Teign Housing

Report and financial statements
Reporting date 31 March 2024

Registered company number 04619035

Registered charity number 1112196

Regulator of Social Housing
registration number LH4403

Contents

Teign Housing – Company information

Board of Management

Non-Executive Directors

Maureen Robinson	(Chair of Board)
Rebecca Harwood-Lincoln	(Resident Voice Champion)
Sean Palka	(Board Member)
Stephen Cook	(Chair of Audit Committee)
Stuart Davies	(Chair of Templer HomeBuild)
Stephen Higginson	(Chair of Remuneration)
Joanna Davoile	(Board Member)

Co-opted Advisor to the Board

Richard Gammage	(Chair-elect, co-opted 1 November 2023)

Executive Directors

Jo Reece	(Chief Executive, retired on 31 March 2024)
Helen Hilditch	(Acting Chief Executive 01 April 2024 – 11 April 2024)
Tom Woodman	(Chief Executive, appointed on 12 April 2024)

Independent Audit Committee

Colin McDonald	(Independent Audit Committee Member)

For the year ending 31 March 2024, the Board met on 8 occasions. There was 88% attendance at Board meetings.

Executive Management Team

Jo Reece	(Chief Executive, retired on 31 March 2024)
Helen Hilditch	(Director of Finance and Investment & Deputy Chief Executive)
Amanda Nicholls	(Director of Customer and Communities)
Justin Glue	(Director of Operations Templer HomeBuild)
Karen Johnson	(Director of People & Technology & Deputy of Chief Executive resigned on 31 October 2023)
Marcus Taylor	(Director of People & Technology appointed on 1 November 2023 resigned on 31 January 2024)

Auditors	***External Auditor*** Beever and Struthers 150 Minories London EC3N 1LS	***Internal Auditor*** Bishop Fleming LLP Emperor Way Exeter EX1 3QS
Solicitors	***Housing Management*** Capsticks Solicitors LLP 1 George Street London SW19 4DR	***Human Resources*** Tozers Southernhay West Exeter EX1 1UA
	Governance and Development Trowers & Hamlins LLP 3 Bunhill Row London EC1Y 8YZ	
Bankers and Funders	***The Housing Finance Corporation*** 3rd Floor 17 St Swithin's Lane London EC4N 8AL	***GB Social Housing*** 5 Great St Helen's London EC3A 6AP
	Nationwide Building Society Public Sector Team Kings Park Road Moulton Park Northampton NN3 6NW	
Company Secretary	Helen Hilditch (non-Board member)	
Registered Office	Millwood House Collett Way Newton Abbot Devon TQ12 4PH	

Strategic Report

The Directors present their Strategic Report incorporating the Value for Money Statement for the year ending 31 March 2024.

The Board confirms that this Strategic Report has been prepared in accordance with the principles set out in Para 4.7 of the 2018 SORP for Registered Social Housing Providers and Housing SORP guidance note 2022.

Overview of the Business

Teign Housing is a registered charity, a company limited by guarantee, and is registered with the Regulator of Social Housing. Our focus is on the core activity of the company, which is the provision of low cost rented accommodation. The organisation has a wholly owned subsidiary, Templer HomeBuild Limited. Its purpose is to provide property maintenance and construction services to the social housing sector. Consolidated accounts for the Group are also reported along with those of Teign Housing, the parent organisation.

Vision

We dedicate ourselves to providing good quality homes and tailored housing support. Working with our diverse customers and trusted partners we provide effective services that bring long term benefits to all. We are sustainable in a fast-changing environment and reinvest our surpluses to grow our communities.

Values

Respectful

We treat people with empathy, respect diversity and provide quality customer service. We appreciate the relationships we build with our customers, contractors and partners; we are proud to be *Team Teign*.

Resourceful

We maximise our resources through innovation and by using our money in efficient ways. We look for opportunities to expand our business by building new homes and creating and growing valuable services. We recognise our role in supporting the local economy.

Ethical

We value our responsibility as a charity providing homes and services for those who need them and as an employer. We are an organisation with heart and strive to offer an empowering workplace and the personal service our communities want.

Governance

The Articles stipulate that there can be up to 10 Board Members, including up to 3 executive members. The Board currently consists of 7 non-executive members and 1 executive member. The members of the Board are legally the directors of the company, and the Board is Teign Housing's governing body.

The Board adopted the National Housing Federation (NHF) 2020 Code of Governance on 1 April 2021. The Board is committed to and complies with the standards in the Code; however, there has been one exception this year. The Chair of the Board has served just over 9 years, which is over the prescribed 9 year maximum. However, she stands down in July 2024, and the new Chair-elect is to take up their position. The Code states that the maximum tenure will normally be up to six consecutive years and may be extended to a maximum of nine years, where the Board agrees it is in the organisation's best interest.

The Chief Executive retired on 31 March 2024, and a new Chief Executive started on 12 April 2024. The Chair of the Board is due to retire in July 2024, and the Board agreed to a retirement date of 24 July 2024.

We aim to recruit Board members 6 months ahead of any vacancy. They join the Board as unpaid co-optees and are trained and inducted during this period before being formally appointed to the Board. Further training is carried out throughout their term of office. We conduct two-yearly pay benchmarking for all staff and Board posts and benchmark any vacancies for advertising. We have a schedule of standing orders and financial regulations which set out delegated authorities from the Board to its committees and the executive management team. Our three-yearly external governance review is taking place in early 2024-25.

The Board is supported in its governance by two committees:

- Audit Committee
- Remuneration Committee

The key governing documents are the Articles, the Standing Orders, and the Financial Regulations, with a range of policies that guide the operational activities of the company.

All non-executive Board members are paid a fee for their services. Payments during the year (including expenses) were:

Maureen Robinson	Chair of Board	£9,854
Stephen Cook	Chair of Audit	£5,595
Steve Higginson	Chair of Remuneration	£4,317
Stuart Davies	Chair of Templer HomeBuild	£6,422
Joanna Davoile	Board Member	£2,333
Colin McDonald	Independent Audit Committee Member	£1,812
Rebecca Harwood-Lincoln	Resident Voice Champion	£4,510
Sean Palka	Board Member	£3,901

Public Benefit Entity

As a public benefit entity, Teign Housing has applied the public benefit entity 'PBE' prefixed paragraphs of FRS 102. Teign Housing also pays due regard to the guidance published by the Charity Commission on public benefit.

We provide homes for rent at lower than market prices; homes designated for older people with additional needs, and shared ownership properties.

Financial Performance

Teign Housing Group has made a surplus after tax for the year of £2,665,000 (2022-23: £2,549,000). Full details of our financial results can be found on pages 37 - 75.

Financial performance is monitored through the annual budget, which is set by the Board. The budget is based on the business plan, and the Board receives a report at each meeting assessing the company's performance against the budget.

Operational Performance

The current 3-year corporate plan was agreed by the Board in March 2024. The Board have established a range of key performance indicators to assess the company's performance in relation to the corporate plan objectives. The Board monitors this quarterly through the Balanced Scorecard, Management Accounts and Financial Report.

Further details of our operational performance, including value for money, can be found on pages 13 – 29.

Business Plan

The 30-year Business Plan reflects the strategic direction of the company and its future aspirations. The focus for the coming years will be to continue to maintain the housing stock to an appropriate level, deliver further new homes and manage services. The business plan has been thoroughly stress tested, and the key risks to the organisation have been identified, and appropriate mitigation arrangements are in place.

Treasury Management

At 31 March 2024, Teign Housing was funded by a £33m bond from The Housing Finance Corporation (THFC), a £25m bond from GB Social Housing (GBSH) and a £20m revolving credit facility (RCF) from Nationwide. We have fully drawn the £33m from THFC and £25m from GBSH. We have also drawn £8m of the RCF from Nationwide and have an undrawn RCF of £12m (2022-23: £20m). During the year, a new financing project was started with Nationwide, and a new tranche credit facility of £30m was signed in April 2024 with a 10-year term. The funding agreements all contain three financial covenants. Finance costs on loans were £2.614m (2022-23: £2.354m), which equates to an average rate of 4.59% (2022-23: 4.06%). Finance costs of £620,000 were capitalised during the year (2022-23: £391,000). At 31 March 2024, Templer HomeBuild had a loan balance with Teign Housing of £400,000 (2022-23: £400,000). This loan is drawn for a period of 6 months, being repaid to the parent and redrawn by the subsidiary in June and December each year. There was £14.972m of capital committed to the development programme, which was in contract at 31 March 2024 (2022-23: £15.431m), and there was a cash and cash equivalents balance of £2.662m (2022-23: £5.319m). A 3-year cash flow forecast is maintained and is used to anticipate the group's investment and borrowing requirements.

Reserves Policy

Reserves are retained at levels that allow the company to continue to achieve its corporate objectives and provide the new homes and services that the reserves are intended to support, whilst managing the risks associated with long term expenditure plans.

A budget is set each year along with a 30-year business plan including a forecast for reserves, allowing the company to achieve these objectives. This is monitored throughout the year and is reported quarterly through the management accounts to the Board.

The level held in the income and expenditure reserve at 31 March 2024 was £69,401,000 (2022-23 £66,895,000), and in the revaluation reserves £31,781,000 (2022-23 £31,847,000).

Unrestricted reserves, excluding tangible fixed assets net of grant, were £-98,347,000 at 31 March 2024 (2022-23 £-86,797,000) and can only be released by disposing of tangible fixed assets.

Property Sales

During the year, three properties were sold (2022-23: 6 properties), of which no property was under the Right to Acquire scheme (2022-23: 1 property), three properties were under the Right to Buy Scheme (2022-23: 5 properties), no properties were fully stair cased (2022-23: Nil properties) or sold on the open market (2022-23: Nil property). Teign Housing received proceeds of £339,000, all from right to buy sales (2022-23: £700,300). Under the terms of the transfer agreement, £161,964 (2022-23: £157,956) of the right to buy sale proceeds were paid to Teignbridge District Council, and the remainder was retained by Teign Housing in recognition of future income foregone, and this will be invested in future development.

Staff

The average number of employees for the year ending 31 March 2024 was 178 (2022-23: 160 employees). The Board recognises the contribution made by all staff and is committed to the continued development of its staff. During the year, the company spent £90,100 on staff training and development (2022-23: £106,000).

Fire Safety Remedial Work

The Building Safety Act 2022 and the new Fire Safety (England) Regulations 2022, which came into force in January 2023, set out how landlords of high-rise buildings (those with seven stories or more, or over 18m high) should work with fire services to ensure a planned and effective response to fire alarms at these buildings. We have just one property, Douglas House in Teignmouth, which falls into this high-rise definition.

To fully comply with this new legal requirement, Teign Housing commissioned an independent review of Douglas House. This Fire Risk Appraisal of External Walls (FRAEW) report based on PAS 9980 (Fire Risk Appraisal of external wall construction and cladding of existing blocks of flats – code of practice), resulted in a number of recommendations which we will be actioning including the planned removal of the external wall insulation. The residents have been informed of the decision, and we are in constant communication with them about the progress of the project. We started consultation on the project in 2023-24, and £165,567 has been incurred in legal and professional advice in 2023-24. It is estimated that £2m will be needed for this project.

Damp and Mould

In 2023 Teign Housing and Templer HomeBuild collaborated to create a new Damp and Mould Policy and Procedure to set out and improve on the approach to dealing with these issues. We aim to proactively reduce issues relating to damp and mould by maintaining the housing stock to decent homes standard or better through the asset management information system, investment programmes, Housing Health and Safety Rating System assessment outcomes, initiatives to maximise customer contact points to identify issues, and the use of environmental monitoring systems. Reactively, a Damp Mould and Condensation working group monitors the situation and actions informed via a case tracker and monthly update, a specific role to investigate and monitor DMC issues has been created within THB, a triage process has been adopted to categorise reports of damp and mould at the outset to prioritise our resources, and mandatory training has been delivered with a view to continue this annually and to new starters. In 2023-24, we paid £38,700 to tenants in compensation relating to damp and mould. We dedicated five of our homes as decant properties to provide temporary accommodations to the tenants whilst their homes were being rectified. In spring 2024 our resident scrutiny panel conducted a review of our approach to damp and mould, making recommendations to the Board that will subsequently have their implementation monitored by the Audit Committee.

Development

During 2023-24, we entered into 4 new contracts with a total value of £12,323,554 to purchase 4 section 106 schemes, which will deliver 51 rented and 19 shared ownership homes over the coming years.

We were successful in bidding on 3 section 106 schemes, Challabrook in Bovey Tracey, Collaton St Mary in Paignton and Gatehouse Farm in Dawlish. These schemes will deliver 7 social rent, 62 affordable rent, and 30 shared ownership properties. However, due to the current refinancing process, they are not guaranteed to proceed to contract at this stage.

	Social Rental Units	Low Cost Home Ownership	Total Units
Under construction 31/03/2023	120	44	**164**
	**Restated*	**Restated*	**Restated*
Under construction 31/03/2023	97	34	**131**
Started in the year	72	31	**103**
Completed in the year	88	34	**122**
Under construction 31/03/2024	**81**	**31**	**112**

**The opening balances for Under Construction have been restated in the 2022-23 report due to a double counting error, and the restatement has no impact on the Financial Statements.*

122 new affordable homes were completed in 2023-24. This was less than anticipated because of delays associated with labour and material shortages.

In 2024-25, we plan to develop 43 homes over the next 12 months and 74 homes in 2025-26.

Shared Ownership

During 2023-24, we brought the Shared Ownership sales process in house. Within the year, we sold 32 homes with a combined share value of £3,435,675, nine of which were sold via our previous sales agent.

Future Direction

To achieve the corporate vision and values, we focus on the core of our business, and the Board has committed to the following strategic aims:

- Excellent Services – We will deliver high quality services to all our customers and partners. We will provide considerate customer services, empowering housing services and effective repairs.
- Quality Homes – We will invest in new and existing homes by maintaining high standards of repairs and improvements to our current homes and develop new homes to meet the needs of the local people.
- Sustainable Business – We will strengthen our business by continually improving our governance, increasing the value of our work, seeking ways of working jointly with our partners, and investing in our staff.

Performance against these aims was monitored as part of a three-year Corporate Plan for 2021 to 2024. This has now been updated to be our Corporate Plan for 2024-27.

We are committed to maintaining our financial performance and our delivery of good homes and customer services. We achieve this by focusing on maintaining our operational performance, maximising our income and effectively driving down costs.

To support our strategic aims, we have several strategies in place. The neighbourhood services strategy gives the direction to provide excellent services, and the ageing well strategy to focus on our older customers.

The asset management strategy focuses on the quality of our homes and ensures that they are of a good standard and maintained appropriately. The development strategy sets out the aspirations for future development, along with the business plan, which currently has a capacity for 297 homes over the next 5 years. The regeneration strategy sets out plans for longer term regeneration, and £649,000 has been included in the business plan for 2024-25, and it has been reduced to £305,000 in 2025-26, £530,000 for 2026-24, and £305,000 in 2027-28.

The carbon reduction strategy sets out plans for the business to reduce its carbon footprint, and the first stage is to invest in homes with lower energy performance ratings. In order to meet the government's target of all homes having a minimum EPC (energy performance certificate) rating of C by 2035, in 2024-25, the business plan makes provision for £524,000 of investment in our homes to improve their energy performance rating, and it has been increased to £750,000 in 2025-26, £700,000 in 2026-27 for two years and then £750,000, thereafter, until 2030. There is new funding for carbon zero investment schemes available, and these are currently being pursued.

To maintain a sustainable business, we follow several policies which ensure our governance is continually reviewed and improved. In October 2023, Teign Housing proudly retained Investors in People Platinum accreditation in recognition of our continued investment in employee engagement, learning and development, leadership, management, and wellbeing. We continue the agile working policy, empowering our staff to work flexibly from the office and home to support the wellbeing of our people and to promote a healthy work-life balance. The value for money strategy sets out how we continually seek to improve quality and performance and, where possible, reduce costs and create efficiencies.

Risk Management

We recognise that risks are inevitable, and in order to thrive and achieve our objectives, we need to take a managed degree of risk.

We have a risk framework in place which manages our risks, closely monitors them, and ensures that the way we manage them is appropriate to the reward and opportunities they will deliver. We operate in a constant changing environment and our risk owners review their risk each month to ensure that they are still appropriate.

Any changes to our strategic risks are reported to our Audit Committee, Board and THB on a quarterly basis. We support this with an assurance programme monitoring our performance via our scorecard, a robust internal audit programme and by undertaking internal assurance reviews into business processes. Our resident led scrutiny panel undertakes reviews of our service areas from a resident perspective and any identified areas for improvement are fed directly back to our Board.

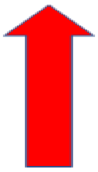
Our Board considers emerging risks at each Board meeting, During the year, we added emerging risks around AI and digital technology, changes in shared ownership rent basis and changes in government to our emerging risk register. In May 2024, the Board completed a full review of our risk appetite.

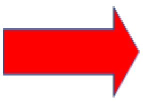
Our top risks during the year were:

Risk	Direction of movement during year	Why is this a risk?	How we manage this risk
Service unable to deal with the increasing complexity of vulnerable people	→	This risk reflects the impact of dealing with third parties (statutory &voluntary sector) who are finding resources stretched and finding cases more challenging. This has the potential to affect the delivery of our Housing services. With more pressure on support agencies, we find ourselves supporting residents and households with more complex needs.	Our Housing strategy sets out the delivery of the Housing management service equipped to manage more complex cases. We have an established Head Start service, which is structured to assist people through the start of their tenancy, and then a Tenancy Sustainment service is in place to support them throughout the life of the tenancy. The Board has reviewed the Independent Housing Ombudsman report on vulnerability and considered actions arising from it.

Risk	Direction of movement during year	Why is this a risk?	How we manage this risk
Failure to meet consumer regulatory standards	→	This is linked to our overall governance and our aim of putting our customers first.	We have a Customer Insight & Resolutions Manager dedicated to helping residents resolve complaints and dissatisfaction. We have a group of involved residents who help shape our services. We complete journey mapping exercises with our residents to help us understand how our services work for them.

Risk	Direction of movement during year	Why is this a risk?	How we manage this risk
Rental income is less than forecast		Rental income provides us with the resources to deliver our services and to provide new homes. The current risk Is the cost-of-living crisis which sees many of our residents struggling financially which may impact on their choices / ability to pay their rent, service charges or alarm charges	We closely monitor our rent collection performance. We have a well-established rents team, and a team of Head Start advisors who have a good relationship with our residents and are able to provide support at all stages of a tenancy.

Risk	Direction of movement during year	Why is this a risk?	How we manage this risk
Douglas House remedial works		Remedial works identified to meet standards identified in Building Safety Act.	Enhanced fire detection systems are in place within property. We held a resident consultation event to inform residents and continue to update them on the progress of the works. We are working with Devon & Somerset Fire and Rescue service to ensure highest levels of safety for residents.

Risk	Direction of movement during year	Why is this a risk?	How we manage this risk
Failure to manage property assets appropriately		This risk encompasses both our aims to meet environmental targets and also maintain high levels of service throughout the pandemic	We are currently undertaking a stock condition survey to help us get to know our property stock better, and we have surveyed almost half of our stock in 2023-24. The remainder is due to be surveyed in 2024/25. We maintain high levels of Health & Safety compliance. We have a multi discipline group monitoring cases of Damp, Mould and Condensation.

Risk	Direction of movement during year	Why is this a risk?	How we manage this risk
Loss of key staff, high turnover and / or inability to recruit to key roles.	→	Recruitment has been challenging this year, and there has been a high staff turnover	We are committed to investing in continued staff development and providing career growth. We have been promoting mental health awareness to safeguard staff well-being, and we will carry out more surveys to measure employee satisfaction and motivation. We have regular staff forum meetings to encourage employees to voice their concerns and to create a more inclusive workplace.

Risk	Direction of movement during year	Why is this a risk?	How we manage this risk
Failure to demonstrate effective governance in setting and operating an appropriate strategic direction	→	Last year, we had a number of Board members reaching the end of their term and wanted to ensure that we maintain a high level of skill, experience and expertise at the Board level whilst being representative of our residents	We have recruited a new Chair of the Board who will take over in the summer of 2024 and has already begun working with us to ensure we have a smooth transition. One of the Board members holds the role of Resident Voice Champion, providing insight to the Board on complaint handling and feedback from the residents. In 2024-25, we are creating a new Customer Experience Committee to lead in this area. We agreed on a new three-year Corporate plan this year.

Value for Money Statement

The Value for Money (VFM) strategy was approved by the Board in July 2021 and reflects both the changes to the value for money standard issued by the regulator in April 2018 and the organisation's corporate plan.

The standard states that a set of metrics should be used to measure the value for money achieved within the organisation, and these are presented below.

			Group		Association		Budget FY25	Target FY24	Sector Metrics
			2023/24	2022/23	**2023/24**	2022/23	2024/25	2023/24	2022/23
Metric 1		Reinvestment %	**10.8%**	9.7%	**10.8%**	9.7%	8.1%	13.3%	6.7%
Metric 2	A	New supply delivered SH %	**3.1%**	1.3%	**3.1%**	1.3%	1.1%	3.7%	1.3%
	B	New supply delivered NSH %	**0.0%**	0.0%	**0.0%**	0.0%	0.0%	0.0%	0.0%
Metric 3		Gearing %	**32.9%**	32.9%	**33.1%**	32.9%	40.9%	34.0%	45.3%
Metric 4		EBITDA MRI Interest Cover %	**134.4%**	135.9%	**134.4%**	143.8%	110.3%	127.3%	128.4%
Metric 5		Social housing cost per unit £	**£ 4,809**	£ 4,418	**£ 4,809**	£ 4,418	£ 5,156	£ 4,770	£ 4,586
Metric 6	A	Operating margin SH %	**22.0%**	19.3%	**21.8%**	21.8%	18.6%	21.2%	19.8%
	B	Operating margin overall %	**20.4%**	20.2%	**20.2%**	21.3%	17.5%	20.3%	18.2%
Metric 7		ROCE %	**2.7%**	2.7%	**2.7%**	2.6%	2.4%	2.6%	2.8%

The group's metrics presented above compare favourably against the sector average in some areas but less favourably in others.

The group's re-investment of 10.8% is below our target but increased compared to last year and significantly above the sector metrics of 6.7%, despite developments being delayed at the start of the year due to materials and labour shortages. Nevertheless, it does reflect our continued investment in our properties. The latest sector metrics relate to 2022-23, and as such, it is difficult to compare with this benchmark as this is nearly one year behind. Despite initial delays and shortages, the development and capital improvement programmes have performed well with significant investment. In 2023-24, we bid on 3 section 106 schemes and successfully secured 3 schemes with a total of 99 homes.

We have a strong development pipeline through both the purchase of section 106 schemes and smaller land led developments, both within the Teignbridge District and further afield in neighbouring authority areas. This has been further facilitated through the additional funding secured next year from financing an additional £30m of Revolving Credit Facility. However, due to the increased inflation above the Consumer Price Index on materials and labour, which has increased the cost of building new homes and other costs, the re-investment forecast will be decreased to 8.1% from the 10.8% achieved this year.

The new supply delivered is calculated based on units completed in 2023-24. We have achieved 3.1% new supply by delivering 122 units, compared to a target of 3.7%. This difference is due to the delivery of 14 homes slipping into next year. We are still well above the sector average of 1.3% on this metric; however, as the benchmark relates to 2022-23 data, it does not show the delays that have been felt across the building sector.

New supply is forecasted to be 43 units in 2024-25, including 15 affordable rent, 18 social rent and 10 shared ownership properties, 33 of which have been committed. We will continue to seek new opportunities to achieve our development aspirations, and we now have the capacity to deliver 297 homes over the next 5 years.

Gearing remains the same at 32.9% compared to 2022-23. We are now utilising the Revolving Credit Facility and cash reserves to fund our increased investment into new homes and regeneration. At 32.9%, this remains well below the sector average, giving us scope to increase this. We started our refinancing project in 2023-24 to increase the funding by £30m through the Revolving Credit Facility, which will be available from 2024-25 for ten years. This will allow us to further invest in new homes and regeneration, give us the financial capacity to meet any requirements from the Decent Homes 2 Standard and stock condition surveys. All of this aims to improve the quality of our homes and the effectiveness of our service to tenants, improve efficiencies and achieve savings for both tenants and Teign Housing. This can be achieved whilst keeping our interest cover well within sustainable levels.

The EBITDA MRI interest cover (Earnings Before Interest, Tax, Depreciation and Amortisation, Major Repairs Included) is 134.4%, which is above the target and the sector metrics. Although our funders do not use EBITDA MRI as one of their covenants, we remain within the historical targets. As a result of continued investment next year, the interest cover ratio is expected to fall further next year as we continue our programme in new and existing properties; however, the new covenant terms mean that this reduction is sustainable and well above thresholds.

The social housing cost per unit has increased from £4,418 last year to £4,809 this year. This has been due to an increase in planned maintenance compliance spending, continued regeneration works during 2023-24, and the effect of high inflation across all materials and labour. Overall, we have seen an increase in the cost per property compared to the prior year, and it is an overall increase within the sector.

The operating margin overall is 20.4%, which is just above the sector's average and our targeted margin, and a slight increase from last year. In 2024-25, a reduction in operating surplus is anticipated with the drive to improve the service we deliver to tenants and to increase the investment in decarbonisation.

The return on capital employed remains static at 2.7% due to a marginal increase in operating surplus compared to last year and asset base. This metric is slightly over the target but in line with the sector. It is forecasted to reduce to 2.4% in 2024-25, as the operating surplus is forecasted to reduce due to increases in operating expenses.

We continue to be committed to providing good levels of customer service in what continues to be a challenging environment. Economic and political uncertainty is set to continue for the coming year, and Teign Housing has modelled and planned for further potential issues through the business planning process.

Value for Money underpins all business activities at Teign Housing, and it is driven by the Board. VFM is about reviewing what we do and how we do it to make informed choices about how resources are effectively channelled towards delivering services and corporate priorities. The aim is to make the best use of our customers' money whilst balancing the cost and time with quality as well as stakeholder benefit, reasonable customer expectations, organisational benefits and business survival.

The Board's focus on VFM allows the company to continue to deliver great services and grow through developing new homes. The current business plan, including the financial position after refinancing, includes the delivery of 297 homes over the next 5 years.

The Board scrutinises financial and service delivery performance at each meeting through the management accounts and balanced scorecard, and any areas of poor performance are supported by a detailed narrative identifying the issues and the steps being taken to deliver improvements.

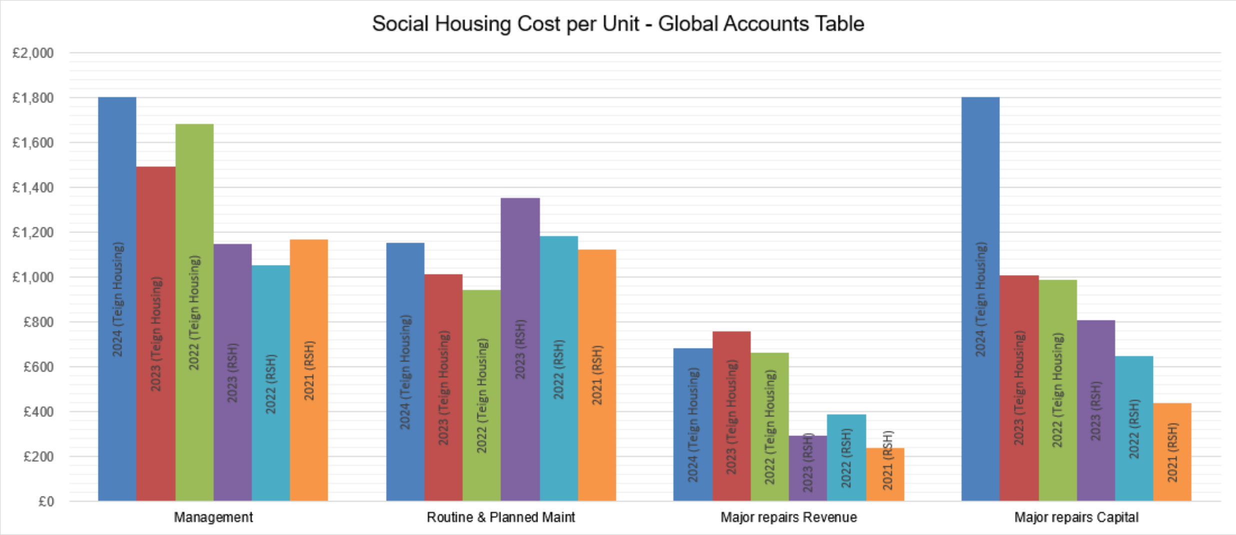
These include:

- Value for Money Metrics – full details of value for money achievements
- The balanced scorecard, including Housemark Benchmarking Results – comparative figures with our peers in the sector
- Quarterly Financial Report
- Annual report – report sent annually to our tenants
- Interim annual review of the business plan against actual progress
- Regular reforecasting as part of the management accounts review

An evaluation of our costs in comparison to the global accounts is presented below, and the figures for Teign Housing have been re-stated in line with the current global accounts format (based on SW & SE Peer Group). The latest figures available as a sector comparative are for the year ending March 2023, which is one year behind our year end.

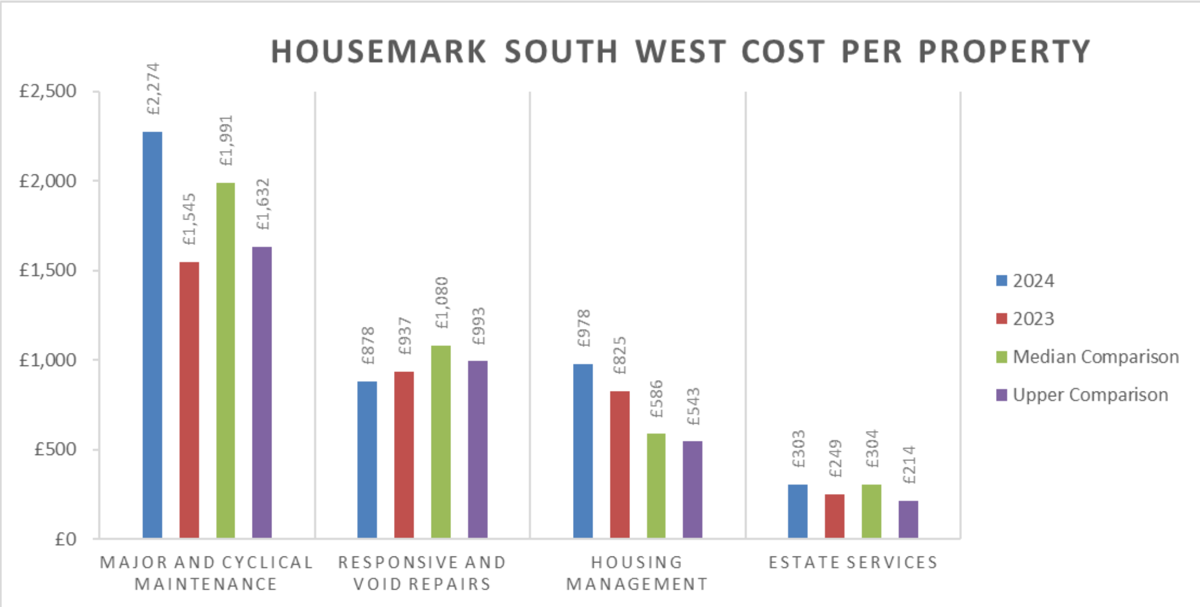
RSH Global Accounts Comparison

Area	Teign Housing			RSH Global accounts		
	2023-24 £	2022-23 £	2021-22 £	2023 £	2022 £	2021 £
Expenditure – per Social Housing Property						
Management	1,802	1,495	1,684	1,151	1,053	1,169
Routine & Planned Maintenance	1,154	1,013	942	1,354	1,182	1,125
Major repairs – Total	2,487	1,770	1,656	1,104	1,038	677
Major repairs – Revenue	685	759	666	295	390	240
Major repairs – Capital	1,802	1,011	990	810	648	438



South West Peer Group Housemark Comparison

Teign Housing Cost Per Property	Teign Housing	Teign Housing	Comparison Group Median	Comparison Group Upper
	2023-24	2022-23	2022-23	2022-23
Department	£	£	£	£
Major and Cyclical Maintenance	2,274	1,545	1,991	1,632
Responsive and Void Repairs	878	937	1,080	993
Housing Management	978	825	586	543
Estate Services	303	249	304	214
No of Properties	3,904	3,787	4,767	2,277



As expected, these two comparisons against RSH (SW & SE) global accounts and the Housemark South West Housing peer group show similar findings. The global accounts figures show costs per unit in 2023-24 were above that for 2022-23 by an average of 10.3% and the Housemark cost per property shows a 6.5% increase, with there being slight differences in how these are calculated.

Management cost per unit has been increased from last year, and over the sector average due factors outside of our control, in particular, the increase in insurance premiums, Douglas House legal and professional costs, and the earlier than anticipated commencement of the financing project. Continued scrutiny of management costs and tight budgetary control will ensure the overall efficiency of the organisation.

Routine and Cyclical Maintenance has increased slightly from last year and is lower than the sector average. However, it is slightly over the Housemark data, again due to the different calculation methods. We are continually working to ensure we receive the best quality for the best price for our purchases to mitigate the increases as much as possible. We are also driving efficiencies where possible by planning similar works in areas and by type.

Major repairs, both capital and revenue, remain above the RSH sector average. The revenue expenditure has decreased, but the capital has increased over the last year. Both RSH and Housemark have shown similar trends. The major revenue cost per unit includes regeneration spend at the Magnolia block, which has started ahead of the planned timetable. Although this element of the spend is treated as a revenue cost, it relates to the project as a whole and, therefore, contributes to the longer-term improved stock quality. In addition to this, there has been continued expenditure on compliance, including asbestos and health and safety works. It is important to spend in these areas to avoid longer term, more expensive non-conformance related costs and to keep our residents safe.

This year, we have seen an increase in capital and major repair costs per unit. Capital expenditures fluctuate year on year due to the planning of the maintenance programme to make the most efficient use of resources.

We will ensure that we maintain tight budgetary control going forward to provide optimum value to our tenants. We have a strong commitment to invest in our housing stock for the future, and we have embarked on a stock condition survey to be completed by the end of 2024-25 to ensure that the investment in our stock is focused in the right areas and maintains the longevity and desirability of our homes including a focus on damp and mould. We continue to look for opportunities to invest in renewable and efficient energy solutions for both our new build and existing homes.

With the acknowledgement that the stock condition survey results will impact the future strategy, the Asset Management Strategy was reviewed, updated and approved by the Board in April 2023. A further updated Asset Management and Carbon Reduction Strategy will be developed, along with a review of our Acquisitions and Disposals Policy, when the survey is largely completed and will provide us with a clear focus and direction about the future use and energy efficiency of our assets such as continued use, redesignation, redevelopment or disposal. It defines the Teign Standard, which continues to be above the current Decent Homes Standard whilst we await the publication of Decent Homes 2 and Awaab's Law. It allows us to proactively manage our planned maintenance programme to drive maximum cost efficiency and value for money. When we dispose of properties that have been assessed as not suitable or unsustainable as affordable housing, the proceeds are used to support the development of new homes.

We continue to:

- Review our own land, housing stock and garage sites for development opportunities – where suitable, these are now included within the future development programme.
- Review key assets for potential opportunities.
- Assess the requirements and resources needed for progress towards EPC Band C by 2030 and Net Zero Carbon by 2050.
- The asset management viability tool continues to assist us with knowledge of our housing stock. This includes neighbourhood mapping and allows us to consider various options to determine the future of the asset. We are looking at alternative options to improve on this.

Below is an extract from the scorecard, which presents the company's performance against targets set internally and against targets taken from Housemark data for the year ended 31 March 2024. We have selected areas that we believe represent current VFM significance.

Area	2023-24	2022-23	2021-22	2020-21	Housemark 2022-23 Benchmark	Target 2023-24
Customer satisfaction						
Repairs	98.2%	97.9%	97.6%	96.1%	77.9%	96.0%
Standard of property at re-let	96.6%	99.0%	94.0%	91.0%	-	100.0%
Satisfaction with complaints process	50.0%	95.0%	95.0%	50.0%	76.2%	85.0%
Rent collection & arrears						
Rent collection	100.4%	99.3%	100.1%	100.9%	101.6%	100.0%
Rent arrears (% of annual debit)	2.7%	2.7%	2.3%	2.5%	3.2%	3.2%
Void loss & turnaround						
Void losses	1.10%	0.56%	0.50%	0.38%	1.40%	0.50%
Void turnaround time (days)	33.9	25.1	22.6	25.5 days	42	25
Digital agenda						
Total number of tenant portal registrations	901	650	603	487	-	1250
Inbound communication by Webchat	1.3%	1.1%	1.6%	7.7%	-	-

Customer satisfaction with repairs has increased slightly against last year, and we continue to exceed our target for the year and against the Housemark average. Satisfaction with the standard of property at relet has decreased slightly from last year, and we have narrowly missed the 100% target. Satisfaction with the complaints process has fallen to 50%. However, this is based on a sample of just 2 respondents; therefore, it is an unreliable indicator. We continue to receive an increased number of complaints and respondents to this metric, in common with trends across the sector. We have strengthened our staffing by overseeing the complaints process and learning for the future, and improving our performance on this area is a key priority for us.

Rent collection increased and reached our target of 100%, and it is in line with the Housemark Benchmark. The rent arrears remain the same at 2.7% compared to the prior year and performed better than the benchmark. In light of the economic climate and cost of living crisis this is not unexpected as households feel their budgets further tightened each month. We have continued to support tenants over the last year through the process of applying for universal credit and working with them where possible to manage their rent payments. This has helped us to improve our performance from last year and exceed our internal targets. Through our Head Start team, we have signposted and assisted tenants in securing the additional financial support they need. We have also distributed over £37,500 (2022-23: £29,000) of financial support in the form of a hardship fund to tenants in greater need.

Void losses have increased compared to last year and are below the benchmark due to the delays in letting new properties. We temporarily increased resources to address this pinch-point, and this resulted in improved performance towards the year end.

Across the organisation, we have a strong focus on VFM, and many departments have specific VFM targets. An updated VFM report was presented to the Board for approval in July 2023. In 2023-24 our VFM focus was on:

Digital

We have been implementing GIS (Geographic Information System) to benefit from the full utilisation of its capabilities. This software will allow us to overlay details such as tree data and grounds maintenance areas to a map of our housing stock, and from this, we can better plan resources and schedule services.

We have enhanced the offering of our tenant portal and app by adding push notifications to alert our residents of important updates such as arrears and to update their contact details. We are also working through a process for applicants to streamline the process of onboarding residents into our systems digitally.

Void inspections have been digitised by our staff using tablets to carry out our voids checklists, moving away from paper-based forms, and reducing administrative resources to upload these into our systems.

Estate Inspections can now be carried out using our housing management system (Cx) whilst onsite, using a tablet rather than paper forms, reducing the administrative overhead of inputting these after the inspections have been completed.

Our alarm service is being migrated away from analogue telephony and devices to digital with a phased approach, in line with the government and British Telecoms (BT) plans for the Digital Switchover by 2025.

The contact centre system (NICE Cx One) has been upgraded, and we have migrated our webchat and email solutions in, for call handlers to better support our residents all in one place. It also provides the ability to report on the communication channels to monitor our performance. This has resulted in the previous solutions for email and webchat to be decommissioned.

Improve skills and behaviours of staff

We recognise that motivated staff create satisfied customers. We continue to develop our managers through our Teign Academy programmes so that they can support their teams to better performance. We will maintain Investors in People (IIP) Platinum status, and our staff will expect and embrace change as we seek to improve as an organisation continually.

Welfare reform and cost of living impact

We continue to work with our customers to support them with issues surrounding Universal Credit and the Cost of Living crisis. Our Head Start Team is made of 3 Coordinators and 1 Team Leader with a clear focus on tenancy sustainment. Whilst not limited to, their work and support will consider trial calculations for our customers to ensure they are claiming everything they are entitled to, carrying out affordability assessments during the pre-tenancy allocation process to ensure their new property will be affordable, and delivering our Assisted Lettings Scheme where customers who qualify can benefit from white goods or carpets to reduce the costs associated with moving to a new property.

With the pressures of the Cost of Living, our team often finds themselves working with customers to increase their financial resilience and support them to manage the impact this may have on the individual and/or household. Our support does extend further to help improve Health and Wellbeing, Digital Inclusion, and Positive Participation.

In 2022-23, we launched a Hardship Grant with a core purpose to support customers impacted by the Cost of Living and rent increases. The support offered via the Hardship Grant has continued in 2023-24, supporting over 459 households to date, with a total grant spending of £66,500. We are pleased that for 2024-25, a further amount of funding has been made available of over £50,200. The level of support provided not only provides customers benefiting from the grant immediate financial respite but can be beneficial in reducing other pressures such as stress and anxiety, and as a result, this has led to better engagement in managing tenancies.

Asset Management

We have commissioned our full housing stock survey since last financial year and surveyed 44% of the stock at the end of this financial year (with a near 100% survey expected by March 2025 subject to access issues). This will give us valuable insight into the condition of our housing stock to undertake any necessary remedial action but also better plan our cyclical and planned maintenance cycle, and carbon reduction work and highlight any issues before they become too serious. Whilst a financial outlay in the short term, this will provide efficiency savings over the long term and also allow us to identify any problem stock where it may be beneficial to dispose of and replace with newly developed housing.

Procurement

We continue to be a member of the Advantage South West Procurement Consortium. This organisation exists to improve lives and homes through innovation and collaboration and to improve value for money for its members. In 2023-24, the savings delivered through the membership of this consortium total £198,116, bringing the total savings since we joined in 2010 to £2,217,124.

Templer HomeBuild

The wholly owned subsidiary, Templer HomeBuild continues to provide us with greater control over service delivery and cost efficiencies. There is a strong emphasis on ‘right first time’ generating progressive efficiencies and cost savings. The VAT savings to be realised from Templer HomeBuild in 2023-24 were £614,617. The 2024-25 budget includes a further VAT saving of £591,085.

Voids

In 2023-24, we have seen a fall in void property repair costs due to the number of void properties falling from 175 to 158, and most of these relate to the decrease in major voids. The void cost per property remains the same as last year.

Tenants

Our outsourced repairs reporting service has been brought in-house into our Customer First team. As part of our journey mapping process with tenants, it was suggested that we do this to improve the service level. We have seen improvements in the scheduling and planning of operatives’ days, creating efficiencies, and it now means that with one call into Teign Housing, tenants can resolve a number of different queries across departments.

During the year:

- there was 98.2% satisfaction with repairs carried out
- 97.0% of all planned work was completed on time

The Customer First Team continued to be engaged in Call Quality and Monitoring Coaching to improve the way we interact with our customers.

Our Customer First Team Advisors are scored on set criteria centered around tone of voice and active listening. This process has increased baseline scores, which significantly improves our customers' experience and, hopefully, improves their expectations of our service.

A journey mapping session involving tenants, the Neighbourhood Policing Team and Teignbridge District Council was held in March to co-design improvements to managing ASB (Anti-Social Behaviours) within our communities. There will be a follow up session in early 2024-25. This direct involvement helps shape effective processes and forge links between the partner agencies to achieve better outcomes with best use of our resources for our residents.

The Anti-Social Behaviour (ASB) Respect Line was launched during Q4 of 2022-23. This gives residents access to Out of Hours services to report Anti-Social Behaviour and access to welfare calls and services. This increased focus and investment in improving the service and satisfaction for resolving ASB issues will address and reduce the number of complaints received regarding this area.

Tenants can now pay by recurring card payment. Most of our tenants now pay by direct debit, but we are keen to support other means of payment that may be better suited to individuals. The service has been live since this financial year, and this assists the Income Team in collecting rent and other payments.

Homemaker South West supports people with debt problems across the region. We have been working alongside them since 2019. In 2023-24, at a cost of £7,250, they supported our tenants to maximise their income with total gains, with our tenants receiving a total of £73,000 of support they were entitled to. Some of this income helps tenants ensure they are paying their rent, which in turn benefits the company. We see this as an efficient service, directly benefiting our tenants.

We have worked tenaciously, in partnership with THB, to continue to achieve 100% compliance on gas and electrical safety testing this year, employing various strategies, resulting in us not incurring legal costs.

Rents and Tenancy Sustainment teams have completed more Discretionary Housing Payment applications on behalf of tenants, which whilst initially it takes more time, this does prove VFM when the applications are awarded as the debt is cleared quicker than us chasing a tenant for payment and the cost of the tenant making payments to us.

Independence and Wellbeing

The Winter Warmer events continue to provide information on how to reduce fuel consumption, understand benefit entitlements, and avoid fuel poverty. Hot meals continue to be prepared and the activities take place in our community rooms. These have continued as the Spring Kitchen and Summer Sizzlers and bringing scheme communities together, aiming to build relationships, combat loneliness and improve wellbeing and have been very well received. The feedback has been positive about the new service, as to how this has made a difference to them, to have someone knock at their door on a regular basis is appreciated. In 2023-24, the total number of activities taking place is 112 with 751 attendees. These events include a mixture of drop-in sessions for tenants to discuss housing and support related issues, celebrations events such as the King's Coronation, monthly meals prepared by Hub Coordinators and wellness events.

We have continued to capture the needs of our most vulnerable customers by setting goal plans. During the year, 55% of our customers living in our sheltered accommodation have received a plan.

ALRT (Assisted Lifting Response Team)

The company has continued to work in partnership with Torbay and South Devon NHS and Appello to offer this service. Customers who benefit from this service will get the Torbay ALRT team to attend to assist a non-injured faller with lifting. The team has specialist lifting equipment and training, meaning they can get customers up quickly and help advise on preventing further accidents.

It also means a shorter wait time than if they were waiting for an ambulance, as paramedics have to prioritise emergency cases over someone unable to get up but unhurt.

This service has benefited 55 customers this year, preventing them from waiting for the ambulance and then being admitted to the hospital unnecessarily. Thus, it helps to reduce the time waiting for emergency services.

Teigncare

With the digitalisation of telephone systems, significant investment was needed to upgrade the alarm system. After financially modelling this, it was found that the service would no longer be financially viable to provide going forward, so the decision was made by the Board to cease the service by seeking a buyer to continue the provision. Appello Careline Ltd bought the service, and the sale was in April 2023. This has ensured continuity of service for the existing customers.

The Board has approved the investment in the Dispersed Alarms to be installed by 2024-25, and this project is to move from analogue technology to digitalise alarms at an estimated cost of £320,000. We have consulted with a group of residents on the type of alarm that would best suit them. This promotes engagement with the residents, especially when introducing a new piece of technology. It is critical that the users feel comfortable and able to use the alarm units for their safety and peace of mind.

Tenant Involvement

We continue to engage with our tenants and the wider community actively. We have a Resident Involvement Manager who coordinates this and helps us gauge what it is that tenants value and what they expect from us. We have a Tenants' Forum, which holds a hybrid meeting every six weeks. We continue to consult on changes to services and processes as well as tenant related policies, procedures, and strategies. We also have a Scrutiny Panel who undertakes regular reviews of our services from a tenant point of view and provides critical feedback and recommendations for service improvement. Thirdly, a tenant Service Board supports our strong ethos towards co-regulation and at their quarterly meetings, they focus on areas in relation to the Regulator of Social Housing's Consumer Standards. These all help to keep Teign Housing stay connected with its tenants.

Reduce our carbon emissions, improve the environment, and reduce the costs of living in our homes

We completed work on a block containing 16 properties that were in band D and are now at Band C with the addition of external wall insulation amongst other works. We instructed new assessments on 200 properties where the EPC had expired and were anticipated to be below EPC band C to inform our future work and investment.

We are currently formulating the best ways to retrofit our homes, have run a pilot scheme on a row of homes, and will learn from the project. We are also exploring grant funding, which will enable us to accelerate the programme in the next 12 -24 months.

In 2024-25, as well as the projects above, which will continue, our focus will also be on:

Reduce our carbon emissions, improve the environment, and reduce the costs of living in our homes

The additional stock condition data from the stock surveys will provide better and more accurate data to inform our investment plans for carbon reduction. Using this data along with EPC information, we can cost effectively target properties due for planned maintenance to both maintain decent home standards and focus on the least energy efficient properties first to maximise the return on investment.

Working towards our target of achieving a minimum EPC C across all stock by 2030, careful planning and coordination of the work will allow Social Housing Decarbonisation Funding to be utilised efficiently and effectively.

Damp and Mould

We are taking a proactive approach to this, including looking at property trends. In 2023-24, monitors were installed in homes where there is a greater probability of damp and mould occurring to allow us to monitor the situation. We have established a damp and mould group to focus on this issue, as well as regular mould washing when applicable, and advise tenants as to how to prevent it from occurring.

Further Improve our complaints process

The aim of the investment in a dedicated new Customer Insight & Resolutions Manager is for the organisation to be able to deliver a better service to our customers. We will continue to enhance our approach to complaints with increased training opportunities for all employees and co-develop processes with our customers. Full results are published quarterly to the Board and Tenants' Forum.

Develop more affordable homes

We will continue to develop affordable homes while ensuring that homes remain affordable for people living in our local communities. This may be through the purchase of section 106 developments or through smaller land led schemes. In the business plan, we have a target of delivering 43 new homes in 2024-25. We continue to review our land and properties for redevelopment opportunities. Ultimately, this will lead to an increase in rental income, which in turn can be re-invested in our existing stock or used to build more new homes.

Improve cash flow by increasing the collection of non-rent debt

Our housing management system will continue to monitor the rechargeable repairs, and the balance will show on Tenant records. The Income team will continue to manage the debts, as the team will have sight of both rent and non-rent charges. This holistic view will increase the success rate of the debt chasing process.

Tenants

The Customer First Team will relaunch the Call Quality and Monitoring Coaching to improve the way we interact with our customers. Team leaders will be included in the relaunched programme and subject matter experts will be invited to provide coaching and feedback on specific call types. This will improve the quality of response to callers by enhancing the advisor's detailed knowledge of the call subject matter.

We will continue to deliver the Omnichannel project, which brings together all the communications channels into one area to enable us to manage demand for our service better.

Mary Gober Training was delivered in June 2023 for the Customer and Communities Team Leaders and Managers as well as the full Customer First Team. This training is focused on Customer Service but also a wider remit of matching personal skills to technical skills to best equip employees to achieve their full potential and improve service levels across the directorate.

The Contact Centre Management Association highly commended the team in June 2023. To improve our service delivery, we will build upon the recommendations in the Contract Centre Accreditation report.

Independence and Wellbeing

Preparation for the digital switchover will continue with the hard-wired replacement programme. It will be completed by December 2025 and result in a far quicker response to emergency calls.

Tenancy sustainment plans continue being created with all new tenants as part of the sign-up process. This allows goals to be set for their outcomes of moving into the sheltered schemes and also to identify any needs for support and assistance prior to moving in. This could be assistance with registering for a doctor's surgery or other medical and social requirements. This helps the team best plan for the support needed and have it in place on the day the tenancy begins.

This promotes engagement with the residents, especially when introducing a new piece of technology. It is critical that the users feel comfortable and able to use the alarm units for their safety and peace of mind.

The community events with Winter Warmers, Spring Kitchen and Summer Sizzlers will continue, as well as the craft sessions to promote relationships and contact and reduce any feelings of loneliness. At these sessions, we invite partner agencies to demonstrate the support offered.

All Independence and Wellbeing team members will enrol on training in health coaching to enable them to carry out their roles effectively and allow tenants to get the most of out the independence and wellbeing services. Health coaching involves a holistic, person-centred approach, where our advisors have the knowledge to empower tenants to build realistic and achievable goals, where we can continue to increase our number of goal plans with the aim of having 60-65% of tenants with goal plans by 2025.

Aids and Adaptations

We will complete the journey mapping process that commenced in Q4 of 2023-24, and the aids and adaptations (A & A) policy and procedure will be reviewed – the review will reflect the co-development work that was done with beneficiaries of the A & A service and the associated service improvements. We will introduce a quarterly performance report which will reflect the value that the service offers to our customers as well as our stakeholders.

Engaging with our community

Over the next year, the neighbourhood team will continue to focus on engaging with our communities through the digital platforms that we have available to us. During 2023-24, we trained frontline staff in mediation and developed a specialist in-house mediator to save the cost of outsourcing this service. We will continue to use these skills and training to improve conflict mediation across our communities.

A consultation was held with the tenants at one of our Shelter Schemes to install Wi-Fi in the community room to increase digital use and reduce isolation. This installation will be available from July 2024 for 33 households to use and will benefit over 40 tenants at Bradley Court. This will allow us to offer further courses in digital skills, decrease social isolation and make the internet inclusive and available to all, where some may be unable to access it due to financial difficulties. This project is being installed by Social Telecoms at a cost of £2,397.

Digital

In July, we will upgrade our housing management system to the latest version, providing enhanced functionality and security for staff and benefiting the customer experience.

A new Teign Housing and Templer HomeBuild website will be introduced, providing a better resident and key stakeholder experience. We will be moving to Windows 11 for all of our staff laptops, introducing the latest operating system from Microsoft and enhancing the user experience for staff to support our residents effectively.

We have introduced a new card payment system which complies with the Payment Card Industry Standards (PCI DSS) for taking card payments over the telephone and online. This new system allows the residents to make payments using their telephone handset rather than our staff members taking their details and making the payment on their behalf. It also introduces extra security measures to keep card payment details safe and secure.

Our Electronic Document Management System (EDMS) is being migrated into our SharePoint environment, allowing staff to view documents all in one place and reducing the costs of having documents in a separate system.

We are reviewing the repairs diagnostic reporting solution to enhance the functionality and streamline the process of reporting repairs for our customers and staff. We are working in partnership with Ian Williams to enhance the repair interface with our repair subsidiary company, Templer HomeBuild. This will improve the performance of the interface, allowing our staff to book repairs for our residents quickly.

We will introduce self-service appointment bookings for repairs where our customers can book a repair slot that suits them, as can our contact centre staff on their behalf, freeing up resources within the Customer First Team.

We will issue tablets for front-line staff to input data at source whilst out in the field directly into our Housing Management System, Civica Cx, further reducing administrative time and resources. Review how resident consultation online can be used more widely, giving residents the opportunity to be more involved in decision-making.

We will expand our use of the Geographical Information System (GIS) solution to have real-time data pulled from our housing management system and open-source data repositories so that we can better plan resources and scheduling services. We will also enhance our CCTV digital capabilities, providing remote access to camera footage with electronic audit trails.

We will increase our use of Power BI by training our Business Intelligence Leads and staff so they can create an interactive, personalised dashboard and reports to empower decision-making.

We will procure and implement a new cloud-based asset management system, which will centralise data and provide real-time tracking and monitoring of assets.

Health and Safety

During the year, our Board approved our Health & Safety Strategy for the next three years, and we continue to work towards aligning our practices with HSG65, which is the Health and Safety Executive’s Guide to managing health and safety. The guide follows the Plan, Do, Act approach which has H&S an integral part of good management rather than a stand-alone system. We are currently following HSG65 system rather ISO 45001 (International Organisation for Standardisation) as it provides a suitable management framework for our area of operation. The team is part of our overall Assurance team, working collectively towards promoting a positive and impartial culture in which we can continually improve our performance. The Health & Safety Team ensure, where possible and applicable, that the physical environments and assets that protect our employees and customers are safe, secure and fit for purpose.

Increase financial capacity

The current RCF of £20m remains available until 2028. In the autumn of 2023-24, we started a new re-financing project to best use our unencumbered stock by securing further funding against it. This would enable the continued expansion of our development capacity and capital investment in improvements for our existing stock. The refinancing project was finalised in June 2024, and we have secured a new RCF of £30m until 2034.

Improve our complaints process

We continue to fully roll-out “Lessons Learned,” and in 2024-25, we aim to stop making the same mistakes again and prevent mistakes.

Ensure our residents are happy with their repairs

Next year, we aim to continue to exceed 96% satisfaction with repairs carried out.

Provide quality repairs and minimise return visits

Next year, we aim to exceed 99% of repairs requiring only one visit.

Work efficiently and respectfully in customers’ homes

Next year, we plan to complete 96% of all planned works on time.

Remain Financially Strong

In 2024-25, our operating margin is budgeted to be 18.0%, which is declining yearly due to the inflation rate on repairs and maintenance costs having increased more than the rate of rent increase.

The Consumer Standards and the Social Housing White Paper

We have delivered training for the whole company on these subjects in 2023-24 and will continue with refreshers during 2024-25 to provide updates and reinforce the importance of these crucial topics. The consumer standards working group meets regularly to discuss new initiatives to improve the service standard for our tenants, monitor current performance and review any new regulatory developments. This is important information given the heightened importance now placed on the customer and the new standards which are being put in place.

All of this continues to allow us to have a strong business plan that can manage the impact of cost increases, which have resulted from the strategic decisions made to improve the quality of our homes and services and to keep our customers safe. We also continue to deliver new homes and improve the overall capacity of the plan whilst still delivering the aims and aspirations of the company.

Assurance and Internal Control

The Board of Teign Housing has overall responsibility for establishing and maintaining an effective system of internal control. The systems of internal control are the measures designed to ensure that Teign Housing is successfully working toward its objectives, and that the risks which threaten the achievement of the company’s objectives are identified and properly managed. Such a system can provide reasonable but not absolute assurance and cannot eliminate risk.

The Board reviews the system of internal controls, assesses its effectiveness and takes any steps it considers necessary to maintain or improve its effectiveness.

Teign Housing's system of internal controls includes the measures set out below

Policy and strategy – there are a range of policies and strategies in place that determine and guide the activities and arrangements of the company.

Prevention and detection of fraud

The system of internal control includes measures designed to prevent or detect fraud.
The Board has established a policy on the prevention, detection and investigation of fraud which includes a whistle blowing procedure and an anti-money laundering policy. The company uses different measures to prevent and detect fraud which include but are not limited to:

- A Risk Management Framework
- Policies on staff conduct
- Declarations of interest
- Key reconciliations
- Authorisation controls
- Access controls
- Exception reports
- Financial Regulations

Board's assessment of assurance and internal control

The Board has conducted a review and made enquiries of the Executive and Senior Management Team to inform its view on the effectiveness of Teign Housing's internal controls. A full report on Internal Controls Assurance was provided to the Audit Committee on 27 June 2024. The results of the Board's review are the basis of this statement.

Teign Housing has assessed its compliance with the Regulator of Social Housing's Governance and Financial Viability Standard and considers itself to be compliant.
The Board confirms that an effective system of internal control has been in place throughout the year ending 31 March 2024 and up to the date of signing this report.

The Strategic Report, incorporating the Value for Money Statement, was approved by the Board of Directors on 27 June 2024 and signed on its behalf by

Maureen Robinson
Chair of the Board

Maureen Robinson

Directors Report

The Directors present their report for the year ending 31 March 2024.

Directors

The directors who served the company during the year are shown on page 1.

Information for auditors

The directors who held office at the date of approval of this Board Report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Statement of Compliance

The company has chosen, in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. This includes information that would have been included in the business review and the principal risks and uncertainties.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Board 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 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 the surplus or deficit of the company for that period.

In preparing these 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
- 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 accounts comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. They are also responsible for the maintenance and integrity of the Company’s website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report was approved by the Board of Directors on 27 June 2024 and signed on its behalf by:

Maureen Robinson
Chair of the Board

Independent Auditor's Report to the Members of Teign Housing

Opinion

We have audited the financial statements of Teign Housing (the 'parent Company') and its subsidiary (the 'Group') for the year ended 31 March 2024 which comprise the Consolidated and parent Company Statement of Comprehensive Income, the Consolidated and parent Company Statement of Financial Position, the Consolidated and parent Company Statement of Changes in Reserves, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies in note 1. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2024 and of the Group's income and expenditure and the parent Company's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and parent 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.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent

Company’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent 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.

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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 30, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the Group's and the parent 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 Board either intends to liquidate the Group or the parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

- We obtained an understanding of laws, regulations and guidance that affect the Group and parent Company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws, regulations and guidance that we identified included the Companies Act 2006, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022, NHF Code of Governance 2020, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the regulated nature of the Group's activities.
- We reviewed financial statements disclosures and supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

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

Use of our report

This report is made solely to the 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.

Beever and Struthers

Lee Cartwright (Senior Statutory Auditor)
For and on behalf of
Beever and Struthers
Statutory Auditor
150 Minories
London
EC3N 1LS

Date: 8 August 2024

Statement of Comprehensive Income

	Note	**Group 2024 £'000**	Group 2023 £'000	**Association 2024 £'000**	Association 2023 £'000
Turnover	2	**24,843**	21,390	**24,949**	21,505
Cost of sales	2	**(2,536)**	(1,137)	**(2,536)**	(1,137)
Operating expenditure	2	**(17,754)**	(15,942)	**(17,889)**	(16,073)
Gain on disposal of property, plant and equipment	2	**83**	142	**83**	142
Movement of investments property value	2	**(45)**	-	**(45)**	-
Operating surplus	2	**4,591**	4,453	**4,562**	4,437
Interest receivable	4	**95**	73	**124**	89
Interest and financing costs	5	**(2,021)**	(1,977)	**(2,021)**	(1,977)
Surplus/(Deficit) before tax		**2,665**	2,549	**2,665**	2,549
Taxation	7	-	-	-	-
Surplus/(Deficit) before tax		**2,665**	2,549	**2,665**	2,549
		2,665	2,549	**2,665**	2,549
Other Comprehensive Income					
SHPS - Actuarial gain/(loss) in respect of pension schemes	19	**(225)**	(133)	**(225)**	(133)
LGPS - Actuarial gain in respect of pension schemes	19	-	-	-	-
Total		**(225)**	**(133)**	**(225)**	**(133)**
Total comprehensive income for the year		**2,440**	**2,416**	**2,440**	**2,416**

The financial statements on pages 37 to 75 were approved and authorised for issue by the Board on 27 June 2024 and were signed on its behalf by:

Helen Hilditch	**Maureen Robinson**	**Stephen Cook**
Company Secretary	**Chair of the Board**	**Chair of Audit Committee**

The results relate wholly to continuing activities and the notes on pages 41 to 75 form an integral part of these accounts.

Statement of Financial Position

	Note	**Group At 31-Mar-24 £'000**	Group At 31-Mar-23 £'000	**Association At 31-Mar-24 £'000**	Association At 31-Mar-23 £'000
Fixed Assets					
Intangible Assets	8	**73**	201	**73**	201
Tangible Assets	9	**174,537**	160,232	**174,537**	160,232
Investment Properties	10	**525**	570	**525**	570
		175,135	161,003	**175,135**	161,003
Current Assets					
Stock	11	**923**	1,580	**923**	1,580
Debtors due in less than one year	12	**981**	1,532	**1,438**	2,055
Debtors due in greater than one year		**964**	965	**964**	965
Cash and cash equivalents	13	**2,662**	5,319	**2,363**	4,992
		5,530	9,396	**5,688**	9,592
Less creditors: amounts falling due within one year	14	**(10,399)**	(2,699)	**(10,557)**	(2,895)
Net Current Assets		**(4,869)**	**6,697**	**(4,869)**	**6,697**
Total assets less current liabilities		**170,266**	167,700	**170,266**	167,700
Creditors: amounts falling due after more than one year	15	**(68,415)**	(68,384)	**(68,415)**	(68,384)
Provisions for Liabilities					
Pension Liability	19	**(669)**	(574)	**(669)**	(574)
Total Net Assets		**101,182**	**98,742**	**101,182**	**98,742**
Reserves					
Income and Expenditure reserve		**69,401**	66,895	**69,401**	66,895
Revaluation reserve		**31,781**	31,847	**31,781**	31,847
Total Reserves		**101,182**	98,742	**101,182**	98,742

These financial statements on pages 37 to 75 were approved and authorised for issue by the Board 27 June 2024 and were signed on its behalf by:

Helen Hilditch
Company Secretary

Maureen Robinson
Chair of the Board

Stephen Cook
Chair of Audit Committee

The notes on pages 41 to 75 form an integral part of these accounts

Statement of Changes in Reserves

Group:

	Income and expenditure reserve £'000	Revaluation reserve £'000	Total £'000
Balance at 1st April 2022 Restated	**64,397**	**31,929**	**96,326**
Surplus from Statement of Comprehensive Income	2,549	-	2,549
Actuarial (loss) relating to the year	(133)	-	(133)
Transfer from revaluation reserve to income and expenditure reserve restated	82	(82)	-
Balance at 31st March 2023	**66,895**	**31,847**	**98,742**
Deficit from Statement of Comprehensive Income	2,665	-	**2,665**
Actuarial gain relating to the year	(225)	-	**(225)**
Transfer from income and expenditure reserve to revaluation reserve	66	(66)	-
Balance at 31st March 2024	**69,401**	**31,781**	**101,182**

Association:

	Income and expenditure reserve £'000	Revaluation reserve £'000	Total £'000
Balance at 1st April 2022 restated	**64,397**	**31,929**	**96,326**
Deficit from Statement of Comprehensive Income	2,549	-	2,549
Actuarial gain relating to the year	(133)	-	(133)
Transfer from revaluation reserve to income and expenditure reserve restated	82	(82)	-
Balance at 31st March 2023	**66,895**	**31,847**	**98,742**
Surplus/(Deficit) from Statement of Comprehensive Income	2,665	-	**2,665**
Actuarial gain/(loss) relating to the year	(225)	-	**(225)**
Transfer from income and expenditure reserve to revaluation reserve	66	(66)	-
Balance at 31st March 2024	**69,401**	**31,781**	**101,182**

The notes on pages 41 to 75 form an integral part of these accounts

Consolidated Statement of Cash Flows

	Group 2024 £'000	Group 2023 £'000
Cash flows from operating activities		
(Deficit)/Surplus for the year after tax	**2,665**	**2,549**
Adjustments for investing or financing activities		
(Gain) on sale of fixed assets	**(83)**	**(142)**
Interest receivable	**(95)**	**(73)**
Interest and financing costs	**2,021**	**1,977**
	1,843	**1,762**
Adjustments for non-cash items:		
Depreciation	**2,808**	**2,565**
Impairment of Fixed assets	-	-
Government grant utilised in the year	**(82)**	**(83)**
(Decrease)/Increase in stock	**657**	**(792)**
Decrease/(Increase) in Investment properties	**45**	-
(Increase)/Decrease in trade and other debtors	**551**	**(730)**
(Increase)/Decrease in trade and other creditors	**(301)**	**(1,289)**
Pension costs less contributions payable	**(154)**	**(145)**
	3,524	**(474)**
Net cash generated from operating activities	**8,032**	**3,837**
Cash flow from investing activities		
Capital expenditure on housing properties	**(16,225)**	**(13,393)**
Net proceeds on sale of housing properties	**219**	**486**
Purchase of other fixed assets and intangible assets	**(277)**	**(109)**
Government grant received	**214**	**500**
Interest received	**95**	**73**
Net cash used in investing activities	**(15,974)**	**(12,443)**
Cashflow from financing activities		
Interest paid	**(2,715)**	**(2,448)**
Loan Break Fees	-	-
Interest element of finance lease rental payment	-	-
Loans received	**8,000**	-
Loans repaid	-	-
Net cash used in financing activities	**5,285**	**(2,448)**
Net change in cash and cash equivalents	**(2,657)**	**(11,054)**
Cash and cash equivalents at beginning of year	**5,319**	**16,373**
Cash and cash equivalents at year end	**2,662**	**5,319**

The notes on pages 41 to 75 form an integral part of these accounts.

Notes to the financial statements

Legal Status

Teign Housing is a company limited by guarantee incorporated in England and Wales under the Companies Act 2006, it is a registered charity under the Charities Act 2011 and is registered with the Regulator of Social Housing as a Private Registered Provider of Social Housing. The registered office is Millwood House, Collett Way, Newton Abbot, Devon TQ12 4PH.

1 Principal Accounting Policies

Basis of Accounting

The Group's financial statements have been prepared in accordance with applicable United Kingdom Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice for registered social housing providers (2018). The Group is required under the Companies Act (Group Accounts) Regulations 2006 to prepare consolidated Group accounts.

The financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. The financial statements have been prepared in compliance with FRS102. The financial statements are prepared on the historical cost basis of accounting as modified by the valuation of the transferred rented housing stock to deemed cost on the transition to FRS 102 and are presented in £000's. Investment properties are included in the financial statements at valuation.

As a public benefit entity, Teign Housing has applied the public benefit entity 'PBE' prefixed paragraphs of FRS 102.

The Group financial statements consolidate the financial statements of Teign Housing (the parent) and its subsidiary undertaking Templer HomeBuild for the year ended 31 March 2024.

Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the parent company.
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of Teign Housing and entities controlled by the Group (its subsidiary). Control is achieved where the Group has the power to govern the financial and operating policies of an entity to obtain benefits from its activities. Intercompany transactions and balances between group entities are eliminated in full upon consolidation.

Going Concern

The company's financial statements have been prepared on a going concern basis, which assumes the ability to continue operating in the foreseeable future. The impact of the war in Ukraine and the ongoing situation in Gaza continue to be monitored, and the company has adapted to various new ways of working. The future budget and business plans have been constructed with this in mind, and no significant concerns have been noted.

The business plan was stress tested and assessed for any imminent or likely future breach in borrowing covenants. No significant concerns have been noted, and we consider it appropriate to continue to prepare the financial statements on a going concern basis.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

a. **Development expenditure.** The company capitalises development expenditure when the Board approve the agreement for contract. Initial capitalisation of costs is based on management's judgement that the development scheme is confirmed, usually when Board approval has taken place including access to the appropriate funding. In determining whether a project is likely to cease, management monitors the development and considers if changes have occurred that result in impairment.

b. **Categorisation of housing properties.** The company has undertaken a detailed review of the intended use of all housing properties. In determining the intended use, the company has considered if the asset is held for social benefit or to earn commercial rentals.

c. **Tangible fixed assets.** Other than investment properties, tangible fixed assets are depreciated over their useful lives considering residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on several factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are considered. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

d. **Pension and other post-employment benefits.** The cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations, and these valuations involve making assumptions. The critical underlying assumptions in relation to the estimate of the pension defined benefit scheme obligation are standard rates of inflation, property valuations, mortality, discount rate and anticipated future salary increases. Variations in these assumptions have the ability to significantly influence the value of the liability recorded and annual defined benefit expense. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in note 19.

e. **Impairment of non-financial assets.** Reviews for impairment of housing properties are carried out when a trigger has occurred and any impairment loss in a cash generating unit is recognised by a charge to the Statement of Comprehensive Income. Impairment is recognised where the carrying value of a cash generating unit exceeds the higher of its net realisable value or its value in use. A cash generating unit is normally a group of properties at scheme level whose cash income can be separately identified.

A review of void losses in the year has been carried out and no properties have been identified as impaired.

A review of the schemes in development has been carried out and no properties have been identified as impaired.

Following the assessment of impairment, no impairment losses were identified in the reporting period.

f. **Provision for bad debts.** A provision is made for bad debts based on the age of the debt. The rates of the provision increase from 10% for debts over 13 weeks to 50% for debts over 52 weeks. Former tenant arrears are provided for at 100%.

g. **Valuation of investment properties.** Investment properties are included at the fair value each year, and a professional revaluation has been undertaken. The revaluation has shown a decrease of £45k in the market value. This decrease has been reflected in the value of the fixed assets and the reserves balance.

Turnover and revenue recognition

Turnover represents rental income receivable from tenants and leaseholders, amortised capital grants, revenue grants from Local Authorities and Homes England, income from the sale of shared ownership properties and income from other services suppliers excluding VAT.

Income is recognised in relation to the period when the goods or services have been supplied. Rental income is recognised when the property is available for let, net of voids. Income from property sales is recognised on legal completion.

Service charges

Service charge income and costs are recognised on an accrual basis. The company operates variable service charges on a scheme by scheme basis in full consultation with residents.

Operating Leases

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

Loan interest costs

Loan interest costs are calculated using the effective interest method of the difference between the loan amount at initial recognition and the amount of maturity of the related loan.

Capitalised Interest

Interest on our development schemes is capitalised from the point the Board approves the project and the company begins to incur development costs.

Categorisation of Debt

The Group's debt has been treated as "basic" in accordance with paragraphs 11.8 and 11.9 of FRS 102.

Corporation Tax

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

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.
- Any deferred tax balances are reversed when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, the Group can control their reversal and such reversal is not considered probable in the foreseeable future.

Value Added Tax

The company charges VAT on some of its income and can recover part of the VAT it incurs on expenditure. All amounts disclosed in the accounts are inclusive of VAT to the extent that it is suffered by the company and not recoverable.

Intangible Assets

Intangible assets are for IT software. They are stated at cost less accumulated depreciation.

The useful economic life is 3 to 5 years.

Tangible Assets

Properties for social rent transferred from the Local Authority are stated at deemed cost less accumulated depreciation, all other properties and tangible fixed assets are stated at historic cost less accumulated depreciation. Donated land/assets or assets acquired at below market value from a government source, i.e., local authority, are included as a liability in the Statement of Financial Position at the fair value less consideration paid. Housing properties under construction are stated at cost and are not depreciated. These are reclassified as housing properties, on practical completion of construction. Cost includes the cost of acquiring land and buildings, development costs, and interest charges incurred during the development period. Staff costs and overheads directly attributable to bringing housing properties into working condition for their intended use are capitalised. Freehold land is not depreciated.

Where a housing property comprises two or more major components with substantially different useful economic lives (UELs), each component is accounted for separately and depreciated over its individual UEL. Expenditure relating to subsequent replacement or renewal of components is capitalised as incurred.

The company depreciates freehold housing properties by component on a straight-line basis over the estimated UELs of the component categories.

UELs for identified components are as follows:

Structure	100 Years
Cornish Units	50 Years
Kitchens	20 Years
Bathrooms	30 Years
Wiring	30 Years
Heating/boilers	15 Years
Windows and Doors	30 Years
Pitched Roof	70 Years
Flat Roof	20 Years
Disabled adaptations	10 Years

Low Cost Home Ownership

The costs of low-cost home ownership properties are split between current and fixed assets based on the first tranche portion. The first tranche portion is accounted for as a current asset and the sale proceeds shown in turnover. The remaining element of the shared ownership property is accounted for as a fixed asset and subsequent sales treated as sales of fixed assets. Interest on loans used to finance the development of new housing properties is capitalised during the construction period.

Finance Leases

Where assets are financed by leasing arrangements that give rights approximating to ownership, they are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term, this is generally equivalent to the original cost of the assets. The corresponding leasing commitments are shown as obligations to the lessor. Lease payments are treated as consisting of capital and finance cost elements and the finance costs are charged to the Statement of Comprehensive Income.

Other Tangible Fixed Assets

Other tangible fixed assets are stated at cost less accumulated depreciation. Leased assets are depreciated over the life of the lease if this is shorter than their useful economic life. Depreciation is provided on a straight-line basis, at rates considered appropriate to write off the assets over their useful economic lives as follows:

IT equipment	3 to 5 years
Leasehold Improvements	5 to 10 years
Office premises	90 years
Office fixtures and fittings	3 to 5 years
Teigncare Alarm Equipment	3 to 10 years
Motor Vehicles	4 years
Electrical works	40 years
New technology	15 years
Gas installations	25 years

Investment Property

Investment property includes commercial properties not held for the social benefit of the company. Investment property is measured at cost on initial recognition, which includes purchase cost and any directly attributable expenditure, and subsequently at fair value at the reporting date. Fair value is determined annually and derived from the current market rents and investment property yields for comparable real estate, adjusted, if necessary, for any difference in the nature, location, or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive income.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Social Housing Grant (SHG)

Where developments have been financed wholly or partly by social housing and other grants, the amount of the grant received has been included as deferred income and recognised in Turnover over the estimated useful life of the associated asset structure (excluding land), under the accruals model.

When SHG in respect of housing properties in the course of construction exceeds the total cost to date of those housing properties, the excess is shown as a current liability.

SHG must be recycled by the company under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the SHG can be used for projects approved by Homes England. However, SHG may have to be repaid if certain conditions are not met. If grant is not required to be recycled or repaid, any unamortised grant is recognised as Turnover. In certain circumstances, SHG may be repayable, and, in that event, is a subordinated unsecured repayable debt.

Revaluation Reserve

The revaluation reserve represents the difference on transition between the fair value of transfer rented social housing properties and their historical cost carrying value, where deemed cost transitional relief was taken.

2 Turnover, cost of sales, operating expenditure, and operating surplus

Group	Turnover	Cost of sales	Operating expenditure	2024 Operating surplus	Turnover	Cost of sales	Operating expenditure	2023 Operating surplus
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings (note 2a)	**20,843**	-	**(17,303)**	**3,540**	19,338	-	(15,431)	3,907
Other social housing activities								
Teigncare alarm services	-	-	-	-	187	-	(145)	42
Other services	**146**	-	**(200)**	**(54)**	103	-	(122)	(19)
First tranche low cost home ownership sales	**3,437**	**(2,536)**	-	**901**	1,408	(1,137)	-	271
Activities other than social housing								
Other activities (note 2b)	**417**	-	**(251)**	**166**	354	-	(244)	110
Total	**24,843**	**(2,536)**	**(17,754)**	**4,553**	21,390	(1,137)	(15,942)	4,311
Gain on disposal of property, plant and equipment (note 2c)				**83**				142
(Decrease)/Increase in value of investment properties				**(45)**				-
Operating surplus				**4,591**				4,453

2 Turnover, cost of sales, operating expenditure, and operating surplus cont'd.

Association	Turnover	Cost of sales	Operating expenditure	2024 Operating surplus	Turnover	Cost of sales	Operating expenditure	2023 Operating surplus
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Social housing lettings (note 2a)	**20,843**	-	**(17,461)**	**3,382**	19,338	-	(15,565)	3,773
Other social housing activities								
Teigncare alarm services	-	-	-	-	187	-	(145)	42
Other services	**200**	-	**(177)**	**23**	150	-	(121)	29
First tranche low cost home ownership sales	**3,437**	**(2,536)**	-	**901**	1,408	(1,137)	-	271
Activities other than social housing								
Other activities (note 2b)	**469**	-	**(251)**	**218**	422	-	(242)	180
Total	**24,949**	**(2,536)**	**(17,889)**	**4,524**	21,505	(1,137)	(16,073)	4,295
Gain on disposal of property, plant and equipment (note 2c)				**83**				142
(Decrease)/Increase in value of investment properties				**(45)**				-
Operating surplus				**4,562**				4,437

2a Income and expenditure from social housing lettings

Group	General needs	Housing for older people	Low cost home ownership	Other	Total 2024	Total 2023
	£'000	£'000	£'000	£'000	£'000	£'000
Income						
Rent receivable, net of identifiable service charge and voids	14,206	4,691	589	2	19,488	17,945
Service charge income	413	609	26	53	1,101	1,105
Amortised government grants	82	-	-	-	82	83
Other income from social housing lettings	36	136	-	-	172	205
Turnover from social housing lettings	14,737	5,436	615	55	20,843	19,338
Operating expenditure						
Management	(4,783)	(2,109)	(17)	(46)	(6,955)	(5,662)
Service charge costs	(247)	(155)	(16)	(14)	(432)	(630)
Routine maintenance	(2,451)	(928)	(9)	(16)	(3,404)	(3,120)
Planned maintenance	(725)	(311)	(3)	(23)	(1,062)	(651)
Major repairs expenditure	(1,862)	(745)	(6)	(24)	(2,637)	(2,838)
Bad debts	(92)	(33)	-	-	(125)	(92)
Depreciation of housing properties	(1,676)	(658)	(67)	(132)	(2,533)	(2,264)
Amortisation	(103)	(40)	(4)	(8)	(155)	(174)
Impairment of housing properties	-	-	-	-	-	-
Operating expenditure on social housing lettings	(11,939)	(4,979)	(122)	(263)	(17,303)	(15,431)
Operating surplus on social housing lettings	2,798	457	493	(208)	3,540	3,907
Void losses	(234)	(52)	-	-	(286)	(105)

2a Income and expenditure from social housing lettings cont'd.

Association	General needs	Housing for older people	Low cost home ownership	Other	Total 2024	Total 2023
	£'000	£'000	£'000	£'000	£'000	£'000
Income						
Rent receivable, net of identifiable service charge and voids	14,206	4,691	589	2	19,488	17,945
Service charge income	413	609	26	53	1,101	1,105
Amortised government grants	82	-	-	-	82	83
Other income from social housing lettings	36	136	-	-	172	205
Turnover from social housing lettings	14,737	5,436	615	55	20,843	19,338
Operating expenditure						
Management	(4,836)	(2,132)	(17)	(47)	(7,032)	(5,662)
Service charge costs	(250)	(157)	(16)	(14)	(437)	(631)
Routine maintenance	(2,459)	(931)	(9)	(16)	(3,415)	(3,204)
Planned maintenance	(745)	(319)	(3)	(23)	(1,090)	(663)
Major repairs expenditure	(1,889)	(755)	(6)	(24)	(2,674)	(2,873)
Bad debts	(92)	(33)	-	-	(125)	(93)
Depreciation of housing properties	(1,676)	(658)	(67)	(132)	(2,533)	(2,264)
Amortisation	(103)	(40)	(4)	(8)	(155)	(174)
Impairment of housing properties	-	-	-	-	-	-
Operating expenditure on social housing lettings	(12,050)	(5,025)	(122)	(264)	(17,461)	(15,564)
Operating surplus on social housing lettings	2,687	411	493	(209)	3,382	3,774
Void losses	(234)	(52)	-	-	(286)	(105)

2b Turnover from activities other than social housing

	Group 2024 £'000	Group 2023 £'000	**Association 2024 £'000**	Association 2023 £'000
Garage lettings	**353**	314	**353**	314
Non-social housing lettings	**28**	-	**28**	-
Commercial property lettings	**36**	39	**36**	39
Gift Aid Donation	-	-	**52**	69
	417	353	**469**	422

2c Gain on disposal of assets

Group and Association	**Right to Buy/Acquire Sales** £'000	**Low Cost Home Ownership** £'000	**Open Market Sales** £'000	**Other Disposals** £'000	**Total 2024 £'000**	Total 2023 £'000
Proceeds of sales	339	-	-	18	**357**	700
Less: Costs of sales	(112)	-	-	-	**(112)**	(400)
Amount payable to Teignbridge District Council	(162)	-	-	-	**(162)**	(158)
Gain/(Loss)	**65**	-	-	**18**	**83**	142

3 Directors’ emoluments, key management personnel & employee information

	2024	2023
	£’000	£’000
The aggregate emoluments paid to or receivable by non executive Directors and former Directors	**39**	**38**
The aggregate emoluments paid to or receivable by executive Directors and former Directors	**172**	**156**
	211	**194**
The emoluments paid to the highest paid Director excluding pension contributions	**152**	**137**
The aggregate amount of Directors or past Directors’ pensions, excluding amounts payable under a property funded pension scheme	-	-

The number of full time equivalent staff whose remuneration payable fell within bands of:	**Group 2024 £’000**	Group 2023 £’000	**Association 2024 £’000**	Association 2023 £’000
£70,000 to £79,999	-	-	-	-
£80,000 to £89,999	-	2	-	2
£90,000 to £99,999	-	2	-	1
£100,000 to £109,999	**3**	-	**2**	-
£110,000 to £119,999	-	-	-	-
£120,000 to £129,999	-	-	-	-
£130,000 to £139,999	-	-	-	-
£140,000 to £149,999	-	-	-	-
£150,000 to £159,000	-	1	-	1
£160,000 to £169,000	-	-	-	-
£170,000 to £179,000	**1**	-	**1**	-

The Chief Executive is an ordinary member of the pension scheme. In April 2022, the Chief Executive moved from a final salary scheme to a defined benefit scheme funded by annual contributions by the employee, and the employer. No enhanced or special terms apply. There are no additional pension arrangements. A contribution by the company of £20,093 (2022-23: £18,489) was paid in addition to the personal contributions of the Chief Executive. Directors (key management personnel) are defined as the members of the Board and the Chief Executive.

Employee information

The average number of persons employed during the year expressed in full time equivalents (37 hours per week) was:	**Group 2024**	Group 2023	**Association 2024**	Association 2023
Office staff	**105**	92	**82**	77
Wardens, caretakers and cleaners	**19**	17	**19**	17
Maintenance staff	**53**	51	-	-
	177	160	**101**	94

Staff costs (for the above employees)	**Group 2024 £'000**	Group 2023 £'000	**Association 2024 £'000**	Association 2023 £'000
Wages and salaries	**6,086**	5,205	**3,527**	3,065
Social Security costs	**585**	535	**342**	304
Other Pension costs	**557**	423	**476**	362
LGPS Cessation Event	-	-	-	-
Non Executive Director Wages and salaries	**39**	38	**39**	38
Holiday Pay Accrual	**55**	55	**16**	18
	7,322	6,256	**4,400**	3,787

4 Finance income and other income

	Group 2024 £'000	Group 2023 £'000	**Association 2024 £'000**	Association 2023 £'000
Bank finance income	**95**	73	**95**	73
Interest received from Group entities	-	-	**29**	16
	95	73	**124**	89

5 Finance costs and similar charges

	Group 2024 £'000	Group 2023 £'000	**Association 2024 £'000**	Association 2023 £'000
On loans repayable within 5 years	**269**	-	**269**	-
On loans wholly or partly repayable in more than five years	**2,325**	2,327	**2,325**	2,327
Costs associated with financing	**20**	27	**20**	27
Net interest on the defined liability	**24**	14	**24**	14
Less finance costs capitalised on housing properties under construction	**(620)**	(391)	**(620)**	(391)
Other interest charges	**3**	-	**3**	-
Charged to income and expenditure account	**2,021**	1,977	**2,021**	1,977

6 Surplus on ordinary activities before taxation

Is stated after charging/(crediting)	**Group 2024 £'000**	Group 2023 £'000	**Association 2024 £'000**	Association 2023 £'000
Depreciation of housing properties	**2,526**	2,211	**2,526**	2,211
Depreciation of other fixed assets	**127**	128	**127**	128
Amortisation of intangible fixed assets	**155**	174	**155**	174
Operating lease rentals (land and buildings)	**-**	-	**-**	-
Operating lease rentals (other)	**-**	-	**-**	-
Auditors remuneration (excluding VAT)				
- Audit of the Group financial statements	**28**	26	**28**	26
- Audit of subsidiaries	**-**	-	**-**	-
- Other service	**2**	2	**2**	2
Amortisation of government grant	**(82)**	(83)	**(82)**	(83)

7 Taxation on surplus on ordinary activities

Teign Housing is a registered charity. Charitable activities of the Company are exempt from United Kingdom Corporation Tax.

Analysis of charge/(credit) for the year	**Group 2024 £'000**	Group 2023 £'000	**Association 2024 £'000**	Association 2023 £'000
Current tax				
UK corporation tax at 25% (2022/23: 19%)	**-**	-	**-**	-
Adjustment in respect of prior years	**-**	-	**-**	-
Total current tax charge/(credit)	**-**	-	**-**	-
Deferred tax				
Total deferred tax charge/(credit)	**-**	-	**-**	-
Tax on surplus on ordinary activities	**-**	-	**-**	-
Reconciliation of tax charge				
Surplus on ordinary activities before taxation	**2,665**	2,549	**2,665**	2,549
Tax on surplus/(deficit) at corporation tax rate of 25% with profits over £250,000 (2022/23: 19%)	**666**	484	**666**	**484**
Effects of:				
Non-taxable surplus on charitable activities	**(666)**	(484)	**(666)**	**(484)**
Expenses not deductible for tax purposes	**-**	-	**-**	-
Non trade charges utilised in period	**-**	-	**-**	-
Tax charge/(credit) for the year	**-**	-	**-**	-

8 Intangible assets – IT software

	2024
	£'000
Cost	
At 1st April 2023	1,067
Additions	39
Disposals	(67)
At 31st March 2024	**1,039**
Amortisation	
At 1st April 2023	(866)
Charge for year	(155)
Disposals	55
At 31st March 2024	**(966)**
Net book value	
At 31st March 2024	**73**
At 1st April 2023	201

Of the £73,000 NBV, £28,000 relates to the Housing Management Software.

9 Tangible fixed assets

	Social Housing Properties for Letting Completed	Social Housing Properties for Letting Under Construction	Low Cost Home Ownership Properties Completed	Low Cost Home Ownership Properties Under Construction	**Total Housing Properties**	Land	IT Equipment	Office	Supported Housing Equipment	Fixtures & Fittings	Motor Vehicles	**Total Fixed Assets**
	£'000	£'000	£'000	£'000	**£'000**	£'000	£'000	£'000	£'000	£'000	£'000	**£'000**
Cost												
At 1st April 2023	153,142	8,765	10,778	1,956	**174,641**	65	219	1,178	238	289	123	**176,753**
Additions	7,035	7,684	-	4,481	**19,200**	-	64	-	139	50	25	**19,478**
AUC Transfers	9,501	(9,501)	4,226	(4,226)	-	-	-	-	-	-	-	-
Transfer to Current Assets	-	-	-	(2,355)	**(2,355)**	-	-	-	-	-	-	**(2,355)**
Disposals	(191)			-	**(191)**	-	-	-	(191)	(16)	-	**(398)**
At 31st March 2024	**169,487**	**6,948**	**15,004**	**(144)**	**191,295**	**65**	**283**	**1,178**	**186**	**323**	**148**	**193,478**
Depreciation & Impairment												
At 1st April 2023	(15,200)	(139)	(386)	-	**(15,725)**	-	(144)	(137)	(218)	(228)	(69)	**(16,521)**
Charge for the year	(2,413)	-	(113)	-	**(2,526)**	-	(63)	(15)	(9)	(20)	(20)	**(2,653)**
Disposals	55		-	-	**55**	-	-	-	177	1	-	**233**
At 31st March 2024	**(17,558)**	**(139)**	**(499)**	-	**(18,196)**	-	**(207)**	**(152)**	**(50)**	**(247)**	**(89)**	**(18,941)**
Net book Value												
At 31st March 2024	**151,929**	**6,809**	**14,505**	**(144)**	**173,099**	**65**	**76**	**1,026**	**136**	**76**	**59**	**174,538**
At 1st April 2023	137,942	8,626	10,392	1,956	158,916	65	75	1,041	20	61	54	160,232

9 Tangible fixed assets cont'd

Number of units owned and managed

Group and Association

Social Housing Accommodation	**Opening Balance**	**Started in Year**	**Completed in Year**	**Closing Balance**
Under development				
General needs housing	**97**	72	88	**81**
Social rent	_41_	_12_	_37_	_16_
Affordable rent	_56_	_60_	_51_	_65_
Supported housing and housing for older people	**-**	-	-	**-**
Low cost home ownership	**34**	31	34	**31**
	131	103	122	**112**

	Opening Balance	**Completed in Year**	**Disposed in Year**	**Closing Balance**
Under managemement at end of year	_*Restated_			
General needs housing	**2,658**	88	3	**2,743**
Social rent	_2,376_	_36_	_3_	_2,409_
Affordable rent	_282_	_52_	-	_334_
Supported housing and housing for older people	**997**	-	-	**997**
Low cost home ownership *	**131**	34	-	**165**
Market rent *	**3**	-	-	**3**
	3,789	122	3	**3,908**
	3,920			**4,020**

	Opening Balance	**Taken on in Year**	**Removed in Year**	**Closing Balance**
	*Restated			
Social Housing Accommodation				
Managed for others at end of year *	**40**	17	-	**57**
	40			**57**

*The Opening Balance of Low cost home ownership has been restated from 127 to 131 to include 4 restricted equity properties being misreported in 2022-23. This restatement will have no impact beyond note 9.

*There are 3 Market rent properties have been included. This restatement will have no impact beyond note 9.

*The Opening Balance of Managed for others has been restated from 29 to 40 to include 11 units managed for Teign District Council since 2021-22. This restatement will have no impact beyond note 9.

The value of property additions includes £621,000 of capitalised finance costs (2022-23: £391,000). Finance costs are charged on all schemes during the development stage. The total cumulative value of capitalised finance costs is £2,264,000 (2022-23: £1,643,000). The average rate of finance costs is 4.59% (2022-23: 4.06%).

Housing properties were valued by Jones Lang LaSalle in accordance with Royal Institute of Chartered Surveyors procedures. Based on the commitments to the funders, some properties are valued at EUV-SH (existing use value), and some are at MV-ST (market value subject to tenancy). Properties valued annually for funding commitments at 31 March 2024 equated to £126.5m (1,434 properties); Properties valued triennially for funding commitments at 31 March 2024 equated to £30.7m (413 properties), and unencumbered properties valued at 31 March 2023 equated to £101.2m (1,493 properties), in total 3,340 properties. There are 564 properties that have not been valued for funding commitments.

The total expenditure on repairs and maintenance to existing properties in the year was £11,032,000 (2022-23: £9,278,000). Of this £3,818,000 was capitalised under the SORP 2018 (2022-23 £3,203,000).

The residual value of the housing property assets represents land which is not depreciated. The cost of land at 31 March 2024 was £35,501,400 (2022-23: £34,861,400).

10 Investment properties held for letting

Group and Association	2024 £'000
Cost	
At 1st April 2023	570
Additions	-
Loss from adjustment in value	(45)
At 31st March 2024	**525**

Investment properties were re-valued at 31 March 2024 by Jones Lang Lasalle, professionally qualified external valuers. The valuation of properties was undertaken in accordance with the Royal Institute of Chartered Surveyors Valuation Global Standards. These properties were part of the original stock transfer from Teignbridge District Council and transferred with a nil value. The shops have been valued on the basis of Market Value. The total valuation has been decreased to £525,000 (£570,000, 31 March 2023).

11 Stock

Group and Association	2024 £'000	2023 £'000
Properties held for sale		
Low cost home ownership properties		
Completed	530	181
Under construction	393	1,399
	923	1,580

There are 34 low-cost home ownership properties under construction and 4 properties completed and available for sale at 31 March 2024.

12 Trade and other debtors

Amounts falling due in less than one year

	Group 2024 £'000	Group 2023 £'000	**Association 2024 £'000**	Association 2023 £'000
Arrears of rent and service charges	**611**	593	**611**	593
Provision for bad and doubtful debts	**(353)**	(341)	**(353)**	(341)
	258	252	**258**	252
Prepayments and accrued income	**514**	374	**577**	491
Other trade receivables	**209**	905	**203**	911
VAT receivables	**-**	1	**-**	1
Amounts owed by subsidiary undertakings	**-**	-	**400**	400
Amounts due in less than one year	**981**	1,532	**1,438**	2,055

Amounts falling due in greater than one year

	Group 2024 £'000	Group 2023 £'000	**Association 2024 £'000**	Association 2023 £'000
THFC loan interest paid in advance	**964**	965	**964**	965
Amounts due in greater than one year	**964**	965	**964**	965

13 Cash and cash equivalents

	Group 2024 £'000	Group 2023 £'000	**Association 2024 £'000**	Association 2023 £'000
Short term deposits	-	1,013	-	1,013
Cash at bank	**2,662**	4,306	**2,363**	3,979
	2,662	5,319	**2,363**	4,992

The Cash at bank figure includes £355k restricted funds that are held as a pension bond. These funds are held in a separate bank account and are not available as company working capital.

14 Creditors: amounts falling due within one year

	Group 2024 £'000	Group 2023 £'000	**Association 2024 £'000**	Association 2023 £'000
Trade payables	**484**	376	**483**	423
Accruals and deferred income	**242**	645	**242**	645
Rent and service charges paid in advance	**884**	848	**884**	848
Right to Buy sharing agreement (see below)	**162**	157	**162**	156
Amounts owed to subsidiary	-	-	**259**	237
Other creditors	**375**	449	**348**	428
Bank loans (note 15a)	**8,000**	-	**8,000**	-
Deferred capital grant (note 15b)	**84**	81	**84**	81
VAT creditor	**7**	-	**7**	-
Income Tax (PAYE) and National Insurance	**161**	143	**88**	77
Lease obligations	-	-	-	-
Amounts owed to subsidiary undertakings	-	-	-	-
	10,399	2,699	**10,557**	2,895

The Right to Buy sharing agreement is part of the inventory transfer agreement and requires Teign Housing to pay a share of the proceeds from property sales to Teignbridge District Council. This agreement ceased in February 2024.

15 Creditors: amounts falling due after more than one year

	Group 2024 £'000	Group 2023 £'000	**Association 2024 £'000**	Association 2023 £'000
Bank loans (note 15a)	**57,511**	57,491	**57,511**	57,491
Loan Premium	**3,479**	3,597	**3,479**	3,597
Lease obligations	-	-	-	-
Deferred capital grant (note 15b)	**7,303**	7,230	**7,303**	7,230
Recycled Capital Grant Fund (note 15c)	**99**	43	**99**	43
Sinking Fund (Haldon)	**23**	23	**23**	23
	68,415	68,384	**68,415**	68,384

15a Bank loans

The Group and Association loans are repayable in the following periods:

	Group 2024 £'000	Group 2023 £'000	**Association 2024 £'000**	Association 2023 £'000
Fixed rate loans				
Within one year	-	-	-	-
2 to 5 years	-	-	-	-
In 5 years or more	**57,511**	57,491	**57,511**	57,491
Variable rate loans				
Within one year	**8,000**	-	**8,000**	-
2 to 5 years	-	-	-	-
In 5 years or more	-	-	-	-
	65,511	57,491	**65,511**	57,491

The £25m loan from GBSH and £33m loan from bLEND PLC are fixed long-term loans, which remain in place, resulting in a total drawn debt of £58m.

The £20m revolving credit facility remains in place with Nationwide, and £8m was withdrawn at the end of March 2024 (2023-24: nil).

All loans are secured by specific charges on the Company's housing properties and are repayable at varying rates of finance costs from 2.92% to SONIA plus 1.18%.

The average rates of finance costs on the long-term loans outstanding at 31 March 2024 were:

Fixed rate loans 3.98% (2022-23: 3.98%)

At 31 March 2024, the Group and Association also had the following undrawn loan facilities:

	2024	2023
	£'000	£'000
Undrawn facilities (Nationwide)	**12,000**	20,000
	12,000	20,000

15b Deferred capital grant

	Group 2024 £'000	Group 2023 £'000	**Association 2024 £'000**	Association 2023 £'000
At start of the year	**7,311**	6,894	**7,311**	6,894
Received during the year	**214**	500	**214**	500
Grants recycled on disposals to RCGF	**(56)**	-	**(56)**	-
Released to income during the year	**(82)**	(83)	**(82)**	(83)
	7,387	7,311	**7,387**	7,311
Amount due to be released < 1 year	**(84)**	(81)	**(84)**	(81)
Amount due to be released > 1 year	**7,303**	7,230	**7,303**	7,230

The total accumulated government grant and financial assistance received or receivable at 31 March 2024 is £8,272k (2022-23: £8,112k), of which, £7,387k (2022-23: £7,311k) is included as deferred capital grant and £884k (2022-23: £802k) has been recognised as income through the Statement of Comprehensive Income to date.

15c Recycled capital grant fund

	Group 2024 £'000	Group 2023 £'000	**Association 2024 £'000**	Association 2023 £'000
At 1 April 2023	**43**	43	**43**	43
Inputs to RCGF:				
Grants recycled	**56**	-	**56**	-
At 31 March 2024	**99**	43	**99**	43
Due in more than one year	99	43	99	43
	99	43	**99**	43

All balances relate to Homes England.

16 Operating leases

The Group and Association no longer have any operating leases.

17 Share Capital

Teign Housing is a company limited by guarantee and as such does not have share capital. At 31 March 2024, the company's guarantors were its Company/Board members and the extent of the guarantee was £1 each.

18 Capital commitments

	2024	2023
	£'000	£'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	**14,972**	15,431
Capital expenditure that has been authorised by the Board but has not yet been contracted for	**3,158**	4,270
	18,130	19,701

The company expects these commitments to be financed over the life of the committed development program over a period of 3 years with:

	2024	2023
	£'000	£'000
Proceeds from sale of shared ownership properties	**2,484**	1,746
Uncommitted loan facilities	**15,646**	17,955
	18,130	19,701

The revolving credit facility provided by Nationwide (£20,000,000) will fund £15,646,000 of committed expenditure.

19 Pensions Liability

Total Pensions Liability	**2024**	**2023**
	£'000	£'000
SHPS	669	574
Total	**669**	**574**

(a) Social Housing Pension Scheme

During the year, the company participated in the scheme, a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK and is accounted for as such.

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

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

The scheme was closed to new members and on 31st March 2022 the company closed the scheme to the remaining two members.

We have been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved before the end of 2025 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but until Court directions are received, it is not possible to accurately calculate the impact of this issue, but we have had an indication that our maximum liability would be £68,000. No adjustment has been made in these financial statements in respect of this potential issue.

Fair value of plan assets, present value of defined benefit obligation, and defined benefit asset (liability)

	2024	2023
	£'000	£'000
Fair value of plan assets	**2,840**	2,808
Present value of defined benefit obligation	**(3,509)**	(3,382)
(Deficit) in plan	**(669)**	(574)
Unrecognised surplus	**-**	-
Defined benefit (liability)	**(669)**	(574)

Reconciliation of opening and closing balances of the defined benefit obligation

	2024	2023
	£'000	£'000
Defined benefit obligation at start of period	**3,382**	5,234
Current service cost	**-**	-
Expenses	**5**	5
Interest expense	**162**	145
Member contributions	**-**	-
Actuarial losses (gains) due to scheme experience	**124**	(207)
Actuarial losses (gains) due to changes in demographic assumptions	**(34)**	(7)
Actuarial losses (gains) due to changes in financial assumptions	**(52)**	(1,723)
Benefits paid and expenses	**(78)**	(65)
Defined benefit obligation at end of period	**3,509**	3,382

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

	2024	2023
	£'000	£'000
Fair value of plan assets at start of period	**2,808**	4,662
Interest income	**138**	131
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	**(187)**	(2,070)
Employer contributions	**159**	150
Member contributions	**-**	-
Benefits paid and expenses	**(78)**	(65)
Fair value of plan assets at end of period	**2,840**	2,808

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2023 to 31 March 2024 was (£49,000) (2023: £1,939,000).

Defined benefit costs recognised in statement of comprehensive income (SOCI)

	2024	2023
	£'000	£'000
Current service cost	**-**	-
Expenses	**5**	5
Net interest expense	**24**	14
Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)	**29**	19

Defined benefit costs recognised in other comprehensive income (OCI)

	2024	2023
	£'000	£'000
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	**(187)**	(2,070)
Experience gains and losses arising on the plan liabilities - gain (loss)	**(124)**	207
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	**34**	7
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	**52**	1,723
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	**(225)**	(133)
Total amount recognised in Other Comprehensive Income - gain (loss)	**(225)**	(133)

Assets

	2024 £'000	2023 £'000
Global Equity	**283**	52
Absolute Return	**111**	30
Distressed Opportunities	**100**	85
Credit Relative Value	**93**	106
Alternative Risk Premia	**90**	5
Fund of Hedge Funds	**-**	-
Emerging Markets Debt	**37**	15
Risk Sharing	**166**	207
Insurance-Linked Securities	**15**	71
Property	**114**	121
Infrastructure	**287**	321
Private Equity	**2**	-
Private Debt	**112**	125
Opportunistic Liquid Credit	**111**	120
High Yield	**-**	10
Opportunistic Credit	**-**	-
Cash	**56**	20
Corporate Bond Fund	**-**	-
Liquid Credit	**-**	-
Long Lease Property	**18**	85
Secured Income	**85**	129
Liability Driven Investment	**1,156**	1,294
Currency Hedging	**(1)**	5
Net Current Assets	**5**	7
Total assets	**2,840**	2,808

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

Key assumptions

	2024 **£'000**	2023 £'000
Discount Rate	4.92%	4.84%
Inflation (RPI)	3.11%	3.17%
Inflation (CPI)	2.79%	2.79%
Salary Growth	3.79%	3.79%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2024 imply the following life expectancies:

	2024 **Life expectancy at age 65** **(Years)**	2023 Life expectancy at age 65 (Years)
Male retiring in 2024 (2023)	20.5	21
Female retiring in 2024 (2023)	23.0	23.4
Male retiring in 2044 (2043)	21.8	22.2
Female retiring in 2044 (2043)	24.4	24.9

20 Related parties

Transactions with regulated and non-regulated elements of the business

The company provides management services, other services, and loans to its subsidiary.

The company also receives charges from its subsidiary for labour services provided for property maintenance and compliance.

Gift aid from the subsidiary is recognised at year end on a receivable basis and is calculated based on the profit for the year end.

Payable to the company from non-regulated subsidiaries

	2024	2023
Transactions with Templer HomeBuild Limited	**£'000**	£'000
Gift aid distribution	**52**	69
Management & administration	**58**	49
Loan interest	**29**	16
Loan repayments received	**400**	800
	539	934

Payable to non-regulated subsidiaries from the company

	2024	2023
Transactions with Templer HomeBuild Limited	**£'000**	£'000
Property services provided	**3,073**	2,575
Loans to Subsidiary	**400**	800
	3,473	3,375

Statement of Financial Position balances between Parent and Subsidiary

	Creditors	**Debtors**
	£'000	**£'000**
Teign Housing	259	964
Templer HomeBuild	456	259
	715	1,223

Balances held in respect of the Parent/Subsidiary relationship are eliminated on consolidation.

21 Consolidated structure and investment

On 17 October 2005, Teign Development Limited was formed as a wholly owned subsidiary of Teign Housing. Teign Development Limited changed its name to Templer HomeBuild Limited on 11 April 2017 and commenced trading on 1 July 2017. The principal activity of Templer HomeBuild is the provision of property maintenance and construction services to the Social Housing sector, including properties for rent and sale. Templer HomeBuild profit for the year was £52,000 (2022-23: £69,000) and had net assets of nil (2022-23: nil).

22 Low-cost home ownership – buyback liability

Teign Housing has two low-cost home ownership properties that have mandatory buy back clauses, this means that in the event of the owner being unable to sell their property we are obliged to purchase their share. These will be noted as contingent liabilities in the accounts. A contingent liability is one where the outcome of an existing situation is uncertain, and this uncertainty will be resolved by a future event.

<u>10 Lonsee Gardens</u>
Sale date – 23rd November 2010
Share percentage bought – 35%
Price of percentage bought - £53,235
Original 100% market value as stated in the Lease - £152,100
The property/shares were transferred to a new shared owner on 21st November 2013.
The 100% market value on 21st November 2013 was £145,000

<u>12 Lonsee Gardens</u>
Sale date – 1st October 2010
Share percentage bought – 25%
Price of percentage bought - £37,537.50
Original 100% market value as stated in the Lease – £150,150

23 Change in Net Debt

Group

	At Beginning of the year £'000	Cash Flows £'000	Non-Cash Movements £'000	At End of the year £'000
Cash and Cash Equivalents	5,319	(2,657)	-	2,662
Housing Loans Due in One Year	-	(8,000)	-	(8,000)
Housing Loans Due After One Year	(57,491)	-	(20)	(57,511)
	(52,172)	**(10,657)**	**(20)**	**(62,849)**

Association

	At Beginning of the year £'000	Cash Flows £'000	Non-Cash Movements £'000	At End of the year £'000
Cash and Cash Equivalents	4,992	(2,629)	-	2,363
Housing Loans Due in One Year	-	(8,000)	-	(8,000)
Housing Loans Due After One Year	(57,491)	-	(20)	(57,511)
	(52,499)	**(10,629)**	**(20)**	**(63,148)**

24 Discontinuation of Teigncare Service

The Teigncare alarm service to private individuals was acquired and has been operated by Appello Careline Ltd since 3rd April 2023.