42,116**	**(3,085)**	**(26,553)**	**12,478**

For the year ended 2021/22, we revised our year end overhead allocation methodology to ensure the basis on which our overheads are allocated to each category of expenditure best reflects the functions incurring these costs. To enable comparability of our results, a prior year adjustment was recorded to reflect this revised overhead allocation method within the prior year comparatives. Whilst this adjustment will have altered total costs within each category of expenditure, the surplus for the prior financial year remains the same.

3B Turnover, cost of sales, operating costs and operating surplus (continued) particulars of income and expenditure from social housing lettings

	2022					(As Restated) 2021
	General Housing £'000	Supported Housing and Housing for older people £'000	Shared Ownership £'000	Other £'000	Total £'000	Total £'000
Social housing lettings						
Rent receivable net of identifiable service charges	33,602	1,564	962	1,263	37,391	36,138
Charges for support services	-	-	-	-	-	-
Service charges receivable	374	879	100	107	1,460	1,233
Net rental income	**33,976**	**2,443**	**1,062**	**1,370**	**38,851**	**37,371**
Amortised government grants	265	-	-	-	265	205
Other income	83	25	3	8	119	178
Turnover from social housing lettings	**34,324**	**2,468**	**1,065**	**1,378**	**39,235**	**37,754**
Expenditure on social housing lettings						
Management	(3,803)	(1)	(22)	(2,858)	(6,684)	(5,936)
Services	(1,522)	(1,349)	(35)	(107)	(3,013)	(2,757)
Routine maintenance	(6,528)	(257)	(11)	(355)	(7,151)	(6,448)
Planned maintenance	(1,737)	(116)	(3)	(71)	(1,927)	(1,392)
Major repairs expenditure	(2,672)	(289)	(11)	(278)	(3,250)	(2,413)
Bad debts	(155)	(17)	-	(1)	(173)	(137)
Property lease charges	(22)	-	-	8	(14)	(9)
Depreciation of housing properties	(6,376)	-	(207)	-	(6,583)	(6,387)
Impairment of housing properties	-	-	-	-	-	-
Operating costs on social housing lettings	**(22,815)**	**(2,029)**	**(289)**	**(3,662)**	**(28,795)**	**(25,479)**
Operating surplus on social housing lettings	**11,509**	**439**	**776**	**(2,284)**	**10,440**	**12,275**
Void losses (within Net rental income above)	**791**	**-**	**-**	**-**	**791**	**962**

4 Accommodation in management and development

Group and Association

At the end of the period the number of properties in management for each class of accommodation was as follows:

	2022 No.	2021 No.
Social housing:		
General housing		
- social rent	4,719	4,667
- affordable rent	1,708	1,658
Supported housing and housing for older people	348	349
Intermediate rent	3	3
	6,778	**6,677**
Shared ownership	296	235
Association Total owned	**7,074**	**6,912**
Outright sale	-	1
Group Total owned	**7,074**	**6,913**
Accommodation in development at the year end	**303**	**336**

5 Operating surplus

This is arrived at after charging/(crediting):

	2022		(As Restated) 2021	
	Group £'000	Association £'000	Group £'000	Association £'000
Depreciation of housing properties	6,583	6,583	6,387	6,387
Depreciation of other tangible fixed assets	287	287	286	286
Amortisation of intangible fixed asset	88	88	91	91
Impairment of housing properties	-	-	-	-
Operating Leases	92	92	107	107
External auditor's remuneration (including VAT where applicable):				
- for audit services	48	44	39	34
- for non-audit services relating to continuing activities	5	2	3	3
Internal auditors' remuneration (including VAT where applicable)	35	35	315	31

6 Surplus on sale of housing properties

	2022		(As Restated) 2021	
	Group £'000	Association £'000	Group £'000	Association £'000
Disposal proceeds	2,453	2,453	1,011	1,011
Right to Buy: Share to Council	(885)	(885)	(372)	(372)
Carrying value of fixed assets	(737)	(737)	(473)	(473)
Administrative costs of sale	(23)	(23)	(32)	(32)
	808	**808**	**134**	**134**

Included within surplus on sale of housing properties are surplus/(deficits) on Right to Buy, Right to Acquire and Shared Ownership staircasing sales. Given demand for these sales is outside of the Associations control, they do not form part of planned operations and are therefore not recorded within operating surplus.

7 Interest receivable

	2022		2021	
	Group £'000	Association £'000	Group £'000	Association £'000
Interest receivable and similar income	2	4	5	62
	2	**4**	**5**	**62**

8 Interest payable

	2022		2021	
	Group £'000	Association £'000	Group £'000	Association £'000
Bank Loans and overdrafts	9,720	9,720	9,285	9,285
Pension	197	197	103	103
Other fees and commissions	357	357	429	429
	10,274	**10,274**	**9,817**	**9,817**
Interest payable capitalised on housing properties under construction (note 11)	(860)	(860)	(658)	(658)
Interest payable capitalised on properties for sale (note 16)				
- Shared Ownership	(174)	(174)	(242)	(242)
- Outright sale	-	-	-	-
	9,240	**9,240**	**8,917**	**8,917**
Capitalisation rate used to determine the amount of finance costs capitalised during the period	**4.00%**	**4.00%**	**4.28%**	**4.28%**

9 Employees

	2022 No.	2021 No.
Total number of employees	**231**	**223**
Average monthly number of employees of the group and Association, by directorate, expressed in full time equivalents:		
Chief Executives	9.4	10.6
Resources	35.6	34.1
Operations	123.1	131.1
Development	13.7	16.0
	181.8	**191.8**

	2022 £'000	2021 £'000
Employee costs:		
Wages and salaries	7,410	7,385
Social security costs	694	677
Other pension costs	1,410	1,135
	9,514	**9,197**

The Association's employees are members of one of two employee pension schemes, these being the Suffolk County Council Pension Fund (SCCPF) or the money purchase scheme administered by Aviva. The SCCPF is now closed to new employees who have the option of joining the Aviva administered scheme.

Suffolk County Council Pension Fund (SCCPF)

The SCCPF is a multi-employer scheme with more than one participating employer, which is administered by Suffolk County Council under the regulations governing the Local Government Pension Scheme (LGPS), a defined benefit scheme. The most recent formal actuarial valuation was completed as at 31 March 2022.

The main actuarial assumptions used in the valuation were:

Salary increases	3.9% per annum
Future pension increases	3.2% per annum

Contributions

The employer's contributions to the SCCPF by the Association for the period ended 31 March 2022 were £506,000 (2021: £545,000) and the employer's contribution rate has been fixed as 24.2% of pensionable pay until 31 March 2021. The estimated employer's contributions for the year to 31 March 2022 will be approximately £470,000.

Assumptions

The major assumptions used by the actuary in assessing scheme liabilities on an FRS 102 basis were:

	31 March 2022 % per annum	31 March 2021 % per annum
Discount rate	2.70%	2.00%
Rate of increase in salaries	3.90%	3.55%
Rate of increase in pensions in payment	3.20%	2.85%

Mortality assumptions

The average life expectancy for a pensioner retiring at 65 on the reporting date is:

	2022	2021
Male	21.9 years	22.1 years
Female	24.3 years	24.5 years

The average life expectancy for an employee retiring at 65 that is aged 45 at the reporting date is:

	2022	2021
Male	22.9 years	23.2 years
Female	26.1 years	26.4 years

Amounts recognised in the Statement of Financial Position:

	2022 £ '000	2021 £ '000
Fair value of Employer's Assets	46,667	42,900
Present value of Funded Liabilities	(49,937)	(52,438)
Net Liability	**(3,270)**	**(9,538)**

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

	2022 £ '000	2021 £ '000
Current service cost	1,043	833
Past service cost	37	-
Net interest on the net defined benefit pension liability	196	103
Employer contributions	(506)	(545)
Actuarial gain /(loss)	(7,038)	4,816
	(6,268)	**5,207**

Changes in the present value of the defined benefit obligation:

	2022 £ '000	2021 £ '000
Defined benefit obligation at 1 April	52,438	40,260
Service cost	1,080	833
Interest Cost	1,050	926
Contribution by scheme participants	137	149
Actuarial (gains)/losses	(3,780)	11,222
Benefits paid	(988)	(952)
Defined benefit obligation at 31 March	**49,937**	**52,438**

Changes in the fair value of plan assets:

	2022 £ '000	2021 £ '000
Plan assets at 1 April	42,900	35,929
Interest Income	854	823
Return on assets	3,258	6,406
Contribution by employer	506	545
Contribution by scheme participants	137	149
Benefits paid	(988)	(952)
Plan assets at 31 March	**46,667**	**42,900**

Return on plan assets:

	2022 £ '000	2021 £ '000
Return on plan assets	**3,258**	**6,406**

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

	2022	2021
Equities	70%	69%
Bonds	21%	22%
Property	8%	8%
Cash	1%	1%

Money Purchase Scheme

There was nothing outstanding as at the 31 March 2022 (2021: £41,278) relating to the money purchase scheme. The total contributions paid for the financial year were £479,193 (2021: £445,935).

10 Board, executive directors & leadership team – group and association

The Leadership Team of Havebury are considered to be the key personnel.

	2022 £ '000	2021 £ '000
Total remuneration of Leadership Team	782	802
Aggregated amount of Leadership Team pension contributions	79	82
	861	**884**

Amounts paid to the Leadership Team total £860,680 (2021: £883,520). The Leadership Team is made up of five Assistant Directors and four Executive Directors, including the Chief Executive. Eight of the Leadership Team are members of the money purchase scheme and one is a member of the LGPS.

The Chief Executive is the highest paid Executive Director. The emoluments paid to the Chief Executive were £137,618 (2021: £136,714) The Association made pension contributions on behalf of the Chief Executive of £14,151 (2021: £13,525).

The emoluments paid to the highest paid Non-Executive Director, the Chairman of the Strategic Board, were £11,000 (2021: £11,000). Total remuneration paid to Non-Executive Directors during the period amounted to £80,242 (2021: £89,825). Expenses reimbursed during the period to Non-Executive Directors amounted to £113 (2021: £940).

The full-time equivalent number of staff (including directors) who received remuneration in the following bandings, including employer's pension contributions and employer's national insurance, were:

	2022 No.	2021 No.
£60,001 to £70,000	4	3
£70,001 to £80,000	-	2
£80,001 to £90,000	3	4
£90,001 to £100,000	-	2
£100,001 to £110,000	1	-
£110,001 to £120,000	-	1
£120,001 to £130,000	3	1
£150,001 to £160,000	1	1

11 Tangible fixed assets – housing properties

Group and Association

	Housing properties held for letting £'000	Housing properties under construction £'000	Shared ownership properties held for letting £'000	Shared ownership properties under construction £'000	Total £'000
Cost					
At 1 April 2021	373,343	21,129	20,815	9,467	424,754
Additions	-	14,486	-	4,598	19,084
Transfer from stock for reclassified assets (note 16)	-	-	(14)	19	5
Works to existing properties	2,934	-	-	-	2,934
Interest capitalised (note 8)	-	570	-	290	860
Disposals	(2,584)	-	(246)	-	(2,830)
Schemes completed	21,657	(21,657)	8,186	(8,186)	-
At 31 March 2022	**395,350**	**14,528**	**28,741**	**6,188**	**444,807**
Depreciation					
At 1 April 2021	(51,924)	(200)	(554)	-	(52,678)
Charged in year	(6,376)	-	(207)	-	(6,583)
Disposals	1,673	-	19	-	1,692
Transfer of impairment on completed scheme	(200)	200	-	-	-
At 31 March 2022	**(56,827)**	**-**	**(742)**	**-**	**(57,569)**
Net book value					
At 31 March 2022	**338,523**	**14,528**	**27,999**	**6,188**	**387,238**
At 31 March 2021	**321,419**	**20,929**	**20,261**	**9,467**	**372,076**

A full valuation of the properties was undertaken at 31 March 2014 and upon adoption of FRS 102 this has been used to determine the deemed cost. The full valuation of the properties was undertaken in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors. Since then, completed housing properties are stated at Historical Cost.

The Board has carried out an impairment review in accordance with FRS 102 of individual fixed assets and income generating units. The review took account of void rates for different categories of stock, geographical and environmental issues, current operating position and the carrying value, compared to value in use. Following this review, the Board concluded that no impairment charge was required for the year.

In 2018/19 the Group recognised an impairment loss of £200k in relation to the Wade House development, which was included within general needs housing stock under construction. This scheme was impaired due to the carrying value being higher than the fair value as at 31 March 2019. The scheme completed in the year ended 31 March 2022 and therefore the £200k impairment has been transferred from general needs housing stock under construction to general needs housing stock, to mirror the transfer of completed scheme costs.

Group and Association

	2022 £ '000	2021 £ '000
Expenditure on works to existing properties		
Amounts capitalised	2,934	1,720
Amounts charged to Statement of Comprehensive Income	5,177	3,805
Total expenditure on works to existing properties	**8,111**	**5,525**
Total Interest Capitalised		
Amounts capitalised at 1 April 2020	5,334	4,676
Amounts capitalised in year (note 8)	860	658
Amounts capitalised at 31 March	**6,194**	**5,334**

12 Tangible fixed assets – other

Group and Association

	Freehold offices £'000	Furniture fixtures and fittings £'000	Computers and office equipment £'000	Motor vehicles, plant and equipment £'000	Total £'000
Cost					
At 1 April 2021	3,739	1,205	973	212	6,129
Additions	-	21	21	-	42
Disposals	-	(262)	(30)	(69)	(361)
At 31 March 2022	**3,739**	**964**	**964**	**143**	**5,810**
Depreciation					
At 1 April 2021	(1,506)	(757)	(913)	(201)	(3,377)
Charged in year	(158)	(87)	(36)	(6)	(287)
Disposals	-	261	30	70	361
At 31 March 2022	**(1,664)**	**(583)**	**(919)**	**(137)**	**(3,303)**
Net book value					
At 31 March 2022	**2,075**	**381**	**45**	**6**	**2,507**
At 31 March 2021	**2,233**	**448**	**60**	**11**	**2,752**

The Association's freehold office property was valued by FPD Savills, Chartered Surveyors, in October 2011 on a Market Value basis. The full valuation of the property was undertaken in accordance with the Appraisal and Valuation Standards of the Royal Institution of Chartered Surveyors. The property was valued at £1.8m.

The Board has considered the valuation and has recognised that the valuation does not fully take into account the location and design of the premises which are of specific benefit to the Association. The Board has no intention to dispose of the properties in the foreseeable future and is therefore satisfied that the valuation of freehold office properties at cost less depreciation is appropriate.

13 Intangible assets

Group and Association

	Software £'000
Cost	
At 1 April 2021	872
Additions	14
Disposals	-
At 31 March 2022	**886**
Amortisation	
At 1 April 2021	(338)
Charged in period	(88)
Disposals	-
At 31 March 2022	**(426)**
Net book value	
At 31 March 2022	**460**
At 31 March 2021	**534**

14 Investments

The Association has an interest of £1 in a subsidiary called Havebury Homes Limited, registered in England. The subsidiary is currently active and wholly owned. The financial year end is 31 March 2022.

Havebury Homes Limited	2022 £'000	2021 £'000
% of ordinary shares held	100%	100%
Capital and reserves at 31 March	6	-
Profit for the year	**6**	**-**

The Association has an interest of £1 in a subsidiary called Design & Build Services East Limited, registered in England. The subsidiary is currently dormant and wholly owned. The financial year end is 31 March 2022.

Design & Build Services East Limited	2022 £'000	2021 £'000
% of ordinary shares held	100%	100%
Capital and reserves at 31 March	-	-
Profit for the year	**-**	**-**

15 Stock

Group and Association

The materials contractor changed with effect from 1 April 2021 so all stock held on 31 March 2021 was returned to the retiring materials contractor on that date. The arrangement with the new contractor is such that Havebury holds consignment stock for which it is not liable until it has been utilised. As a result, the association had no stock as at 31 March 2022 (2021: £nil).

16 Properties for sale

	2022		2021	
	Group £'000	Association £'000	Group £'000	Association £'000
Shared Ownership				
Interest capitalised (note 8)	174	174	242	242
Other development costs	4,659	4,659	6,695	6,695
Transfer (to)/from fixed assets for reclassified assets (note 11)	(5)	(5)	(848)	(848)
	4,828	**4,828**	**6,089**	**6,089**
Outright Sale				
Interest capitalised (note 8)	-	-	-	-
Other development costs	-	-	334	-
	4,828	**4,828**	**6,423**	**6,089**

17 Debtors

	2022		(As Restated) 2021	
	Group £'000	Association £'000	Group £'000	Association £'000
Loan to Subsidiary Undertaking	-	-	-	335
Rent and service charges receivable	1,328	1,328	1,268	1,268
Less: Provision for bad and doubtful debts	(938)	(938)	(840)	(840)
Other debtors	201	198	112	106
Less: Provision for bad and doubtful debts	-	-	-	-
Prepayments and accrued income	709	709	475	470
	1,300	**1,297**	**1,015**	**1,339**

Under FRS 102 there is a requirement to account for service charge monies that are receivable. There has been no adjustment in the 2021 or 2022 figures.

The prior year comparatives have been restated to record £43k debit balances on supplier accounts within other debtors. Previously these had been recorded within rent and service charges receivable.

18 Creditors: amounts falling due within one year

	2022		2021	
	Group £'000	Association £'000	Group £'000	Association £'000
Bank Loans (note 21)	10,055	10,055	-	-
Trade creditors	1,255	1,254	597	597
Rent and service charges received in advance	844	844	777	777
Other taxation and social security	203	203	198	198
Other creditors	1,047	1,047	713	713
Accruals and deferred income	8,906	8,901	9,268	9,247
Total Creditors due within one year	**22,310**	**22,304**	**11,553**	**11,532**

Payments to creditors

The Association's payment policy is to pay purchase invoices within 28 days of receipt, or earlier if alternative payment terms have been agreed.

In accordance with FRS 102 a holiday pay accrual has been posted within Accruals and deferred income of £145,314 (2021: £125,714).

19 Creditors: amounts falling due after more than one year

	2022		2021	
	Group £'000	Association £'000	Group £'000	Association £'000
Bank Loans (note 21)	211,193	211,193	213,425	213,425
Recycled Capital Grant Fund (note 20)	120	120	112	112
Creditors due after more than one year	**211,313**	**211,313**	**213,537**	**213,537**

20 Recycled capital grant fund

Group and Association

	2022 £ '000	2021 £ '000
At 1 April	112	29
Grant proceeds recycled	37	83
Withdrawals	(29)	-
At 31 March	**120**	**112**

During the year, £29k of the fund was allocated to the Fairstead House development in Thetford, Norfolk.

21 Borrowings

Group and Association

	2022 £ '000	2021 £ '000
Debt payable after more than one year:		
As at 31 March	**211,193**	**213,425**

	2022 £ '000	2021 £ '000
Debt payable after more than five years:		
Repayable by Instalments	135,000	135,000
Repayable other than by Instalments	55,000	15,000
Total repayable	**190,000**	**150,000**

The bank loans are secured by fixed charges on individual properties and they bear interest at floating rates (linked to SONIA) and fixed rates. The floating rate arrangements are quarterly interest rates linked to SONIA. The unexpired term of fixed rate arrangements ranges from 1 to 40 years. The weighted average interest rate on all drawn loans at 31 March 2022 was 4.00% (2021: 4.28%).

Bank loans are held at amortised cost. During the year £45 million was drawn down and £37 million was repaid by the Association.

At 31 March 2022 the Association had undrawn loan facilities of £43.5 million (£43.5m Lloyds); 2021: £61.5 million (£11.5m Lloyds and £50m Royal Bank of Scotland).

22 Deferred capital grant

Group and Association

	2022 £ '000	2021 £ '000
As at 1 April	28,475	25,837
Capital grant received	2,308	4,173
Grant receipts accrued	29	(1,249)
Capital grant recycled	(39)	(83)
Capital grant amortisation	(267)	(203)
As at 31 March	**30,506**	**28,475**
Capital grant to be released within one year	**316**	**267**
Capital grant to be released in more than one year	**30,190**	**28,208**

Social Housing grants are repayable in the event of the disposal of the related property. When this occurs, the total original grant is repayable and this comprises the unamortised balance together with the amortised amount. At the end of the year, the total amount of Social Housing grant potentially repayable was £31.5m (2021: £29.3m).

23 Financial instruments

The carrying amount of the Group and Association's financial instruments at 31 March 2022 were:

	2022		2021	
	Group £'000	Association £'000	Group £'000	Association £'000
Financial Assets				
Debt instruments measured at amortised cost	608	605	563	889
Financial Liabilities				
Debt instruments measured at amortised cost	233,208	233,202	224,669	224,648

Financial liabilities excluding trade creditors

The Group and Association's financial liabilities were all sterling denominated. The interest rate profile of the Group and Association's financial liabilities, before loan issue costs at 31 March was as follows:

	2022 £ '000	2021 £ '000
Fixed rate	200,000	160,000
Floating rate	16,500	48,500
	216,500	**208,500**

The maturity profile of debt is shown in note 21. The fixed rate financial liabilities have unexpired fixed periods ranging from 1 to 40 years and a weighted average fixed rate of 4.60% (2021: 5.16%). The floating rate financial liabilities comprise bank loans that bear interest at rates based upon the three month SONIA.

24 Share capital

	2022 £ '000	2021 £ '000
At 1 April	12	12
Shares issued	-	-
At 31 March	**12**	**12**

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. Where a shareholder ceases to be a member that person's share is cancelled and the amount paid up thereon becomes the property of the Association.

25 Capital commitments

Group and Association

	2022 £ '000	2021 £ '000
Capital expenditure commitments are as follows:		
Expenditure contracted for but not provided in the accounts	35,607	27,817
Expenditure authorised by the Board, but not contracted	20,123	24,224
	55,730	**52,041**

Capital commitments will be financed through borrowings under existing loan arrangements. These existing loan arrangements amount to £153.5 million of undrawn borrowings, £43.5 million of which is available for immediate draw down. The remaining £110 million will be provided in three separate tranches over the next three years. These borrowings will be utilised to fund the Development Programme of 1,227 homes by March 2023. 81% of this programme has been delivered at the financial year end. As part of the Development Programme, Havebury will contract with Homes England to deliver homes under Continuous Market Engagement (CME).

Government grant under the Homes England programme will be utilised to part fund the commitments of the development programme. Government grant received will be allocated on a per scheme basis and is directly received by the organisation. The CME currently has £24.2m allocated across 404 units, 330 being within the Shared Ownership Affordable Homes Programme, with the remaining 74 under the 2021-26 Affordable Homes Programme. Additional grant will be bid for as schemes are identified.

Havebury will part fund developments through a disposals programme from open market sales which will allocate £9,000 per unit as agreed with Homes England. Open market sales are identified by conducting a financial appraisal on a property and assessing if it is financially viable to complete works and rent the property out.

Operating leases

The payments which the Group and Association is committed to make under operating leases are broken down as follows:

	2022 £ '000	2021 £ '000
Land and buildings		
Within one year	11	11
Within two to five years	45	45
Over five years	1,010	1,021
	1,066	**1,077**
Office equipment		
Within one year	2	9
Within two to five years	-	2
	2	**11**
Motor Vehicles		
Within one year	32	46
Within two to five years	47	59
	79	**105**

26 Cash flow from operating activities

	Note	2022 £'000	(As Restated) 2021 £'000
Surplus for the year		**2,774**	**3,700**
Adjustments for non-cash items:			
Depreciation of housing properties	5,11	6,583	6,387
Depreciation of other tangible fixed assets	5,12	287	286
Impairment losses on tangible fixed assets	3B,11	-	-
Pension costs less contributions payable	9	770	288
Right to Buy overhead		(14)	(14)
Amortisation for Intangible assets	5,13	88	71
Grant amortisation	22	(268)	(286)
Gain on disposal of housing fixed assets	5,6	(808)	(134)
Interest payable	8	9,240	8,917
Interest receivable	7	(2)	(5)
		18,650	**19,210**
Working capital movements			
Decrease / (Increase) in Properties for outright sale	16	1,769	742
Decrease / (Increase) in Stock	15	-	193
Decrease / (Increase) in Debtors		(287)	551
(Decrease) / Increase in creditors		2,077	(1,371)
Net cash inflow from operating activities		**22,209**	**19,325**

The non-cash movement comparatives above have been restated to reflect the change in overhead allocation methodology, which is explained further in Note 3A. As a result, the Right to Buy overhead movement has increased £13k and the gain on disposal of housing fixed assets had reduced £13k.

27 Analysis of changes in net debt

Group

	At 1 April 2021 £'000	Cash flows £'000	Other non-cash changes £'000	At 31 March 2022 £'000
Cash and cash equivalents:				
Cash	13,864	625	-	14,489
Overdrafts	-	-	-	
Cash equivalents	392	(50)	-	342
	14,256	**(575)**	**-**	**14,831**
Borrowings:				
Debt due within one year	-	-	(10,055)	(10,055)
Debt due after one year	(213,425)	(8,000)	10,232	(211,193)
	(213,425)	**(8,000)**	**177**	**(221,248)**
Total	**(199,169)**	**(7,425)**	**177**	**(206,417)**

28 Related parties

Group and Association

Related parties include those in a position who can influence decision making.

During the year to 31 March 2022, there was one tenant member (2021: one) who served on the Board as Strategic Board Director and received emoluments for their service to the Association as part of the monthly payroll of £4,500 (2021: £4,500).

Their tenancies are on normal commercial terms and they are not able to use their position to their advantage. There were no other transactions with Strategic Board members. Aggregate rent paid in the year was £5,490 (2021: £4,985). At 31 March 2022 rental arrears of the Strategic Board members amounted to £nil (2021: £nil).

During the period to the 31 March 2022, one Borough Councillor (2021: one) served consecutively as Strategic Board director and received emoluments for their services paid as part of the monthly payroll amounted to £3,500 (2021: £3,500). In 2021/22, one Borough Councillor who served on the Strategic Board, also served on the Audit & Risk Committee and as such their emoluments in relation to that role is shown under the Audit and Risk Committee section of this note below.

All transactions with the Councillor are on normal commercial terms and the Borough Councillor is not able to use their position to their or the Council's advantage. There were no other transactions with the councillor during the financial year (2021: Nil) amounting to £Nil (2021: £Nil) and no outstanding balances due (2021: £Nil).

During the period to the 31 March 2022, four tenants (2021: three) served on Operations Committee and received emoluments for their services to the Association as part of the monthly payroll of £13,591 (2021: £9,500).

Their tenancies are on normal commercial terms and they are not able to use their position to their advantage. During the financial year the Association entered into no transactions with Operations Committee members (2021: none). Any transactions are completed on normal commercial terms and there is no outstanding balance 31 March 2022 (2021: £Nil). Aggregate rent paid in the year was £20,865 (2021: £10,530). At 31 March 2022 rental arrears of Operations Committee members amounted to £Nil (2021: Nil).

During the period to the 31 March 2022, one Borough Councillor (2021: one) served as Audit and Risk Committee member and received emoluments for their service paid as part of the monthly payroll amounting to £3,500 (2021: £3,500).

All transactions with the Council are on normal commercial terms and the Borough Councillors are not able to use their position to their or the Council's advantage. There were no other transactions with the councillors during the financial year amounting to £Nil (2021: £Nil) and no outstanding balances due (2021: £Nil).

During the period to 31 March 2022, one tenant member (2021: one) served on the Audit and Risk Committee and received emoluments for their services to the Association as part of the monthly payroll of £4,000 (2021: £4,000).

Their tenancy is on normal commercial terms and they are not able to use their position to their advantage. There were no transactions during the year. Aggregate rent paid in the year was £5,422 (2021: £4,915). At 31 March 2022 rental arrears of the Audit and Risk Committee member amounted to £Nil (2021: £Nil).

The Association has not recognised provisions for any outstanding balances and as a result there is no expenditure recognised for any related parties as at 31 March 2022.

During the year, the following transactions occurred with Havebury Homes Limited, a wholly owned subsidiary of Havebury Housing Partnership:

	2022 £ '000	2021 £ '000
Professional fees recharged to Havebury Homes Limited	1	13
Salary costs recharged to Havebury Homes Limited	-	5
Loan interest charged to Havebury Homes Limited	2	58
Loans issued	-	50
Loans repaid	335	715
Loan balance outstanding at 31 March	-	335

29 Post balance sheet event

The impact of rising inflation and the increased cost of living has become even more acute since 31st March 2022. Whilst the government have intervened with support for all households to deal with the spiralling cost of energy there is likely to be an ongoing impact throughout 2022/23. We have revisited the assumptions within our business plan to reflect the changing economic context, our business plan remains fully covenant compliant.

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Havebury Housing Partnership is a charitable registered society under the Co-operative and Community Benefit Societies Act 2014 (7648) regulated by the Regulator of Social Housing (LH4339). Registered office: Havebury House, Western Way, Bury St Edmunds, Suffolk, IP33 3SP. Havebury is also a member of the National Housing Federation.