



Wolverhampton Homes Annual General Meeting

3 September 2021

Time 9.30 am **Public Meeting?** YES **Type of meeting** Wolverhampton Homes
Venue The Mount Hotel, Mount Road, Tettenhall Wood, Wolverhampton, WV6 8HL

Membership

Derek Allen
Councillor Paul Appleby
Parveen Brigue
Victor Browne
Angela Davies
Hajrija Dergic
Steve Finegan
Councillor Asha Mattu
Joy McLaren
Mike Porter
Councillor Rita Potter
Councillor Zee Russell

Information

If you have any queries about this meeting, please contact:

Contact The Business Assurance Team
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Address The Mount Hotel, Mount Road, Tettenhall Wood, Wolverhampton, WV6 8HL

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Website <https://wolverhamptonintranet.moderngov.co.uk>

Agenda

- | <i>Item No.</i> | <i>Title</i> |
|-----------------|---|
| 1 | Apologies |
| 2 | Declarations of interest |
| 3 | Wolverhampton Homes - welcome and introductions - Shaun Aldis, Chief Executive |
| 4 | City of Wolverhampton Council - Shareholder update - Ross Cook, Director of City Housing and Environment |
| 5 | Minutes of previous Annual General Meeting - 18 September 2020 (Pages 3 - 10) |
| 6 | Matters arising |

EXTERNAL AUDIT ITEMS

- | | |
|---|---|
| 7 | Audit Findings Report 2020 - 2021 - Neil Preece, Grant Thornton External Audit (Pages 11 - 32) |
|---|---|

FOR DECISION

- | | |
|----|--|
| 8 | Annual Strategic Financial Arrangements - Julie Haydon, Company Secretary (Pages 33 - 104) |
| 9 | Governance Arrangements and Articles of Association - Julie Haydon, Company Secretary (Pages 105 - 142) |
| 10 | Confirmation of Board Membership - Nicky Devey, Head of Business Services (Pages 143 - 146) |
| 11 | Electing the Chair - Nicky Devey, Head of Business Services [Verbal] |
| 12 | Electing the Vice Chair - Nicky Devey, Head of Business Services [Verbal] |
| 13 | Electing the Committee Chairs and Vice Chairs - Nicky Devey, Head of Business Services [Verbal] |
| 14 | A.O.B. |

DATE OF NEXT ANNUAL GENERAL MEETING: TBC

M I N U T E S



Meeting: Annual General Meeting

Date: Friday 18 September 2020

Venue: Virtual meeting via Microsoft Teams

Time: 9:30 AM

MEMBERS IN ATTENDANCE: -

Angela Davies	-	Chair – Tenant Board Member
Steve Finegan	-	Vice Chair – Independent Board Member
Hajrija Dergic	-	Board Member – Independent
Joy McLaren	-	Board Member – Tenant
Mike Porter	-	Board Member – Tenant
Parveen Brigue	-	Board Member – Independent (left meeting at 11:35am)
Victor Browne	-	Board Member – Tenant
Councillor Lynn Moran	-	Board Member – Councillor
Councillor Paul Singh	-	Board Member – Councillor (left meeting at 12.05pm)
Councillor Rita Potter	-	Board Member – Councillor
Councillor Zareena Russell	-	Board Member – Councillor

STAFF IN ATTENDANCE: -

Shaun Aldis	-	Chief Executive
Julie Haydon	-	Assistant Director – Corporate Services (Company Secretary)
Angela Barnes	-	Assistant Director – Housing Options
Darren Baggs	-	Assistant Director – Housing
Ian Gardner	-	Assistant Director – Building Services
Kevin Manning	-	Assistant Director – Asset Management
Nicky Devey	-	Head of Business Services
Catherine Stewardson	-	Business Assurance Manager

STAFF IN ATTENDANCE - CITY OF WOLVERHAMPTON CITY COUNCIL: -

Councillor Jacqueline Sweetman	-	Councillor Representative
Ross Cook	-	Director for City Environment
Jenny Lewington	-	Service Manager – Housing Strategy and Policy
Lynda Eyton	-	Client Relationship Manager – Housing Management Agents

1.0	Apologies	
1.1	- Derek Allen – Independent Board Member	
2.0	Declarations of Interest	
2.1	<p>Tenant related issues:</p> <ul style="list-style-type: none"> - Angela Davies - Joy McLaren - Mike Porter - Victor Browne <p>Noted: no specific conflict of interest noted.</p>	
3.0	Minutes of previous Annual General Meeting – 27 September 2019	
3.1	The minutes of the previous meeting were agreed as a true record.	
4.0	Matters arising	
4.1	There were no matters arising.	
5.0	One City - Councillor Jacqueline Sweetman	
5.1	<p>Councillor Sweetman thanked Wolverhampton Homes (WH) for the work undertaken on behalf of the shareholder the City of Wolverhampton Council, and the ambition to continue this valued relationship. Further information was shared as follows:</p> <ul style="list-style-type: none"> - Thanks, were given in memory of Councillor Bilson for the work undertaken during the years he served the community, working in local government, and supporting many charitable causes - The duties Councillor Sweetman undertakes as a Graiseley Ward Councillor and how this links to the work delivered by WH - Continued collaboration across WH, working in different ways than before, and the positive solution focused attitude that is entrenched across the company - The work undertaken by WH during the response to Covid-19 and the impact across the services and on customers - In addition, sterling work done by the business in supporting the homeless task force. This approach supported over 160 rough sleepers with half still undergoing intervention to help them address issues and find a home. WH have been an essential part of delivering this support and creating a blueprint model for rough sleeping provision across the country - Thanks, were given for the continued positive working relationship with Shaun Aldis – Chief Executive and Julie Haydon – Assistant Director and the joint aspirations for the 	

	future, with a determination to be more creative and innovative – to do things differently	
6.0	Ross Cook, Director of City Assets and Housing	
6.1	<p>The positive relationship between Wolverhampton Homes and the City of Wolverhampton Council was shared with members, with the joint approach to provide better homes provided, in more detail as follows:</p> <ul style="list-style-type: none"> - <u>Homelessness solutions</u> – that provide a realistic and supportive alternative for those entrenched in rough sleeping, with the aim of taking the learning from Covid-19 to review the future solutions for temporary accommodation using a multi-agency partnership approach - <u>Resilience</u> – is key to be able to support customers through times of challenge, whether that be the continued Covid-19 situation or responding to periods of disruption - <u>Safer and healthier homes</u> – customer support and the provision of a sound footing for responding to the increasing regulatory demands - <u>Fire Safety improvements</u> and delivery of the Building Safety Programme - <u>Estate Redevelopment</u> – as an example Heath Town Regeneration and the benefits this has had on the whole community - <u>More and better homes</u> – the acquisition of 19 properties increasing the housing offer across the city - <u>Domestic Violence</u> – Working towards the Domestic Violence accreditation - <u>Housing Allocations Policy</u> – implementation of the new policy linked to the work undertaken by the Home Improvement Agency - where adaptation grants support City residents to remain independent in their own homes - <u>Impact of Covid-19</u> – the challenges faced by the company during lockdown in continuing to deliver critical services, particularly in relation to repairs and housing management with the aim to continue to keep customers safe and secure - <u>Tenancy Support</u> – particularly working with customers affected by furlough / shielding / safety and security issues 	
6.2	Thanks were given by CWC to Wolverhampton Homes, to the Chief Executive and Board members, as well as the wider staffing teams in the continued support given to customers and the City of Wolverhampton Council in the delivery of housing and support services.	
6.3	Shaun Aldis, Chief Executive gave personal thanks to both Councillor Sweetman and Ross Cook for modelling the way forward and for their continued support to Wolverhampton Homes, by building on	

6.4	<p>relationships and working collaboratively throughout lockdown and for the support of the Council over the last 12 months.</p> <p>Board were asked to note the ongoing activity of the partnership approach working with the shareholder, and the strength of the relationship in delivering services to our customers in particular with initiatives such as the Relight the City project, Black Lives Matter and a number of other joint working strands.</p>	
For Decision		
7.0	Annual Strategic Financial Arrangements – Julie Haydon, Company Secretary	
7.1	<p>Board were provided with further details on a number of areas as follows in relation to the:</p> <ul style="list-style-type: none"> - Challenges of completing the audit ‘virtually’ for the first time - Assurance gained from the positive outcome of the audit - Anticipated opinion on this audit was unmodified - Details of the financial procedural matters still to complete - Risk management in relation to staff working from home 	
7.2	<p>Neil Preece, Grant Thornton UK LLP Auditor shared additional details of the audit as follows:</p> <ul style="list-style-type: none"> - Lease payment arrangements - Appropriate disclosures - Pension liability 	
7.3	<p>The Audit Findings Report provides a summary of the main areas of work undertaken by External Audit and the results and findings.</p>	
7.4	<p>Neil Preece passed on his thanks to CWC Finance colleagues and WH officers in supporting the collation of information required to undertake the audit.</p> <p>Resolved: Board members approved the:</p> <ol style="list-style-type: none"> 1. Financial Statements – 2019 - 2020 2. Wolverhampton Homes (WH) Letter of Representation <p>Board Members noted:</p> <ol style="list-style-type: none"> 1. Confirmation of the appointment of Grant Thornton as the ongoing external auditors for the period between April 2020 to March 2023 <p>The Shareholder ratified the following decisions and documents:</p> <ol style="list-style-type: none"> 1. Financial Statements – 2019 - 2020 	

	<p>2. Letter of Representation</p> <p>3. Confirmation of the appointment of Grant Thornton as the ongoing external auditors for the between period April 2020 to March 2023</p>	
8.0	Board and Committee Schedule of Dates October 2020 to December 2021 – Nicky Devey, Head of Business Services	
8.1	<p>Proposed dates were confirmed to Board members, noting that dates listed for post May 2020 are subject to change in line with the council’s municipal calendar and election outcomes.</p> <p>Resolved: Board Members agreed the provisional Board and Committee schedule of dates for December 2020 - December 2021</p> <p>Also noted:</p> <ol style="list-style-type: none"> 1. Dates listed from May 2021 onwards are subject to change 2. Dates included for October and November 2020 	
9.0	Confirmation of Board Membership - Catherine Stewardson, Business Assurance Manager	
9.1	The membership of the Wolverhampton Homes Board was confirmed as follows:	
9.2	<p><u>Tenant Board Members</u></p> <p>Angela Davies Joy McLaren Mike Porter Victor Browne</p>	
9.3	<p><u>Independent Board Members</u></p> <p>Derek Allen Hajrija Dergic Parveen Brigue Steve Finegan</p>	
9.4	<p><u>Councillor Board Members</u></p> <p>Councillor Lynne Moran Councillor Paul Singh Councillor Rita Potter Councillor Zareena Russell</p> <p>Resolved: The shareholder confirmed the membership of the Board as detailed in this report</p>	
10.0	Electing the Chair of Wolverhampton Homes Board – Catherine Stewardson, Business Assurance Manager	

10.1	<p>Angela Davies, Tenant member confirmed the expression of interest in continuing the role of Chair of the Board.</p> <p>This was formally proposed by Joy Maclaren, Tenant member and seconded by Councillor Paul Singh.</p> <p>Resolved: Angela Davies confirmed as Chair of Wolverhampton Homes' Board for 2020 - 2021</p>	
11.0	<p>Electing the Vice Chair of Wolverhampton Homes Board – Catherine Stewardson, Business Assurance Manager</p>	
11.1	<p>Steve Finegan confirmed the expression of interest in continuing in the role of Vice Chair of the Board.</p> <p>This was formally proposed by Councillor Rita Potter and seconded by Councillor Zee Russell.</p> <p>Resolved: Steve Finegan confirmed as Vice Chair of Wolverhampton Homes' Board for 2020 - 2021</p>	
12.0	<p>Electing the Committee Chairs and Vice Chairs</p>	
12.1	<p>Electing the Chair of Wolverhampton Homes Audit and Business Assurance Committee – Catherine Stewardson, Business Assurance Manager</p> <p>Steve Finegan confirmed the expression of interest in continuing in the role of Chair of the Audit and Business Assurance Committee.</p> <p>This was formally proposed by Councillor Lynne Moran and seconded by Councillor Zee Russell.</p> <p>Resolved: Steve Finegan confirmed as Chair of the Audit and Business Assurance Committee for 2020 - 2021</p>	
12.2	<p>Electing the Vice Chair of Wolverhampton Homes Audit and Business Assurance Committee</p> <p>Angela Davies, Tenant member confirmed the expression of interest in continuing in the role of Vice Chair of the Board.</p> <p>This was formally proposed by Joy McLaren and seconded by Mike Porter, Tenant members.</p> <p>Resolved: Angela Davies confirmed as Vice Chair of Audit and Business Assurance Committee for 2020 - 2021</p>	
12.3	<p>Electing the Chair of Wolverhampton Homes Communities and Service Delivery Committee</p>	

12.4	<p>Joy McLaren, Tenant member confirmed the expression of interest in continuing in the role of Chair of the Communities and Service Delivery Committee.</p> <p>This was formally proposed by Councillor Rita Potter and seconded by Councillor Lynne Moran.</p> <p>Resolved: Joy Maclaren confirmed as Chair of Wolverhampton Homes' Communities and Service Delivery Committee</p> <p>Electing the Vice Chair of Wolverhampton Homes Communities and Service Delivery Committee</p> <p>Derek Allen, Independent member confirmed the expression of interest in continuing in the role of Vice Chair of the Communities and Service Delivery Committee.</p> <p>This was formally proposed by Councillor Zee Russell and seconded by Mike Porter, Tenant member.</p> <p>Resolved: Derek Allen confirmed as Vice Chair of Wolverhampton Homes' Communities and Service Delivery Committee for 2020 - 2021</p>	
13.0	Any other business	
13.1	Board members extended a warm welcome was extended to Mike Porter, Tenant Board member following his recent appointment to the Wolverhampton Homes Board.	
13.2	Board passed on their thanks to Linda Middleton – Tenant Board member for the work contributed to over the term served, in particular for the membership on the Audit and Business Assurance Committee and formerly the Audit and Service Delivery Committee.	
14.0	Date of next meeting	
14.1	Proposed date: Friday 03 September 2021.	

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The Audit Findings for Wolverhampton Homes Ltd

Year ended 31 March 2021

3 September 2021

Page 11

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Dear Board Members

Audit Findings for Wolverhampton Homes Ltd for the year ended 31 March 2021

This Audit Findings presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process, as required by International Standard on Auditing (UK) 260. Its contents have been discussed with management.

As an auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of expressing our opinion on the financial statements. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify control weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might identify. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

We encourage you to read our transparency report which sets out how the firm complies with the requirements of the Audit Firm Governance Code and the steps we have taken to drive audit quality by reference to the Audit Quality Framework. The report includes information on the firm's processes and practices for quality control, for ensuring independence and objectivity, for partner remuneration, our governance, our international network arrangements and our core values, amongst other things. This report is available at www.grantthornton.co.uk/about-us/transparency-report/.

We would like to take this opportunity to record our appreciation for the kind assistance provided by the finance team and other staff during our audit.

Bill Devitt

Director
For Grant Thornton UK LLP

Chartered Accountants

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Contents

Section	Page
1. Executive summary	4
2. Status of the audit and opinion	6
3. Audit findings	8
4. Independence, ethics, fees and non-audit services	17
5. Communication of audit matters	19

Section 1: Executive summary

01. Executive summary

02. Status of the audit and opinion

03. Audit findings

04. Independence, ethics, fees and non-audit services

05. Communication of audit matters

Executive Summary

This Audit Findings Report presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process, as required by International Standard on Auditing (UK) 260.

The contents of this report have been discussed with management. As auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

Our audit approach was based on a thorough understanding of the company's business and is risk based, and in particular included:

- An evaluation of the company's internal controls environment including its IT systems and controls; and
- Substantive testing on significant transactions and material account balances, including the procedures outlined in this report in relation to the key audit risks.

Financial Statements

Page 15

Under the International Standards of Auditing (UK) (ISAs), we are required to report whether, in our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

These are matters in relation to the ISAs (UK), which require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our audit work was completed remotely during June, July and August. Our findings are summarised on pages 9 to 16. We did not identify any adjustments which impacted the company's loss for the year.

We have not had to alter or change our Audit Plan as previously communicated to the Board on 11 June.

Subject to outstanding queries being resolved, we anticipate issuing an unqualified audit opinion. These outstanding items are listed on page 7.

Companies Act 2006

We are required to report under the Companies Act 2006 whether we have identified material misstatements in the strategic report or the directors' report.

We have received and reviewed the Strategic and Directors' Report and have no issues to report.

Acknowledgements

We would like to take this opportunity to record our appreciation for the assistance provided by the finance team and other staff during our audit.

Section 2: Status of the audit and opinion

Page 16

- 01. Executive summary
- 02. Status of the audit and opinion**
- 03. Audit findings
- 04. Independence, ethics, fees and non-audit services
- 05. Communication of audit matters

Status of the audit

Our work is substantially complete and there are currently no matters of which we are aware that would require modification of our audit opinion, subject to the outstanding matters detailed below.

- obtaining confirmation from the auditor of West Midlands Pension Fund with regard to assurances over the assets and liabilities of the fund as a whole
- obtaining and reviewing the updated financial statements
- obtaining and reviewing the management letter of representation
- updating our post balance sheet events review, to the date of signing our opinion
- obtain the letter from the Company's Board confirming going concern

Status

- Likely to result in material adjustment or significant change to disclosures within the financial statements
- Potential to result in material adjustment or significant change to disclosures within the financial statements
- Not considered likely to result in material adjustment or change to disclosures within the financial statements

Page 17

Audit opinion

Our anticipated audit report opinion will be unmodified, but with an “Emphasis of Matter” to highlight the material estimation uncertainty regarding the valuation of the investment properties.

Section 3: Audit findings

Page 18

- 01. Executive summary
- 03. Status of the audit and opinion
- 03. Audit findings**
- 04. Independence, ethics, fees and non-audit services
- 05. Communication of audit matters

Key messages – audit findings

The key messages arising from our audit of financial statements are:

- there were no adjustments to any of your primary statements;
- there are no unadjusted misstatements;
- the financial statements were submitted for audit as agreed and were supported by good working papers;
- officers responded to questions in a timely manner;
- officers have made a number of minor changes to the financial statements to correct typographical errors and ensure consistency with reporting guidance;
- officers have made a number of changes to some of the supporting notes:
 - Note 2 - Financial Risk Management - Maturity Analysis - Assets 2021: Trade and other receivables - The within 6 months figure was stated as £8,397k, there are no other values in the row but the total is stated as £8,303k. The difference is due to a payment in advance of £94k. The total of £8,303 is a typographical error and has been changed.
 - Note 2 - Financial Risk Management - Interest rate risk - Liabilities 2021: Trade and other payables - The only value in the row is a non-interest bearing of £7,184k but the total is £7,244k. The total of £7,244k is a typographical error and has been changed.
 - Note 13 – Reserves – the Retained loss for the year 2021 was stated in the Note as (£4,770k). This value has been amended to (£4,669k) as stated on the Statement of Comprehensive Income and Expenditure. The incorrect figure led to an incorrect calculation for the total 'At 31 March' of (£62,723k) which differed from the correct total at the bottom of the note of (£62,636k), and has also been amended.
 - Note 1 - Critical accounting estimates and areas of judgement – was amended to include the material valuation uncertainty in regard to investment properties, as set out by the valuer.

- Note 4 - Operating expenditure - The "Corporate" figure stated £3,729k but has been amended to state £3,354k which also makes "Total expenditure" £56,080k, agreeing the Statement of Comprehensive Income.
- Note 17 – Pension Liabilities - Pensions contributions made by the Company for the year was incorrectly stated as £3,694k. To agree with the actuary report it has been amended to state £3,783k. There is no change to the Net Pension Liability.
- The Strategic Report was updated in a number of places, to reflect current year information and figures, including the Directors on page 3. This approach was agreed with Officers in advance of the financial statements being presented for audit.

Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law

	Amount (£)	Qualitative factors considered
Materiality for the financial statements	1,000,000	We determined materiality for the audit of the company's financial statements as a whole to be £1,000,000, which is 2.0% of the company's total revenues for 2019/20. This benchmark is considered the most appropriate because the quantum of revenue received is the key driver of the business.
Performance materiality	750,000	<p>We use a different level of materiality, performance materiality, to drive the extent of our testing and this was set at 75% of financial statement materiality for the audit of the financial statements. Our consideration of performance materiality is based upon a number of factors:</p> <ul style="list-style-type: none"> • No significant audit findings were identified last year • We are not aware of a history of significant deficiencies or a high number of deficiencies in the control environment • There has not historically been a large number of significant misstatements arising as a result of the financial statements audits at the company • Senior management and key reporting personnel in the finance function have remained stable from the prior year audit.
Trivial matters	50,000	We determined the threshold at which we will communicate misstatements to those charged with governance to be £50,000, being 5% of materiality.
Materiality for specific transactions, balances or disclosures	-	Related parties will be considered on a case by case basis and there are no senior officers remuneration disclosures to consider which might warrant a lower materiality.

Significant audit risks

Significant risks are defined by ISAs (UK) as risks that, in the judgment of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement. In our audit plan we identified three significant risks, as below.

Risks identified in our Audit Plan

1 Improper revenue recognition

- Under ISA 240 (UK) there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue

Commentary

Auditor commentary

We rebutted this presumed risk in respect of the management fee because:

- the management fee does not primarily involve cash transactions
- the management fee is an agreed amount from City of Wolverhampton Council, as the parent organisation.

For the other revenue we:

- documented our understanding of the controls in place around revenue recognition
- reviewed and tested recognition policies for appropriateness and consistency with the prior year and the IFRS
- reviewed income recognised in the year in comparison to the budget and forecasts and sought explanations for significant or unusual variances
- selected revenue items for testing to underlying records to ensure that revenue has been appropriately recognised.

Conclusion

We have not identified any issues in relation to this risk.

Significant audit risks (continued)

Risks identified in our Audit Plan

Commentary

2

Management override of controls

- Under ISA 240 (UK) there is a presumed risk that the risk of management over-ride of controls is present in all entities

Auditor commentary

To address this risk we:

- gained an understanding of the accounting estimates, judgements applied and decisions made by management and considered their reasonableness
- obtained a full listing of journal entries, identified and tested unusual journal entries for appropriateness
- evaluated the rationale for any changes in accounting policies or significant unusual transactions.

Conclusion

We have not identified any issues in relation to this risk.

3

Pensions

- Actuarial valuations may be incorrectly recorded

Auditor commentary

To address this risk we:

- evaluated the competence, expertise and objectivity of the actuary who carried out your pension fund valuation. We gained an understanding of the basis on which the valuation was carried out
- undertook procedures to confirm the reasonableness of the actuarial assumptions made
- checked the consistency of the pension fund asset and liability and disclosures in notes to the financial statements with the actuarial report from your actuary.

Conclusion

We are waiting for confirmation from the auditor of West Midlands Pension Fund with regard to assurances over the assets and liabilities of the fund as a whole. To date we have not identified any issues in relation to this risk.

Other matters identified

We noted in our audit plan that the other matters identified below, whilst not significant risk areas, will receive particular audit focus due to their magnitude and nature.

Other risks

Employee remuneration

- Payroll expenditure represents a significant percentage of WHL's operating expenses.

Auditor commentary

To address this risk we:

- evaluated the accounting policy for recognition of payroll expenditure for appropriateness
- gained an understanding of the system for accounting for payroll expenditure and evaluated the design of the associated controls
- obtained the year-end payroll reconciliation and ensured the amount in the accounts could be reconciled to the ledger and through to payroll reports and investigated significant adjusting items
- undertook analytical review on the monthly payroll
- tested one starter and one leaver from each month to ensure that the staff numbers report and Full Time Equivalent figures are correct
- agreed payroll related accruals to supporting documents and reviewed any estimates for reasonableness.

Conclusion

We have not identified any issues in relation to this risk.

Operating expenses

- Non-pay expenses on other goods and services also represents a significant percentage of the company's operating expenses. Management uses judgement to estimate accruals of un-invoiced costs.

Auditor commentary

To address this risk we:

- evaluated the accounting policy for recognition of non-pay expenditure for appropriateness
- gained an understanding of the system for accounting for non-pay expenditure and evaluated the design of the associated controls
- tested a sample of payments immediately prior to and after the year end to ensure that appropriate cut-off had been applied, and therefore that the expenditure has been recognised in the correct period
- performed analytical review to obtain assurance that the amounts disclosed were consistent with our expectations
- selected a sample of transactions throughout the year and verified validity by agreeing to supporting invoices.

Conclusion

We have not identified any issues in relation to this risk.

Going Concern

Going concern commentary

Management's assessment process

Preparation of income and expenditure budgets for the year ended 31 March 2022, cash flow forecasts up to 31 March 2023 and application of assumptions and judgements underpinning the cashflow forecasts.

Formal going concern assessment to be agreed at the September Board Meeting.

Page 24

Auditor commentary

- The Medium-Term Financial Strategy presented to Board in March 2021 did not plan for any use of reserves to support revenue expenditure over the period to 2025/26, but did allow for the use of £2.25m for "Investment – Our Future". Reserves would then stabilise around £3m from 2023 - 2024 which equates to around 6% of actual income.
- The annual Management fee from the Council has typically provided around 87% of the Company's income. Payments of the management fee are agreed in advance with the Council each year to ensure that there is sufficient money coming in to cover the obligations to pay staff and creditors as payments become due.
- As noted in the financial statements, the management fees are fixed every twelve months, with the longer term levels of management fee set indicatively within the Council's Housing Revenue Account business plan. The Directors have prepared the financial statements on a going concern basis based on the Government's current housing subsidy levels and forecast future rent income levels as well as the existence of the current management agreement.
- The Company has reserve balances of £6.0m as at 31st March 2021, compared to £9.0m at 31 March 2020 and £11.0m at 31 March 2019. This is still significantly above the minimum reserve level of 3% of revenue budget, as set out in the Reserves Policy.
- We will review the formal going concern assessment that is presented to the September Board Meeting.

Work performed

Detailed audit work performed on management's assessment

Auditor commentary

- We have reviewed the cash flow forecasts and considered the headroom available at low points to identify that the company can continue its operations.
- We have compared income and expenditure forecasts to underlying information available and the current year results.
- We have assessed the adequacy of disclosures in the financial statements relating to going concern and have concluded that appropriate disclosures have been made. We will reassess the position in September, following the Board's assessment.
- We will obtain the letter of support from City of Wolverhampton Council.

Accounting Policies

Accounting area	Summary of policy	Comments	Assessment
Revenue recognition	<ul style="list-style-type: none"> Revenue is recognised when revenue and associated costs can be measured reliably and future economic benefits are probable. Revenue is measured at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes. Revenue from services is recognised on a time-apportioned basis by reference to the provision of services set out in the Management Agreement. Sales of goods are recognised when goods are delivered and title has passed. Delivery occurs when the products have arrived at the specified location, and the risks and rewards of ownership have been transferred to the customer. Interest income is accrued on a time-apportioned basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. 	<p>We have considered the following:</p> <ul style="list-style-type: none"> Appropriateness of the policy under the relevant accounting framework Extent of judgement involved, including the range of possible outcomes and potential financial statement impact of different accounting policy choices Adequacy of disclosure of accounting policy <p>We have nothing to bring to the Board's attention in this regard.</p>	<p>Green</p> <p>●</p>
Judgements and estimates	<ul style="list-style-type: none"> Key estimates and judgements include: <ul style="list-style-type: none"> Valuation of pension fund net liability Provision for receivables impairment 	<p>We have considered the following:</p> <ul style="list-style-type: none"> Appropriateness of policy under relevant accounting framework Extent of judgement involved Potential financial statement impact of different assumptions Range of possible outcomes – including where the Company sits within that range Adequacy of disclosure of accounting policy Benchmark against peers/industry practice <p>We have covered the assumptions in relation to the pension fund liability on page 12. In respect of the other estimates and judgements we have nothing else to bring to the Board's attention.</p>	<p>Green</p> <p>●</p>

Assessment

- Marginal accounting policy which could potentially be open to challenge by regulators
- Accounting policy appropriate but scope for improved disclosure
- Accounting policy appropriate and disclosures sufficient

Other communication requirements

	Issue	Commentary
1	Matters in relation to fraud	<ul style="list-style-type: none"> We have previously discussed the risk of fraud with the Board. We have not been made aware of any incidents in the period and no issues have been identified during the course of our audit.
2	Matters in relation to related parties	<ul style="list-style-type: none"> We are not aware of any related parties or related party transactions which have not been disclosed.
3	Matters in relation to laws and regulations	<ul style="list-style-type: none"> You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations and we have not identified any incidences from our audit work.
4	Written representations	<ul style="list-style-type: none"> A standard letter of representation will be requested from the Company, for the September Board to consider and approve.
5	Confirmation requests from third parties	<ul style="list-style-type: none"> We requested from management permission to send a confirmation request to the Company's bank counterparty. This permission was granted and the request sent. The request was returned with positive confirmation.
6	Disclosures	<ul style="list-style-type: none"> Our review found no material omissions in the financial statements. Our review found a number of disclosures and typographical errors that management agreed to amend.

Section 4: Independence, ethics, fees and non-audit services

01. Executive summary

02. Status of the audit and opinion

03. Audit findings

04. Independence, ethics, fees and non-audit services

05. Communication of audit matters

Page 27

Independence and ethics

Independence and ethics

- We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Financial Reporting Council's Ethical Standard and confirm that we, as a firm, and each covered person, are independent and are able to express an objective opinion on the financial statements.

Fees and non-audit services

The table below sets out the total fees for audit and non-audit services charged from the beginning of the financial year to 31 August 2021, as well as the threats to our independence and safeguards have been applied to mitigate these threats.

	Fees £	Threat identified	Safeguards
Audit of company	28,680	None	N/A
Total audit	28,680	-	-
Total other non-audit services	0	-	-
Total non-audit services	0	-	-

Audit and Non-audit services

For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the company. No non-audit services were identified.

This covers all services provided by us and our network to the group/company, its directors and senior management and its affiliates, and other services provided to other known connected parties that may reasonably be thought to bear on our integrity, objectivity or independence. (ES 1.69)

Section 5: Communication of audit matters

01. Executive summary

02. Status of the audit and opinion

03. Audit findings

04. Independence, ethics, fees and non-audit services

05. Communication of audit matters

Page 29

Communication of audit matters with those charged with governance

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	•	
Overview of the planned scope and timing of the audit, form, timing and expected general content of communications including significant risks and Key Audit Matters	•	
Confirmation of independence and objectivity	•	•
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	•	•
Significant matters in relation to going concern	•	•
Matters in relation to the group audit, including: Scope of work on components, involvement of group auditors in component audits, concerns over quality of component auditors' work, limitations of scope on the group audit, fraud or suspected fraud	•	•
Views about the qualitative aspects of the Group's accounting and financial reporting practices including accounting policies, accounting estimates and financial statement disclosures		•
Significant findings from the audit		•
Significant matters and issue arising during the audit and written representations that have been sought		•
Significant difficulties encountered during the audit		•
Significant deficiencies in internal control identified during the audit		•
Significant matters arising in connection with related parties		•
Identification or suspicion of fraud involving management and/or which results in material misstatement of the financial statements		•
Non-compliance with laws and regulations		•
Unadjusted misstatements and material disclosure omissions		•
Expected modifications to the auditor's report, or emphasis of matter		•

ISA (UK) 260, as well as other ISAs (UK), prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table here.

This document, the Audit Findings, outlines those key issues, findings and other matters arising from the audit, which we consider should be communicated in writing rather than orally, together with an explanation as to how these have been resolved.

Respective responsibilities

As auditor we are responsible for performing the audit in accordance with ISAs (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

Distribution of this Audit Findings report

Whilst we seek to **ensure** our audit findings are distributed to those individuals charged with governance, as a minimum a requirement exists for our findings to be distributed to all the company directors and those members of senior management with significant operational and strategic responsibilities. We are grateful for your specific consideration and onward distribution of our report, to those charged with governance.




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Board Report

	Agenda Item 8
	03 September 2021 Annual Strategic Financial Arrangements
	AGM Report
Status:	For Decision
Author and job title:	Julie Haydon, Company Secretary
Contact No:	07870 363036
Recommendations:	<p>Board Members are asked to approve the:</p> <ol style="list-style-type: none"> 1. Financial Statements – 2020 - 2021 2. Wolverhampton Homes (WH) Letter of Representation <p>The Shareholder is being asked to ratify the following decisions and documents:</p> <ol style="list-style-type: none"> 1. Financial Statements – 2020 - 2021 2. Letter of Representation 3. Letter of Going Concern 4. Letter of Support – City of Wolverhampton Council 5. Confirmation of the appointment of Grant Thornton as the ongoing external auditors for the period to March 2023
Key risks and contentious issues:	<p>Failure to approve the company's annual accounts in line with Companies House requirements.</p> <p>The company is limited by guarantee as governed by its Memorandum and Articles of Association and hence is</p>

	<p>required to ensure compliance with appropriate regulation and legislation.</p> <p>The external audit process is a critical element of the company's Business Assurance framework.</p>
--	--

Management Summary

1.0 Purpose

1.1 The purpose of the report is to seek Board approval for the:

- Adoption of the Financial Statements – 2020 - 2021 (Detailed at Appendix 1)
- Agreement of the WH Letter of Representation – 2020 - 2021 (Detailed at Appendix 2)
- Agreement of the WH Letter of Going Concern – September 2021 (Detailed at Appendix 3)

and for the Board to note:

- The Letter of Support from the City of Wolverhampton Council (Detailed at Appendix 4)
- The ongoing appointment of Grant Thornton as the external auditors for the period to March 2023 (in line with the Wolverhampton Homes Business Plan 2019 - 2023).

1.2 The ratification of the decisions and documents is required from the Shareholder for the:

- Financial Statements – 2020 - 2021 (Detailed at Appendix 1)
- WH Letter of Representation – 2020 - 2021 (Detailed at Appendix 2)
- Confirmation of the appointment of Grant Thornton as the external auditors continues for the period to March 2023

2.0 Background

2.1 The Company's Articles of Association determines the arrangements for approval of the company's annual accounts at each Annual General Meeting including the associated letter of representation.

2.2 It is also good practice for the Board to consider the appointment of its external auditors at this meeting.

2.3 There is a requirement for the shareholder to ratify these key decisions as part of these central governance arrangements.

3.0 Financial Statements 2020 - 2021

3.1 The draft Financial Statements detailed at Appendix 1 are presented to the Wolverhampton Homes Board to review and provide comments in order for due diligence to be applied.

3.2 The Letter of Representation is provided in connection with the audit of the financial statements of Wolverhampton Homes Ltd for the year ended 31 March 2021 for the purpose of expressing an opinion as to whether the financial statements give a true and

fair view in accordance with UK Generally Accepted Accounting Practice. The WH Letter of Representation is detailed at Appendix 2.

3.3 In September 2019, the Board agreed that Grant Thornton would be the appointed external auditors for the period of the 2019 - 2023 Business Plan.

3.4 It is to be noted that Grant Thornton will continue to be the appointed external auditors for the City of Wolverhampton Council (CWC) for the same period.

4.0 Financial and value for money implications

4.1 These audited accounts are the key financial documents that underpin the company going forward.

4.2 The Letter of Going Concern will be submitted to Grant Thornton for the package of financial information to be submitted to Companies House.

4.3 In regard to the annual fee for the auditors, the charge is £28,680 (previous year £28,285). It is to be noted that the budget already exists for this.

5.0 Legal and regulatory implications

5.1 These accounts and the external audit process are key to the ongoing governance arrangements.

6.0 Human resources implications

6.1 There are no human resources implications identified within this report.

7.0 Health and safety implications

7.1 There are no health and safety implications identified within this report.

8.0 Equalities implications

8.1 Has an Equality Impact Assessment been carried out: **No**

9.0 Impact on the environment and community

9.1 There are no impacts on the environment and community identified within this report.

10.0 Long term consequences for the company

10.1 It is imperative that the company adheres to financial regulations and accounting requirements.

11.0 Impact on business relationships with suppliers, customers and others

11.1 The shareholder is required to ratify the decisions and documents as detailed within this report.

12.0 Impact of Covid-19

12.1 Grant Thornton note in their Audit Findings Report that they have not had to change their Audit Plan as previously communicated to the Audit and Business Committee in Board 2021 and worked virtually to undertake the audit.

13.0 List of Appendices

13.1 Appendix 1 – Draft Financial Statements for the year ended 31 March 2021

13.2 Appendix 2 – Wolverhampton Homes Letter of Representation 2020 - 2021

13.3 Appendix 3 – Letter of Going Concern – September 2021

13.4 Appendix 4 – Letter of Support – City of Wolverhampton Council – August 2021

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Wolverhampton Homes Limited
Company Limited by Guarantee
FINANCIAL STATEMENTS
for the year ended
31 March 2021

	Page
Officers and professional advisers	3
Strategic report	4-13
Directors' report	14-16
Directors' responsibilities in the preparation of financial statements	17
Statement of corporate governance	18-20
Independent auditor's report	21-24
Statement of comprehensive income	25
Statement of changes in equity	26
Balance sheet	27-28
Statement of cash flows	29
Significant accounting policies	30-33
Notes to the financial statements	34-59

DIRECTORS

Angela Davies – Chair
Councillor Lynne Moran
Councillor Paul Singh
Councillor Rita Potter
Councillor Zareena Russell
Derek Allen
Hajrija Dergic
Joy McLaren
Julie Haydon
Linda Middleton (up until 13 July 2020)
Michael Timothy Porter (from 11 August 2020)
Parveen Brigue
Shaun Aldis
Steve Finegan – Vice-chair
Victor Browne

EXECUTIVE MANAGEMENT TEAM

Shaun Aldis	Chief Executive
Julie Haydon	Assistant Director – Corporate Services
Angela Barnes	Assistant Director – Housing Options
Darren Baggs	Assistant Director – Housing
Ian Gardner	Assistant Director – Building Services
Kevin Manning	Assistant Director – Asset Management

SECRETARY

Julie Haydon

REGISTERED OFFICE

29 Market Street, Wolverhampton, WV1 3AG

AUDITOR

Grant Thornton UK LLP
The Colmore Building, 20 Colmore Circus, Birmingham, B4 6AT

BANKERS

HSBC
3 Trinity Court, Broadlands, Wolverhampton, WV10 6UH

ACTUARY

Barnett Waddingham, 163 West George Street, Glasgow, G2 2JJ

The Directors present their Strategic Report, annual Directors' Report, and financial statements of Wolverhampton Homes Limited (the Company) for the year to 31 March 2021. The financial statements have been prepared under the International Financial Reporting Standards.

PRINCIPAL ACTIVITIES

The principal activity of the Company during the period was the management and maintenance of Wolverhampton City Council ("the Council") owned homes in Wolverhampton.

Wolverhampton Homes Limited was established as an Arms Length Management Organisation in accordance with a Government policy initiative for local authority housing management.

REVIEW OF THE BUSINESS

Financial Performance

Wolverhampton Homes Limited was incorporated in May 2005, started trading in October 2005 and has been actively trading for over 15 years.

When an initial 10-year management agreement was nearing the end of its term in 2013, the Company signed a new fifteen year management agreement with the City Council which runs until 2028. The Council invited the Company to deliver an additional range of housing functions during 2017-2018 and the management agreement together with its associated schedules was updated to reflect these changes. The first formal five year review of this new agreement was successfully concluded. This gives an indication that Company's services are likely to be required long into the future.

The Company's total assets as at 31st March 2021 were £19.5 million, £1.0 million less than at the same time in 2020. Current assets exceed short-term liabilities and Wolverhampton Homes is therefore in a strong position to continue trading as a Company. Operating loss was £4.7 million in 2020-2021 consisting of an operational loss of £0.7 million and a pension cost adjustment of £4.0 million required under IAS19. Overall, the Company has done well to deliver the services required under the management agreement after several years with no increase to the management fee during the rent freeze period. The council approved a 2% increase for 2020-2021, funded by the increase to rents.

The base Management Fee for 2020-2021 was £39.8 million including funding for the delivery of Homelessness, Housing Options and Temporary Accommodation. This included an adjustment of £265,000 for the 152 properties transferred to Bushbury Hill EMB on 1 April 2020 as a result of the ballot that took place to increase the EMB boundary.

To manage the budget position, the Company has taken every opportunity to make savings, particularly from natural wastage on staffing budgets and to avoid redundancies in the short or medium term.

The Company has reserve balances of £6.0 million at 31st March 2021, compared to £9.0 million at the end of the previous financial year and investment properties to the value of £2.2 million. This is still significantly above the minimum reserve level of 3% of revenue budget, as set out in the Reserves Policy. This high level of reserve enabled the Company to manage without inflationary or other increases in the management fee for several years. Going forward, the reserves will be used for the purposes of contingency and one-off investment.

In addition to holding reserves to cope with medium and long-term pressures, the Company has continued to seek opportunities for business efficiency and to invest to save. Following the impact of Covid-19, work was undertaken to support new ways of working including a review of customer needs and expectations to ensure future investment in technology supports improved ways of working, which are central to supporting our approach to business efficiency.

Expenditure against budget and medium-term budget issues

The Company has continued to monitor expenditure against budget in a timely and systematic manner and all managers are fully engaged in this process. Since the Company's primary source of income is the management fee from the sole shareholder and there is a high level of certainty over the timing and stability of income compared to most businesses, understandably less emphasis is placed on monitoring liquidity and other linked financial ratios, in favour of monitoring spending against budget. This is monitored regularly at full Board level. Careful and consistent monitoring ensures that knowledgeable decisions can be made about new initiatives, recruitment, redundancies, and other activities and that the Board is appraised of the likely impact on reserves to deal with contingencies and needs over the next 3-4 years.

The medium-term financial position

In 2020-2021 the Company budgeted for a contribution of £2.6 million from reserves to operate a balanced budget. The outturn for 2020-2021 was that the Company actually achieved a much lower reserves contribution of £0.7 million. The budget for 2021-2022 does not include any planned contribution from reserves.

Whilst reserves are strong, and the Company has an excellent track record of effectively managing its finances, it is expected that to maintain a balanced budget contribution for the next five years, additional efficiencies will need to be delivered. This will ensure that expenditure is sustained in line with income which could reduce to reflect the reduction in rent to the HRA from homes lost to right to buy.

Therefore, the Company will be reviewing and redesigning its services to take account of customers' needs and how these might be met after the impact of Covid-19 giving consideration to insight gathered during the pandemic to support the changes. This approach will keep the customer at the heart of service delivery focussing on making the best use of cost and quality opportunities, for the Company to aim to take advantage of every opportunity to increase business efficiency. This approach, which will seek full Board endorsement during 2021, will be linked to the outcomes of the review of the Business Plan 2019 – 2023 and the associated annual delivery plan and aims to generate a stable level of expenditure over the next ten

years. Financial modelling indicates this is entirely possible. This approach has the added benefit of maintaining a skilled and stable workforce and a high level of staff engagement whilst actively managing risk which results in a better service for customers.

Pension Obligations

The Company's net pension liability shows the extent to which its existing pension commitments to employees and former employees exceed the assets currently available to meet those commitments. This liability increased by £36.7 million during 2020-2021, made up of an increase of £69.2 million in liabilities, and an increase of £32.5 million in assets. The increase in liabilities is due to a change in financial assumptions used by the Actuary to calculate the liability,

The current service cost charged to the profit and loss account was £6.9 million, which is unchanged compared to £6.9 million in 2019-2020.

In practice, the value of the net pension's liability is not entirely meaningful, because pension payments will generally not need to be made for many years, and the Pension Fund plans over long timescales as a result. Furthermore, the amount the Company has to charge to its revenue accounts is the amount of employee contributions payable for the year, and not the costs calculated under the accounting rules. It is also important to note that the calculation of the net pension liability relies on a number of complex judgements, assumptions and variations which can lead to significant differences in the outcome. Note 16 to the Financial Statements provides further information on employee pensions.

The latest three-year annual actuarial valuation of the fund took place on 1st October 2019 and as a result the annual contribution rate the Company will need to pay for employees who are members of the pension fund will be unchanged at 19.2% of salary. The next valuation is expected in late 2022.

Performance Review 2020-2021

General

Overall operational performance has been good in 2020–2021 with 19 out of 28 key service targets either being met or being within tolerance levels.

A full performance indicator review has been completed and a new supporting suite of statistical information added along with new compliance indicators. The new Big 6 indicators will monitor the performance of the Big 6 services, Gas, Electric, Fire Safety, Legionella, Asbestos and Lift Safety. The suite has been designed to maintain compliance with the Consumer Standards and the recent Housing White Paper. Data has been collected and shared with Housemark (our benchmarking Company) throughout the year to track our performance against the national picture in relation to the impact of Covid-19.

Performance outcomes continue to be regularly reported to Board, Communities and Service Delivery Committee and to the City of Wolverhampton Council.

The following sections offer further details around some of the key areas of service delivery.

Income collection performance

The Company continues to support positive performance outcomes most notably:

- The percentage of service charges collected from leaseholders finished above target at 98.1% (Target 98%).
- The percentage of rent collected (City wide including TMO/EMB's) achieved 97.2%, which met our challenging 95.45% target.
- 21.12% of all recharge monies were collected this year against our 19.5% target.
- The number of evictions for rent arrears was 0. This was due to the courts closure as a result of Covid-19.

Keeping residents safe

The Company continues to ensure that services support residents feeling safe in their communities and homes. Supporting this work performance shows that:

- The indicators for the daily flat checks carried out by our Estate Services and Concierge Teams including monitoring of communal areas and landings; stair wells; bin rooms; refuse chutes; lifts and door entry systems achieved the robust target of 100%.
- The percentage of calls answered within 60 seconds by the Telecare service continued improving to 99.28% at year-end and achieved our stretched "Great" target of 98.5%.
- The percentage of valid gas safety records achieved 99.99% which was above our stretched "Great" target of 99.5%.
- Satisfaction with the way anti-social behaviour complaints were dealt with achieved our stretched "Great" target at 98.56% (Standard target 97%, "Great" target 98%).

Housing Options

This is the second year of delivery against the backdrop created through the introduction of the Homelessness Reduction Act. The team has had a challenging year against the Covid-19 backdrop, and the following is of note:

- The number of people presenting themselves as homeless (also called 'advice cases') totalled 3,965 for the year.
- The number of Households accepted as homeless were 1,491 for the year.
- Average time taken to repair voids: (Receipt of Keys to Repairs completed (Ready to let):

- In House - Standard (Minor) voids – 0 days. NB. Due to asbestos, pest infestation and Covid-19 safety issues almost all voids became classified as Major voids this year.
- In House - Major Voids - achieved 83 days against a 36-day target.
- Average time taken to re-let properties (ready to let to new Tenancy Start) - achieved 36 days against a 10 day target. This has been severely impacted by the restraints placed upon us by Covid-19, including closure of suppliers, difficulty in obtaining materials, and additional checks and delays due to Covid-19 compliance, such as the 72 hour isolation period. Operatives have also supported the Response Repairs Service.

Repairs and Maintenance

- During a challenging year we have continued to deliver a 24 hour repairs service. Although these have missed our challenging targets, we did not cancel any service requests made by customers during lockdown. We advised the customer that these would be held until lockdown ended.
- 94.66% of response repairs were completed within target. (98% Target)
- 92.98% of response repair appointments were made and kept (95% Target)

Business Plan 2019 – 2023

A fully refreshed business plan was developed and agreed by Board and the Full Council which was implemented in 2019. This 4-year plan continues to build on the Company's collaborative approach to successfully support the Council in achieving its aspiration to be a city of opportunity.

This plan outlines the Company's response to the key strategic challenges it faces and details an ambitious transformation programme that will ensure its activities continue to:

- Enhance the community and customer focus – by embedding mobile working to deliver strong customer centric services; building resilience in communities and being responsive to the voice of customers.
- Provide safe and secure homes – by managing and maintaining homes to a high standard; looking after estates and communities; developing new and different types of housing; by adapting and improving the existing housing stock; by actively contributing to the improved supply of sustainable accommodation options across the city.
- Support people to sustain their tenancies and homes – through the provision of effective advice and support services that help customers to live independent, prosperous and fulfilling lives; by working collaboratively with other stakeholders to promote independence and individual and community resilience and continuing to provide excellent housing services.

The plan also details a proactive response to the Social Housing White Paper to deliver the requirements of the national Building Safety Programme. Furthermore, it

demonstrates the Board's firm resolution in achieving the highest standards of governance.

Supporting local priorities and priority actions

The Business Plan is designed to be responsive to the ever-changing operating environment and in particular was influenced by:

- The wider economy and the impact of austerity that has resulted in some sections of our communities struggling financially and poverty is becoming more of a concern, particularly as a result of the impact of Covid-19.
- The revision to the rent setting policy which was reviewed for 2020-2021.
- While the Social Housing White Paper has been published, Wolverhampton Homes are actively reviewing all new legislation that relates to Building Safety and will bring forward all necessary improvements to respond to the changing fire safety environment.

To support the delivery of the 5 core areas within the 'New Deal for Social Housing' Green Paper the Company have committed to:

- I. Ensuring homes are safe and decent
 - By continuing to prioritise the delivery of exemplar compliance services.
 - Embedded the 'estate custodian' approach
 - The core driver is to support and sustain tenancies, prevent homelessness, reduce dependency, and promote resilience.
- II. Effective resolution of complaints
 - Maximised the capacity in the customer feedback function working to embed 'right first time' processes across all areas.
 - Reviewed the complaints policy and continue to work proactively with the housing ombudsman and use complaints outcomes to inform service improvements.
- III. Empowering residents and strengthening the Regulator
 - Review the approach to tenant, leaseholder and customer Scrutiny and improve the link that customer scrutiny has into the Company's wider governance structures.
 - Develop talent in the city communities to ensure that the Company can continue to recruit to the Board, and it is recognised there is a clear need to have a balanced skill and competence set across the Board that supports effective decision making.
 - The Company welcomes any extension of the regulator across the ALMO sector and will be evaluating the current operation against the current consumer standards to establish where any gaps may exist.

IV. Tackling stigma and celebrating thriving communities

- The Company has increased capacity across the community engagement and communications teams specifically to strengthen the work done to support this priority.
- A new community development strategy was launched in 2019 and will dovetail into the ongoing skills and development framework for customers.

V. Expanding supply and supporting home ownership

- The Company will continue to build new properties and make best use of infill sites across the city. The Company will use these as opportunities to use new construction techniques and complete developments that allow the Council to have a diverse range of affordable housing across the city.
- The Company aims to become an asset owner either via transfer, direct purchase, or build.
- Continue to deliver a private sector leasing scheme.
- The Company has progressed with the acquisition of 19 new build properties from WV Living that will be let as market rent during 2021–2022.
- That meets the Council’s ‘Rent with Confidence’ scheme and that is increasingly used to support the City’s aspiration to offer the full range of housing options.

Operational Priorities for 2021-2022

The current Business Plan has a full annual delivery plan that details the key operational priorities for the next year that will complement our core service deliverables.

Through 2021-2022 the Company will continue to move forward with its transformational #GoodtoGreat journey to:

- Continue to modernise its workforce and work processes
- Embed the strands of the recovery planning following the impact of Covid-19 taking a new approach to business in restoring and redesigning its services based on customer needs.
- Recovery planning across all directorates includes a review of the Company’s property portfolio to ensure the most appropriate and fit for purpose access points for our customers.
- Monitor the launch of Phase 1 of the People Deal and implement Phase 2 for all members of staff.
- Continue to invest in new technology to support mobile working, maximise home working and further enhance our digital offer to customers.

- Continually review and improve services with a focus on frontline customer services including repairs and maintenance.
- Introduce a refreshed enterprise and innovation agenda specifically to:
 - Deliver a cost neutral private sector leasing scheme.
 - Manage properties developed by WV Living – both at affordable rent and shared ownership.
 - Support the city to bring back empty homes into use.
 - Develop a sustainable waste management strategy.
 - Launch the Home Improvement Agency.
 - Support Climate Change and Sustainability by working closely with the City of Wolverhampton Council to deliver against the Future Generations Strategy commitment to be carbon neutral by 2028.

Value for Money

The Company will complete the refresh of its approach to the delivery of Value for Money during 2021-2022. The recovery planning following the impact of Covid-19 will be linked to the refresh of the business plan to ensure a sustainable approach to realising efficiencies and improvements across all areas of the business.

During 2020-2021 the Company has:

- Made best use of HRA land to continue to deliver new build properties and improve the temporary housing stock.
- Continued to invest into the digital infrastructure to support more efficient working for staff and as an enabler for customers to access services digitally in the longer term.

During 2021-2022 it is intended to finalise its value for money strategy detailing the Company's approach to efficiency savings, invest to save and maximising staffing resource opportunities.

The Budget Position for 2021-2022 and the medium-term financial plan

The annual Management Fee from the Council has typically provided around 87 percent of our income. The approved management fee for 2021-2022 totals £39.4 million which includes funding for the delivery of Homelessness, Housing Options and Temporary Accommodation. Income is then received for the provision of general fund services including anti-social behaviour, Independent Living, Telecare, Housing Assistance and Affordable Warmth and for capital and grant funded programmes.

The Company also earns income from delivering capital schemes for the Council's capital programme and from third parties services such as asbestos removal. The Company is planning for the continuation of this income stream and the addition to the portfolio of more enterprising opportunities through the delivery of works via the new Home Improvement Agency. There are also smaller, miscellaneous income streams that will continue to be monitored and innovative opportunities explored.

It was agreed with the Council that due to the low level of rent increase for 2021-2022 and the likelihood of a public sector pay freeze that there would be no increase to the management fee, with the opportunity to revisit this if the situation changed.

The Medium-Term Financial Strategy is forecast to achieve a balanced budget, therefore no reserves contribution is planned to support the budget for 2021-2022. The reserves will provide a contingency and in addition be used to support one off investment across our core services.

Overall, the year-end position was an underspend against budget for 2020-2021 resulting in a decrease to reserves of £2.0 million. Reserve balances equal £6.0 million at 1 April 2021. Therefore, the Company can use reserve balances for one off investment to support the budget in the medium term.

Major risks and uncertainties

Managing Risk

The Company continues to refine its approach to risk management and its wider business assurance programme. The delivery of governance and business assurance programmes continues.

During 2020-2021 a full annual plan for internal audit has been delivered that provided a comprehensive programme of audit to be achieved. This incorporated many additional workstreams including core health and safety and compliance activity.

During the year it is pleasing to note that the key challenges were successfully mitigated. These included:

- Monitoring and managing medium-term financial pressures.
- Continuing the delivery of the new build programme and the Heath Town master plan.
- Continuing to improve the online/automated services for customers.
- Maintaining staff engagement.
- Health and Safety compliance.
- Continuing the roll out of the agile working with the office refurbishment arrangements impacted by Covid-19.
- Responding to and recovering from the impact of Covid-19 on our customers and the Company.

The corporate risk register continues to provide a closer focus and synergy with the objectives that are derived from the business plan and recovery plan, continuing to concentrate on key strategic challenges.

By order of the Board

Shaun Aldis Chief Executive

In addition to their Strategic Report on pages 4 to 12, the Directors also present their annual Directors' Report and financial statements of Wolverhampton Homes Limited (the Company) for the year to 31 March 2021.

The Company has chosen, in accordance with Section 414C of the Companies Act, to set out in the Company's Strategic Report certain information which would otherwise be required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the Directors' Report.

PRINCIPAL ACTIVITIES

The principal activity of the Company during the period was the management and maintenance of Council owned homes in Wolverhampton. Wolverhampton Homes Limited was established as an Arm's Length Management Organisation in accordance with a Government policy initiative for local authority housing management.

DIRECTORS

The Directors who served the Company during the period were as follows:

Angela Davies
Councillor Lynne Moran
Councillor Paul Singh
Councillor Rita Potter
Councillor Zareena Russell
Derek Allen
Hajrija Dergic
Joy McLaren
Julie Haydon
Linda Middleton (up until 13 July 2020)
Michael Timothy Porter (from 11 August 2020)
Parveen Brigue
Shaun Aldis
Steve Finegan
Victor Browne

DIRECTORS' LIABILITY

The Company has arranged adequate directors' and officers' liability insurance cover for all its directors. Such insurance remains in force at the date of approving the Directors' Report.

DISABLED EMPLOYEES

The Company has been approved by Job Centre Plus as a user of the disability symbol. The Company is committed to employing disabled people and will interview all disabled applicants who meet the minimum criteria for a job vacancy and will consider them on their abilities. If employees become disabled every effort is made to ensure that they stay in employment. There is a mechanism in place to ensure that at least once each year a discussion is held with disabled employees to ensure that they can access appropriate training and learning and development so that they can develop and use their abilities.

EMPLOYEE CONSULTATION

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. This is achieved through regular briefings, team meetings, one to ones, staff communications newsletters, e-bulletins, staff surveys and Chief Executive regular briefings and the Joint Consultative Panel (JCP). This has continued in earnest throughout the Covid-19 pandemic with the use of virtual technology to continue this approach.

ENVIRONMENTAL POLICY

Wolverhampton Homes supports the Council's corporate objective to create a greener city and has adopted the environmental principles of the Council's sustainability charter, relating to local transport systems, neighbourhood environments, management of resources and waste disposal and recycling.

FINANCIAL AND RISK MANAGEMENT

Ensuring the Company continues to have a financially sustainable budget in the medium term – the Company prepares and regularly updates medium term financial plans. These are reported to Senior Management Team and to the Board and are subject to close scrutiny. The medium-term financial plan provides a context for our annual budgeting cycle.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The Directors who were in office on the date of approval of these statements have confirmed, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Directors have confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITOR

A resolution to reappoint Grant Thornton UK LLP, Chartered Accountants as auditor was put to the Board at the Annual General Meeting as part of the current contracting arrangements up to 2022 – 2023 (this includes an option to extend for a further two years beyond that).

By order of the Board

Shaun Aldis
Chief Executive

Wolverhampton Homes Limited
Company Limited by Guarantee
DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF
FINANCIAL STATEMENTS

The Directors are responsible for preparing the Strategic Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements of the Company in accordance with International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union and international accounting standards in conformity with the requirements of the Companies Act 2006.

The financial statements are required by law and IFRS as adopted by the EU to present fairly the financial position and performance of the Company. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company of the Company for that period.

In preparing those financial statements, the Directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. state whether they have been prepared in accordance with International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union and international accounting standards in conformity with the requirements of the Companies Act 2006:
- d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Statement on Internal Control

The Board acknowledges it has ultimate responsibility for ensuring that the Company has in place a system of controls that is appropriate to the business environment in which it operates and for maintaining robust systems of internal control and reviewing their effectiveness.

These controls are designed to give reasonable assurance with respect to:

- The reliability of financial information used within the Company or for publication;
- The maintenance of proper accounting records; and
- The safeguarding of assets against unauthorised use or disposal.

The systems of internal control can only provide reasonable and not absolute assurance against material misstatement or loss. The system of internal control includes the following key elements:

Corporate Governance

The Company has a balanced and formally constituted Board made up of democratically elected members, tenants and independent members. The Board has formally adopted terms of reference and is central to its strategic decision-making processes, meets regularly and receives comprehensive reports on the activities of the Company. The articles of association and the membership of the board was reviewed during 2018-2019 with the shape of the board moving to twelve directors but made up of equal numbers of elected members, tenants and independent members. The shareholder fully endorsed this model. A refresh of the Articles of Association is planned for 2021-2022. The Board is supported by two committees with defined terms of reference covering, Communities and Service Delivery, and Audit and Business Assurance matters. The Board has adopted a programme of development and training and has undertaken a process of evaluation of its own effectiveness through an internal self-assessment exercise which will inform a full skills analysis.

Management Control and Direction

The Company has a suitably qualified and experienced Senior Management Team with clear areas of responsibility. The Senior Management Team of Wolverhampton Homes plays a lead role in the identification, evaluation and control of significant risks facing the organisation and prioritises and directs the focus of effort and attention accordingly.

Arms Length Partnership relationship with the City of Wolverhampton Council

Although the Company operates at arms length from Wolverhampton City Council it is nevertheless subject to an appropriate framework of performance monitoring to ensure it is delivering outputs and results in line with the Management Agreement and annual action plan. The Management Agreement and its associated schedules

were fully updated and agreed by the Board and Full Council of the City of Wolverhampton Council during 2018.

Performance Management and Performance Indicators

The Company produces, monitors and reports performance on a regular basis against a comprehensive suite of performance indicators and information covering all the main activities of Wolverhampton Homes. There is a clear performance management and control framework which involves all staff in agreeing priorities and targets with their line managers. One to ones are held with all staff members on a regular basis, with a minimum of 4 meetings per year. Targets are linked to individual service delivery plans and the overall action plan for the Company to ensure that effort is focused on Company priorities.

Risk Assessment and Periodic Assessment of Priorities

Risk assessment plays an important part in the control framework for the Company. The management of key risks is monitored by the Audit and Service Delivery Committee and the Board. The Company formally reassesses its risks every year and decides on what mitigating actions to take in line with available resources. When necessary during the financial year budget resources are realigned to take account of newly identified risks. The prioritisation of activities and the allocation of resources is set out within the Business Plan and agreed with the Council.

Financial Risks

The financial risks faced by the Company are limited by the fact that the main income stream is stable, as it comes from the Council in the form of a predetermined management fee. The management fee is set every year and a schedule of payments agreed. This is paid against a timetable that coincides with the payment of salaries, wages, and creditor payments by Wolverhampton Homes. This means that cash balances are relatively low, and the scope for financial loss, is limited. The financial systems operated by the Company are robust and well tested.

Since 2014-2015 the Company has banked with the HSBC bank.

Financial Regulations

The Company adopted a set of Financial Regulations and Standing Orders soon after it was incorporated as part of its control framework. These documents are updated periodically and reviewed by the Board. The documents are underpinned by a clearly documented procedure notes that set out how staff should undertake financial transactions.

Management of Budget Pressures

Management has access to financial systems to monitor expenditure against plans and forecasts. The Assistant Director - Corporate Services is responsible for ensuring that financial risks are effectively managed and controlled. Financial reports ensure that the Senior Management Team and the Board are fully informed of key financial issues and variances from budget are investigated and addressed. Monitoring reports are taken to the Board at least twice yearly.

Financial Systems

The Agresso Business World Financial systems used by Wolverhampton Homes are hosted by the City of Wolverhampton Council. These have been subject to internal audit review.

HR and Staff Management

Recruitment and employment policies and procedures ensure that properly qualified and experienced staff are recruited and managed effectively. Post-recruitment policies such as absence management and performance management ensure that effective action is taken to monitor and develop staff performance.

Audit Activity

The activities of the Company are subject to external and internal audit review. The Company operates a Communities and Service Delivery Committee and a separate Audit and Business Assurance Committee. This highlights the importance placed on audit activity within the Company and it ensures an adequate level of focus on internal control. The brief for the Audit and Service Delivery Committee, established in 2020, also scrutinises the outcome of Internal Audits and reviews the Health and Safety audits within the Company. The Committee has a specialist understanding of audit issues within the Company.

The Board and Senior Management Team have reviewed the effectiveness of systems of internal control in existence for the period ended 31 March 2021. No weaknesses were found in the internal controls which to the knowledge of the Board and the Management Team resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements. The Board is satisfied that this remains the case up to the signing of these documents.

Independent auditor's report to the members of Wolverhampton Homes Limited

Opinion

We have audited the financial statements of Wolverhampton Homes Limited (the 'Company') for the year ended 31 March 2021, which comprise the statement of comprehensive income, statement of changes in equity, balance sheet and statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Company 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.

The impact of uncertainties arising from the UK exiting the European Union on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the Company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a Company associated with these particular events.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 16, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company'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 directors either intend to liquidate the Company 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company'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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

William Devitt
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Birmingham

Wolverhampton Homes Limited
Company Limited by Guarantee
STATEMENT OF COMPREHENSIVE INCOME
for the year to 31 March -2021

	<i>Notes</i>	2021 £'000	2020 £'000
REVENUE	3	52,554	50,440
Operating costs	4	(56,080)	(55,559)
(LOSS) FROM OPERATIONS	4	(3,526)	(5,119)
Finance income	5	11	84
Finance costs	5	(887)	(997)
Fair value loss on Investment Property	15	(267)	-
(LOSS) BEFORE TAXATION		(4,669)	(6,032)
Taxation	7	-	16
(LOSS) FOR THE YEAR	13	(4,669)	(6,048)

The (loss) from operations for the year arises from the Company's continuing operations.

The (loss) for the year is entirely attributable to its sole member (note 12).

	<i>Notes</i>	2021 £'000	2020 £'000
(Loss) for the year		(4,669)	(6,048)
OTHER COMPREHENSIVE GAIN, NET OF TAX			
Actuarial (loss) on defined benefit obligations	17	(32,723)	9,659
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE YEAR		(37,392)	(3,611)

The total comprehensive profit/(loss) for the year is entirely attributable to its sole member (note 12).

Wolverhampton Homes Limited
Company Limited by Guarantee
STATEMENT OF CHANGES IN EQUITY
for the year to 31 March 2021

	Retained earnings	Retained earnings
	£'000	£'000
BALANCE AT 1 APRIL 2019		(28,855)
Loss for the year	(6,048)	
Other comprehensive loss, net of tax:		
Actuarial gain on defined benefit obligations	9,659	
	<u> </u>	
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>3,611</u>
BALANCE AT 31 MARCH 2020		(25,244)
Loss for the year	(4,669)	
Other comprehensive loss, net of tax:		
Actuarial loss on defined benefit obligations	(32,723)	
	<u> </u>	
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>(37,392)</u>
BALANCE AT 31 MARCH 2021		<u><u>(62,636)</u></u>

The total comprehensive profit/(loss) for the year is entirely attributable to its sole member (note 12).

Wolverhampton Homes Limited
Company Limited by Guarantee
BALANCE SHEET
31 March 2021

Company Registration No: 5441967

	<i>Notes</i>	2021 £'000	2020 £'000
ASSETS			
FIXED ASSETS			
Investment Properties	15	2,168	-
RIGHT OF USE ASSETS			
Land and Buildings	16	1,694	1,704
Motor Vehicles	16	2,188	681
CURRENT ASSETS			
Trade and other receivables	9	8,397	9,865
Cash and cash equivalents	8	5,060	8,220
		<hr/>	<hr/>
TOTAL ASSETS		19,507	20,469
		<hr/> <hr/>	<hr/> <hr/>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	(7,184)	(8,950)
Lease liabilities	16	(112)	(59)
Current tax liabilities	11	-	(16)
		<hr/>	<hr/>
		(7,296)	(9,025)
NON-CURRENT LIABILITIES			
Lease Liabilities	15	(3,928)	(2,449)
Retirement benefit obligations	17	(70,919)	(34,240)
		<hr/>	<hr/>
TOTAL LIABILITIES		(82,143)	(45,714)
		<hr/>	<hr/>
NET LIABILITIES		(62,636)	(25,244)
		<hr/> <hr/>	<hr/> <hr/>
EQUITY			
Retained earnings	13	(62,636)	(25,244)
		<hr/>	<hr/>
TOTAL EQUITY	13	(62,636)	(25,244)
		<hr/> <hr/>	<hr/> <hr/>

The financial statements on pages 25 to 59 were approved by the Board and authorised for issue on 2021 and are signed on its behalf by:

Director –

Director–

Wolverhampton Homes Limited
Company Limited by Guarantee
STATEMENT OF CASH FLOWS
for the year to 31 March 2021

	<i>Notes</i>	2021 £'000	2020 £'000
OPERATING ACTIVITIES			
Cash utilised by operations	14	(736)	(2,700)
Taxation paid		-	-
		<u> </u>	<u> </u>
NET CASH UTILISED BY OPERATING ACTIVITIES		(736)	(2,700)
INVESTING ACTIVITIES			
Interest received		11	84
Purchase of Investment properties		(2,435)	-
		<u> </u>	<u> </u>
NET CASH FROM INVESTING ACTIVITIES		11	84
NET DECREASE IN CASH AND CASH EQUIVALENTS		(3,160)	(2,616)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		8,220	10,836
		<u> </u>	<u> </u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	14	5,060	8,220
		<u> </u>	<u> </u>

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations as endorsed by the EU (“IFRS”) and the requirements of the Companies Act applicable to companies reporting under IFRS.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below.

REVENUE RECOGNITION

Revenue is recognised when revenue and associated costs can be measured reliably, and future economic benefits are probable. Revenue is measured at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Revenue from services is recognised on a time-apportioned basis by reference to the provision of services set out in the Management Agreement.

Sales of goods are recognised when goods are delivered, and title has passed. Delivery occurs when the products have arrived at the specified location, and the risks and rewards of ownership have been transferred to the customer.

Interest income is accrued on a time-apportioned basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount.

AGENCY ARRANGEMENTS

Income and expenditure is included in the Income Statement where the Company is acting as principal and bears the risks and rewards associated with those arrangements, rather than acting as an agent.

EXCEPTIONAL ITEMS

Exceptional items are those items that in the Directors’ view are required to be separately disclosed by virtue of their size or incidence to enable a full understanding of the Company’s financial performance.

LEASES

IFRS 16 is the Lease Accounting Standard. WH recognise a right-of-use asset and related lease liability in connection with all former operating leases with the exception of those leases with a remaining lease term of less than 12 months from the date of initial application.

Depreciation is applied to right-of-use assets on a straight-line basis from date of transition for existing leases or lease commencement date for leases entered into within the current financial year. Portfolio application is applied to leases with similar characteristics. Vehicle leases of the same length are grouped together, Private Sector Leasing property leases are also grouped together based on year of lease termination. These leases are grouped as they have similar characteristics and the effects of applying the portfolio approach is not considered material to the financial statements.

At commencement the lease liability is initially measured at the present value of the lease payments payable over the lease term. This is discounted at the rate implicit in the lease. Interest rates implicit in Wolverhampton Homes leases is not readily determinable due to a lack of information therefore the green book treasury discount rate of 3.5% has been used.

FIXED ASSETS – INVESTMENT PROPERTIES

Investment properties are included in the Statement of Financial Position initially at cost and subsequently revalued annually to fair value at 31st March by an independent valuer. Any revaluation gain or loss is recorded in the Statement of Comprehensive income.

PENSION CONTRIBUTIONS

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each year end.

Actuarial gains and losses arising are recognised directly in other comprehensive income in the period in which they arise. Past service costs are recognised as an expense on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits have already vested, the cost is recognised immediately in profit or loss.

An asset or liability is recognised equal to the present value of the defined benefit obligation, adjusted for unrecognised past service costs, and reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the lower of the asset, and any unrecognised past service cost plus the present value of available refunds or reductions in future contributions to the plan.

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

Gains and losses on curtailments/settlements are recognised when the curtailment/settlement occurs.

TAXATION

The tax expense represents the sum of the current tax expense and deferred tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from accounting profit as reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction which affects neither the taxable profit nor the accounting profit.

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when the Company has become a party to the contractual provisions of the instrument.

Financial assets

Trade receivables

Trade receivables are classified as receivables and are initially recognised at fair value. They are subsequently measured at their amortised cost using the effective interest method less any provision for impairment. A provision for impairment is made where there is objective evidence, (including customers with financial difficulties or in default on payments), that amounts will not be recovered in accordance with original terms of the agreement. A provision for impairment is established when the carrying value of the receivable exceeds the present value of the future cash flows discounted using the original effective interest rate. The carrying value of the receivable is reduced through the use of an allowance account and any impairment loss is recognised in profit or loss.

Cash and cash equivalents/liquid resources

Cash and cash equivalents comprise cash at bank and in hand and other short-term deposits held by the Company with maturities of less than three months.

Bank overdrafts, where applicable, are presented within current liabilities.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Trade payables

Trade payables are initially recognised at fair value and subsequently at amortised cost using the effective interest method.

ADOPTION OF INTERNATIONAL FINANCIAL REPORTING AND ACCOUNTING STANDARDS

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) as adopted by the European Union.

Standards adopted early by the Company

The Company has adopted amendments to IAS19 Employee Benefits for the year to 31 March 2021.

Standards issued as at 31 March 2021 but not yet adopted

At the date of authorisation of these financial statements the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

New Standards	Effective Date
IFRS 17 Insurance contracts	01 January 2021

1 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.

Critical accounting estimates and assumptions

The Company 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 a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- the assumptions underpinning the pension scheme valuation, see Note 16 for details of the sensitivities on key assumptions;
- the valuation of investment properties could be impacted by market volatility occurring as a response to the Covid pandemic.

Critical areas of judgement

The following are the critical judgements, apart from those involving estimations (see above) that the directors have made in the process of applying the entity's accounting policies and that have a significant effect in the amounts recognised in the financial statements:

- a bad debt provision of £146,000 (2020: £149,000) is included to cover potential non-payment of invoices. This is based on an assessment of outstanding invoices at 31 March 2021. See Note 9.

2 FINANCIAL RISK MANAGEMENT

The Company's Audit and Service Delivery Committee is responsible for reviewing the risk register and for risk management within the Company, including financial risks. The Audit and Service Delivery Committee reports to the Board every six months on risk issues. Risks are also reviewed on a regular basis at section level within Directorates and the key risks identified are kept under review by the Senior Management Team.

Monitoring exposures to financial risks forms a key part of the Company's overall risk management processes. Exposure to financial risks are monitored by the Company's Financial Management Team who are required to produce monthly budget updates that include forecasts of likely expenditure and income levels and the highlighting of key risks and their potential impact on the finances of the Company.

Risk Register reports are provided to the Audit Committee / Board of Directors every quarter. The Risk Register is discussed by the Board every six months to

ensure that the risk mitigation procedures are compliant with the Company policy and that any new risks are appropriately managed.

2 FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk and credit risk

Management's objective is to meet the Company's liabilities as they fall due whilst maintaining sufficient headroom to enable the Board to react to unexpected changes in market conditions. The Company is largely dependent on its largest customer, the Council, which represents over 96.0% (2020: 96.3%) of its total turnover in order to maintain the necessary cash headroom to operate effectively. Payments of management fee are agreed in advance with the Council each year to ensure that there is sufficient money coming in to cover the obligations to pay staff and creditors as payments become due.

The management fees are fixed every twelve months, with the longer-term levels of management fee set indicatively within the Council's HRA business plan. Based on the Government's current housing subsidy levels and forecast future rent income levels the Company can be assured that management fee levels going forward beyond the current year will be consistent with those currently payable. The Company is also assured in the assessment by its Directors that it is a going concern by the fact that its current management agreement runs to 31 March 2028.

The Management fee from the Council is receivable monthly by Wolverhampton Homes Limited. Wolverhampton Homes Limited assesses its cash flow requirements based on its own cash flow modelling and places surplus funds on no-notice deposits. In order to mitigate against the risk of bank default, the Company places funds with highly rated banks, taking account of advice on credit risk from the City Council.

Wolverhampton Homes Limited is exposed to liquidity and credit risk principally in the event that the Council were to experience cash flow difficulties in paying the Company its management charge. Based on the Council's own high credit rating this is assessed to be a very unlikely scenario of low risk.

Credit risk, although assessed as low, arises predominantly from trade receivables (principally the Council).

Whilst the Council is the Company's largest customer, the Company has other customers. Credit exposure is managed on an individual customer basis. Company policy is to assess the credit quality of each customer internally before accepting any terms of trade. Internal procedures take into account the customers' financial position as well as their reputation within the industry and past payment experience. These procedures are applied to trade receivables.

There are no borrowings in place.

2 FINANCIAL RISK MANAGEMENT (continued)

Reserves policy

Wolverhampton Homes has a policy to set a minimum reserve level of 3% of the turnover to manage the risks facing the Company. To put this in context, this would be equivalent to a minimum reserves base level of £1.5 million based on a turnover of £50 million. The key financial risks to the annual budget are assessed as errors in estimating the impact of inflation, errors in estimating revenue budget levels and costs arising from the impact of unplanned events.

Beyond the issue of the need to hold reserves to manage the unforeseen, reserves are also important at the current time in terms of our medium-term financial strategy.

The key medium-term financial issue for the Company at the present time has been managing within the constraints of the freeze to its management fee, which came to an end in April 2020. The Company has been intent on making savings to manage the long term impact of this freeze and minimise its impact on tenants. With this in mind the general reserves have been broken down into three distinct elements:

Contingency element (3% of turnover)	£1.5M
Expenditure not in base budget including invest to save	£4.5M

The contingency element represents a level of reserves as an absolute minimum below which it would not be prudent for the Company to go.

The reserves strategy takes account of allocating funding for one-off expenditure and inflation. In the context of a balanced budget the availability of funds for one off items and to invest to save is particularly important.

2 FINANCIAL RISK MANAGEMENT (continued)

Maturity analysis

The table below analyses the Company's financial liabilities on a contractual gross undiscounted cash flow basis into maturity groupings based on amounts outstanding at the reporting date up to the contractual maturity date.

Liabilities – 2021	Within 6 months £'000	6 months - 1 year £'000	1 to 5 years £'000	Over 5 years £'000	Total £'000
Trade and other payables	7,184	-	-	-	7,184
Lease liabilities	-	112	1,151	2,776	4,039
Current tax liabilities	-	-	-	-	-
	7,184	112	1,151	2,776	11,223

The table below analyses the Company's financial assets held for managing liquidity risk which are considered to be readily saleable or are expected to generate cash inflows to meet cash outflows on financial liabilities.

Assets – 2021	Within 6 months £'000	6 months - 1 year £'000	1 to 5 years £'000	Over 5 years £'000	Total £'000
Cash at bank and on hand	5,060	-	-	-	5,060
Trade and other receivables	8,397	-	-	-	8,397
Leased properties sublet	-	-	770	260	1,030
	13,457	-	770	260	14,487

The Company would normally expect that sufficient cash is generated in the operating cycle to meet the contractual cash flows as disclosed above through effective cash management.

Liabilities – 2020	Within 6 months £'000	6 months - 1 year £'000	1 to 5 years £'000	Over 5 years £'000	Total £'000
Trade and other payables	6,775	-	-	-	6,775
Lease Liabilities	-	883	2,180	427	3,490

Wolverhampton Homes Limited
Company Limited by Guarantee
NOTES TO THE FINANCIAL STATEMENTS
for the year to 31 March 2021

Current tax liabilities	-	-	-	-	-
	6,775	883	2,180	427	10,265

2 FINANCIAL RISK MANAGEMENT (continued)

Assets - 2020	Within 6 months £'000	6 months - 1 year £'000	1 to 5 years £'000	Over 5 years £'000	Total £'000
Cash at bank and on hand	8,220	-	-	-	8,220
Trade and other receivables	9,754	-	-	-	9,754
Leased properties sublet	-	-	422	449	871
	17,974	-	422	449	18,845

The Company would normally expect that sufficient cash is generated in the operating cycle to meet the contractual cash flows as disclosed above through effective cash management.

Interest rate risk

The Company's interest rate risk is limited to the floating rate that it earns on its deposits with its bankers, which broadly tracks base rates, dependent on the amount on the Company's reserve account.

The table below shows the Company's financial assets and liabilities split by those bearing fixed and floating rates and those that are non-interest bearing:

Assets - 2021	Floating rate £'000	Non-interest bearing £'000	Total £'000
Cash and cash equivalents	5,016	44	5,060
Trade and other receivables		8,303	8,303
	5,016	8,347	13,363

	Floating rate £'000	Non-interest bearing £'000	Total £'000
Liabilities - 2021			
Trade and other payables	-	7,184	7,184

2 FINANCIAL RISK MANAGEMENT (continued)

Assets - 2020	Floating rate £'000	Non-interest bearing £'000	Total £'000
Cash and cash equivalents	8,193	27	8,220
Trade and other receivables	-	9,754	9,754
	<u>8,193</u>	<u>9,781</u>	<u>17,974</u>

Liabilities - 2020	Non- interest bearing £'000	Total £'000
Trade and other payables	<u>6,775</u>	<u>6,775</u>

Credit risk

The Company's maximum exposure to credit risk, gross of any collateral held, relating to its financial assets is equivalent to their carrying value as disclosed below. All financial assets have a fair value which is equal to their carrying value.

<i>Maximum exposure to credit risk</i>		2021 £'000	2020 £'000
Trade and other receivables	- Council	7,874	9,103
	- Other	524	651
Cash and cash equivalents	- Bank	<u>5,060</u>	<u>8,220</u>
		<u>13,458</u>	<u>17,974</u>

Capital management

The Company's main objective when managing capital is to ensure that it maintains sufficient capital to ensure that the Council's tenants continue to receive an excellent housing management service from the Company. The level of management fee agreed with the Council annually in respect of the Management Agreement and the Company's level of operating efficiency are the principal determinants of the level of equity that the Company is able to retain. As a Company limited by guarantee, the only equity/capital of the Company is represented by its retained earnings reserves.

2 FINANCIAL RISK MANAGEMENT (continued)

The Company has no debt. The Company does not have any externally imposed capital requirements and has not made any changes to its capital management during the year. Wolverhampton Homes as a not for profit organisation is not driven to make a surplus but for fulfilment of the Company priorities. Following the establishment of the Company as part of the Management Agreement the Company has to provide for all its own risks and costs of inflation risks and unforeseen events and this is important for the future viability of the Company.

3 REVENUE

Sales were made wholly within the United Kingdom and derived from the Company's principal activity of housing management. The Company considers that it derives its revenue from this one segment.

4 (LOSS) FROM OPERATIONS	2021 £'000	2020 £'000
(Loss) from operations is stated after charging:		
Inventories		
- amount charged (to operating costs)	2,893	3,270
Auditor's fees:		
- audit services: Grant Thornton UK LLP	29	28
- taxation: RSM UK Tax and Accounting Limited	4	4
Rentals payable under leases	1,613	1,448
	<u> </u>	<u> </u>
The following table analyses the nature of expenses:		
Staff costs	29,897	29,038
Repairs and maintenance	14,956	15,336
Other housing management costs	5,657	5,292
Corporate	3,354	3,431
Information technology	1,624	1,938
Other	592	524
	<u> </u>	<u> </u>
Total expenditure (excluding finance costs)	56,080	55,559
	<u> </u>	<u> </u>

During the year, the Company impaired certain financial assets classified as loans and receivables. Further details are provided in Note 9. No interest was generated on impaired financial assets in either the current or preceding financial years.

Wolverhampton Homes Limited
Company Limited by Guarantee
NOTES TO THE FINANCIAL STATEMENTS
for the year to 31 March 2021

5	FINANCE INCOME AND COSTS	2021 £'000	2020 £'000
	Other interest receivable	11	84
		<u>11</u>	<u>84</u>
		2021 £'000	2020 £'000
	Pension finance costs	(762)	(912)
	Amortisation of lease liability	(125)	(85)
		<u>(887)</u>	<u>(997)</u>

6	STAFF AND STAFF COSTS	2021 No.	2020 No.
	The average monthly number of persons employed by the Company during the period was:		
	Housing Management	158	160
	Property Services	325	348
	Estates Services	77	81
	Support Services	57	65
	Housing Options	87	71
		<u>704</u>	<u>725</u>

The total number of staff in 2020 includes 9 new apprentices, work placements and trainees.

	2021 £'000	2020 £'000
Wages and salaries	20,964	20,089
Social security costs	2,044	1,908
Other pension costs	6,899	7,041
	<u>29,907</u>	<u>29,038</u>
Total expenditure	<u>29,897</u>	<u>29,038</u>

The remuneration paid to the Directors of the Company (including pension contributions and benefits in kind) for management services was £Nil (2020: £Nil). The total of directors' pension contributions was £Nil (2020: £Nil).

7	TAXATION	2021 £'000	2020 £'000
	ANALYSIS OF CHARGE IN YEAR:		
	Current tax:		
	UK – Current year	-	(16)
		<u> </u>	<u> </u>
	Current tax reconciliation:		
	The tax assessed for the years differs from the standard rate of corporation tax as follows:		
	(Loss) before tax	(4,652)	(6,032)
		<u> </u>	<u> </u>
	Tax at the standard rate of corporation tax 19% (2020: 19%)	(884)	(1,139)
	Effect of non-trading activities with member not subject to corporation tax	884	1,123
		<u> </u>	<u> </u>
		(-)	(16)
		<u> </u>	<u> </u>

The Company is a wholly owned subsidiary of the Council and the majority of income is derived from services provided to the Council. HM Revenue and Customs has confirmed that transactions between ALMOs and their Councils do not amount to trading and, accordingly, any surplus or deficit arising thereon is outside the scope of corporation tax. As a result of this, the effective rate of tax is nil% (2020: 0.02%), which is lower than the standard UK rate of 19 % (2020: 19%).

8 FINANCIAL INSTRUMENTS

2021

Loans and
 receivables
 £'000

Current financial assets

Trade and other receivables (less
 prepayments)

8,303

Cash and cash equivalents

5,060

Total

13,363

2021

Trade and
 other
 payables
 £'000

Current financial liabilities

Trade and other payables

7,184

2020

Loans and
 receivables
 £'000

Current financial assets

Trade and other receivables (less
 prepayments)

9,754

Cash and cash equivalents

8,220

Total

17,974

2020

Trade and
 other
 payables
 £'000

Current financial liabilities

Trade and other payables

6,775

9 TRADE AND OTHER RECEIVABLES

	2021 £'000	2020 £'000
Trade receivables	8,301	9,736
Other receivables	3	19
Prepayments	94	110
	<u>8,398</u>	<u>9,865</u>

The average credit period taken on provision of services is 58 days (2020: 71 days). All trade and other receivables are denominated in sterling.

An impairment review has been undertaken at the year end to assess whether the carrying amount of financial assets is deemed recoverable. The primary credit risk relates to amounts due outside of their credit period. A provision for impairment is made when there is objective evidence of impairment which is usually indicated by a delay in the expected cash flows or non-payment from customers. As at 31 March 2021, £146,000 (2020: £149,000) of trade receivables were impaired in relation to customers who are known to be in financial difficulty and from whom payment was overdue by more than twelve months. No provision for impairment has been made against any amounts due from the Council at 31 March 2021 or 2020.

The following table provides analysis of trade and other receivables (including amounts due from the Council) that were due at 31 March, but not impaired. The Company believes that the balances are ultimately recoverable based on a review of past payment history and the current financial status of the customers.

	2021 £'000	2020 £'000
Up to three months	2,639	7,504
Up to six months	71	23
Between six months and a year	14	18
	<u>2,724</u>	<u>7,545</u>

9 TRADE AND OTHER RECEIVABLES (continued)

The movement in the allowance account was as follows:

	2021 £'000	2020 £'000
Opening balance as at 1 April	149	146
Provision for receivables impairment	(3)	3
	<u>146</u>	<u>149</u>
Closing balance as at 31 March	<u>146</u>	<u>149</u>

10 TRADE AND OTHER PAYABLES

Trade and other payables are as follows:

	2021 £'000	2020 £'000
Accruals and deferred income	3,162	5,511
Other tax and social security	2,209	2,215
Other payables	760	989
	<u>7,184</u>	<u>8,989</u>

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 27 days (2020: 38 days).

The decrease in accruals compared with 2020 is due to the timing of invoicing for service level agreements by the Council for services received in 2021.

All trade and other payables are denominated in sterling.

The directors consider that the carrying amount of trade and other payables approximates to their fair value.

11 CURRENT TAX LIABILITIES

	2021 £'000	2020 £'000
Taxation	-	16
	<u>-</u>	<u>16</u>

12 COMPANY LIMITED BY GUARANTEE

The Company is limited by guarantee, incorporated in the United Kingdom, and is governed by its memorandum and articles of association. The guarantor is its sole member, Wolverhampton City Council, (see note 17) as listed in the Company's Register of Members. The liabilities in respect of the guarantee are set out in the memorandum of association and are limited to £1 per member of the Company.

Wolverhampton Homes Limited
Company Limited by Guarantee
NOTES TO THE FINANCIAL STATEMENTS
for the year to 31 March 2021

13	RESERVES	2021 £'000	2020 £'000
	Retained Earnings		
	1 April	(25,244)	(28,856)
	Retained loss for the year	(4,669)	(6,047)
	Actuarial gain/(loss) (note 16)	(32,723)	9,659
		<u> </u>	<u> </u>
	At 31 March	(62,636)	(25,244)
		<u> </u>	<u> </u>
		2021 £'000	2020 £'000
	Analysed as:		
	Profit and loss reserve (excluding pension liability)	6,092	8,996
	Fixed Asset Reserve	2,191	-
	Pension deficit	(70,919)	(34,240)
		<u> </u>	<u> </u>
		(62,636)	(25,244)
		<u> </u>	<u> </u>
14	CASH FLOWS	2021 £'000	2020 £'000
	Reconciliation of (loss) from operations to net cash generated (utilised by) operating activities		
	(Loss) from operations	(3,526)	(5,119)
	Pension contributions paid in period (note 16)	(3,783)	(3,859)
	Pension contributions charged in the period (note 16)	6,978	6,968
	Decrease/(Increase) in trade and other receivables	1,480	(2,365)
	(Decrease)/Increase in trade and other payables	(1,873)	1,759
	Movement in Fixed assets	(2,435)	-
		<u> </u>	<u> </u>
	Net cash (utilised by) operating activities	(3,160)	(2,616)
		<u> </u>	<u> </u>

14 CASH FLOWS (continued)

For 2020-2021 there were no significant non-cash transactions.

*CASH AND CASH
 EQUIVALENTS*

Cash and cash equivalents
 represent:

	2021 £'000	2020 £'000	2019 £'000
Cash at bank	5,060	8,220	10,836

15 INVESTMENT PROPERTIES

During 2020-2021 the Company purchased 18 investment properties to let at market rent. These were revalued at 31st March

	2021 £'000	2020 £'000
Value at Acquisition	2,435	-
Fair value loss on revaluation	(267)	-
Balance at 31 st March 2021	<u>2,168</u>	-

16 COMMITMENTS
 UNDER LEASES

Right of Use Assets	Land and Buildings £'000	Motor Vehicles £'000	Total £'000
Balance at 1 April 2020	1,704	681	2,385
Depreciation charge for the year	(660)	(251)	(911)
Additions to right of use assets	650	1,758	2,408
Balance at 31 March 2021	1,694	2,188	3,882

Wolverhampton Homes Limited
Company Limited by Guarantee
NOTES TO THE FINANCIAL STATEMENTS
for the year to 31 March 2021

	Land and buildings 2021 £'000	Land and buildings 2020 £'000	Motor Vehicles 2021 £'000	Motor Vehicles 2020 £'000
Total value of lease commitments				
Expiry of lease:				
Within 1 year	65	683	421	200
Between 2 – 5 years	1,059	1,384	1,632	796
After 5 years	657	242	274	185
Total undiscounted lease liabilities at 31 March 2020	1,781	2,309	2,327	1,181
Lease Liabilities included in the statement of financial position at 31 March 2020	1,800	1,698	2,239	810
Current	112	59	-	-
Non-Current	1,688	1,639	2,239	810
	1,800	1,698	2,239	810

Amounts recognised in statements of comprehensive income

	2021 £'000	2020 £'000
Interest on lease liabilities	125	85
Expenses relating to short-term leases	575	643

Amounts recognised in statement of cash flows

	2021 £'000	2020 £'000
Total cash outflow for leases	1,613	1,448

The lease right of use asset and lease liabilities included in the statement of financial position consist of 4 office building leases (2020:4), 81 private sector property leases (2020:54) and 102 vehicle leases (2020:51). The private sector

properties leases are in turn sub-leased by Wolverhampton Homes.

The undiscounted lease liabilities are provided to demonstrate the actual lease expenses payable in year.

17 RETIREMENT BENEFIT OBLIGATIONS

Defined benefit plan

The Company is a scheduled member into the Local Government Pension Scheme. This is a funded defined benefit scheme. Employees are eligible to join the Local Government Pension Scheme subject to certain qualifying criteria. The pension costs that are charged to the Company's accounts in respect of those employees are equal to contributions paid to the fully funded benefit pension scheme.

The agreed employer's contribution rate for 2020-2021 was 19.2% (2019/20: 19.2%) of pensionable earnings. The rate for 2021-2022 will be again be 19.2% - 21.1% plus the equivalent of a reduction of 1.9%, representing deficit funding over recovered. The employees' contribution rate is tiered starting at 5.5% for employees earning below £12,900 and rising to 7.5% for employees earning over £81,101.

The pension contributions made by the Company for the year were £3,783,000 (2020: £3,859,000).

The pension cost is assessed every three years in accordance with the advice of a qualified independent actuary. The date of the last full valuation was 31 March 2019.

At the year-end there were outstanding contributions of £406,000 (2020: £397,000), included within Other Payables in Note 10.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 31 March 2019 for the purposes of the IAS 19 valuation for inclusion in these financial statements by a registered actuary engaged by Barnett Waddingham. The present values of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method.

Key assumptions used:	Valuation at	
	2021	2020
	%	%
Discount rate (used for calculation of future liabilities)	2.00	2.35
Expected rate of salary increases	3.85	2.85
Future pension increases	2.85	1.85
Rate of Consumer Price Index ("CPI")	2.85	1.85

17 RETIREMENT BENEFIT OBLIGATIONS (continued)

Mortality rate assumptions are based on publicly available data in the UK. The average life expectancy for a pensioner retiring at 65 on the reporting date is:

	2021	2020
Male	21.6	21.9
Female	23.9	24.1

The average life expectancy for a pensioner retiring at 65, aged 45 at the reporting date:

Male	23.4	23.8
Female	25.8	26.0

The sensitivity of the overall pension liability to changes in the weighted principal assumptions is:

	Change in assumption	Overall impact on liability
Discount rate	Increase of 0.1%	Decrease of £5,654,000
Pension increases	Increase of 0.1%	Increase of £4,883,000
Members' life expectancy	Increase of 1 year	Increase of £11,634,000

Amounts recognised in profit or loss in respect of these defined benefit schemes are as follows:

	2021	2020
	£'000	£'000
Current service cost	6,717	6,764
Interest cost	4,577	4,780
Administration expenses	115	103
Expected return on scheme assets	(3,815)	(3,868)
Past service cost including curtailments	146	101
	<u>7,740</u>	<u>7,880</u>

These amounts are recognised in operating cost, except for the interest cost and expected return on scheme assets which are recognised in finance income / costs (Note 5).

Actuarial gains and losses are reported in the statement of comprehensive income. The loss recognised in 2021 was £32,723,000 (2020: gain of £9,659,000), and the cumulative loss is £28,931,000 (2020: cumulative profit of £3,778,000).

17 RETIREMENT BENEFIT OBLIGATIONS (continued)

The actual return on scheme assets was £31,275,000 (2020: £6,639,000).

The amounts included in the balance sheet arising from the Company's obligation in respect of defined benefit retirement schemes is as follows:

	2021 £'000	2020 £'000
Fair value of scheme assets	194,173	161,693
Present value of defined benefit obligations	(265,092)	(195,933)
Deficit in scheme	(70,919)	(34,240)

All of the defined benefit plan obligations relate to funded schemes.

Analysis for reporting purposes:

	2021 £'000	2020 £'000
Non-current liabilities	(70,919)	(34,240)

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

	2021 £'000	2020 £'000
At 1 April	195,933	200,512
Current service cost	6,717	6,764
Past service cost including curtailments	146	101
Interest cost	4,577	4,780
Actuarial gains/(losses)	(1,929)	7,661
Change in demographic assumptions	(2,490)	4,546
Change in financial assumptions	64,601	(25,640)
Contributions by plan participants	1,254	1,173
Benefits paid	(3,717)	(3,964)
At 31 March	265,092	195,933

17 RETIREMENT BENEFIT OBLIGATIONS (continued)

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

	2021 £'000	2020 £'000
At 1 April	161,693	160,634
Expected return on scheme assets	3,815	3,868
Actuarial gains/(losses)	27,460	(10,507)
Other actuarial gains	-	6,733
Administration expenses	(115)	(103)
Employer contributions	3,783	3,859
Employee contributions	1,254	1,173
Benefits paid	(3,717)	(3,964)
	<u>194,173</u>	<u>161,693</u>
At 31 March	<u>194,173</u>	<u>161,693</u>

The analysis of the scheme assets and the expected rate of return at the reporting date were as follows:

	Fair value of assets	
	2021 £'000	2020 £'000
Equity Instruments	116,953	92,043
Government Bonds	16,161	18,794
Other Bonds	12,316	6,757
Property	14,570	14,382
Cash/liquidity	9,493	5,803
Other assets	24,680	23,914
	<u>194,173</u>	<u>161,693</u>

17 RETIREMENT BENEFIT OBLIGATIONS (continued)

The five-year history of experience adjustments are as follows:

£'000	2021	2020	2019	2018	2017
Present value of defined benefit obligations	(265,092)	(195,933)	(200,512)	(190,568)	(186,865)
Fair value of scheme assets	194,173	161,693	160,634	152,948	151,164
Deficit in scheme	<u>(70,919)</u>	<u>(34,240)</u>	<u>(39,878)</u>	<u>(37,620)</u>	<u>(35,701)</u>
Experience adjustments on scheme liabilities	-	-	-	-	-
Experience adjustments on scheme assets	-	-	-	-	-

The estimated amount of contributions expected to be paid to the scheme during the financial year ending 31 March 2022 is £3,802,000 (2021: £3,681,000).

18 RELATED PARTY TRANSACTIONS

The Company's parent, ultimate parent and controlling party is Wolverhampton City Council.

Wolverhampton Homes Limited is an Arms Length Management Organisation from the ultimate parent to run the management and maintenance function of the Council's homes and other buildings.

During the year the Company supplied goods and services to Wolverhampton City Council totalling £50,453,000 (2020: £48,094,000) and purchased goods and services from the Council totalling £5,226,000 (2020: £6,724,000).

At 31 March 2021, included in Receivables is a total amount due from the Council of £7,439,000 (2020: £7,890,000) and included in Payables is a total amount due to the Council of £2,443,000 (2020: £3,630,000). The net balance owed to the Company by the Council was £4,997,000 (2020: £4,260,000 owed to the Company by the Council).

The amounts outstanding are unsecured, carry or bear no interest and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

18 RELATED PARTY TRANSACTIONS (continued)

Remuneration of key management personnel

The remuneration of the 21 (2020: 14) senior managers who are the key management personnel of the Company, is set out below in aggregate.

	2021 £'000	2020 £'000
Short-term employee benefits	1,454	911
Post-employment benefits	449	300
	<u>1,903</u>	<u>1,211</u>

Senior managers above include the executive management team and principal managers reporting to that team.

29 Market Street
Wolverhampton
WV1 3AG
01902 552956

Our Ref WH/LoR
Your Ref

Grant Thornton UK LLP
Grant Thornton UK LLP
The Colmore Building
20 Colmore Circus
Birmingham
B4 6AT

03 September 2021

To whom it may concern,

Wolverhampton Homes Limited
Financial Statements for the Year Ended 31 March 2021

This representation letter is provided in connection with the audit of the financial statements of Wolverhampton Homes Limited for the year ended 31 March 2021 for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial Statements

- i We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated 17 February 2020, for the preparation of the financial statements in accordance with International Financial Reporting Standards; in particular the financial statements are fairly presented in accordance therewith.

Chief Executive: Shaun Aldis

Registered Office: Wolverhampton Homes Limited, 29 Market Street,
Wolverhampton WV1 3AG

Wolverhampton Homes Limited, a company controlled by City of Wolverhampton Council
and limited by guarantee, registered in England and Wales no.5441967

- ii We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
- iii The methods, the data and the significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.
- iv Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards.
- v All events subsequent to the date of the financial statements and for which International Financial Reporting Standards require adjustment or disclosure have been adjusted or disclosed.
- vi The financial statements are free of material misstatements, including omissions.
- vii Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards.

Information Provided

- viii We have provided you with:
 - a. access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
 - b. additional information that you have requested from us for the purpose of your audit; and
 - c. unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- ix All transactions have been recorded in the accounting records and are reflected in the financial statements.
- x We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- xi We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - a. management;
 - b. employees who have significant roles in internal control; or
 - c. others where the fraud could have a material effect on the financial statements.

- xii We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.
- xiii We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- xiv We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- xv We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

The financial statements and the above representations were considered and approved by the Board at its meeting on Friday 03 September 2021.

Yours faithfully

Signed on behalf of the board of Wolverhampton Homes Ltd

Shaun Aldis, Chief Executive

Julie Haydon, Director & Company Secretary

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Our Ref WH/LOGC
Your Ref

Grant Thornton UK LLP
Grant Thornton UK LLP
The Colmore Building
20 Colmore Circus
Birmingham
B4 6AT

29 Market Street
Wolverhampton
WV1 3AG
01902 552956

03 September 2021

To whom it may concern,

Wolverhampton Homes Limited
Letter of Going Concern – September 2021

The Company's business activities, together with the factors that are likely to affect its future developments, performance and position are set out within the Business Plan 2019 – 2023 alongside the annual Delivery Plan and Performance Suite.

The Company has a medium term financial plan in place which provides adequate resources to finance invest to save initiatives, along with its day to day operations.

This is based on the arrangements in place with the City of Wolverhampton Council for the delivery of housing management and maintenance services as set out in the Management Agreement.

The cash flow forecasts provide management with assurance that the Company can meet its liabilities as they fall due.

On this basis, the Board of Wolverhampton Homes Limited, approve in their opinion, Wolverhampton Homes Limited has adequate resources to continue in its operational existence for the foreseeable future, being a period of at least 12 months after the date on which the Financial Statements are signed.

Chief Executive: Shaun Aldis

Registered Office: Wolverhampton Homes Limited, 29 Market Street,
Wolverhampton WV1 3AG

For this reason, it continues to adopt the going concern basis in the Financial Statements.

The Company Secretary, the Head of Business Services and the Board are responsible for preparing the Financial Statements Report, and the Financial Statements in accordance with applicable law and regulations.

The Companies Act 2006 and the Housing Act 1996 require the directors to prepare Financial Statements for each financial year. Under that law the directors have elected to prepare the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law, the directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the income and expenditure of the Company for that period. In preparing those Financial Statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Senior Management Team is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time, the financial position of the Company and enable them to ensure the Financial Statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Yours faithfully

Signed on behalf of the board of Wolverhampton Homes Ltd

Angela Davies, Chair: Date: 03 September 2021

Chief Executive: Shaun Aldis

Registered Office: Wolverhampton Homes Limited, 29 Market Street,
Wolverhampton WV1 3AG

Wolverhampton Homes Limited, a company controlled by City of Wolverhampton Council
and limited by guarantee, registered in England and Wales no.5441967

Chief Executive

Shaun Aldis:

Date: 03 September 2021

Assistant Director – Corporate Services & Company Secretary

Julie Haydon:

Date: 03 September 2021

DRAFT

Chief Executive: Shaun Aldis

Registered Office: Wolverhampton Homes Limited, 29 Market Street,
Wolverhampton WV1 3AG

Wolverhampton Homes Limited, a company controlled by City of Wolverhampton Council and limited by guarantee, registered in England and Wales no.5441967



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The Directors
Wolverhampton Homes Limited
29 Market Street
Wolverhampton
WV1 3AG

18 August 2021

Dear Sirs

Wolverhampton Homes Limited

Management Agreement

The current Management Agreement runs to end of 31 March 2028. At present, we have no intention of ending this agreement before that date.

Management fee and similar income

The management fees for the year ended 31 March 2021 payable by the City of Wolverhampton Council to Wolverhampton Homes Limited amounted to £39.8m. Other income earned by Wolverhampton Homes Limited from the City of Wolverhampton Council in respect of the year ended 31 March 2020 was £10.7m.

These fees have been derived in the manner required in accordance with the Management Agreement between the City of Wolverhampton Council and Wolverhampton Homes Limited.

We confirm that the management fee payable under the Management Agreement will be set at an adequate level to enable Wolverhampton Homes Limited to continue to provide the services under the management agreement. The level of the management fee will be arrived at through joint process, taking into account the financial needs of Wolverhampton Homes Limited, the resources adjudged to be available within the Council's Housing Revenue Account and the Council's medium term financial strategy. The management fee approved for 2021-2022 is £39.4m.

Amounts due from/to Wolverhampton City Council

We confirm that as at 31 March 2021, Wolverhampton Homes Limited is owed by the City of Wolverhampton Council a net balance of £4,997,000, comprising an amount due to the City of Wolverhampton Council of £2,443,000 and an amount owed by the City of Wolverhampton Council of £7,439,000.

Confirmation of continuing support

We confirm that we intend to support financially Wolverhampton Homes Limited for at least 12 months from the date of approval of the statutory financial statements for the year ended 31 March 2021 to enable it to meet its liabilities as they fall due.

We undertake to inform you immediately in the event that circumstances change in a manner such that it would or might no longer be open to us to continue to provide such financial support.

Yours faithfully




Claire Nye
Director of Finance
Tel. Office: 01902 550478

[E-mail: Claire.Nye@wolverhampton.gov.uk](mailto:Claire.Nye@wolverhampton.gov.uk)

City of Wolverhampton Council

Board Report

	Agenda Item 9
	03 September 2021 Governance Arrangements and Articles of Association
	AGM Report
Status:	For Decision
Author and job title:	Julie Haydon, Company Secretary
Contact No:	01902 552956
Recommendations:	<p>Board members and the Shareholder are asked to agree the:</p> <ol style="list-style-type: none"> 1. revised Articles of Association at appendix 1 <p>Board members are asked to agree the:</p> <ol style="list-style-type: none"> 2. updated Terms of Reference in line with the Wolverhampton Homes Governance Structure: <ul style="list-style-type: none"> • Board • Audit and Business Assurance Committee • Communities and Service Delivery Committee <p>Board members are asked to note:</p> <ol style="list-style-type: none"> 3. the company's ongoing Governance Arrangements
Key risks and contentious issues:	That the Board and Committees of Wolverhampton Homes are structured to ensure Board Members are able to discharge their leadership responsibilities; make strong and effective strategic decisions; and to hold Senior Management to account for the operational delivery of Wolverhampton Homes business.

	<p>The Board must provide adequate assurance to its shareholder and wider stakeholder groups that it is effective in its operation and able to respond effectively to the anticipated future regulatory framework.</p> <p>It is important that the work of the Company is underpinned by effective governance arrangements and the appropriate framework. The Articles of Association specifically underpin those arrangements.</p>
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Management Summary

1.0 Purpose

- 1.1 Following the implementation in January 2020 of the new Wolverhampton Homes governance structure to provide a strengthened governance framework, the report details the proposed changes to the company's Articles of Association which can be found at appendix 1 for which Board and Shareholder approval is sought.
- 1.2 The Board and Committee are required to undertake an annual refresh of the associated Terms of Reference which underpin the delivery of both the current and future regulatory and statutory framework that Board Members and Wolverhampton Homes work within and these are detailed at appendices 2, 3 and 4.

2.0 Background

- 2.1 Wolverhampton Homes has in place a 4-year Business Plan 2019 - 2023 detailing its key strategic objectives and service delivery priorities. The plan takes account of the primary issues identified within Social Housing White Paper.
- 2.2 The core objectives of the 4-year Business Plan 2019 – 2023 are themed as follows:
 - Enhanced community and customer focus
 - Providing safe and secure homes
 - Supporting people to sustain their tenancies and homes

3.0 Articles of Association

The Articles of Association is the legal statement signed by the company and its shareholder, containing the written rules about the running of the company as agreed by the shareholder, directors and company secretary.

This report provides details of the proposed amendments to the company's Articles of Association that reflect current legislation and best practice and the agreed changes to the membership of the Board.

4.0 Board member rotation

- 4.1 The Articles of Association determine the arrangements for rotation and retirement of Board members.
- 4.2 The role of the Board Chair and Vice Chair, and the Committee Chair(s) and Vice Chair(s) will be formally considered on an annual basis at the Annual General Meeting.
- 4.3 Should there be an in-year Board member resignation, then it is usual practice for the replacement Board member to naturally fill the outgoing member role for both Board and Committee This would be considered on an individual basis should this arise.
- 4.4 Proposed changes to the Articles of Association will see Board member tenure as a fixed term of three years with an option to extend.

5.0 Governance Framework

- 5.1 The Governance Structure comprises of Board, Audit and Business Assurance Committee, and the Communities and Service Delivery Committee.
- 5.2 The programme of Board and Committee meetings will continue to take place throughout the year (each to meet 4 times per year).
- 5.3 Membership of each Committee comprises of 6 Board Members – 2 from each member group and where practicable aligned to areas of particular interest or expertise.
- 5.4 When required, additional confidential matters can be added to any of the above agendas to support the effective and timely decision making needed, across a range of operational work streams.

6.0 Changes to the Articles

- 6.1 The Articles of Association have been reviewed and following appropriate legal advice, have been amended to reflect current legislation and best practice.
- 6.2 A summary of the changes are as follows:
 - 6.2.1. Reference has been removed to permitted payments under the Housing Act 1996 as the Act no longer exists in England.
 - 6.2.2. Reference is retained in relation to the Local Government and Housing Act 1989 which is particularly referred to in Article 7 in relation to what the Company cannot do without Council Member consent. Although certain parts of that have been repealed, there is a note included in a new provision in Article 7(8) that states that the Company shall also not (without Council Member consent) do anything which has a similar effect to the acts described in those specific provisions, and also included specific reference to complying with the CIPFA Prudential Code for Capital Finance in Local Authorities.
 - 6.2.3. References are removed within the Articles, to the memorandum of association. Following the Companies Act 2006, the memorandum became an historic document with no meaningful provisions. Provisions previously contained within the Company's memorandum have been reinserted into the Articles including the Company's objects, powers and provisions on application of income, equal opportunities, limitation of liability and in relation to winding up.
 - 6.2.4. Removed all reference to a specific gender such as "he", "his" or "him" and replaced these with neutral language, and the term "Chairman" has been changed to "Chair".
 - 6.2.5 The provision for the company to hold all meetings electronically is included, and the requirement to provide something "in writing" includes by electronic form and the provision to allow notices to be served to an email address.
 - 6.2.6 An amendment to the provisions to allow for Independent Board Members to be appointed by the Board on any date in accordance with a Board policy for recruitment

and selection of Independent Board Members. Independent Board Members will be appointed for a fixed term of three years, or such shorter term as is set by the Board prior to appointment. The flexibility to use shorter terms will allow the Company to manage and stagger the retirement of Independent Board Members as needed.

- 6.2.7 Appointments can be made as and when vacancies arise.
- 6.2.8 For the Independent Board Members, reference to the 2018 AGM has been removed, along with the retirement by rotation detail. The Articles indicate that Independent Board Members are appointed for a fixed term of office of three years. For those Board Members in office at the adoption of these Articles, their fixed term of office shall be deemed to have started on the date of the AGM at which they were appointed.
- 6.2.9 In relation to the appointment of Tenant Board Members, the Articles now state that the Board shall arrange a nomination process amongst the Tenants for candidates to be put forward, and the Board shall then make the formal appointment. This is unless the number of candidates is less than the number of vacancies in which case those individuals will be deemed to have been appointed, which is the case now. As with the Independent Board Members, Tenant Board Members will be appointed for a fixed term of three years or such shorter term as the Board determines. This will allow the company to stagger retirements as needed.
- 6.2.10 The appointment of Tenant Board Members will no longer take place at the AGM and will take place instead on any given date as and when vacancies arise. There is no need to wait until each AGM to have new Tenant Board Members formally appointed.
- 6.2.11 Retiring Independent and Tenant Board Members can be reappointed for further terms of office. The Standing Orders will determine the ultimate long stop date at which Board members should retire which is six years.
- 6.2.12 On the basis of the current board members numbers, and to provide for a more workable and safer quorum, the quorum provision for Board meetings is one third, with a requirement that this includes at least one of each category of Board Member.
- 6.2.13 The reference to the words "extraordinary general meeting" has been removed since this term is not generally used in company law. Instead all meetings are simply called "general meetings" and are called and held in the same way. The Company will hold an AGM in every year.
- 6.2.14 Other provisions that reflect current company law and practice have also been amended.

7.0 Standing Orders

- 7.1 The company's Standing Orders will be revised and updated in line with the approved Articles of Association and will be presented to Board for approval in December 2021.

8.0 Financial Regulations

8.1 The company's Financial Regulations will be revised and updated in line with the approved Articles of Association and will be presented to Board for approval in December 2021.

9.0 Financial and value for money implications

9.1 There are no proposals within this report that have immediate financial implications.

10.0 Legal and regulatory implications

10.1 The governance framework underpins the Articles of Association ensuring that the Board of Wolverhampton Homes operates within the Companies governance requirements and meets its legal obligations.

11.0 Human resources implications

11.1 There are no immediate implications within this report.

12.0 Health and safety implications

12.1 There are no immediate Health and Safety implications as a result of this report, however, Board Members have significant responsibilities for Health and Safety for Wolverhampton Homes as an employer, and through the operational delivery of services.

13.0 Equalities implications

13.1 Has an equality impact assessment been carried out? **No**

13.2 Explanation: Not applicable, in the context of the report, but will be applied to any Board recruitment or development programmes.

14.0 Impact on the environment and community

14.1 Effective Governance of the company ensures a framework is in place to make decision that will impact positively on the environment and community.

15.0 Long term consequences for the company

15.1 The Articles of Association enable a planned and consistent approach to ensuring business decisions are presented and considered appropriately and in a timely manner by the relevant Board or Committee.

15.2 This supports the changing operating and regulatory environment enabling WH to continue to support the City of Wolverhampton Council, in the delivery of its strategic aims under the management agreement.

15.3 The company is required to respond to any changes in the regulatory framework and this will strengthen the involvement of our customers which will provide valuable insight as to how services are delivered.

16.0 Impact on business relationships with suppliers, customers and other

16.1 Good governance will ensure Wolverhampton Homes is continuing to comply with the management agreement with the City of Wolverhampton Council in fulfilling its governance and business requirements.

17.0 Impact of Covid-19

17.1 Due to the impact of the Covid-19 pandemic, it has been agreed through governance arrangements to retain the current Chair and Vice Chair for consistency and continuity purposes with a view to adopting the requirements of the Articles of Association in relation to retirement.

18.0 Impact on Wolverhampton Homes' Management System

18.1 Will any new policy or policy updates have an impact on the management system? **Yes**

18.2 If yes and approved by board members, update to go on the management system by:

Date: Subject to Shareholder approval at the Annual General Meeting in September 2021.

Officer responsible: Nicky Devey, Head of Business Services

19.0 Appendices

19.1 Appendix 1: Proposed Articles of Association

19.2 Appendix 2: Wolverhampton Homes Board Terms of Reference

19.3 Appendix 3: Wolverhampton Homes Communities and Service Delivery Committee Terms of Reference

19.4 Appendix 4: Wolverhampton Homes Audit and Business Assurance Committee Terms of Reference

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THE COMPANIES ACT 2006

COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL

PROPOSED ARTICLES OF
ASSOCIATION

-of-

WOLVERHAMPTON HOMES LIMITED

DEFINITIONS AND INTERPRETATION

1. In the Articles unless the context otherwise requires:

"the 1989 Act"	Means the Local Government and Housing Act 1989 as amended or re-enacted from time to time.
"the Act"	Means the Companies Act 2006 and any statutory modification or re-enactment thereof for the time being in force.
"the Articles"	Means these Articles of Association as originally adopted or as altered from time to time.
"Board"	Means the Board of Directors of the Organisation from time to time
"Board Members"	Means the directors for the time being of the Organisation.
"Chair"	Means the Chair of the Organisation appointed pursuant to Article 37(1) or in their absence any vice or deputy chair appointed pursuant to Article 37(3).
"clear days"	In relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect.
"Co-optees"	Means a person appointed by the Board pursuant to Article 33(1) or 33(2) to serve on the Board or on a Committee

	respectively.
“Committee”	Means a committee established by the Board pursuant to Article 28(1).
“Committee Member”	Means a person appointed by the Board to serve on the Committee
“Council Board Member”	Means a Board Member appointed by the Council Member pursuant to Article 20
“Council Member”	Means Wolverhampton City Council or any successor body thereto who shall be the sole member of the Organisation.
"electronic form"	Has the meaning given in section 1168 of the Act.
“executed”	Means in relation to any contract, agreement, or other document consent thereto and includes any mode of execution.
“Independent Board Member”	Means a Board Member appointed pursuant to Article 22.
“Local Authority Person”	Means any person: who is a member of the Council Member; or who is an officer of the Council Member (which for these purposes shall not include employees with non-managerial posts apart from housing employees).
“Office”	Means the registered office of the Organisation.
"Order"	Means the Local Authorities (Companies) Order 1995 as amended or re-enacted from time to time
“the seal”	Means the common seal of the Organisation.
“Secretary”	Means the secretary of the Organisation or any other person appointed to perform the duties of the secretary of the Organisation, including a joint, assistant or deputy secretary.
“Tenant”	Means an individual who holds a secure tenancy or lease of a residential property from and occupies a property belonging to the Council Member managed by the organisation.
“Tenant Board Member”	Means a tenant appointed as a Board Member pursuant to Article 21.
“Tenants Federation”	Means Wolverhampton Federation of Tenants Associations or any successor body thereto or such other body as the Board shall from time to time resolve to be representative of the tenants of Wolverhampton City Council whose dwellings are managed by the Organisation.

"the United Kingdom"	Means Great Britain and Northern Ireland.
"writing"	Means the representation or reproduction of words, symbols, or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

2. (1) Unless the context otherwise requires, words or expressions contained in these regulations bear the same meaning as in the Act but excluding any statutory modification thereof not in force when these regulations become binding on the Organisation.
- (2) In these Articles words importing individuals shall, unless the context otherwise require, include corporations and words importing the singular number shall include the plural, and vice versa and words importing the masculine gender shall include the feminine gender.

NAME

3. The name of the company is Wolverhampton Homes Limited ("the Organisation").

REGISTERED OFFICE

4. The Organisation's registered office is to be located in England.

OBJECTS

5. The Objects of the Organisation shall be in the areas where Wolverhampton City Council owns or manages housing stock to:
 - (1) provide, manage, maintain, improve, demolish or convert the housing stock owned or managed by Wolverhampton City Council or other organisations from time to time together with any other amenities or facilities for the benefit of residents of such housing stock either exclusively or together with persons who are not residents of such housing stock;
 - (2) provide amenities and services of any description for residents of housing stock owned or managed by Wolverhampton City Council or other organisations from time to time either exclusively or together with persons who are not residents of such housing stock;
 - (3) provide advice and assistance to all tenants, leaseholders, and licensees, of Wolverhampton City Council, other organisations and applicants for housing and applicants for housing advice in respect of local authority housing;
 - (4) carry out any activity which contributes to the regeneration or development in the area of Wolverhampton and other areas including but not limited to:
 - securing that land and buildings are brought into effective use;

- contributing to or encouraging economic development;
- creating an attractive and safe environment;
- preventing crime or reducing the fear of crime;
- providing or improving housing or social and recreational facilities for the purpose of encouraging people to live or work in the said area or for the purpose of benefiting people who live there;
- providing employment for local people;
- providing or improving training, educational facilities or health services for local people;
- assisting local people to make use of opportunities for education, training or employment;
- meeting the special needs of local people.
- provide, construct, improve or manage housing to be kept available for letting or hostels;
- provide, manage, maintain or improve accommodation required from time to time for the benefit of persons who require temporary accommodation;
- provide services of any description for Wolverhampton City Council;
- assess applicants for housing assistance;
- assess applications by residents of housing stock owned or managed by Wolverhampton City Council or others, to exercise the right to buy;
- enabling or assisting any residents of the housing stock owned or managed by either Wolverhampton Council, the Organisation or others to acquire, or to acquire and enter into occupation of, houses.

POWERS

5. Subject to Article 7 the Organisation shall have power to do anything a natural or corporate person can lawfully do which is necessary or expedient in furtherance of its objects unless prohibited by these Articles.
6. Subject to Article 7 and without limiting the powers described in Article 5 the Organisation shall have power to:
 - (1) carry out works to land, buildings or other property;
 - (2) contract with the Council Member in furtherance of its objects
 - (3) subject to the prior written consent of the Council Member and to such consents as may be required by law to borrow money, issue loan stock or raise money in such manner as the Organisation shall think fit and to secure repayment of any money borrowed raised or owing by such security as the Organisation shall see fit (including by way of floating charge) upon the whole or any part of the Organisation's property or assets (whether present or future) and also by giving similar security to secure and guarantee the performance by the Organisation or any obligation or liability it may undertake or which may become binding on it
 - (4) insure and arrange insurance cover for the Organisation from and against all

such risks as the Board may think fit and to pay any premium in respect of such insurance;

- (5) insure and arrange insurance cover for and to indemnify its employees and voluntary workers and the Council Member from and against all such risks incurred in the proper performance of their duties as it shall consider appropriate and to pay any premium in relation to indemnity insurance in respect of liabilities of its Board Members or any of them which would otherwise attach to them in respect of any negligence, default, breach of duty or breach of trust of which they may be guilty in respect of the Organisation PROVIDED THAT such insurance shall not extend to any liability in respect of an act or omission which such Board Member or Board Members knew or ought reasonably to have known was a breach of duty or trust or which was committed by such Board Member or Board Members recklessly without due regard as to whether such act or omission might be a breach of duty or trust;
- (6) invest any monies of the Organisation not immediately required for the furtherance of its objects as it determines and as permitted by law;
- (7) utilise any profits made by the Organisation for the benefit of the Organisation and the furtherance of its objects;
- (8) subject to such consents as may be required by law and compliance with all formal guidance issued by the Organisation's regulators (if any) to purchase or otherwise acquire or to encourage or promote and in any way support or aid the establishment and development of any subsidiary, or any other body established for the purposes of carrying on any trade or business either for the purpose of raising funds for the Organisation or for the furtherance of the objects of the Organisation;
- (9) subject to the prior written consent of the Council Member (which may be given generally or specifically), make donations, grants or loans or provide services or assistance to such persons and Organisations and on such terms as the Organisation shall think fit to further the objects of the Organisation;

PROVIDED THAT in case the Organisation shall take or hold any property which may be subject to any trusts, the Organisation shall only deal with or invest the same in such manner as allowed by law, having regard to such trusts.

7. The Organisation shall not, without the prior written consent of the Council Member, have the power to:
 - (1) receive a sum which, if it were a local authority, would be a capital receipt;
 - (2) receive consideration to which, if it were a local authority, Section 61 of the 1989 Act would apply;
 - (3) receive a sum by way of grant from a European Union institution to which if it were a local authority, Section 63(4) of the 1989 Act would apply;
 - (4) enter into a credit transaction (as defined by Article 12(2) of the Order);
 - (5) with respect to a credit transaction agree to a variation of terms which, if it were a local authority, would be a variation within the meaning of Section 51(1) of

the 1989 Act;

- (6) incur additional liabilities within the meaning of Article 16 of the Order; or
- (7) reduce its liabilities within the meaning of Article 16 of the Order.
- (8) cause the same or similar effect under the provisions of the Local Government Act 2003 and regulations thereunder to the extent that the said Act replaces the provisions rehearsed in sub-clauses (1)–(7) above and in particular the Organisation shall not do any act or thing which does or might cause the Council Member to be in breach of the CIPFA Prudential Code for Capital Finance in Local Authorities.

8. APPLICATION OF INCOME AND PROPERTY

The income and property of the Organisation shall be applied solely towards the promotion of its objects as set forth in these Articles and no portion thereof shall be paid or transferred, directly or indirectly, save as provided below by way of dividend, bonus or otherwise howsoever by way of profit, to the Council Member and no Board Member shall be appointed to any office of the Organisation paid by salary or fees or receive any remuneration or other benefit but this shall not prevent the payment (subject to Article 30):

- (1) of reasonable and proper remuneration (including pensions, contributory pension payments, payment of premiums to pension policies and terminal grants and gratuities) to any officer or employee of the Organisation in return for any services rendered to the Organisation;
- (2) of fees, remuneration or other benefit in money or money's worth to a company of which a Board Member may be a member holding not more than 2% of the share capital of the company;
- (3) to any Board Member of reasonable remuneration and/or out of pocket expenses and such other sums as may be determined by the Council Member PROVIDED THAT no sum shall be paid to a Board Member who is an elected member of the Council Member in excess of that permitted by the Order;
- (4) of reasonable and proper remuneration to the Council Member, or employees thereof (not being Board Members) in return for any services rendered to the Organisation;
- (5) of reasonable and proper rent for premises demised or let by the Council Member;
- (6) of reasonable and proper interest on money lent by the Council Member

PROVIDED FURTHER THAT nothing shall prevent the Organisation from managing a property in accordance with its objects (including the full range of activities it may undertake) notwithstanding the fact that the tenant, lessee or licensee (or prospective tenant, lessee or licensee) of such property may be a Board Member SUBJECT TO the proviso that any Board Member who is a beneficiary of the Organisation shall not be entitled to speak in any debate or cast his/her vote in respect of any matter relating solely to the property of which they are

lessee, tenant or licensee and shall absent themselves from such proceedings but such Board Member shall be entitled to speak and vote in respect of matters which relate not only to such property but also to other properties managed by the Organisation.

5. EQUAL OPPORTUNITIES

The Organisation shall ensure that it does not discriminate against any person or other organisation on the grounds of sex, race, colour, nationality, ethnic or national origin, disability, marital status, sexual orientation, responsibility for dependants, age, trade union or political activities, religion/beliefs or any other reason which cannot be shown to be justified.

6. LIMITED LIABILITY

The liability of the Council Member is limited.

7. MEMBERS GUARANTEE

The Council Member undertakes to contribute to the assets of the Organisation, in the event of the same being wound up while they are a member of the Organisation, or within one year after they cease to be a member of the Organisation, for payment of the debts and liabilities of the Organisation contracted before they cease to be a member of the Organisation, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding one pound.

8. WINDING UP

If, upon the winding up or dissolution of the Organisation, there remains, after the satisfaction of all its debts and liabilities any property whatsoever, the same shall be paid or transferred to the Housing Revenue Account (as defined in the 1989 Act) or the General Fund of the Council Member as appropriate.

ADMISSIONS OF MEMBERS

9. No person other than the Council Member shall be admitted to membership of the Organisation.

10. The Council Member shall nominate a person to act as its representative and shall notify the Organisation of that nomination. Such representative shall have the right on behalf of the Council Member to attend meetings of the Organisation and vote thereat, and generally exercise all rights of membership on behalf of the Council Member. The Council Member may from time to time revoke the nomination of such representative and nominate another representative in their place. All such nominations and revocations shall be in writing.

11. The rights of the Council Member shall be personal and shall not be transferable.

GENERAL MEETINGS AND RESOLUTIONS

12. The Organisation shall hold a general meeting called the Annual General Meeting in every year.

13. The Board Members may call general meetings and, on the requisition of the Council Member pursuant to the provisions of the Act, shall forthwith proceed to convene a general meeting for a date not later than eight weeks after receipt of the requisition. If there are not within the United Kingdom sufficient Board Members to call a general meeting, any Board Member or the Council Member may call a general meeting.
14. A general meeting not called on the requisition of the Council Member pursuant to Article 13 shall be called by at least twenty-one clear days' notice or by shorter notice if it is so agreed by the Council Member.
 - (2) The notice shall specify the time and place of the meeting and, in the case of an Annual General Meeting, shall specify the meeting as such.
 - (3) The notice shall be given to the Council Member and to the Board Members and auditors.
15. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.
16. No business shall be transacted at any general meeting unless a quorum is present. The presence of the Council Member shall be a quorum. Meetings can take place in any manner and through any medium which permits those attending to hear and comment on the proceedings. Any person who attends in this manner will be deemed to be present at the meeting.
17. If the Council Member makes a decision which is required to be taken in a general meeting or by means of a written resolution, that decision shall be valid and effectual as if agreed by the Organisation in general meeting. Any decision taken by the Council Member pursuant to this Article 17 shall be recorded in writing and delivered by the Council Member to the Organisation for entry in the Organisation's minute book.
18. An entry stating that a resolution has been carried or lost in the minutes of any meeting shall be conclusive evidence of the fact.

NUMBER OF BOARD MEMBERS

19. (1) The number of Board Members shall be twelve.
 - (2) Four Board Members shall be Council Board Members.
 - (3) Four Board Members shall be Tenant Board Members.
 - (4) Four Board Members shall be Independent Board Members.

- (5) In the event that the number of Board Members shall be less than the numbers specified in this Article 19 the remaining Board Members shall use reasonable endeavours to appoint further Board Members and may act notwithstanding this Article.

APPOINTMENT OF COUNCIL BOARD MEMBERS BY THE COUNCIL MEMBER

20. (1) Subject to Article 19 the Council Member shall from time to time appoint four persons as Council Board Members and shall have the power to remove from office any such Council Board Member.
- (2) Appointment or removal pursuant to Article 20(1) shall be effected by an instrument in writing signed by the Council Member and shall take effect upon lodgement at the registered office of the Organisation or such date later than such lodgement as may be specified in the instrument.
- (3) Notwithstanding any other provisions in these Articles the Council Member shall have power at any time by notice in writing to the Secretary to appoint and remove any Board Member.

APPOINTMENT OF TENANT BOARD MEMBERS

21. (1) Prior to the appointment of a Tenant Board Member direct or indirect elections shall be held among the Tenants for appointment to that post(s). Only Tenants shall be eligible to be appointed as Tenant Board Members but otherwise the mode and manner of such elections shall be as the Board may from time to time agree subject at all times to compliance with Article 19.
- (2) The Board shall then make the appointment of Tenant Board Members from amongst those persons elected by the Tenants, but where the number of candidates standing for election is equal to or less than the number of Tenant Board Member vacancies, those candidates will be deemed to be appointed.
- (3) No employee or officer of the Organisation is eligible to be appointed as a Tenant Board Member.
- (4) Tenant Board Members shall be appointed by the Board for a fixed term of office of three years or such shorter term of office as is agreed by the Board but may be reappointed at the end of the fixed term.
- (5) Prior to the adoption of these Articles, appointments of Tenants Board Members were made at the Annual General Meeting. In respect of persons who are Tenant Board Members at the date that these Articles are adopted, for the purposes of Article 21(4), their fixed term of office shall be deemed

to have started on the date of the Annual General Meeting at which they were last appointed.

APPOINTMENT OF INDEPENDENT BOARD MEMBERS

22. (1) Independent Board Members will be appointed by the Board in accordance with a policy relating to the recruitment and selection of Board Members agreed between the Organisation and the Council Member from time to time.
- (2) Independent Board Members shall be appointed by the Board for a fixed term of office of three years or such shorter term of office as is agreed by the Board but may be reappointed.
- (3) Prior to the adoption of these Articles, appointments of Independent Board Members were made at the Annual General Meeting. In respect of persons who are Independent Board Members at the date that these Articles are adopted, for the purposes of Article 22(2), their fixed term of office shall be deemed to have started on the date of the Annual General Meeting at which they were last appointed.
- (4) No person who is either a Tenant, member of a Tenant Management Organisation, employee or officer of the Organisation or a Local Authority Person shall be appointed as an Independent Board Member.

CASUAL VACANCIES

23. Subject to Article 19 (and as set out below) the Board may appoint a person who is willing to act to be a Council Board Member to fill a vacancy but only where the Council Member shall have failed within three months of a written request by the Organisation to make the appropriate appointments pursuant to Article 20(1).

DISQUALIFICATION AND REMOVAL OF BOARD MEMBERS

24. A person shall be ineligible for appointment to the Board and if already appointed shall immediately cease to be a Board Member if the relevant individual: -
- (1) ceases to be a Board Member by virtue of any provision of the Act or becomes prohibited by law from being a company director; or
- (2) is or becomes a person disqualified from elected membership of a local authority; or
- (3) becomes bankrupt or makes any arrangement or composition with their creditors generally; or

- (4) is being treated by a relevant medical practitioner who gives a written opinion to the Organisation stating that the individual has become physically or mentally incapable of acting as a director and may remain so for more than three months;
- (5) resigns their office by notice to the Organisation; or
- (6) is removed from office by a resolution (or written notice signed by) at least three quarters of all the other Board Members from time to time; or
- (7) shall for more than three consecutive Board meetings have been absent without permission of the Board from meetings of the Board held during that period and the Board resolves that their office be vacated; or
- (8) in any period of twelve months, they shall have been absent (without the permission of the Board Members) from at least 60% of the meetings of Board Members held during that period and the Board Members resolve that their office be vacated; or
- (9) in the case of a Tenant Board Member they ceases to be a Tenant PROVIDED THAT this Article 24(9) shall not apply in respect of a Tenant Board Member temporarily ceasing to be a Tenant as a result of the demolition of or works carried out to that Tenant Board Member's home; or
- (10) is a Tenant Board Member and is (in the reasonable opinion of a majority of Board Members) in serious breach of their obligations as a Tenant; or
- (11) is a Council Board Member and is or becomes a Tenant leading to a breach of the limit in Article 19(5); or
- (12) is a Tenant Board Member and is or becomes a Local Authority Person leading to a breach of the limit in Article 19(6); or
- (13) is an Independent Board Member and is or becomes a Tenant or a Local Authority Person; or
- (14) is an Independent Board Member or a Tenant Board Member and is or becomes an employee or officer of the Organisation; or
- (15) is a Tenant Board Member whose place of residence is or becomes part of an area managed by a Tenant Management Organisation;
- (16) is removed by resolution of the Council Member pursuant to Article 20(3); or

POWERS OF THE BOARD

25. Subject to the provisions of the Act, directions of the Council Member in general meeting and the Articles, the business of the Organisation shall be managed by

the Board who may exercise all the powers of the Organisation. No alteration of the Articles or directions of the Council Member shall invalidate any prior act of the Board which would have been valid if that alteration had not been made. The powers given by this Article shall not be limited by any special power given to the Board by the Articles and a meeting of the Board at which a quorum is present may exercise all powers exercisable by the Board.

26. The Board may, by power of attorney or otherwise, appoint any person to be the agent of the Organisation for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of their powers.

BORROWING POWERS

27. The Board may exercise all the powers of the Organisation to borrow money without limit as to amount and upon such terms and in such manner as they think fit, and to grant any mortgage, charge or other security over its undertaking and property, or any part thereof, and to issue any debenture, whether outright or as security for any debt, liability or obligation of the Organisation or of any third party.

DELEGATION OF BOARD MEMBERS' POWERS

28. (1) The Board may delegate any of their powers to any Committee consisting of three or more Board Members together with such other persons as the Board sees fit (but so that Board Members shall constitute a majority).
- (2) The Quorum for a Committee shall be three Board Members comprising no fewer than one Tenant Board Member, one Independent Board Member and one Council Board Member). Article 24(7) and 24(8) shall apply and have the same effect on Committee Members as it does on Board Members.
- (3) The proceedings of a Committee shall be governed by the Articles regulating the proceedings of the Board, so far as they are capable of applying.
- (4) The Board may also delegate to the Chair or any vice or deputy Chair or to any executive officer such of their powers as they consider desirable to be exercised by them. Any such delegation may be made subject to any conditions the Board may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered.

ALTERNATE BOARD MEMBERS

29. No Board Member shall be entitled to appoint any person as an alternate Board Member.

BOARD MEMBERS' EXPENSES AND RENUMERATION

30. (1) The Board Members may be paid all travelling, hotel, and other expenses

reasonably and properly incurred by them in connection with their attendance at meetings of the Board or Committees or general meetings or otherwise in connection with the discharge of their duties and such other sums as may be determined by the Council Member PROVIDED THAT no sum shall be paid to a Board Member who is an elected member of the Council Member in excess of that permitted by the Order.

- (2) Board Members may be paid remuneration as may be determined by the Council Member PROVIDED THAT no sum is paid to a Council Member in excess of that permitted by the Order.

BOARD MEMBERS' APPOINTMENTS AND INTERESTS

31. Board Members may not have any financial interest personally or as a member of a firm or as a director or senior employee (being an employee with managerial status) or in any contract or other transaction of the Organisation unless it is permitted by these Articles.
32. Each Board Member shall ensure that the Secretary has at all times an up to date list of: -
 - (1) all bodies trading in which they have an interest as:
 - (a) a director or senior employee,
 - (b) a member of a firm,
 - (c) the owner or controller of more than 2% of the issued share capital in a company,
 - (2) all interests as an official or elected member of any statutory body;
 - (3) all interests as the occupier of any property owned or managed by the Organisation;
 - (4) any other significant or material interest.

PROCEEDINGS OF BOARD MEETINGS

33. (1) Subject to any regulations established from time to time by the Organisation in general meeting and compliance with Section 10(1) of the Order the Board may regulate their proceedings as they think fit and the quorum for the transaction of the business of the Board at the time when the meeting proceeds to business shall be one third of the total number of Board Members (rounded up) comprising no fewer than one Tenant Board Member, one Independent Board Member, and one Council Board Member present in person or by proxy PROVIDED THAT if the number of Board Members in one or more category of Board Member falls below one then

the quorum requirement shall be reduced to none in respect of such category or categories.

- (2) Meetings can take place in any manner and through any medium which permits those attending to hear and comment on the proceedings. Any person who attends in this manner will be deemed to be present at the meeting whether or not all are assembled in one place.
 - (3) $33\frac{1}{3}$ per cent of the total number of Board Members (or such whole number of Board members nears to $33\frac{1}{3}$ per cent) may call a meeting of the Board. It shall not be necessary to give notice of a meeting to a Board Member who is absent from the United Kingdom.
 - (4) In exceptional circumstances a Board Member may be part of the quorum at a board meeting if he/she can hear, comment and vote on the proceedings through telephone, video conferencing or other communications equipment. In such circumstances, the Chair must give approval to proceed with the board meeting.
 - (5) If a quorum is not present within half an hour from the time appointed for a Board Meeting the Board Meeting shall, if requested by a majority of those Board Members present, be adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Board Members present may determine.
 - (6) If the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, then notwithstanding Article 33(1) the Board Members present shall constitute a quorum.
34. Questions arising at a Board Meeting shall be decided by a majority of votes and each Board Member present in person shall be entitled to one vote. In the case of an equality of votes, the Chair shall have a second or casting vote.
35. (1) Any Board Member having an interest in any arrangement between the Organisation and another person or body shall disclose that interest to the meeting before the matter is discussed by the Board or Committee. Unless the interest is of the type specified in Articles 35(2) or 35(3) the Board Member concerned shall not remain present during the discussion of that item unless requested to do so by the remaining members of the Board or Committee. Unless permitted by Articles 35(2) or 34(3) the Board Member concerned may not vote on the matter in question, but no decision of the Board or any committee of the Board shall be invalidated by the subsequent discovery of an interest which should have been declared.
- (2) Provided the interest has been properly disclosed pursuant to Article 35(1) a Board Member may remain present during the discussion and may vote on the matter under discussion where the interest arises because:

- (a) the Board Member is a Tenant so long as the matter in questions affects all or a substantial group of Tenants; or
 - (b) the Board Member is a director or other officer of a company or body which is a parent, subsidiary, or associate of the Organisation; or
 - (c) the Board Member is an official or elected member of any statutory body.
- (3) A Board Member shall not be treated as having an interest:
 - (a) of which the Board Member has no knowledge and of which it is unreasonable to expect them to have knowledge;
 - (b) in the establishment of a policy in respect of Board Member expenses payable pursuant to Article 30.
- 36. If a question arises at a meeting of the Board or of a Committee as to the right of a Board Member to vote, the question may, before the conclusion of the meeting, be referred to the chair of the meeting and their ruling in relation to any Board Member other than them self shall be final and conclusive.
- 37. (1) At the first Board Meeting following each annual general meeting the Board Members shall appoint one of their number to be the chair of the Board to hold office until the next annual general meeting and may at any time remove them from that office.
 - (2) Unless they are unwilling to do so, the Board Member so appointed shall preside at every meeting of the Board at which they are present. But if there is no Board Member holding that office, or if the Board Member holding it is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the Board Members present may appoint one of their number to be chair of the meeting.
 - (3) The Board may appoint a vice or deputy chair to act in the absence of the Chair on such terms as the Board shall think fit.
- 38. All acts done by a meeting of the Board, or of a Committee or by a person acting as a Board Member shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any Board Member or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Board Member and had been entitled to vote.

CO-OPTEES

- 39. (1) The Board may from time to time appoint one Co-optee to the Board who is not a Tenant. Such appointment shall be on whatever terms the Board may

from time to time decide.

- (2) The Board may from time to time also appoint one Co-optee to serve on a Committee. The Co-optee may be a Tenant. Such appointment shall be on whatever the terms the Board may from time to time decide.
- (3) The Board may at any time revoke any co-option made pursuant to either Article 39(1) or 39(2).
- (4) Co-optees appointed under Articles 39(1) and 39(2) shall not be treated as Board Members in any respect. They will not count towards the quorum requirements set out in Article 28, nor will they be entitled to vote on any matter.
- (5) Notwithstanding the above, Co-optees shall be required to accept any code of conduct applicable to Board Members from time to time.

WRITTEN RESOLUTION

40. A resolution in writing signed (including by electronic signature) by:

- (1) three quarters of all the Board Members entitled to receive notice of a meeting of the Board or of a Committee; and
- (2) the Chair of the Organisation or of the relevant Committee; and

which satisfies the quorum requirements of Article 33(1) shall be as valid and effectual as if it had been passed at a meeting of the Board or (as the case may be) a committee of the Board duly convened and held and may consist of several documents in the like form each signed by one or more Board Members.

SECRETARY

41. Subject to the provisions of the Act, the Secretary and any deputy or assistant Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as they may think fit and any Secretary so appointed may be removed by them.

MINUTES

42. The Board shall cause minutes to be made in books kept for the purpose: -

- (1) of all appointments of officers made by the Board Members; and
- (2) of all proceedings at meetings of the Organisation and of the Board, and of

committees of the Board and of the Council Member in its capacity as the sole member of the Organisation, including the names of the Board Members present at each such meeting.

RECORDS ACCOUNTS AND RETURNS

43. The Organisation shall comply with the provisions of the Act in respect of: -
- (1) the keeping and auditing of accounting records;
 - (2) the provision of accounts and annual reports of the directors; and
 - (3) in making an annual return.

THE SEAL

44. (1) If the Organisation has a seal it shall only be used with the specific or general authority of the Board or of a Committee. The Board may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a Board Member and by the Secretary or a second Board Member.
- (2) The Organisation may exercise the powers conferred by the Act with regard to having an official seal for use abroad, and such powers shall be vested in the Board Members.

NOTICES

45. Any notice to be given to or by any person pursuant to the Articles shall be in writing except that a notice calling a meeting of the Board or of a Committee need not be in writing.
46. The Organisation may give any notice to the Council Member either personally, by sending it by post in a prepaid envelope addressed to the Council Member at their registered address, by leaving it at that address or by sending it to an email address notified to the Organisation by the Council Member.
47. The Council Member present by duly authorised representative at any meeting of the Organisation shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.
48. Proof that an envelope containing a notice was properly addressed, prepaid and posted or proof that an email was sent to the correct address shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted or one hour after it was sent by email.

INDEMNITY

49. (1) Every Board Member or other officer of the Organisation shall be indemnified out of the assets of the Organisation against all losses or liabilities which they may sustain or incur in or about the execution of the duties of their office or otherwise in relation thereto, including any liability incurred by them in defending any proceedings, whether civil or criminal, in which judgement is given in their favour or in which they are acquitted or in connection with any application under the Act in which relief is granted to them and no Board Member or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Organisation in the execution of the duties of their office or in relation thereto PROVIDED THAT this Article shall only have effect in so far as its provisions are not avoided by the Act.
- (2) The Board shall have power to purchase and maintain for any Board Member or officer of the Organisation insurance against any such liability as is referred to in the Act.

Wolverhampton Homes Board Terms of Reference	
Board Structure	
<p>Members: The Board of Wolverhampton Homes consists of 12 members:</p>	<ul style="list-style-type: none"> - Four (4) Councillors - Four (4) Independents - Four (4) Tenants
Board Leadership	
<p>The Chair is a Board Member appointed by the members as mandated by the Board Nomination Process.</p>	
<p>Should the Chair not be available for a meeting, the Vice Chair will deputise, or the Chair will designate another appointed Board member.</p>	
<p>The Board Chair also assumes responsibility for:</p>	<ul style="list-style-type: none"> - Leading the annual review of the Board Terms of Reference - Membership on the Board for Independent and Tenant Board members by inclusion in the Board Recruitment process - Obtaining Board approval of members - Annual appraisal of Board members including regular self-assessment of skills knowledge and expertise
Terms	
<p>Board Meetings will be held at least four (4) times a year on a quarterly basis with additional meetings as necessary to carry out its responsibilities.</p> <p>Members are expected to attend all meetings, unless there are exceptional circumstances which are unavoidable.</p> <p>Board members exemplars of the companies values, acting with integrity and fairness in the interests of the company.</p> <p>Additional sessions for Board to receive confidential reports would be incorporated when required to ensure decisions can be made in a timely and effective manner with delegated authority for the Chair, Vice Chair, the Chief Executive and Assistant Director – Corporate Services.</p>	
Quorum	
<p>Will be determined by a simple majority of Board members, which must include:</p> <ul style="list-style-type: none"> - 1 Councillor member - 1 Tenant member - 1 Independent member <p>Decisions will be made via a simple majority of attendees. Where there is a deadlock, the Chair will have the casting vote.</p> <p>Wolverhampton Homes Senior Management attendance as required.</p>	

Responsibilities

The role of the Board is to provide strategic decision making within the business objectives and Company's Articles of Association in support of the development and delivery of strategy, policy and activity undertaken by Wolverhampton Homes. The Board will oversee the financial affairs of the Company, compliance with all relevant legislation as an employer, provider of services and in line with its responsibilities to report to the City of Wolverhampton Council, Companies House and to all relevant regulatory agencies.

This includes the monitoring and holding to account of Senior Management in the delivery of priorities and opportunities as detailed in the Business Plan 2019 – 2023, with a continued focus on the strategic direction of the company, incorporating medium term financial planning, transformation plans, finances, investments and reserves, strategic Human Resources issues such as restructures, revised business plans or business cases for change, signing off major decisions, changes to the business assurance framework such as the corporate risk log and business plan by way of:

- Establishing and agreeing the overarching Business Assurance framework, strategic health and safety policy, internal and external audit requirements
- Ensuring Wolverhampton Homes meets its legal and statutory requirements under the management agreement and that it undertakes due diligence on behalf of its shareholder, namely, the City of Wolverhampton Council
- Constructive challenge to the Chief Executive and Senior Management team, in the examination of issues and solutions to ensure that decisions are made in the interests of the company.
- Ensure all candidates appointed to the Board are of sufficient calibre, providing for succession of Board members and diversity
- Agree annual delivery plans and associated operational plans
- Key decision making on priority areas and topics, development of new priority areas, recommended actions or interventions to be taken to address priorities
- Advise on policy – in supporting Wolverhampton Homes through recommendations on current policy and policy development in all areas of activity
- Continual review of the relevance and effectiveness of Wolverhampton Homes services
- Assurance of sound financial management by scrutinising the allocation of financial / human resources to the achievement of the Business Plan
- Acquisition and disposal of closure or business activity
- Ensuring organisational design supports the attainment of strategic objectives
- Setting the risk appetite and ensuring appropriate controls are in place
- Evaluating the performance of the Board and Board Members
- Procurement approval and authorisation for tender / notice to award
- Planning for board member succession (with statutory constraints)
- Decision making with regard to key HR issues and remuneration
- Receiving and reviewing feedback from the Customer feedback mechanisms and Board Champions to inform the decision-making process
- Responsible for referring to relevant Committees matters considered by the Board to be deemed relevant for escalation / information sharing / further review
- In addition, the Board will receive input and presentation as necessary in order to be able to discharge its responsibilities.

Board Performance

On an annual basis the Board shall:

- review its effectiveness and skills development needs
- review the Board and Committee terms of reference to ensure they continue to reflect the business priorities of Wolverhampton Homes
- validate the needs of the Board, and current standards for effective governance

Agenda and Minutes

The Chair of the Board, in consultation with the Chief Executive or Company Secretary of Wolverhampton Homes, is responsible for finalising the agenda. Input into the Agenda items may include items requested to be tabled by the Board.

The agenda, meeting materials and previous minutes should be made available at least 5 working days in advance of each meeting. A copy of the Open Board minutes and a forward plan of meeting dates will be published on the website. Business Assurance will facilitate and provide the minute taking for each meeting and ensure the sharing and cascade of minutes as appropriate.

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Wolverhampton Homes Communities and Service Delivery Committee Terms of Reference	
Committee Structure	
Members: The Communities and Service Delivery Committee consists of six members:	<ul style="list-style-type: none"> - Two (2) Councillors - Two (2) Independents - Two (2) Tenants
Committee Leadership	
The Chair is a Committee Member appointed by the members as mandated by the Board Nomination Process.	
Should the Chair or Vice Chair not be available for a meeting, the Chair or Vice Chair will designate another appointed Board or Committee member. Back fill arrangements and the option to co-opt Board members to the Committee as required will be permitted.	
The Committee Chair also assumes responsibility for:	<ul style="list-style-type: none"> - Membership on the Committee by inclusion in the Board nomination process - Obtaining Committee approval of members
Terms	
Committee Meetings will be held at least four (4) times a year on a quarterly basis with additional meetings as necessary to carry out its responsibilities.	
Members are expected to attend all meetings, unless there are exceptional circumstances which are unavoidable.	
Committee members exemplars of the companies values, acting with integrity and fairness in the interests of the company.	
Additional sessions for Committee to receive confidential reports would be incorporated when required to ensure decisions can be made in a timely and effective manner with delegated authority for the Chair, Vice Chair, the Chief Executive and Assistant Director – Corporate Services.	
Quorum	
Will be determined by a simple majority of Committee members, which must include:	
<ul style="list-style-type: none"> - 1 Councillor member - 1 Tenant member - 1 Independent member 	
Decisions will be made via a simple majority of attendees. Where there is a deadlock, the Chair will have the casting vote.	
Wolverhampton Homes Senior Management attendance as required.	

Responsibilities

The role of the Committee is to provide strategic decision making within the business objectives and Company's Articles of Association in support of the development and delivery of strategy, policy and activity undertaken by Wolverhampton Homes.

This includes the monitoring and holding to account of Senior Management in the delivery against the Business Plan 2019 - 2023 incorporating Service Performance, Customer Feedback and Satisfaction, Customer Scrutiny, Community Development and Community Cohesion by way of:

- Providing assurance that Wolverhampton Homes has a robust framework to achieve continuous improvement and excellent service and delivery to its customers
- Linking into the Business Assurance Committee to share matters it defines relevant or where there are cross cutting implications
- Constructive challenge to the Chief Executive and Senior Management team, in the examination of issues and solutions to ensure that decisions are made in the interests of the company.
- Reviewing the company performance data to ensure it is meeting its key performance indicator targets to support the #GoodtoGreat journey and enhance customer experience and satisfaction.
- Scrutinising and prioritising customer feedback and learning, through regular monitoring in order to make recommendations where necessary for further review or follow up action
- Ensuring scrutiny arrangements and the views of customers are at the heart of the decision-making process to reflect the 'customer voice' is effectively heard
- Consideration of customer feedback to ensure it supports operational service design and the delivery of service improvements
- To oversee progress against the Customer Experience Strategy customer feedback mechanisms
- Receiving and reviewing feedback from the Tenant Scrutiny Panel and Board Champions to inform the decision-making process
- Responsible for referring up to the Board / Business Assurance and Governance Committee, matters considered by Committee to be deemed relevant for escalation / information sharing / further review
- To assure the Committee and Board that Wolverhampton Homes are effective in meeting regulatory and statutory requirements

In addition, the Committee will receive input and presentation as necessary in order to be able to discharge its responsibilities.

Committee Performance

The Committee shall provide Board with an annual assurance statement and shall:

- be accountable to the Board
- review its effectiveness and skills development needs
- review the terms of reference annually to ensure it continues to reflect the business assurance priorities of Wolverhampton Homes

- validate the needs of the Committee, and current standards for effective governance

Agenda and Minutes

The Chair of the Committee, in consultation with the Chief Executive or Company Secretary of Wolverhampton Homes, is responsible for finalising the agenda.

Input into the Agenda items may include items requested to be tabled by the Committee.

The agenda, meeting materials and previous minutes should be made available at least 5 working days in advance of each meeting.

Business Assurance will facilitate and provide the minute taking for each meeting and ensure the sharing and cascade of minutes as appropriate.

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Wolverhampton Homes Audit and Business Assurance Committee Terms of Reference	
Committee Structure	
Members: The Business Assurance Committee consists of six members:	<ul style="list-style-type: none"> - Two (2) Councillors - Two (2) Independents - Two (2) Tenants
Committee Leadership	
The Chair is a Committee Member appointed by the members as mandated by the Board nomination process.	
Should the Chair or Vice Chair not be available for a meeting, the Chair or Vice Chair will designate another appointed Board or Committee member. Back fill arrangements and the option to co-opt Board members to the Committee as required will be permitted.	
The Committee Chair also assumes responsibility for:	<ul style="list-style-type: none"> - Membership on the Committee by inclusion in the Board nomination process - Obtaining Committee approval of members
Terms	
Committee Meetings will be held at least four (4) times a year on a quarterly basis with additional meetings as necessary to carry out its responsibilities.	
Members are expected to attend all meetings, unless there are exceptional circumstances which are unavoidable.	
Committee members exemplars of the company's values, acting with integrity and fairness in the interests of the company.	
Additional sessions for Committee to receive confidential reports will be incorporated as required to ensure decisions can be made in a timely and effective manner with delegated authority for the Chair, Vice Chair, the Chief Executive and Assistant Director – Corporate Services.	
Quorum	
Will be determined by a simple majority of Committee members which must include:	
<ul style="list-style-type: none"> - 1 Councillor member - 1 Tenant member - 1 Independent member 	
Decisions will be made via a simple majority of attendees. Where there is a deadlock, the Chair will have the casting vote.	
Wolverhampton Homes Senior Management attendance as required.	
Responsibilities	
The role of the Committee is to provide strategic decision making within the business objectives and Company's Articles of Association in support of the development and delivery of strategy, policy and activity undertaken by Wolverhampton Homes. This includes the monitoring and holding to account of Senior Management in the delivery against the Business Plan 2019 - 2023, in respect of Internal Audit, External Audit,	

Compliance and Regulatory Framework (Built Environment / Business Environment), Transformational Change, Value for Money and monitoring the effectiveness of shared services Senior Level Agreements (SLA's) by way of:

- Providing assurance that Wolverhampton Homes has a robust framework for the management of risk and compliance arising from, or associated with, Property, Health and Safety, workforce, Reputational Management, Governance, Risk Management and Business Continuity Planning
- Approval of the Annual Audit Programme
- Constructive challenge to the Chief Executive and Senior Management team, in the examination of issues and solutions to ensure that decisions are made in the interests of the company.
- Linking in to the Communities and Service Delivery Committee to share matters it defines relevant, or where there are cross cutting implications
- Scrutinising and prioritising risks and compliance through regular monitoring, in order to make recommendations where necessary for further review or follow up action
- To oversee progress against compliance or improvement action plans arising from performance reviews, Health and Safety, Internal and External Audit or other external assessment
- To investigate any activity associated with risk and compliance as required, to assure the Committee and Board that Wolverhampton Homes are effective in meeting regulatory and statutory requirements
- To retain a focus on preparing for regulatory changes and compliance against the Consumer Standards and or other relevant regulation.
- Receiving and reviewing feedback from the customer experience mechanisms and Board Champions to inform the decision-making process
- Responsible for referring up to the Board / Communities and Service Delivery Committee, matters considered by Committee to be deemed relevant for escalation / information sharing / further review
- Obtaining independent specialist Audit advice as required

In addition, the Committee will receive input and presentation as necessary in order to be able to discharge its responsibilities

Committee Performance

The Committee shall provide Board with an annual assurance statement and shall:

- be accountable to the Board
- review its effectiveness and skills development
- review the terms of reference to ensure it continues to reflect the business assurance priorities of Wolverhampton Homes
- validate the needs of the Committee, and current standards for effective governance

Agenda and Minutes

The Chair of the Committee, in consultation with the Chief Executive or Company Secretary of Wolverhampton Homes, is responsible for finalising the agenda.


Input into the Agenda items may include items requested to be tabled by the Committee.

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Board Report

	Agenda Item 10
	03 September 2021 Confirmation of Board Membership
	AGM Report
Status:	For Decision
Author and job title:	Nicky Devey, Head of Business Services
Contact No:	01902 552956
Recommendations:	The Shareholder is asked to confirm the membership of the Wolverhampton Homes Board as detailed within this report.
Key risks and contentious issues:	<p>The Company's Articles of Association determine the arrangements for the rotation, retirement and selection of Board members.</p> <p>The organisation is required by Companies House to adhere to these arrangements and this also meets the expectation of the shareholder under the Management Agreement.</p>

Management Summary

1.0 Purpose

- 1.1 The purpose of the report is to advise the shareholder of the membership of the Board from September 2021.

2.0 Background

- 2.1 The Company's Articles of Association determine the arrangements for rotation and retirement of Board members which are confirmed at the Annual General Meeting.
- 2.2 The roles of the Board Chair and Vice Chair, and the Committee Chair(s) and Vice Chair(s) will be formally considered on an annual basis at the Annual General Meeting.
- 2.3 Should there be an in-year Board member resignation, recruitment would take place in line with the Articles of Association.
- 2.4 At each Annual General Meeting, the Board and Committee Chair(s) and Vice Chair(s) are nominated and confirmed for the following year.

3.0 Details of Membership

- 3.1 Since September 2020 to date, the following changes to membership of the Board have taken place:
- Councillor Lynne Moran and Councillor Paul Singh left the Board in May 2021
 - Appointment of Councillor Asha Mattu and Councillor Paul Appleby to Board in May 2021
- 3.2 The Shareholder is asked to confirm that membership of the Board, as of today's Annual General Meeting shall be:

Councillor Board Members

Asha Mattu
Paul Appleby
Rita Potter
Zareena Russell

Tenant Board Members

Angela Davies
Joy McLaren
Michael Porter
Victor Browne

Independent Board Members

Derek Allen
Hajrija Dergic
Parveen Brigue
Steve Finegan

4.0 Board Champions

4.1 Board Members have significant responsibilities for Wolverhampton Homes as an employer, and through the operational delivery across services and the effective discharge of those responsibilities. As such, Board members will be nominated as a Board Champion to ensure such duties are discharged appropriately in the following areas:

- Customer Services (currently Mike Porter – Tenant Board member)
- Equalities, Diversity & Inclusion (currently Joy McLaren – Tenant Board member)
- Health & Safety (currently Victor Browne – Tenant Board member)
- Safeguarding & Domestic Violence (currently – Councillor Zareena Russell, deputy)

5.0 Financial and value for money implications

5.1 It is imperative that Wolverhampton Homes Board is established in order for them to make strategic decisions that safeguard the financial viability of the company and ensure long term sustainability.

6.0 Legal and regulatory implications

6.1 The Company's Articles of Association will determine the arrangements for the retirement, recruitment and selection of Board members. This document underpins the Companies governance requirements and meet its legal obligations.

7.0 Human resources implications

7.1 All Board members are required to discharge their responsibilities as laid out in the Letter of Appointment.

8.0 Health and safety implications

8.1 Wolverhampton Homes Board Members have significant responsibilities in relation to Health and Safety for the company and for the effective discharge of those responsibilities.

9.0 Equalities implications

9.1 Has an Equality Impact Assessment been carried out: **Yes**

9.2 An Equality Impact Assessment on the Board Member Recruitment policy was completed in September 2019 and was approved at the Equalities Circle Forum. No subsequent changes to the recruitment process have taken place.

10.0 Impact on the environment and community

10.1 Decisions made by Board members in relation to the strategic direction of the company support the positive impact on the environment and community.

11.0 Long term consequences for the company

11.1 It is imperative that the organisation has a succession planning process for Board members to ensure that the Board has the relevant and skills and continuity, to lead the organisation.

12.0 Impact on business relationships with suppliers, customers and others

12.1 Board members are required to declare any conflict of interest when making decisions that affect stakeholders.

12.2 The Board of Wolverhampton Homes is responsible for key strategic business decisions.

13.0 Impact of Covid-19

13.1 The impact of Covid-19 has not affected Board membership; however, it is to be noted that all scheduled Board and Committee meetings have taken place via virtual Microsoft Teams.

13.2 This has ensured strategic business decisions were able to be considered by Board throughout the pandemic.

14.0 Impact on Wolverhampton Homes' Management System

14.1 If yes and approved by Board members, update to go on the management system by:
Yes

14.2 Board member information for 2021 - 2022 will be updated accordingly.

Date: 30/09/2021

Officer responsible: Nicky Devey, Head of Business Services