

THE NORTHERN HOUSING CONSORTIUM

ANNUAL

REPORT

2020



CHIEF EXECUTIVE'S INTRODUCTION

In the introduction I wrote for last year's annual report I talked about 'tumultuous times' obviously not knowing exactly HOW tumultuous our industry and society were about to become. In our Corporate Plan, launched in October 2019, we set out our refreshed values – one of which is that 'we are innovative and react to challenges quickly and positively'. Almost immediately after publishing that Plan and for all the months since, we have demonstrated that value as the political, economic and social landscapes have continuously changed.

Whilst this report covers a period prior to the major effects of the Covid-19 pandemic, many of the steps that we took April 2019 – March 2020 have allowed us to minimise the negative impact of Covid on our operations and develop new ways of staying connected to our members and other stakeholders as the world comes to terms with the impact of the virus.

For example, our events programme moving online in March has proven to be a move which has yielded significant benefits. Geography is no longer a barrier to participation for either delegates or speakers – at the #OurNorth Net Zero campaign kick-off event we heard from a UN representative based in Geneva and our annual Summit features a speaker from a Scandinavian housing association.

Our online offering through both events and MyNHC (which you will read about in this report) make us more accessible than ever before to our members.

In late 2018, responses to our member perceptions survey indicated a desire for the NHC to have a stronger, clearer voice, and I'm immensely proud of the progress we have made to develop that voice on behalf of our members, and of the impact that has had.

I'm also hugely proud and humbled by the passion, creativity and resourcefulness of the NHC staff, who have been able to deftly navigate the multitude of changes that have been imposed on our industry while staying true to our core objectives, all to the benefit of our members and those living in their properties.

My first year as Chief Executive had more than its fair share of challenges but I have been well supported by the Board who have ensured we continue to drive the organisation in a direction that will deliver for the North. I particularly need to add a special thanks to Tom Miskell, who is standing down from his role as Chair of the Board, for the benefit of his deep experience and understanding of the sector and his sage counsel for all things housing.

Finally, I must thank all of our members for their continued support and their enthusiasm for our work. I hope that over the next 12 months we can spend more time together, whether it be in person or through virtual means.



TRACY HARRISON
CEO, NORTHERN HOUSING CONSORTIUM



CHAIR'S FOREWORD

Welcome to our annual report as we sum up our progress from our previous financial year and the strides we have taken to further strengthen the voice of housing in the North. Whilst the period covered within this report finishes in March 2020, I find it impossible to look back without acknowledging more recent months and their effect on our sector.

Last year I wrote about how Brexit had taken up a lot political 'bandwidth' but little did we know that the truly all-consuming issue of the global Coronavirus pandemic was just around the corner. The onset of the Covid crisis brought into crystal clear focus the need for good quality housing, as during lockdown we have spent more time than any other generation in history within our four walls.

Homes have become workplaces, schools, nurseries, gyms, bakeries, and much more. Unfortunately for many living in the North their homes have simply not been good enough and their physical and mental health has suffered as a result.

However, I have been heartened by the response of our membership and sector to the crisis striving to find new ways to remain engaged with their communities, continue maintenance and development work, and provide the vital support to some of the most vulnerable in our society.

Prior to Covid we had taken great steps to deliver on our promise of being 'the voice of housing in the North' and within this report you'll read about the steps we took to make sure our members' voices were heard including the #OurNorth campaign which heralded a new era in which we are 'banging the drum' for our sector louder than ever before.

Our corporate plan launched last year has been successfully deployed and guides everything that we do ensuring we are both efficient and effective.

I'm grateful to our Chief Executive, Tracy Harrison, for her leadership of the NHC staff team. Tracy's first year at the helm has seen a number of successes, including systems like MyNHC which make us more accessible to our members and a smooth transition to home working, which the organisation had made a possibility for our staff long before we knew how much we would depend on it.

Both Tracy and her team have demonstrated great passion and resolve throughout the last 12 months and I want to personally thank them all. I would also like to thank my fellow board members for making my final year as Chair so interesting and enjoyable. Helping steer the strategic direction of the NHC, especially in realising the new corporate plan, has been key to the organisation's progress over the last year.

Finally, as I step down from my role as Chair I would like to thank all of you for your continued passion for your work. This is a diverse and exciting sector to be part of, and I feel proud knowing that I have been part of a membership organisation whose members really care about what they do and who they are doing it for.



TOM MISKELL OBE
CHAIR, NORTHERN HOUSING CONSORTIUM



OUR BOARD 2019/20



Tom Miskell OBE (Chair)
Consultant



Steve Close (Vice Chair)
Chief Executive, Together Housing Group



Yvonne Castle
Chief Executive, Johnnie Johnson Housing



Simon Costigan
Chief Officer Property and Contracts, Leeds City Council (left November 2019)



Lee Sugden
Chief Executive, Salix Homes



Barbara Spicer CBE
Chief Executive, Plus Dane Housing



Paul Fiddaman
Group Chief Executive, Karbon Homes



Karen Lythe
Assistant Director Strategic Housing,
Doncaster Council



Nigel Wilson
Group Chief Executive, Gentoo
(joined November 2019)



Sarah Robson
Corporate Director for Growth,
Enterprise and Environment, Redcar
and Cleveland Council



Liz Haworth
Chief Executive, Halton Housing



Mike Palin
Former Chief Executive, St Helens
Council (left November 2019)



Michael Laing
Associate Director, Community
Services, Gateshead Care Partnership
(left November 2019)



Greg Robinson
Assistant Chief Executive Resources,
Incommunities



Ian Wardle
Chief Executive, Thirteen Group

THE YEAR IN NUMBERS

(as of March 2020)

**Total number of
members**

517

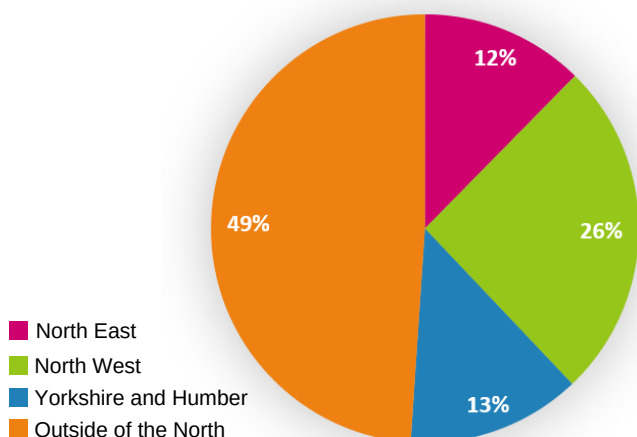
9,483

**interactions with
our members last
year**

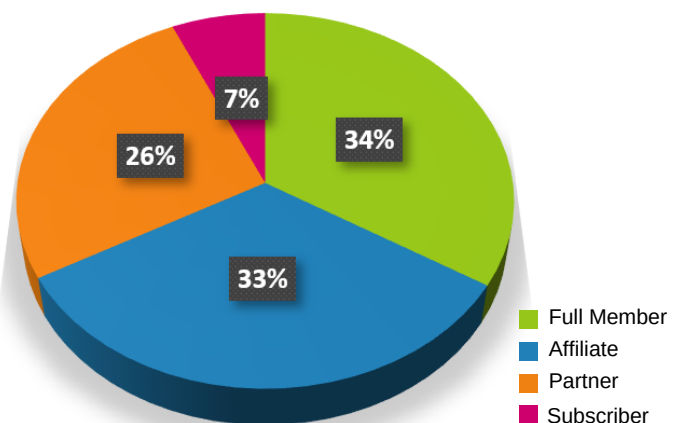
**Total number of events
(conferences, roundtables
and training sessions)**

79

Geographical breakdown of members



Member type breakdown



Our annual report

Last year, the Northern Housing Consortium adopted a new Corporate Plan for 2019/20 – 2021/22. This Corporate Plan sets out:


Our mission: A member services organisation for Northern housing providers

Our vision: To use our collective voice to have unrivalled influence in achieving housing policy that works for the North and provide outstanding services that support our members to create great places to live.

We have **five objectives** which drive our work:

1. Connected to members at all levels
2. Unrivalled ability to shape and deliver services that add value for members
3. Craft messages and built an evidence base on the issues that matter to members
4. Ensure our messages reach and connect with decision makers and policy shapers
5. Solid financial footing

This year's annual report is organised around our objectives – and sets out what we have done to deliver on these objectives in 2019/20.



Connected to members at all levels

At the heart of all the NHC's work is a deep understanding of members' needs, drawn from our extensive engagement activity.

Our new Corporate Plan was informed by a member perception survey and, in-line with our commitment to regularly review and improve our products, systems and processes, we have conducted further research with members on our communications activity.

Events

We continue to run a wide range of conferences and roundtables for our members targeted at a variety of roles within their organisation *including* Chief Executives, Procurement Managers, Communications Specialists and those working in policy roles.

Overall, we held 18 conferences, seminars and training courses throughout the year with 88.7% of our members attended at least one of these throughout the 2019/20 period.

Our free member roundtables, which give participants the opportunity to learn from their peers, remain very popular with 50 roundtables in 2019/20 with 465 delegates attending at least one.


The Northern Housing Summit, our flagship event, continues to be the place where the sector in the North comes together. The 2019 event in Manchester was well-attended and included speakers such as former housing minister, Gavin Barwell and Dame Julia Unwin.

In March 2020, we moved our events programme online with Minister for Housing Chris Pincher MP addressing our first online conference, on Modern Methods of Construction. This accelerated our existing ambition to enable more digital engagement opportunities for our members and has made it cheaper and easier for members to interact with us. As well as removing transport time and costs, it has also greatly reduced the carbon footprint of our events, and overall, it has broadened the NHC's engagement across and within member organisations.

MyNHC

In November 2019, we launched MyNHC, our online member portal through which members can book events, view key documents (like Consortium Procurement contracts), and get an overall view of their organisations interactions with NHC, demonstrating membership value in real time.

The portal also links directly to our customer relationship management (CRM) database, strengthening our mechanisms for capturing business intelligence, and ensuring we know 'who's who' in our membership, what they do, and what they want from us, so that we can deliver on their wants and needs.



Left	Neutral	Right	Left	Neutral	Right	Left	Neutral	Right
1	2	3	4	5	6	7	8	9

Unrivalled ability to shape and deliver services that add value for members


Staff development and wellbeing

We continue to support our staff to deliver excellent services to members. We personalise training and development plans to ensure every staff member is empowered to be a subject matter expert in their field. We currently support around a quarter of staff towards recognised academic or professional qualifications and even more towards affiliation to their respective professional member bodies, safeguarding our authenticity in housing knowledge, procurement services and operational support.

This year we refreshed our performance development review process to ensure every staff member's objectives are directly linked to specific ambitions in our overarching 3-year corporate plan, and to ensure we continue to live by our organisational values; we are member focused, we are collaborative, we are innovative and we are supportive. The embodiment of these values, plus our strong staff culture, alongside our readiness to work fully remotely, have stood us in strong stead since the financial year-end across the lockdown period to continue to deliver the best services to our members. As a leadership team, we are immensely proud of the achievements and resilience of our thirty-five staff across this period and of the way they have supported each other.

We are committed to the wellbeing of our staff to facilitate the best support to our member organisations. We have an established staff-led wellbeing working group to discuss and promote initiatives to sustain and improve both the physical and mental health and wellbeing amongst staff recognising that 'one size doesn't fit all'. A key part of this is empowering staff, and equipping them with the tools to work when, how and where it is that allows them to operate to the best of their ability.

This year, we were delighted to be able to support the GEM programme, which recruits and trains dedicated and passionate people into the housing sector, by taking on two new graduates through this scheme. They have already made a big difference to our Policy and Public Affairs team and the support and information we have been able to provide to members as a result. Building on this success, we have welcomed a third staff member via the GEM programme to our team in September 2020,



Consortium procurement

Consortium Procurement continues to support our members with expert advice from our Account Executives and engagement around our Frameworks/DPS in development.

Working with some of the UK's leading suppliers, our aim is to take away the complexity of procurement for our members by providing them with a simple, trusted and compliant route to procurement.

Included below is a list of our key savings for members.

- Average saving per member - £24,200.00
- Total savings – £8,385,499.00
- Gained 47 New members

Frameworks/DPS that have launched from April 2019 to March 2020:


- Technology Enabled Care Services Framework
- Property Safety and Security Framework
- Passenger Lifts Framework
- Residential Property Development and Asset Management Consultancy DPS

Frameworks/DPS that have been in development between April 2019 to March 2020:

- Asbestos, Legionella and Mould Management Framework
- Cleaning Services DPS
- Heating, Drainage and Plumbing DPS
- Recruitment Services Framework
- Commercial Insurance DPS

Consortium Procurement Construction (CPC), which is a branded partnership with LHC, is an expansion of our offering to members and includes a full suite of frameworks supporting construction, refurbishment and maintenance of social housing and public buildings, providing MMC solutions and other construction-based frameworks. CPC are also committed to supporting the social housing sector and achieving government decarbonisation targets by 2050 and in November 2020, will be launching the Energy Efficiency and Energy Efficiency Consultancy frameworks; both directly linked to decarbonisation.

The full list of current CPC frameworks includes:

- Offsite Construction of New Homes (NH2)
 - Schools & Community Buildings (SCB2)
 - General Refurbishment (N7)
 - Modular Buildings (MB1)
 - Pitched Roofing (PR3)
 - Flat Roofing (FR2)
- 

- External Doorsets (C7)
- Communal Entrance Doorsets (CED1)
- Windows & Doors – PVC-U (U10)
- Windows & Doors – Timber (T4)
- Vacant Property Protection & Associated Services (V7)
- Supply of Kitchen Units & Worktops (K6)
- FS1 Fire Safety
- Project Management – Consultancy Services (N7)
- Asbestos
- Heating Services
- WH2 DPS
- Water Management (WM1)

Consortium Procurement Construction continue to listen to our members and evolve the current portfolio of frameworks.


We are proud of our business model which allows us to keep subscriptions low and sees the income we generate through our national Consortium Procurement service reinvested into our member services and influencing work for housing in the North.

By using our procurement and business improvement services, members are investing in our ability to help make the North an even greater place to live.

Unlocking Success

In December 2019, we launched the Unlocking Success tenant bursary scheme to help our members support tenants in their learning and skills development jointly working towards future employment objectives. The scheme, which is funded through the Northern Housing Consortium Charitable Trust, awards bursaries of up to £500 which can be used to pay for course fees, books, equipment, travel costs, childcare or living costs. The scheme gives priority to students falling into vulnerable groups who might need a greater level of support to enable them to continue to participate in their learning.

We were thrilled to be able to award the first round of grants totalling nearly £10,000 to 33 students in March 2020 and are currently evaluating submissions for the subsequent round of grants to be awarded in November 2020. We have already received excellent feedback on the significant difference these amounts are making to bursary recipients, enabling them to be able to complete their studies and find subsequent employment.



Adding Further Value to members through our Business Improvement Service

Through our Business Improvement Services we support our member organisations with expert advice, research, critical-friend analysis and consultancy. The services are provided directly by the NHC and through the specialist expertise of our high-quality associates.

In 2019/20, we fulfilled a range of assignments for a number of NHC members, covering a broad range of activities including:


- Support to Ongo Homes in analysing the work of its Communities directorate
- Review of voids management and allocation processes at Bernicia Homes.
- Process mapping exercises and facilitated workshops allowing staff across teams to work together to solve problems working to a common goal.
- Value for Money staff training at Northwards Housing.

With the start of the lockdown period occurring at the end of the 2019/20 period, we were able to use existing networks and links with members to quickly pull together online meetings to enable members to share operational practices in dealing with the situation created by the pandemic.

Homekind

In late 2019, we took the decision to discontinue our Homekind services, which enabled members and tenants to access home essentials such as furniture and white goods. This consumer-facing service was used by a relatively small number of members and had limited 'fit' with our wider offer to members.

A phased closure brought the service to an end in March 2020, with members assisted to access alternative sources of supply, including via Consortium Procurement's furniture services framework. Staff who worked on Homekind have been successfully redeployed within the NHC.



INSIDE HOUSING

Scotland special:

**The 20-year plan
for housing**

**How Glasgow is
failing its homeless**

**Plus: The sector's
key asks for the
2020 Budget**

*"The chancellor has the opportunity
to demonstrate his commitment to
levelling up. Housing represents
an opportunity to demonstrate
this commitment at pace"*

*Tracy Harrison,
Northern Housing Consortium*



Housing bodies call for 'levelling up' in Budget

Northern Housing Consortium and PlaceShapers
want "truly national" funding programme

Jack Simpson

The government must use its upcoming Budget to tackle inequalities around the funding of affordable homes in the North if it is to achieve its aim of "levelling up" regions outside London and the South East, a number of sector groups have warned.

Trade bodies have ramped up the pressure on chancellor Rishi Sunak (above) to use his Budget on 11 March to tackle the regional inequalities in the housing market.

Continued on page 2

(Our 2020 Budget Submission made headlines)

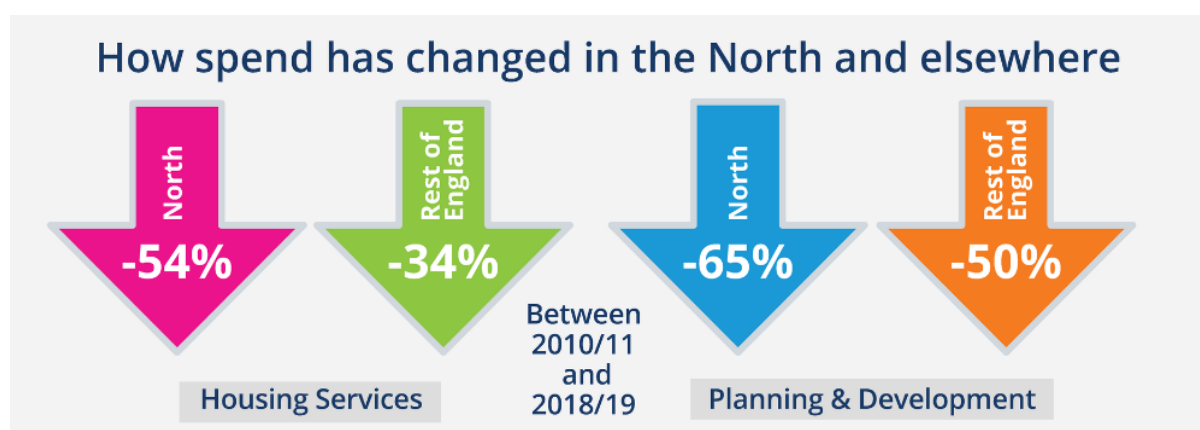
Craft messages and build an evidence base on the issues that matter to members

We are committed to making housing policy work for the North through a sustained focus on our core policy objectives.

In Summer 2019, the NHC launched #OurNorth – a campaign which highlighted our asks of Government in a busy political environment which included a General Election and Spending Round.

#OurNorth focused on:

Creating the capacity our local authorities need to deliver on their housing ambitions



As part of our commitment to involving members in the pursuit of our core policy objectives, we held a series of roundtable events on this topic through Autumn 2019, ensuring members felt ownership of the issue.

In February 2020, we published '*Time to Level-Up: Local Authority Housing and Planning Capacity in the North of England*', based on a report we commissioned from academics at the UK Collaborative Centre for Housing Evidence.

This timely research secured extensive media coverage and provided fresh evidence on the loss of capacity within our councils since 2010/11, highlighting how the North had been disproportionately impacted by this.

We have used the findings to engage with officials at Homes England, and in June, we held a workshop with members to help shape the Agency's thinking on their skills centre of excellence model. Evidence from '*Time to Level-Up*' has also underpinned our Comprehensive Spending Review submission and our response to the Planning White Paper.



(We have built strong relationships with the Housing Ombudsman, welcoming Richard Blakeway to a roundtable with members in January 2020)

Supporting the delivery of new affordable homes in the North

The NHC has supported the sector consensus on the need for expansion of the Affordable Homes Programme to meet the independently assessed need.

In September 2019, we launched *'Building #OurNorth : the vital role of the affordable homes programme'* at the Conservative Party Conference, which set out the important role the Affordable Homes Programme plays in the North

The publication featured eight success story case studies from NHC members and included input from Rishi Sunak MP prior to his appointment as Chancellor of the Exchequer.

We were keen to guard against any further geographic targeting of housing funds which could put the North at a further disadvantage.

The publication was supported by a range of other activity, including us submitting evidence to the Housing, Communities and Local Government Select Committee's inquiry into the long-term delivery of social and affordable housing.

Driving up the quality of our existing homes

Throughout 2019/20, the NHC supported the All-Party Parliamentary Group for Housing in the North's inquiry into property standards in the North's private rented sector.

The Inquiry attracted over 30 evidence submissions, and Parliamentarians have held several oral evidence sessions.


The Inquiry was delayed by the General Election, but restarted in 2020 and will report in November 2020.

#OurNorth: Net Zero

In February 2020, the NHC's member-led board approved a 'theory of change' approach to guide our work on renewal through decarbonisation. This work has become #OurNorth: Net Zero, which has rolled out in 2020/21 and has two aims:

- Through our events and workshops we will help NHC members gain the knowledge, connections and confidence to make net zero a reality in their communities.
- Through our policy, research and influencing work we will contribute to securing the policy and resources the North needs to renew our existing homes.

#OurNorth Net Zero is a good example of how the NHC is integrating our member engagement and influencing activity to deliver a stronger, clearer voice on the issues that matter to members. The first phase consists of a series of member engagement opportunities and two research projects, which will be delivered across 2020/21.



Covid-19

The Coronavirus emerged late in the period covered by this Annual Report, but our response to it in 2020/21 has included member engagement and development of our recovery offer to Government *Net Zero and New Homes : Housing's role in the North's recovery*; and the rapid mobilisation of research to understand the impact of lockdown on those living in poor quality housing in the North, the latter conducted in partnership with Huddersfield University and the Nationwide Foundation.



Ensure our messages reach and connect with decision makers and policy shapers

Strengthening our connections with decision makers and policy shapers

During the period covered by this Annual Report we have seen two changes of Housing Minister and a new Secretary of State. The NHC provides all new Ministers with detailed information about the work of our member organisations and offers to host visits to locations across the North where we know good practice is taking place. We are pleased that Chris Pincher, the current housing minister, spoke at our MMC Conference in March 2020, and has agreed to address the Northern Housing Summit in November 2020.

We also engage with the team of advisors around the Ministers and in March this year, we hosted a tour for Cathy Francis, Director of Housing Delivery, Ministry of Housing, Communities and Local Government (MHCLG). Cathy visited a range of sites on Teesside with her officials, which informed the development of the Brownfield Housing Fund.

£276m of this £400m fund has now been allocated to Northern Combined Authorities, and we continue to engage with Government on it, calling for further rounds of funding in our recent Comprehensive Spending Review submission.

In addition to bringing officials to the North, we regularly engage with senior officials in London, updating them on our work and ensuring the voice of housing in the North is heard in Whitehall.


The NHC has continued its work in Parliament providing the secretariat to the APPG for Housing in the North including on their Inquiry into property standards in the North's PRS. In addition, we were pleased to be asked to provide oral evidence to the Housing Communities and Local Government Select Committee in October 2019. This enabled us to deliver key messages on affordable homes programme funding and local authority capacity to an influential group of MPs.

The NHC jointly holds quarterly meetings in the North with the Regulator for Social Housing. The meetings provide a forum for members and the Regulator to consider, discuss and exchange views and information on a range of issues in relation to the governance of the social housing sector and the wider operating environment. We moved quickly to build on this relationship during the Covid-19 lockdown, bringing the Chief Executive of the Regulator together with members on several occasions. We have recently extended the bilateral model to add a similar engagement with the Housing Ombudsman Service.

The NHC has been successful in bringing key sector figures to the North for engagements with members through our Influence North programme. We held roundtable dinners offering members the opportunity to talk privately with high profile stakeholders such as the Housing Ombudsman, with government officials like the Housing Delivery Director, with Bank of England regional agents, and with sector figures such as the editor of Inside Housing. These forums are important in ensuring a strong northern voice is heard by influential figures.

Ensuring the people who count understand and respond to our core policy objectives

The Government, and Parliamentary Committees, regularly issue proposals in the form of consultations, calls for evidence, or Green Papers. This year, the NHC has focused on making fewer, but more impactful interventions on issues that align with our core policy



objectives. Examples of success include our written evidence on the Long-Term Delivery of Social and Affordable Housing, which led to an invitation to provide oral evidence to the HCLG Select Committee. Our Spring 2020 Budget Representation was covered on the front page of Inside Housing.


Collaborating with other organisations who share our members' interest

The NHC works with other organisations with similar aims and objectives.

This year we supported the Affordable Housing Commission, an independent commission chaired by Lord Best. Following our detailed evidence, and event for members last year, we built on this with two further events in Summer 2020, which were addressed by Metro Mayor Jamie Driscoll, and the CEO of the Chartered Institute of Housing, amongst others.

We have strengthened our relationships with the National Housing Federation, Chartered Institute of Housing and Homes for the North over the last year. We are currently collaborating with Homes for the North on research into appraisal models; and our Executive Director for Policy and Public Affairs has joined the CIH Policy Advisory Committee in a personal capacity.

We have also strengthened our relationship with the media, developing positive relationships with Inside Housing, Northern Housing News and 24 Housing. We also ran two *Influence North* events with the Editor of Inside Housing in order to help him shape his publication's coverage of northern housing issues.





We brought members together with Martin Hilditch, Editor of Inside Housing twice during 2019/20

Solid Financial Footing

Throughout this year we have focused on driving a strong representation of Members' needs, most specifically through campaign work around decarbonisation, continued development of services, compliant procurement solutions and support, and improving engagement with the membership.

Our financial choices reflect this, with a £103,092 investment in capital expenditure developing the bespoke MyNHC launched during the year and providing members with digital access to their membership records and our services.


In July 2018, the Board approved an investment programme to grow our procurement solutions through the breadth of solutions available to members, expansion of geographical and sectoral access, and to enable better support for members, including our affiliate membership beyond the North.

Through the long lifecycle of procurement development to return on investment, we anticipated an overall deficit operational position for the current and prior year. The investment for 2019/20 amounted to £105,656 (2019 - £49,100) falling in line with plan.

During the year, we also have commenced a collaboration with LHC to offer a range of construction procurement solutions under the brand of CPC (as previously mentioned within this report), including a solution for Modern Methods of Construction.

The Board also agreed a phased closure of the Homekind service which provided members' tenants with access to affordable furniture and white goods. The decision to close was partially due to the cost of providing the service, which did not align with our new Corporate Plan and strategic objectives; and partially due to the fact that better member value could be gained by signposting alternative supply chains, including procurement solutions.

Although it falls outside this reporting period, it is worth noting that financial forecasts for 2020/21 were adjusted to allow for the impact and change of operation as a result of the Covid-19 crisis which will be covered in more detail in next year's report.





(Former Housing Minister Gavin Barwell speaks at the NHC Northern Housing Summit in 2019)

Registration number: 04361009

NORTHERN HOUSING CONSORTIUM LIMITED

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2020

Northern Housing Consortium Limited

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Northern Housing Consortium Limited

Company Information

Directors

T M Miskell
S R Close
P Fiddaman
G M Robinson
B Spicer
I P Wardle
S E Robson
Y J Castle
K J Lythe
C E Haworth
A R Reeves
L J Sugden
N Wilson

Company secretary C R Wilmot

Registered office Loftus House
Colima Avenue
Sunderland Enterprise Park
Sunderland
SR5 3XB

Auditor

MHA Tait Walker
Chartered Accountants & Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Northern Housing Consortium Limited

Directors' Report for the Year Ended 31 March 2020

The directors present their report and the financial statements for the year ended 31 March 2020.

Directors of the company

The directors who held office during the year were as follows:

T M Miskell
S R Close
M M Palin (resigned 31 December 2019)
P Fiddaman
G M Robinson
M Laing (resigned 14 November 2019)
B Spicer
I P Wardle
S E Robson
Y J Castle
S Costigan (resigned 31 December 2019)
K J Lythe
C E Haworth
L J Sugden
N Wilson (appointed 14 November 2019)

The following director was appointed after the year end:

A R Reeves (appointed 20 April 2020)

Principal activity

The principal activity of the company is a membership organisation whose principal purposes are to represent members' interests and to assist them by offering support, advice and guidance. This assistance is provided in many forms, including policy advice, information and support, networking opportunities, conferences, training and exhibitions, research, general and statistical information, procurement solutions and business improvement services.

Our main drivers this year have again been to drive a strong representation of Members' needs, notably commencing our campaign work to support members around decarbonisation, continued development of services, compliant procurement solutions and support, and improved engagement with the membership. We have invested £103,092 of capital expenditure in developing our bespoke member portal, MyNHC, which was launched during the year, providing members with digital access to their membership records and our services. Our links with key local, devolved and central government stakeholders have continued to develop and strengthen.

In July 2018 the Board approved an investment programme to grow our procurement solutions through the breadth of solutions available to members, expansion of geographical and sectoral access, and to enable better support for members, including our affiliate membership beyond the North. Through the long lifecycle of procurement development to return on investment, we anticipated an overall deficit operational position for the current and prior year. The investment for 2019/20 amounted to £105,656 (2019 - £49,100) falling in line with plan. Also during the year, we have commenced a collaboration with LHC to offer a range of construction procurement solutions under the brand of CPC, including a solution for modern methods of construction.

During the year, the Board agreed a phased closure of our Homekind service which provided member tenants with access to affordable furniture and white goods. Given the cost of administering a materially different service to our other member support servicing our core objectives, a decision was made that better member value could be gained for the wider membership through pointing to alternative supply chains including procurement solutions.

Northern Housing Consortium Limited

Directors' Report for the Year Ended 31 March 2020 (continued)

Review of the year

In order to fulfil the company's key objective to support our membership through the provision of services and solutions, we need to make a surplus to continually grow and develop our services, and at the same time build up a level of reserves to enable us to compete in the marketplace and offset our pension liabilities/deficits.

Reserves

The company has a total of £1,448,884 (2019 - £1,517,143) in reserve (before pension liability) which has decreased due to the deficit in the year. The pension deficit of £2,386,000 (2019 - £1,254,000) has impacted on total reserves this year decreasing the total balance on reserves to £(937,116) (2019 - £263,143). While prudently managing the pension deficit our aim is to use any future surplus generated to reinvest for the benefit of member services.

Health & safety

It is the company's policy to give the greatest importance to the health, safety and welfare of its employees. To this end, the company makes every reasonable effort to provide safe and healthy working conditions in its offices. Similarly, it is the duty of all employees to exercise responsibility and to do everything to prevent injury to themselves and to others. This policy is communicated to employees through contracts of employment and staff handbooks and policies available by intranet and hard copy.

Committee structure

The company has established procedures for all service and business units to regularly appraise, review and operate appropriate and effective risk management. To ensure the company's approach is shared by all employees, on-going training takes place.

Risk management

The Board has established two committees with delegated powers, these are the Audit & Risk Committee and Remuneration & Governance Panel.

Corporate governance

The company has accepted the principles of good governance and related internal procedures. The Board of Directors have received briefings on governance issues throughout the year and will continue to do so in the future. The Board has met on five occasions during the year. It is responsible for company strategy and dealing with key business issues. In addition to formal Board meetings, a further Board event is held each year at which Directors and the Executive look at ways of constantly improving the business, its positioning and performance. Board members also undergo an annual appraisal of their performance on the Board. The company is a non-political organisation and its Board of Directors is made up of officers from full member organisations.

Relations with members

The company is committed to maintaining good communications and the provision of services and support to its members. Apart from using the variety of media to communicate with members, the Consortium's Annual General Meeting, to which all members are invited, allows matters of interest to be raised with the Board. The company's website at www.northern-consortium.org.uk also contains up to date information about the company and the services and solutions it provides. In addition, members receive regular e-mail newsletters which provide information updates, including relevant developments and related websites.

Company's policy on payment of creditors

The company's policy is to agree and confirm terms of payment procedures at the commencement of business with suppliers, pay in accordance with contractual and legal obligations, and continually review payment procedures and liaise with suppliers as a means of eliminating difficulties and maintaining a good working relationship.

Pensions

The company is an admitted body of the West Midlands Pension Fund which is a defined benefit final salary pension scheme. The company has also set up an auto-enrolment compliant defined contribution scheme through Standard Life and all new staff will be enrolled in this scheme.

Northern Housing Consortium Limited

Directors' Report for the Year Ended 31 March 2020 (continued)

Employee involvement

It is the company's policy to have effective communication and consultation with staff. Staff involvement is achieved through regular update meetings, briefings, e-mail and other correspondence which help ensure that staff are fully aware of the organisation goals and results.

Going concern

The financial statements have been prepared on a going concern basis.

The company meets its day to day working capital requirements through cash generated from operations.

The company has continued to operate all services on a virtual basis without any downtime across the full period impacted by COVID-19 and corresponding lockdown conditions to date.

The company's forecasts and projections for the next twelve months show that the company would be able to continue in operational existence for that period, taking into account reasonable possible changes in trading performance and the potential impact on the business of possible future scenarios arising from the impact of COVID-19. This also considers the effectiveness of available measures in mitigating the impact. The company holds sufficient cash reserves to meet all normal operating obligations and to continue trading over the next twelve months under all scenarios modelled. The company has not deferred any statutory payments as a result of COVID-19 and has not been reliant on any Government COVID-19 related funding schemes or reliefs to operate on a normal basis.

In the directors assessment of possible changes they have considered a fall in demand and potential cost savings which are reflective of their business continuity plan. Key scenarios and assumptions are as follows:

- We have a stable base of core membership, mainly registered providers, which themselves are countercyclical and financially robust, with our Board of Directors being made up of experienced, key senior executives from a number of these organisations across the North.
- Our remote engagement with the membership over the period impacted by COVID-19 to date has been strong with detailed interactions reaching over 95% of our membership, and we retain our USP as a 'voice for housing in the North' across registered providers, local and combined authorities and ALMOs.
- Our work on campaigning and influencing, notably with #OurNorthNetZero, provides a solid name for us in the sector and a good case for continued membership through aligned objectives and our power of conference, in addition to other membership services and member savings realised by accessing our procurement services.
- Our procurement services support our membership across a broad range of sectors including housing, education, NHS and the fire service, on a nationwide basis, and in a broad range of procurement areas including technology enabled care services, asbestos removal, electronic payment services, tenants contents insurance, heating and gas servicing, and also construction through our CPC collaboration with LHC.
- Many of these procurement areas support our membership in their compliance obligations such that there is a need for these services to continue to operate throughout the COVID-19 pandemic, however we have assumed, in our financial modelling, a potential 15% drop in overall procurement activity across the year in relation to issues caused by lockdown conditions such as access to houses with shielding tenants, reduced procurement supplier staff capacity and delays to non-essential works.
- We have extended scenario modelling to accommodate a 29% drop from budget in procurement activity across the current year assuming there is no imminent bounce back from the activity levels experienced under strict lockdown conditions during Quarter 1 of 2020/21.

Northern Housing Consortium Limited

Directors' Report for the Year Ended 31 March 2020 (continued)

- If worse case circumstances prevail, we retain flexibility to amend our cost base to protect the financial viability of our core business and strategic objectives, and we have a robust, established system of monitoring, reporting and governance.
- We hold sufficient cash reserves such that there is no financial need for, or reliance upon, any Government COVID-19 related financial support scheme.
- We have a low level of financial commitments other than the lease for Loftus House, which has a break point at March 2021, and the employee payroll base.
- There are no short-term plans to close the defined benefit pension scheme with West Midlands Pension Fund or realise the long-term financial liability.

Although the forecast prepared taking account of the matters above support the ability of the company to remain a going concern and to be able to trade and meet its debts as they fall due, the full impact of COVID-19 and the underlying trading assumptions used in forecasting are extremely judgemental and difficult to predict and could be subject to significant variation.

Based on the factors set out above the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. These financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.


Reappointment of auditors

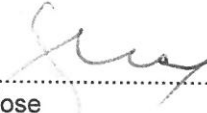
In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of MHA Tait Walker as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Small companies' provision statement

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies' regime within Part 15 of the Companies Act 2006.

Approved by the Board on 19.10.2020 and signed on its behalf by:


.....
T M Miskell
Director


.....
S R Close
Director

Northern Housing Consortium Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual 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 of 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Northern Housing Consortium Limited

Independent Auditor's Report to the Members of Northern Housing Consortium Limited

Opinion

We have audited the financial statements of Northern Housing Consortium Limited (the 'company') for the year ended 31 March 2020, which comprise the Income Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its loss 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

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 directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Northern Housing Consortium Limited

Independent Auditor's Report to the Members of Northern Housing Consortium Limited (continued)

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities (set out on page 6), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

Northern Housing Consortium Limited

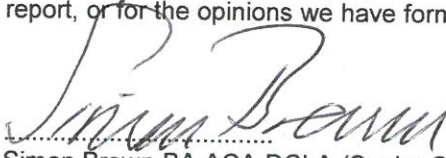
Independent Auditor's Report to the Members of Northern Housing Consortium Limited (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.


Simon Brown BA ACA DChA (Senior Statutory Auditor)
For and on behalf of MHA Tait Walker
Chartered Accountants
Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 23.10.2020

MHA Tait Walker is a trading name of Tait Walker LLP.

Northern Housing Consortium Limited

Income Statement for the Year Ended 31 March 2020

	Note	Continuing operations 31 March 2020 £	Discontinued operations 31 March 2020 £	Total 31 March 2020 £	Continuing operations 31 March 2019 £	Discontinued operations 31 March 2019 £	Total 31 March 2019 £
Turnover		2,066,655	129,300	2,195,955	1,885,877	100,934	1,986,811
Cost of sales		(194,139)	(111,801)	(305,940)	(196,470)	(88,956)	(285,426)
Gross surplus		1,872,516	17,499	1,890,015	1,689,407	11,978	1,701,385
Administrative expenses		(2,033,494)	(33,780)	(2,067,274)	(1,844,528)	(43,130)	(1,887,658)
Operating deficit		(160,978)	(16,281)	(177,259)	(155,121)	(31,152)	(186,273)
Interest payable and similar expenses		(31,000)	-	(31,000)	(38,000)	-	(38,000)
Deficit before tax		(191,978)	(16,281)	(208,259)	(193,121)	(31,152)	(224,273)
Tax on loss		-	-	-	(46)	-	(46)
Deficit for the financial year		(191,978)	(16,281)	(208,259)	(193,167)	(31,152)	(224,319)

The notes on pages 14 to 24 form an integral part of these financial statements.

Northern Housing Consortium Limited

Statement of Comprehensive Income for the Year Ended 31 March 2020

	2020 £	2019 £
Deficit for the year	(208,259)	(224,319)
Remeasurement gain/loss on defined benefit pension schemes	<u>(992,000)</u>	<u>328,000</u>
Total comprehensive income for the year	<u><u>(1,200,259)</u></u>	<u><u>103,681</u></u>

The notes on pages 14 to 24 form an integral part of these financial statements.

Northern Housing Consortium Limited


(Registration number: 04361009)

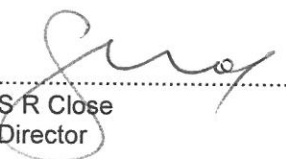
Statement of Financial Position as at 31 March 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	5	68,728	6,034
Tangible assets	6	<u>13,783</u>	<u>15,067</u>
		<u>82,511</u>	<u>21,101</u>
Current assets			
Stocks	7	315	1,920
Debtors	8	455,737	563,388
Cash at bank and in hand		<u>1,098,540</u>	<u>1,132,032</u>
		1,554,592	1,697,340
Creditors: Amounts falling due within one year	9	<u>(188,219)</u>	<u>(201,298)</u>
Net current assets		<u>1,366,373</u>	<u>1,496,042</u>
Net assets		<u>1,448,884</u>	<u>1,517,143</u>
Pension liabilities			
Net pension liability		2,386,000	1,254,000
Capital and reserves			
Profit and loss account		<u>(937,116)</u>	<u>263,143</u>
Net assets		<u>1,448,884</u>	<u>1,517,143</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies' regime within Part 15 of the Companies Act 2006.

Approved and authorised by the Board on 19.10.20 and signed on its behalf by:


.....
T M Miskell
Director


.....
S R Close
Director

The notes on pages 14 to 24 form an integral part of these financial statements.

Northern Housing Consortium Limited

Statement of Changes in Equity for the Year Ended 31 March 2020

	Profit and loss account £	Total £
At 1 April 2018	159,462	159,462
Deficit for the year	(224,319)	(224,319)
Other comprehensive income	328,000	328,000
Total comprehensive income	103,681	103,681
At 31 March 2019	263,143	263,143

	Profit and loss account £	Total £
At 1 April 2019	263,143	263,143
Deficit for the year	(208,259)	(208,259)
Other comprehensive income	(992,000)	(992,000)
Total comprehensive income	(1,200,259)	(1,200,259)
At 31 March 2020	(937,116)	(937,116)

The notes on pages 14 to 24 form an integral part of these financial statements.

Northern Housing Consortium Limited

Notes to the Financial Statements for the Year Ended 31 March 2020

1 General information

The company is a company limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

The address of its registered office is Loftus House, Colima Avenue, Sunderland Enterprise Park, Sunderland, SR5 3XB.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

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

Management consider that the estimates and judgements in respect of the defined benefit pension scheme are a key estimate and judgement. Management have worked with the actuary to form a set of assumptions which fit the company's circumstances. Management considers that the assumptions used by the actuary are within the normal range for the company's circumstances and its sector.

These financial statements are prepared in sterling which is the functional currency of the entity.

Going concern

The financial statements have been prepared on a going concern basis, even though the company has net liabilities of £937,116 as this is only as a result of the £2,386,000 defined benefit multi employer pension scheme liability. The scheme is closed to new members and the directors continue to explore avenues to reduce this pension deficit going forward. As there is no intention by the directors to immediately withdraw from the scheme or to remove existing members from the scheme (which would trigger the cessation of the scheme liability and crystallise it) then this liability is unlikely to crystallise within 12 months of signing the financial statements. As a result the directors continue to adopt the going concern basis having set budgets and prepared cashflow forecasts which demonstrates as much.

Northern Housing Consortium Limited

Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

2 Accounting policies (continued)

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer, usually on despatch of the goods, the amount of revenue can be measured reliably, it is probable that the associated economic benefits will flow to the entity, and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

The company acts as an intermediate for an agent in respect of one procurement deal, re-invoicing total costs onto the end user. In this circumstance the company is only recognising the commission paid (from the agent) as revenue, not total amounts invoiced. Similarly with all other procurement arrangements, where the company is the direct agent, it only invoices the commissions due and the service supplier invoices the end user.

Membership is charged annually, and entitles the member the right to use procurement deals and other services provided. The company therefore allocates income across the year.

Tax

The tax expense for the period comprises tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Office equipment	33% straight line
Fixtures and fittings	33% straight line

Northern Housing Consortium Limited

Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

2 Accounting policies (continued)

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Client Portal - CRM System	Straight line over 3 years

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. If they are due after more than 12 months they are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Northern Housing Consortium Limited

Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

2 Accounting policies (continued)

Defined benefit pension obligation

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the Statement of Financial Position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date minus the fair value of plan assets. The defined benefit obligation is measured using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future payments by reference to market yields at the reporting date on high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses are charged or credited to other comprehensive income in the period in which they arise.

Changes in the net defined benefit asset or liability arising from employee service are recognised in profit or loss as a current service cost where it relates to services in the current period and as a past service cost where it relates to services in prior periods. Costs relating to plan introductions, benefit changes, curtailments and settlements are recognised in profit or loss in the period in which they occur.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 33 (2019 - 30).

4 Auditors' remuneration

	2020	2019
	£	£
Audit fees	<u>6,750</u>	<u>6,100</u>

Northern Housing Consortium Limited

Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

5 Intangible assets

	Client Portal Software development costs £	Total £
Cost or valuation		
At 1 April 2019	6,034	6,034
Additions	97,058	97,058
At 31 March 2020	103,092	103,092
Amortisation		
Amortisation charge	34,364	34,364
At 31 March 2020	34,364	34,364
Carrying amount		
At 31 March 2020	68,728	68,728
At 31 March 2019	6,034	6,034

Individually material intangible assets

Client Portal CRM System

The carrying amount of this asset is £68,728 (2019 -£6,034) and the remaining amortisation period is 2 years. The new CRM was developed internally with specialists and the company has capitalised the expenditure incurred.

6 Tangible assets

	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation			
At 1 April 2019	28,702	110,244	138,946
Additions	13,050	5,567	18,617
Disposals	(5,482)	(19,236)	(24,718)
At 31 March 2020	36,270	96,575	132,845
Depreciation			
At 1 April 2019	27,923	95,956	123,879
Charge for the year	5,039	14,862	19,901
Eliminated on disposal	(5,482)	(19,236)	(24,718)
At 31 March 2020	27,480	91,582	119,062
Carrying amount			
At 31 March 2020	8,790	4,993	13,783
At 31 March 2019	779	14,288	15,067

Northern Housing Consortium Limited

Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

7 Stocks

	2020	2019
	£	£
Finished goods and goods for resale	<u>315</u>	<u>1,920</u>

8 Debtors

	2020	2019
	£	£
Trade debtors	411,738	430,994
Prepayments	<u>43,999</u>	<u>132,394</u>
	<u>455,737</u>	<u>563,388</u>

9 Creditors

Creditors: amounts falling due within one year

	2020	2019
	£	£
Due within one year		
Trade creditors	68,205	94,896
Taxation and social security	76,486	57,684
Accruals and deferred income	<u>43,528</u>	<u>48,718</u>
	<u>188,219</u>	<u>201,298</u>

Northern Housing Consortium Limited

Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

10 Defined benefit pension schemes

West Midlands Pension Fund

The LGPS is a defined benefit statutory scheme administered in accordance with the Local Government Pension Scheme Regulations 2013 and currently provides benefits based on career average revalued earnings. Full details of the benefits being valued are as set out in the Regulations as amended and summarised on the LGPS website and the Fund's membership booklet.

The administering authority for the Fund is Wolverhampton City Council. The Pension Fund Committee oversees the management of the Fund whilst the day to day fund administration is undertaken by a team within the administering authority. Where appropriate some functions are delegated to the Fund's professional advisers.

West Midlands Pension Fund, after consultation with the Fund Actuary and other relevant parties, is responsible for the preparation and maintenance of the Funding Strategy Statement and the Investment Strategy Statement. These should be amended when appropriate based on the Fund's performance and funding.

Contributions are set every three years as a result of the actuarial valuation of the Fund required by the Regulations. The next actuarial valuation of the Fund will be carried out as at 31 March 2022 and will set contributions for the period from 1 April 2023 to 31 March 2026. There are no minimum funding requirements in the LGPS but the contributions are generally set to target a funding level of 100% using the actuarial valuation assumptions.

On the Employer's withdrawal from the Fund, a cessation valuation will be carried out in accordance with Regulation 64 of the LGPS Regulations 2013 which will determine the termination contribution due by the Employer, on a set of assumptions deemed appropriate by the Fund Actuary.

Northern Housing Consortium Limited

Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

10 Defined benefit pension schemes (continued)

The date of the most recent comprehensive actuarial valuation was 31 March 2019. To assess the value of the Employer's liabilities at 31 March 2020, we have rolled forward the value of the Employer's liabilities calculated for the funding valuation as at 31 March 2019, using financial assumptions that comply with FRS102.

The full actuarial valuation involved projecting future cashflows to be paid from the Fund and placing a value on them. These cashflows include pensions currently being paid to members of the Fund as well as pensions (and lump sums) that may be payable in future to members of the Fund or their dependants. These pensions are linked to inflation and will normally be payable on retirement for the life of the member or a dependant following a member's death.

It is not possible to assess the accuracy of the estimated value of liabilities as at 31 March 2020 without completing a full valuation. However, we are satisfied that the approach of rolling forward the previous valuation data to 31 March 2020 should not introduce any material distortions in the results provided that the actual experience of the Employer and the Fund has been broadly in line with the underlying assumptions, and that the structure of the liabilities is substantially the same as at the latest formal valuation. From the information we have received there appears to be no evidence that this approach is inappropriate.

Valuation of the Employer's assets

To calculate the asset share we have rolled forward the assets allocated to the Employer at 31 March 2019 allowing for investment returns (estimated where necessary), contributions paid into, and estimated benefits paid from, the Fund by and in respect of the Employer and its employees.

A full actuarial valuation of the West Midlands Metropolitan Authorities Pension Fund was carried out at 31 March 2019 by a qualified actuary. An actuarial valuation report as at 31 March 2020 has been prepared exclusively for the company. The pension charges in the accounts reflect the advice given in the actuarial valuation report at 31 March 2020.

In addition, as many unrelated employers participate in the West Midlands Pension Fund, there is an orphan liability risk where employers leave the Fund but with insufficient assets to cover their pension obligations so that the difference may fall on the remaining employers.

All of the risks above may also benefit the Employer e.g. higher than expected investment returns or employers leaving the Fund with excess assets which eventually get inherited by the remaining employers

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the statement of financial position are as follows:

	2020	2019
	£	£
Fair value of scheme assets	6,169,000	6,348,000
Present value of defined benefit obligation	(8,555,000)	(7,602,000)
Defined benefit pension scheme deficit	<u>(2,386,000)</u>	<u>(1,254,000)</u>

Northern Housing Consortium Limited

Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

10 Defined benefit pension schemes (continued)

Defined benefit obligation

Changes in the defined benefit obligation are as follows:

	2020 £
Present value at start of year	7,602,000
Current service cost	185,000
Past service cost	6,000
Interest cost	196,000
Benefits paid	(164,000)
Contributions by scheme participants	44,000
Change in demographic assumptions	214,000
Change in financial assumptions	(846,000)
Experience loss/(gain) on defined benefit obligation	1,318,000
Present value at end of year	<u>8,555,000</u>

Fair value of scheme assets

Changes in the fair value of scheme assets are as follows:

	2020 £
Fair value at start of year	6,348,000
Interest income	165,000
Return on plan assets, excluding amounts included in interest income/(expense)	(426,000)
Actuarial gains and losses	120,000
Employer contributions	86,000
Contributions by scheme participants	44,000
Benefits paid	(164,000)
Administration costs	(4,000)
Fair value at end of year	<u>6,169,000</u>

Analysis of assets

The major categories of scheme assets are as follows:

	2020 £	2019 £
Cash and cash equivalents	221,000	331,000
Equity instruments	3,512,000	3,673,000
Property	549,000	568,000
Other	912,000	1,055,000
Other bonds	258,000	243,000
Gilts	717,000	478,000
	<u>6,169,000</u>	<u>6,348,000</u>

Return on scheme assets

	2020 £	2019 £
Return on scheme assets	<u>(261,000)</u>	<u>472,000</u>

The pension scheme has not invested in any of the company's own financial instruments or in properties or other assets used by the company.

Northern Housing Consortium Limited

Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

10 Defined benefit pension schemes (continued)

Principal actuarial assumptions

The principal actuarial assumptions at the statement of financial position date are as follows:

	2020	2019
	%	%
Discount rate	2.45	2.60
Future salary increases	2.00	2.50
Future pension increases	1.85	2.35

Post retirement mortality assumptions

	2020	2019
	Years	Years
Current UK pensioners at retirement age - male	21.90	20.90
Current UK pensioners at retirement age - female	24.10	23.20
Future UK pensioners at retirement age - male	23.80	22.60
Future UK pensioners at retirement age - female	26.00	25.00

11 Reserves

The changes to each component of equity resulting from items of other comprehensive income for the current year were as follows:

	Retained earnings	Total
	£	£
Remeasurement gain/loss on defined benefit pension schemes	(992,000)	(992,000)

The changes to each component of equity resulting from items of other comprehensive income for the prior year were as follows:

	Retained earnings	Total
	£	£
Remeasurement gain/loss on defined benefit pension schemes	328,000	328,000

Northern Housing Consortium Limited

Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

12 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of financial commitments not included in the statement of financial position is £Nil (2019 - £14,062). The company has capital commitments of £Nil (2019 - £55,685) and non cancellable operating lease of £44,989 (2019- £14,062).

Northern Housing Consortium Limited

Detailed Income Statement for the Year Ended 31 March 2020

	2020 £	2019 £
Turnover	2,195,955	1,986,811
Cost of sales	<u>(305,940)</u>	<u>(285,426)</u>
Gross surplus	<u>1,890,015</u>	<u>1,701,385</u>
Gross surplus (%)	86.07%	85.63%
Administrative expenses		
Employment costs	(1,577,252)	(1,510,176)
Establishment costs	(72,510)	(72,840)
General administrative expenses	(363,467)	(283,601)
Depreciation costs	(54,265)	(21,041)
Other expenses	<u>220</u>	<u>-</u>
	<u>(2,067,274)</u>	<u>(1,887,658)</u>
Operating deficit	(177,259)	(186,273)
Interest payable and similar charges	<u>(31,000)</u>	<u>(38,000)</u>
Deficit before tax	<u><u>(208,259)</u></u>	<u><u>(224,273)</u></u>

This page does not form part of the statutory financial statements.

Northern Housing Consortium Limited

Detailed Income Statement for the Year Ended 31 March 2020 (continued)

	2020 £	2019 £
Turnover		
Conferences	128,055	133,673
Subscriptions	712,312	642,360
Procurement	1,148,793	1,026,816
Business Improvement	77,495	47,838
Homekind	129,300	100,934
Member Engagement	-	35,190
	<u>2,195,955</u>	<u>1,986,811</u>
Cost of sales		
External advisors' and consultants	51,420	59,880
Conferences	94,369	86,208
Business Improvement	48,350	29,131
Homekind	111,801	88,957
Member Engagement	-	21,250
	<u>305,940</u>	<u>285,426</u>
Employment costs		
Wages and salaries	1,386,252	1,322,176
Staff pensions (Defined benefit)	191,000	188,000
	<u>1,577,252</u>	<u>1,510,176</u>
Establishment costs		
Rent and rates	68,510	69,840
Pension administration costs	4,000	3,000
	<u>72,510</u>	<u>72,840</u>
General administrative expenses		
Supplies and services	239,456	194,987
Travel expenses	101,123	79,801
Accountancy fees	6,910	6,645
Legal and professional fees	15,978	2,168
	<u>363,467</u>	<u>283,601</u>
Depreciation costs		
Amortisation of development costs	34,364	-
Depreciation of office equipment	19,901	21,041
	<u>54,265</u>	<u>21,041</u>
Other expenses		
Gains on disposal of property, plant and equipment	(220)	-
Interest payable and similar expenses		
Pension scheme finance income/costs	<u>31,000</u>	<u>38,000</u>

This page does not form part of the statutory financial statements.

Directors board and AGM attendance 2019/20

Board Member	Possible	Actual	%
Tom Miskell (Chair)	5	4	80%
Steve Close (Vice Chair)	5	5	100%
Michael Laing	4	2	50%
Greg Robinson	5	5	100%
Sarah Robson	5	4	80%
Paul Fiddaman	5	4	80%
Mike Palin	4	3	75%
Karen Lythe	5	4	80%
Barbara Spicer	5	1	20%
Simon Costigan	4	4	100%
Lee Sugden	5	3	60%
Yvonne Castle	5	5	100%
Liz Haworth	5	4	80%
Ian Wardle	5	2	40%
Nigel Wilson	2	1	50%

