Thames Valley Housing Association Limited
Annual Report 2022/23

CCBS Registered Number 17375R
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Metropolitan Thames Valley Housing Group (MTVH)
Thames Valley Housing Association Limited

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Althea Efunshile CBE

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Tania Brisby, Vice Chair (retired 15 June 2022)
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Davinder Dhillon
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Helen Cope
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Chief Financial Officer
Ian Johnson

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Guy Burnett
Executive Director, Property
Mark Everard
Executive Director, Customer Services
Ann Gibbons (resigned 6 January 2023)
Kush Rawal (appointed 9 January 2023)
Executive Director, Corporate Services
Jane Long

Secretary
Patricia Etter

Registered offices
Premier House, 52 London Road, Twickenham, Middlesex, TW1 3RP
The Grange, 100 High Street, Southgate, London, N14 6PW

Auditors
BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA

Bankers
Barclays Bank plc
Lloyds Banking Group

Group Figures

	2022	2023
Turnover	£406m	£388m
Operating Surplus: before net Building Safety and Non-recurring costs	£135m	£122m
Operating surplus: after net Building Safety and Non-recurring costs	£122m	£109m
Surplus after tax	£40m	£33m
Operation margin: before net Building Safety and Non-recurring costs	33%	31%
Operating margin: after net Building Safety and Non-recurring costs	30%	28%
Letting margin *	29%	27%
Gearing **	38%	36%

* Letting margin = surplus on social housing / turnover from lettings (note 3)

** Gearing = net loans / total net housing asset

- Net loans are defined as loans less loan fees and adjusted for any issuance premium or discount and less cash at bank
- Total net housing asset is defined as housing assets at cost less depreciation and impairment, including work in progress on housing assets only

Performance at a glance

- New homes delivered 657 (308 for rent, 185 shared ownership, 33 for private sale and 131 in joint ventures with other parties) (2021/22 – 712)
- Investment in existing stock (maintenance, compliance and improvements) £138m (2021/22 - £138m)
- Homes development pipeline 3,858 (2021/22 – 5,527)
- Invested in acquiring land and building new homes £199m (2021/22 - £161m)
- Governance / viability rating from the Regulator of Social Housing: G1/V2 (2021/22 – G1/V2)
- Total financial gains delivered to residents: £3m (2021/22 - £2m)
- Employee Engagement Score: 82% (2021/22 – 83%)
- Proportion of repairs fixed first time: 89% (2021/22 – 88%)
- Credit rating from Standard & Poors: A- (2021/22 – A-)
- Credit rating from Fitch: A (2021/22 – A)

Chair's foreword

Visiting the communities we serve is always a powerful experience. This year, meeting people who live in MTVH homes has been perhaps more telling than ever. I have been struck by the tremendous challenges that so many are now facing. The increased cost of living is not only a worrying burden on people's finances. Too many are finding that it is also straining mental health, personal wellbeing and fraying their very basic sense of stability and security.

These difficult times have underscored my core belief in two things. Firstly, the difference that a good home and quality supportive services can make. A good home can transform lives. It can be the stable platform upon which people can build decent careers and nurture loving families. Secondly, the importance of us doing our best to listen to residents. If we are to make a difference, we must understand their concerns, their challenges and their hopes and adapt our work accordingly.

I am pleased therefore that we have refined and developed how we do this over the last year, reflecting our determination that increasingly resident sentiment should drive our activity. A new Customer Voice Framework has been established in consultation with residents, providing an effective guide for listening better and acting on feedback. A new digital platform has been launched for residents to air their views. Meanwhile, our Customer Council and Regional Panels have met regularly with senior MTVH colleagues to review how services are being delivered and agree on improvements.

What we are hearing is clear. Residents tell us that they want services which are as efficient, reliable and responsive as possible. They want us to get the basics right, to ensure that homes are well-maintained. They want us to acknowledge when things go wrong and be clear about how we will put things right.

Achieving these things is at the very heart of our five-year strategy, Serving People Better Every Day. While much work remains to be done, as we enter the third year of this plan, we have made progress in continually improving our services for the more than 100,000 residents living in approximately 57,000 MTVH homes. The percentage of repairs fixed first time continues to exceed targets. Meanwhile, our local housing teams are serving smaller geographical areas, which allows them to better serve the needs of residents.

Crucially, we have also demonstrated flexibility and creativity, adapting our services to the shifting needs of residents. We have worked to offset some of the effects of spiralling energy costs, rising inflation and the overall financial squeeze. An increase to our Tenant Welfare Fund, the provision of emergency fuel support and food vouchers are all helping reduce the financial burden. It is notable that during this difficult period, rent arrears have remained stable, which is testament to the support offered to residents.

Meanwhile, the establishment of multiple community kitchens and cafes across the country reflect our holistic approach towards helping residents navigate the challenges they tell us they are facing. In addition to providing much-needed affordable food, these initiatives offer a welcoming environment, a sense of belonging and are often a gateway to additional support.

Inevitably, the overall economic and financial environment impacts us as an organisation. Rising inflation has seen an increase in a variety of costs, including construction and parts for planned works. Meanwhile, growing interest rates have made borrowing more costly. The volatile political environment has also made long-term planning more complex.

These trends have forced us to weigh priorities carefully, resulting in some difficult decisions. Although we have continued to build new homes, once again we have not invested as much as we would have liked in this area. With a focus on supporting residents, we have invested £138m in maintaining existing homes. We have also introduced a number of new measures to reduce the risk of damp and mould in homes, including a new £1.5m fund to specifically address the issue. Meanwhile, we have insulated more than one thousand homes this year, boosting decarbonisation efforts while at the same time saving money for residents. Despite the challenging economic headwinds, we have maintained a healthy surplus before tax of £46m. This stable position was confirmed by the retention of an A rating awarded by Fitch Ratings and an A- rating from Standard & Poor’s (S&P) Group.

This year, we welcomed a new member to the Board. Gary Admans has joined as Treasury Committee Chair, adding important experience and expertise to the role. The Board continues to provide invaluable energy and insight.

This year will mark the 75th anniversary since the arrival of the HMT Empire Windrush in Britain. With our organisational roots firmly planted in the generation of Caribbean migrants who came to this country during that period, it gives us an important opportunity for reflection. As a child of Windrush generation Jamaican immigrants myself, I am hugely proud to head an organisation which determinedly met the desperate housing needs of these new arrivals dreaming of a better tomorrow. Three quarters of a century has passed, yet so many people in Britain today are feeling the uncertainty and insecurity that the Windrush generation experienced. We are listening. Like those who arrived 75 years ago, the surety of a safe and decent home is key to realising hopes and dreams. That prospect of a brighter future will continue to fuel our investment in homes and our dedication to improving the services we provide to the residents and communities we serve.

Althea Efunshile CBE
Chair

Chief's Executive's introduction

This year has seen us make further progress towards fulfilling the goals of our five-year strategy. Harnessing the determination to provide safe and affordable homes which has characterised our work for almost 70 years, whilst continually improving our service to residents. This has been evident in a number of ways over the past year.

Improvement begins with listening and we have taken several important steps to enable us to listen more effectively to residents. We have launched the YourVoice online platform, which is designed for residents to provide feedback and to help them find out about activities in the communities we serve. Alongside this annual report, we are publishing a Residents' Report, which highlights the activities over the past year which residents have told us they want to know more about. Meanwhile, a Residents' Bulletin has been introduced with each edition shaped by resident feedback.

Residents are telling us about the difficulties they face in tackling an unprecedented cost of living crisis and we have responded with both determination and innovation. We are providing emergency fuel bill support, food vouchers and money advice, which have become important sources of financial assistance. This year we delivered £3m in financial gains to residents. This has been complemented by a range of initiatives operating hand in hand with local partners. 'Warm spaces' provide comfortable areas where people can congregate while offsetting energy costs. Meanwhile, community kitchens and cafes provide access to low-cost, healthy food in a friendly neighbourhood setting. Listening to the everyday challenges residents are facing and working with them to provide effective solutions will remain a key priority.

The sector as a whole is also feeling the impact of uncertainty in the UK economy. As a result, high inflation, rising interest rates and volatile energy costs are among the factors affecting our spending and investment decisions. At the same time, social housing rent increases for the coming year has been capped by government at 7%. While this rightly takes into account the financial reality for many residents, it falls well below expected rates of inflation, and will consequently further constrain our margins. Nonetheless, despite the challenging economic environment, we have maintained a robust financial position, with strong cash generation, lower gearing and lower net debt.

As such, we continue to work tirelessly to ensure that homes remain safe, warm and dry. Such homes give residents the security and peace of mind necessary to build a better future. We have therefore continued to make significant investments in MTVH homes. In total, we have spent £31m on capital works, including the installation of 470 new bathrooms and 770 new kitchens. I am delighted that our repairs service continues to exceed targets and currently 89% of repairs are fixed first time.

I was shocked by the tragic death this year of Awaab Ishak due to the appalling conditions he and his family had to endure. There is much to be learned from this tragic case across the sector and MTVH has recently taken steps to reduce the risks of damp and mould to the people we provide homes to. These include a new £1.5m fund to specifically address damp and mould, a 12-month follow up check-up on cases where required and additional training for colleagues. We have also listened to residents and used their feedback to produce a new leaflet to support residents affected by damp or mould.

We know that some residents are facing ongoing issues, which we continue to work hard to help resolve. Too many leaseholders and tenants continue to face the stress, strain and uncertainty resulting from the need to remediate buildings. We have consistently called for the government to ensure that leaseholders would be protected from having to meet building safety costs. Therefore, in line with the introduction of the Building Safety Act in 2022, we have been able to confirm that we will not be passing on any cost for building safety remediation works to our leaseholders in buildings above 11 metres or 5 storeys in height. Meanwhile our dedicated Safer Buildings team continues to work across the buildings we are responsible for with the original developers who must undertake the works, identifying risks and addressing them. This past year, we have inspected an additional 39 buildings and have spent £12.9m on necessary fire safety works ourselves.

For both current and future leaseholders, we have instituted significant beneficial changes to their leases. Where MTVH is the freeholder, we have introduced a 990-year lease, handing leaseholders greater security. We have also reduced their costs, by cutting ground rents to a nominal amount and removing the charge for marriage value when calculating lease extensions.

Meanwhile, we continue working towards meeting our decarbonisation targets, in the knowledge that not only will this work benefit the environment but at the same time generate very real financial savings for residents. During the past year, we have insulated over one thousand additional homes. These are important steps towards ensuring that by 2026, 75% of our directly managed homes reach EPC C standard or beyond.

We have also formed new partnerships in our commitment towards building new affordable homes, thanks to the completion of a Joint Venture with Legal and General Affordable Homes. This partnership will deliver over 2,500 shared ownership and affordable rented homes over the next seven years in London and the South-East. It combines MTVH's expertise in development, sales and management with the heft of a major financial institution.

Overall, we have built 657 new homes during the past year. Hundreds of new homes for rent are an important contribution towards alleviating the UK's record levels of overcrowding and the historically high numbers of people currently on housing waiting lists. Meanwhile, hundreds of new shared ownership homes will help tackle the cost of ownership crisis, with more and more people priced out of the conventional market, especially first-time buyers.

We recently handed over the chair of the G15 group of London's largest housing associations, following a fruitful and rewarding two-year period at the helm. During this time, I am proud to have spearheaded advocacy efforts on behalf of residents on a wide range of issues. Our voice has been sought by government and other key stakeholders, helping to shape legislation and policy proposals which will have an impact for years to come.

I am grateful to all my colleagues at MTVH for their invaluable contribution towards everything we have achieved this year. Thanks to their dedication, we are listening better to residents and more effectively addressing what matters to them. This commitment will be vital as we continue the journey of an ever-improving service.

Geeta Nanda

Geeta Nanda OBE
Chief Executive

Who we are

MTVH (Metropolitan Thames Valley Housing) is one of the UK's leading providers of affordable housing and care and support services. Until June 2023, we chaired the G15 group of London's largest housing associations.

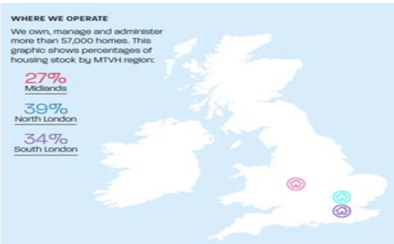
Our founding mission continues to resonate today, with our organisation having been established to provide desperately needed decent homes to the Windrush generation arriving from the Caribbean. Yet, 75 years since the HMT Empire Windrush arrived in Britain and far too many people still face uncertainty. The cost of living crisis is placing enormous strain on many lives and concerns over their future.

We work to provide as many people as possible with the security of a safe, affordable and well-maintained home. We know that this can be the foundation they need to build better lives and to thrive.

We also know that people need reliable, good-quality services in order to live well. This is not always what they receive. We are determined to continue improving what we do, to make sure that we always get the basics right. We will listen with respect and empathy. We will make things straightforward. We will be accountable. We will always be there for residents and the communities in which they live.

Where we operate

We own, manage and administer approximately 57,000 homes.
This graphic shows percentages of housing stock by MTVH region:



Empowering residents and communities

We believe that a home is much more than bricks and mortar. Residents rightly expect reliable, good quality services. From our Metworks repairs service to a range of community projects and much more, we work to empower residents to live well.

Home is also the community that residents live in and their surrounding environment. We work to ensure that residents can make the most of the place in which they live, giving them very real opportunities to flourish.

For those with learning disabilities, mental health needs, the elderly and those requiring extra care, our care and support services are in place to enrich their lives and ensure that they can live as independently as possible.

Meanwhile, our Migration Foundation works with migrants, asylum seekers and refugees arriving in the UK with a variety of challenges. Providing housing opportunities and access to key services, the foundation provides a pathway towards greater participation in society.
We are also committed to resolving social issues which impact the residents and communities we serve. We amplify their voices with local and national stakeholders on multiple issues including housing affordability, cost of living pressures and safer streets.

Five-Year Strategy, 2021-26: Progress update

A home that is affordable, safe and well maintained can help transform a person or a family's life. Making this a reality for thousands of people is what MTVH has been about for almost 70 years. We are committed to improving the service and support to our residents and customers, by focusing on what matters to them.

Residents want us to be reliable and efficient every time. They expect us to provide the foundation to build a better future. They want us to build more and better quality homes. They want to see an organisation that puts itself in their shoes. An organisation that reflects the diversity that often characterises the place they call home.

Two years ago, in order to make this a reality, we set out a five-year strategy. This blueprint contains eight aims that we are committed to achieving by 2026:

1. Provide a quality customer experience, raising overall satisfaction levels to over 80% and working with residents, stakeholders and colleagues to design and deliver the services and support that matter most to them.
2. Improve the quality of our built environment through investment in our infrastructure and safety and build 5,000 new homes.
3. Have a clear route to becoming sustainable and reducing carbon emissions, becoming net zero by 2050.
4. Expand our role in providing support services, working with the health services to integrate health and housing.
5. Help tackle the barriers to living well, working with our residents and communities to empower futures.
6. Use our influence and size to drive policy changes which positively impact on our communities, environment and the housing sector and become the organisation others come to for solutions.
7. Become more diverse from top to bottom in all respects and lead the charge as an anti-racist organisation.
8. Support colleagues with the right resources, working environments and opportunities to perform at their best and deliver quality services to residents.

Two years later and we continue to make progress. The number of repairs completed first time is now at 89%, an improvement on last year. Meanwhile, our services are increasingly accessed online by residents, providing greater convenience and efficiency. More than 4,000 transactions are carried out via MTVH Online by residents each month. With residents facing unprecedented cost of living challenges, this year has also seen a substantial increase in the financial gains delivered to residents, totalling around £3m.

We have made significant strides in how we listen to residents. A new online platform has been launched where residents can find out more about how to get involved, while residents are increasingly involved in our governance structure. We have continued to invest in new homes, with 90% of those moving into them expressing satisfaction. More and more MTVH homes are greener, as thousands of residents have benefitted from decarbonisation work this year. We continue to work at the heart of communities, with the notable addition of community kitchens this year helping to alleviate the strain felt by so many residents.

However, we know that there is plenty more work to be done. We have maintained our overall customer satisfaction from last year at 71%. We will continue to work tirelessly in order to become an organisation which truly gets things right every time. This annual report outlines how we continue to make progress towards fulfilling the strategic objectives which we have set.

How we are listening to residents

Gathering resident feedback

When we launched our five-year strategy in 2021, improving the day to day experience of residents topped the list of strategic priorities. Since then, we have been creating new opportunities to listen to resident experiences of MTVH, and using this feedback to shape and improve the way our services are delivered. We want residents to be involved in the decisions affecting them.

In 2021, a Customer Council and three Regional Panels were established to help us listen to residents and gather feedback from all over the country. It has been a busy 12 months for these groups, who have advised us on a number of important issues including the topics for our continuous learning scrutiny reviews and how best to share the results of our Tenant Satisfaction Measures.

Perspectives from these groups were included in our responses to consultations by the Department for Levelling Up, Housing and Communities on Social Housing Rents and the Tenant Involvement and Empowerment Standard.

Colleagues across MTVH have also been working together to listen to resident voices whenever they share their views with us, not just through our formal resident engagement activities. As well as reviewing 16,108 resident surveys this year, the issues affecting residents have been identified through conversations with our Customer Hub and other front-line colleagues. Listening through these channels and analysing different sources of data in this way helps our teams gain a fuller understanding of what matters to residents most, so we can take action to continuously improve our services.

Amplifying resident voices

In May, informed by comments and suggestions from our Customer Council, our Customer Voice Framework was launched to establish a new approach to the way we will listen to residents, act on their feedback and amplify their voices across MTVH. Running from 2022 to 2025, the Framework will ensure residents can influence the way we deliver our services and can see the impact of their voices reflected right across the organisation.

Last year, residents asked us to share more about what's happening in MTVH communities and how they can get involved, so with support from our Customer Council, September saw the launch of YourVoice. This new online platform is designed to help residents find out about MTVH in their local area, enabling them to provide feedback and participate in local activities.

To help residents stay informed about the different ways to access our services, our new resident bulletin, 'Here to Help', was launched in November. The first edition contained information about the services we provide, how to access them and the front-line colleagues delivering each service. Future editions of the bulletin will continue to feature the topics highlighted as being most important to residents.

CASE STUDY

Ashley Johnston, Regional Panel Chair and member of our Customer Council, outlines the type of issues these groups engage on and shares some examples of how resident voices are making a difference.

As Chair of the Regional Panel for North and Central London, my role is to represent the views of residents in my region, and I work closely with MTVH Regional Directors and local teams to help enhance the services MTVH provide.

I also sit on the national Customer Council with eleven other residents from across the three MTVH regions, providing insight into different resident experiences. It's an effective way to feedback resident issues and success stories to MTVH, so that together we can develop effective policies and processes that will have a positive impact on residents.

I participate in these groups because I want to make a difference in peoples' lives. In 2016, having previously worked as an Early Years teacher, I decided to open a small non-profit baby group to support vulnerable families. This experience inspired me to make an even bigger contribution, so in 2020 I decided to join the MTVH Regional Panel and Customer Council to help support families at a national level.

I really enjoy chairing Regional Panel meetings and have learnt a lot about myself and others during this time. Of course, there are residents and customers on the Panel and Council that see things differently, and that's fine because we always find ways to work alongside and support one another – whether we agree with each other's viewpoints or not.

Together, we have really sunk our teeth into different areas of MTVH including anti-social behaviour, repairs and the complaints procedure. Many of our Regional Panel discussions have led to issues being explored at a deeper, national level with the Customer Council.

This is where MTVH, together with the Council, makes suggestions which are put forward to the Customer Services Committee so that improvements can be made and the organisation can truly say, "*you said, we did, you felt!".*

It's inspiring to see the difference that residents are making and I'm really glad to be involved."

Listening to provide a more responsive service

We appreciate the importance of providing a responsive service to residents and have been listening closely to their feedback to ensure we consistently get the basics right.

Having a safe and functional home clearly remains a top priority for residents. This year, in excess of 100,000 repairs were completed in total, with 89% being fixed on our first visit. In addition, £31.8m was invested in compliance safety, with the result that we are now achieving 99.9% compliance on gas safety and 99.8% compliance on electrical safety across the MTVH estate.

Call response times have also improved, with 90% of all calls being answered and 59% being answered within two minutes – This compares to 84% of calls answered and 39% answered within two minutes last year. A new call-back system has also been introduced, enabling residents to request a call from our customer services team at a time convenient to them. In addition, emails and online enquiries are now typically being answered within 48 hours, in comparison to being typically answered within 5-10 working days in 2021/22. In total, 202,899 calls were taken this year and 109,057 emails and online enquiries were responded to this year.

Another significant area of focus has been on enhancing the service residents receive through our website and MTVH Online, our customer service portal, with a particular focus on improving residents’ ability to self-service. On both platforms, new resident-focused content, tools and forms have been added on the topics of complaints, anti-social behaviour, refunds, damp and mould, service charges and more. This has helped to streamline residents’ experience, making it faster and easier for them to access information and services.

The result of these upgrades has been a 59% increase in the volume of service requests logged through our website or MTVH Online; a 21% increase in the volume of online payments; a 16% increase in instances of self-service; and a 26% increase in sessions on MTVH Online. 36% of all MTVH households are now actively using MTVH Online, an increase from 30% this time last year.

Improving our handling of residents' complaints

Our central complaints team is responsible for monitoring complaint handling so we can consistently improve our performance and enhance residents' experience.

This year saw an overall increase in new complaints received. In part, this was due to the ongoing residual impact of the pandemic, which at times reduced the capacity of our repairs service. Another factor was the increased overall public awareness of residents' rights regarding complaints, owing to government initiatives.

During this year, 4,356 Stage 1 complaints (4,094 in 2021/22) and 936 Stage 2 complaints (941 in 2021/22) were received. Although 21.2% of these complaints were escalated from Stage 1 to 2 (18.6% in 2021/22), our working practices and commitment to putting things right quickly saw an improvement in the number of complaints resolved at Stage 1.

In cases where we are not able to resolve complaints to the satisfaction of residents, we work closely with the Housing Ombudsman (a free, independent, impartial service for residents) to understand what they expect from us and learn from the decisions they reach. In 2022/23, 96 complaints were referred to the Ombudsman and their decisions were:

- Severe Maladministration: 3
- Maladministration: 35
- Service failure: 43
- Early resolution/Adequate redress: 39
- No Maladministration: 16
- No jurisdiction: 8
- Withdrawn: 2

Compliance with the Housing Ombudsman Code is reviewed periodically or each time the Code is updated. Our latest self-assessment was completed in March 2023, following updates to the Complaint Handling guidelines. MTVH remains compliant with all requirements and we continue to make the Code a key focus of the way we work. Monthly risk meetings continue to take place between our Complaints and Executive teams, ensuring that MTVH is consistently delivering a better service to residents. Complaints data is also shared with our regional panels every quarter so that any emerging themes or concerns can be raised with the relevant operational leads.

In February 2023, a new mandatory module was launched on our internal training and development programme to strengthen complaint handling. Meanwhile, the time it takes to pay our redress has also been reduced from 4 weeks to less than 2, resulting in a decrease in the number of complaints relating to payment issues.

Listening to improve your home

Improving the built environment and upgrading homes

Improving the built environment remains one of our strategic priorities and in 2022/23, a total of £138m was spent on maintenance, compliance and improvement works across the whole MTVH estate (£138m in 2021/22). This includes £12.9m spent on fire safety (£23m in 2021/22) and capital improvement works of £31m (£41m in 2021/22).

In practical terms, this means that stock condition surveys have now been carried out on nearly 90% of the MTVH estate and important upgrades have been made to homes, including the installation of 770 new kitchens, 470 new bathrooms, 31 new roofs and 866 new boilers. 595 windows and 454 doors have also been replaced and 174 new separate WCs have been added to homes.

Decarbonising homes and reducing energy bills

We recognise the importance of working towards carbon net zero, and our Decarbonisation Strategy, launched in 2021, commits us to an interim target of reaching EPC C on 75% of our residential portfolio by 2026, ahead of reaching 100% EPC C by 2030.

To help achieve these targets and make the necessary improvements to homes, a dedicated Decarbonisation Team has been created, reflecting the growing importance of this issue to our work at MTVH. Our new Head of Decarbonisation is already in post, and the specialist team who will oversee delivery of our decarbonisation programme and drive our strategy forward are set to join MTVH in the coming months.

Significant progress is already being made: we were successful in bidding for a total £6m programme funded through the Social Housing Decarbonisation Fund Wave 1 opportunity, the works for which will be completed in June 2023. The programme, focused in Lambeth and the Midlands, saw retrofit energy efficiency improvements being carried out to bring more than 1,000 homes up to EPC level C, saving over £193,000 in energy bill costs for residents and over 885 tonnes of carbon annually.

Drawing on our experience of the Wave 1 programme, a bid for Wave 2 funding was submitted in November at a total value of £18m. This bid was successful and as such the Wave 2 programme will launch in August 2023 and include fabric measures as well as heat decarbonisation works, bringing an additional 2,000 homes up to EPC level C. This will save nearly £350,000 in resident fuel bills and over 2,000 tonnes of carbon annually.

Making homes safer and saving lives

The safety of homes, including fire safety, remains a key priority at MTVH. Residents' engagement in this process is hugely important, and this year we arranged more than 150 online meetings, responded to over 3,700 emails, and spent over 80 days on site listening to resident views. Everyone living in an MTVH apartment block now has a dedicated point of contact, meaning queries can be responded to quickly and effectively. Regular safety updates are also provided on a block-by-block basis.

£8.4m was spent on building safety measures in 2022/23, and our Safer Buildings team completed 39 surveys of apartment blocks over 18m, bringing the total number of blocks surveyed to date to 152. The Safer Buildings team is also currently in the process of developing our response to the Building Safety Act and the legislation flowing from it.

Since our continued engagement with developers, contractors and third-party freeholders is expected to result in remediation works to some MTVH residential blocks in the coming year, our customer liaison team will remain in close contact with affected residents throughout to ensure they stay fully informed of plans and that disruption is kept to a minimum.

As part of our commitment to keeping residents safe and protecting them from building safety costs, we will not be passing on any cost for building safety remediation works to leaseholders in buildings above 11 metres or 5 stories in height. This includes any historic costs and costs for interim measures (such as temporary alarm installations and waking watch).

Working with communities to improve the built environment

We have worked hand in hand with communities in order to improve the surrounding area. In particular we have worked alongside residents to deliver initiatives which improve under-utilised spaces, making them greener, more accessible and ultimately more useful and enjoyable for the community. At Chalkhill in North London, residents asked if a small patch of allotments could be expanded. With the help of contractors a greenhouse, multiple planters, a pond and other features have been installed alongside wheelchair access.

Meanwhile, at St Martins in South London, we have supported a resident-led gardening project which has been responsible for adding a community garden, a mini orchard and a number of planters to a well-used walk way that experienced flooding in the winter months. As a community green space, it is now helping tackle the poor air quality in the area.

At Sky City in North London, we have supported the Grow Back Greener project, working with the community and partners to develop a disused basketball court into a bio-diverse family friendly community space that residents will help maintain and manage.

Listening to improve everyday life

By taking the time to listen and understand resident needs, we aim to continuously improve our services and ensure they are delivered in ways that make a real difference to everyday life.

We know that times are tough and that the last year has been a difficult one for many. Residents told us about the financial challenges associated with the rising cost of living,and having received a third more applications for hardship assistance this year, our we increased our Tenant Welfare Fund by 50% to over £520,000, providing help for those that need it most. In addition, 2,000 residents were supported with emergency cash, supermarket and home energy vouchers and essential home appliances. We match-funded external contributions from local authorities and community action groups to invest £15,000 in community kitchens, cafés and warm hubs in the communities we serve, contributing to five spaces in total.

Empowering Futures

Our Empowering Futures and Assessment and Support teams have offered direct assistance to more than 7,500 residents and customers in all sorts of ways, from advice on debt or benefits problems to coping with food and fuel poverty. We work with external partners including charities and other funders, as well as using our own funds. As a result, around £3m of financial gains were delivered directly to residents in 2022/23, compared to £2m in 2021/22. £180,000 was also secured in contributions from local authority household support funds and Children in Need grants.

In addition, through our partnership with Pocket Power, a free phone service that helps social housing residents to apply for discounts and switch to affordable providers for their household bills, £100,000 in financial savings has been achieved in total since December 2020. During 2022/23, for every £1 invested by MTVH, Pocket Power saved residents £18.

Meanwhile, in order to help residents on variable incomes and expenses to remain out of rent arrears, we joined the 'Flex My Rent' partnership with HACT. This partnership enables residents to agree a rent payment schedule with their landlord, by which they are able to under pay in difficult months and overpay when they have more money available.

We have been pleased to participate in the Love London Working programme, an initiative funded by the European Social Fund and 8 other London housing associations, which helps unemployed and economically inactive Londoners into employment. MTVH exceeded the programme's targets, including for the number of jobs secured by participants.

Variety of community projects

Our Empowering Futures team has been responsible for a wide range of projects to provide social, financial and wellbeing support to our communities. Here is a brief summary of a small selection of initiatives.

- **Nottingham Social Cafe**

The Good Grub Social Café and Kitchen in Nottingham was developed to provide support in response to the cost-of-living crisis.
Open every Thursday in St Ann's, Nottingham, the cafe provides a free, nutritious meal while at the same time giving an opportunity for people to gather and for families to eat out in the atmosphere of a local restaurant.

Run by local volunteers alongside MTVH colleagues, it has quickly become a popular hub for residents.

Local Councillors Leslie Ayoola and Rosemary Healy recently visited the project to meet residents, volunteers and MTVH colleagues. They commented: "The Good Grub Café at Hill View is a fantastic initiative bringing the local community together during what is an extremely difficult time. Through the hard work of all those involved, the café has created a warm, sociable environment where people can enjoy excellent food with their neighbours."

- **Chalkhill Place to Remember**

A 'Memorial Wall' was unveiled at the Chalkhill Community Centre as part of an initiative helping to promote mental health and wellbeing among local residents.

More than 30 Chalkhill residents were trained as mental health first aiders, with some using their skills to help other members of the community. This group identified the impact of grief, bereavement and loss on the mental health of local people and initiated the 'Memorial Wall' project as a way of remembering and helping process the loss of those who passed away. In addition to the creation of the 'Memorial Wall' itself, the project included three workshops for residents on art and wellbeing, and it also included the creation of a poetry resource book for children.

MTVH partnered with several Brent-based community and voluntary organisations to provide support for the wall.

- **Fight 4 Change Men's Mental Health**

This initiative at Clapham Park is funded by Lambeth's Public Health Team and aims to address the high levels of male suicide in the borough. The sessions create a safe and comfortable space for men to talk about issues affecting their mental health and address barriers to accessing services.

Participants have the opportunity to take part in dominoes, boxing sessions and a barber is also on hand. At the same time, a qualified counsellor runs sessions to talk about issues such as societal and cultural expectations, the impact of unemployment and worries about the cost-of-living crisis.

- **Chair of the Housing Association Youth Network**

MTVH continues to chair the Housing Association Youth Network (HAYN), which exists to work with and for young people aged 11-25 that live in and around the communities we serve. It is a peer network of youth focussed representatives from the social housing sector. Through this framework in summer 2022, a major event was held for young people in London to find out more about housing options, how to access them and other opportunities.

- **Derby City Youth Alliance**

MTVH is a member of the Derby City Youth Alliance, a network of providers working collaboratively to support Derby's young people to be safe, develop and prosper. The focus of the Youth Alliance is based around the needs of the most vulnerable and challenged young people. Through this network, over 100 young people were referred to local providers over the past 12 months. Meanwhile, place led projects engaged 1,300 young people in and around priority areas where we work, including Normanton and Arboretum.

Financial support for residents

Since 2021, the collections system used by our Customer Accounts Team has enabled early notification to residents if their account falls into arrears, helping to prevent arrears from escalating. It also enables targeted support for any residents transitioning onto Universal Credit. This year, 522 residents moved on to Universal Credit, bringing the total number to 11,044, while total arrears came to 5.09% (5.17% in 21/22).

Amidst the ongoing cost of living crisis, our Customer Accounts Team has also supported residents to pay their rent and charges by applying for Discretionary Housing Payments where there is a shortfall in Housing Benefit or Universal Credit, and by working closely with our specialist advice teams. Our Tenant Welfare Fund has supported 1,979 residents during periods of financial hardship, while 1,235 residents have received FCA-regulated financial guidance from our Money Advice Team.

Dealing with fraud

With social housing in short supply, it is important that our homes are only lived in by the people they are intended for. Unfortunately, that is not always the case and last year a specialist role was created at MTVH to investigate and tackle fraud. This resulted in 73 proven cases in 2022/23, including 39 instances of sub-letting, 1 instance where it was not the occupant's sole or principal home, 22 abandoned properties and 11 where the succession application was refused. The total financial saving resulting from these cases was £1.63m. More importantly, the homes are now available for people who need them most.

A favourable lettings policy

Our lettings policy allows us to allocate more of our homes for internal moves and improves the choice available when residents want to move between homes. This year, as part of our commitment to listening to residents' views, our 'moving in' survey was redesigned to enhance the way we capture and act upon resident feedback.

2,011 properties were let in 2022/23 (1,809 in 21/22) and 128 new lets were completed, with an average turnaround time of 5.9 days (4.5 days in 21/22). The turnover of rental stock, also known as the void rate was at 4.10% (4.63% in 21/22).

When letting homes, we continue to support residents in maintaining successful tenancies by ensuring they have the right home for their circumstances and needs.

Delivering care and support

Our Care and Support teams provide a range of services, working with people with a range of needs.

Our particular specialisms, in addition to housing, include providing supported living for people with learning disabilities or autism, and assisting people with mental health issues. We also offer extra care housing and care for older people. In addition, support is provided for people at points of transition in their lives – whether moving into a home from sleeping rough, or arriving to the UK as a new migrant.

During the past year, a number of new services have been developed in partnership with local councils. Since April, we have worked with Haringey Housing Related Support to assist up to 50 residents, some recently homeless, with mental health needs across the borough.

The London Borough of Harrow commissioned us to deliver care and wellbeing services at a 47-unit scheme for older people with additional needs. Meanwhile, Hertfordshire Partnership University NHS Foundation Trust asked us to support 14 households with complex needs in Stevenage. In addition, following a successful assessment, we were awarded preferred registered provider status for future partnership work with Wokingham Borough Council.

Investment in our Care and Support properties continues. In Kensington & Chelsea, work has begun to transform a shared facility property into self-contained accommodation for women who have experienced domestic abuse and homelessness. Meanwhile, the first phase of regeneration is now complete at Westhorpe Gardens in Barnet, with care and support accommodation among the new homes created for residents from the estate.

In our South London region, recent contract reviews have led to an uplift in financial performance and improved outcomes for residents and colleagues, including the roll out of the London Living Wage. A review of our Care and Support properties in the region is ongoing, enabling us to continue driving quality and ensuring our supported housing remains people-centred and fit for the future.

In our Midlands & East region, we launched our new floating support service for adults with mental health needs requiring support to live independently within the community in Sheffield. This additional service continues to grow and is operated from our mental health accommodation-based provision in Sheffield which supports 20 individuals at any one time with long-term enduring mental ill health.

Earlier this year, in partnership with Nottingham City Council, Homes England and the Department for Levelling Up, Housing and Communities, we submitted a successful bid to the Rough Sleepers Accommodation Programme. The two-year grant includes a capital grant to help purchase 14 move-on homes as a stepping-stone to settled accommodation, and revenue funding to employ two new Housing Support Officers to support those currently rough sleeping, with a history of rough sleeping or at risk of rough sleeping in Nottingham.

We currently have 22 registrations with the Care Quality Commission for the provision of personal care. At the end of 2022/23, 79% of CQC-registered services were rated as either 'Good' or 'Outstanding' where an inspection has taken place. This was below our target, as the recovery from the impacts of Covid-19 continued. Meanwhile, 92% of those receiving care and support services expressed satisfaction when surveyed. This is testament to the hard work of our care and support teams.

Migration Foundation

The MTVH Migration Foundation is unique among housing associations. It is a restricted fund that exists to make migration work for migrants and the communities they live in. It does this by focusing on direct help, building capacity in the migrant support sector and advocating for change.

The Foundation's two main priorities are improving access to justice and offering improved housing and opportunities to participate in society.

The ongoing Afghan and Ukrainian refugee crises have continued to be an area of focus this year and the Foundation has been coordinating and co-funding the MTVH response. Through making it easy for residents to sponsor a refugee, colleague volunteering and fundraising, as well as being a direct provider of accommodation and support where it does not detract from local need, we are helping to make a difference to the lives of those affected.

We have also partnered with Micro Rainbow International (which works with LGBT migrants), The Department for Levelling Up, Housing and Communities and a London Borough to provide transition accommodation to Afghan refugees leaving hotels.

A number of other organisations were supported by the Foundation this year, with over £500,000 awarded in grants. This included grants to the University of London Law Clinic, Refugee Action, Migration Exchange, The Unity Project, Ukrainian Refugee Response, Doctors of the World, Migrateful and Project 17. In addition, our commitment to supporting the Chartered Institute of Housing's 'Housing Rights' platform was extended for another three years. This valuable online resource provides accurate, up-to-date information on the housing rights of migrants, refugees and other new arrivals to the UK, and receives around 8,000 visitors per month.

In December, the government raised its financial support to refugee organisations facing the cost of living crisis by 10%, providing a welcome boost to the Foundation and the people it supports.

CASE STUDY

One local resident tells us how Nottingham's Good Grub Café is making a real difference to everyday life

MTVH resident Sam has been volunteering at the Good Grub Café and mobile supermarket for almost a year. Here, she shares how it has had a positive impact on her personal and professional life and helped her connect with the local community.

"I started out volunteering at the mobile supermarket and really enjoyed selling good food to local people at affordable prices. The customers were always really lovely and appreciative, and we often had a good laugh and shared recipes, tips and information.

I then started volunteering at the Good Grub Café which has been fantastic. We have an amazing chef and together serve the local community a delicious two-course meal for free. We can have up to fifty people at a time in the Café and the vibe is always incredible.

Volunteering has helped me get to know lots more people in my local area, which is great because I'm a mother and have caring responsibilities at home and sometimes feel quite isolated. I really love walking down the street and being able to stop and chat to people.

My work with MTVH has been about much more than volunteering, it has had a positive impact on my confidence, self-esteem and has really changed my life.

I got a job four months ago as a midday supervisor at a local school and really enjoy it. Recently, one of the girls from school came up and gave me a big hug. This showed me that I'm really rooted in my community and doing my job properly – not only being a good mum, but volunteering with MTVH, working with children in the area and getting to know their parents as well. It all gets me out the house and helps me feel connected.

It's great that MTVH put all this together, because otherwise I wouldn't have started volunteering and I wouldn't be where I am today."

Listening to improve new homes

Building more homes, creating better places

We have continued to build more new homes this year. Although the ongoing economic impact of the pandemic is still being felt and the pace of construction has slowed overall, the number of new MTVH homes for rent doubled in 2022/23, while the number of new homes available under the shared ownership scheme increased by 15%. When surveyed, 90% of those who had moved into new homes said they were satisfied with them.

In total, 657 new homes were built in 2022/23 (712 in 2021/22), including 308 for rent (161 in 2021/22), 185 shared ownership (165 in 2021/22), 33 for private sale (30 in 2021/22) and 131 in joint ventures with other parties (356 in 2021/22). There are also 3,858 new homes in the pipeline (5,527 in 2021/22), representing the prospect of plenty of building activity in the coming years. However, our pipeline has been reduced in the short to medium term, in order to reduce any potential exposure to market uncertainty created by a number of external economic factors.

The total invested in land acquisition and building new homes in 2022/23 was £199m (£161m in 2021/22). Meanwhile, MTVH continues to work in partnership with Homes England and the Greater London Authority (GLA), with both providing funding support to deliver new affordable homes over the coming years. Our strategic partnership with Homes England will see around 1,500 homes delivered, while our work alongside the GLA will see approximately 1,000 new homes built.

Engaging residents in development

Westhorpe Gardens, Hendon

In 2020, residents were consulted about the regeneration of 1960s housing in Westhorpe Gardens and Mill Grove in Hendon, and over 75% were strongly supportive of proposals. As London's first ever regeneration scheme to be approved by resident ballot, the project will provide over 250 genuinely affordable new homes, including rented homes for existing residents, shared ownership homes, private sales and homes for the over-55s.

Nearly 80 new homes were completed in Phase 1, which saw the first residents moving in at the end of 2022 at the same rent levels they had paid previously.

The new homes benefit from renewable energy from solar panels and energy efficient air source heat pumps, providing clean and cost-effective heating for residents. The old homes will be demolished as part of Phase 2, which commences in August 2023 and is due for completion in summer 2026.

West Hendon

In our joint venture with Barratt, over 1,000 new homes have been constructed in West Hendon and demolition of the original estate is now complete. A further 400 homes are under construction, with the first of two shared ownership blocks for this phase due to complete in summer 2023. The current phase of work will not only see us deliver our commitment to offer new homes to all existing tenants, but will also provide the first opportunity for Barnet Council to nominate new tenants.

In spring 2023, after a detailed review of the site established the potential to deliver around 350 additional new homes, we held public planning consultations in partnership with Barratt, with a view to submitting a new planning application. If approved, these additional affordable rented and shared ownership homes will be built in the project's final phases.

Clapham Park

The transformation continues at Clapham Park, where 50 new homes and two new shops are set to complete at Keith Shaw House and Donna Mews in Summer 2023. Change is also evident at the two sites where our developer Countryside is constructing the next 520 homes, with demolition now complete and above ground works pressing ahead ready for completion in 2025 and 2026.

In spring 2023, an open day was held to introduce Countryside to the neighbourhood, to provide information on the works, and to offer residents the opportunity to explore plans for their new homes. Resident members were also recruited to the Clapham Park committee to ensure that local voices are heard throughout the regeneration.

Thankfully Clapham Park has been able to host large community events again during the last year. 2022 saw the welcome return of the neighbourhood's annual fun day, its first since 2019, as well as a new winter fair with a local makers' market.

In response to the cost of living crisis, the community is being supported through a partnership with Be Enriched, an organisation addressing food waste and helping those on tight budgets by using surplus food from supermarkets to create healthy hot lunches at its weekly lunch club, held at The Cube community centre. Residents have also been engaged to work alongside our production team on filming vacant MTVH sites, offering an insight into film and TV career opportunities, an initiative we plan to further develop in future.

London and the South-East

MTVH and Legal & General Affordable Homes (LGAH) have joined forces to create a 50:50 joint venture which aims to deliver over 2,500 shared ownership and genuinely affordable homes for rent over the next seven years, primarily in London and the South-East.

Around 2,000 of the new homes will be sold through So Resi, our shared ownership scheme, boosting access to affordable homeownership. This is especially timely since the current high interest rate environment is increasing demand for shared ownership homes.

The first homes are expected to complete by 2025, with construction set to begin in the next twelve months. All homes will be built to meet or exceed EPC B energy efficiency standards.

This forward-thinking venture combines the financial resources and expertise of LGAH with our decades of experience in developing, selling and managing genuinely affordable homes.

East of England

The sale of our East of England properties in local authority areas such as Breckland, Norwich, Kings Lynn, Norfolk and South Kesteven was part of our Strategic Asset Management Plan to focus our geographic operating area, driving efficiencies and creating savings for MTVH.

It will also provide residents with a better located local housing provider, Places for People, which has an office in Norwich and is better located to serve local needs. Completing in two tranches in 2022 and early 2023, the sale involved extensive consultation with residents in line with the Tenant Involvement and Empowerment Standard.

CASE STUDY

Residents are moving into their new homes at Westhorpe Gardens – The first resident ballot-approved regeneration scheme in London.

Resident voices are at the very heart of our work – This has been evident at the Westhorpe Gardens and Mill Grove estate in Hendon, North London, where we are carrying out a major regeneration and improvement project.

In 2020, residents were consulted about the improvement and regeneration of 1960s housing in the area under new guidance set out by the Mayor of London. Residents told us what they wanted, with nearly two-thirds participating in a ballot and 75% voting strongly in favour of proposals.

This landmark project is London's first ever regeneration scheme to be approved by resident ballot. Over the course of five years, it will provide over 250 genuinely affordable new homes – including over 100 rented homes for existing residents, 100 shared ownership homes and nearly 50 homes for the over-55s.

The end of 2022 saw completion of Phase 1 of the regeneration, and the first 80 residents have now moved into their new homes at the same rent levels they were paying previously. Phase 2 of the project, which will include demolition of the old homes and delivery of new shared ownership homes and homes for the over 55s, is due for completion by 2025.

The new homes benefit from renewable energy via solar panels and energy efficient air source heat pumps, providing clean and cost-effective heating for residents. The wider development will incorporate various green spaces, including a green roof, and play areas with extensive public outdoor space for residents to enjoy as well as a community allotment for residents to grow their own produce.

The regeneration, led by MTVH working in partnership with Hill Group UK and Barnet Council, together with support from the Mayor of London's Affordable Homes programme, is making a significant contribution to affordable new homes in the borough.

We are proud to be helping shape and revitalise a community where local people have had a real say and the result is an inclusive, desirable and sustainable place to live.

Managing our assets strategically

Our Strategic Asset Management Plan ensures we provide the best quality homes, neighbourhoods and services to residents. By continuously monitoring and optimising the performance of our portfolio, we are able to create efficiencies and reinvest savings into the upkeep of existing MTVH homes and the development of new MTVH homes.

The Plan promotes opportunities for the renewal, regeneration and placemaking of the properties, estates and neighbourhoods that require more intensive intervention beyond their economic life. Initiatives such as our Westhorpe Gardens estate regeneration project in Barnet, and our Garage Redevelopment Programme in Rushcliffe, are just two examples of how we are creating genuinely affordable new homes on existing MTVH land.

Using the Asset Appraisal Model, which combines financial data with social value measures and integrates local feedback, the short, medium and long-term performance of individual properties, estates and neighbourhoods is analysed to identify those requiring additional development or support.

Since 2019, we have actively worked to reduce the number of local authorities we operate in, focusing our activities to the places where we have a concentrated mass of homes. This has led to the transfer of some MTVH homes to other housing providers who can offer residents more localised services and support.

By the end of 2023, over 1,000 homes will have been transferred to other housing providers. All transfers have involved extensive consultation with residents in line with the Tenant Involvement and Empowerment Standard and in close engagement with MTVH Board.

Despite the transfer of some MTVH properties to other housing providers this year, growth remains a key objective and we continue to pursue opportunities to acquire properties and portfolios within our key areas of operation that meet our specific financial and strategic criteria.

So Resi continues to deliver as demand for shared ownership soars

Our shared ownership brand So Resi continues to offer an attractive option for people who dream of owning their own home but are not always able to buy a property outright. Shared ownership customers buy a share of their home with a lower deposit and smaller mortgage and make a monthly rent payment on the balance. They can also staircase their way to full ownership over time.

So Resi has a reputation as a dynamic and innovative shared ownership provider, which delivers service levels far in excess of the industry norm. This year, changes in the national financial and political environment, including the withdrawal of the Government's Help to Buy scheme and the tightening of lenders' affordability criteria, have led to increasing demand for shared ownership homes.

As a result, So Resi has had another successful year, moving in 214 of our own shared ownership buyers across 24 different MTVH new homes schemes, as well as selling over new 100 homes on behalf of partners on a further seven developments.

In 2022/23, 332 homes were sold (376 in 2021/22) across all types of tenure, including 214 shared ownership homes (338 in 2021/22) and 17 private sales (38 in 2021/22) and 101 agency sales (111 in 2021/22). These generated £31.2m in receipts (£59m in 2021/22). There is currently a pipeline of 206 homes (including 115 new build and 91 agency sales) going through the sales process (97 in 2021/22).

After-sales activity, which includes staircasing (purchase of the remaining shares in the shared ownership property) and MTVH mortgage redemptions and resales continued with 895 sales (504 in 2021/22), generating £62m in receipts (£74.9m in 2021/22).

Listening to the issues that matter to residents and communities
We are committed to amplifying resident voices and campaigning on the issues that matter to them most.

The last year was one of real challenge for many MTVH residents. Cost of living pressures, driven by high energy rates and rising inflation, meant that the support we provide matters more than ever. It's also why the government assistance we campaign for has mattered so much.

Through our role as Chair of the G15, the group of London's leading housing associations, we led calls for vital social security support to be increased. The 'Uprate Can't Wait' campaign amplified the voices of residents who told us how vital support like Universal Credit is to them. After a sustained social media campaign and in representations to government, the decision to increase support in line with inflation was secured. With around 7 in 10 residents living in the social rent homes we provide relying on such support, this welcome announcement will make a real difference in the toughest of times.

This year we also shone a light on the role of housing associations in tackling the cost of living crisis. In Lambeth, we brought together fellow 'anchor institutions' in a panel event to discuss what more we can do together to support people, and what we need from government. Working with the Centre for London, we also supported a report on Levelling Up and how in order to succeed, this initiative must include people and communities in London where poverty is among the highest.

We are committed to ensuring the homes we provide are safe, warm and dry. There can be no clearer example of why this is so important to get right than the death of 2-year-old Awaab Ishak in Greater Manchester in 2020. We have welcomed the government reforms following this tragic incident, including the Social Housing Regulation Bill and the new consumer standards that will be introduced. Drawing on our experience of providing safe, high quality homes, we are working with the government and regulator to ensure these reforms deliver positive, deliverable outcomes for residents. Updates to stakeholders have also been provided on our own approach to tackling damp and mould.

One clear message we continue to hear from residents is the need for high quality, genuinely affordable new homes. Working with Savills, we produced new research which found that housing associations were responsible for building almost 1 in 4 homes in the last 5 years, making them a vital part of efforts to build the homes the country needs. We also chaired a discussion at the National Housing Federation Summit on the impact the housing crisis is having on young residents, drawing on last year's Housing Futures report as well as resident testimonies. We have also made the case for creating more genuinely affordable new homes through meetings with senior politicians of all parties and in the national media.

Residents have told us they are eager to learn more about our plans to achieve net zero, and they want to be involved in shaping these plans in the coming years. As well as quantifying the cost of achieving net zero to G15 members at an estimated £11bn, this year we worked with partners such as Lambeth Council in support of the Lambeth Climate Action Plan. A key focus of our representations to government has been the need to bring forward further funding to support the investments we are already making to reduce emissions and bring down resident bills.

To continue improving shared ownership resident experiences, we have been leading the way in calling for leasehold reform. Our own changes that create more security for residents have been highlighted by campaigners as best practise, and we are also speaking to government about the legislation needed to level the playing field for all residents, including those who live in homes where MTVH is not the building freeholder.
One of the most significant issues we consulted residents on this year was the government's rent capping proposals. Getting the balance right on this decision was vital, not only for residents now, but in enabling MTVH to continue delivering genuinely affordable homes in future. We invited residents to share their views to help inform the G15's response to proposals, and also shared updates with our Customer Council. By being open and transparent about the challenges the proposals presented, we were able to hold valuable conversations with residents which directly influenced our message to government.

We have also been amplifying resident voices and seeking to accelerate change on a range of other important issues. From working with Helen Hayes MP to protect the housing security of residents at risk of violence, to voicing our concerns about government changes to how people seeking asylum in this country are treated; we are committed to standing up for residents' rights.

Our Windrush heritage and the diverse communities we represent means our work on equality, diversity and inclusion has continued. This year, updating the G15 Ethnic Diversity Pledge and delivering the second G15 Ethnicity in Housing Awards were two particular highlights.

At the start of June 2023, our term as Chair of the G15 came to an end. Over the last two years, we have sought to use the influence this role gave us to make a real difference on the issues that matter to residents most. Through research reports, public events, consultation responses and regular meetings with senior government representatives, we have highlighted the value and importance of the homes we provide, and emphasised the needs of the people we serve – something that will remain at the heart of our work in the coming year.

Listening to colleagues to create a great place to work

Creating new opportunities for development and training

MTVH is committed to listening to colleague experiences so we can provide a relevant range of career development and training opportunities. This not only brings out the best in our people, but ultimately helps them to deliver a better experience for MTVH residents. Colleagues are invited to share their views about working at MTVH, including what is working well and what can be improved, through our regular 'Let's Connect' sessions and bi-annual Colleague Engagement Pulse Survey.

In November, a new 6-month Management Development Programme was launched, which aims to equip all MTVH managers with the skills, behaviours and technical capabilities they need for the effective performance and delivery of their service area. Nearly 60 MTVH managers will complete this training by summer 2023 before it is rolled out to managers across the organisation. The programme includes specific training for specialist managers such as those working in Care and Support.

Our leadership and talent development programme, Dare to Believe and Lead, continues to upskill the MTVH leaders of tomorrow. There are currently 36 department Heads or Assistant Directors on the programme, which comprises two core components aimed at delivering benefits for job related learning and personal and leadership growth.

The successful launch of our apprenticeship scheme, job shadowing and work experience initiatives this year have been instrumental in laying solid foundations for achieving our mission of attracting and retaining talent across MTVH. We currently have 24 apprentices, 51 colleagues taking part in development programmes, and 18 colleagues completing professional qualifications. In 2022/23 we delivered nearly 70 training and development courses in total, with 2,750 colleagues taking part.

To further support and accelerate colleagues' personal and professional development, 25 mentor/mentee pairs were matched across MTVH in 2022/23, and 29 colleagues received specialist mentoring training. In addition, our 'legal and safe' compliance training has been simplified to ensure colleagues feel capable and confident to complete their daily roles and provide effective services to residents.

By streamlining Pathfinder, our approach to Performance Management, all colleagues now have specific objectives, including a dedicated development plan, linked to our organisational strategy. This encourages colleagues to see the connection between their daily work, MTVH as a whole and our services to residents, and clearly highlights the value of their contribution.

Alongside our internal training programmes, we actively work with external stakeholders to deliver development opportunities aimed at enhancing growth and leadership. These include Black on Board, G15 Accelerate, Leadership Now and Leadership 2025 – each of which equips colleagues with the tools, resources, knowledge and values they need to lead in a time of change. Working with Future of London, we also supported our first two graduates to complete placements on the Emerging Talent Programme this year, which supports talented individuals to make a positive impact on London's built environment and surrounding communities.

Promoting diversity and inclusion in the workspace

MTVH is committed to creating a workspace where all colleagues feel valued and involved. We strive to attract and retain a diverse mix of individuals into the organisation, cultivating an internal environment where we actively celebrate colleagues' different abilities, sexual orientation, ethnicity, faith and gender. Everyone's welcome and supported in their development, at all stages in their journey with us.

We continue to deliver on our commitment to nurture a diverse workforce at all levels through a range of training and development programmes which aim to enhance inclusive leadership. Our commitment to promoting inclusion is further reinforced by our volunteer-led colleague networks which support diversity in gender, ethnicity, sexual orientation and disability. These networks are endorsed at senior management level and supported by allies across MTVH. A range of educational events, webinars and panel discussions are also provided across a comprehensive range of protected characteristic areas, including Menopause and Neurodiversity.

In addition, our Corporate Team and Network groups bring attention to notable dates such as Black History Month, Holocaust Memorial Day, International Women's and Men's Day, International Day for Persons with Disability, LGBTQIA+ History Month and Pride. As a vocal advocate for equality, diversity and inclusion within the social housing sector, we continue to influence those around us to create and sustain positive change. We are also proud to celebrate our Windrush heritage every year, and as we enter the 75th anniversary year, we look forward to marking the contribution and sacrifices that were made.

Our mean gender pay gap across the MTVH group has reduced this year to 16.5%. While we are pleased that our mean figures have decreased, we still have work to do. Our gender pay gap still exists and is due to, firstly, having a higher number of men in our more senior roles, and we know that we need to increase female representation in these areas. Secondly, a disproportionate number of women are in Care and Support roles that as an industry is relatively lower paid compared to other areas. We have made good progress, but recognise that we need to work harder to remove the gender pay gap from our business. Improvements will happen by listening to and supporting our colleagues, so they feel confidence in knowing MTVH is a place where they can get on. We are committed to doing this through setting clear actions to help us improve to support and attract talented women, increase ethnic diversity, equip and empower our leaders, and sustain an inclusive culture. For recruitment to senior leadership roles we have made a concerted effort in the past twelve months to work closely with the leading talent and recruitment agencies to proactively spot diverse talent and potential talent in and out of sector.

As well as measuring our gender pay gap we also choose to track our ethnicity pay gap using the ethnicity data that 88% of colleagues have chosen to share with us. Better understanding the diversity of our workforce is critical in helping us to shape and inform our plans for colleagues, and using ethnicity data enables us to set stretching ambitions and hold ourselves accountable against the progress we are making. Our mean ethnicity pay gap has reduced this year to 9.5% and our median ethnicity pay gap has reduced from 0.3% to -1.3%. We believe that continuing to be data led in our approach will be critical to increasing representation of ethnic minority colleagues at every level.

Chief Finance Officer's review

Highlights

Key highlights this year were:

- Continued progress toward Sustainability goals and second report issued under the Sustainable Reporting Standard.
- £869m of available liquidity and over £1,2bn of available security
- Strong cash generation from operating activities of £268m
- A Stable rating confirmed by Fitch
- Confirmation of the S&P credit rating at A- negative

Overview

Group turnover was down 6% at £388m (2022: £414m) as we have continued to deliver on our strategic decision to reduce sales volumes and exposure in order to retain our attractiveness to investors. The Group's letting income (which includes Care and Support) was £322m (2022: £309m), an overall rise of 4% year on year in line with the rent settlement policy. Revenues from our other operations, including Care & Support and the market rent portfolio were broadly constant year on year at around £36m (2022: £38m).

Total revenue from home sales was £30m (2022: £59m). Of this, outright sales revenue was £4m (2022: £17m). We sold 17 units in the year (2022: 38 units) at an average selling price of £256k (2022: £447k), this reduction being driven by mix, with 2023 sales being predominantly first time buyer homes outside London. Underlying outright sales profit after deducting selling and marketing costs, was £0.6m at a 14% gross margin (2022: £3m at a 25% margin). In respect of the First Tranche share of Shared Ownership units, we recorded revenue of £26m in the year (2022: £42m). We sold 214 First Tranche units (2022: 338 units) achieving a surplus of £2.7m at 11% (2022: £5m at 12%). The first tranche share averaged 32% (2022: 35%) of an average total selling price of £377k (2022: £327k) per unit. While the Board is cognisant of investor risk appetite, MTVH remains committed to the market sale of homes in order to build more affordable housing than it could otherwise.

Operating surplus before net Building Safety & Non-recurring costs for the year was £122m (2022: £135m), down 9%. Within this, the surplus derived from home sales was down by £5m year on year. Underlying Operating expenses (which include selling costs but exclude one-off costs relating to our fire remediation programme) were up 9% at £286m (2022: £267m). This increase is driven both by salary and cost inflation, as well as the increasing demand for our services. The cost of energy (much of which is recoverable in future periods through service charges) rose by £8m year on year: stripping this increase out reduces the underlying operating expenses increase to only 4%.

The Board recognises the safety of customers as its primary concern. Reflecting this priority and following recent changes to legislation, guidance and building regulations, related remediation costs represent an area of increasing cost to the business. During the year we expensed £18.1m (2022: £19.4m) of costs in respect of remediation of fire safety issues, including surveys and assessments, and capitalised further costs of £3.7m (2022: £3.7m). Part of these costs we have reported separately in the Statement of Comprehensive Income and Expenditure along with non-recurring costs. Net Building Safety remediation costs of £10,311 (2022: £5,608) and non-recurring costs of £2,280 (2022: £12,893). As a result, the reported Operated surplus is £109m (2022: £122m).

Segmental analysis

	2023 Turnover £m	2023 Operating surplus £m	2022 Turnover £m	2022 Operating surplus £m
Property	26.2	(19.7)	25.8	(15.8)
Development	46.5	44.0	116.2	49.8
Customer Services	372.0	142.9	337.4	136.2
Central Services, non-recurring & consolidated adjustments	(57.1)	(58.1)	(65.0)	(48.1)
	387.6	109.1	414.4	122.1

MTVH is one of the largest providers in the sector of Shared Ownership homes and Homebuy loans (administered through our 'So Resi' brand) and this remains core to our affordable home solutions. During the year we completed 338 staircasing transactions which delivered £16m of operating surplus at a 33% margin (2022: £20m at 36% from 316 completions). In addition, we completed 169 Homebuy loan redemption transactions, achieving £6m of operating surplus at a 44% margin (2022: £8m at a 42% margin from 237 completions). During the year we also sold 95 properties as part of our Strategic Asset Management programme, which generated £5m surplus.

The Group recorded a surplus after tax of £33m (2022: £41m) after net interest costs of £79m (2022: £75m). Other comprehensive income includes a credit of £23m (2022: credit of £21m) in respect of our defined benefit pension obligations, and a £24m credit (2022: £12m credit) in respect of the movement in fair value of the Group's financial hedging derivatives.

In respect of our defined benefit pension scheme, the accounting deficit (as shown in note 23a) has reduced by £27m in the year to £22m, driven by a combination of our deficit contributions in the year of £6m and the increase in the discount rate. Our funding level stands at 88% (up from 83% last year) which continues to compare favourably to the SHPS funding level.

Finance costs

External interest receivable amounted to £6m (2022: £4m) and total interest payable was £85m (2022: £78m). Only around 14% of the group's debt is subject to interest rate fluctuations, which serves to restrict the volatility of our interest charge in times of rising interest rates.

Taxation and Tax Contribution

The tax charge/(credit) on the surplus before tax for the year was £ nil (2022: 429k Cr). Surpluses from the core rental business are exempt from tax as Metropolitan Housing Trust Ltd (MHT) has charitable status. Generally where activities are taxable, they are undertaken by subsidiaries who gift aid the surplus to MHT, and MHT invests these tax savings to subsidise the development of affordable homes.

Gift Aid payments made in the year were £9.1m (2022: £16.3m)

MTVH is a very significant contributor to the UK Treasury. The total contributions were approximately £60m (2022: £58m). Our total tax contribution is set out below:

	2023 £m	2022 £m
VAT	27.1	28.9
Employers NI	8.4	7.4
IPT	0.7	0.6
Other	2.9	2.0
Direct taxes paid	**39.1**	**38.9**
Taxes collected on behalf of others:		
Employees' PAYE	11.8	10.8
Employees' NI	5.8	5.5
VAT collected from customers	2.7	2.3
Other	0.2	0.4
Total taxes collected by MHT	**20.5**	**19.0**
Total taxes paid to HMRC	**59.6**	**57.9**

Cash generation and utilisation

Cash generation continued to be strong again in 2022/23 this year this year with a net operating cash inflow of £268m in the year (2022: £254m). Again, the key drivers of this are our consistently strong record of staircasing and redemptions disposals as well as other assets sales which contributed £110m in cash proceeds in 22/23 (2022: £102m) Overall, we spent a net amount of £161m (2022: £114m) on investment activities. Net inflow from drawdowns of new facilities less debt repayments totalled £33m (2022: net outflow of £56m)

Group gearing ended the year at 36% on an historic cost of property basis (2022: 38%) and EBITDA interest cover was 1.9 times (2022: 2.1 times).

Balance sheet

The net book value of housing assets was £4.7bn (2022: £4.6bn), with £37m (2022: £36m) of depreciation charged in the year, as we continue to increase the levels of investment in our estate. This figure includes assets under construction at 31 March 2023 of £378m (2022: £352m). Development work in progress (WIP) was £67m (2022: £69m) reflecting our investment in asset held for sale, mostly the first tranche element of Shared ownership properties.

Short and long term creditors are £2.7bn (2022: £2.6bn), including £1.9bn of borrowings (2022: £1.9bn) and £157m (2022: £149m) of housing grant repayable. The Group pension schemes' accounting deficit stands at £22m (2022: £49m).

Funding and Treasury

As at 31 March 2023, MTVH had net debt of £1.8bn (2022: £1.8bn) which included £193m of cash (2022: £152m). We define net debt as debt less cash available to repay lenders. 86% (2022: 86%) of the loan book was fixed at rates of interest ranging from 0.3% to 11.3%, with the remainder at floating rates of interest. Our weighted average cost of debt was 4.7% (2022: 4.1%).

During the year the Group reconfirmed its credit rating from Fitch, which was "A Stable". The Group's S&P Global credit rating is A- (negative outlook). As outlined in our Sustainability report on page 47, we continue to make good progress against our 55 sustainability goals.

MTVH was an early adopter of the Sustainability Reporting Standard and we issued our second report under the Standard in February 2023.

As at 31 March 2023 the Group had committed undrawn facilities of £725m (2022: £668m), which are fully secured and available at 48 hours' notice, in addition to cash and short-term investment balances, totalling £193m (2022: 152m). Cash is invested at average returns of 2.4% (2022: 0.4%). The Group remains well funded and has sufficient resources and available security to meet the requirements of its future development plans.

Managing treasury risk

Treasury risk management is a key and complex area of financial control and is included here separately from the report of the Board and the statement on internal controls.

Governance and control

MTVH operates a central treasury function under a Director of Corporate Finance who reports to the Chief Financial Officer. Oversight is provided by a Treasury Committee of experienced and qualified non-executives as well as independent committee members who report, in turn, to the main Board. The activities of the Treasury function are governed by a Treasury Policy and Strategy which are approved each year by the Treasury Committee and Board. The policy is based on the CIPFA code of practice for treasury management in the public services.

A risk-based approach is adopted with the overriding objective of managing risk in line with the Board's risk appetite. Risks are regularly assessed and recorded in the Finance risk register, which forms part of the Group's risk register.

Loans and credit structure: maturity risk

The Group's borrowings are funded from a number of sources. This includes long-term loans and bonds. All borrowing is denominated in Sterling; the Group has no foreign exchange exposures.

The funding sources are split as follows:

% of total	2022/23	2021/22
Banks and building societies	59%	59%
Capital Markets	39%	40%
Local Authorities/Other	2%	1%

MTVH has £360m (2022: £299m) of loans maturing in the next five years which represents 19% (2022: 16%) of our total drawn down-loans.

Interest rate risk

The Group has entered into a number of hedging contracts in order to mitigate the risks on interest cost volatility arising from its floating rate debt and RPI-based cash flows. At 31 March 2023 86% (2022: 86%) of the Group's total debt cost was hedged either by fixed rate loans, floating-fixed swaps or index-linked arrangements. The Group has a target of keeping the fixed proportion of the Group's debt book between 65% and 85%.

As detailed in note 30 to these accounts, MTVH has £172m (2022: £173m) nominal value of ISDA swaps which hedge interest costs at rates between 5% and 6%. The mark to market exposure is monitored closely and collateralised with a mixture of cash and property assets.

Counterparty risk

Surplus cash is invested with approved banks and counterparties with the priority on the preservation of capital rather than on maximising returns. The treasury policy requires that the maximum deposit exposure to any approved bank is £25m.

Covenant compliance

MTVH's loan covenants are based primarily on interest cover and gearing ratios. Covenant ratios are monitored monthly and reported to the Board. Quarterly performance information is provided to our lenders and we issue regular RNS trading updates and results announcements to bond investors. We hold regular meetings to update our lenders including annual group meetings, and provide covenant certification as part of the annual audit process.

Liquidity risk

We prepare monthly and quarterly cash flow re-forecasts, and we also carry out a budget and long-range forecasting exercise at least annually which ensures we can operate well within our safe limits for covenant tests, even under highly adverse changes in performance and market conditions.

Short-term surplus cash balances are placed on deposit for terms of not more than 364 days, with a number of approved counterparties. Cash balances held are sufficient to fund short-term development, capital expenditure and working capital requirements.

Value for Money statement

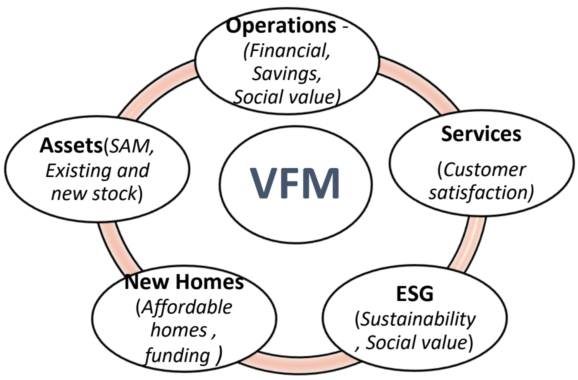
The MTVH approach to value for money

The Board of MTVH has overall responsibility for ensuring that value for money (VFM) is embedded, and an integral element, of the organisation. Being efficient, effective and economical is acutely important, to enable us to deliver our vision of serving people better every day. VFM is a culture and mind-set that is a standard consideration for every Board, committee and executive decision to direct resources to residents in the optimal manner and enabling them, and the communities in which they reside, to live well.

The 2022/23 financial year has been dominated by high inflation, elevated funding costs and ever-increasing demands to invest in both existing stock and new supply. Through our financial resilience, we have continued to invest in service delivery and support our residents through the current cost-of-living crisis. MTVH have maintained and strengthened VFM principles in our response and all our work. The foundations have been set, and in many cases strengthened, to achieve social and economic value into the future.

A key milestone underpinning the delivery of VFM has been continued progress on our five-year strategy, in particular the Corporate Plan that underpins this and work on advancing ESG as a key strategic priority. These provide a framework for VFM implementation, which is coupled to all strategic and operational aspects going forward.

Key elements of VFM approach



Governance

VFM implementation is overseen by MTVH's Executive Management Team and Board, who determine strategy and investment priorities and monitor progress against published plans and targets. The Board ensures compliance with regulatory standards. The oversight of VFM is also supported through the responsibility of various Board sub-committees, including the Development, Property and Customer Services Committees (CSC). This provides an added layer of scrutiny and accountability for customer-related issues where VFM is a key driver.

Performance management

The continued financial strength and capacity of the organisation is instrumental to ensuring that we are able to deliver on our strategic objectives, and is framed by the following:

Budget/Corporate planning – VFM is firmly entrenched in the 23/24 budget and Corporate Plan and includes both cost optimisation and revenue growth targets, to generate efficiency across the organisation. The five-year operational budgets and plans will allow us a longer term assessment and tracking of strategic priorities, investment in projects and continued benefits realisation.

Performance tracking – A suite of KPIs/metrics are analysed and reported on at all levels of the organisation, in order to drive performance and identify areas for greater efficiency. This also includes a range of non-financial targets, which provide an enhanced assessment of VFM delivery in future.

Asset returns and efficiency – The Strategic Asset Management (SAM) Plan was adopted in May 2019 to ensure that MTVH continues to provide homes in a sustainable and efficient manner across our regional operating areas. We are pleased to report positive progress in the year on the continued implementation of the SAM plan, with a number of stock disposals across both voids and tenanted stock. The Asset Appraisal Model continues to evolve, a data-driven model providing insights into asset value, financial performance and strategic value. It means we better understand the short, medium and long term investment forecast and income generation of assets and enable comparison of assets, estate and regions.

Service charge project – The service charge project continues to evolve and gain momentum. The aim is to create a transparent, easy to use service that delivers service transformation to our residents, through higher levels of customer satisfaction, reduced complaints and a compelling digital offer whilst ensuring our income is maximised in line with legal and contractual agreements.

Corporate Plan

The Corporate Plan sets out the plans for key projects with improvements to our systems, processes and structure helping to further enhance the customer experience across all touchpoints. Underlying this is the desire to realise efficiencies and synergies to shape the long-term VFM agenda. MTVH has responded to the cost-of-living crisis by providing proactive support to both residents and colleagues, whilst navigating delivery against the Corporate Plan to progress the strategic priorities of the organisation.

Empowering Futures

Our Empowering Futures strategy continues to develop, with £3m (target £1m) of financial improvement delivered for residents following MTVH support and 3,802 residents provided with intensive support.

We continue to get the best possible value for money for our customers whenever we buy goods or services, in the face of increasing costs, and 2,175 social value points have been created in the MTVH supply chain.

We again partnered up with Sonnet Advisory & Impact to use their assessment model, combined with data and informed assumptions about MTVH tenancies including LSOA (neighbourhood) level stock profiles; rent arrear levels; tenant profiling data; ASB data; socio-economic datasets; community strength index; and average public/trust/charitable spend. This research quantifies the economic contribution and savings to public sector organisations generated by MTVH social tenancies. The model has previously been used by similar types of housing associations and is a proven and transparent way of measuring social value.

In terms of the value of a social tenancy, a total annual social value of £577m a year to the UK economy was generated (potential savings to government departments from our social homes + construction & maintenance economic gains), which equates to £19,293 of value per MTVH home. The direct value of MTVH social tenancies is £314m equating to £10,494 per household. The economic benefit of building and maintaining homes included investments of £141.7m annual impact from our construction activities and £121.4m annual impact from our maintenance services. These investments directly contributed to overall increase in social value of MTVH tenancy.

The findings of this research confirm the vital economic contribution social housing makes to the economy and public sector, which is incredibly important to the economic recovery the country needs to see. The research also demonstrates the transformative impact on social cohesion and the wellbeing of communities that social housing provides. Each year, MTVH social tenancies:

- Contribute at least £100m to the economy; through boosts from building new homes and maintaining existing stock.
- Save local economies at least £174m; through supporting economic participation and helping people get back to work.
- Save the NHS at least £85m; through fewer GP visits and reduced health inequalities.
- Save Local Authorities at least £51m; through well-managed social homes and an overall reduction in the need for public services.
- Save the Police and Criminal Justice System at least £59m; through supporting reduced offending and timely social services support.
- Save the Education Sector at least £10m; by providing holistic support that enables children to get to school.
- Save the Department for Work and Pensions at least £7m; through boosting employment and reducing Universal Credit claims.
- Save the Fire Service at least £1.2m through providing safe, secure homes and support with maintenance.
- Save Banks and Creditors at least £600k; through providing financial support and reducing the likelihood of problem debt.

Reporting performance

This year MTVH continued the investment required to provide quality and consistent services to our customers, deliver new homes sustainably and foster even greater levels of customer engagement.

Three key (budget) targets were given prominence at Board and executive level to monitor our performance in maintaining VFM by serving our customers, building new homes and operating efficiently as follows:

Table 1	*2022/23 Actual*	*2022/23 Target*	*2021/22 Performance*	*2021/22 Target*	*2020/21 Performance*	*2020/21 Target*
Operating Margin	28%	35.2%	30.1%	34.6%	31.0%	33.2%
New Homes (inc JVs)	657	664	712	829	923	811
Customer Satisfaction	71%	75%	71%	75%	75%	70%

- **Operating margin** at 28% is quoted after net Building Safety & Non-recurring items. The margin reflects that Total Operating Surplus, at £109.1m was £(27m) lower than budgeted. Operating expenditure (opex) was £(25)m adverse across a number of areas, including £(8)m energy cost impact, £(5)m property opex switch from planned capex to opex, £(4m) additional safer building expenditure compared to budget, £(3m) capitalised development overheads (due partly to temporary pause on new scheme uptake) and a £(6)m overspend on other overheads.
- **New homes delivery (incl. JVs)** at 657 missed the target by 7 homes, with 493 of those at affordable tenures, supporting those residents and communities that are most in need.
- **Customer Satisfaction –**The overall satisfaction level of 71% is below the target of 75%. Customer satisfaction remains a challenge, so it is pleasing to see scores remain stable or in some areas showing an increase. In Quarter 4 comments showed the impact of rent increase setting and service charge increases, alongside repairs becoming a more significant driver on overall satisfaction.

Internal targets are supplemented by other strategic indicators deemed appropriate to assess the overall effectiveness of VFM.

KPIs and Strategic Indicators	22/23 Target	22/23 Performance	23/24 Target
Development Strategy			
Number of new homes (incl.JVs)	664	657	887
New contractual commitments (units)	1,000*	684	1,000
Unsold stock value over 90 days	£24m	£7.4m	£28m
Customer Experience Strategy			
Overall customer rented satisfaction	75%	71%	72%
% of customer complaints managed in time	98.5%	100%	98.5%
Satisfaction with new home (Shared ownership)	85%	90%	85%
Average re-let times for all social rented dwellings (Days)	28	56.3	28
Tenant arrears	5.2%	5.1%	5.2%
Property compliance			
Properties with a valid gas safety certificate**	99.5%	99.9%	99.5%
Managed Blocks with a fire risk assessment**	99.5%	99.9%	99.5%
Managed blocks with a valid electrical safety EICR certificate	98%	99.9%	99.5%
Properties with an EPC rating of C or above ***	64%	73.2%	75%
Lifts serviced within 12 months **	99.5%	99.5%	99.5%
People and Organisational Development Strategy			
Operating Margin	35.2%	28%	30.2%
Colleague absence rate (short term, 12 month rolling)	1.5%	1.4%	2%
Colleague voluntary turnover (perm, 12 month rolling)	17%	17.9%	19%
% colleague engagement	82%	82%	82%

***Target reduced internally to 500 during the year, following the temporary pause in investment during the period of market uncertainty**

**** Targets changed from 100% to 99.5% in year**

***** All properties owned and managed where we have a valid EPC certificate**

Development

We plan to create 11,940 homes over the next 10 years, delivering social value by delivering the affordable housing the country requires. This is evidenced by the investment of £199m in acquiring land and building new homes this year which was impacted by the recovery from the pandemic and the temporary pause in investment following the impact of the min-budget on funding markets. Activity has since resumed with the reinvestment metric slightly above the prior year. The Board continues to review the commercial assets within the group and opportunities to realise value through asset disposals in conjunction with the Strategic Asset Management Plan, which will provide a clearer basis for the retention or disposal of our property portfolio going forwards. Our annual Treasury strategy is designed to maintain a diverse and balanced loan book that efficiently funds the operational and growth capital of the business.

Customer Experience

In line with the customer experience and technology strategies, our digital work to date has focussed on the customer facing elements of our transactional services. Customers are more willing to engage with us through digital channels and their expectations are now higher than ever. MTVH Online provides an improved user experience for customers and staff transacting and creating service requests online. Enabling customers to self-serve for high volume requests will potentially reduce demand on service teams and free up their time to work on more complex services. The level of active users has reached 36% against the target of 35% for 2022. A full roadmap is in place, including linking into Salesforce CRM to provide a streamlined customer journey.

We drive performance across a range of measures to be effective and value driven. Performance for re-lets at an average of 56.3 days for the year, significantly above the target of 28 day target, and is reflective of the increased number of voids the business has witnessed and isolated issues with subcontractor performance. An action plan is in place through the Asset Review Group (ARG), and ultimately Exec, to mitigate the financial impact of voids. Regional ARG's have been set up to give greater focus to the void situation, with detailed review of voids which are over 70 days. Total Year to Date arrears (Leasehold, Supported, Commercial, Market Rent, and GN) ended the year at 5.1%, below the target of 5.2%. This is a positive result against the backdrop of intensifying external pressures for residents, however homeowner arrears ended at 4.1% which is above the target of 3%, with this cohort impacted from increased mortgage costs, service charge, rent demands and EWS1 issues. Our target of right first time repairs reached 88.7%, above the target of 85%.

Metworks achieved a first-time repair rate of 88.7%, above the target of 85%, which is a positive performance despite the shortage of material and suppliers and challenging macroeconomic backdrop. Continued efficiencies are being sought and indeed have been embedded in the 23/24 budget, focusing on core repairs activities and enhancing operating performance.

Property compliance

The level of total spend on the existing estate of £138m (2022: £138m), which includes planned component replacements programme of £31m (2022: £40m), is reflective of the challenging financial environment that housing associations face.
Consistent progress has made in property compliance throughout the year, achieving levels in line with the targets.

People and Organisational Development Strategy

As detailed on page 31, significant people and organisational development highlights have been achieved in the year to drive future operating efficiencies and create a people powered organisation underpinned by the MTVH way. This is evidenced by the 1.4% staff absence rate achieved for the year, within the target of 1.5%.

Colleague engagement is of paramount importance and we intend to report on this going forward, to align with service delivery for our customers. Using scores from our Colleague Engagement Survey we attained a 82% colleague engagement score in 22/23, which is in line with the target.

ESG

As Environmental, Social and Governance (ESG) reporting increasingly becomes a key driver for investors and stakeholders, we are developing our reporting against key metrics and most notably the Sustainability Reporting Standard (“SRS”). This will provide access to wider funding opportunities and ensure goal congruence between ESG, VFM and social value initiatives.

The implementation of the MTVH sustainability strategy, coupled with the adoption of a sustainable financing framework, demonstrates the long-term VFM commitment to deliver fair, affordable and sustainable housing for future generations to enjoy.

MTVH has an innovative approach to sustainability for the housing sector. Suppliers are required to provide details of their approach in the delivery of MTVH’s requirements with initiatives and practices to reduce environmental impacts in key areas such as carbon footprint, water, energy use and waste. MTVH’s commitment to sustainable procurement is highlighted by a Sustainable Procurement Policy, which outlines several key guiding principles. These principles are understood and adhered to by MTVH colleagues and increasingly so by MTVH’s suppliers, stakeholders, and other interested parties. The policy provides a framework for how MTVH will procure at different values, ranging from a sustainable impact level of 1 to 5, requiring different information from suppliers, as well as different monitoring and audit requirements.

Through active engagement with key suppliers, MTVH have facilitated the collection of Sustainability Impact Questionnaires, giving suppliers the opportunity to provide information on their existing sustainability practices and commitments.
The information collected is used to assess the sustainability maturity to ultimately identify where procurement can work with suppliers to reduce the negative impact areas.

Regulator of Social Housing (RSH) VFM metrics

Our 2022/23 performance on the regulator's VFM metrics and against the 2022 G15 benchmark is reported below

	Based on RSH definitions published May 2022	MTVH 2023	MTVH 2022	G15 Median 2022	MTVH 2021	MTVH 2020
Investment Driven	Reinvestment %	4.4%	3.9%	6.0%	3.8%	4.7%
	New supply delivered % (Social housing units)	1.1%	0.7%	1.1%	1.5%	1.7%
	New supply delivered % (Non-social housing units)	0.3%	0.7%	0.2%	0.4%	0.4%
	Gearing	36.9%	38.0%	47.0%	40.0%	41.4%
Efficiency and Economy Driven	EBITDA MRI interest cover	105.6%	114.9%	99%	119.3%	103.2%
	Headline social housing cost per unit (£)	5,142	5,191	5,191	4,862	4,858
	Operating margin (SHL only)	26.7%	29.3%	27%	31.5%	28.0%
	Operating margin (overall)	19.4%	23.5%	20%	24.3%	20.7%
	ROCE	2.4%	2.8%	2.5%	3.0%	2.7%

Investment Driven

- **Reinvestment:** This metric looks at the investment in properties (existing stock as well as new supply) as a percentage of the value of total properties held. Although major repairs expenditure has decreased to circa £31m compared to £40m in 2022, new development expenditure has increased from £139m to £175m reflecting the uptick of activity following the pause during the COVID-19 pandemic.
- **New supply delivered % (social and non-social):** These metrics set out the number of new units (social or non-social) that have been acquired or developed in the year as a proportion of the total units owned at period end. The number of social housing units delivered this year is 493 compared to 326 in the previous year, reflective of a healthy pipeline of activity. This remains in line with the G15 median.
- **Gearing:** This metric measures net loans (including finance lease obligations) as a percentage of the value of housing properties. We remain well below the G15 median at 36. 9%, although this is expected to rise as we deliver our development plan.

Efficiency and economy metrics are driven by the I&E account (including capitalised repairs spend for EBITDA MRI and Headline Social Housing Cost). They have broadly the same drivers and reflect the same trends. The FY23 results across these metrics illustrate the continued investment we make in our existing stock and communities, and the increasing pressure on the allocation of our resources. .Despite this the headline social housing cost per unit at £5,142 is marginally below the prior year and the G15 median

- **EBITDA MRI:** This measures the level of operating surplus (including expenditure on capitalised major repairs and excluding depreciation and amortisation) compared to total interest payable. It also includes profits on first tranche and outright sales, which can be more volatile. Note this is not our covenant test but a group entity, accounting–driven, ratio. This metric is currently showing 95.2% compared to last year's year end result of 114.9%, and is a result of the lower operating surplus and elevated funding environment.

- **Headline social housing cost** per unit assesses the costs that MTVH incurs to manage social housing properties divided by the number of units managed by the Association. This is a key metric to measure regional performance since it very largely reflects their controllable costs and efficiency.
- **Social Housing operating margin:** This measures the profitability of social housing lettings (SHL) activity, based on surplus on SHL income as a percentage of SHL turnover. At 26.7% margin we are broadly in line with the G15 average, with this impacted by higher energy and inflation costs.
- **Operating margin:** This measures the profitability of operating assets as a percentage of turnover. Note that the RSH excludes surplus on disposal of fixed assets (i.e. staircasing) from the calculation. Like EBITDA MRI, this is therefore very much affected by the volume and profitability of first tranche sales and outright sales. We have witnessed a reduction from 23.5% to 19.4% year-on-year, representative of the sector wide pressure across the cost base whilst maintaining service levels.
- **Return on capital employed (ROCE):** This metric compares operating surplus to total assets less current liabilities and is used to assess the efficient investment of capital resources. Despite a reduction to 2.4% compared to 2.8% last year, the metric is in line with the G15 median.

Environment and social value statement

The Environment and Social Value statement is not required for TVHA as the parent is incorporated under the CCBA 2014. This statement has been included as it applies to group entities that are incorporated under CA2006.

Our commitment to sustainability

The key priority of the MTVH five-year strategy launched in 2021 is to be a more sustainable organisation and we have published our second ESG report, in line with the Social Housing Sustainable Reporting Standards (SRS) of which we were an early adopter. The report is a transparent disclosure of our performance in a format that can be compared to our peers in the social housing sector. Our report sets out our progress and serves as a foundation on which we can build in the future. The SRS requires us to report on all three ESG criteria, aligned to specific United Nations Sustainable Development Goals, and some of the highlights from the report are set out below.

In addition, we published the first Use of Proceeds Report as part of the reporting requirement of the 2021 EMTN programme, demonstrating to investors the proportion of the £250m utilised on projects and the link to the ICMA categories and UN SDGs. This report has been validated with a Second Party Opinion (SPO) from Sustainalytics.

Environmental criteria

MTVH aims to become a Net Zero organisation by 2050. Our sustainability strategy, “Our Sustainable Future,’ and 2030 Action Plan outline the actions we are committed to, in order to reduce our impact on the environment. We continue to upgrade our directly managed properties with the target of them being EPC C rated or higher by 2030. We are extending our principles in the way we deal with our supply chain and have engaged with them to understand their Net Zero plans, environmental impacts and ethics using our sustainable impact questionnaire. As a result, we have developed a Sustainable Procurement Policy which will be used going forwards and ESG criteria will become part of the tender evaluation process.

Social criteria

Our founding principle is that everyone deserves a home and a chance to live well. During 2022/23 we delivered FCA-Regulated Debt Counselling and money advice to residents totalling c £3m.

In addition to professional advice and support, MTVH offers financial Tenant Welfare Funding. In 2022/23, this was increased by 50% to over £600k. Half of this funding was used to reduce resident rent arrears as part of a coordinated plan to help residents return to financial resilience. The other half was distributed to 1,900 residents via cash, voucher (food/fuel), white goods, carpeting and other essential items to relieve poverty.

We are proud to be an early adopter of Together with Tenants (TWT) a sector-wide initiative focused on strengthening the relationship between residents and housing association landlords. We have also developed our MTVH Customer Charter in collaboration with residents, to make sure everyone has a voice.

Governance criteria

The board of MTVH broadly reflects the make-up of our tenant base. We have two Employee Assistance Providers who help colleagues with free, confidential advice and counselling and we offer a health cash plan through Medicash. Our Social Value policy requires all procurement exercises over £100,000 to include a weighting score of at least 10% during competitive tenders which is aimed at delivering social value to our residents in addition to the goods/ services/works being offered.

Recognition for our ESG performance

In May 2021 MTVH was first awarded the prestigious Ritterwald Sustainable Housing Accreditation, in recognition of the progress we have already made toward becoming more sustainable. The annual review process evaluates Environmental, Social and Governance (ESG) performance. In 2022 MTVH was graded as an Ambassador for social performance and governance and Advocate for environmental performance. Our aim is to become a Frontrunner in all three categories.

Streamlined Energy and Carbon Reporting

This report summarises the energy usage, associated emissions, energy efficiency actions and energy performance for Metropolitan Thames Valley Housing Group (MTVH), under the government policy Streamlined Energy & Carbon Reporting (SECR), as implemented by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

It also summarises the methodologies utilised for all calculations related to the elements reported under Energy & Carbon. The organisational boundary for the reporting has been set to cover the majority of MTVH's operations, including the sheltered housing operations, as the business has ultimate responsibility for the consumption in these properties. The reported figures are exclusive of consumption for properties that MTVH owns, but where residents undertake their own utility contracts, as this consumption is not part of the normal business operations of MTVH.

MTVH have compiled a large amount of consumption data for our operations for the purpose of SECR–only 10.36% of consumption data used for the SECR has been estimated to achieve 100% data coverage.

Summary

MTVH is required to comply with the SECR, as we exceed the qualification thresholds of two of the three base criteria (in 2022/23 MTVH employed 1,931 FTE across the group and had a turnover of £388m).

MTVH's Scope 1 and 3 direct emissions (combustion of natural gas and transportation fuels) for this year of reporting are 7,890.73 tCO2e, resulting from the direct combustion of 41,806,006 kWh of fuel. This represents a carbon reduction of 21.00% from last year.

Scope 2 indirect emissions (purchased electricity) for this year of reporting are 4,686.89 tCO2e, resulting from the consumption of 24,236,665 kWh of electricity purchased and consumed in day-to-day business operations. This represents a carbon increase of 19.23% from last year.

MTVH operations have an intensity metric of 32.33 tCO2e per £m turnover for this reporting year (a reduction in the operational carbon intensity of -8.07%) and 6.51 tCO2e per FTE (a reduction of 11.6%) compared to 2021/22.

Scope 1, 2 and 3 emissions (tCO_2e): this reporting period vs the previous reporting period.

Consumption (kWh) and Greenhouse Gas emissions (tCO2e) Totals

The following figures show the consumption and associated emissions for this reporting year for our operations throughout the UK, with figures from the previous reporting period included for comparison.

Scope 1 consumption and emissions include direct combustion of natural gas and fuels utilised for transportation operations, for example, company vehicle fleets.

Scope 2 consumption and emissions refer to indirect emissions related to the consumption of purchased electricity in day-to-day business operations.

Scope 3 consumption and emissions cover emissions resulting from sources not directly owned by us. This relates to grey fleet (business travel undertaken in employee-owned vehicles) only.

Metropolitan Thames Valley Housing Group UK Total Energy Consumption (kWh).

Utility and Scope	2022/23 Consumption (kWh)	2021/22 Consumption (kWh)
Scope 1 Total	**40,552,916**	**52,104,373**
Residential Natural Gas and other fuels (Scope 1)	36,519,498	48,084,509
Office Natural Gas and other fuels (Scope 1)	620,106	714,155
Transportation (Scope 1)	3,413,313	3,312,730
Scope 2 Total	**24,236,665**	**20,208,263**
Residential Grid-Supplied Electricity (Scope 2)	23,353,815	18,937,154
Office Grid-Supplied Electricity (Scope 2)	882,850	1,238,346
Scope 3 Total	**1,253,090**	**1,153,874**
Transportation (Scope 3)	1,253,090	1,153,874
Total	**66,042,671**	**73,466,511**

Metropolitan Thames Valley Housing Group UK Total Location-based Emissions (tCO2e)

Utility and Scope	2022/23 Consumption (tCO_2e) Location-based	2021/22 Consumption (tCO_2e) Location-based
Scope 1 Total	**7,601.70**	**9,721.31**
Residential Natural Gas and other fuels (Scope 1)	6,666.27	8,936.68
Office Natural Gas and other fuels (Scope 1)	113.19	130.80
Transportation (Scope 1)	822.23	784.63
Scope 2 Total	**4,686.89**	**4,290.82**
Residential Grid-Supplied Electricity (Scope 2)	4,516.16	4,020.93
Office Grid-Supplied Electricity (Scope 2)	170.73	262.94
Scope 3 Total	**289.03**	**267.56**
Transportation (Scope 3)	289.03	267.56
Total	**12,577.61**	**14,279.69**

Total Scope 1&2 emissions have fallen 12%,with the MTVH Scope 1&2 direct emissions falling by 6.5% in 2022/23 (following on from the 7.9% reduction in 2021/22). Scope 2 Residential emissions increased by 12.3%.The business continues to monitor opportunities to reduce indirect emissions but the ever-increasing reliance on the charging of electronic devices, increased colleague attendance in offices, and moves away from carbon-based fuels are limiting progress.

The 2022/23 winter was milder than predicted, and linked to the high cost of energy, MTVH saw reduced gas demand, so reducing emissions, and this followed a longer-term downward trend in demand.

Metropolitan Thames Valley Housing Group UK Emissions Intensity Metric

An intensity metric of tCO2e per £m turnover has been applied for the annual total emissions of MTVH. MTVH have also decided to report on a variety of intensity metrics, and as such have also included metrics of tCO2e per £m EBITDA and tCO2e per FTE.

	Location-based tCO_2e	
Intensity Metrics	2023	% change
All Scopes tCO_2e per £m turnover	32.33	-8.07%
All Scopes tCO_2e per EBITDA £m	81.15	-12.49%
All Scopes tCO_2e per FTE	6.51	-11.60%

Corporate Sustainability Strategy

The Corporate Sustainability Strategy – "Our Sustainable Future" is supported by our 2030 Action Plan, and we have continued to work on the 55 actions to make MTVH a more sustainable organisation.

- The MTVH Sustainability Committee (comprising of senior leaders from across the organisation) holds regular meeting to ensure that we continue to push ourselves to hit our sustainability targets.
- The MTVH Construction Plan is now embedded in the business ensuring that we are creating much needed quality homes whilst we reduce pollution, emissions and minimise climate change.
- We continue to strengthen and form strategic and mutual partnerships, we are part of the Lambeth Climate Partnership and have supported Sustainability for Housing and Ritterwald in their housing sector reporting.

The 2022 sustainability update report to be published early in FY24, will provide a full update on how we are progressing on each of the 55 targets we set, the new targets we will work towards and MTVH's carbon footprint.

Workspace Services Sustainability Working Group

Our workspace services sustainability working group continue to look at how we can make our working environments more sustainable places to work. We have benchmarked the waste generated at our offices and looking at how we can reduce waste and resource use to reach Net-Zero.

Sustainable Procurement

We have produced a Sustainable Impact Questionnaire which is being introduced to our suppliers through our Supplier Relationship Management (SRM) programme. Suppliers are asked to provide details of their own sustainability accreditations, policies, procedures and targets along with their Net-Zero strategies and ethical working policies.

Decarbonisation of our properties

We launched our Decarbonisation Strategy last year which commits us to an interim target of reaching EPC C on 75% of our residential portfolio by 2026 ahead of reaching 100% EPC C by 2030. Our strategy is based around taking a fabric first approach to all our retrofit work, starting to address heat decarbonisation through providing alternatives to gas centrally heated homes and ensuring that the investment we make in decarbonisation creates a just transition for customers, leaving them with warmer, better homes which are easier and cheaper to heat.

MTVH has improved the quality of EPC data, based on the certificates held on file as well as accessing the National EPC Register and we continue to refine and cleanse the available data. For 2023/24 we will be linking our properties to the OS National Database (OS URPNs) for higher accuracy in terms of properties that have a lodged EPC certificate, which will allow us to retrieve the EPCs for properties where we currently don't have a record for. MTVH is responsible for the energy efficiency reporting (EPC rating) on all properties owned and rented, and at year end had 20,371 properties EPC C or better, representing 73.2% of all properties with certificates (53.8% of all properties owned and managed).

We partnered with Parity Projects to employ their Portfolio software system which has enabled us to plot all our properties and identify the exact mix of measures required to upgrade them to a net zero carbon position. We match these scenarios with funding opportunities to create the programmes of work for delivery. We have a focus on fabric improvements ahead of renewables and low carbon heat generation in line with PAS2035 good practice.

Our ECO 3 partnerships which began in 2020 delivered more than £5.7m of fully funded insulation works to 3,790 of our homes. These warmer homes have all reached EPC C and continue to reduce energy bill costs for the households, as well as the carbon emissions from our portfolio.

Measures prioritised for 23/24

Corporate Sustainability Strategy

We will continue to work towards the actions we have committed to in our 2030 Action Plan and the new targets we introduce in our sustainability update report. Key areas of focus will be:

- Working with our construction partners to identify our construction and demolition waste and will be developing a construction waste management plan.
- The introduction more renewable energy generation across all of our businesses that will reduce our emissions but also the cost of energy to us and our residents.

Sustainable Supply Chain

We will continue to roll out our Sustainable Impact Questionnaire through our supply chain and will be launching a grading system to measure and acknowledge those suppliers share and demonstrate our sustainable values and beliefs.

Decarbonisation of our properties

We delivered the £6m Wave 1 SHDF programme this year, works on Lambeth and Midlands properties completing in March 2023. The retrofit works bring more than 1200 homes up to EPC level C, saves over £230k pa in energy bill costs for customers and saves over 3,000 tonnes of carbon. The experience of the Wave 1 programme enabled MTVH to make a successful bid for £9m Wave 2 funding, supporting a multi-year programme with MTVH required to match-fund the £9m (total £18m). This will bring a further c 3,000 homes up to EPC C making a significant contribution to our target to have 75% of our homes at EPC C by 2026 and to reduce residents' energy bills. In addition to the fabric measures we will be starting to focus on heat decarbonisation and widen our work out across London and the East Midlands. We continue to build our internal and external capability and adding specialist skills and roles to our technical delivery teams, using long term partnerships with consultant and contractor supply chain.

We have partnered with Department for Energy Security and Net Zero (DESNZ) on a project to map the potential for Heat Networks by analysing our property data and that of some of our peer organisations and overlaying this latent heat demand with anticipated heat network generation sites. We expect this work to identify candidates for early transition to heat networks and will be working with Department for Energy Security and Net Zero (DESNZ) to access the Heat Network Fund to provide financial support to creating the technical and commercial business cases. We will strengthen deepen our work with local authorities in North London and the Heat Network opportunities presented by the Enfield Waste Plant in Meridian Water and use this year to develop heat demand maps to support the further development of the business case for connecting some of our homes to the network.
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With colleagues across the G15 group of large, London based housing associations, we will finish our work on creating retrofit archetypes which will transform the commercial risk associated with retrofit projects, making it easier, quicker and more predictable for supply chain partners to prepare bids for retrofit projects, reduce risk pricing and provide greater certainty about programme outcomes.

We will expand our ECO funded programmes and integrate them more closely to our ongoing asset investment programmes, so we more closely align decarbonisation work to our wider strategic asset management strategy and enhancing the value of our residential portfolio over time.

We anticipate carrying out between £8m and £10m of retrofit work in the coming year and will continue to make use of external funding and maximise the opportunities presented through our investment work. As our ambition and delivery grows, we will use the coming year to develop more fundamental and embedded approaches to resident and citizen involvement in decarbonisation and work with third sector organisations to better understand the needs, priorities and hopes of our residents and communities. These will build ways of working for our future programme delivery.

The Section 172 statement is not required for TVHA as the parent is incorporated under the CCBA 2014. This statement has been included as it applies to group entities that are incorporated under CA2006.

Stakeholder Engagement

The interaction, views and objectives of our diverse range of stakeholders are integral to the formation of MTVH's long-term strategic approach to creating value, and ensuring that we serve people better every day and develop thriving communities.

The S172 statement sets out the Board's approach to fulfilling the section 172 requirement of the Companies Act 2006, and how the Directors:

- **have engaged with key stakeholders during the year to understand underlying issues,**
- **understood the issues relevant to key decisions, the need to act fairly between all members of the company and balance this with the likely consequences of any decision in the long term**.
- **the outcomes and key decisions made in the year**

Engagement underpins good governance, which is embedded throughout the organisation. A series of planned engagements are conducted throughout the year, at various levels, for which the Board either directly participates in or has visibility through the corporate governance process. Sufficient visibility of relevant stakeholder engagement activities in the boardroom is paramount to inform decision-making and delivery of strategy, ever more so in a challenging operating environment for both our residents and MTVH.

The ability to utilise and learn from the feedback of stakeholders is vital to dealing with periods of uncertainty and change, moreover to ensure a balanced approach is taken to the S.172 statement. This emphasis on working in a considered, collaborative manner with stakeholders is evidenced through the work of MTVH as Chair of the G15 and recent lobbying of the government around the rent settlement and challenges facing the sector.

The progress towards delivery of our strategic priorities (pg 10), approved by the Board, sets the agenda to foster deep, collaborative relationships with the key stakeholders as we move forward as an organisation over the long-term. The Corporate Plan is reflective of the co-ordinated approach to stakeholder engagement and the need to optimise customer, employee, community and supplier expectations against the backdrop of our evolving ESG agenda and existing stock investment requirements.

Stakeholder Groups

i. **Customers** - the residents who we provide housing solutions for, across a range of tenures, geographical areas and needs. Progress continues towards creating a customer-centric organisation with truly great and consistent customer experiences – we remain on a journey to implement the service improvements and operational models to be able to deliver this in a sustained manner.

Engagement - The approach to Customer Voice continues to evolve, with the completion of the first cycle of continuous learning scrutiny (CLS) reviews across all three regions reviewing topics chosen by the Customer Council. Customer focus groups also looked at our corporate narrative and general needs lettings customer journey, enabling constructive feedback by residents.

The team running the Hub focussed on two things during the cost-of-living crisis: taking immediate action to get help to residents who needed urgent support (like topping up energy accounts for customers who had run out of money to put on meters); and getting customers matched up with the right MTVH team or external partner to provide long-term support (like finding a new job).

Today MTVH Online covers core landlord services. There is a secure onboarding process and 36% of our resident households are now actively using MTVH Online. Once registered, a resident can service their account by viewing their account balance and history, make and schedule payments, or update their contact details. When there's a problem the resident can report a repair with photos and view the status of existing repairs. Residents can also directly contact us by creating an enquiry. The development of the CRM will further improve the customer experience MTVH can offer and is a core are of focus.

Outcomes – Completion of annual effectiveness reviews with involved customer groups (Regional Panels and Customer Council). Feedback that customers are broadly satisfied with current processes and would like to see more joined up working between regional and national voice. Looking forwards, we will deliver targeted listening activities to support the Customer Charter, CRM and Nourish projects.

Other customers are encouraged to influence key projects through steering groups, workshops and focus groups. We have a dedicated engagement team to provide the support, development and training to help make their involvement with MTVH teams successful. We also support a range of tenants associations across our regions, and will work together to improve communication and networking between all groups.

We have also been improving the repairs experience, making it easier to raise and giving residents transparency to the repairs process.

- Tenants can track the progress of repairs in their homes, see orders raised and upcoming appointments.
- Both tenants and homeowners can also see ongoing and recent communal repairs.
- Streamlined repair reporting experience

As a leading housing association, one of the key ways in which we deliver social value is by building new affordable homes, of which 493 were built in this financial year. Quality of design, construction and service is also critical as these factors are fundamental to delivering a positive experience for our residents.

ii. **Employees** - As a people-powered organisation, our employees are essential to delivering on all our stakeholder obligations. Strong foundations are in place to enable us to build a solid customer-centric organisation where colleagues feel engaged and valued. and are able to constantly improve our customers' experience – this is reflected in the MTVH way that underpins the principal strategies.

Engagement - Colleague engagement is a key driver in our People and Organisational development strategy. Our overall engagement score was 82% which is just 1% lower than the previous survey. Key themes have subsequently been identified and improvement action plans are under development.

The commitment to diversity and inclusion is central to the company, with helps to promote a culture that embraces innovation. The employee network groups continue to progress, with new levels of involvement to ensure that consistent participation is achieved.

Outcomes – The adoption of the MTVH way is testament to how the Board is seeking to grow an inclusive and diverse environment where people can innovate, develop and work together to constantly improve our customers' experience. Our network includes groups for LGBTQ+, BAME and female colleagues, as well those who work flexibly, have disabilities or who wish to be allies. We also have a group dedicated to raising awareness of mental health and wellbeing.

A key element to enable employees to achieve their full potential is creating a conducive environment that promotes a collaborative and flexible working culture.

We have made great progress on improving our offices to create comfortable, healthy, accessible and adaptable work spaces to inspire colleagues to live, work and breathe People Powered Living. We continue to review our office footprint as we emerge from the pandemic, address the challenging operating environment and consider the optimum model for hybrid working.

iii. **Communities** - Developing strong community links is vital to supporting our customers in the most effective manner. Aligned to this, is the need to build communities through a partnership approach and as a regeneration specialist, we believe in supporting communities to grow and develop sustainably

Engagement - Empowering Futures is the MTVH Community Investment department. Empowering Futures exists to play our part in removing barriers that prevent people from living well.

Engagement with residents and local communities has been conducted formally and informally. Examples include the online senate survey, focus groups, customer satisfaction surveys and informal feedback from residents as part of everyday interactions.

We have a strong track record of working in partnership with other organisations to deliver our development ambitions, as evidenced by our well-established joint ventures with Vistry Partnerships and Barratt London.

- **Outcomes –** This has shaped the Resident and Community Empowerment Strategy which focuses on how we listen better to the things that matter to residents and communities to enable them to live well, shaping our responses to empower them improve their lives. We delivered £3m of financial improvement for residents following MTVH support (£1m higher than prior year) and 3,802 residents were provided with intensive support. In terms of the value of a social tenancy, our 21/22 data was externally validated by Sonnet, and the research quantifies the economic contribution and savings to public sector organisations generated by MTVH social tenancies. The establishment of the MTVH Foundation will also serve as a platform to generate additional funding for MTVH residents, providing much-needed assistance during the current cost-of living-crisis.

  Creating sustainable communities is essential to deliver homes and services people want. The year, we delivered 526 new homes, continuing to work alongside a range of public and private sector partners, and we have a plan to build 11,500 new homes over the next 10 years.

  We will invest our money wisely and select our partners carefully to create a balanced development programme which reflects our ambition and risk appetite. With our Joint Venture partner Barratt London, we are now 8 years into a regeneration programme with LB Barnet at West Hendon, which continues to deliver hundreds of new homes and we have formed a Shared Ownership JV vehicle with Legal & General Affordable Homes.

  In March, MTVH and Countryside held a Community Regeneration Day at Clapham Park where residents were invited to drop into the Kings Avenue Hub to see details of the works at B01 and C01, the placemaking and long-term plans for the regeneration.

iv. Suppliers - Sustainable business relationships are at the core of interaction with suppliers, to maintain the company's reputation which is built on high standards of business conduct**.**

Engagement - MTVH spends around £686million with over 2,417 suppliers. Those suppliers assist the company to develop and maintain its property portfolio, ensuring customers receive the quality of housing they expect, and the high standards the company aspires to.

The newly adopted Supplier Relationship /Category Management Policy also includes a consideration of:

- appropriate relationship interfaces, for example, including board attendance at meetings with key members of the company's supply chain
- board review of any supplier feedback to determine how well the relationship is operating
- risk management and risk arising from the suppliers to the suppliers (fourth party risk)

Outcomes – MTVH continues with its new Supplier Relationship and Contract Management (SR/CM) Policy, which describes how the company selects and manage its suppliers, how it deals with performance issues, and how it works with suppliers to continually improve performance and identify new and better ways of delivering services. The policy also sets out clear procedures for assessing the criticality of the services to be delivered, and the governance and management approach adopted for the different levels of criticality to ensure the required levels of performance are delivered by suppliers across the MTVH housing portfolio.

MTVH operates a strategic Category Management approach to procurement. This approach segments the spend of the organisation into areas which contain similar or related products. Category Management techniques are then used to enhance supplier relationships; to fully leverage supplier negotiations; and to correctly manage suppliers in alignment with the corporate objectives. This approach also contributes towards economies of scale and opportunities for delivering value for money whilst gaining an in depth understanding of how each category contributes to risk management.

The procurement plans that are outputs from the category planning phase highlight key considerations including:

- an overview of the full range of suppliers available to the company
- confidence around the supply chain that could be associated with the company
- identification of reputational exposure in the supply chain
- identification of where there is risk in the supplier eco-system
- supplier values, and climate policies of suppliers
- assurances on supplier compliance with all relevant laws and regulations through the selection questionnaire processes
- where the business is exposed to dependency on a few large suppliers and to the health/viability of those suppliers
- the commercial planning and goal setting for each category to drive improvements
- strategic alignment to company & directorate goals

Social Value –Since June 2020 MTVH has had a Social Value Policy that supports suppliers/contactors to manage and monitor their Social Value obligations which aims to deliver maximum social impact for our residents and communities. Through working collaboratively with Procurement, Social Value is now embedded into all competitive tender processes where the contract value is expected to be over £100,000. It explains how expectations are built into the pre-procurement process; how suppliers will be assessed on their social value responses during the tender evaluation process; and how social value contributions are formally embodied and monitored. The approach offers a fair process by which MTVH request Social Value from MTVH's supply chain, encouraging them to think about how they can contribute their capacity and resources to ultimately benefit our communities through a range of options:

- Financial donations
- Closed recruitment rounds
- Refurbishment and improvement of community spaces
- Training and workshops
- Skills share programmes.

This has led to some fantastic results since the policies creation, most notably in the last financial year, where 2,175 points were delivered. Thanks to MTVH's supply chain over £370,000 has been secured in salary for residents; 1,866 residents have engaged in community activities, 28 suppliers have delivered against their social value commitments, over 65 projects have been delivered and nearly £100,000 received in cash donations, all through Social Value.

Sustainability – MTVH has an innovative approach to sustainability for the housing sector. Suppliers are required to provide details of their approach in the delivery of MTVH's requirements with initiatives and practices to reduce environmental impacts in key areas such as carbon footprint, water, energy use and waste. MTVH's commitment to sustainable procurement is highlighted by a Sustainable Procurement Policy, which outlines several key guiding principles. These principles are understood and adhered to by MTVH colleagues and increasingly so by MTVH's suppliers, stakeholders, and other interested parties.

The policy provides a framework for how MTVH will procure at different values, ranging from a sustainable impact level of 1 to 5, requiring different information from suppliers, as well as different monitoring and audit requirements.

Through active engagement with key suppliers, MTVH have facilitated the collection of Sustainability Impact Questionnaires, giving suppliers the opportunity to provide information on their existing sustainability practices and commitments. The information collected is used the assess the sustainability maturity to ultimately identify where procurement can work with suppliers to reduce the negative impact areas.

Frameworks – MTVH launched internal frameworks for Professional Services Consultancy in Development and Planned/Compliance works and services in Property Services in line with our five-year strategy to build and improve homes and includes plans to improve contractor performance by establishing long-term corporate sustainability plan in line with MTVH's aim of becoming carbon neutral by 2050. The new frameworks replaced a number of historic contractual arrangements with new specifications developed to meet our changing needs. This investment in maintaining our homes will help our customers to live well and drive continuous improvement in the delivery of warm, safe, and dry homes

Statement on corporate governance

MTVH has adopted and complies with the 2020 National Housing Federation's (NHF) Code of Governance.

Governance

Thames Valley Housing Association (TVH) and Metropolitan Housing Trust (MHT) have formed a board made up of the same individuals (a Common Board - referred to as the MTVH Board). The MTVH Board has overall responsibility for Group strategy, policies and oversight.

MHT and TVH have several subsidiaries (listed in note 31 of these accounts), which are governed by MTVH policies. The MTVH Board has nomination rights to each of the subsidiary boards and makes all appointments to MTVH subsidiary Boards. All subsidiary boards include Executive Directors or Senior Leadership Team members and each subsidiary reports to the MTVH Board annually. The Group also includes several joint ventures and associated undertakings which operate through limited liability partnerships. MTVH has member representatives on all joint venture boards, appointed by the MTVH Board.

The MTVH Board has satisfied itself that the organisation complies with the Regulator of Social Housing's Governance and Financial Viability Standard for the year and to the date of approval. As at 31 March 2023, the Group had a G1/V2.

During the year MTVH held both virtual and 'in person' Board and Committee meetings. There were six Board Meetings, one and a half Strategy Days and each Committee held quarterly Meetings.

The roles of Chair of the MTVH Board and the Chief Executive are separate, reflecting the different responsibilities of leading the Board and the Executive. The roles and responsibilities of the Chair, Senior Independent Director, Committee Chair, Board Member and Chief Executive are set out in their role descriptions and each member of the Board is bound by an agreement for services, the code of governance, code of conduct and other agreed policies and documents. The Secretary maintains a register of Board members' interests, which is updated on a regular basis and is published on the website with a brief biography of each Board Member and Executive.

During the year three further Independent Committee Members have been appointed to the Audit & Risk Committee, Treasury Committee and Property Committee. One Independent Committee Member stepped down from the Customer Services Committee due to ill health. This results in Independent Committee Membership as set out in the individual sections below.

The Board continued to monitor MTVH's performance against its Strategic Plan and its services and financial performance, and has focused on mitigating the impact of the rising cost of living on MTVH's customers and colleagues.

The risk based building safety programme is being closely monitored and the Board has continued to discuss the conflicting priorities of developing new homes, investment in our existing stock to address the current Government focus on property condition.

Chair and Board succession

The MTVH Board comprises ten non-executive members and two executive members (the Chief Executive and the Chief Financial Officer). Further details about their skills, knowledge and experience can be found on the MTVH website.

Gary Admans was appointed to the Board on 20th June, following the untimely death of Tania Brisby. Gary was previously an Independent Member of the Treasury Committee and became its Chair upon appointment.

Audit and Risk Committee

The Audit and Risk Committee is responsible for ensuring that internal controls are adequate and effective and that MTVH's approach to risk management is commensurate with the Board's risk appetite and addresses the external environment in which we operate. The committee approves the internal audit plan and reviews internal audit findings. It considers significant issues relating to financial planning and the financial statements, including stress testing and accounting policies. It also recommends the appointment of internal and external auditors to the Board. During the year the Committee recommended the re-appointment of BDO as external auditor to MTVH. PWC was re-appointed as internal auditor continuing a program of internal audits and continuous audit monitoring work. The Committee is composed of three Members of the MTVH Board and one Independent Member.

Customer Services Committee

The Customer Services Committee oversees the performance of our services to all our customers and provides assurance to the Board on these services. The customer governance structure links directly into the committee via the Chair of the Customer Council who is one of the resident committee members. This direct link provides valuable customer insight. Strategic initiatives which impact on our customers are considered by the committee in advance of approval by the MTVH Board. The Committee is composed of three Members of the MTVH Board, three Resident Members and one Independent Member

Development Committee

The Development Committee has delegated authority to approve new developments and provides oversight and assurance in relation to them, including any new or innovative proposals, and an understanding of funding mechanisms. Its remit includes oversight and assurance of regeneration activity, strategic asset management activity and key metrics for development finance and appraisal assumptions. It receives a detailed quarterly report on investment and development activity, including the activities carried out within our market sales subsidiary and joint venture operations.

During the year the committee received detailed reports on the impact of changes in the housing market on sales volume and valuations and on development activity. The Committee is composed of three Members of the MTVH Board and one Independent Member.

Property Committee

The Property Committee provides governance oversight and assurance to the MTVH Board about MTVH's provision of building and compliance services to its customers and communities, covering all building safety, fire remediation, reactive maintenance, servicing and asset investment works. It has a full programme to maintain oversight of these areas which are crucial to the comfort and safety of MTVH customers.

The Committee has specific oversight of MTVH's fire safety programme and its compliance with Safer Buildings legislation. The Committee is composed of four Members of the MTVH Board and one Independent Member.

Remuneration and Nominations Committee

The Remuneration and Nominations Committee considers and recommends to the Board the appointment, remuneration and removal of MTVH Board and Committee members and the Chief Executive. The Committee also provides assurance to the MTVH Board regarding the collective performance and effectiveness of the MTVH Board and its committees. It reviews the succession plan and knowledge matrix and has delegated authority to approve bonus payments based on the achievement of financial and customer services targets. The Committee is composed of three Members of the MTVH Board. The Committee is Chaired by the Senior Independent Director and includes the Chair of MTVH,

Treasury Committee

The Treasury Committee provides an expert focus on the management of the Group's loans and investments portfolio. It has delegated authority to approve a range of treasury transactions. The Committee is composed of three Members of the MTVH Board and one Independent Member.

Corporate and social responsibility

As a social business we believe corporate responsibility and sustainability should be embedded across our organisation. This includes working with suppliers to embed sustainable practices and our commitment to openness and transparency.

The MTVH Board continues to monitor progress against the Sustainability Strategy and the associated plan to be delivered across the next several years, every six months. MTVH reports its sustainability progress via the Sustainability Reporting Standard.

In line with The Modern Slavery and Human Trafficking Act, MTVH published its annual Modern Slavery and Human Trafficking Statement which disclosed information relating to the steps MTVH has taken to ensure there is no slavery or human trafficking in its own business or supply chains.
The risk of slavery and human trafficking within our organisation is avoided and mitigated by policies and procedures relating to procurement, HR and customer services.

As part of our continued commitment to identify and mitigate this risk we use the central government procurement documents which address modern slavery. Where applicable our procurement documents request transparency in relation to working conditions including health and safety, fair remuneration, non-discrimination and forced, cheap labour. We continue to expect our incumbent and new suppliers to have up-to-date, suitable anti-slavery and human trafficking policies and processes.

Non-executive Board membership

All non-executive Board members are required by the Rules of each association to be shareholders. All members of the MTVH Board - executive and non-executive, have the same legal status and share responsibility equally for decisions taken by the MTVH Board.

Board Induction, Development, Performance Management and Remuneration

All new Board and Committee Members complete a full induction programme including sessions with executives, committee chairs and other senior colleagues to familiarise them with the operations and governance of MTVH. On-going development is achieved through subscription to industry publications, Government and stakeholder updates, attendance at conferences, webinars and seminars as well pre-board briefings, tours and topic discussions to update and inform Members about current and emerging issues. and

Individual non-executive Board member and Committee member appraisals take place annually with the Chair, and each Board member sets clear objectives for the year. The Chair is also annually appraised by the Senior Independent Director following feedback from all Board members.There are mechanisms in place for members who fall short of the required standards. The effectiveness of the MTVH Board and its committees is reviewed annually.

The level of remuneration of non-executive Board members has been arrived at after benchmarking levels of Board member pay in comparable businesses, and takes into account the need to attract, retain and motivate members who have the required levels of skill and experience. Board and Committee Remuneration was reviewed in early 2022 and again in early 2023 and it was agreed that current levels of remuneration would be retained.

MTVH follows robust, transparent and independent processes to recruit Board and Committee members. Search and advertising for new members is sufficiently broad to ensure that equal opportunities and diversity standards are met and the recruitment process is governed by principles of transparency, openness and accountability.
Note 10 in the notes to the accounts shows the salaries paid to Board and Committee Members for the discharge of their duties during 2022/23.

Board statement on internal control and risk assurance

Internal control and risk

The MTVH Board has reserved certain matters to itself, including determining long-term business objectives and any material decisions. The Board also has overall responsibility for the delegation and systems of internal control and risk and for reviewing its effectiveness on an annual basis.

A formal scheme of delegation and financial regulations sets a framework for Board committees, the Chief Executive and the Executive team. Board committees provide assurance to the Board on key areas of activity such as service delivery, safeguarding, finance and treasury.

The internal control framework is designed to manage and reduce the risk of failing to achieve our business objectives, although it can only provide reasonable, not absolute, assurance against material misstatement or loss.

While minor improvements in controls are consistently being developed, there are no control deficiencies which the Board is aware of which would adversely impact on its conclusion regarding the effectiveness of the internal control environment.

Risk management is firmly embedded across the group. Our risk management policy clearly sets out Board, Committee, Executive and Management responsibility for the identification, evaluation and control of significant risks. This includes the review of strategically important risks at quarterly meetings of the Audit and Risk Committee and the Board. The Strategic Risk Register is reviewed by the Executive team prior to submission to the Audit and Risk Committee and the Board. Operational risk is reviewed with Directorate leads and their Senior Leadership Teams at Quarterly Business Review meetings.

Key risks and mitigations

The Board regularly reviews its risk appetite and the approach to strategic risk mitigation, assessment and management. Its last in-depth review of strategic risks took place in October 2022 given the rapidly changing external environment and a revised Strategic Risk Register was presented to the Audit & Risk Committee and Board. This addresses the current internal and external risk environment and those risks within our control that can be managed internally, and external risks where we have put in place mitigations. The Board also reviewed its risk framework, including its risk appetite, investment policy and golden rules in February 2023. The risks associated with the Strategic Plan, including a STEP and SWOT were also reviewed at the same Meeting. PWC has reviewed our Strategic Risk Register and has taken account of this in developing our internal audit programme for 2023/24.

The Strategic Risk Register represents a combination of risks that may impact on our ability to achieve our strategic plan objectives, as well as those that may have an impact on our operations, financial stability and reputation. A summary of our strategic risks and the measures to mitigate them is set out in the following table. This includes those strategic risks which remain ‘amber’ following the introduction of control measures. None of our strategic risks remain ‘red’ following the implementation of mitigation measures.

Area of risk	**Possible causes**	**Potential consequences**	**Actions / control measures and residual risk score**
Strategic risks			
Risk of a reduction in sales revenue	• Negative house price inflation or lack of sales as a result of adverse market conditions and /or a lack of confidence in the property market. • Increasing requirements for EWS1 form slowing down the sales process for new build, resales and well as Strategic Asset sales, where the quality of historic data is poor. • Recession causes lack of confidence or lack of affordability to purchase a new home	• Reduction in sales revenue and/or delay in achieving sales (including JV investments); adverse impact on liquidity and profit. Increased revenue volatility makes MTVH less attractive to investors. • Reduction in surplus available for new development	• Performance against the development programme is carefully monitored with regular progress/ performance reporting to Executive, Development Committee and Board. • Monthly monitoring commitments against the business plan • Regular review of Golden Rules to meet covenant requirements and liquidity and Business Planning rules to ensure there remains an adequate stress buffer for prevailing conditions. • Scheme appraisals include individual risk assessment prior to investment in new schemes/joint ventures. • Revenue exposure being reduced to in line with Standard & Poors rating requirement (currently 22%) • Sales performance reviewed weekly across all sales and re-sales activity. • Options Group recommends actions to IP to mitigate sales risk including tenure switch, reducing first tranche sales % and bulk sales. Residual Score: 4

Area of risk	Possible causes	Potential consequences	Actions / control measures and residual risk score
Risk that changes in government policy and regulation impacts our operations.	• Changes in government policy, legislation or regulation, in particular building and fire safety, Decent Homes Standard, consumer standards, mandatory qualifications, Awab's Law and all requirements of the Social Housing Regulation Bill changes in Central and Local Government leadership. • Rent cap likely to be introduced for 2023 rent increase leads to reduction in rental income. • Likely Government focus on increasing right to buy will reduce affordable stock and put greater pressure on existing resources.	• Increase in interest rates increasing poverty for customers, reducing affordability for colleagues and increasing costs to the business. • Changes adversely affect business plan; regulatory non-compliance leading to downgrade; unlimited fines. • Reduction in rental income due to rent cap and loss of homes through RTB leads to greater pressure on SHIC • Government focus on customer complaints, damp and mould, HA quality of service and property maintenance.	• Good headroom in business plan; Key financial indicators within target; Multi-variant scenario testing within long term financial plan. • Annual STEP/SWOT carried out. • Committee oversight on building and fire safety requirements and compliance, Board performance reporting and briefings. • Regulatory self-assessment and Legal Compliance Certification. • Chief Executive lobbying as chair of G15 to influence policy makers and involvement in government discussions/standing committees. • Risk sharing working with JV partners and through Management Agreements. • Policy Steering Group oversees updating of Policies in line with changes and training provided. • Public Affairs Team input to public policy making, lobbying policy makers, responding to regulatory and statutory consultations (shared with Board), assessment of impact of policy change on customers. • Maintenance of good relationship with Regulator leading to early formal and informal discussion around policy and legislative changes • Active monitoring of regulatory and legislative changes on the horizon via regulatory and legal updates. Including upcoming changes to consumer standards, and Decent Home Standard. Board advised via quarterly reporting and CEO updates. • Residual Score: 9

Area of risk	Possible causes	Potential consequences	Actions / control measures and residual risk score
Risk of failure to keep our residents and customers safe in line with our obligations regarding duty of care within all of our customers' homes.	• Inadequate training and control mechanisms; poor operating processes.	• Death or injury arising from failure to care for customers, in particular vulnerable customers in our care and support facilities; Damage to reputation downgrade due to regulatory non-compliance.	• Mandatory training % completion. • CQC assessments. • Quarterly reporting to Safeguarding & Quality Panel. • Internal QA audits and action plans. • Quality Walks and Head of Service oversight. • Policies and procedures in place. • Implementation of safeguarding training programme including awareness of mental health issues. • More proactive participation in serious case reviews and complex case management situations. • Caldicott Guardian - Jon Foster appointed. Residual Score: 9

Area of risk	Possible causes	Potential consequences	Actions / control measures and residual risk score
Risk of our properties not being compliant.	• Failure to comply with legislative requirements and building regulations relating to the servicing or maintenance of assets associated with fire, gas & electrical safety, asbestos, legionella, lifts and site safety or failure to maintain properties in a safe way. Failure to address fire risk assessment actions including fire stopping, failure to maintain good property data.	• Death or injury; reputational damage; regulatory downgrade due to breach of consumer standards prosecution due to breach of health & safety legislation; Increased operating costs arising from poor compliance may result in negative impact on key viability ratios (e.g. SHIC) and loss of attractiveness to investors.	• Compliance reporting bi-weekly within Directorate, monthly to Executive and quarterly to Property Committee and Board. • Specialist safety consultants provide quality assurance. • Further oversight via property committee with agreed assurance reporting protocol in place should KPIs fall below agreed targets for 2 consecutive months. • Monthly contractor meetings. • Dedicated Contract Managers nominated to each work stream. • Full Policy & procedure review underway. • System control within True Compliance and Risk Base. • Procurement project complete to secure long term contracts with competent and qualified contractors. - Residual Score: 8
Risk of inadequate information & data security	• Appropriate measures not in place to ensure MTVH is protected against the misuse or unauthorised access to systems or data.	• Financial, media criticism, legal action; ICO action; regulatory downgrade. • Business interruption	• Maintain up to date data protection and information management policies which can be adapted to mitigate new risks and maintain compliance. • Mandatory information security training introduced. • Maintain robust tools to monitor security risks across the enterprise. • PCI assurance project underway to review options and implement controls. Almost complete, annual reporting. • MM appointed Data Protection Officer (DPO) and manage the end-to-end compliance of personal data through data protection team. (GDPR). Residual Score: 6

Area of risk	Possible causes	Potential consequences	Actions / control measures and residual risk score
Risk to business continuity	• Inability to react to situations outside of our control. Inadequate disaster recovery plan. Ineffective business continuity plan.	• Unable to provide adequate services to our customers. Financial, reputational, regulatory, legal implications. • Harm to our customers and colleagues	• BCP plans signed off. • IT Disaster Recovery Plan being developed as part of the 'Datacenter and Disaster Recovery Strategy' document. • Maintaining datacentre architecture to remove points of failure. Residual Score: 4
Risk of residential blocks not meeting requirements of Buildings and Fire Safety Regulations	• Residential blocks not meeting requirements of Buildings Regulations.	• Health & safety risk to occupants. Financial risk, investigations, mitigating measures and remediation works. Lack of information to support recovery from developers. Reputational risk, negative media associated with resident safety, costs and EWS1 form implications. Regulator Risk; HSE and RSH implications. Legal Risk; Claims from residents and claims against developers / Freeholders.	• Safer Buildings Department (SBD) budget in place. the SBD has developed a risk prioritisation-based Intrusive survey programme in line with government policy. • Analysis of the risks presented by blocks that are 11-18m tall with support from legal and other specialist experts. • Risk profiling continues to evolve to reflect tenure, construction type, warranty date and survey results, and government legislation. • The SBD has also established a communications team to deal with the high level of leaseholder/customer correspondence. • Planned programme of intrusive surveys and remediation. • H&S Team internal audit of Fire Safety processes against the new Fire Safety Regulations Residual Score: 9

Area of risk	Possible causes	Potential consequences	Actions / control measures and residual risk score
Risk of inadequate IT Systems and Data Quality	• Inefficient IT systems, poor digital offer and poor data quality and availability.	• Failure to operate effectively and efficiently. Implementation of new services delayed, prolonged business outages, significant disruption to service, segregated customer experience. Poor decision making leading to financial losses, reputational damage and regulatory intervention.	• Enterprise Architecture - Business reference model, Data reference model and integrations. • Tech Strategy • Approved Corporate Plan in place with an investment commitment to build a new enterprise architecture and decommission where possible. • Budgets and controls in place with ongoing management. • One version of good quality and accurate data stored in a system which facilitates easy retrieval and reporting. • Business / department level target operating model. Residual Score: 4
Risks associated with not fulfilling sustainability – ESG Compliance.	• Failure to achieve targets in relation to sustainability and decarbonisation	• Regulatory and statutory penalties. Increase in funding costs. Failure to contribute to the climate challenge and achieve group Sustainability objectives. Fuel poverty for residents living in heat inefficient properties. Increased costs of operation arising from additional property costs may result in negative impact on key viability ratios (e.g. SHIC).	• Six monthly reporting to Board on performance against the Sustainability Action Plan monitors performance against targets. • SECR reporting within the Annual Report. • Retaining our Ritterwald accreditation requires us to report regularly to demonstrate auditable progress towards sustainability goals. • Submission of the 'Use of Proceeds Report' to bond holders to confirm that we are meeting the sustainability framework obligations which require annual reporting against the 3 year targets. • Programme to achieve EPC C target for 75% of properties by 2026 and 100% of properties by 2030. • Sustainability Board monitors progress against the Sustainability Action Plan on a quarterly basis. Residual Score: 6

Area of risk	Possible causes	Potential consequences	Actions / control measures and residual risk score
Risk of poor customer experience	• Complex arrangements for customers to access our services and poorly defined approach, roles and processes. • Inconsistent and disjointed customer experience when accessing services in different parts of MTVH. • Delay in implementation of required technology updates. • Increased customer expectations due to Government and Media focus • Restricted spend due to requirements to keep within required financial metrics	• Low customer satisfaction and negative reputation	• Governance structure around workstreams and decision-making in place. • High level customer experience group set up to manage workstreams to ensure decisions made at correct level with correct overarching knowledge and oversight. • Operational Risk Management Framework - including periodic risk register reviews. • Regular review of complaint stats at Exec and CSC Residual Score: 6
Risks associated with the implementation of the new Building Safety Act.	• The new Building Safety Act and the requirement to fully comply with all legislation. Uncertainty around future fire regulations, and the impacts of any changes on existing buildings.	• Prosecution or regulatory intervention due to noncompliance with new legislation and safer building regulator; Inability to sell / rent homes that are not built to any future / prevailing guidance. Increased costs of operation arising from remediation costs may result in negative impact on key viability ratios (e.g. SHIC) and reputation.	• Procedures are being aligned with golden thread gateways with increased emphasis on third party assurance during development and remediation activity. • Utilise BIM where feasible to provide assurance. • New local document filing systems being developed in advance of business wide EDMS selection and implementation. • Risk based programme of intrusive surveys to existing portfolio to determine non-compliance, risk to occupants and development of interim and planned remediation programmes as required. • Deliver the Safer Building Corporate Project to meet the requirements of new Fire Safety Act, Building Safety Act, Building Safety Regulatory and other industry standards under review. • Develop our Building Safety Management organisational response including improved management of historic as-built information

Area of risk	Possible causes	Potential consequences	Actions / control measures and residual risk score
			and development of Building Safety Cases. All in line with Building Safety Bill implementation programme. • Work together across the business to support customers to understand fire safety requirements and consequences. • Internal Audit on compliance with the Building Safety Act to take place in Q3 2023/24 Residual Score: 12
Risk of recruitment and retention difficulties caused by the continuing national shortage specifically in areas of care and support and property services and realistic expectation of churn at senior leadership level due to length of service and natural churn.	• Increase in turnover due to individuals choosing to move from care and support and property (trades) to other sectors such as retail or hospitality which are seen as less stressful occupations. • Skill shortage in relevant areas including Care and Support and property trades. • Greater competition for candidates due to reduced pool following individuals leaving UK post BREXIT. • Turnover resulting from people accepting roles at 10- 15% higher salaries either within or out of sector.	• Negative impact on delivery of services. • Loss of senior staff due to natural progression and not having internal opportunities for progression. • Rising operating expenditure due to salaries increasing nationally across all parts of the business.	• Widening recruitment channels and increasing apprenticeship pathways and career pathways throughout MTVH. • Succession plan in place across business down to manager level. Talent development programmes in place to develop future talent and retain strong leaders, exec succession plan to be reviewed by Remuneration & Nominations Committee in November. Residual Score: 6

Area of risk	Possible causes	Potential consequences	Actions / control measures and residual risk score
Risks from inadequate resilience in our supply chain.	• Contractor default, contractor closure, adverse weather, availability of materials & labour due to Brexit, affordability, rising cost of materials and labour and recession. • Inflation causing volatility in cost of materials and labour and service provision. • Reduction in funding for new homes, reduction in investment in existing homes due to business plan constraints. • Delay in delivering new homes.	• Adverse impact on sales programme, affecting liquidity and scheme viability. • Delay and increase in cost of delivery of repairs and planned maintenance programmes. • Business interruption (link to Business Continuity Plan). • Reduction in planned maintenance work leading to worsening condition of homes and failure of Decent Homes Standard. • Reduction in customer satisfaction levels	• Performance of the development programme is carefully monitored with monthly cashflow updating and monitoring delivery profile. Regular progress/performance reports presented to Executive, Development Committee as well as Board. • Regular performance reporting of day to day and planned maintenance programme to QBR, Executive, Property Committee and Board. • Regular monitoring of construction programmes. Any slippage of homes is being closely monitored, with budgets readjusted accordingly. Where total scheme costs exceed 3% of the approved total scheme costs, they will be reported to Executive, Board and Development committee. • HE and GLA are regularly updated in regard to our delivery timetable. • Regular discussions with site teams and senior individuals at our contractor and Developer partners. And regular site visits by Clerks of Works, Development Managers and H&S inspectors. • Regular contract review meetings with maintenance contractors to monitor delivery of programme and quality of works. • Post repair inspections and monitoring customer feedback • Maintenance procurement rates for fixed periods and increasing Metworks stocks to reduce impact of material shortages. • Regular liaison with contracting parties (local authorities etc) Residual Score: 9
Risks associated with pensions	• Pension scheme performance or crystallisation of s75 obligation/last man standing obligation.	• Financial losses arising from higher deficits and obligations to fund cashflow obligations or accelerated deficit repayments.	• Scheme closed to further accrual. Scheme exit will eliminate last man standing risk. New funding and liability management strategy will reduce scheme deficit. • Pension scheme investment strategy requires cash call on the employer to fund collateral obligations of deficit repayments. Residual Score: 6

Area of risk	**Possible causes**	**Potential consequences**	**Actions / control measures and residual risk score**
Risks of damage to reputation due to targeted activity by activists, the media and the effects of the overall political and economic landscape.	• Large housing associations are under the spotlight for their services following several high-profile service failures. • Increased spotlight on the sector increases the likelihood that customers complain to their HA regarding services, damp and mould etc	• Increased demand by residents, greater media activity, poor morale amongst front line staff leading to a responsive rather than a proactive service. • Regulatory and stakeholder reputational impact. • Colleague morale is affected by the sector-wide spotlight.	• Monitoring of complaint stats, types of complaint and reporting to Exec and CSC and using insight from complaints and customer surveys to pro-actively manage messaging. • Crisis communication plan in place and leaders in business will be trained to understand roles and responsibilities. • Clearly defined position statements against key issues or areas of contention to effectively manage messaging and promote the organisation in a positive light. • MTVH is addressing the findings of the Better Social Housing Review commissioned by the NHF which has provided assurance that the sector as a whole is addressing the failures being highlighted by the media. Residual Score:12
Risks associated with Joint Ventures (JVs)	• A dispute and/or difference of opinion. • Change in business objective	• Dispute resolution mechanism implemented could result in buy-out or change in partner status. • Failure to meet contractual obligations with local authority. • Financial loss.	• Regular investment panel, Development Committee, Board reporting. • JV Board decision-making and reporting, 50/50 board membership, SLT/Exec members. • Schemes/phases subject to viability tests Residual Score: 2
Risks to MTVH's investibility	• SHIC dropping below 1.0x • Credit rating dropping below A1. • Negative media focus on the sector as a whole reflects on the reputation of MTVH	• Not being able to deliver targets against our strategic objective to provide new homes for our customers to live in. • Inability to achieve funding at an attractive rate. • Reputational damage reduces MTVH's investibility	• Annual budget process and Board approval of budget. • Financial planning and stress testing of long term plan, reporting to Board on a 6 monthly basis and submission of FFR to Regulator. • Regular liaison with rating agencies to gather intelligence around changes in assessment methodologies. • Quarterly forecasting against budget and financial report to Board. Residual Score:9

Area of risk	Possible causes	Potential consequences	Actions / control measures and residual risk score
Risks associated with the worsening external economy	• Rising inflation, rising fuel costs, rising taxes, recession, rising cost of remedial activities, rising cost of services to customers, rising interest rates	• Negative impact on our customer's and colleagues' quality of life and mental health, increase in ASB, reduction in support to our customers. Increase in arrears and cost of services to customers, financial constraints, reduction in market sales and house prices. • Reduction in community cohesion and care for common spaces on estates	• Regular reporting to Board on the impact of the worsening economy on our customers and colleagues • Quarterly performance reporting identifying any worsening trends • Maintaining regular contact with service commissioners and service providers to check for continued viability. • Plan for more community issues during the winter in place. • Regular colleague engagement to bolster staff resilience in challenging situations. Residual Score: 6
Risks associated with rent increases for FY24 and beyond.	• Increases in inflation above the 2% projection	• Rents unaffordable for customers. • Impact on budgets and long-term plan of rent caps.	• Review of CPI projections from the Bank of England and other forecasters. Inclusion of arrears in MI. Analysis of stress tests. Lobbying by NHF and G15 for outcomes. Residual Score: 10

Glossary

EWS1 – External Wall Standard

HSE – Health and Safety Executive

SECR - Streamlined Energy and Carbon Reporting

FFR – Regulatory Financial Forecast Return

CPI – Consumer Prices Index

G15 – Group of the largest London housing associations

KPI – Key Performance Indicator

ICO – Information Commissioner’s Office

PCI – Payment Card Industry

GLA – Greater London Authority

EPC C - Energy Performance Certificate level C

RTB – Right to buy

QA – Quality Audit

MI – Management Information

STEP- strategic method used to understand four major external environmental factors of the business landscape

SWOT - strengths, weaknesses, opportunities, and threats.

SHIC – Social Housing Interest Cover

ASB – Antisocial behaviour

CQC – Care Quality Commission

NHF – National Housing Federation

GDPR – General Data Protection Regulation

BCP – Business Continuity Plan

BIM – Business Information Modelling

EDMS – Electronic Document Management System

Information and financial reporting systems

Our Financial Plan is monitored regularly by management, the Executive and the MTVH Board to ensure that the business remains financially healthy and that targets for financial growth and strategic objectives are met to enable the delivery of our social objectives. The Financial Plan is stress-tested against a range of challenging regulatory, investment, economic, financial and business performance scenarios, including the Bank of England stress tests. The 2022/23 Plan was approved by the Board in May 2022 for submission to the Regulator and was reviewed and updated in November 2022. The Audit and Risk Committee and Board agreed which stress tests would be most appropriate.

Fraud, Anti-bribery and whistleblowing

Fraud is an ever-present threat to resources and may occur from outside or from within the organisation. MTVH has an approved anti-fraud, bribery and corruption policy that covers the prevention, detection, investigation and reporting of fraud, including remedial action to prevent a recurrence. Cases of fraud and attempted fraud are recorded on the fraud register and reported to the Executive Team and to the Audit and Risk Committee. Our anti-fraud, bribery and corruption policy makes clear that we have zero tolerance of any form of bribery. The resulting actions taken following the discovery of any instances of fraud are shared internally to reinforce learning.

The Group has appointed a Money Laundering Compliance Principal and a Nominated Officer as part of its compliance with anti-money laundering legislation.

MTVH values its reputation and is committed to maintaining the highest possible ethical standards in all its business activities. The organisation has a whistleblowing policy and associated procedure which encourages staff and others to express any serious concerns regarding suspected misconduct or malpractice going on within the organisation. Whistleblowing events are recorded and investigated and are reported to the Audit and Risk Committee.

Monitoring, control environment and control procedures

A process of control, self-assessment and regular management reporting on control issues provides hierarchical assurance to successive levels of management and the Board, together with an auditable trail of accountability. The certification is tailored to reflect the potential risks and the control environment of the business. This enables corrective action to be taken where appropriate and provides assurances to management and the Board. The Chief Executive provides an annual assurance report to the Board, which includes assurance that key legislative and regulatory requirements have been met.

The Code of Conduct sets out MTVH’s expectation of Board members, staff and involved residents with regard to quality of service, business disciplines, honesty and integrity. It is supported by a framework of policies and procedures with which Board members and staff must comply.

These cover issues such as delegated authority, segregation of duties, accounting, treasury management, health and safety, data and asset protection and fraud, bribery and corruption prevention and detection and the management of conflicts of interests. Policies are periodically reviewed in accordance with a prescribed timetable.

Audit assurance

The internal audit function is outsourced and reports directly to the Audit and Risk Committee. The internal audit programme of work is aligned to strategic objectives and risk. The Audit and Risk Committee meets four times a year and considers internal control and risk management at each meeting. The Committee provides an annual report to the Board and feedback following each of its meetings. The work of the external auditors provides further independent assurance on the financial control environment as described in their audit report. MTVH receives a letter from the external auditors identifying any weaknesses in internal control in the preparation of the financial statements with recommendations for improvement. This letter is considered by the Audit and Risk Committee, together with a detailed action plan to address any issues. The internal and external auditors meet with the Audit and Risk Committee without officers present on a regular basis. A review of the effectiveness of the internal and external auditors takes place annually.

Going concern

In May 2023 the Board was presented with the MTVH Group Financial Plan 2023/24 (the Plan). This contained a ten-year outlook for MTVH against which (i) financial assessments by lenders, auditors, and annual credit ratings will be made; (ii) MTVH demonstrates it is a going concern by reference to both its immediate viability and the resilience of its long-term Plan to stress; and (iii) strategic plans and options can be evaluated.

The Board was presented with the possible impacts from numerous multi-variant adverse scenarios and options for mitigation to ensure the business can continue in the short and longer term. Mitigations exist for all scenarios and some have already been partially implemented, as a precaution to ensure compliance with all covenant and regulatory requirements. Periodic updates to the financial business plan, management accounts and internal reporting enable continuous monitoring of the business and pre-determined internal triggers have been set to ensure prompt appropriate mitigating actions are undertaken in a timely manner.

The Plan also demonstrated that MTVH has available cash and borrowing facilities which are sufficient to meet its ongoing obligations for the next two years. In regard to the longer-term Plan, loan agreement obligations including covenant requirements are met throughout the ten-year plan period. The Group is able to remain covenant compliant under a number of stress tests and has early warning as well as mitigation mechanisms in place to return the business plan to covenant compliance for the most severe stress scenarios should they arise.

The Board approved the Plan and determined that MTVH has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Board continues to adopt the going concern basis in preparing the Group's financial statements.

Statement of responsibilities of the Board

The Board members are responsible for preparing the report of the Board, which for MTVH comprises the Chair's foreword and Chief Executive's introduction, Chief Executive's strategic operational review, Chief Financial Officer's review, Value for Money statement, Section 172 statement, Environment and social value statement, Statement on corporate governance, Board statement on internal control and risk assurance and this Statement of responsibilities of the Board; and the financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society law and social housing legislation require the Board members to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

In preparing these financial statements, the Board members 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 and the Statement of Recommended Practice: Accounting by Registered Social Housing Providers 2018 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Association will continue in business.

The Board members are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Association's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Association and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

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

The Board is responsible for ensuring that the report of the Board is prepared in accordance with the Statement of Recommended Practice: Accounting by Registered Social Housing Providers 2018.

Financial statements are published on the Group and the Association's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group and the Association's website is the responsibility of the Board members. The Board members' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Provision of information to the auditor

All of the current board members have taken all the steps that they ought to have taken to make themselves aware of any information needed by the auditor for the purposes of their audit and to establish that the auditors are aware of that information. The board members are not aware of any relevant audit information of which the auditors are unaware.

Signed on behalf of the Board
Althea Efunshile CBE, Chair
26 July 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THAMES VALLEY HOUSING ASSOCIATION LIMITED

Opinion on the financial statements

In our opinion:

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

We have audited the financial statements of Thames Valley Housing Association Limited ("the Association") and its subsidiaries ("the Group") for the year ended 31 March 2023 which comprise the consolidated and Association statement of comprehensive income and expenditure, the consolidated and Association statement of financial position, the consolidated statement of cash flows, the consolidated and Association statement of changes in reserves, 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the Audit & Risk Committee.

Independence

Following the recommendation of the Audit & Risk Committee, we were initially appointed by the Board to audit the financial statements for the year ending 31 March 2011 and subsequent periods. Following the listing of the debt in 2016 we were re-appointed. The period of total uninterrupted engagement including retenders and reappointments since the listing of debt is 8 years, covering the years ending 31 March 2016 to 31 March 2023 and 13 years in total.

We remain independent of the Group and the Parent Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Group or the Parent Association.

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. Our evaluation of the Board's assessment of the Group and the Parent Association's ability to continue to adopt the going concern basis of accounting included:

- Consideration of the forecasts prepared by management and challenge of the key assumptions based on our knowledge of the business. As referred to in going concern accounting policy, management has modelled the financial plan against adverse changes in economic conditions
- Assessment of the internal forecasting process to confirm the projections are prepared by appropriate personnel that are aware of the detailed figures in the forecast but also to have a high-level understanding of the entity's market, strategy and profile in the customer base.
- We challenged management on the suitability of the mitigating actions identified by management in their assessment and the quantum and period ascribed to these mitigating actions. Scenarios modelled by management analysed the impact on covenant compliance in scenarios with multiple adverse conditions. We reviewed the reasonableness of the proposed mitigations and if they mitigations were entirely in the control of management to action.
- Obtained details and assessed the availability of group financing facilities, including the nature of facilities, repayment terms and financial covenants. We considered management's financial covenant compliance calculations over the period of management's review and confirmed the consistency of such calculations with the ratios stated in the relevant lender agreements.
- We considered the adequacy of the disclosures in the financial statements against the requirements of the accounting standards and consistency of the disclosure against the forecasts and stress test scenario.

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

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

Overview

<table>
<tr><td>Coverage</td><td>93.1% (2022: 94.5%) of Group surplus before tax
100% (2022: 100%) of Group revenue
98.9% (2022: 98.5%) of Group total assets</td></tr>
<tr><td>Key audit matters</td><td><table><tr><td></td><td>2023</td><td>2022</td></tr><tr><td>The recoverable amount of property developed for sale is materially misstated</td><td>√</td><td>√</td></tr></table></td></tr>
<tr><td>Materiality</td><td>Group financial statements as a whole

£8m (2022: £12.2m) based on 7.5% (2022: 7.5%) of adjusted operating surplus.</td></tr>
</table>

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Board that may have represented a risk of material misstatement. In establishing the overall approach to the Group audit, we assessed the audit significance of each reporting component in the Group by reference to both its financial significance and other indicators of audit risk, such as the complexity of operations and the degree of estimation and judgement in the financial results. The significant components for group purposes are the parent entity, Metropolitan Housing Trust Limited and Metropolitan Living Limited. Audit work on all significant components was performed by BDO UK both for the purposes of reporting on the individual financial statements and for group/consolidation purposes.
The only components not subject to a full scope audit by BDO UK were the Group's joint ventures which comprise less than 1.1% of the Group's assets and 6.9% of the Group's surplus before tax.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter		How the scope of our audit addressed the key audit matter
The recoverable amount of property developed for sale is materially misstated As explained in the note 16 accounting policies, properties developed for sale, including shared ownership first tranches and properties developed for outright sale, are measured at the lower of cost and net realisable value resulting in an amount recognised in the balance sheet of £66,944,000	For completed properties at the balance sheet date, an assessment is needed of an estimated selling price. For properties in development at the balance sheet date, an assessment is needed of the expected selling price and costs to complete and sell. Due to the volume of property developed for sale (both complete and under construction) and the inherent estimation uncertainty in determining both sales proceeds and costs to complete we considered there to be a significant risk that the carrying amount of properties developed for sale is misstated and was therefore a key audit	Our responses included the following: • We obtained management's assessment of the net realisable value of properties developed for sale, selecting a sample on which to perform detailed testing. Samples were chosen from the population of items that represented both developments under construction as well as completed developments at year end; • For a sample of expected proceeds, we agree the amounts involved to supporting documentation or compared the expected proceeds to similar developments in the same locality; • For a sample of properties under development, we obtained details of the expected costs to complete from the scheme budget for that development and agreed the budgeted contracted cost of the development to the latest contract documentation. We compared the incurred expenditure to the

	matter.	estimated amount to ensure that the cost to complete estimate reflects actual costs. • For properties sold subsequent to year end, we traced to the sales proceeds and compared to the carrying value as at year end to ensure NRV is not below Cost. • We also assessed the accuracy of cost forecasting by looking at outturn costs compared to budget on schemes that completed in the year. **Key observations:** We noted no material exceptions through performing these procedures.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		**Parent Association financial statements**	
	2023 £m	2022 £m	2023 £m	2022 £m
Materiality	8.0	12.2	2.0	1.8
Basis for determining materiality	7.5% of adjusted operating surplus as defined by the entities lending covenants.			
Rationale for the benchmark applied	Management reports its performance to key stakeholders and monitors the business based on adjusted operating surplus as defined by the loan covenants. Based on the strictest loan covenant definition, depreciation and impairment are added back and surplus on first tranche sales, capitalised major repairs and amortisation of grants are excluded. It is therefore appropriate to adjust materiality in order to respond to the risk of covenant breach.			
Performance materiality	£5.6m	£8.6m	£1.4m	£1.3m

Basis for determining performance materiality	70% of materiality

Component materiality

For the purposes of our Group audit opinion, we set materiality for each significant component of the Group, apart from the Parent Association whose materiality is set out above. Component materiality ranged from £358 to £7.19m (2022: £479 to £11m). In the audit of each component, we further applied performance materiality levels of 70% (2022: 70%) of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Basis for determining performance materiality

We have determined that 70% of materiality is an appropriate basis for performance materiality based on our previous experience of the audit and factors such as the low levels of misstatements previously identified partially offset by the number areas of the financial statements subject to significant estimation uncertainty.

Reporting threshold

We agreed with the Audit and Risk Committee that we would report to them all individual audit differences in excess of £320k (2022: £490k). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The Board are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.
We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Board

As explained more fully in the Statement of responsibilities of the Board, 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 members 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 Board are responsible for assessing the Group and the Association’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the Group or the Association or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance and Audit & Risk Committee; and
- Obtaining and understanding of the Group’s policies and procedures regarding compliance with laws and regulations;

we considered the significant laws and regulations to be the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be those arising from registration with the Regulator for Social Housing, data protection and health and safety legislation.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance and the Audit & Risk Committee regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override through accounting estimates and inappropriate journal entities.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias over investment property valuations, the recoverable amount of property developed for sale (see Key audit matters), derivatives valuation and the pension scheme.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

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

DocuSigned by:
Philip Cliftlands
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Philip Cliftlands (Senior Statutory Auditor)

BDO LLP
2 City Place
Beehive Ring Road
Gatwick

31 July 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

	Note	2023 £'000	2023 Building Safety & Non-Recurring £'000	2023 Total £'000	2022 £'000
Turnover	2	387,567	1,264	388,831	414,383
Cost of sales	2	(26,077)	-	(26,077)	(48,277)
Operating costs	2	(286,383)	(13,855)	(300,238)	(283,739)
Surplus on disposal of fixed assets	2 / 6	38,211	-	38,211	37,501
Share of operating surplus in joint ventures and associates	2 / 31	8,410	-	8,410	2,232
Operating surplus		**121,728**	**(12,591)**	**109,137**	**122,100**
Surplus on disposal of other Investments	31	26	-	26	(1,577)
Revaluation of investments	32	(953)	-	(953)	1,512
Interest receivable	7	5,539	-	5,539	3,522
Interest and finance costs	8	(84,572)	-	(84,572)	(78,416)
Movement in fair value of financial instruments	7	3,457	-	3,457	850
Movement in fair value of investment property	12	1,569	-	1,569	(7,029)
Movement in fair value of financial assets	17	(741)	-	(741)	(699)
Surplus / (loss) before tax		**46,053**	**(12,591)**	**33,462**	**40,263**
Taxation	11	-	-	-	429
Surplus / (loss) for the year		**46,053**	**(12,591)**	**33,462**	**40,692**
Actuarial gain on defined benefit pension scheme liability	23	22,981	-	22,981	21,264
Change in fair value of hedging instrument	8	23,913	-	23,913	12,071
Total comprehensive income / expenditure for the year		**92,947**	**(12,591)**	**80,356**	**74,027**

All amounts relate to continuing activities.

The notes on pages 93 to 142 form part of these financial statements.

	Note	Association 2023 £'000	2023 Non-Recurring £'000	2023 Total £'000	Association 2022 £'000
Turnover	2	20,470	-	20,470	61,643
Cost of sales	2	(6,145)	-	(6,145)	(52,214)
Operating costs	2	(10,073)	(2,280)	(12,353)	(12,484)
Surplus on disposal of fixed assets	2 / 6	200	-	200	121
Operating surplus		**4,452**	**(2,280)**	**2,172**	**(2,934)**
Interest receivable	7	13,108	-	13,108	14,208
Interest and finance costs	8	(4,307)	-	(4,307)	(4,873)
Movement in fair value of investment property	12	-	-	-	(1,927)
Capital contribution to subsidiaries	31	(6,000)	-	(6,000)	(16,000)
Surplus / (loss) before tax		**7,253**	**(2,280)**	**4,973**	**(11,526)**
Taxation	11	-	-	-	30
Surplus / (loss) for the year		**7,253**	**(2,280)**	**4,973**	**(11,496)**
Actuarial gain / (loss) on defined benefit pension scheme liability	23	4,830	-	4,830	1,806
Total comprehensive income / expenditure for the year		**12,083**	**(2,280)**	**9,803**	**(9,690)**

All amounts relate to continuing activities.

The notes on pages 93 to 142 form part of these financial statements

	Note	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
Fixed assets					
Housing properties	12	4,728,451	4,617,943	95,601	97,885
Investment properties	12	63,886	63,381	3,581	3,581
Other tangible fixed assets	13	21,962	27,176	2,731	4,577
Intangible fixed assets	13	15,084	11,614	2,198	2,230
Total fixed assets		**4,829,383**	**4,720,114**	**104,111**	**108,273**
Investments					
HomeBuy loans	14	120,254	127,446	-	-
Other investments	15	7,696	15,978	5,500	5,500
Investments in subsidiaries	31	-	-	2,875	2,875
Investments in joint ventures and associates	31	60,338	61,027	-	-
Total fixed assets and investments		**5,017,671**	**4,924,565**	**112,486**	**116,648**
Current assets					
Stock	16	67,094	69,477	47,024	55,976
Debtors	17				
- due within one year		60,852	52,792	33,084	49,307
- due after more than one year		29,197	24,812	4,579	10,272
Cash and cash equivalents		193,458	151,557	5,766	7,147
		350,601	**298,638**	**90,453**	**122,702**
Creditors falling due within one year	18	**(389,615)**	**(315,697)**	**(52,817)**	**(99,232)**
Net current (liabilities) / assets		**(39,014)**	**(17,059)**	**37,636**	**23,470**
Total assets less current liabilities		**4,978,657**	**4,907,506**	**150,122**	**140,118**
Creditors falling due after more than one year	19	2,320,437	2,304,855	70,959	67,334
Pension liability	23	22,138	49,461	3,670	9,322
Provision for liabilities	24	2,749	213	2,228	-
Capital and reserves & Income and expenditure reserve					
General reserve		1,566,462	1,492,986	70,175	60,272
Restricted reserve		18,571	19,472	-	-
Revaluation reserve		1,054,040	1,061,687	3,090	3,190
		2,639,073	**2,574,145**	**73,265**	**63,462**
Cashflow hedge reserve		(5,740)	(21,168)	-	-
Total reserves		**2,633,333**	**2,552,977**	**73,265**	**63,462**
Total funding		**4,978,657**	**4,907,506**	**150,122**	**140,118**

The financial statements were approved and authorised for issue by the Board on 10th July 2023 and were signed on its behalf by:

Althea Efunshile CBE	**Ian Johnson**	**Patricia Etter**
Chair	**Executive Director, Finance**	**Company Secretary**

	Group 2023 £'000	Group 2022 £'000
Cash flows from operating activities		
Surplus for the year	33,462	40,692
Adjustment for:		
Surplus on disposal of fixed assets	(38,211)	(37,501)
Share of operating surplus in joint ventures	(8,410)	(2,232)
Interest receivable	(5,539)	(3,522)
Interest and finance costs	84,572	78,416
Movement in fair value of financial instruments	(3,457)	(850)
Movement in fair value of investment property	(1,570)	7,029
Loss on disposal of other investments	(2)	1,577
Movement in fair value of financial assets	741	699
Tax charged / (credited)	-	(429)
Depreciation	48,511	45,213
Amortised grant	(5,874)	(6,316)
Impairment	-	400
Decrease in stock	2,383	30,953
Decrease /(Increase) in debtors	(13,289)	3,281
(Increase) / decrease in creditors	66,691	(768)
Increase / (decrease) in provisions	2,536	(919)
Pension costs less contributions payable	(4,342)	(3,632)
Proceeds from sale of properties as operating activities	95,376	82,738
Proceeds from sale of fixed asset investments as operating activities	14,135	19,145
Cash generated from operations	**267,713**	**253,974**
Tax (paid) / refunded	-	429
Net cash from operating activities	**267,713**	**254,403**
Cash flows from investing activities		
Purchase of housing properties	(191,577)	(179,454)
Purchase of fixed assets - other	(7,762)	(8,700)
Proceeds from other investments	27,363	53,021
Purchase of fixed asset investments	(9,982)	(10,255)
Interest received	4,951	3,522
Investments transferred to cash	588	4,343
Capital grants	15,081	23,656
Net cash used in investing activities	**(161,338)**	**(113,867)**
Cash flows from financing activities		
Proceeds from borrowings	79,000	286,000
Repayment of borrowings	(46,424)	(342,345)
Capital element of finance lease payments	(35)	(34)
Interest paid	(95,705)	(84,881)
Finance costs	(1,310)	(4,002)
Net cash used in financing activities	**(64,474)**	**(145,262)**
Net movement in cash and cash equivalents	**41,901**	(4,726)
Cash and cash equivalents brought forward	151,557	156,283
Cash and cash equivalents carried forward	**193,458**	**151,557**

Consolidated and Association statements of changes in reserves for the year ended 31 March 2023

Group	Income and expenditure reserve £'000	Cashflow hedge reserve £'000	Restricted reserve £'000	Revaluation reserve £'000	Total reserves £'000
Balance at 1 April 2021	**1,426,270**	**(33,283)**	**18,098**	**1,067,866**	**2,478,951**
Surplus for the year	39,318	-	1,374	-	**40,692**
Actuarial gain on defined benefit pension scheme liability	21,264	-	-	-	**21,264**
Change in fair value of hedging instruments	-	12,071	-	-	**12,071**
Revaluation gains released on disposal	6,179	-	-	(6,179)	**-**
Reserves transfers	(45)	44	-	-	**(1)**
Balance at 31 March 2022	**1,492,986**	**(21,168)**	**19,472**	**1,061,687**	**2,552,977**
Surplus for the year	34,363	-	(901)	-	**33,462**
Actuarial gain on defined benefit pension scheme liability	22,981	-	-	-	**22,981**
Change in fair value of hedging instruments	**-**	23,913	-	-	**23,913**
Revaluation gains released on disposal	7,647	-	-	(7,647)	**-**
Reserves transfers	8,485	(8,485)	-	-	**-**
Balance at 31 March 2023	**1,566,462**	**(5,740)**	**18,571**	**1,054,040**	**2,633,333**

Association	Income and expenditure reserve £'000	Revaluation reserve £'000	Total reserves £'000
Balance at 1 April 2021	**69,875**	**3,277**	**73,152**
Loss for the year	(11,496)	-	**(11,496)**
Revaluation of gains released on disposal	87	(87)	**-**
Actuarial gain on defined benefit pension scheme liability	1,806	-	**1,806**
Balance at 31 March 2022	**60,272**	**3,190**	**63,462**
Surplus for the year	4,973	-	**4,973**
Revaluation of gains released on disposal	100	(100)	**-**
Actuarial gain on defined benefit pension scheme liability	4,830	-	**4,830**
Balance at 31 March 2023	**70,175**	**3,090**	**73,265**

The notes on pages 93 to 142 form part of these financial statements.

1a. Accounting policies

Legal status

Thames Valley Housing Association (‘the Association) is registered in England, under the Co-operative and Community Benefit Societies Act 2014 (Registered Number 17375R), is a registered provider of social housing with the Regulator of Social Housing (Registered Number L0514) and trades in GBP. The Association is the parent entity of the MTVH group which was created from a merger between Thames Valley Housing Association and Metropolitan Housing Trust. The Association and MTVH group are public benefit entities (PBE).

Basis of preparation

These financial statements are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP), including the financial standard applicable in the UK and Republic of Ireland (FRS 102), Housing SORP: 2018 update (Statement of Recommended Practice for registered social housing providers) (2018) and the Accounting Direction for private registered providers of social housing 2022.

The preparation of the financial statements requires the Group management to make 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. It also requires Group management to exercise judgement in applying the Group’s accounting policies. The impact that potential variations in these judgements may have on the financial statements are explained in the accounting policies below.

Areas where a degree of significant judgement has been applied are shown in boxes in the accounts.

Going concern

In May 2023 the Board was presented with the MTVH Group Financial Plan 2023/24 (the Plan). This contained a ten-year outlook for MTVH against which (i) financial assessments by lenders, auditors, and annual credit ratings will be made; (ii) MTVH demonstrates it is a going concern by reference to both its immediate viability and the resilience of its long-term Plan to stress; and (iii) strategic plans and options can be evaluated.

The Board was presented with the possible impacts from numerous multi-variant adverse scenarios and options for mitigation to ensure the business can continue in the short and longer term. Mitigations exist for all scenarios and some have already been partially implemented, as a precaution to ensure compliance with all covenant and regulatory requirements. Periodic updates to the financial business plan, management accounts and internal reporting enable continuous monitoring of the business and pre-determined internal triggers have been set to ensure prompt appropriate mitigating actions are undertaken in a timely manner.

The Plan also demonstrated that MTVH has available cash and borrowing facilities which are sufficient to meet its ongoing obligations for the next two years. In regard to the longer-term Plan, loan agreement obligations including covenant requirements are met throughout the ten-year plan period. The Group is able to remain covenant compliant under a number of stress tests and has early warning as well as mitigation mechanisms in place to return the business plan to covenant compliance for the most severe stress scenarios should they arise.

The board approved the plan and determined that MTVH has adequate resources to continue in operational existence for the foreseeable future. For this reason the board continues to adopt the going concern basis in preparing the Group’s financial statements

1a. Accounting policies (continued)

Segmental reporting

Operating segments: there are publicly traded securities within the group and therefore a requirement to disclose information about Group operating segments under IFRS 8. Segmental information is disclosed in note 2(b) and as part of the analysis in note 12. Information about income, expenditure and assets attributable to material operating segments are based on the nature and function of assets held rather than geography. This is appropriate based on the similarity of the services, nature of risks, type of customer and nature of regulatory environment across all geographical locations in which the Group operates. Operating segments are analysed along the lines of information presented to the Chief Operating Decision Maker who for the purpose of these accounts is determined to be the board.

Basis of consolidation

The consolidated financial statements include TVH and its subsidiaries (together 'the Group').

Non-exchange transactions where there is a clear gift of control are accounted for as business combinations. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of the subsidiaries are included in the consolidated statement of comprehensive income from the date of their formation or gift in to the Group. All intra-group transactions, balances, surpluses and deficits are eliminated in full on consolidation. Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

The Group has entered into a number of contractual arrangements that are classified as jointly controlled entities. Jointly controlled entities are accounted for using the equity method, which reflects the Group's share of the profit or loss, other comprehensive income and equity of the jointly controlled entity.

Disclosure exemptions

The individual accounts of the Association have adopted the following disclosure exemptions as these are reported as part of the consolidated accounts:

- The exemption from the requirement to present a statement of cash flows and related notes.
- The exemption under FRS 102 33.1(A) to disclosing transactions entered into between the Association and its wholly-owned subsidiaries unless if those entities are unregulated entities.
- The exemptions relating to financial instruments disclosures including of items of income, expenses, gains or losses relating to financial instruments and exposure to and management of financial risks.

Joint ventures, associated and jointly controlled entities

In the Group accounts, interests in joint ventures and associates are accounted for using the equity method. The consolidated statement of comprehensive income includes the Group's share of the joint ventures' and associate's profit after tax for the year. In the consolidated statement of financial position, the investment is initially shown at cost, adjusted each year by the share of retained profits. In the individual association accounts, the Group's loans to joint ventures are disclosed as debtors on the statement of financial position and interest receivable and dividends received are disclosed as interest receivable and turnover respectively in the statement of comprehensive income.

The Group participates in a regeneration partnership with another Registered Provider. These arrangements involve jointly controlled assets and the Group's share of these controlled assets, any related liabilities and any income or expenditure in relation to those jointly controlled assets are included in the result of the Group, in proportion to its in those assets.

Investments in subsidiaries, joint ventures and associates

In the individual accounts of Thames Valley Housing Association Limited and Metropolitan Housing Trust, investments in subsidiaries, joint ventures, associates and jointly controlled assets are shown at cost (less accumulated impairment).

1a. Accounting policies (continued)

VAT

The Group charges Value Added Tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT on expenditure to the extent that it is incurred by the Group and not recoverable from HM Revenue and Customs. Recoverable VAT on overheads arises from partially exempt activities and is credited to the Statement of Comprehensive Income.

Revaluation reserves

On transition to FRS 102 MTVH elected to adopt deemed cost as a proxy for historical costs. The group revalued the social housing assets portfolio to EUV-SH (Existing Use Value – Social Housing), as a result a revaluation reserve was created to account for the difference between the historical costs and deemed costs.

On disposal of properties carried at deemed cost the group releases these reserves from the revaluation reserves to the income and expenditure account. Both the revaluation reserve and the income and expenditure are part of income and expenditure reserves.

Valuation of investment properties

Investment properties are valued on an annual basis, internally and externally. Commercial properties are revalued internally based on the leases agreements and market rental properties revalued internally are based on information from the Office of National Statistics market rent index.

At 31 March 2023 valuations indicated an increase in value of £628k (2022: decrease of £8,034k) for commercial properties, an increase of £941k (2021: £1,005k increase) for market rental properties.

1b. Key judgements and estimates in the preparation of these accounts

Preparation of the financial statements requires management to make significant judgements and estimates about complex transactions or those involving uncertainty about future events. The items in the financial statements where these judgments and estimates and the effect of those judgements might have on the financial statements are discussed below.

i. Significant management judgements

The Group makes certain key judgements about complex transactions or those involving uncertainty about future events while preparing these financial statements. The following are the significant management judgements made in applying the accounting policies that have the most significant effect on the financial statements.

Determining whether an impairment review is required

Tangible fixed assets (mainly housing properties) are assessed for indicators of impairment at each reporting date in accordance with FRS 102 27.7. Indicators include changes in government policy, a reduction in the market value of properties where the occupant has the right to acquire, a reduction in the demand for a property, losses from operating that property, obsolescence of a property or contamination of a site. Impairment is tested at income generating unit level which is at scheme level. Indicators for properties under construction include any unforeseen additional costs that do not add value. Where no such indicators of impairment are identified to have occurred at the reporting date, it is assumed that there is no impairment

1b. Key judgements and estimates in the preparation of these accounts (continued)

Capitalisation of property development costs
Distinguishing the point at which a development scheme is more likely than not to continue, allowing capitalisation of associated development costs requires judgement. After capitalisation management monitors the developed asset and considers whether any changes indicate existence of impairment and if an impairment charge is required.

Allocation of costs for mixed tenure and shared ownership developments
Costs are allocated to the appropriate tenure where it is possible to specify which tenure the expense relates to. For mixed tenure schemes costs to a specific tenure are allocated on a floor area or unit basis depending on the appropriateness to each development scheme.

Capitalised overhead on developments
Overheads are capitalised up to a maximum of 3.5% of works and acquisitions costs or 100% of development salaries and related overheads.

The Group has adopted a policy of capitalising overheads into the development costs of properties. The management is satisfied that this capitalisation is appropriate as these are costs of bringing these assets into existence and habitable use for which the economic benefits will flow for more than one year. The management has made the judgement that overheads are capitalised up to a maximum of 3.5% of works and acquisitions costs or 100% of development salaries and related overheads.

Management is satisfied that the capitalisation of overheads does not lead to carrying these developments in the statement of financial position at above their net realisable values as impairment reviews are undertaken annually to safeguard against overstatement of carrying costs.

ii. Estimation uncertainties

The Group make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below.

Useful economic life of housing properties structure

The useful economic life of housing structure is estimated to be 125 years and therefore depreciated over that period. If the life was reduced to 100 years, this would increase the charge to £2,520k to the comprehensive income statement. If the life of components excluding land and structure should reduce by 10%, it would lead to £1,800k increase charge to the to the comprehensive income statement.

1b. Key judgements and estimates in the preparation of these accounts (continued)

Stock
Net realisable value is based on the estimated selling price less selling costs. Estimated selling prices were provided by external valuers and by reference to actual selling prices for completed developments. For scheme under construction the estimated costs to completion are based on approved budgets and forecasts.

Recoverability of trade debtors
The Group makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

Government grant
Government grant is amortised over the useful economic life (UEL) of the asset apart from grant on shared ownership properties which is amortised over 20 years. If the amortised years were reduced to 15 years, this would increase income in the comprehensive income statement by £955k.

Assumptions made when considering impairment
Assumptions made when considering impairment are disclosed in note 12.

Assumptions in respect of MTVH and Notts LGPS
Assumptions in respect of the Metropolitan Thames Valley Housing (MTVH) pension scheme are disclosed in note 23(a). Assumptions in respect of The Nottinghamshire County Council Pension Fund (Notts LGPS) are disclosed in note 23(b). Pension figures in these accounts are prepared by independent actuaries. In preparing the figures the actuaries use a number of judgements based on information provided to them by the Institute and Faculty of Actuaries.

2a. Particulars of turnover, cost of sales, operating costs and operating surplus

Income is measured at the fair value of the consideration received or receivable.

Turnover comprises rental and service charges income receivable (net of any voids), income from first tranche sales, sales of properties built for sale and other services at the invoiced value (net of VAT where recoverable), income from HomeBuy activities, income from non-social activities from joint ventures and associates, amortisation of deferred capital grants, and other grants receivable.

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting. Income from first tranche sales and sales of properties built for sale is recognised at the point of legal completion of the sale. Care and support income is recognised when the contract condition is fulfilled.

The Group adopts the variable method for calculating and charging service charges to leaseholders and will review the years costs for tenants in order to set the following year's service charges for them. Expenditure is recorded when a service is provided and charged to the relevant service charge account or to a sinking fund. Income is recorded based on the estimated amounts chargeable.Sinking funds are monies held on behalf of leaseholders for future maintenance or major repairs; they are recorded in creditors in the balance sheet and the monies are held in separate bank accounts to comply with legislation.

Where we manage units that are owned by others, management fees receivable and reimbursed expenses are shown as income and included in management fees receivable. Costs of carrying out the management contracts and rechargeable expenses are included in operating costs. Where schemes are managed by agents, Income is shown as rent receivable and management fees payable to agents are included in operating costs.

2a. Particulars of turnover, cost of sales, operating costs and operating surplus (continued)

Group	Turnover 2023 £'000	Cost of sales 2023 £'000	Operating costs 2023 £'000	Operating Results 2023 £'000	Operating Results 2022 £'000
Social housing activities					
Social housing lettings (Note 3)	321,571	-	(235,762)	85,809	**90,362**
Other social housing activities					
First tranche sales	26,006	(22,372)	(906)	2,728	**5,139**
Mortgage rescue	-	-	-	-	**449**
Supporting people	13,938	-	(14,601)	(663)	**(320)**
Community investment	677	-	(4,314)	(3,637)	**(3,699)**
Registered care homes	4,538	-	(5,182)	(644)	**(838)**
Development overhead	-	-	(9,168)	(9,168)	**(6,165)**
Other	-	-	-	-	**(306)**
Total other social housing activities	**45,159**	**(22,372)**	**(34,171)**	**(11,384)**	**(5,740)**
Non-social housing activities					
Development of properties for sale	4,355	(3,705)	(83)	**567**	**4,167**
Market renting	4,165	-	(2,169)	**1,996**	**3,495**
Other	12,317	-	(14,198)	**(1,881)**	**2,976**
Total non-social housing activities	**20,837**	**(3,705)**	**(16,450)**	**682**	**10,638**
Total	**387,567**	**(26,077)**	**(286,383)**	**75,107**	**95,260**

	2023	2022
Surplus on RTB / RTA	2,056	2,773
Surplus on staircasing	15,746	20,153
Surplus on homebuy redemptions	6,227	8,053
Surplus on other fixed assets	14,182	6,522
Share of operating surplus in joint ventures and associates	8,410	2,232
Adjusted Operating surplus	**121,728**	**134,993**
Building Safety & Non - recurring income	1,264	8,459
Building Safety & Non – recurring costs	(13,855)	(21,352)
Operating Surplus	**109,137**	**122,100**

The table below analyses the Building Safety and Non-recurring items

	Income 2023 £'000	Costs 2023 £'000	Net costs 2023 £'000	Net costs 2022 £'000
Onerous lease provision	-	(2,280)	(2,280)	-
Building safety remediation	1,264	(11,575)	(10,311)	(5,608)
Worcester Park fire costs	-	-	-	(7,285)
	1,264	(13,855)	(12,591)	(12,893)

2a. Particulars of turnover, cost of sales, operating costs and operating surplus (continued)

Other income from non-social housing activities is comprised of income from leaseholders, commercial properties and garages.

Net building safety remediation costs relate to the costs we are incurring to ensure the safety of our residents while we assess work required in respect of our obligations under the Building Safety Act 2022. Net costs of £10,311k (2022: £5,608k) are comprised of our dedicated Safer Buildings Team, building safety surveys carried out and interim measures, such as temporary alarm installations and waking watch services.

Where significant one-off costs are incurred, these are reported as Non-recurring. The period ending 31st March 2023 reports £2,280k (2022: £Nil) relating to an onerous lease provision that has been recognised.

Association	**Turnover 2023 £'000**	**Cost of sales 2023 £'000**	**Operating Costs 2023 £'000**	**Operating Results 2023 £'000**	**Operating Results 2022 £'000**
Social housing activities					
Social housing lettings (Note 3)	12,526	-	(9,413)	**3,113**	**4,361**
Other social housing activities					
First Tranche Sales	6,957	(6,145)	-	**812**	**1,155**
Community investment	-	-	(374)	**(374)**	**(380)**
Development overhead	-	-	-	**-**	**(4,235)**
Total other social housing activities	**6,957**	**(6,145)**	**(374)**	**438**	**(3,460)**
Non-social housing activities					
Development of properties for sale	-	-	-	**-**	**(4,588)**
Other	987	-	(286)	**701**	**632**
Total non-social housing activities	**987**	**-**	**(286)**	**701**	**(3,956)**
Total	**20,470**	**(6,145)**	**(10,073)**	**4,252**	**(3,055)**
Surplus on staircasing				200	502
Loss on other fixed asset disposals				-	(381)
Adjusted Operating surplus				**4,452**	**(2,934)**
Non – Recurring Costs				(2,280)	-
Operating Surplus				**2,172**	**(2,934)**

The Non-recurring costs of £2,280 relate to an onerous lease provision in respect of downsizing of a floor at the Premier House office.

2b. Group management segmental analysis

	Asset management and Metworks £'000	Development £'000	Customer services £'000	Central services £'000	Consolidation adjustments £'000	2023 Total £'000	2022 Total £'000
Turnover	26,274	46,509	372,024	3,976	(61,216)	**387,567**	**405,924**
Cost of sales	(15,360)	(28,244)	(11,585)	(6,929)	36,041	**(26,077)**	**(48,277)**
Operating costs	(20,276)	(4,400)	(219,613)	(52,979)	10,885	**(286,383)**	**(262,387)**
Surplus on disposal of fixed assets	-	30,171	2,050	3	5,987	**38,211**	**37,501**
Surplus on joint ventures	-	-	-	-	8,410	**8,410**	**2,232**
Adjusted operating (deficit) / surplus	**(9,362)**	**44,036**	**142,876**	**(55,929)**	**107**	**121,728**	**134,993**
Non recurring one-off costs	(10,311)	-	-	(2,280)	-	**(12,591)**	**(12,893)**
Operating (deficit) / surplus 31 March	**(19,673)**	**44,036**	**142,876**	**(58,209)**	**107**	**109,137**	**122,100**
Operating (deficit) / surplus 31 March 2022	**(15,830)**	**49,815**	**136,212**	**(56,347)**	**8,250**	**122,100**	

3. Particulars of income and expenditure from lettings

Group	General needs 2023 £'000	Supported housing 2023 £'000	Other housing 2023 £'000	Shared ownership 2023 £'000	Total 2023 £'000	Total 2022 £'000
Income from letting						
Rent receivable net of identifiable service charges	190,193	28,055	16,439	42,789	**277,476**	**265,393**
Service charges receivable	13,102	12,155	781	9,714	**35,752**	**36,049**
Net rental income	**203,295**	**40,210**	**17,220**	**52,503**	**313,228**	**301,442**
Amortised grant	895	60	4	4,915	**5,874**	**6,313**
Revenue grant	1,303	-	-	-	**1,303**	**-**
Management fees	362	-	7	797	**1,166**	**996**
Total income from lettings	**205,855**	**40,270**	**17,231**	**58,215**	**321,571**	**308,751**
Expenditure on letting activities						
Service charge costs	25,518	13,231	3,751	12,051	**54,551**	**50,479**
Management	40,326	3,205	5,004	14,009	**62,544**	**59,045**
Routine maintenance	29,424	5,733	1,065	1,446	**37,668**	**36,534**
Planned maintenance	18,807	2,322	902	1,401	**23,432**	**21,327**
Major repairs	1,122	166	15	76	**1,379**	**1,094**
Bad debts	1,817	708	112	51	**2,688**	**1,151**
Lease charges	3,460	1,401	98	30	**4,989**	**3,146**
Depreciation	38,664	4,360	3,607	-	**46,631**	**42,818**
Accelerated depreciation	1,208	536	136	-	**1,880**	**2,395**
Net Impairment Charge	-	-	-	-	**-**	**400**
Total expenditure	**160,346**	**31,662**	**14,690**	**29,064**	**235,762**	**218,389**
Surplus on social housing	**45,509**	**8,608**	**2,541**	**29,151**	**85,809**	**90,362**
Rent loss through voids	(1,154)	(3,565)	(1,382)	(89)	**(6,190)**	**(4,523)**

3. Particulars of income and expenditure from lettings (continued)

Association	General needs 2023 £'000	Other housing 2023 £'000	Shared ownership 2023 £'000	Total 2023 £'000	Total 2022 £'000
Income from letting					
Rent receivable net of identifiable service charges	2,794	7,372	1,443	**11,609**	**10,999**
Service charges receivable	248	39	475	**762**	**717**
Net rental income	**3,042**	**7,411**	**1,918**	**12,371**	**11,716**
Amortised grant	-	-	155	**155**	**298**
Total income from lettings	**3,042**	**7,411**	**2,073**	**12,526**	**12,014**
Expenditure on letting activities					
Service charge costs	624	1,563	244	**2,431**	**2,770**
Management	565	1,265	1,040	**2,870**	**675**
Routine maintenance	323	465	116	**904**	**1,075**
Planned maintenance	108	308	43	**459**	**604**
Major repairs	11	-	-	**11**	**1**
Bad debts	(71)	33	2	**(36)**	**(38)**
Leases	-	100	18	**118**	**-**
Depreciation	767	1,825	-	**2,592**	**2,565**
Accelerated depreciation	3	61	-	**64**	**-**
Total expenditure	**2,330**	**5,620**	**1,463**	**9,413**	**7,652**
Surplus on social housing	**712**	**1,791**	**610**	**3,113**	**4,362**
Rent loss through voids	(19)	(48)	(53)	**(120)**	**(40)**

4. Movement in housing units – Group

	1 April 2022	Units developed or newly built units acquired	Units sold/ demolished	Transfers and acquisitions (to)/from other RPs	Other movements	31 March 2023
General needs rented - Social	27,587	19	(163)	(138)	66	27,371
General needs rented - Affordable	2,170	239	-	(7)	(69)	2,333
Housing for Older People rented	3,197	50	-	-	-	3,247
Shared Ownership	9,024	185	(260)	(16)	-	8,933
Supported rented - Social	2,460	-	-	5	(9)	2,456
Supported rented - Affordable	28	-	-	-	-	28
Total Social Housing Units	**44,466**	**493**	**(423)**	**(156)**	**(12)**	**44,368**
Intermediate rent	190	-	(1)	(4)	26	211
Keyworker accommodation	1,771	-	-	-	36	1,807
Rent to HomeBuy	36	-	-	-	-	36
Total Social Housing - Other	**1,997**	**-**	**(1)**	**(4)**	**62**	**2,054**
Market rent	493	-	(69)	-	(25)	399
Student accommodation	295	-	-	-	(36)	259
Leaseholders	6,968	-	(3)	(6)	226	7,185
HomeBuy / MyChoice - HomeBuy	2,965	-	(183)	-	(100)	2,682
Total Non-Social Housing	**10,721**	**-**	**(255)**	**(6)**	**65**	**10,525**
Total	**57,184**	**493**	**(679)**	**(166)**	**115**	**56,947**

	Group Total 2023	Group Total 2022
Units under construction	**2,234**	**1,974**

4. Movement in housing units - Association

	1 April 2022	Units developed or newly built units acquired	Units sold/ demolished	Transfers and acquisitions (to) / from other RPs (MHT)	Other movements	31 March 2023
General needs rented - Social	306	-	-	-	-	306
Shared ownership	260	-	(4)	-	-	256
Total Social Housing Units	**566**	**-**	**(4)**	**-**	**-**	**562**
Intermediate rent	12	-	-	-	-	12
Keyworker accommodation	852	-	-	-	-	852
Total Social Housing - Other	**864**	**-**	**-**	**-**	**-**	**864**
Market rent	-	-	-	-	-	-
Leaseholders	65	-	-	-	4	69
Total Non-Social Housing	**65**	**-**	**-**	**-**	**4**	**69**
Totals	**1,495**	**-**	**(4)**	**-**	**4**	**1,495**

	Association Total 2023	Association Total 2022
Units under construction	**-**	**57**

5. Operating surplus is stated after charging / (crediting)

	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
Depreciation				
Tangible fixed assets - housing properties	38,533	35,752	2,592	2,565
Other fixed assets	8,098	7,066	2,381	2,546
Accelerated depreciation on components - tangible fixed assets	1,880	2,395	64	-
Impairment charge	-	1,521	-	-
Impairment release	-	(1,121)	-	-
Operating leases charges				
Offices	3,358	1,753	645	661
Other buildings non-office	1,576	1,109	118	-
Leases non-buildings	55	284	15	4
Auditor's remuneration (excluding VAT)				
Audit of financial statements	370	250	-	-
In respect of other services	28	112	-	-

6. Surplus on disposal of fixed assets

	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
RTB / RTA				
Disposal proceeds	3,841	5,995	-	-
Cost of disposals	(1,366)	(2,477)	-	-
Transfer to RCGF	(419)	(745)	-	-
	2,056	**2,773**	**-**	**-**
Staircasing				
Disposal proceeds	48,275	55,755	817	1,869
Cost of disposals	(30,471)	(33,169)	(444)	(1,021)
Transfer to RCGF	(2,058)	(2,433)	(123)	(346)
	15,746	**20,153**	**250**	**502**
Redemptions				
HomeBuy redemption income	14,135	19,131	-	-
Homebuy redemption cost of disposals	(7,819)	(11,078)		
HomeBuy marketing costs	(89)	-	-	-
	6,227	**8,053**	**-**	**-**
Surplus on other asset disposals				
Disposal proceeds	45,444	24,347	6	19
Cost of disposals	(28,608)	(15,882)	(56)	(23)
Transfer to RCGF	(2,654)	(1,943)	-	(377)
	14,182	**6,522**	**(50)**	**(381)**
Total surplus on disposal of fixed assets	**38,211**	**37,501**	**200**	**121**

Other asset disposals are comprised of disposals of housing property assets. These are mainly assets that are part of the Strategic Asset Management Programme. 2022/23 also saw the sale of land to Clapham Park (Metropolitan Countryside) LLP.

7. Interest receivable and related income

	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
Interest received	4,426	898	317	438
Subsidiary companies	-	-	497	153
Interest receivable from joint ventures	(41)	1,848	40	1,489
Regeneration partners *	566	202	-	-
Dividend income	588	574	12,254	12,128
	5,539	**3,522**	**13,108**	**14,208**
Gain on hedged derivative instruments recognised in profit & loss	**3,457**	**850**	**-**	**-**

* Regeneration partners relates to interest receivable from Canalside Housing Partnership: a partnership between MHT and One Housing Group.
The Group recorded a surplus after tax of £33m (2022: £41m) after net interest costs of £79m (2022: £75m).

8. Interest and finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are recognised as a reduction in the proceeds of the associated capital instrument.

Where a development project is financed by the borrowings of the Group, finance costs are capitalised during the period of construction (see Note 12). Interest is capitalised to developments costs using the weighted average cost of capital of 4.7% (2022: 4.1%). Capitalisation ceases on practical completion.

	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
Interest on loans repayable	84,890	76,575	2,294	2,637
Net interest on pension fund (Note 24)	1,220	1,436	230	228
Interest on finance leases	34	37	1,671	1,553
Interest on intra group borrowing	-	-	29	488
Interest on recycled capital grant fund (RCGF) (Note 21)	3,451	281	-	22
Less: interest capitalised	(11,133)	(6,184)	(2)	(131)
	78,462	**72,145**	**4,222**	**4,797**
Amortised loan fees and commitment fees	6,110	6,271	85	76
Total interest and finance costs	**84,572**	**78,416**	**4,307**	**4,873**
Change in fair value of hedged financial instruments recognised in other comprehensive income	**(23,913)**	**(12,071)**	**-**	**-**

9. Employees

Short-term employee benefits are recognised as an expense in the period in which they are incurred. The Group allows a maximum of 5 days annual leave / holiday entitlement to be carried over at the end of the calendar year and an accrual is only raised if it is material. The charge in the year is £1,753k (2022: £1,637k) and was accrued for.

Average monthly full-time equivalent (FTE) number of employees

	Group 2023 Number	Group 2022 Number	Association 2023 Number	Association 2022 Number
Senior managers and executives	31	30	7	6
Office staff	1,224	1,256	105	134
Scheme staff	455	439	-	-
In-house contractors	221	213	-	-
	1,931	**1,938**	**112**	**140**

Staff costs (for employees above):	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
Wages and salaries	77,989	77,286	6,676	7,332
Social security costs	7,947	7,424	755	828
Pension costs	3,852	3,856	413	460
	89,788	**88,566**	**7,844**	**8,620**
Capitalised salaries	(9,295)	(9,895)	(1,672)	(2,232)
Staff costs	**80,493**	**78,671**	**6,172**	**6,388**

Number of staff paid over £60,000 in the year (including pension contributions):

	2023 Number	2022 Number
£60,000 - £70,000	78	61
£70,001 - £80,000	51	34
£80,001 - £90,000	38	35
£90,001 - £100,000	27	17
£100,001 - £110,000	13	9
£110,001 - £120,000	6	6
£120,001 - £130,000	5	6
£130,001 - £140,000	7	5
£140,001 - £150,000	4	4
£150,001 - £160,000	3	1
£160,001 - £170,000	3	1
£170,001 - £180,000	-	3
£180,001 - £190,000	2	-
£190,001 - £200,000	1	-
£210,001 - £220,000	1	2
£230,001 - £240,000	1	1
£240,001 - £250,000	1	-
£250,001 - £260,000	-	1
£260,001 - £270,000	1	2
£310,001 - £320,000	1	1
	243	**189**

10. Executive directors and board members

Executive directors
The executive directors comprised six posts as outlined on page 3 of the report and financial statements. MTVH does not make any further contribution to an individual pension arrangement for the Chief Executive.

	2023 Gross pay £	2023 Pension £	2023 Total £	2022 Total £
The aggregate emoluments payable to directors	1,414,469	55,937	1,470,406	1,500,735
Highest paid executive director *	312,597	-	312,597	316,251

* The highest paid executive director in the current and prior year is the Chief Executive.

Board members and other committees
The table below shows salaries paid to non-executive board members, expenses incurred during the discharge of their duties and their attendance during the year:

	2023 Attendance MTVH board	2023 Attendance of other committees	2023 Salary £	2023 Expenses £	2022 Salary £	2022 Expenses £
Michael Dunn	-	-	-	-	10,575	1,251
Lesley-Anne Alexander	-	-	-	-	7,151	-
Gary Adams [2]	7 (100%)	7 (100%)	11,806	-	-	-
Grainia Long	-	-	-	-	11,250	943
Ingrid Reynolds	8 (100%)	7 (100%)	15,000	-	14,167	102
Althea Efunshile	8 (100%)	3 (100%)	30,000	270	30,000	-
Gurpreet Gujral	7 (88%)	10 (100%)	12,500	236	12,500	-
Tania Brisby [1]	1 (100%)	2 (100%)	3,750	-	14,242	-
Davinder Dhillon	6 (75%)	8 (89%)	12,500	-	12,500	177
Nigel Ingram	8 (100%)	8 (100%)	12,500	2,227	12,500	1,755
Ofei Kwafo-Akoto	7 (88%)	8 (100%)	12,500	-	12,500	95
Dennis Hone	8 (100%)	7 (88%)	14,000	236	4,943	-
Trevor Moross	7 (88%)	4 (100%)	14,000	159	5,565	-
Helen Cope	8 (100%)	8 (100%)	14,000	672	1,167	-
			152,556	**3,800**	**149,060**	**4,323**

The Board members' remuneration and Board meeting attendance details disclosed above is for the full financial year.
[1] Retired 15 June 2022 [2] Appointed 20 June 2022

11. Tax on surplus on ordinary activities

The charge for taxation is based on the surplus for the year and takes into account taxation deferred. Deferred tax is provided for on differences between the treatment of certain items for accounting and taxation purposes. It is accounted for to the extent that a liability or asset is expected to be payable or recoverable in the foreseeable future.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Deferred tax is not recognised on timing differences arising on revalued properties unless the Group has entered into a binding sale agreement and is not proposing to take advantage of rollover relief.

The recognition of deferred tax assets is limited to the extent that the Group anticipates making sufficient taxable surpluses in the future to absorb the reversal of the underlying timing differences.

	Group 2023 £'000	**Group 2022 £'000**	**Association 2023 £'000**	**Association 2022 £'000**
Profit / (loss) for the year	33,462	40,263	4,973	(11,526)
Current tax on profits for the year	-	-	-	490
Adjustments in respect of prior periods	-	(429)	-	(520)
Total current tax / (credit)	**-**	**(429)**	**-**	**(30)**
Deferred taxation				
Movement in the period	-	-	-	-
Adjustment in respect of previous period	-	-	-	-
Tax on surplus on ordinary activities	-	**(429)**	**-**	**(30)**

Reconciliation of current tax	**Group 2023 £'000**	**Group 2022 £'000**	**Association 2023 £'000**	**Association 2022 £'000**
Profit / (loss) on ordinary activities before taxation	33,462	40,263	4,973	(11,526)
Profit / (loss) on ordinary activities at the standard rate of corporation tax in the UK of 19%	6,358	7,650	945	(2,190)
Expenses not deductible for tax purposes	2,086	1,200	2,097	3,858
Income not taxable for tax purposes	(6,433)	(8,074)	-	(95)
Chargeable gains	1,934	1,327	-	95
Difference between accounting and tax adjusted profits from JVs	-	373	(1,822)	(1,557)
Gift aid	(3,477)	(2,657)	(1,064)	-
Prior year adjustment	-	(429)	-	(520)
Deferred tax not recognised	(97)	397	(156)	379
Use of tax losses brought forward not recognised as deferred tax asset	(371)	(216)	-	-
Total tax charge / (credit) for the period	**-**	**(429)**	**-**	**(30)**

11. Tax on surplus on ordinary activities (continued)

Analysis of tax charge/ (credit) on other comprehensive profit/ (loss) before taxation for the period

	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
Other comprehensive profit/ (loss) before tax for the year	48,502	33,730	4,830	1,806
UK Corporation tax				
Total current tax charge/ (credit)	-	-	-	-
Deferred taxation				
Movement in the period	1,608	395	-	-
Adjustment in respect of previous period	-	-	-	-
Total deferred tax	**1,608**	**395**	**-**	**-**
Taxation charge on other income before taxation	**1,608**	**395**	**-**	**-**
Other comprehensive income after taxation	**46,894**	**33,335**	**4,830**	**1,806**

Factors impacting the tax charge/ (credit) on other comprehensive profit/ (loss) before taxation for the period

The tax charge/ (credit) is lower (2022: lower) than the standard rate of corporation tax for the UK for the year ended 31 March 2023 of 19% (2022: 19%)

	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
Other comprehensive profit/ (loss) before tax for the year	48,502	33,730	4,830	1,806
Profit / (loss) on other comprehensive income at the standard rate of corporation tax in the UK of 19%	9,215	6,409	918	343
Prior year adjustment	-	-	-	-
Deferred tax not recognised	(918)	(343)	(918)	(343)
Impact of change in tax rate	386	(390)	-	-
Surplus covered by charitable exemption	(7,075)	(5,281)	-	-
Total tax charge / (credit) for the period	**1,608**	**395**	**-**	**-**

Finance Act 2021, which received Royal Assent on 10 June 2021, enacted an increase in the main rate of corporation tax from 19% to 25% from 1 April 2023.

Group
The unrecognised deferred tax asset at 31 March 2023 is £2,516k (2022: £3,426k).

Association
The unrecognised deferred tax asset as at 31 March 2023 is £2,328k (2022: £3,171k).

12. Fixed assets – housing properties

Housing properties

Social housing properties are properties held for social benefits purposes in line with the requirements of FRS 102 section 17. These properties include general needs properties, affordable homes and shared ownership properties. Properties not held for social benefit purposes are accounted for in line with FRS 102 section 16 and these include market rented properties.

Housing properties constructed or acquired (including land) on the open market since the date of transition to FRS 102 are stated at cost less depreciation and impairment (where applicable). Housing properties constructed or acquired (including land) on the open market before the date of transition are stated at either historical cost or deemed cost net of depreciation and impairment.

The cost of housing land and property represents their purchase price and any directly attributable costs of acquisition which may include an appropriate amount for staff costs and other costs of managing development.

Directly attributable costs of acquisition includes capitalised interest calculated, on a proportional basis, using the interest on borrowing which has been drawn in order to finance the relevant construction or acquisition. Where housing properties are in the course of construction, interest cost is only capitalised where construction is ongoing and has not been interrupted or terminated.

If housing properties are being developed on behalf of other associations outside the Group under agency arrangements, the costs concerned are dealt with under current assets as properties held for resale.

Separate disclosure of a valuation of the housing properties based on Existing Use Value for Social Housing (EUV-SH) and Market Value (MV) is also provided.

Depreciation of housing property

Housing land and property is split between land, structure and other major components that are expected to require replacement over time. Freehold land is not depreciated as it is considered to have an indefinite useful economic life.

No depreciation is charged in the period of acquisition and depreciation is charged in the period of disposal.

The portion of shared ownership property retained or expected to be retained is not depreciated on account of the high residual value. Neither the depreciable amount nor the expected annual depreciation charge for such assets is considered material, individually or in aggregate.

12. Fixed assets – housing properties (continued)

Assets in the course of construction are not depreciated until they are completed and ready for use to ensure that they are depreciated only in periods in which economic benefits are expected to be consumed.

Housing properties are split between the structure and the major components which require periodic replacement. The costs of replacement or restoration of these components are capitalised and depreciated over the determined average useful economic life as follows:

Component	Economic useful life in years
Structure	125
Roofs (pitched)	70
Energy efficiency	50
Electrics	40
External windows	40
Bathroom	30
External doors	30
Communal	20
Kitchen	20
Lifts	20
Mechanical systems	20
Solar panels	20
Roofs (flat)	20
Boiler	15
Outside space	10
Aids and adaptions	5

Leasehold properties are depreciated over the length of the lease except where the expected useful economic life of properties is shorter than the lease, when the lease and building elements are depreciated separately over their expected useful economic lives.

It is the Group's policy to maintain shared ownership accommodation, and it is responsible for keeping its part of the shared ownership in a continuous state of sound repair. The Group considers that the lives of properties are so long, and residual values based on current open market value are so high that any depreciation would be insignificant. Any impairment in the value of such properties is charged to the Statement of Comprehensive Income.

Any difference between the historical annual depreciation charge on revalued assets and the annual depreciation charge on a historical cost basis is transferred from the revaluation reserve for the asset concerned until that reserve is depleted.

Allocation of costs for mixed tenure and shared ownership developments

Costs are allocated to the appropriate tenure where it is possible to specify to which tenure the expense relates. Where it is not possible to relate costs to a specific tenure, costs are allocated on a floor area or unit basis depending on the appropriateness for each scheme.

Infrastructure assets

Infrastructure assets are infrastructure for public services, such as roads and bridges. Such expenditure is capitalised within property, plant and equipment (PPE) and is depreciated over 30 years.

12. Fixed assets – housing properties (continued)

Donated land and other assets

Land and other assets donated by local authorities and other government sources are added to cost at the fair value of the land at the time of the donation. Where the land is not related to a specific development and is donated by a public body an amount equivalent to the increase in value between fair value and consideration paid is treated as a non-monetary grant and recognised in the Statement of Financial Position as a liability. Where the donation is from a non-public source the value of the donation is included as income.

Investment properties

Investment properties consist of commercial properties and other properties not held for social benefit or for use in the business. Investment properties are measured at cost on initial recognition and subsequently at fair value at the statement of comprehensive income date, with changes in fair value recognised in income and expenditure. On recognition of a new investment property, a professional valuation is obtained by appropriately qualified external valuers. The valuation is derived from current market rents and investment property yields for comparable properties, adjusted if necessary, for any difference in the nature, location or condition of the specific asset. No depreciation is provided on investment properties. Fair value is determined annually through a desktop valuation.

Market rented properties

Market rented properties held as investments are carried at fair value and revalued annually. Changes in fair value are recognised in profit & loss. No depreciation is provided in respect of market rented properties.

Pre-contract costs

Pre-contract costs are recognised as an asset only if they are directly attributable to specific contracts, can be separately identified, measured reliably and when there is virtual certainty that a contract will be obtained and is expected to result in future net cash inflows.

Land

Where land has been acquired it is accounted for either as a fixed asset under property, land and equipment (where land is acquired for social housing purpose) or as an investment property (where land is acquired for other purposes) and measured initially at the cost of the land. For investment property land will be subsequently valued at fair value, with surpluses or deficits recognised in the Statement of Comprehensive Income.

RTB / RTA

Under Right to Buy (RTB) and Right to Acquire (RTA) arrangements the Group sells properties to qualifying tenants. Surpluses and deficits arising are included in the surplus on sale of fixed assets in the Statement of Comprehensive Income.

Government grant

Grants received in relation to assets that were recorded at deemed cost at the date of transition to FRS 102 have been accounted for using the performance model as required by the Housing SORP: 2018 update. In applying this model, such grant has been presented as if it were originally recognised as income within the Statement of Comprehensive Income and expenditure in the year it was receivable and is therefore included within brought forward reserves.

12. Fixed assets – housing properties (continued)

Grant received since the transition date in relation to newly acquired or existing housing properties is accounted for using the accrual model set out in FRS 102 and the Housing SORP: 2018 update. Grant is carried as deferred income in the statement of comprehensive income and released to the income and expenditure account on a systematic basis over the useful economic lives of the asset for which it was received. In accordance with Housing SORP: 2018 update the useful economic life of the housing property structure has been selected.

Where social housing grant (SHG) funded property is sold, the grant becomes recyclable and is transferred to a recycled capital grant fund until it is reinvested in a replacement property. If there is no requirement to recycle or repay the grant on disposal of the assets any unamortised grant remaining within creditors is released and recognised as income within the income and expenditure account.

Grants relating to revenue are recognised in income and expenditure once performance related conditions have been met.

Grants due from government organisations or received in advance are included as current assets or liabilities.

Housing properties impairment

The housing property portfolio for the Group is assessed for indicators of impairment at each reporting date. Where indicators are identified then a detailed assessment is undertaken to compare the carrying amount of assets or cash generating units for which impairment is indicated to their recoverable amounts. An option appraisal is carried out to determine the option which produces the highest net realisable value. Valuations on rental return or potential sale proceeds are obtained and used to inform the options.

The recoverable amount is taken to be the higher of the fair value less costs to sell or value in use of an asset or cash generating unit. The assessment of value in use may involve considerations of the service potential of the assets or cash generating units concerned or the present value of future cash flows to be derived from them appropriately adjusted to account for any restrictions on their use.

The Group defines cash generating units as schemes except where its schemes are not sufficiently large or where it is geographically sensible to group schemes into larger cash generating units. Where the recoverable amount of an asset or cash generating unit is lower than its carrying value an impairment is recorded through a charge to the statement of comprehensive income and expenditure.

Impairment for completed housing properties in the year amounted to Nil (2022: £1,761k)

Capitalised interest

Additions to housing properties in the course of construction during the year included capitalised interest of £9,499k (2022: £3,760k). The weighted average cost of capital was 4.7% (2022: 4.1%). The aggregate amount capitalised is £137.4m (2022: £126.3m).

12. Fixed assets – housing properties (continued)

Properties held for security
The Group had property with a net book value of £2,968m pledged as security at 31 March 2023 (2022: £2,799m).

Freehold / leasehold
The Group held long leasehold and freehold housing properties at the following net book value.

	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
Long leasehold	538,577	538,477	72,933	67,053
Finance leases	22,371	22,829	22,371	22,829
Freehold	4,167,503	4,056,637	297	8,003
	4,728,451	**4,617,943**	**95,601**	**97,885**

Finance leases
The net carrying amount of assets held under finance leases included in housing properties, for mechanical systems, is £460k (2022: £495k).

There is one significant finance lease which is related to an agreement with EnviroEnergy to supply and install heating and heating equipment as part of the Nottingham district heating scheme. At the end of the lease term the risk and responsibility of the heating equipment will be transferred to the Group. The remaining lease term is 10 years as at 31 March 2023

12. Fixed assets – housing properties (continued)

Group	Housing properties under construction		Completed housing properties				
	Rented properties £'000	Shared ownership £'000	Rented properties £'000	Key worker accommodation £'000	Shared ownership £'000	Community properties £'000	Total £'000
Cost / value							
At 1 April 2022	**246,188**	**110,282**	**3,413,841**	**119,617**	**966,940**	**2,113**	**4,858,981**
Reclassification	-	-	(36)	-	1,001	-	965
Movement from/to stock/current assets		(2,085)			1,041	-	(1,044)
Schemes completed in year	(99,010)	(38,096)	99,010	-	38,096	-	-
New developments	125,276	50,209	-	-	-	-	175,485
Component replacements	-	-	18,683	2,203	-	-	20,886
RCGF funded major repairs	-	-	9,949	-	-	-	9,949
Other additions	-	-	2,209	-	40	-	2,249
Property disposals	(11,584)	(208)	(21,195)	(187)	(31,147)	-	(64,321)
At 31 March 2023	**260,870**	**120,102**	**3,522,461**	**121,633**	**975,971**	**2,113**	**5,003,150**
Depreciation							
At 1 April 2022	**-**	**-**	**209,639**	**25,346**	**-**	**180**	**235,165**
Charge for year	-	-	32,381	6,122	-	30	38,533
Eliminated on disposal	-	-	(3,320)	(22)	-	-	(3,342)
At 31 March 2023	**-**	**-**	**238,700**	**31,446**	**-**	**210**	**270,356**
Impairment							
At 1 April 2022	**(599)**	**4,825**	**1,521**	**-**	**126**	**-**	**5,873**
Reclassification	599	(599)	-	-	-	-	-
Released on disposals	-	(1,530)	-	-	-	-	(1,530)
At 31 March 2023	**-**	**2,696**	**1,521**	**-**	**126**	**-**	**4,343**
Net book value							
At 31 March 2023	**260,870**	**117,406**	**3,282,240**	**90,187**	**975,845**	**1,903**	**4,728,451**
At 31 March 2022	**246,787**	**105,457**	**3,202,681**	**94,271**	**966,814**	**1,933**	**4,617,943**

12. Fixed Assets – Housing Properties (continued)

Association

Group	Housing properties under construction	Completed housing properties			
	Shared ownership	Rented properties	Key worker accommodation	Shared ownership	Total
	£'000	£'000	£'000	£'000	£'000
Cost / value					
At 1 April 2022	**4,573**	**35,671**	**64,618**	**11,614**	**116,476**
Additions					
New developments	454	-	-	-	454
Component replacements	-	-	326	-	326
Disposals					
Component replacements	-	-	(107)	-	(107)
Property disposals	-	-	-	(408)	(408)
At 31 March 2023	**5,027**	**35,671**	**64,837**	**11,206**	**116,741**
Depreciation					
At 1 April 2022	**-**	**4,657**	**13,920**	**14**	**18,591**
Charge for year	-	767	1,825	-	2,592
Eliminated on disposal	-	(43)	-	-	(43)
At 31 March 2023	**-**	**5,381**	**15,745**	**14**	**21,140**
Net book value					
At 31 March 2023	**5,027**	**30,290**	**49,092**	**11,192**	**95,601**
At 31 March 2022	**4,573**	**31,034**	**50,678**	**11,600**	**97,885**

12. Fixed assets – housing properties (continued)

Investment properties

	Group Completed (Valuation) £'000	Group Under Construction £'000	Group Total £'000	Association Completed (Valuation) £'000	Association Under Construction £'000	Association Total £'000
At 1 April 2022	**63,370**	**11**	**63,381**	**3,581**	**-**	**3,581**
Reclassification	(1,064)	-	**(1,064)**	-	-	**-**
Revaluations	1,569	-	**1,569**	-	-	**-**
At 31 March 2023	**63,875**	**11**	**63,886**	**3,581**	**-**	**3,581**

Investment properties are carried at fair value and valued on an annual basis. Commercial properties are revalued internally after considering any changes on the leases in place for these. Market rental properties are revalued using the Office of National Statistics market rent index.

Internal desktop valuations carried out for investment properties at 31 March 2023 indicated an increase in value of £628k (2022: (£8,034k)) for commercial properties, an increase of £941k (2022: £1,005k increase) for market rental properties

13. Other fixed assets

Depreciation and amortisation is charged on a straight-line basis over the expected useful economic lives of the other fixed assets at the following annual rates:

Furniture and equipment	5 years
Offices	Length of lease
Computer hardware and software	5 years

No depreciation or amortisation is charged in the period of acquisition and depreciation and amortisation is charged in the period of disposal. Impairment charged during the year is £nil (2022:£nil).

	Tangible			Intangible	
Group	**Offices £'000**	**Furniture and equipment £'000**	**Computer hardware £'000**	**Computer software £'000**	**Total £'000**
Cost					
At 1 April 2022	**28,092**	**7,015**	**41,084**	**16,800**	**92,991**
Additions	397	121	666	6,578	**7,762**
Disposals	(3,203)	(588)	(67)	-	**(3,858)**
At 31 March 2023	**25,286**	**6,548**	**41,683**	**23,378**	**96,895**
Accumulated depreciation and amortisation					
At 1 April 2022	**8,505**	**5,722**	**34,609**	**5,186**	**54,022**
Depreciation and amortisation charge	1,901	465	2,624	3,108	**8,098**
Disposals	(658)	(822)	(791)	-	**(2,271)**
At 31 March 2023	**9,748**	**5,365**	**36,442**	**8,294**	**59,849**
Impairment					
At 1 April 2022	**179**	**-**	**-**	**-**	**179**
Reversal of impairment	(179)	-	-	-	**(179)**
At 31 March 2023	**-**	**-**	**-**	**-**	**-**
Net book value					
At 31 March 2023	**15,538**	**1,183**	**5,241**	**15,084**	**37,046**
At 31 March 2022	**19,408**	**1,293**	**6,475**	**11,614**	**38,790**

Following a review of other fixed asset register, it was identified that certain computer software was included within "tangible other fixed assets." Computer software to the extent that it is not integral to the hardware on which it operates is considered to be an intangible asset. Given the material size of the balance, this has been treated as a change in accounting policy and accounted for retrospectively.

The effect of this is to re-classify cost of £14,132K and Accumulated depreciation of £4,749K as at 31 March 2022 from Other fixed assets to Intangible fixed assets. This does not impact the Total fixed assets, Total assets less current liabilities or Statement of Comprehensive income..

Association	Tangible Offices £'000	Tangible Furniture and equipment £'000	Tangible Computer hardware £'000	Intangible Computer software £'000	Total £'000
Cost					
At 1 April 2022	**5,751**	**1,180**	**25,539**	**2,667**	**35,137**
Additions	-	-		**503**	**503**
At 31 March 2023	**5,751**	**1,180**	**25,539**	**3,170**	**35,640**
Accumulated depreciation and amortisation					
At 1 April 2022	**4,176**	**1,176**	**22,541**	**437**	**28,330**
Depreciation and amortisation charge	424	4	1,418	535	**2,381**
At 31 March 2023	**4,600**	**1,180**	**23,959**	**972**	**30,711**
Net book value					
At 31 March 2023	**1,151**	**-**	**1,580**	**2,198**	**4,929**
At 31 March 2022	**1,575**	**4**	**2,998**	**2,230**	**6,807**

14. HomeBuy loans

HomeBuy
Under the HomeBuy scheme and the Key Worker Living Initiative, the Group received social housing grant (SHG) representing a percentage of the open market purchase price of a property in order to advance interest-free loans to a home buyer. When loans are redeemed the carrying value of the loan is charged to cost of sales and the grant is recycled through the recycled capital grant fund.

MyChoice HomeBuy
Under the MyChoice HomeBuy scheme, the Group has issued interest-bearing loans representing a percentage of the open market purchase price of the properties. Half of these loans are funded from the Group's own resources and the other half funded by SHG. When loans are redeemed the carrying value of the loan and the carrying value of our investment is charged to cost of sales and the grant is recycled through the recycled capital grant fund.

	Group £'000 2023	Group £'000 2022
At 1 April 2022	**127,446**	**138,538**
Mortgage rescue equity loans	525	-
Redeemed during the year	(7,819)	(11,006)
Loans previously redeemed	102	(86)
At 31 March 2023	**120,254**	**127,446**

The Association does not have HomeBuy loans.

HomeBuy loans have been classified as concessionary loans in line with FRS 102 section 34 as TVH is a PBE and carried at transaction price. HomeBuy loans are receivables to the Group and Association.

15. Other investments

	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
Bond Securities	2,336	2,284	-	-
Other investments	2,377	2,258	5,500	5,500
Bank deposits	2,983	11,436	-	-
	7,696	**15,978**	**5,500**	**5,500**

Other investments contain loan related sinking funds of £6,299k (2022: £6,178k), amounts placed with bank in relation to margin calls on derivatives £nil (2022: £8,500k) and property investment £1,367k (2022: £1,266k). These are held as fixed assets to match the life of the related financial liability.

16. Stock

Stock represents materials held for use for repairs and maintenance work, construction work in progress and completed properties held for sale, including housing properties developed for transfer to other registered providers; properties developed for outright sale; and shared ownership properties. For shared ownership properties the value held as stock is the estimated cost to be sold as a first tranche.

Stock is stated at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development overheads. Net realisable value is based on estimated sales proceeds after allowing for all further costs to completion and selling costs.

Assessments are made of recoverability using the same criteria described in the housing properties impairment policy above. There was no impairment charge for the Group, for the period in review, included in Stock (2022: nil).

The stock figures below includes capitalised interest of £1,639k (2022: £2,425k).

	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
Materials	150	115	-	-
Properties developed for sale				
Work in progress, Shared ownership	35,832	31,210	-	696
Completed properties, Shared ownership	12,861	16,099	2,536	7,615
Work in progress, outright sales developments	10,401	14,613	-	-
Completed properties, outright sales	4,350	3,940	-	-
Land held for sale	3,500	3,500	-	-
Work in progress for other Associations	-	-	-	2,088
Completed properties other Associations	-	-	44,488	45,577
	66,944	**69,362**	**47,024**	**55,976**
	67,094	**69,477**	**47,024**	**55,976**

None of the stock has been pledged as collateral against borrowing by either the Group or the Association (2022: £nil). Completed properties for other Associations are shared ownership properties. Properties are transferred to Metropolitan Housing Trust Limited after all first tranche sales have been completed for a scheme.

17. Debtors

	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
Due within one year:				
Rental debtors	28,476	29,951	780	1,565
Less: bad debt impairment	(8,341)	(8,291)	(108)	(180)
Net rental debtors	**20,135**	**21,660**	**672**	**1,385**
Amounts owed by subsidiary undertakings	-	-	31,719	43,554
SHG receivable	-	98	-	-
Prepayments and accrued income	8,520	7,035	439	424
VAT debtor (Capital Goods Scheme)	180	-	-	298
Derivative financial instruments	355	-	-	-
Other debtors	31,662	23,999	254	3,646
	60,852	**52,792**	**33,084**	**49,307**
Due after more than one year				
Right to receive asset	20,513	23,099	-	-
Staff loans	22	16	-	-
Deferred consideration	8,407	-	1,000	6,622
Due from subsidiary undertakings	-	-	3,510	3,577
Deferred Tax	17	1,624	-	-
Property mortgages	69	73	69	73
Derivative financial instruments	169	-	-	-
	29,197	**24,812**	**4,579**	**10,272**

The right to receive asset represents the present value of receipts relating to the agreement between Evolution (Woking) Ltd and Woking Borough Council dated 15 November 2013. The concession period runs for 25 years from the date of handover of the last housing unit.

An amount of £741k has been recognised in profit and loss in relation to this asset (2022: £699k).

Deferred consideration of £8,407k (2022: £Nil) due after more than one year is in respect of the sale of land by Metropolitan Living Limited to Clapham Park (Metropolitan Countryside) LLP. The LLP is a 50:50 joint venture between Metropolitan Living Limited and Countryside Homes. The land will be used for the development of market sale units.

18. Creditors: amounts falling due within one year

	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
Debt (Note 22)	75,457	42,401	954	-
Derivative financial instruments	575	2,888	-	-
Trade creditors	13,242	10,220	57	230
Due to subsidiary undertakings	-	-	41,776	89,090
Amounts owed in respect of housing properties under development	19,233	16,724	3,762	3,810
VAT creditor	153	621	67	-
Other taxation and social security	2,118	1,977	-	-
Other creditors	40,417	35,706	4,038	2,630
Obligations under finance leases (Note 28)	38	35	268	274
Accruals and deferred income	93,087	66,180	1,447	1,904
Recycled Capital Grant Fund (Note 21)	119,952	115,154	-	755
Rent and service charge paid in advance	19,469	17,475	293	241
Deferred government grant (Note 20)	5,874	6,316	155	298
	389,615	**315,697**	**52,817**	**99,232**

19. Creditors: amounts falling due after one year

	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
Debt (Note 22)	1,361,242	1,361,869	44,383	40,301
Corporate bond (Note 22)	499,976	500,057	-	-
Derivative financial instruments	17,533	43,677	-	-
Obligations under finance leases (Note 28)	423	460	23,728	23,633
Amounts owed in respect of housing properties under development	5,444	3,242	-	-
Recycled Capital Grant Fund (Note 21)	37,428	34,341	-	538
Deferred government grant (Note 20)	388,940	361,209	2,848	2,862
Major repairs grant	9,451	-	-	-
	2,320,437	**2,304,855**	**70,959**	**67,334**

20. Deferred government grant (DGG)

	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
At 1 April	**367,525**	**357,358**	**3,160**	**5,936**
Movement in RCGF	(1,602)	(1,354)	(2)	370
Movement in other creditors	-	-	-	-
SHG received / (repaid)	15,081	20,597	-	-
Utilised on new build	25,532	5,925	-	-
Transfer to subsidiary undertakings	30	-	-	(2,848)
Amortised in current year	(5,874)	(6,316)	(155)	(298)
HomeBuy repaid / recycled on redemptions	(5,878)	(8,685)	-	-
At 31 March	**394,814**	**367,525**	**3,003**	**3,160**
Due in one year	5,874	6,316	155	298
Due after one year	388,940	361,209	2,848	2,862
	394,814	**367,525**	**3,003**	**3,160**

21. Recycled capital grant fund (RCGF)

We recognise and recycle capital grant in accordance with guidance from Homes England and Greater London Authority (GLA). As at 31 March 2023, £74.2m (2022: £64.5m) is over three years old and we are in discussion with the GLA about recycling this expired element.

	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
At 1 April	**149,495**	**136,959**	**1,293**	**11,549**
Utilised on new build	(1,043)	(5,925)	-	-
Utilised on major repairs	(9,950)	-	-	-
Grants recycled upon relevant events:				
HomeBuy	5,980	8,601	-	-
Recycled from DGG	4,114	4,922	(123)	25
Recycled from reserves	5,333	4,747	123	346
Repaid to GLA	-	(90)	-	-
Transfer within group	-	-	(1,293)	(10,649)
Interest accrued	3,451	281	-	22
At 31 March	**157,380**	**149,495**	**-**	**1,293**
RCGF creditor falling due in one year	119,952	115,154	-	755
RCGF creditor falling due after one year	37,428	34,341	-	538
	157,380	**149,495**	**-**	**1,293**

22. Debt analysis

	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
Loans				
Within one year	75,457	42,401	954	-
Between one and two years	66,532	74,462	4,959	1,000
Between two and five years	217,676	181,885	-	-
In more than five years	1,077,034	1,105,522	39,424	39,301
	1,436,699	1,404,270	45,337	40,301
Corporate Bonds				
In more than five years	499,976	500,057		
	1,936,675	**1,904,327**	**45,337**	**40,301**

Security
Loans and Corporate Bonds are predominantly secured by fixed charges on individual properties.

Terms of repayment and interest rates
The debt is repayable in accordance with lender agreed profiles. 86% of our debt is fixed with rates of interest ranging from 0.3% to 11.3% (2022: 0.3% to 11.3%). Our Corporate Bonds have fixed coupon rates of 1.875% and 4.125%.

The Group had undrawn loan facilities of £725m (2022: £668m).

Obligations under finance leases are disclosed in Note 28. Further information on financial instruments is given in Note 30.

23. Pensions

The Group participates in two funded schemes, the Metropolitan Thames Valley 2019 Pension Scheme (The MTVH Scheme) and the Nottinghamshire County Council Local Government Pension Scheme (Notts LGPS). The Group also participates in a defined contribution scheme, the MTVH DC Scheme.

Under Defined Benefits Accounting, the current service cost and costs from settlements and curtailments are charged against operating surplus. Past service costs are recognised in the current reporting period. Interest is calculated on the net defined benefit liability. Re-measurements are reported in other comprehensive income.

Management's estimates relating to the defined benefit schemes are based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salaries. Variation in these assumptions may significantly impact the defined benefit obligation and annual expense as shown in this note. These assumptions and calculations are prepared by an independent actuary.

With defined contribution pensions schemes the Group does not have further future obligations other than those disclosed in the statement of financial position within Creditors falling due within one year which are paid a month following deductions on each payroll processing.

The MTVH Scheme
The scheme was established on 26 June 2019 and provides benefits that were originally accrued in the Pensions Trust – Social Housing Pension Scheme (SHPS) which were subsequently transferred to the scheme on 4 October 2019. The scheme is closed to new members and is not open to accrual, although some members retain a salary-link on some of their benefits.

On 28 February 2020 the Scheme completed its 2020 triennial valuation. The next triennial valuation has an effective date of 28 February 2023 and is currently being undertaken by the Scheme's Trustee.

The Nottinghamshire County Council Pension Fund (Notts LGPS)
The Notts LGPS is a multi-employer defined benefit pension scheme, and is accounted for using Defined Benefits Accounting. Scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit credit method and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the Statement of Financial Position.

23a. The MTVH Scheme
The liabilities in respect of the Scheme at 31 March 2023 have been calculated using the projected unit method and by rolling forward the results of the 28 February 2020 technical provisions using actuarial techniques, allowing for cashflows and interest over the period, and differences between the assumptions used to set the technical provisions and those selected for accounting under FRS 102.

23a. The MTVH Scheme (continued)

It is important to note that the estimated liability will not reflect all differences in demographic experience since the triennial valuation date from that assumed. However, we are satisfied that this approach should not introduce any material distortions provided that the actual experience has been broadly in line with the assumptions, and that the structure of the liabilities is not materially different from the triennial valuation date.

This method will not produce identical results to those which would be obtained by performing a full valuation at 31 March 2023. However, FRS 102 allows the use of estimates and actuarial techniques to make a reliable estimate of the liabilities recorded under FRS 102. As a result, we believe this to be an acceptable approach.

Under defined benefit accounting the Scheme assets are measured at fair value. Scheme liabilities are measured on an actuarial basis using the projected unit credit method and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the Statement of Financial Position. The current service cost and costs from settlements and curtailments are charged to operating surplus. Past service costs are recognised in the current reporting period. Interest is calculated on the net defined benefit liability. Re-measurements are reported in other comprehensive income.

The sections below outline the key assumptions underpinning the actuarial valuations, the analysis of the scheme deficit, analysis of the pension obligation and scheme' asset and the subsequent impact to the statement of comprehensive income (SOCI) and the other comprehensive income statement (OCI).

Assumptions	**MHT 2023**	**MHT 2022**	**TVH 2023**	**TVH 2022**
Discount Rate	4.68%	2.63%	4.66%	2.62%
RPI assumption	3.28%	3.63%	3.26%	3.59%
CPI assumption	2.88%	3.13%	2.86%	3.09%
Salary Growth	3.20%	3.50%	3.20%	3.50%

The mortality assumptions adopted at 31 March 2023 imply the following life expectancies:

	Years
Male (current age 45)	87.8
Male (current age 65)	86.6
Female (current age 45)	90.0
Female (current age 65)	88.9

23a. The MTVH Scheme (continued)

Net present value of pension liability

	MHT 2023 £'000	MHT 2022 £'000	TVH 2023 £'000	TVH 2022 £'000	Group 2023 £'000	Group 2022 £'000
Fair value of plan assets	119,359	167,212	28,724	39,307	148,083	206,519
Present value of defined benefit obligation	(136,796)	(202,056)	(32,393)	(48,629)	(169,189)	(250,685)
Deficit in plan	**(17,437)**	**(34,844)**	**(3,669)**	**(9,322)**	**(21,106)**	**(44,166)**

Reconciliation of opening and closing pension liability

	MHT 2023 £000	MHT 2022 £000	TVH 2023 £000	TVH 2022 £000	Group 2023 £000	Group 2022 £000
At 1 April	**202,056**	**213,041**	**48,629**	**50,082**	**250,685**	**263,123**
Interest expense	5,243	4,210	1,250	1,002	6,493	5,212
Actuarial loss / (gain) due to scheme experience	10,447	140	2,555	102	13,002	242
Actuarial loss / (gain) due to changes in demographic assumptions	(20)	(3,025)	(4)	(717)	(24)	(3,742)
Actuarial loss / (gain) due to changes in financial assumptions	(75,497)	(7,201)	(18,186)	(1,324)	(93,683)	(8,525)
Benefits paid	(5,433)	(5,109)	(1,851)	(516)	(7,284)	(5,625)
At 31 March	**136,796**	**202,056**	**32,393**	**48,629**	**169,189**	**250,685**

Reconciliation of opening and closing pension assets

	MHT 2023 £000	MHT 2022 £000	TVH 2023 £000	TVH 2022 £000	Group 2023 £000	Group 2022 £000
At 1 April	**167,212**	**156,574**	**39,307**	**38,216**	**206,519**	**194,790**
Interest income	4,385	3,122	1,020	773	5,405	3,895
Experience on plan assets excluding interest income	(51,298)	8,501	(10,805)	(133)	(62,103)	8,368
Contributions by the employer	4,990	4,887	1,170	1,146	6,160	6,033
Administration expenses	(497)	(763)	(117)	(179)	(614)	(942)
Benefits paid	(5,433)	(5,109)	(1,851)	(516)	(7,284)	(5,625)
At 31 March	**119,359**	**167,212**	**28,724**	**39,307**	**148,083**	**206,519**
Return on plan assets	**(28.1%)**	**7.4%**	**(24.9%)**	**1.7%**	**(27.5%)**	**6.3%**

23a. The MTVH Scheme (continued)

Impact on income & expenditure

	MHT 2023 £000	MHT 2022 £000	TVH 2023 £000	TVH 2022 £000	Group 2023 £000	Group 2022 £000
Expenses	497	763	117	179	614	942
Net interest expense	858	1,088	230	229	1,088	1,317
	1,355	**1,851**	**347**	**408**	**1,702**	**2,259**

Other comprehensive income impact

	MHT 2023 £000	MHT 2022 £000	TVH 2023 £000	TVH 2022 £000	Group 2023 £000	Group 2022 £000
Return / (loss) on plan assets in excess of interest income	(51,298)	8,501	(10,805)	(133)	(62,103)	8,368
Actuarial (loss) / gain on experience adjustment	(10,447)	(140)	(2,555)	(102)	(13,002)	(242)
Actuarial (loss) / gain on demographic assumptions	20	3,025	4	717	24	3,742
Actuarial (loss) / gain on financial assumptions	75,497	7,201	18,186	1,324	93,683	8,525
	13,772	**18,587**	**4,830**	**1,806**	**18,602**	**20,393**

Assets analysis

	MHT 2023 £000	MHT 2022 £000	TVH 2023 £000	TVH 2022 £000	Group 2023 £000	Group 2022 £000
Diversified growth	11,340	42,688	2,729	10,035	14,069	52,723
Equity linked bonds	31,351	-	7,545	-	38,896	-
LDI equity-linked bond funds	-	30,019	-	7,057	-	37,076
Absolute return	30,932	47,048	7,444	11,058	38,376	58,106
Alternative risk	8,538	19,229	2,055	4,521	10,593	23,750
Liability driven investment	31,815	26,630	7,656	6,260	39,471	32,890
Net current assets	5,383	1,598	1,295	376	6,678	1,974
Total assets	**119,359**	**167,212**	**28,724**	**39,307**	**148,083**	**206,519**

23b. The Nottinghamshire County Council Pension Fund (Notts LGPS)

The Nottinghamshire County Council Pension Fund, which is administered by Nottinghamshire County Council, is a defined benefits scheme based on final pensionable salary, contributions being charged to the income and expenditure account over employees' working lives with the Group. The Contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

The most recent valuation of the whole fund was at 31 March 2022. To assess the value of the Employer's liabilities at 31 March 2023, the value of the Employer's liabilities calculated for the funding valuation as at 31 March 2022 have been rolled forward, using financial assumptions that comply with FRS 102.

23b. The Nottinghamshire County Council Pension Fund (Notts LGPS) (continued)

Assumptions

	2023	2022
Discount rate	4.80%	2.60%
Pension increases	2.90%	3.30%
Salary increases	3.90%	4.30%

Net pension liability

	31 March 2023 £'000	31 March 2022 £'000
Present value of defined benefit obligation	9,337	13,904
Fair value of fund assets (bid value)	(8,305)	(8,609)
Net liability in statement of financial position	**1,032**	**5,295**

Impact on income and expenditure

	2023 £'000	2022 £'000
Service cost	116	172
Net interest on the defined liability	132	119
Administration expenses	4	4
Total	**252**	**295**

Re-measurement in other comprehensive income

	2023 £'000	2022 £'000
Return on fund assets in excess of interest	(243)	455
Other actuarial gains / (losses) on assets	15	-
Change in financial assumptions	4,899	446
Change in demographic assumptions	696	-
Experience gain / (loss) on defined benefit obligation	(988)	(30)
Re-measurement of defined liability	**4,379**	**871**

23b. The Nottinghamshire County Council Pension Fund (Notts LGPS) (continued)

Reconciliation of opening and closing assets

	2023 £'000	2022 £'000
Opening fair value of scheme assets	**8,609**	**8,262**
Interest on assets	224	163
Return on assets less interest	(243)	455
Other actuarial gains / (losses)	15	-
Administration expenses	(4)	(4)
Contribution by employer including unfunded benefits	136	153
Contributions by scheme participants	20	24
Estimated total benefits paid (net of transfer in)	(452)	(444)
Fair value of scheme assets at end of period	**8,305**	**8,609**

Reconciliation of opening and closing obligations

	2023 £'000	2022 £'000
Opening defined benefit obligation	**13,904**	**14,287**
Service cost	116	150
Interest cost	356	282
Change in financial assumptions	(4,899)	(446)
Change in demographic assumptions	(696)	-
Experience (gain) / loss on defined benefit obligation	988	30
Estimated funded benefits paid (net of transfers in)	(452)	(444)
Past service costs, including curtailments	-	21
Contributions by scheme participants	20	24
Closing defined benefit obligation	**9,337**	**13,904**

Return on plan assets	**(0.2%)**	**7.5%**

24. Provision for liabilities

Where the effect of the time value of money is material the amount expected to be required to settle the obligation is recognised at the present value using a discount rate. The unwinding of the discount is recognised as finance cost in income and expenditure in the period it arises.

The Group has recognised provisions for liabilities of uncertain timing or amounts including those for major repairs on vehicle maintenance, onerous lease, and restructuring. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the Statement of comprehensive income and expenditure date.

Restructure provision: The provision represents restructures approved by management, not yet been actioned.

Vehicle maintenance provision: The provision relates to company vans leased by in-house contractor company, Metworks.

Onerous lease provision: The provision relates to the downsizing of floors at the Premier House office.

Group	**Restructure provision £'000**	**Onerous lease £'000**	**Vehicle Maintenance £'000**	**Total £'000**
At 1 April 2022	**-**	**-**	**213**	**213**
Additions	262	2,228	46	2,536
At 31 March 2023	**262**	**2,228**	**259**	**2,749**

25. Share capital

	2023 Number £	**2022 Number £**
At 1 April 2022	**23**	**26**
Shares issued during year	1	3
Shares cancelled during year	(6)	(6)
At 31 March 2023	**18**	**23**

The issued shares are £1 each and are fully paid. The nominal value of each share is £1.

26. Capital commitments

Group	**2023**	**2022**
	£'000	**£'000**
Capital expenditure that has been contracted for	501,619	423,409
Capital expenditure that has been authorised by the Board but has not yet been contracted for	108,678	166,678
	610,297	**590,087**
The Group expects to finance the above commitments by:		
	£'000	**£'000**
Social Housing Grant receivable	42,482	17,015
Loan facilities	509,813	519,921
Operating cash flows	58,002	53,151
	610,297	**590,087**

Association	**2023**	**2022**
	£'000	**£'000**
Capital expenditure that has been contracted for	2,008	19,351
	2,008	**19,351**
The Association expects to finance the above commitments by:		
	£'000	**£'000**
Social Housing Grant receivable	-	-
Operating cash flows	2,008	19,351
	2,008	**19,351**

The amount contracted for at 31 March 2023 will be funded from cash reserves, borrowing, Social Housing Grant and the proceeds of sales. The Board expects the expenditure it has authorised to be fully financed in this way. Under regulations approved by the Board, appropriate officers and employees may authorise expenditure to certain levels, and such authorised expenditure is included above.

The Group has a number of financing options available including undrawn loan facilities, private placements and bank loan financing. At 31 March 2023 the Group had £725m (2022: £668m) in undrawn facilities therefore has sufficient headroom to fund its capital commitments.

27. Contingent assets / liabilities

The Group receives grant from Homes England and from the Greater London Authority, which is used to fund the acquisition and development of housing properties and their components. The Group has a future obligation to recycle such grant once the properties are disposed of. At 31 March 2023, the value of grant received in respect of these properties that had not been disposed of was £1,250m (2022: £1,255m).

As the timing of any future disposal is uncertain, no provision has been recognised in the financial statements.

The Building Safety Act 2022 gained royal assent in April 2022. Under the act leaseholders have protection in buildings above 11 metres or five storeys with historical safety defects. MTVH will attempt to recover the cost from the original contractors where possible and, along with other Housing Associations, have sought financial support from Government to complete this work. For a number of reasons these is still a great deal of uncertainty to the estimated cost to MTVH of this work and therefore it is not possible to provide for this at this point in time.

28. Leasing commitments

The Group's future minimum finance lease payments are as follows:

	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
Within one year	38	35	268	274
Between one to five years	182	169	1,303	1,305
In more than five years	241	291	22,425	22,328
	461	**495**	**23,996**	**23,907**

Leases
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Group. All other leases are classified as operating leases.

Rentals paid under operating leases are charged to the Statement of Comprehensive Income and Expenditure on the accruals basis.

Where assets are financed by leasing agreements 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 (or if lower the fair value of the leased asset) and is depreciated in accordance with the Group's normal policy for that class of assets. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation using the effective interest method so as to achieve a constant rate of interest on the remaining balance of the liability.

The Group's future minimum operating lease payments are as follows:

	2023 Land and buildings £'000	2023 Other £'000	2022 Land and buildings £'000	2022 Other £'000
Less than one year	3,384	740	3,447	925
Between one to five years	12,348	1,446	13,549	1,252
More than five years	7,836	-	10,464	-
	23,568	**2,186**	**27,460**	**2,177**

The Groups future minimum operating lease receivables are as follows:

	2023 Shared Ownership £'000	2023 Commercial £'000	2022 Shared Ownership £'000	2022 Commercial £'000
Less than one year	40,752	1,654	39,763	1,361
Between one to five years	144,504	5,752	140,997	4,497
More than five years	417,816	6,534	407,675	4,684
	603,072	**13,940**	**588,435**	**10,542**

29. Related parties

Board members and key management personnel are related parties. During the year Thames Valley Housing Association Limited (TVH) conducted no transactions with such related parties.

None of the Board members are either tenants or leaseholders therefore rent received from tenant and leaseholder board members across the Group during the year are £nil (2022: £nil). Rent arrears of the Group's tenant and leaseholder board members as at 31 March 2023 was £nil (2022: £nil).

TVH provides central management services to its subsidiaries including MHT. In addition, MHT also provides services to its own subsidiaries. Since the merger a vertical group was created where MHT's subsidiaries are sub subsidiaries of TVH. Charges are allocated as follows:

MHT provides central management services to its subsidiaries. Charges are allocated as follows:

Department	Allocation basis
Finance	Turnover
Facilities	Headcount
Human resources	Headcount
Board	Headcount / Turnover
Communications	Headcount / Turnover
Executive team	Headcount / Turnover
Health and safety	Headcount / Turnover
Procurement	Headcount / Turnover
Information technology	Number of computers

The quantum of the 2023 charges applied for these services to private subsidiaries is as follows:

	2023 £'000	2022 £'000
EM Property Service Limited (Metworks)	299	419
Metropolitan Development Service Limited (MDLS)	137	176

MHT has joint regeneration partnerships with the following partners, and the relevant share of ownership is included in the statements:

Joint Regeneration Partnership	Partner	MHP share %
Canalside	One Housing Group	50.00%

MHT provides central management service to its regeneration partnerships, on the same allocation basis as it provides to subsidiaries. The amount of charges to each partnership is as follows:

	2023 £'000	2022 £'000
Canalside	414	414

29. Related parties (continued)

TVH has provided on lending to intra group entities. These receivables are repayable on demand and no guarantees are in place on either loan. Interest is payable on the loan balances. Below is an analysis of the on lending to intra Group counterparties.

Entity Granting Loan	Entity Receiving Loan	1 April 2022 £'000	Movement £'000	31 March 2023 £'000
TVH	MHT	43,538	(11,824)	31,714
TVH	Evolution (Woking) Holdings Limited	3,577	(67)	3,510
		47,115	**(11,891)**	**35,224**

TVH has also received a loan from MHT to fund the development of both properties for sale and properties for renting

		1 April 2022 £'000	Movement £'000	31 March 2023 £'000
MHT	TVH	45,443	(12,216)	33,227
MF Plc	MHT	256,945	(293)	256,652
		302,388	**(12,509)**	**289,879**

During the year ended 31 March 2023, West Bridgford LLP made profit distributions £154k (2022: £nil). West Bridgford is a Joint Venture between Thames Valley Housing Association and Vistry Group PLC. Thames Valley Housing Association has a 50% share of the Joint Venture.

MHT was charged £10.0m interest by MF Plc for the intercompany loan (2022: £10m). As at 31 March 2023, the loan was £256.6m (2022: £256.9m).

TVH paid gift aid of £6m (2022: £16.3m) to MHT.

Aggregate emoluments paid to key management personnel of the Group are disclosed in Note 10.

30. Financial instruments

Under FRS 102 there are three options for accounting for financial instruments and they are: applying the recognition, de-recognition and measurement requirements of IFRS 9 or FRS 102 sections 11 and 12. The group elected to apply FRS 102 sections 11 and 12. On intercompany loans and staff loans the group has applied FRS 102 section 34 as it is a public benefit entity.

Debtors and creditors
Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price less impairment. Any losses arising from impairment are recognised in the income statement in other operating expenses. Trade debtors are recognised with the revenue, other debtors are recognised when they become receivable. Creditors are recognised when payment becomes probable.

Loans, investments and short-term deposits
Loans, investments and short-term deposits held by the Group, meet the criteria for basic financial instruments as set out in FRS 102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost, however the Group has calculated that the difference between the historical cost and amortised cost basis is not material and so these financial instruments are stated on the statement of comprehensive income at historical cost. Loans and investments that are payable or receivable within one year are not discounted.

Cash and cash equivalents
Cash and cash equivalents in the Group's Consolidated Statement of Financial Position consists of cash at bank, in hand, deposits and short-term investments with an original maturity of three months or less.

The Group has also identified some investments, which meet the definition of cash and cash equivalents but are restricted in their use; these investments have been classified as restricted cash equivalents.

Derivative instruments and hedge accounting
The Group holds floating rate loans which expose the Group to interest rate risk: to mitigate against this risk the Group uses interest rate swaps. These instruments are measured at fair value at each reporting date. They are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The Group has designated each of the swaps against either existing drawn floating rate debt or against highly probable future floating rate debt. To the extent the hedge is effective, movements in fair value adjustments, other than adjustments for own or counterparty credit risk, are recognised in other comprehensive income and presented in a separate cash flow hedge reserve. Any movements in fair value relating to ineffectiveness and adjustments for our own or counterparty credit risk are recognised in income and expenditure. The effectiveness relationships between a loan and a swap are subject to qualitative tests at designation and should not require any further tests thereafter.

30. Financial instruments (continued)

Concessionary loans

Concessionary loans are those loans made or received by the Group that are made:

- To further its public benefit objectives,
- At a rate of interest which is below the prevailing market rate of interest,
- Not to be repayable on demand.

Loans made under HomeBuy are concessionary loans. These loans are measured at the amount advanced at the inception of the loan less amounts received and any provisions for impairment. Any associated grant is recognised as deferred income until the loan is redeemed.

Cash flow hedge (derivative financial instruments)

MTVH uses interest rate swaps to reduce exposure to interest rate risk on its debt portfolio. These hedges consist of swaps with a notional value of £172m at 31 March 2023 (2022: £173m) with interest rates ranging between 4.9% and 5.7% (2022: 2.0% and 5.7%) and maturities between 8 and 25 years (2021: 9 and 26 years).

The swaps represent a liability owing to the counterparty if they were to be closed out at their fair value. The fair value of this liability as at 31 March 2023 was £20.1m (2022: £56.0m). This liability is secured with property charged to the counterparty or with cash deposits. As at 31 March 2023 the Group had nil (2022: £8.5m) in cash lodged to cover this liability with the remaining balance being covered by credit limits or property pledged.

Any future change in the SONIA and / or RPI forward swap curves will result in a change to the fair value of our derivative financial instruments. An adverse movement in the forward swap curves will result in an increase to the current level of liability. An adverse move would also lead to further cash or property being required to be pledged with the derivative counterparties.

The fair values of all of MTVH’s standalone swaps are shown on the statement of comprehensive income at their mid-market Mark to Market (“MTM”) value (the “mid-market” value is considered to be a close proxy for the “bid” or “offer” value, as appropriate, which are necessarily more subjective). All curves and market data used in the valuations are sourced from Refinitiv and applied in determining the fair value for each class of derivative instrument as follows:

- Interest rate swaps have been valued using the Sterling SONIA swap curve, compounded over 3-month or 6-month periods where relevant. Discounting is on a SONIA swap curve basis.

- LPI Swaps have been valued using the RPI swap curve, LPI option prices and the Sterling SONIA swap curve compounded over 3-month periods. Discounting is also on a SONIA swap curve basis.

Restricted cash and cash equivalents

As at 31 March 2023, £48.1m (2022: £48.8m) of cash is classified as restricted cash and cash equivalents due to legal restrictions. Restricted cash is where we hold cash in respect of the Migration Foundation (see Note 32) and leaseholder sinking funds. There are restrictions and controls on how we spend this cash.

Financial instruments

	Group 2023 £’000	Group 2022 £’000	Association 2023 £’000	Association 2022 £’000
Financial liabilities measured at fair value:				
Derivative financial instruments	18,108	46,565	-	-

31. Joint ventures, associates and subsidiaries

The ultimate parent undertaking within the Metropolitan Thames Valley Housing Group (MTVH) is Thames Valley Housing Association Limited (TVH). MTVH was formed from a merger or partnership between Thames Valley Housing Group and Metropolitan Housing Group (MHT) in October 2018.

The following managed undertakings are subsidiaries by virtue of either ownership of their share capital or the ability of the Association to control the composition of their Board or the strategic direction of these entities. The MTVH Group is a vertical Group as MHT, the subsidiary of TVH has its own subsidiaries. MHT's subsidiaries are also disclosed in this section and they form part of the consolidated accounts of the Group.

TVH Subsidiaries

Name of undertaking	Share held	Registered in	Principal activity
Evolution (Woking) Holdings Limited *	100%	England	Investment holding company
Metropolitan Housing Trust Limited	100%	England	Registered provider
TVH PRS Holdings Limited	100%	England	Private letting

*Evolution (Woking) Holdings Limited has its own subsidiary Evolution (Woking) Limited (EVO).

TVH PRS Holdings has other undertakings; PRS Brand Management LLP (dormant), PRS Services Management LLP, PRS Enterprises LLP and TVH PRS 2 Limited.

MHT Subsidiaries

Name of undertaking	Share held	Registered in	Principal activity
EM Property Service Limited	100%	England	Property maintenance
Longsdale Limited	Limited by guarantee	England	Dormant
Metropolitan Development Services Limited	100%	England	Development Services
Metropolitan Funding Plc	100%	England	Financing vehicle
Metropolitan Home Ownership Limited	100%	England	Dormant
Metropolitan Living Limited	100%	England	Property development
Time Square Estate Management Co Limited	Limited by guarantee	England	Dormant
Spiritagen Limited	100%	England	Dormant

The MTVH group participates in the following active joint ventures to carry out development projects.

Entity	Partner	Interest	Voting rights
Barratt Metropolitan LLP ('BMM')	Barratt	25%	50%
Bovis Homes Cambourne West LLP (CBW)	Galliford Try	50%	50%
Grange Walk LLP	Galliford Try	50%	50%
Linden (Enfield) LLP	Galliford Try	50%	50%
Opal (Earlsfield) LLP	Galliford Try	50%	50%
Opal (Silvertown) LLP	Galliford Try	50%	50%
Opal (St Bernards) LLP	Galliford Try	50%	50%
Opal Land LLP	Galliford Try	50%	50%
West Bridgford LLP ('WBF')	Galliford Try	50%	50%
Westleigh Cherry Bank LLP ('WCB') (dormant)	Westleigh	50%	50%
Clapham Park (MTVH CPUK) LLP	Countryside	50%	50%

31. Joint ventures, associates and subsidiaries (continued)

Association: Investment in subsidiary

	2023	2022
	£'000	£'000
Evolution (Woking) Holdings Limited	2,875	2,875

Group	BMM	CBW	WBF	Opal	Clapham Park	Total joint ventures
	2023	2023	2023	2023	2023	2023
	£'000	£'000	£'000		£'000	£'000
Investment at 1 April 2022	**25,106**	**17,258**	**214**	**18,449**	**-**	**61,027**
Additions	-	970	-	-	9,012	9,982
Disposals	(1,776)	-	(154)	(17,151)	-	(19,081)
Share of profits/(losses)	1,947	2,805	(11)	2,666	1,003	8,410
As at 31 March 2023	**25,277**	**21,033**	**49**	**3,964**	**10,015**	**60,338**

The £17m reduction of the investment in the Opal joint venture can be attributed to the repayment of loans totalling £6m and £11m of cash received in respect of a profit distribution.

In November 2022 Metropolitan Living Limited entered into a joint venture agreement with a subsidiary of Legal and General and the SOJV LLP was incorporated. No investments were made in SOJV LLP in 2022/23.

In December 2021, the Association entered into Loan Release Deed with TVH PRS Holdings under which £16m of a £30m loan from the Association was forgiven.

The Association makes Qualifying Charitable Donations (also known as gift aid payments) to its subsidiary, Metropolitan Housing Trust Limited (MHT) to ensure that the entity has sufficient funding for its needs. These payments are treated as an investment by the Association in Metropolitan Housing Trust. As the investment is made with no expectation of return, it is immediately impaired, and the impairment is recorded in the Statement of Comprehensive Income as a “capital contribution in the form of gift aid to subsidiary”. Capital contributions in the form of gift aid to subsidiary made during the year is £nil (2022: £nil). Capital contributions in the form of loan release to subsidiary during the year is £6m (2022: £16m)

Residual income of £26k was received in respect of the final settlement from the sale of our minority interest in Fizzy Enterprises LLP in December 2021.

32. Capital and reserves

The restricted reserve relates to the donated fund of the Migration Foundation. The donor specified the use of the fund. The surplus fund is currently invested, and fair value of the investment is accounted for in the restricted reserve.

There has been a downward revaluation of the assets held in respect of the Migration Foundation of £953k (2022: upward revaluation £1,512k). £18.3m (2022: £19.2m) of assets are reported in Cash and cash equivalents, and access to these assets is restricted.

33. Government grants

Government grants included in the Statement of Financial Position:

	Group 2023 £'000	Group 2022 £'000	Association 2023 £'000	Association 2022 £'000
Creditors due within one year:				
Recycled Capital Grant Fund	119,952	115,154	-	755
Deferred government grant	5,874	6,316	155	298
Creditors due after one year:				
Recycled Capital Grant Fund	37,428	34,341	-	538
Deferred government grant	388,940	361,209	2,848	2,862
Reserves:				
Income and expenditure reserve	1,566,462	1,492,507	70,175	60,272
	2,118,656	**2,009,527**	**73,178**	**64,725**

34. Reconciliation of net cash flow to movements in debt

	Group 2023 £'000	Group 2022 £'000
Change in cash	**41,901**	**(4,726)**
Cash flow from debt	(32,348)	60,347
Cash flow from finance leases	34	33
Derivative finance instrument	28,457	13,317
Changes in net debt	**(3,857)**	**73,697**
Net debt at 1 April 2022	(1,799,830)	(1,868,801)
Net debt at 31 March 2023	**(1,761,786)**	**(1,799,830)**

Analysis of net debt	**01 April 2022 £'000**	**Cashflow £'000**	**Non cashflow £'000**	**31 March 2023 £'000**
Cash in hand and bank	**151,557**	**41,901**	**-**	**193,458**
Debt	(1,904,327)	(32,348)	-	(1,936,675)
Finance leases	(495)	34	-	(461)
	(1,904,822)	**(32,314)**	**-**	**(1,937,136)**
Derivatives financial instruments	(46,565)	-	28,457	(18,108)
	(1,951,387)	**(32,314)**	**28,457**	**(1,955,244)**
	(1,799,830)	**9,587**	**28,457**	**(1,761,786)**

35. Subsequent events

No subsequent events were identified between 1st April 2023 and the date of signing of these accounts.