



HONEYCOMB GROUP LTD

# Annual report and accounts

Year ended 31st March 2023



HONEYCOMB  
GROUP



**Honeycomb Group Limited**

Co-Operative and Community Benefit Society number: 17093R  
Regulator of Social Housing registered number: LH2162



HONEYCOMB  
GROUP

Honeycomb Group Limited

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Co-Operative and Community Benefit Society number: 17093R

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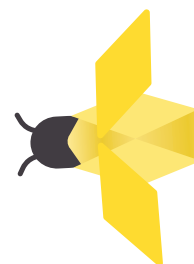
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## A WELCOME FROM OUR CHIEF EXECUTIVE Julie Guildford Smith

**Over the past year Honeycomb Group has strengthened its operational and financial capability. Investment in priority areas such as repairs and compliance, as well as greater focus on efficiencies has delivered improved performance for customers. But this is just the beginning. Our new business improvement programme, Thrive, will act as a catalyst for change. Enabling us to play an increasingly impactful role in the region.**

On joining the organisation in December 2022, I was immediately struck by the business’ strong social purpose, commitment to the local area and the dedication of staff. Whilst this has been a challenging year, our appetite for change and improvement, expertise, and resolute focus on our purpose means there is huge opportunity for Honeycomb Group to deliver more for existing customers, new customers and the communities we serve.



### Fit for the future

This has been a year of consolidation for Honeycomb Group as new leadership brought renewed energy and focus on building strong foundations from which to deliver and grow.

The launch of a new improvement programme and improvement governance has delivered robust change management that will not only ensure co-ordination of all transformation in the business, but importantly hold the business to account for delivering the expected outcomes.

The IDA action plan was an existing project that came under the governance of the new improvement board. Great progress has been made against this plan with the majority of actions completed

or underway by June 2023. What were urgent or recovery actions are now becoming business as usual. We have a much better understanding of the condition of our properties and our preparation for the upcoming consumer standards is strong.

One of the first new projects to be commissioned by the improvement panel was an independent root and branch review by Campbell Tickell. The outcome of this review focused on three areas: establishing a robust financial position; getting

back to a G1 viability rating; and establishing an effective yet efficient target operating model that ensures delivery for customers and emerging regulatory requirements.

Some of the recommendations from this review are already being put into action with others to follow. But importantly the feedback is also helping to inform the development of a new five-year corporate plan that will launch in April 2024. The framework of this plan will see Honeycomb Group improve, rebuild and thrive.

## Investment in homes

In response to feedback, we significantly invested in repairs this year to improve the experience for customers. Additional spending with our former contractor as well as investment in alternative solutions aimed to help address some of the issues customers were experiencing with reactive repairs. Whilst performance was maintained, we collectively agreed with customers that this was not good enough and set out to contract a new delivery partner from summer 2023.

Additional investment in expertise on asset management has significantly improved how we manage homes this year. A key part of this was the launch of a new stock condition survey that provided us with an accurate review of the homes we manage. This information will help us build an effective asset

management and investment strategy in 2023, to make sure customers have a house they're proud to call home.

We also invested heavily in the safety of our homes under the leadership of a new and experienced Head of Compliance. Additional resources mean customers

now have access to more specialist advice and support to keep them safe and happy in their homes. This investment has enabled us to dramatically step up our response to damp and mould this year, which has been particularly well received by customers.

## Charity success

We've seen improvements right across the Group this year, but the charity in particular stands out for its transformation. Through hard work and determination, our charity has seen dramatic progress in its financial performance; transforming the bottom-line from a deficit of £493,220 in 2021-22 to a surplus of £132,366 in this financial year.

Services within the charity have also secured national recognition. Glow's IDVA service in Derbyshire was awarded SafeLives' Leading

Lights accreditation, acknowledging the quality of delivery by that team. Concrete also received national recognition as an

"exemplar provider" in the House of Commons by local MP Jonathan Gullis.

***"We have really good providers in Stoke-on-Trent, Concrete are a fine example of what a good-landlord should be doing."***

**JONATHAN GULLIS**  
Stoke-on-Trent MP



## Strengthening the customers' voice

Over the last 12 months we have worked hard to raise the customers' voice and influence across Honeycomb Group. Around 60% more customers have been involved in the development and scrutiny of services compared to the previous year. With a new customer engagement strategy launching in 2023/24, we are keen to expand customer led decision making further.

We have strengthened assurance by introducing new groups such as the My Home Group that focuses on neighbourhood management, the Repairs and Building Safety Group and a pilot community environment week, alongside existing opportunities like mystery shopping and the Customer Assurance Group. The Assurance Group enables customers to not only directly

influence business decisions, but also hold us to account for performance.

Recruiting new tenants to the customer services committee began in earnest this year. We can't wait to see new voices and perspectives brought to the table. Plans are also underway for a two-week customer roadshow in autumn 2023. The roadshow will see

colleagues from around the business getting out and about, meeting customers on their own doorsteps. As well as promoting the new Tenant Satisfaction Measures, we will be discussing priorities with customers and this will help inform the new corporate plan. To read more about customer engagement please turn to page 63.

## Looking to the future

We move into 2023/24 with a keen eye on efficiencies and improving service delivery for customers.

The development of a new corporate plan for 2024-29 and five-year growth strategy for the charity along with changes to our target operating model, improved financial reporting, the introduction of zero-based budgeting, governance improvements and a new ICT infrastructure will work to further strengthen operational performance.

Whilst the launch of a new repairs service in August 2023, the implementation of more automated service delivery, a new customer engagement strategy, continued investment in homes including plans to improve EPC ratings, along with new services such as Concrete's psychoactive substance support are all improvements the customer

will feel direct benefit from too.

I am excited for our future. We have the expertise, energy and passion to take this business forward, grasping opportunities that make a real difference to our customers and communities in this region.



**Julie Guildford Smith**  
Group Chief Executive



# About us



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# Honeycomb Group at a glance 2022-23

**3,391**

homes owned and managed



**292**

staff employed



**£1.1M**

was raised by the income team for Staffs Housing customers

**40,179**

calls and 35,536 emails received

**58**

new build homes completed or on-site

**253**

homes re-let



**8.5M**

people have seen the brand since 2021

**3.09%**

of rent arrears

**89%**

of staff said they were proud to work for the Group



**96%**

of new tenants are very satisfied with their new homes





# Honeycomb Group at a glance 2022-23

**600**

people kept their homes as a result of our tenancy sustainment work



**52**

young people have been supported by our young person's accommodation service



**200**

people in Cheshire have been supported by our Concrete floating support service



**454**

referrals into Glow accommodation services

**82%**

reduction in sexual abuse as a result of our high-risk perpetrator programme



**100%**

of engaged teachers trained by Glow are more confident recognising domestic abuse

**1,735**

people were helped to overcome domestic abuse through Glow's services

## ABOUT HONEYCOMB GROUP

Honeycomb Group is a team of social-minded brands championing happy homes across our region. We're providing services and support that help people across Staffordshire, and it's surrounding areas, feel secure, connected and confident. Whether it's developing and maintaining affordable homes, providing trusted home repairs and improvements, keeping people safe and well at home or providing support services, we're tackling the social issues that can isolate people from a happy home. Honeycomb Group is making our region vibrant.



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Staffs Housing is a leader in providing quality affordable housing in Staffordshire, Cheshire and the surrounding areas, ensuring there are no barriers to home-seekers finding a place they're proud to call home.



Revival is the local home improvement and support specialist, providing Stoke-on-Trent, Staffordshire and surrounding areas with trusted home repairs, and a range of friendly wellbeing support, making sure everyone is happy in a home they love.



Glow is a charity on a mission to end relationship abuse, campaigning for change and providing support throughout Staffordshire, Derbyshire and its surrounding areas. Through a full-circle approach, Glow seeks to address the issue from every angle, ensuring that no member of the community is vulnerable to an abusive relationship.



Concrete is a local charity, support network and campaigner leading the fight to erase homelessness within Staffordshire, East Cheshire and its surrounding areas. Through a community led approach, Concrete helps those without a plan, without a voice and without a home to build concrete futures by tackling the underlying issues that keep people from finding and securing a home of their own.



Hummingbird is the commercial arm of the Group, delivering profit-making services and initiatives in line with our vision. Hummingbird is a trading name of Stillness (924) Limited.

Our vision

**A progressive, passionate region with no barriers to a happy home.**

Close your eyes and think of a city or a place that is full of life and energy. That's what we're aiming to do for every area we serve through the work we do. Happy homes mean thriving people who are building stronger communities and growing the local economy. We want to leave every place better than it was before we got there.



Our mission

**Breaking barriers, building people, bettering homes.**

- Breaking down all of the social and physical barriers to a happy home in our region.
- Elevating people by addressing the root cause from all angles: preventing, recognising, responding to and rehabilitating needs from the inside out for a long-term solution.
- Bettering homes from every aspect, whether it's through the person or physical environment, so people feel secure, connected, confident and proud.

Our values

**Be dead genuine.**

Our customer experience is different because we're not all made from the same mould.

**Never shut the door.**

Break down limitations with an open mind and heart.

**Chase curiosity and ambition.**

Whatever your passion is, be passionate about it. Fly without being afraid to fall.

**Be a leader in the field.**

Do what's right even when no one's looking.

**Come together.**

Believe in the power of collaboration, seek expertise and work together to create better solutions.



# Our strategy



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## HONEYCOMB GROUP STRATEGY 2021-2024

In 2021 we set a three-year strategy that aimed to achieve our mission of breaking barriers, building people and bettering homes. In collaboration with the Board, we identified eight Group ambitions that would be the focus of our attention for the life of this strategy.

Together with our vision and values, these ambitions provide a roadmap for day-to-day decision making, helping colleagues work with autonomy and in the best interests of customers. Our ambitions also act as an anchor in an ever-changing and challenging world.



### OUR EIGHT AMBITIONS

1. Create quality, affordable homes built around you
2. Bring your home to life
3. Be the heart of change by addressing, overcoming and ending domestic abuse
4. Make homelessness history
5. Develop a strong and resilient business
6. Increase the supply of affordable homes
7. Develop our culture and be a great place to work
8. Make sure our brands are recognised and valued

**Read on to find out how we're performing against these.**

# 1. QUALITY AFFORDABLE HOMES BUILT AROUND YOU

## Affordable homes to rent are on your doorstep.

For years we've been letting great quality affordable homes to individuals and families throughout Staffordshire and its surrounding areas.

At the end of March 2023, we owned 2,712 general needs homes with 189 homes in supported housing or housing

for older people schemes. Our homes remain in high demand with over 4,000 online applications during 22/23.

We welcomed 253 individuals and families this year, here's their first impressions of Staffs Housing.



***“The staff were patient, helpful and respectful. They were professional through every step of the process and nothing was too much trouble.”***

**Bayswater resident**

**PROCTOR COURT  
BAYSWATER, STAFFORD**

OLIVER LODGE, PENKHULL



***“My new home was in a lovely condition and move-in was quick with a really fast and easy handover!”***

BRADELEY VILLAGE, STOKE-ON-TRENT



***“The process went smoothly. The staff were helpful and efficient throughout.”***

## Serving our customers and creating great experiences that makes them smile is the most exciting part of our job

In partnership with tenants, we introduced and published a new lettable standard for all our properties. The standard aims to make sure that the quality of our homes meets the expectations of new customers, and it certainly seems to be a success with 96% of new tenants being very satisfied with their new home.

This year we also made several changes to existing services with the aim of improving customer experience. We re-organised our team of housing officers to enable them to focus on areas that customers told us are important. We now have three teams that each focus on lettings, anti-social behaviour and estate management. We believe this has improved service delivery and we'll soon be going back out to customers to get their views.

### ***“Great customer service!”***

Changes to the ways of working at Bradeley Village, one of our independent living schemes, has enabled staff to spend more time listening to customers, resolving issues, and supporting activities which are vital to the success of the Village.

### ***“The team were polite, very friendly and always reliable.”***

Following a series of consultation events with residents we are also changing the provider for our telecare call handling response service. Stoke-on-Trent City Council will be our new provider from July 2023 and residents have worked with us to agree what we believe will be an enhanced service with improved response times.

### ***“The staff are awesome”***

The customer service team faced and overcame several challenges during the year. Vacancies and a tough recruitment market, increased volumes of customer

contact, all contributed to a tough operating environment. Despite these challenges satisfaction with the way contact was handled averaged 8.5/10.

### ***“I am very grateful and happy with my new home.”***

This great score reflects our ongoing commitment to the quality of call handling. We believe it's vital that when the customer does speak to us, we get it right. Calls are recorded, emails are quality checked and staff have regular development sessions to help enhance the service.



***The person that took my call was exceptional. She talked to me in length and with a very calming voice. Really helped me.”***

 **40,179 calls**

 **35,536 emails**

Emails were responded to within one working day.

The average handling time for calls was 5.30 minutes.

**8.5/10**  
customer satisfaction rate.



## Supporting residents to create long-term sustainable tenancies

We provide a variety of support services to help residents maintain and manage their homes and tenancies. Here’s how we supported residents during 22/23.

### MONEY ADVICE AND INCOME SUPPORT

Our money advice service continues to provide support, advice and assistance to all residents who need it. Making sure our customers maximise their income through applying for benefits they are entitled to, assisting with budgeting, helping customers resolve debt and seeking grants and loans to support those who may need additional assistance. In 2022/23 the money advice team raised £1.1m for Staffs Housing customers.

We continue to promote direct debit as the most convenient method of paying rent. 40% of residents now pay rent by direct debit. This year we have enhanced our direct debit service by reducing the number of days it now takes to set up or amend

a direct debit from 12 to 7 days. This makes it much quicker for new tenants and those who want to make changes to direct debit payments.

One to one support for residents who faced challenges in claiming

Universal Credit was also an important part of our work this year. More and more people are now being migrated onto this benefit and we continue to provide support so this process runs as smoothly as possible.

Resident Morris\*, who is in his late seventies, sadly lost his wife in 2022. An incredibly difficult time was made even worse as Morris discovered his income as a widower was now much lower. He started to struggle to pay his bills until he got in touch with our Money Advice Team. Our team were able to help Morris claim additional income through benefits and discount schemes. He now feels less anxious and more able to manage his living expenses.



### RENT ARREARS SUPPORT

Over the last year we have successfully worked with customers to help them through the cost of living crisis.

Our approach is always to support tenants to stay in their homes and we only take legal action to end a tenancy as a last resort when all other options have failed. Only four tenants were evicted for non-payment

of rent and Possession Orders were obtained for a further four tenants meaning they can be evicted if they don’t keep to the agreed repayment plan. Rent Arrears remained steady in 2022/23 at 3.09% of the total

rent collected. This is an amount of £443,930. The Income Team work closely with housing, Concrete and Glow colleagues to increase customers’ income and reduce arrears.

### DOMESTIC ABUSE AND UNHEALTHY RELATIONSHIPS SUPPORT

We continue to work towards achieving an accreditation for how we support victims of domestic abuse. New resident and staff policies have been introduced this year to make sure we follow current legislation and best practice. A Staffs Housing manager, chairs the regional Domestic Abuse Housing Alliance (DAHA) group and we aim to achieve DAHA accreditation by 2024.

## HOME SWAP SUPPORT

This year saw us launch a mutual exchange process, which included a social media campaign to enable customers to register interest with us directly if they are looking to move. We can then put people in touch with other customers looking to swap to give customers the maximum opportunity to be in the right home for them. Six mutual exchanges were completed during the year and of the 253 homes that were re-let, 25% were transfer applications which allow our tenants to move to homes which are more suitable to their needs and remain Staffs Housing tenants for a longer period of time.

## ANTI-SOCIAL BEHAVIOUR SUPPORT

Effective management of ASB was a key driver in changing the way our housing officers work. We now have dedicated officers with specialist knowledge handling all ASB cases, which we know can have such a detrimental impact on victims and the wider community.

In 2022/23 we investigated 142 new ASB cases. We were granted 5 injunctions to stop ASB and force tenants to comply with the terms of their tenancy agreements. One starter tenancy was ended due to ASB issues and we served seven notices of seeking possession on residents who were in breach of their

tenancy agreement by behaving in an anti-social manner.

As part of encouraging residents to come forward to report ASB issues we have started to hold a series of pilot ASB surgeries. These will help us tackle the behaviour that blights some neighbourhoods, whilst

reassuring customers that it's something we take very seriously. We also launched a new 'Neighbour Card' on our website. Customers can download the card to let neighbours know if they are causing them an issue, either adding their name or remaining anonymous.



“

***The ASB team were great. They listened to both sides and resolved our concerns.”***

## Safe homes

Safety and compliance have been a real area of focus for the business over the past year. Investment in establishing a new team of specialists, including a Head of Compliance, as well as a significant data validation exercise to make sure the stock data we hold is accurate and demonstrates our ongoing commitment to keeping customers safe.

For much of 2022/23 our Business Intelligence team has been predominantly working on safety, developing a system that centralises all compliance data. The new system, that is now live, provides real-time oversight and easy reporting across the six core compliance areas across all locations. This resource is an invaluable tool to help us manage compliance more effectively.

A new, no access procedure to assist getting access to customers' homes for compliance testing was introduced in 2022. It's essential that we have access to properties to conduct gas safety certification and electrical testing compliance, so a more robust approach is now in place. We also conduct regular scheme inspections in communal areas to make sure that (amongst

others things) they are safe and hazard free.

Our compliance and communications teams have been working together to deliver monthly customer compliance campaigns to either raise awareness or prompt a call to action. The first campaign to promote stair lift servicing had a great response on social media, with increased visits to our website and telephone enquiries.

## Investing in homes and places

We have invested almost £1m in our existing homes this year. The installation of new boilers, heating systems and windows all work to improve the energy efficiency of homes, reducing running costs for our customers.

- 17 replacement bathrooms
- 64 replacement kitchens
- 99 boiler replacements
- 16 storage heating system replacements
- 6 scheme window replacements



**OLD SCHOOL  
LANE, MEIR**

Our gardening team have also been incredibly busy maintaining over 100 sites across Stoke-on-Trent, Stafford and the Staffordshire Moorlands. As well as cyclical lawn cutting, weeding, pruning and hedge-clipping, the team also get involved in improving gardens of ready-to-let properties and community projects. This year they supported green fingered residents by building raised beds at Malcolm Court and a poly tunnel at Bishops Court. They also transformed an outdoor space at Snow Hill, providing residents with a more useable outdoor space to enjoy.

Within the year we became aware of service delivery issues by our repair's contractor as customer feedback started to dip. We listened to customers and in response we

worked with the contractor to come to a mutual agreement to end the contract in August 2023. We are now in the process of commissioning a new provider who reflects the values of Honeycomb Group. Mobilising a new responsive repairs contractor, going back to basics whilst improving customer communication, will be a priority for us in the year ahead.

Damp and mould became a high priority area for us this year following the death in Rochdale of Awaab Ishak. We have reviewed our policy on damp and mould to take a more open-minded approach to dealing with reports, recognising the impacts of fuel poverty on condensation. We have also been more proactive in providing support and advice to

residents. An awareness campaign, providing general information to residents on the issues they may find, explaining the main causes and encouraging reporting of potential repairs, landed well with customers.

In the year ahead we will use the stock condition data that is currently being gathered to inform a new asset management and investment strategy. We will also review our approach to decarbonisation where appropriate, making sure all of our properties are EPC C or above, many of our properties are rated A and B.

## Digital services

Customers told us that they wanted more flexibility to manage their account online with 24/7 access. With this in mind, we have been working hard this year to prepare for the launch of Frontdoor, our new customer portal.

Fully tested and cyber secure, the portal will be a new way for customers to do business with Staffs Housing. From reporting a repair, tracking a repair, viewing tenancy information or seeing the latest news, Frontdoor will enable customers with an account to undertake some of the most popular transactions with us at a time and place to suit them. So far customers have loved the new way to manage their accounts, with 10% of customers signing up in the first 3 months.



**“Front Door is great! It makes it so much easier for me to pay my rent and keep up to date with my account.”**

## 2. BRING YOUR HOME TO LIFE

We believe a home should be the place where you feel your best. Supporting our customers to address the issues preventing them from living independently. Revival brings life back into spaces and places to help people live happier and longer at home. Over the last 12 months Revival has supported customers to be more independent, resilient and connected through our different services.

### HONEYCOMB'S SAFE AND WELL CHECKS SERVICE SUPPORTS 151 OF STOKE-ON-TRENT'S MOST VULNERABLE RESIDENTS IN JUST THREE MONTHS DELIVERED THROUGH REVIVAL

The Honeycomb Revival service, funded by Stoke-on-Trent City Council, provided a new aspect of support, not only to local people but teams at Stoke-on-Trent City Council and the wider healthcare sector.

Stoke social workers and locality connectors referred residents they believed to be vulnerable

into the service to help them stay safe and well at home. Revival's community wellbeing workers then stepped in to provide support like arranging delivery of medication or food supplies, access to utility top ups, home adaptations and benefits as well as general support.

***"I didn't want to go into hospital, but thanks to the support I received from Revival I'm so glad I did."***



**MARIE**  
REVIVAL CUSTOMER

Stoke-on-Trent City Council commissioned us to undertake checks for 12 months from December 2022. The checks directly support people who are known or about to be assessed by Adult Social Care and are vulnerable. Whilst the service experienced some initial challenges, unexpectedly receiving 60 referrals on 22-23 December for visits between Christmas and New Year, it is now thriving.

The team worked together to make sure that every person received at least one visit during that period and multiple visits where we assessed that they were particularly vulnerable. The service has continued to be busy with 151 customers having 627 visits between December and the end of March (121 of these were either weekends or bank holidays). This service operates seven days a week including bank holidays, something

which shows Revival's ability to deliver out-of-hours services. We've received excellent feedback from commissioners and social workers, and the service is relieving some pressures on health and social care.

Our Home Support Team has continued to support patients over seven days in Royal Stoke Hospital, County Hospital and community hospitals in North Staffordshire.

This year we supported 1,026 customers. In North Staffs we completed 539 interventions pre-discharge, such as fitting temporary key safes or doing a property inspection. We also carried out 221 interventions post discharge, such as arranging delivery of medication and shopping and cleaning services. We also regularly signposted to other services and undertook 640 home visits to support these customers. As we all know, the NHS is going through a really challenging time at the moment and we have supported our partners in the local hospitals through multiple critical incidents by increasing our presence at Royal Stoke in December 2022 and January 2023 – including working Bank Holidays at very short notice.

East Midlands Ambulance service in Derbyshire has also been supported by Revival over the past year. Our falls recovery service attends to customers who have fallen at home, are uninjured, but require assistance to stand. The service operates 24 hours a day, every day of the year and it received 459 calls over the last 12 months.

The team delivering this service respond to calls quickly, often in the middle of the night, to very rural locations – freeing up the ambulance service to handle more medically challenging calls. They also supported 494 customers to have lifeline alarms fitted and 66 customers through the floating support service they also offer.

This year saw the Revival service expand into Cheshire East through our COVID-19 recovery Reconnect Service. The service, which helps residents get back in touch with their community and reduce isolation and loneliness following the pandemic, has supported 69 people over the last 12 months.

Our Revival Repairs service has expanded over the past year. Since August 2022 the team have started



**ASHLEIGH**  
SUPPORT WORKER

to work in our homelessness accommodation operated by another Honeycomb Group brand, Concrete. Decorating empty properties, fixing locks, joinery and plumbing are just some of the 77 jobs they've undertaken since launch. They have also expanded works for Staffs Housing and continue to offer care taking services at Rowan Village and West End Village. In the community they have completed 126 jobs for customers such as installing new fence panels, decorating internally and other general joinery work.

To aid falls prevention the team have completed 119 falls assessments and fitted interventions such as grab rails, or helped to make homes safer by securing carpets or moving furniture around.

Target Hardening service for domestic abuse victims in

Stoke-on-Trent has been a big part of Revival's Repairs service. This year they have helped 74 customers by fitting CCTV systems, door and window alarms and door braces. They were also involved in supporting people leaving hospital and supported 248 customers with the installation of key safes, grab rails, stair rails and moving furniture to accommodate hospital beds or downstairs living.

Finally, this year saw Revival support a short-term project funded by the National Grid. Warm Homes for Hospital Discharge provided 112 people in North Staffs with energy advice and support with utility provider issues whilst issuing winter packs (consisting of a flask, gloves & socks and a hot water bottle). This project was well received by the community.

## Bring your home to life

# “I WAS ON MY KNEES, BUT I’M IN A BETTER PLACE THANKS TO REVIVAL”

Former policeman, Nicholas Castle from Sandbach, had previously led a very busy life, but after a relationship breakdown he lost his way.

He was referred to Honeycomb’s Revival Cheshire East Reconnect service where Support Worker Becky helped Nicholas to rebuild his confidence and gave him a new outlook on life. They worked together to provide Nicholas with coping mechanisms and support, attending local training courses and community events.

Becky was also able to help Nicholas reconnect with his neighbour and even begin working towards becoming a Parish Councillor.



**NICHOLAS**  
WITH SUPPORT  
WORKER SHARON

# 3. BE THE HEART OF CHANGE BY ADDRESSING, OVERCOMING AND ENDING DOMESTIC ABUSE

**Glow has continued to offer both new and existing services to help stamp out relationship abuse. Our remarkable and dedicated staff have achieved amazing things and created countless positive outcomes for our customers. Here we celebrate just a selection of their achievements.**

## Address

Our safe accommodation acts as a haven for those experiencing abusive relationships. Staffed 24/7 and fully protected with CCTV and door entry systems, these homes are equipped to provide reassurance to customers around their security. Over the past year, whilst we have provided safe homes for 155 customers and 205 children, we received far more referrals than we could accept. In total 454 new referrals were received in the year, of these we accepted 105 and rejected 349. These figures starkly illustrate the demand for safe homes as a means of an escape out of an abusive relationship.

Glow’s independent domestic violence adviser (IDVA) service is also a key part of addressing relationship abuse. Over in Derbyshire we have two teams that cover the county as well as

the city of Derby. This year our two services received 1217 referrals, we also secured Leading Light accreditation, an acknowledgment of the expertise and high standard of service delivery by the team.

Our IDVAs support domestic abuse victims who have been assessed as being at high risk. We work closely with other agencies and housing associations to provide support around housing, legal services, moving home or additional security. This year we were able to attract additional funding for our customers to increase security measures including window alarms, personal alarms and a limited number of doorbell cameras.

This year our Health IDVA has also started working with the safeguarding team at Chesterfield Royal Hospital. Their work is to support staff with people

disclosing domestic abuse and also supporting patients directly at a time when they most need it. We are excited about this service and how it may grow next year.

The year ahead is positive for the IDVA service. Glow successfully retained the contract for county and we aim to reach out to more partner agencies over the coming months, increasing the visibility of the service.

Our children and young person’s support in Newcastle-under-Lyme is another of the services that aims to address the impact of relationship abuse. Young people are referred to the service for one-to-one support by schools when domestic abuse is identified or suspected. Over the past year we have undertaken 271 individual assessments, working with 122 individual clients.



 **271 assessments**

 **122 customers**

### Our young people said:

- 92% felt more able to manage and understand their feelings
- 73% saw improved confidence and self esteem
- 94% understood more about healthy relationships
- 74% said it helped them manage their behaviour



## Overcome

A significant development in Glow’s ambition to overcome relationship abuse this year was the Recovery Hub. Launched in November 2022 the Recovery Hub is a safe space for survivors of domestic abuse to rebuild their lives. The Recovery Hub offers several programmes:

Glow’s 12-week Freedom programme helps participants recognise and understand the dynamics of abuse. Sessions teach them all about the tactics used to control others and gives them the tools they need to rebuild their lives. The programme is available to women who are currently experiencing, or have recently left, an abusive relationship.

Recognise and Reconnect is our 10-week parenting programme. The programme helps parents discover their own unique way of parenting. Its aim is to help them develop the skills they need to move on with

their children.

The Recovery Toolkit is a 12-week programme based on the professional and lived experience of domestic abuse specialist Sue Penna. The sessions support people on their journey following an abusive relationship, helping them to recognise that they weren’t to blame and can start a brand-new chapter.

As well as delivering these programmes, the Recovery Hub also offers social and wellbeing opportunities such as the ‘Brew Can Do It’ coffee morning, weekly yoga and monthly sewing group.

To end the year on a positive we secured £45,000 from the Lottery’s Know Your Neighbourhood Fund for the Recovery Hub. This will fund the further development of the service and the social and wellbeing offer.

- 72 people joined the Freedom programme
- 11 people accepted onto the Recognise and Reconnect programme
- 21 people accepted onto the Recovery Toolkit
- 76 volunteer enquiries
- 14 people completed our volunteer training course



### FEEDBACK FROM RECOVERY HUB CUSTOMER

“Before I came to Honeycomb’s Glow, I had nowhere to turn. I felt like there was no way out. I couldn’t see how things were going to get better.

“I can remember driving myself to the train station, ready to take my own life. I couldn’t see any other way out of the situation.

“I don’t know what stopped me, but I decided to go home and look online to see what help was available. That’s when I found Glow and gave them a call.

“I can still remember my first session of the Freedom programme. It was hard because it was the very first step for me, but the atmosphere was just lovely.

“You quickly realise just how many people are in the same situation as you.

“The first session can be hard because it’s the very first step, but after the first few you realise just how many people are in the same situation as you.

“There’s no judgement at all, everyone just comes together and supports each other.

“The staff are brilliant too. They never judge you and they’re never shocked at what you say. That listening ear, kindness and support was just invaluable at such a difficult time.

“Without the Freedom programme, I probably wouldn’t be here today. I can’t praise the programmes enough – they are absolutely fantastic.

“Each session bought me further to who I am today. I’m so much happier now and have the tools and knowledge to protect myself.

“It’s so valuable to have volunteers who have experience of relationship abuse because they understand everything – they just get it.”

## Housing advocacy

**We had 34 referrals and supported 26 customers. Work involved safety planning, MARAC referrals and multi-agency working with police, social care, other domestic abuse agencies and housing.**

We supported customers living in temporary accommodation, due to domestic abuse, with food parcels. We also guided them to move on to private housing, social

housing or safe accommodation such as refuge. Our housing advice teams provided customers with the financial support they needed to access private housing.

Alongside this we provided emotional support, with one customer telling the Housing Advocate that she had ‘saved her life.’

## Funded projects to support women, men and children overcoming abuse

**Funded by BBC Children in Need and supported by the Arnold Clark Community Fund, Honeycomb’s Opening Doors project helped customer Alicia and her two children rebuild their lives after an abusive relationship.**

Opening Doors provides holistic, combined support for parents who have experienced domestic abuse and their children. The project teaches parents how to play with their children and spend precious one-on-one time with them. This might not have been possible when they were living with an abusive partner.

For children, it means they can play, get messy and have fun! There’s always so much to get involved in, including crafts, Lego, painting and gardening. For parents, it means they can have time to themselves while our Children’s Team keep

their little ones busy with different activities. Funding for the project has also allowed the team to purchase brand new colorful picnic benches for the refuge garden, which customer Alicia\* and her two sons have been enjoying this summer. It’s important that we have bright, welcoming areas within our refuge, so people feel as comfortable as possible while they work towards their next chapter.

“Glow have supported me practically and emotionally. They’ve always been there for me and provided me with everything I need, so I’m very grateful.

“Glow is helping my children by helping them deal with their feelings and emotions. It can be very hard when you leave your house to come to refuge.

“Staff have been supporting my eldest especially, as he’s been dealing with anger after everything that happened. They’ve been helping him to understand what is going on. They help me by giving me some time so I can go upstairs and have quiet time while the children are being taken care of doing activities like Lego, playing and colouring, which they love doing.”



## End

Ending domestic abuse is Glow’s ultimate aim and there are a couple of ways we tackle this. Firstly, our perpetrator services provide support to those who want or need to change their behaviour. Working with high, medium and standard risk perpetrators across Staffordshire and Derbyshire we aim to change entrenched behaviour by holding perpetrators to account for their abusive behaviour; supporting them to acknowledge the harmful effect on partners and children and the wider community; to take active steps to stop their domestic abuse; whilst providing information and support to make informed decisions.

Our involvement in delivering the national perpetrator programme, Drive, has certainly provided us with great experience of working with this customer group. Over the year we have successfully supported high-risk, high-harm, serial perpetrators with the aim of disrupting abuse. From April 2022 The Keys Project

worked with 47 medium and low risk perpetrators and supported 204 women and children. Whilst Drive supported 164 high-risk perpetrators, held 23 multi-agency perpetrator panels where risk management and action planning was discussed for 220 families affected by the behaviour of a high-risk perpetrator.

The experience gained through our recent perpetrator work has built a very solid foundation from which to build, and at the end of 2022/23 we were delighted to hear that we’d secured Home Office funding to launch a new high risk perpetrator service in Derbyshire. Derbyshire 180° Project will launch in April 2023.

## In 2022-23, the following was achieved through our Drive programme

Physical abuse reduced in 80% of cases assigned

Sexual abuse reduced in 82% of cases

Harassment and stalking reduced in 62% of cases

Coercive controlling behaviour reduced in 57% of cases

## ADDRESSING AND OVERCOMING ABUSIVE BEHAVIOUR

Charlie\*, who perpetrated domestic abuse towards partner Sharon, received support from Honeycomb’s Glow Derby team last year.

The couple were together for just over a year and in that time there were eight incidents of domestic abuse, including coercive behaviour, financial, sexual and physical abuse.

In 2021, Charlie began to work with Glow, and was allocated a Case Manager, who worked with 14 different agencies including children’s services, mental health services and adult social care. This was to make sure there was as much support as possible in place for Charlie’s son Daniel too.

Charlie’s Case Manager worked with Charlie to help address coping strategies and understand the negative implications their behaviour was having on both Sharon and their son.

They also worked through past trauma, as Charlie previously experienced abuse.

Thanks to Glow’s support, Charlie and Daniel are now more settled and looking towards a future free from abuse.

Service Manager Clare added:

***“A future free of violence is now a reality.”***



Ending the cycle of abuse is a vitally important part of our work and we recognise that we cannot create real change alone. Our education and prevention service aims to teach young people, education professionals and community leaders about healthy relationships through the Relationships without Fear programme. The aim of the programme is to educate people on recognising and responding to domestic abuse as early as possible, whilst also being aware of how to signpost to support.

Now celebrating its 20th anniversary, the programme is going from strength to strength. We've delivered sessions to 15,624 people, expanded the programme from Staffordshire into Derbyshire and have embarked on a three-year research project with Keele University. The project will re-evaluate and improve our education and prevention approach, exploring wider issues preventing social change. The research will also include the development of an improved evaluation tool for Relationships without Fear which will be available for any organisation to use to effectively evaluate healthy relationship and domestic abuse education programmes.



As a leading provider of domestic abuse services and support in Staffordshire and Derbyshire, we often get called upon to deliver short-term work such as professional advice across all our streams of work. Over the last 12 months we have delivered 494 pieces of short-term work.



***Signing up for the programme was a no-brainer!"***

Headteacher, Emma Wilkinson



## SUPPORTING SCHOOLS IN DERBYSHIRE

Since it launched two years ago, Honeycomb's Relationships Without Fear (RWF) has been delivered in 13 schools across Derby and Derbyshire. This means approximately 1,600 pupils have taken part in sessions.

Headteacher Emma Wilkinson says that signing up for the programme was 'a no-brainer.'

"When we first heard about RWF, we just thought 'wow - that would be amazing for our school. We believe that our job is not just to teach the children about maths and English, but also to help them develop and function well in life.

***"We want them to know about positive, safe relationships and develop those skills to protect themselves."***

"The children always feel at ease with Glow coming into school. The charity are experts in their sector, which has really helped to support the children with any underlying issues that they might not have even realised.

"Whenever Glow have discovered any previous incidents that children have been through, these have been picked up quickly and addressed by our DSL."

"The impact of the sessions on our children has been amazing. We now see them transferring their skills into other areas of their school life and they're more prepared to talk about any problems or relationship issues.

"We would wholeheartedly recommend RWF to any school. It's had such a tremendous impact on the children and provided them with that extra layer of support."

## 4. MAKING HOMELESSNESS HISTORY

We're here to change the present and the futures of the many without a plan, without a voice and without a home by leading the charge to erase homelessness within our community for good.

We do this in four ways: Address, Secure, Connect and Equip.

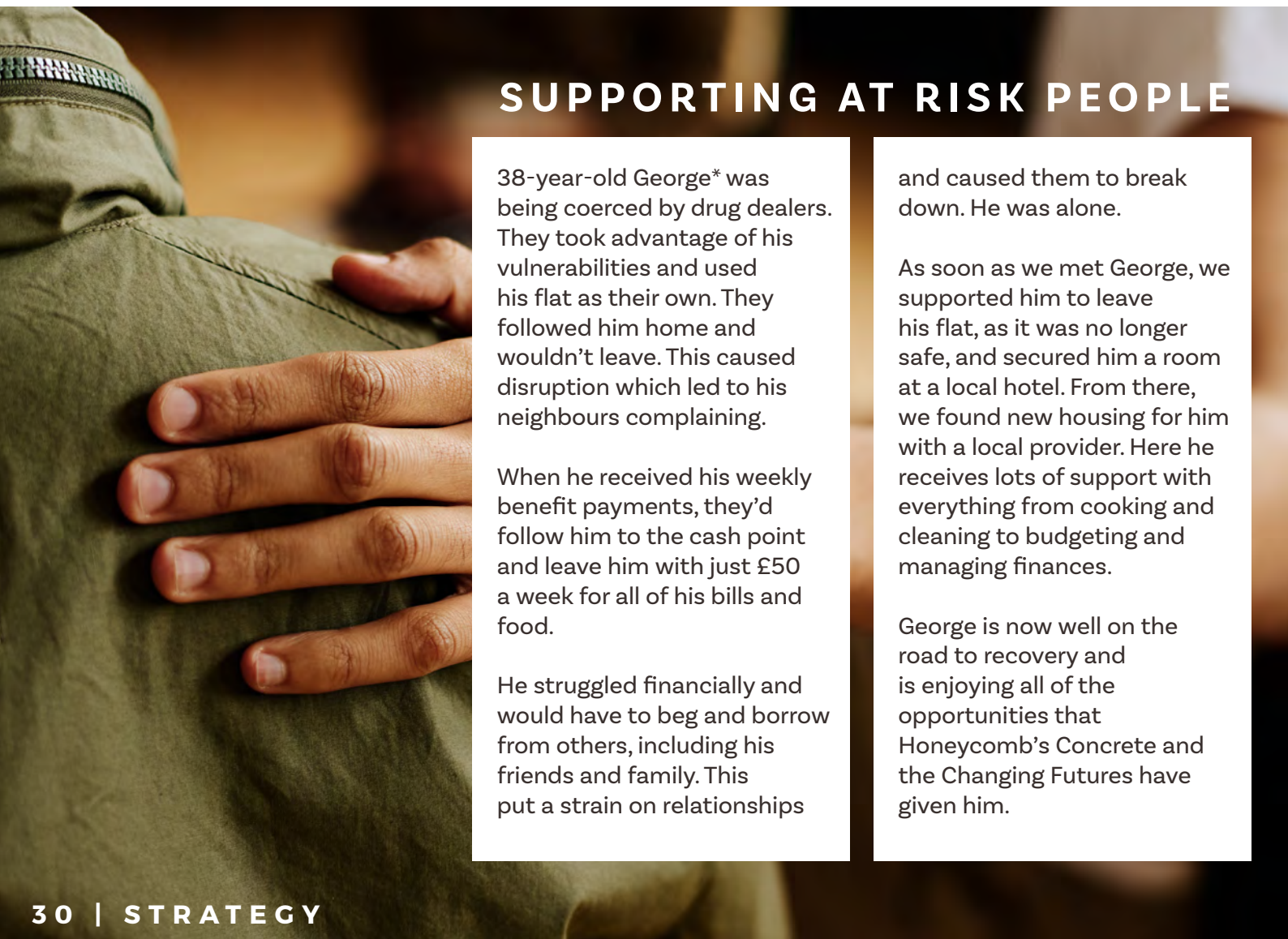
### Address

Throughout the year we have supported customers to use their lived-experience to raise awareness of homelessness. Local and regional media including BBC Radio Stoke, Signal One and BBC online interviews have covered their stories. We continue to share the voice of lived experience during volunteers week, mental health awareness week, and sharing content during Pride month, suicide awareness week, adult safeguarding week and international homelessness day.

Social media has also been a very powerful tool for us over the last 12 months. Over the life of the strategy we have reached over two million people through content on our channels, increasing our

followers by almost 3,000 people. As a platform, TikTok has proved a great success in educating about homelessness. Our TikTok post that showed the reality of what a homeless scheme looked like has

so far received 301.6k views and 32.8k likes. Whilst a TikTok post asking how a homeless person can buy and prepare food has been viewed 112.6k times, with 231 comments.



## SUPPORTING AT RISK PEOPLE

38-year-old George\* was being coerced by drug dealers. They took advantage of his vulnerabilities and used his flat as their own. They followed him home and wouldn't leave. This caused disruption which led to his neighbours complaining.

When he received his weekly benefit payments, they'd follow him to the cash point and leave him with just £50 a week for all of his bills and food.

He struggled financially and would have to beg and borrow from others, including his friends and family. This put a strain on relationships

and caused them to break down. He was alone.

As soon as we met George, we supported him to leave his flat, as it was no longer safe, and secured him a room at a local hotel. From there, we found new housing for him with a local provider. Here he receives lots of support with everything from cooking and cleaning to budgeting and managing finances.

George is now well on the road to recovery and is enjoying all of the opportunities that Honeycomb's Concrete and the Changing Futures have given him.

## Secure

Often our work is about preventing homelessness. In May 2022 we launched our tenancy sustainment service working with customers living in Concrete properties across Staffordshire, supporting them with all aspects of their tenancy. They work hard to equip customers with the skills they need to one day manage a home of their own independently.

Over the past year across all of our services, we have helped over 600 people keep their home, equipping them with the skills they need to live independently in the future.

We have signed up to 10 new units of accommodation through our Landlord Liaison services across Stoke-on-Trent and Cheshire East. We have also worked with

15 private landlords who have provided 15 tenancies to our customers through our private lettings service.



## Connect

Connecting those without a home to a home that is fit for their needs, whilst providing dedicated support to connect housing and care needs into one access point is a core part of our service delivery.

Together with our partners we have connected over 900 people to accommodation across North Staffordshire and Cheshire East with support that is fit for their needs. The Destination: Home partnership brings a vast and diverse offer of accommodation for people impacted by homelessness with multiple and complex needs. This year Destination: Home has supported 476 people across the partnership, of which 225 are supported by Concrete. This includes 26 women in our female only housing and 32 in our men's housing project. 86% of people across the Destination: Home partnership have sustained a tenancy and 70% reported to have achieved independent living.

In addition, our Young Person's Accommodation Service has

supported a further 52 young people over the last 12 months. Whilst our Navigate service has worked with 26 people caught in a cycle of homelessness and repeat offending to secure long-term accommodation. Our dual diagnosis service with BAC O'Connor worked with over 16 people experiencing co-occurring mental ill health and substance use. Lastly, our peer mentoring programme worked with 48 people looking to use their lived experience to mentor others.

Having the time needed to work with these customers who have complex needs is always the challenge and so this year we were delighted to find out that two of Concrete's DLUHC funded Rough Sleeper Initiative (RSI) projects have been extended to March 2025. This brings longevity to our peer

mentoring offer and private letting service to make sure that tenants renting in the private sector can benefit from our support, whilst expanding our connection with private rented sector landlords.

Also funded by RSI until March end 2023 were our specialist support in relation to our navigate services (prison release), move-on support for rough sleepers and dual diagnosis support (co-occurring mental ill health and substance use) with our partners BAC O'Connor.

In Cheshire East, our Floating Support and Supported Housing services continue to provide tenancy related support to over 200 customers, both in their own independent homes and within Concrete properties.

## THE MAGIC OF LIVED EXPERIENCE

Having lived experience gives Honeycomb staff a unique insight into what our customers are going through and makes such a huge difference to the support we can provide to them. Tenancy Sustainment Officer Riz supports customers with all aspects of their tenancy and is one of our incredible staff members using his own lived experience of homelessness to support others.

In May 2020, personal circumstances meant that Riz found himself with nowhere to stay, so he slept rough for two nights in Stoke-on-Trent. He got in touch with the city’s Rough Sleeper team, who found him a place to stay, but he told us that those two nights were ‘dangerous and scary’.

Riz was given a bed at a local hotel and it was here that he met Honeycomb’s Concrete.

***“I found myself homeless after an unexpected situation.***

“I only slept on the streets for two days – but they were dangerous and scary days.

“It was a difficult situation anyway, but this was the start of the pandemic too. Everything was really

uncertain at that time.

“I was in the hotel and then at a hostel for around six months. That’s when I was introduced to Concrete.

“About four days after I arrived at the hotel, I got a call from Concrete. The team said they could support me and help me to find accommodation.

“My Concrete Service Coordinator was amazing. He helped me to settle in and always checked in to make sure I was OK.

“Straight away, with their encouragement, I signed up to an agency to get some work. I had previous pharmacy experience, so I managed to find a job at a local pharmacy warehouse.

“At that point I felt like I was in focus-mode. I worked hard, said yes to all of the overtime I could get and just stayed positive.

“It was a challenging environment, but I worked hard and gave it my all. I knew it was a great opportunity for me.”



**RIZ  
TENANCY  
SUSTAINMENT  
OFFICER**



## SUPPORTING CARE LEAVERS IN CHESHIRE

When Honeycomb's Cheshire East team first met 19-year-old care leaver Ollie\*, he'd worked with other local providers with little success. He found himself without a home, in debt and abusing drugs. Service coordinator Charlotte shares his journey.

"We first met Ollie over 18 months ago. As a care leaver, he'd faced lots of uncertainty in his life and been in different placements that didn't work out."

"When Ollie first arrived, he'd often break rules. He'd smoke cannabis in his accommodation, be verbally abusive to staff and wouldn't pay his service charge. He later told me that he only did this because he wanted us to show him that we were different and we weren't going to just 'get rid of him' like others did.

"He was used to being evicted as soon as he broke a rule but we didn't give up on him that quickly."

"Ollie has been through a lot and he's still so young. He can't be expected to get everything right straight away.

"We gave him the

time he needed to trust our service and build a relationship with me. We didn't force him to meet our usual time-scales, because we know that support must be adapted to meet a person's needs.

"I'm really proud of the work I've done with Ollie and I do feel like I've really made a difference to his life.

"We gave him the chance to be a young person and make mistakes, all while keeping him safe and helping him develop into the adult that he is becoming.

"When I look at him now, he's a completely different person to when we first met him."



Sterling first experienced homelessness when he was 16 and became homeless again when he was 40. He was supported by different local services and wanted to do something to give back and fill his time in a positive way. Now Sterling volunteers twice a week for Honeycomb’s Gateway Service, the entry point to our services for anyone who has lost, or is at risk of losing, their home.

**“Having lived experience does put me in a unique position to help customers. I have life experience, as well as experience of homelessness, so I know where they’re coming from.”**



## Equip

To end the cycle of homelessness we need to equip people with the skills to live independently for the long-term. Our peer mentoring scheme has gone from strength to strength this year, with peer mentors leading on activities to overcome the impact of isolation and loneliness on our customers and sharing their own learning and success offering hope and inspiration for others. Our peer mentors have provided countless hours to mentor customers at our schemes and in turn have gained work experience.

Through a partnership we have offered 12 work placements to people with lived experience, with five people offered permanent

posts at Concrete following successful completion of their placement. This significant collaboration helps people with

lived experience to gain experience and provide opportunities to enter the job market.



# 5. DEVELOP A STRONG AND RESILIENT BUSINESS

Strength, resilience and an effective infrastructure are the cornerstones of any successful business. It is the very reason that this is the first of our eight ambitions. New ways of working, new technology and a challenging, changing operating environment means that we must constantly evolve to continue delivering services that customers can rely on.

## Investing in technology to support an agile workforce

ICT forms an integral part of our operations. This year saw investment in ICT. With a key focus on cloud, cyber security, governance and strategy, a new team have set about transforming the ICT infrastructure.

A new 2-year strategy has been created to make sure we have the ICT platforms and systems to provide excellent services now and in the future. With cloud services at the heart of this ambitious strategy, from Spring 2023 we will unleash new opportunities for digital innovation, business agility and business continuity.

Maintaining service uptime (98.5% from a target of 99.8%) and cyber security levels on

a legacy platform has been a challenge this year, and so modernising ICT is a key feature of the new strategy to mitigate this. In response, a large, complex tender was completed to modernise our core ICT infrastructure and migrate servers and data to the cloud. Due to launch in 23/24 with a new long-term partner, completing this tender is a pivotal first milestone in supporting delivery of the new ICT strategy.

Over the year the ICT team have also worked tirelessly to support an increasingly agile workforce while maintaining business continuity. Over 4,800 tickets have been handled including setup\repairs of over 340 laptops and phones across the Group. The transformation of ICT services helps to minimise disruption to service delivery and improve the response times and quality of information we can provide to customers.



**RICHARD**  
HEAD OF ICT

## Data-led decision making

Increased data-led decision making was also high on our list when looking to enhance the strength and resilience of Honeycomb Group. Following an 18% increase for data-led project support, we saw the expansion of the Business Intelligence team with the addition of a new Business Analyst. This improved grip on data will increasingly help us to direct investment and resources to where it's needed most, improving efficiency and customer experience.

A critical project for the Business Intelligence (BI) team over the past 12 months has been to centralise all compliance data, to provide easy reporting and oversights. You can read more about this on page 19.

To achieve this, we invested in new Business Process Mapping (BPM) software which results in increased visibility, control, and

agility. Importantly, it maintains an auditable history of process reviews, approvals and changes, so we have one source of truth about how and why we do things.

Our BI team continue to be involved in critical strategic projects. They designed and implemented a new Information

Assets Register to meet regulatory requirements, to maintain a centralised register of all data assets. We are designing a bespoke software application to make sure this data is centrally stored, maintained, and reviewed with management oversight and escalation if required.

## Cyber security

Every 39 seconds there is a cyber attack on a business somewhere in the world. An increase in the frequency and sophistication of attacks focused our attention in 2022/23, leading to investment and new governance to help increase protection and reduce risk.

An investment into AI technology has protected our email system against 'impersonation attacks' and targeted 'phishing attacks'. This has reduced threat levels of this nature by 87% and will future proof the organisation against increasing levels of sophisticated attacks.

Investment in an externally-led cyber penetration test gave valuable insight into security levels and allowed us to proactively protect systems from attack. This has also been backed up by annual renewal of the groups Cyber Essentials accreditation, which provides reassurance that a best practise cyber 'baseline' is being

followed by the Group. Annual cyber security training for all staff (rather than only providing it for new staff) has also been introduced. So far 62% of ICT users have been up-skilled, with the remainder of staff receiving training within the next few months.

## Securing additional income

One of the ways we aim to develop financial strength as an organisation is to have a keen eye on value for money (you can read more about this on page 38) and to secure additional income streams.

Our long-standing relationship with Stoke-on-Trent Housing Society enables us to share our expertise in support services

such as ICT, finance and marketing, gaining efficiencies and additional income. This year we invested in the ICT systems

provided to the local housing provider, helping them move to the Cloud and fulfil their own digital ambitions.

# 6. INCREASE THE SUPPLY OF AFFORDABLE HOMES

As a social business we never forget that a home provides a foundation for life. In alignment with Stoke-on-Trent City Council’s Housing Strategy 2022-2027 we aim to provide new, quality affordable houses for people in our region to call home.

This year we added 58 new-build homes to our portfolio. The homes, which are either completed or currently on-site, provided much needed modern living for families in Staffordshire.

## New-build homes



### Cecilly Mills CHEADLE

13 properties, 5 shared ownership homes 2 x 3 bed homes and 3 x 2 bed homes. 8 properties were affordable rent with a mix of 4 x 1 bed apartments, 3 x 2 bed houses and 1 x 3 bed house.



### Goldenhill STOKE-ON-TRENT

17 properties (a mix of two and three bed houses) at the former Goldenhill Working Mens Club site were also completed. The remaining 13 properties are due to be handed over by August 2023 and will see completion of both phases 1 and 2 of the scheme.



### Waterloo Street HANLEY

We are also currently on-site with 10 x 1 bed apartments at Waterloo Street, Hanley.

*“I’m so happy to have such a lovely home. The service has been brilliant and my new home was well presented on move-in!”*



### Dividy Road BENTILEE

5 x 2 bed homes on Dividy Road, Bentilee completed. These properties replaced houses we sold through the Voluntary Right to Buy pilot scheme.

## Bring housing home

In the summer of 2022 we successfully completed the transfer of 99 properties in Meir, Stoke-on-Trent, from Great Places Housing Group, a large provider that predominantly operates in the North West.

As a business that already has ties to that local community we were delighted to be given the opportunity to take over their ownership.



“

***“It’s so lovely to have a landlord just down the road. Since Staffs Housing took over, we’ve been overwhelmed with how supportive they’ve been”***

## Generating income to reinvest in further affordable housing

### SHARED OWNERSHIP

Homeownership is a real aspiration for some of our customers and this year we continued to provide shared ownership homes in Staffordshire.



### SUPPORTING OWNERS TO STAIRCASE

This year we also supported current shared owners who were looking to buy additional equity in their home. We have helped a further seven customers to increase the equity they own in their home.

This is fantastic news for both the owner, who pays less or no rent and can enjoy the further benefits of outright ownership, and also Honeycomb Group who can reinvest the income into existing or new affordable homes.



### FURTHER OWNERSHIP

We also sold a further six homes. Three of which are shared ownership sales after buy back, four apartments at extra care villages, and three homes through the Right to Acquire scheme.

Increase the supply of affordable homes

## NEW BEGINNINGS FOR DREW AND SON HARLEY

Drew moved into her Cecilly Mills home in 2022. She was living in an apartment with her young son and ex-partner. She decided to join the local council waiting list when her relationship with her ex-partner became strained.

After signing up to the Staffordshire Moorlands County Council housing register, Drew was contacted by Staffs Housing. She was offered a two-bed semi detached home within

the brand-new Cecilly Mills development in Cheadle.

Drew moved into her affordable rent home last September. She was later joined by five more families who purchased a shared ownership home on the site.

She and son Harley now have a space of their own, with their favourite part being the secure garden where Harley can play.



*Staffs Housing were super helpful and gave me all the information I needed to make the move in process as smooth as possible. Now we're in, I'm just excited for what the future holds."*

**DREW**

STAFFS HOUSING  
RESIDENT





## Disposals

Disposing of properties that no longer meet our strategic ambitions is a key part of our strategy as it frees up money to invest in other more suitable homes. This year saw the disposal of 12 homes.

Looking ahead the work we've done this year to establish stock condition and our forthcoming work to establish the EPC and SAP ratings of homes will help to inform our new asset management strategy, which will include a framework for disposals.

## Sustainable development

As a social business we are keen to make sure that our new homes programme is sustainable and contributes positively to the community beyond the bricks and mortar.

This year we once again worked with Stoke-on-Trent College to provide work experience

placements for Level 3 Construction and the Built Environment diploma students.

We also took two students in full time education for a week-long work experience.



***The building of stronger relationships with Registered Providers provides the opportunity to make sure a consistent improvement in the standards of service, care and the quality of housing the residents of our city enjoy.”***

STOKE-ON-TRENT CITY  
COUNCIL HOUSING STRATEGY  
2022-2027

**GOLDENHILL  
DEVELOPMENT  
STOKE**

# 7. DEVELOP OUR CULTURE AND BE A GREAT PLACE TO WORK

In autumn 2022, we ran an all-staff survey and the results were incredibly positive.

- 89% of respondents said they felt proud to be part of Honeycomb Group.
- 86% said it was a positive place to work.
- 83% would recommend Honeycomb Group as a place to work to friends or family.
- 89% said Honeycomb Group were committed to fostering diversity and inclusion.

## Employees feel heard and recognised

As well as encouraging feedback through a regular staff survey, we also introduced a new process to gain insight from Glassdoor. New starters and current staff, as well as those leaving the business, are encouraged to leave a review and we respond individually to any posts. Our Glassdoor rating is currently 4.6/5, with a 97% net promoter score.

This year also saw us launch a brand-new colleague engagement forum. Over 50 staff members from across

the business stepped forward to represent their team at the group. Members are keen to shape the future of Honeycomb

Group’s workplace, influencing things like benefits, wellbeing and recognition.

## Investing in growth and development of staff

This year we introduced a new training commitment in the business, with the aim of improving support and guidance for staff. It outlines our commitment to our workforce in terms of our L&D offer from formal training courses, professional development or apprenticeship opportunities. Within the last financial year, the hours spent on training equates to 6,368 with a total of 2,265 attendees. We also supported four apprentices.

Looking forward we are launching a new L&D online platform in the summer of 2023. The platform will enhance our offer for staff, volunteers,

Board members and involved customers with the introduction of automated learning pathways and reminders. This more robust approach to personal

development will enable us to ensure more consistency across the business for things like regulatory changes and customer experience.

**WILL**  
APPRENTICE





*Completing the CIM marketing diploma has expanded my knowledge and skills, it's also enabled me to gain valuable insight across the sector.*

*I really feel that the Group values me and that they're investing in staff members looking to develop."*

Develop our culture and be a great place to work

## **WE CHAMPION OUR PEOPLE TO BE THE QUEEN (OR KING) BEE OF THEIR CAREERS.**

We've supported our teams with over 6,300 hours of training so far this year and hope to increase this in 2023-24.

Housing Manager Laura completed her ILM level 5 in strategic leadership this year, qualifying in August after 10 months of studying and assignments. Independent Living

Officer Maria completed her CIH level 3 in housing practice earlier this year too.

Communications and Marketing Manager Laura (pictured), also completed her CIM level 6 professional marketing diploma in September.

**LAURA**  
COMMUNICATIONS  
AND MARKETING  
MANAGER

## Leaders are values driven and effective

Leaders are a critical part of our improvement plans for Honeycomb Group over the next few years and we are delighted with the level of positivity and appetite for change we've witnessed this year.

As part of our commitment to develop leadership at Honeycomb Group, we launched several HR workshops to up-skill people managers.

Recruitment is increasingly difficult in the current market and so recruitment summits helped managers to identify challenges and improvements. This resulted in changes to recruitment toolkits, information on our website, and information on our recruitment platform, Networx. 83% of managers attended these sessions and they provided very positive feedback.

We also offered workshops focused on managing discipline, grievance, absence, and performance. The sessions gave an overview of our company policies and procedures relating to these areas. 80% of people managers attended these workshops and as a result we have seen increased manager accountability.

Improved HR information on Honeycomb Group's intranet, The Hive, has also provided greater autonomy for our managers. A centralised hub for all people management information is one of the most popular areas of the site with 810 views by 147 staff over the

past 12 months. As a result, we have started to see less dependence on the HR team for day-to-day enquiries, freeing the team up to make strategic improvements.

Looking forward we aim to drive improvements around our 'Check-In' activity. Check-ins are one-to-one conversations between a colleague and their manager and over the next year we strive to increase the number of meetings, the use of the feedback tool as well as introducing annual reflections and settling in reviews for new starters.

## Pay and benefits

To improve colleague satisfaction with pay and benefits we have undertaken localised salary benchmarking exercises to address those job roles where it is felt there is variance compared to local competitors. Salary uplifts took effect from April 2023. It is hoped that this will have a positive impact on our recruitment and retention rates.



**LUCY**  
HEAD OF DOMESTIC  
VIOLENCE AND  
ABUSE SERVICES

## Wellbeing and inclusivity

Our work on wellbeing and inclusivity has been closely linked over the past year. The launch of an EDI staff group provided the impetus for initiatives such as diversity training with leaders, support of Stoke Pride and International Women's Day, as well as introducing the option to display your pronouns on email signatures. We also initiated a big push on collecting staff diversity data which so far has seen an 11% increase.

In recognition that our workforce is predominantly female (76%) we introduced a Menopause Commitment that included a coffee morning with an informal presentation from a Menopause Coach, as well as menopause packs in all staff toilets.

These activities are helping our


staff feel included and accepted in our organisation, ultimately influencing positive wellbeing.

With a cost-of-living crisis hitting everyone hard over the last 12 months, we also strived to support our colleague's financial wellbeing. The launch of a support hub on the intranet

helped staff share tips and offers, as well as signposting them to potential benefits and promoting the opportunity to car share. We also held regular pension clinics with Benefex, who were able to offer personalised advice to people looking to plan for their future.

## This activity has certainly helped bolster staff wellbeing during a very challenging time. In the recent staff survey:

- 87% said their manager showed a genuine interest in their wellbeing (+17%)
- 82% felt positive about their work (+12%)
- 68% said their stress levels felt manageable (+15%)
- 76% said they could bounce back quickly from short-term stress or set backs (+25%)
- 7.1/10 staff rated their mental wellbeing on average



**HELEN  
AND ZOE**  
HR TEAM

Develop our culture and be a great place to work

## PASSIONATE ABOUT PRIDE

Equality diversity and inclusion is of strategic importance at Honeycomb Group as we aim to reflect the diversity of the communities we serve in the diversity of our workforce. One of the ways we aim to achieve this is through supporting awareness events throughout the year, that promote us as an employer of under-represented groups.

Each June, you'll find our Honeycomb Group stall at Stoke-on-Trent PRIDE. We're proud to celebrate our LGBTQ+ community and promote Honeycomb Group as a place to celebrate your individuality. This year we also promoted the brand new Phoenix support hub, a service that specifically supports members of the LGBTQ+ community who are homeless.



*Being a member of the LGBTQ+ community is something that I'm very proud of. Pride month is dedicated to celebrating the diversity of people. It's so important for EDI to be part of our culture at Honeycomb Group to be as inclusive as possible."*

**DEAN MARSH**  
OPERATIONS MANAGER

## 8. MAKE SURE OUR BRANDS ARE RECOGNISED AND VALUED

We have significantly increased our activity across social media channels including Facebook, Twitter, LinkedIn and TikTok over the last year. The target to achieve a reach of five million people over the life of the strategy was exceeded in 2022/23, with over 8.5 million people seeing one of our brands across these channels. Whilst this recognition is great, the real benefit of this activity comes from new customers being aware of services and also generating stronger partnerships that enable us to do more for customers in the future.

**8.5m people reached on social media**

### Strategic marketing

We also saw an increase in followers across all accounts of up to 1909%\* (\*Concrete on TikTok).

Creative, trend-led, topical content has certainly helped engage our audiences. Campaigns such as #DontBringItHome during the 2022 World Cup tournament reached over 122,000 people, receiving 1,000 engagements. Or the #ItsNotLove Valentine's Day campaign that had a reach of 60,000 people, with 93 clicks through to the website, really demonstrated the use of best-practice marketing.

Whilst important, social media wasn't the only tool used by the business to generate brand awareness or support service delivery. Over the last year we issued 146 media releases to regional press, with a conversion rate of 42%. We also ran several direct mail or text campaigns. One such campaign was to encourage existing shared owners to staircase

and purchase additional equity in their homes. With the use of promotional offers, staircasing sales exceeded the annual target by 191%.

Like most businesses, our websites are an important channel for customers and stakeholders alike. We manage five websites, one for each brand. Every single one

of the sites has been developed with a different audience in mind, with tailored content and features. Over the past year we have seen a collective increase in traffic with website page views increasing from 1,188k to 2,554k (an increase of 115%) and we hope to continue this growth in the coming year with further web improvements planned.

### Customer communications

Effective communications with customers is a key priority for the business. Again, using a multi-channel approach, we provide open, honest, and regular communications to customers.

A move to digital communications with customers has proved effective and efficient. For the first year both the quarterly customer magazine and the customer annual report have been predominantly delivered by email with open rates of 45% and a click through rate of 12% and 6% respectively. We also issued a pilot of the tenant satisfaction survey to customers via text, with a 20% return.

Customer campaigns have also delivered success this year. For Staffs Housing a multi-channel campaign to promote lettings and neighbourhood coffee mornings generated a reach of over 52,900 people, with 307 engagements on social media, 239 visits to the website and local press coverage. For Revival, a marketing push of the Reconnect service including media relations, online marketing and new service literature saw 315

visits to the web page, a social media reach of 14,511 with 64 engagements and 45 link clicks. These campaigns are a vital part of enabling people to access our services to get the support they need.

Over the next year we will strengthen our marketing approach with a revised communications strategy that supports the new corporate plan.

# Value for money



HONEYCOMB  
GROUP

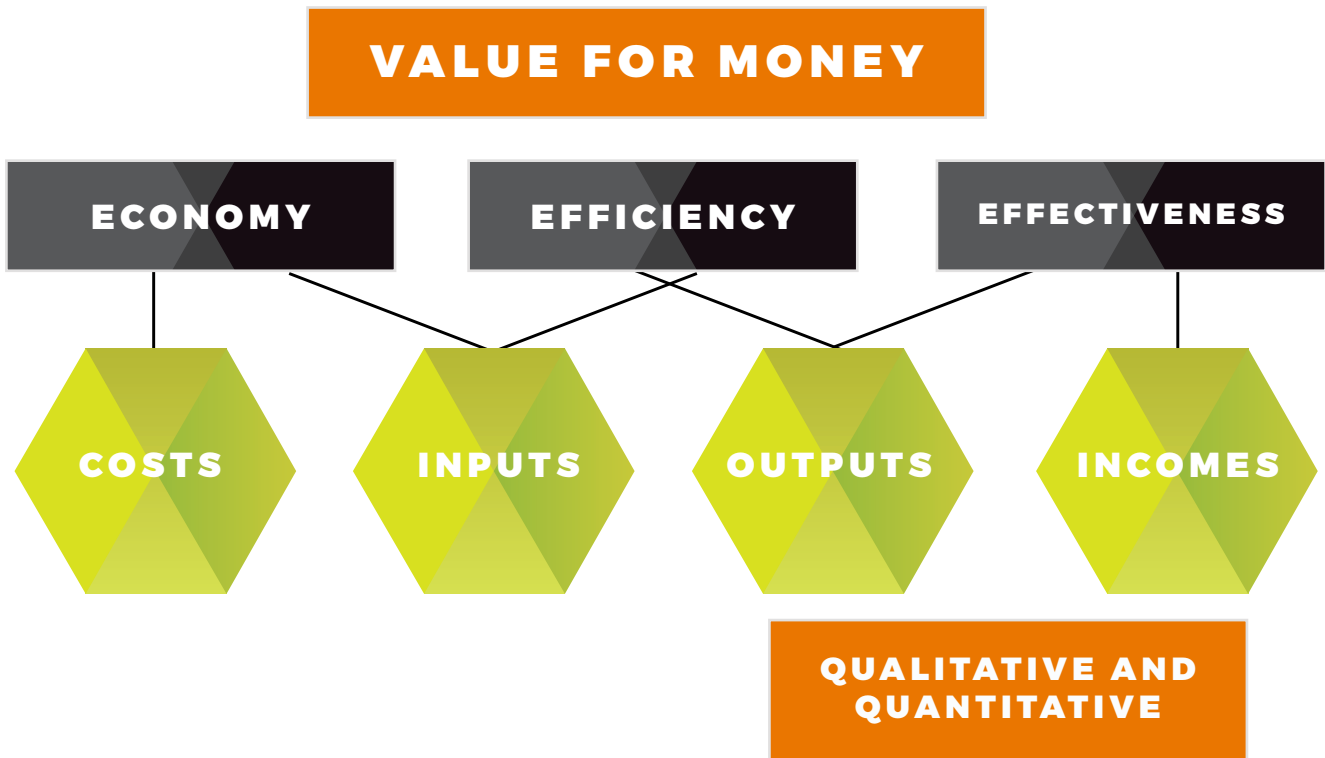


# OUR STRATEGIC APPROACH TO VALUE FOR MONEY

Our approach to achieving value for money is to deliver our strategic objectives in an efficient and quality-focused way. We do this by:

- having clear strategic objectives with associated KPIs and targets which are understood by staff.
- having robust business planning processes with organisational priorities cascaded to teams and individuals.
- performance management and scrutiny of processes which drive value for money and continuous improvement.
- understanding the relationships between costs and the quality of our products and services.

Our aim is to be a high performing business that delivers good quality homes and services. Our approach follows the model shown below:



**JOHN**  
CUSTOMER  
SERVICES MANAGER

## Setting our priorities

Our aim for 2022/23 was to continue the delivery of our strategic ambitions to deal with the medium to long term future of the Group. Our measures of success were:



- G1/V2 Regulatory Assessment
- Achieve a 2\* Best Companies score in 2024
- A social media reach of 5 million people by 2024



- 85% customer engagement satisfaction
- Less than 10% of tenancies end before two years
- 60% of customers using the online portal by 2024
- 90% overall customer satisfaction with homes
- Homes meet health & safety standards



- 98% of people would recommend our services
- 8,500 customers supported by 2024



- 4,000 people educated about domestic abuse
- 90% overall customer satisfaction with services
- 4,200 victims supported by 2024



- 650 people connected to a home that meets their needs per year
- 90% customer satisfaction with services
- 2,000 people receive education and training on homelessness

## Objectives and measuring VFM

The Board has chosen to embed value for money within its stated objectives and priorities rather than adopt a stand-alone VFM strategy. These objectives and priorities are described in our one-page strategic level plan and cascaded to the wider organisation through the leadership team plan and the 'My Check In' HR system.

In addition to the strategic plan priorities and targets, the Board set additional organisational level VFM goals and key performance indicators including those set by the Regulator of Social Housing. The VFM report assures the Board that the Group are compliant with the VFM standard. Performance is monitored by Board through a variety of ways including:

- **Quarterly balanced scorecard**
- **Monthly management accounts**
- **Performance reporting and benchmarking in the statutory accounts**
- **Customer scrutiny**

The Customer Services Committee make sure that customers' views and experience of the range of services provided are understood and driving service improvements effectively.

## Investment appraisal and decision making

A key factor in delivering VFM is effective control and discipline around financial planning, budgetary control and the investment decision making processes. The Group has a set of key controls, reporting and appraisal mechanisms to make sure we can deliver the best VFM.

This helps us to effectively plan, manage, and report on the Group's financial position so that we can assess all new initiatives, so they meet the organisation's objectives and rate of return.

The Group maintains an investment decision-making matrix which enables investment decisions to be compared against potential alternative investments.

When a decision is taken to accept less of a return from our assets and investment capacity to further our social objectives, we are able to explain and justify this.

## Return of property assets

As part of the Group asset and liabilities register, we maintain a discount net rent appraisal model. This enables a relative comparison of higher performing schemes against lower performing schemes so we can identify those properties poorly performing or at risk, and through detailed option appraisals determine what action we may want to take.

## Annual self-assessment against the standard

Every year the Group appraises its compliance with the Regulators Economic and Consumer standards. Including the value for money standard, and self-assessment which is periodically tested through an internal audit.

## VFM in action

This year we've focused on finding efficiencies and identifying what is and isn't working, whilst keeping customers and their needs, at the centre of everything we do. Efficiencies have ranged from trialling new equipment to clear gutters which removed the need to hire expensive scaffold, negotiating discounts and consolidating mobile phone billing accounts.

### Here's further examples of how we saved money, staff hours and more during 22/23.

#### REVIVAL

Revival's tradesperson team has reduced the Group's repair spend by delivering low-level repair works at a much lower cost than external contractors. This is fantastic news for the Group's finances and also great news for customers who can enjoy the Group wide quality standards. By using Revival, customers can enjoy a friendly, trustworthy service.

#### BUSINESS IMPROVEMENT TEAM REVIEWS

Our Business Improvement team have also been busy carrying out lean reviews. In one example where the team has worked with Concrete staff, changes to how we process abandoned properties has led to savings of approximately £3K per year, and changes to how we process utility supplies has resulted in around 50 hours per year saved.

#### TRAINING SAVINGS

We enrolled two colleagues onto apprenticeship courses to upskill and save training costs of over £22,000.

#### MAXIMISING RENT INCOME WITH ANY DAY LETS

After listening to customers and realising our Monday only move-in date wasn't working for them, we introduced any day lets.

Any day lets now enables customers to choose a move-in day which works for them, whilst maximising rental income for the Group. In the past, if a home was ready for move-in on a Tuesday for example, rent could not be collected until the following Monday. Now, customers are able to move in any day of the week enabling the Group to maximise rent.

#### IN-HOUSE ADMINISTRATION

The housing team now send all LBA (Letter Before Action) legal letters to customers who have failed to allow access for compliance visits (e.g: gas servicing or asbestos). This used to be done by a solicitor at £150 plus VAT. We think this switch will not only save money, but increase engagement with customers able to respond to us directly instead of via a third-party solicitor.



#### UTILITY SAVINGS

We have moved to an alternative energy provider for our empty properties. Our new provider Utilia has brought efficiency gains in the cost of energy for the period that the repairs are being undertaken. Utilia has also started a community fund for our customers which has proved incredibly popular so far.

#### MOVING AWAY FROM UNDER-USED PLATFORMS

We made a saving of £12,000 by terminating our cash back/ promotional discount site contract. Stats showed the platform was not being used by staff who were more likely to use external cashback/ discount sites available online.

#### SUPPLIER SAVINGS

The communications team saved over £900 sourcing supplier discount codes and £540 negotiating a reduced billboard. After listening to customers and discovering the increased engagement via SMS and email, customer magazine Be Mag was converted to digital only. This created a saving of over £3,000 in postage and printing for each edition.

## Direct customer value for money

Although all efficiencies subsequently benefit our customers, we have achieved direct customer VFM through support services.

### STAFFS HOUSING MONEY ADVICE TEAM

In 22/23 the team raised £1.1 million additional income for Group customers. After listening to customer feedback we discovered many didn't realise what benefits they were entitled to. We also found some elderly and low-literacy/ language skill customers struggled to complete application forms. With this in mind, the team took on a proactive approach which resulted in the highest additional income total so far.

Achieving additional income not only supports customers but Group finances too. This year we saw lost rental income decrease which could be an effect of the above. We will continue to proactively support customers, especially during winter months which proved most difficult last year.

### REVIVAL SUPPORT AND WELLBEING TEAM

Revival supported 76 customers, in the Staffordshire, Cheshire and Derbyshire community to generate £260,667 worth of additional benefits. This was mainly attendance allowance which customers didn't realise they were entitled to or were no longer claiming the correct amount following a change in health.

The team also helped customers make applications for PIP, housing benefit and council tax benefit.

## VFM looking forward

VFM will remain a Group priority in 23/24 with further efficiencies already planned. Take a look at proposed savings to be launched over the next calendar year:

### REVIVAL TRADESPERSON TEAM

Following the success of the Revival tradesperson team completing low-cost repairs for Concrete properties, this will now be expanded further. As of 23/24, a dedicated tradesperson will deliver minor repairs to Glow, Concrete and Staffs Housing homes.

benefits including a "lift" service so that should someone have fallen the responders will pick them up rather than them have to wait for the ambulance service.

The new contract not only provides a better service for customers but brings a £2,000 annual saving.

### INTERNAL TRAINING OPPORTUNITIES

The Business Development team has developed internal leadership training which will save £000's in external fees.

### SPECIALIST TRAINING

We will secure specialist training on professional boundaries through a local training provider as a lower cost without compromising quality. Other training will also be sourced in this way moving forward.

### TELECARE CALL HANDLING

A new telecare contract will begin in 23/24 at a lower cost. The new contract also has additional



## Value for money metrics

Our performance is benchmarked against the published RSH statistics for traditional, non-LSVT, organisations of a similar size to Honeycomb Group (2,000 to 4,000 units) and traditional, non-LSVT, organisations that have at least 50% of their stock in the West Midlands.

This year saw a better performance in reinvestment by Honeycomb Group than the median, compared to other similar providers. We also saw improved performance on new homes supply compared to the previous year. However, as experienced by other





similar sized RPs, we have seen a slowdown in property construction and do not plan to acquire or develop before 2024/25 as our focus is on investment in existing stock and compliance.

In some areas such as

headline social housing costs and operating margins, our performance has been lower than target due to increased costs in repairs and investment in compliance activities to drive improvement and customer satisfaction.

### Reinvestment

This metric looks at the value of investment in our properties (existing stock as well as new supply) as a percentage of the total value of properties that we own.





	Median - RSH data		Historic performance			2022-23 performance				2023-24
	Similar size RPs	Local RPs	19-20	20-21	21-22	Target	Actual	Against target	Trend	Target
<b>Group (consolidated)</b>	4.10%	7.00%	4.99%	5.04%	2.32%	2.60%	2.88%			1.07%
<b>Entity (association)</b>	4.10%	6.90%	5.01%	5.06%	2.33%	2.45%	2.87%			1.07%

For this metric, when we compare our 2022/23 out-turn to our benchmarking groups most recent 2021/22 data we have performed below the median when compared to both the similar sized and locally based Registered Providers. However the metric excludes the significant investment in the purchase of properties from another Registered Provider which would move performance higher than the median of both peer groups to over 7%.

Looking forward to 2023/24 we are projecting to increase our capital investment in existing stock to £1.6m. However, due to the strategic decision to halt our development programme, caused partly by the uncertainty in the economic climate affecting the feasibility of investment opportunities and the decision to concentrate on reducing overall operating costs in our existing stock in the short to medium term, we expect this metric to fall to 1.07%.

### New supply delivered % (social housing units)

This new supply metric sets out the number of new social housing that have been developed in the year as a proportion of total number of social housing units owned at the end of the year

	Median - RSH data		Historic performance			2022-23 performance				2023-24
	Similar size RPs	Local RPs	19-20	20-21	21-22	Target	Actual	Against target	Trend	Target
<b>Group (consolidated)</b>	1.00%	1.60%	2.34%	0.91%	0.13%	1.54%	0.66%			1.16%
<b>Entity (association)</b>	1.00%	1.40%	2.35%	0.92%	0.13%	1.55%	0.67%			1.16%

This measure allows us to assess the size of our property construction programme in relation to the number of properties that we already own.

This makes it possible to compare large landlords delivering volume to smaller landlords concentrating on a particular type of provision or geographical area (such as ourselves). Our metrics for performance and targets are broadly comparable to the median of our peer groups. Taking consideration of the addition of 99 properties purchased from another Registered Provider the metrics would be significantly above the median of our peer groups at 3.8%.

We took handover of 21 new social housing units in 2022/23 which was lower than expected - this was due to a slowdown in three of our sites under construction due to the economic environment. Other than the remaining 37 units on site (as at 31/03/2023) we do not plan to acquire or develop new social housing properties in 2023/24. This is a strategic decision which has been taken to allow the group to concentrate on reducing its overall operating costs, whilst investing in services and existing housing stock.

### Gearing %

This metric assesses how much our adjusted assets are made up of debt and the degree of our dependence on debt finance. It is also often used as a key indicator of appetite for growth.

	Median - RSH data		Historic performance			2022-23 performance				2023-24
	Similar size RPs	Local RPs	19-20	20-21	21-22	Target	Actual	Against target	Trend	Target
<b>Group (consolidated)</b>	35.5%	46.2%	45.2%	41.8%	42.7%	50.5%	45.3%			46.67%
<b>Entity (association)</b>	35.4%	47.0%	46.6%	43.3%	44.0%	49.3%	46.8%			48.62%

The metric indicates that we are higher than the median of our benchmarking group for similar sized RPs and marginally below the local RP group, but relatively stable year on year. This reflects our commitment to the social housing sector through acquisition and fulfilment of on-site development contracts whilst also utilising our assets to support investment in our stock to ensure the safety of our customers. The 2022/23 gearing % is lower than the full year target due to a slowdown in development and acquisitions (and therefore borrowing). The target for 2023/24 reflects a strategic acquisition of an existing leasehold property within the Entity to secure future revenue streams. As part our medium-term financial plan, we will also review our treasury strategy with a view to reducing overall borrowing costs.

### EBITDA-MRI Interest Cover

EBITDA-MRI Interest Cover measure is a key indicator for our liquidity and investment capacity. It measures our level of surplus generated against our interest payments.

	Median - RSH data		Historic performance			2022-23 performance				2023-24
	Similar size RPs	Local RPs	19-20	20-21	21-22	Target	Actual	Against target	Trend	Target
<b>Group (consolidated)</b>	181.0%	141.0%	132.3%	166.5%	134.3%	151.0%	113.7%			119.7%
<b>Entity (association)</b>	181.0%	140.2%	128.4%	154.8%	139.4%	141.7%	102.8%			100.7%

The metric is an approximation of cash generated; presenting it as a percentage of interest shows the level of headroom on meeting interest payments for outstanding debt. When compared to our benchmarking groups for 2021/22, we are at the lower quartile. This is primarily a result of reduced operating margins at both the Group & Entity level driven by the increased costs of maintenance, utility costs and general inflationary pressures. We are expecting the squeeze on operating margins to persist into 2023/24 and whilst we are expecting to improve operating margins over the medium-term, the impact of interest rates and inflation will erode some of the impact of these improvements in the coming year. In addition to this, the Group plans to invest additional resources into our stock over the coming few years targeted at ensuring our homes are safe and energy efficient. The 2023/24 target is reflective of these commitments. Robust plans are being put in place to ensure operating margins return to significantly improved levels in the near to medium-term and we expect to outperform the target for 2023/24.

### Headline social housing cost per unit (£'s)

The unit cost metric assesses the headline social housing cost per unit as defined by the regulator, being “total costs association with the delivery of social housing activities divided by the total number of social housing units owned”.





	Median - RSH data		Historic performance			2022-23 performance				2023-24
	Similar size RPs	Local RPs	19-20	20-21	21-22	Target	Actual	Against target	Trend	Target
<b>Group (consolidated)</b>	5,772	4,069	4,595	4,854	5,771	5,908	6,297			6,896
<b>Entity (association)</b>	5,187	3,997	3,476	3,237	3,718	3,833	3,994			4,264

At the Group (Consolidated) Level we are higher than the median when compared to both of our benchmarking Groups. This is largely due to the inclusion of our service led Charity's (Concrete & Glow) operating expenses in the Group calculation. This increases the unit metric disproportionately as the Charity has relatively few properties in ownership or management but incurs exceptionally high support costs due to the complex needs of the customer. This effect accounts for all of the £2,285/unit difference in cost between entity and Group in 2022/23 following a similar pattern from previous years. This difference will be visible in future years as the Charity expands its support activity.

At the Entity (Association) Level, Compared to other local providers we are performing at the median level for costs per unit but we are performing well when compared against peers of similar size organisations across the country where our costs are significantly less, however, cost per unit has increased by 7.4% year on year primarily as a result of increased responsive repairs due to an under performing contract whilst at the same time investing in 99 properties transferred to the Entity in 2022/23. We expect responsive repair costs to stabilise in 2023/24 with the appointment of a new contractor. Further changes to the Housing Association operating model and the implementation of a medium-term financial plan combined with stabilised repair costs will help us to improve this metric going forward.

### Return on capital employed (ROCE) %

This metric compares our operating surplus to our total assets less current liabilities. It assesses how efficient we are in the efficient investment of our capital resources.

	Median - RSH data		Historic performance			2022-23 performance				2023-24
	Similar size RPs	Local RPs	19-20	20-21	21-22	Target	Actual	Against target	Trend	Target
<b>Group (consolidated)</b>	2.90%	3.40%	2.37%	5.32%	1.85%	2.36%	1.85%			2.68%
<b>Entity (association)</b>	3.00%	3.50%	2.40%	5.28%	2.09%	2.23%	1.79%			2.26%





The return on capital employed measures the degree of efficient investment of capital resources and compares the total operating surplus to total asset values. The reduction on our operating margin has caused a corresponding reduction in our return on capital employed.

Our ROCE in 2022/23 is broadly comparable to the previous year, the 1.85% indicates that we are in the lower quartile across our benchmarking groups correlating to the Operating Margin benchmarking metric. Over the medium to long term our ambition is to achieve greater than 4% ROCE.

In order to ensure the most efficient investment of our resources we utilise an investment framework that helps us rank competing investment and project opportunities in order to optimise our use of such resources.

### Operating margin % - social housing lettings

Operating margin % measures the amount of surplus generated from turnover on our social housing activities. It is a key measure of our operational efficiency as it is influenced by both income and expenditure.





	Median - RSH data		Historic performance			2022-23 performance				2023-24
	Similar size RPs	Local RPs	19-20	20-21	21-22	Target	Actual	Against target	Trend	Target
<b>Group (consolidated)</b>	21.3%	24.4%	21.2%	22.9%	17.0%	16.5%	12.2%			17.3%
<b>Entity (association)</b>	20.9%	22.1%	21.2%	22.9%	17.0%	16.5%	12.2%			17.3%

When compared to both of our benchmarking groups (2021/22 data) we are below the lower quartile. This is due to a number of factors in the current operating environment (inflation, increased interest rates, higher energy bills), later rent increase dates that we have when compared to our peers (December versus the sector norm of April), increased repair costs following the pandemic and as a result of core inflation, delays to the development programme resulting in lower new rental income and increased staffing costs.

Plans are being put in place to improve operating margins in the medium-term and we expect to see a sustained improvement in performance from 2023/24. The appointment of a new responsive repairs contractor in 2023/24 will enable tighter cost control, forward fixing of utility contracts will see savings for both the organisation and its customers, and a new target operating model is being implemented which will lead to higher quality services at a lower cost per unit.

### Operating margin % - overall

Operating margin % - overall measures the amount of surplus generated from turnover. It is a key measure of our operational efficiency as it is influenced by both income and expenditure.

	Median - RSH data		Historic performance			2022-23 performance				2023-24
	Similar size RPs	Local RPs	19-20	20-21	21-22	Target	Actual	Against target	Trend	Target
<b>Group (consolidated)</b>	17.1%	19.4%	16.2%	16.2%	11.4%	13.8%	9.7%			12.6%
<b>Entity (association)</b>	17.7%	19.4%	19.5%	20.8%	17.7%	18.9%	12.5%			16.4%

At the Group (consolidated) level, under performance against our benchmarking group is due, in part, to the inclusion of Concrete and Glow revenues in the turnover element of the equation. This dilutes the unit metric disproportionately as the Charity, due to the nature of its activities, has relatively small operating surpluses. Compounding this is the reduction in our core social housing operating margins, as identified in the previous metric.

Plans are being put in place to improve operating margins in the medium-term as identified above for the entity level. For Group performance measures have already been implemented in the Charitable subsidiary to ensure cost recovery models achieve their aim in delivering the overall strategic objectives. The impact of this has already been seen in 2022/23. Due to the improved performance in the Charitable subsidiary, combined with the medium-term financial plan for the Housing Association, we are expecting to see an improvement in this metric from 2023/24 onwards.



## Balance scorecard metrics

Board members scrutinise performance against Group targets and objectives through the quarterly balanced scorecard. Alongside the key financial and VFM performance metrics, the Board maintain oversight of additional process, customer and people key performance indicators. The focus of the balanced scorecard is on continual improvement and is reported for each legal entity within the Group.









Some of the highlights from the 2022/23 balanced scorecard are an improved position with void loss in all areas than previous year, particularly during the latter part of the year with the expectation that this performance will continue to improve in 2023/24. There was also an improved position on rent arrears in Honeycomb Charitable Services. Strong customer satisfaction across both Glow and Concrete and an improving position on satisfaction with lettings for Staffs Housing. Satisfaction with repairs improved slightly throughout the year but is still below target, we expect this to improve

with a new contractor in place in 2023/24. Satisfaction with Revival services also remains strong.







Achieving targets in some areas has been a challenge, rent arrears have been impacted by the cost-of-living crisis but we have managed these where possible, through the using of direct payments and discretionary housing payments particularly for customers within Glow and Concrete. As with similar organisations market conditions continue to have an impact on

staff absenteeism and turnover. Whilst we have not achieved our targets, we have seen improvement on previous years except for turnover in Glow and Concrete where in some cases uncertainty over contracts and the fixed term nature of some funding result in staff leaving the business just prior to the end of their contract term. Increase in pay informed by salary benchmarking, more investment in specialist training and clinical supervision and support should improve our position in the coming year.







### Process measures: As at 31st March 2023







Staffs Housing & Revival (Honeycomb Group Limited)	2020-21	2021-22	2022-23 (actual)	2022-23 (target)	Against target	Trend	2023-24 target
Rent arrears (%)	2.14	2.36	3.09	<2.75			<2.75
Void losses (%) social rented properties	1.40	2.02	1.37*	<1.25			<1.25
Gas safety certificates lapsed (no.)	1 at (YE)	Nil (at YE)	4 at YE	Nil			Nil
Fire risk assessments in line with policy	100%	100%	100%	100%			100%



\* During the year, operational issues with our DtD maintenance contractor has affected performance due to longer preparation and letting times across our homes









Concrete and Glow (Honeycomb Charitable Services Ltd)	2020-21	2021-22	2022-23 (actual)	2022-23 (target)	Against target	Trend	2023-24 target
Rent arrears (%)	6.70	5.50	4.40	<5.50			<4.50
Void losses (%)	9.00	6.50	9.80*	<10.00			<7.10
Private landlord gas safety certificates lapsed (no.)	Nil	2	Nil	Nil			Nil

\* Operational issues with our DtD maintenance contractor have affected performance due to longer preparation and letting times across our homes

Hummingbird (Stillness 924 Limited)	2020-21	2021-22	2022-23 (actual)	2022-23 (target)	Against target	Trend	2023-24 target
Rent arrears (%)	1.34	6.30	0.24	<1.00			<1.00
Void losses (%)	0.00	4.50	0.00	<1.00			<1.00
Gas safety certificates lapsed (no.)	Nil	Nil	Nil	Nil			Nil

Customer Measures: As at 31st March 2023							
Staffs Housing and Revival (Honeycomb Group Limited)	2020-21	2021-22	2022-23 (actual)	2022-23 (target)	Against target	Trend	2023-24 (target)
Satisfaction with repairs (out of 10)	8.7	6.2	6.43	9.5			9.0
Satisfaction with lettings (out of 10)	9.5	8.8	9.6	9.5			9.6
Satisfaction with Revival (%)	100	99	99	98			99

Customer Measures: As at 31st March 2023							
Concrete and Glow (Honeycomb Group Charitable Services)	2020-21	2021-22	2022-23 (actual)	2022-23 (target)	Against target	Trend	2023-24 (target)
Customer satisfaction (%) Glow	86	98	99	95			99
Customer satisfaction (%) Concrete				90			99
<p>Customers are asked to rate on a scale of 1-5 whether they are happy with the service received. The score is a percentage of the maximum score available for that response.</p>							

People measures: As at 31st March 2023							
Staffs Housing & Revival (Honeycomb Group Limited)	2020-21	2021-22	2022-23 (actual)	2022-23 (target)	Against target	Trend	2023-24 target
Absenteeism (%)	4.1	4.6	4.3	4.0			4.0
Staff turnover (%)	10.8	22.9	21.8	15.0			15.0
<p>This year 37 (2021/22 - 36) employees have left the group for varied reasons including “better opportunities”, “career change” and “better pay and benefits”</p>							
Concrete and Glow (Honeycomb Charitable Services Ltd)	2020-21	2021-22	2022-23 (actual)	2022-23 (target)	Against target	Trend	2023-24 target
Absenteeism (%)	5.5	8.7	7.7	5.5			4.0
Staff turnover (%)	22.4	36.0	43.4	20.0			25.0
<p>Absenteeism was higher than expected in the year due to cases of long-term sickness. This year 66 (2021/22 - 56) employees have left the group for varied reasons including “better opportunities”, “career change” and the “job not being a good fit”</p>							



# Governance



HONEYCOMB  
GROUP

# A NOTE FROM THE CHAIR

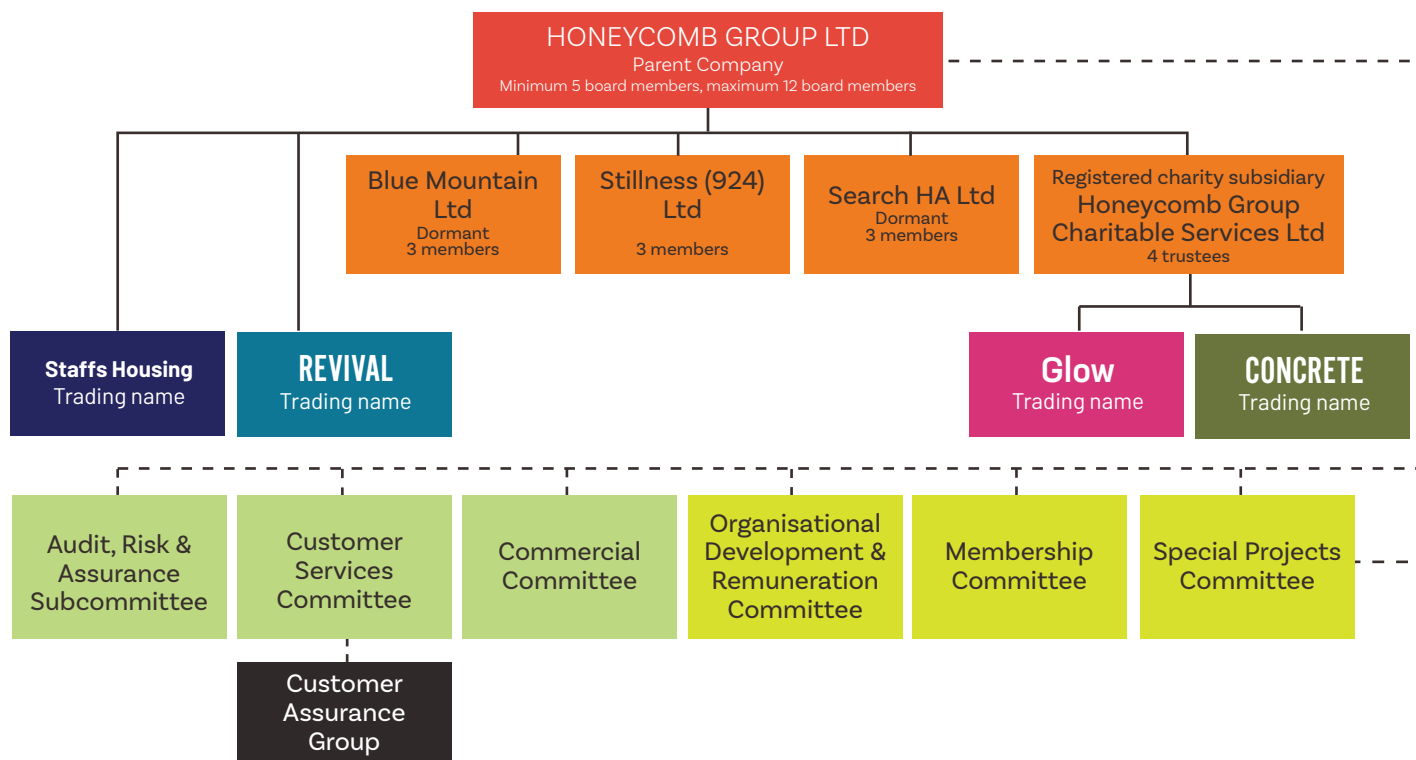
Andy Spencer

This year we welcomed new Chief Executive, Julie Guildford Smith to both the organisation and the Board following Diane Thompson’s decision to step down. Diane had been CEO at Honeycomb for the past 18 years and so her departure was a significant change for the business. Under Diane’s leadership Honeycomb Group transformed into a hugely impactful social business that makes a massive difference to people in the communities we serve. I want to take this opportunity to formally thank Diane for her service and for her positive legacy that provides a launchpad for our next chapter.

After a competitive recruitment process, Julie Guildford Smith joined the business in December 2022. Her wealth of experience, as well as a great passion for our mission, is already shaping the business and we are delighted with the direction of travel. Next year will be a big year for Honeycomb Group as we embark on an improvement programme and launch a new business strategy. We have complete confidence that the Executive Team and colleagues will deliver and look forward to working with them to achieve our strategic ambitions.



## HONEYCOMB GROUP Legal and Governance Structure



## OUR BOARD

The members set out below have held office during the whole of the period from 1 April 2022 to the date of this report unless otherwise stated.



### **Andrew Spencer, chair of the Board**

Andy is a chartered surveyor and experienced senior executive with a background in construction and development.



### **Fred Wright, non-executive director**

Director of the volume house builder and developer, Harper Crewe (Holdings) Ltd and has previously worked at C-level for a range of multinationals. Fred is also a member of the commercial committee and a member of the audit and risk committee.



### **Karl Dean, non-executive director**

Karl has worked in the housing, care and support sector for his entire career and has held a number of senior leadership positions. Karl is also chair of customer services committee.



### **Will Wright, non-executive director**

Will is a Chartered Accountant and the Group Financial Director at Towerview Care Group. Will is also a member of the audit and risk committee and a member of the commercial committee.



### **Rebecca Neill, non-executive director**

Rebecca is an experienced director and qualified accountant with a degree in social policy and a passion for housing. Rebecca is also chair of audit and risk committee.



### **Alice Hemsley-Myers, non-executive director**

Alice has more than 20 years' experience in finance, spanning risk management and property finance. Alice is also a member of the audit and risk committee and chair of commercial committee.

## OUR BOARD (CONTINUED)



**Georgina Patel, non-executive director**

Georgina has extensive senior leadership and management experience working in local government covering a range of disciplines including energy, environmental health, housing and regeneration. Georgina is also a member of the audit and risk committee and customer services committee.



**Andrew Davies, non-executive director**

Andrew has worked as a GP in Warrington since 2002 taking up various roles in health care focussed on service and quality improvement for patients. Andrew is also a member of the customer services committee.



**Julie Guildford Smith, Group CEO (appointed Dec 2022)**

Julie joined Honeycomb Group in 2022 as Group Chief Executive. She brought with her a wealth of experience, as well as a great passion for championing happy homes.



**Diane Thompson, Group CEO (retired Nov 2022)**



**Caris Henry, non-executive director, member of the customer services committee and commercial committee (retired Sept 2022)**



**Chris Bain, non-executive director and member of the customer services committee (retired Sept 2022)**

## CORPORATE GOVERNANCE

The Board's key purpose is the effective governance of the Group. The Board places great emphasis on continually reviewing effectiveness and implementing changes and strategies to ensure the overall governance arrangements are fit for purpose and effectively support the needs of the business.

### During the year the Board has...

- Continued to ensure the Group Strategy is implemented and is responsive to a changing environment.
- Worked closely with the Regulator to agree and implement a plan of actions to work towards G1 regulator status.
- Used the learning from the Board appraisal process to develop training priorities and identify collective and individual development plans.
- Completed individual and collective appraisals in accordance with our chosen code of governance.
- Reviewed and completed our self-assessment of compliance with the NHF Code of Governance (2015).
- Reviewed and completed our self-assessment of compliance against the regulatory standards, completed our review of compliance with all relevant law, and identified some areas for further development.
- The Board self-certifies that, having taken reasonable steps to ensure compliance, the Association and Group are compliant with the Governance and Financial Viability Standard.

### Looking ahead...

The Board will continue to maintain an effective governance framework and has continued work on a number of key priorities as set out below:

- In June 2023 the board approved the adoption of the NHF code of governance (2020). A gap analysis has been completed and a plan agreed to implement 12 actions in order to ensure full compliance.
- Embed the findings of governance aspects of the Campbell Tickell target operating model reviews.
- Continue to embed our approach to value for money and procurement.
- Continue to implement the priorities of the Group Strategy.

## OUR APPROACH TO...

### Customer engagement

Over the last 12 months the number of involved customers has increased by around 60%. We have engaged with 650 customers throughout the year across 65 engagement opportunities. New activity such as the My Home Group, the Repairs and Building Safety Group and a pilot community environment week, alongside existing opportunities like mystery shopping and the Customer Assurance Group provide more ways than ever for customers to influence services.

The My Home Group met three times this year to focus on estate management and the new neighbourhood roles. They have also discussed several policies including the Fair Deal policy and pet policy. The Repairs and Building Safety Group have been working on the new damp and mould policy. They agreed the wording of the document and have finalised the easy read customer version. This group have also been involved in the re-tendering of the maintenance contract. The customer scrutiny group have done a great piece of work looking at how our customers understand the fire risk assessment linked to where they live. The group spoke directly to our customers at Pioneer Place, Burnwood Court, Oliver Lodge and Sandpiper Court. We took on board recommendations around notice boards and worked alongside Concrete and Glow in the HMO properties.

The Customer Assurance Group

continues to hold our performance to account. This group meets quarterly and feeds directly into the Customer Service Committee and The Board. They get feedback from the other groups, service area reports, complaints information, data from the balance score cards and they sign off customer led policies. The group highlights and explores any areas of concern. Recently this group have helped review the new complaints policy and the new customer service opening times. One member is also on the Housing Ombudsman Resident Panel.

Mystery shoppers regularly review empty properties, customer services and reception areas. They meet throughout the year to discuss their experiences and recommendations are fed through to operational teams to make service improvements. The cleaning of ready-to-let properties is something the group picked up this year, properties are now vacuumed and wiped down as standard. They also agreed that there are some items that can come off the void standard list as it is becoming too

costly to continue replacing these items each time.

Live and Learn is a great opportunity for Honeycomb Group customers to learn new skills, helping to create opportunities and overcome isolation. We work alongside Stoke on Trent City Council, S-O-T College, N-U-L College, Acorn, Buxton and Leek College, Pathway Group and others to offer courses that include flower arranging, ICT, confidence and more. 96 customers have accessed courses this year, 27 of which were for vocational education that will help improve employment prospects.

To break down any barriers to learning and give everyone an opportunity to do these courses, we provide transport to and from or we pay mileage allowance. We also make sure that those who have adults or children to care for are not missed out and we pay for extra days in a childcare setting for the duration of the course or for extra time for care staff for adults.

## Complaints

Formal complaints are used as a valuable form of customer feedback. We do not set targets for the number that we receive, but we do aim to resolve them as early as possible. In 2022/23 we received 93 complaints, this is a decrease of 20% from last year.

Of the complaints received:

- 87 were for Staffs Housing
- 3 were for Revival
- 2 were for Concrete
- 1 was for Glow

The vast majority of complaints (83%) related to the repairs service, with customers reporting a poor quality of service, that repairs were not delivered on time or poor communication. To address this we have been working with our customer assurance group to change delivery partner and we aim to have a new provider

in place by 7 August 2023. Of the remaining complaints, quality of service and poor communication were strong themes and we continue to work on these areas.

At 31 March 2023 we had 30 open complaints at stage 1 and two at stage 2. This is unusual and was primarily due to a specific issue with our repairs service that has now been addressed.

Around 11 were ongoing or overdue. In addition to formal complaints, we also captured information coming through our 'make a complaints' function online. We have received 260 contacts through this function, 170 of these related directly to repairs.



## Volunteers

Volunteers are such an important part of our business. They give their time and share their life experiences to play an important role in services across Honeycomb Group. This year 102\* volunteers have worked alongside Honeycomb Group colleagues to help support customers and enhance services.

\*Correct as of February 2023.

### VOLUNTEER SUPPORT ACROSS HONEYCOMB GROUP

12 Glow volunteers supported women and men experiencing and overcoming domestic abuse.

11 Concrete volunteers supported men, women and young adults experiencing homelessness.

4 Revival volunteers provided much needed befriending support and helped people reconnect with their local community post COVID.

75 Staffs Housing volunteers worked across villages to provide practical and wellbeing support.

Volunteers play an important role in supporting our customers, communities and neighbourhoods. Each volunteer brings a set of skills, experience, or knowledge to our service, and because of this, we can provide more tailored, personalised support.

Although some Revival, Glow and Concrete volunteers took on similar practical roles, the majority provided befriending support to customers.

Befriending plays a huge part in many Glow and Concrete customers' recovery. Volunteers with lived experience can

provide a unique type of emotional support which is received well. Over the year, this lived experience befriending has helped many customers with their recovery and confidence.

In return, many volunteers have used this experience to move into employment and gain confidence themselves.



***Being a volunteer has been a really rewarding experience that's enabled me to use my life experience to give back. At the same time, it's helped me to meet new people and build life-long friendships."***

**ANNE**  
VOLUNTEER



## Equality, diversity and inclusion

Following last year's launch of a Group-wide EDI strategy and staff forum, we have continued to keep EDI at the forefront of people's minds through a variety of activity:

- In person diversity training was delivered to all managers throughout the business. The training was delivered by leading inclusive culture expert, Joanne Lockwood. It aimed to educate our managers to make sure they could confidently champion a fully inclusive workplace and culture.
- We continue to be members of the Housing Diversity Network, sharing their training with forum members.
- The EDI forum merged with a staff engagement forum to make sure EDI was discussed across conversations on wellbeing, recognition and other workplace initiatives.
- The colleague forum have championed a number of specific issues for colleagues, including better provision of disabled parking.
- The launch of pronouns on emails provided an opportunity to promote the EDI conversation and it has also enabled staff to express their identity, should they wish.
- We've celebrated several awareness events including Menopause Week and Pride. Each event has been an opportunity to educate staff, as well as challenge what they can do to improve inclusion.
- Having great diversity data is a big part of having a successful inclusive culture. We have undertaken successful campaigns with both customers and colleagues to improve the diversity information we hold.

## Internal audit

We gain assurance through compliance checks from both our internal and external auditors which ensure we are delivering services in line with our policies and procedures and making effective use of our resources. We have an annual internal audit plan that focuses on key areas where compliance is paramount or substantial changes to working practices have been introduced, whilst also renewing other areas on a rotational basis.

## Future financial prospects

The Board have recognised the challenges that the current operating environment present to the Group. They have considered that the key risks for the delivery of the annual budget for the forthcoming year are:

- Input price inflation from our supply chain, particularly in maintenance and construction development services.
- The direct impact of energy price inflation on operational expenditure and operating margins.
- The indirect impact of energy price inflation on revenues due to bad debts arising from energy price inflation on our tenants' household budgets.
- Interest and debt servicing cost increases on our variable rate loans.

The Group maintains a resilience plan with a suite of actions that can be called upon if the Board consider that the 2023/24 budget surplus will not be achieved. The Board are maintaining oversight of these key risks via regular reporting and scrutiny.

Stress-testing of the early-years Group 30 year business plan shows it is sufficiently robust to withstand the impact of these near-term risks.

## Treasury management

Our Board approved an updated treasury policy and strategy in March 2023. These aim to manage interest rate and covenant risk as well as other treasury risks. An external specialist consultant provided advice on this.

In the year, we completed the variation of our loan agreements, gaining flexibility to increase headroom in interest cover loan covenant performance and to provide additional capacity to invest in our properties.

## Internal controls assurance

The Board is responsible for the Group's internal controls and for reviewing their effectiveness but recognises that such a system can only provide reasonable, and not absolute, assurance against material misstatement or loss.

The Board applies best practice to reviewing the effectiveness of our systems of internal control and extended the previous requirement in respect of internal financial control covering financial and operational controls and risk management.

The Board believes that its procedures provide effective internal controls.



**SHARON**  
ASSISTANT  
FINANCE  
DIRECTOR

## Internal controls procedures

Our systems of internal control are designed to ensure reliability of financial information and the maintenance of proper accounting records, thus safeguarding against loss and providing the proper evaluation of risk. Key elements include:

- Adoption of an updated Code of Governance based upon the NHF’s 2015 Code “Promoting board excellence for housing associations”.
- Board retaining responsibility for a defined range of issues covering strategic, operational, financial and compliance issues including treasury management and new investment projects.
- A formal scheme of delegation to the management of the Group.
- An annual continuous improvement plan against which performance is monitored by the Board.
- Financial plans incorporating budgets, forecasts and a thirty year business plan.
- A process for monitoring and reporting of achievement of financial objectives mindful of key business risks, including regular reviews by the Board.
- Rigorous risk appraisal of significant new initiatives and projects with regular review.
- A comprehensive range of formal policies and procedures, regularly reviewed.
- Recruitment, retention and development processes.

The Audit and Risk Committee reviews reports received from internal and external auditors and management and regularly reports to Board regarding the extent to which internal controls continue to take account of the nature of financial risks facing the Group. A formal process exists for the reporting and correction of significant control weaknesses.

The Board has received the Chief Executive’s annual report and has conducted an annual review of the effectiveness of internal controls. Account has been taken of any changes needed to maintain the effectiveness of the risk management control process. No weaknesses were found in the internal controls sufficient to cause material misstatement or loss and

the system of internal controls operated throughout the year and to the date of signing of the financial statements.

The Group has high standards of openness and honesty and has in place measures to minimise the risk of fraud and procedures to respond if it happens.

## Directors’ Indemnity

The directors have confirmed that the Group has Directors and Officers Liability Insurance in place.

## Financial instruments

The Group does not have any abnormal exposure to price, credit, and liquidity and cash flow risks arising from its trading activities. The Group does not enter any hedging transactions and no trading in financial instruments is undertaken.

## Strategic risks

The Board, audit and risk committee and the executive team continually review the strategic risks that may prevent Honeycomb Group from achieving its strategic ambitions. The latest review was in July 2023.

Listed below are the major risks to Honeycomb Group’s success, this does not compromise all the risks faced by the Group and they are not listed in order of importance.

Risk	Lines of assurance		
	1st day to day operation of internal control	2nd oversight, monitoring controls	3rd independent assurance e.g. internal, external auditors, other assurance providers
<p><b>FINANCE</b></p> <p><b>Risk:</b> Reduction in income and / or increasing costs cause a reduction in surplus which impacts on development capacity, impact on financial ratios (interest cover), achievement of corporate objectives and reduced viability (now crystallized @ V2).</p> <p><b>Cause:</b> Poor financial planning, weak internal financial controls, changes in external environment - political or economic landscape including impact of increasing interest rates, inflation (and upward pressure on interest rates), impact on supply chain (material / labour / energy cost inflation) and slowdown in development programme</p> <p><b>Impact:</b> Failure of business plan, insolvency, viability downgrade, breach of loan covenants, reduced / weakened performance, reduced services to customer</p> <p><b>RSH SRR 2022 link:</b> Macroeconomic and financial environment, Costs &amp; Inflation, Rent Setting, Rent Income &amp; arrears, Finance &amp; Treasury Management</p>	<ul style="list-style-type: none"> <li>Financial planning and systems of budgetary control</li> <li>Group Standing Orders, Financial Regulations and Schemes of Delegation</li> <li>Monthly and quarterly financial monitoring</li> <li>Multi variate stress testing</li> <li>Fully funded debt programme and high levels of fixed debt (93%)</li> <li>Sufficient undrawn credit facilities to meet all reasonable funding and liquidity buffer</li> <li>Robust Asset &amp; Liabilities Register</li> <li>Renegotiation of Lenders’ covenant terms</li> </ul>	<ul style="list-style-type: none"> <li>Annual Budget approved by Executive &amp; Board</li> <li>Quarterly Management Accounts, Treasury, Cash flow and Balanced Scorecard monitoring by Executive, A&amp;R Committee, Board</li> <li>Stress Testing reported to Board</li> <li>Trustee &amp; Board review of Going Concern Statement</li> <li>Exec led monthly financial reviews with Finance &amp; Operational teams</li> <li>Quarterly loan covenant monitoring by A&amp;R Committee</li> <li>Resilience &amp; Recovery Plans</li> <li>Quarterly loan covenant monitoring by A&amp;R Committee</li> <li>Resilience &amp; Recovery Plans</li> <li>Budget Risk analysis &amp; Board oversight</li> </ul>	<ul style="list-style-type: none"> <li>Re-assessed IDA Viability Rating V2 (January 2023)</li> <li>External Audit Going Concern Assessment (2022/23)</li> <li>Internal Audit Assurance (2022/23):</li> <li>Assets &amp; Liabilities (Substantial / Moderate), Lettings &amp; Voids (Substantial / Moderate);</li> <li>Accounts Payable (Substantial / Moderate);</li> <li>Development (Substantial / Moderate)</li> <li>Performance Data Integrity (Moderate - Moderate) - March-23</li> </ul>

Risk	Lines of assurance		
	1st day to day operation of internal control	2nd oversight, monitoring controls	3rd independent assurance e.g. internal, external auditors, other assurance providers
<p><b>SAFETY</b></p> <p><b>Risk:</b> Harm to people (customers, staff, public, 3rd parties).</p> <p><b>Cause:</b> Unforeseen incident or accident, poor safety / safeguarding culture, incorrect policies and/or procedures, insufficient oversight by competent individuals, non-compliance with legislation, inadequate training, inadequate vetting of contractors / 3rd parties undertaking work on HCG’s behalf, poor quality of data.</p> <p><b>Impact:</b> Injury or loss of life, prosecution / fine, litigation, reputational damage, regulatory intervention.</p> <p><b>RSH SRR 2022 link:</b> Health &amp; Safety, Data Integrity, Existing Stock Quality</p>	<ul style="list-style-type: none"> <li>Safety and safeguarding systems of internal control in place</li> <li>Health &amp; Safety Policy and Safeguarding Policy</li> <li>Staff training rolled out</li> <li>Serious and critical incident procedures</li> <li>Lone Working Policy and procedures</li> </ul>	<ul style="list-style-type: none"> <li>Balanced Scorecard metrics on landlord health &amp; safety (gas, electric, fire etc.) reported to Executive, A&amp;R Committee and Board</li> <li>Balanced Scorecard metrics on serious incidents reportable to the Charity Commission reported to Executive, CS Committee and Board</li> <li>Quarterly and annual serious incident and safeguarding report to CSC</li> <li>H&amp;S Policy approved by Board. New H&amp;S policies on 6 compliance areas June 2023</li> <li>IDA Action Plan in place monitored by A&amp;R Committee and Board</li> <li>Deep Dive on Destination Home FRA Breach, action plan implementation monitored by A&amp;R Committee</li> <li>Deep Dive on Asbestos Safety, action plan implementation monitored by A&amp;R Committee</li> <li>Self referral to the Regulator on asbestos and FRA issues who concluded no breach of consumer standards on fire or asbestos (2020/21)</li> <li>Self referral to regulator on gas safety checks who concluded no breach of consumer standards (2021/22)</li> <li>Self referral to regulator on fire at Burnwood Court - concluded no breach of consumer standards (2022/23)</li> </ul>	<ul style="list-style-type: none"> <li>Tenant Health &amp; Safety Compliance: Gas Safety Internal Audit (20/21) - Substantial Assurance</li> <li>Pennington Choices Health Check Report and Follow Up (July 2022)</li> <li>Gas Safety IA (Jan-23) - Moderate / Moderate</li> <li>Positive feedback from Charity Commission on reportable incidents</li> <li>External Safeguarding review - Sept 2020</li> <li>Case file reviews on all serious incidents reported to local authority (Stoke on Trent City Council). No concerns raised to date.</li> <li>Commissioner led annual service reviews demonstrate assurance (safeguarding)</li> <li>Landlord Fire Safety Internal Audit (Q4 22/23 - Moderate - Moderate)</li> <li>Lift Safety Internal Audit (Q4 22/23 - Limited - Moderate)</li> </ul>

Risk	Lines of assurance		
	1st day to day operation of internal control	2nd oversight, monitoring controls	3rd independent assurance e.g. internal, external auditors, other assurance providers
<p><b>GOVERNANCE</b></p> <p><b>Risk:</b> Inability to demonstrate assurance that governance systems and processes are in place, causing inability to recover G1 rating leading to reputational damage impacting on funding and current and future business opportunities.</p> <p><b>Cause:</b> Inadequate governance assurance systems, inadequate recovery plan, insufficient resources, lack of sufficiently qualified / trained staff, non-compliance with regulatory / monitoring returns, lack of sufficient oversight by the Board, poor quality of data. Failure to plan for changes in key personnel.</p> <p><b>Impact:</b> Regulatory intervention, loss of optimum funding opportunities, reputational damage, failure to successfully govern the organisation impacting on front line service delivery.</p> <p><b>RSH SRR 2022 link:</b> Delivering against expectations, Rent Setting</p>	<ul style="list-style-type: none"> <li>Standing Orders, regulations, scheme of delegation and policies and procedures</li> <li>Annual self-assessment against the Standards and adopted Code of Governance</li> <li>Risk management strategy, self-assessment against annual sector risk profile, 3 lines of assurance,</li> </ul>	<ul style="list-style-type: none"> <li>Self Assessment against the Regulatory Standards and adopted Code of Governance reported to Board</li> <li>Annual Reports of system of internal control from the Chief Executive and A&amp;R Committee to Board</li> <li>Internal Audit's Annual opinion on the adequacy of Internal Control reported to A&amp;R Committee</li> <li>Monitoring of Compliance with All Relevant Law Action Plan</li> <li>Implementation of A&amp;L Register action plan to A&amp;R Committee</li> <li>Balanced scorecard (suite of KPI's) in place and reported to Executive and Board</li> <li>IDA Action Plan following retention of G2 rating January 2023 to A&amp;R Committee and Board</li> </ul>	<ul style="list-style-type: none"> <li>IDA Governance Rating G2 (retained January 2023)</li> <li>Annual review of Board Effectiveness by 3DK</li> <li>DTP review / support through IDA re-grading process - Including Board observations &amp; effectiveness feedback</li> <li>DTP Independent verification of NROSH regulatory returns</li> <li>Leading Lights accreditation</li> <li>Campbell Tickell Target Operating Model review - including governance support &amp; advisory</li> </ul>

Risk	Lines of assurance		
	1st day to day operation of internal control	2nd oversight, monitoring controls	3rd independent assurance e.g. internal, external auditors, other assurance providers
<p><b>BUSINESS CONTINUITY</b></p> <p><b>Risk:</b> Insufficient or ineffective business continuity arrangements lead to prolonged service disruption, inability to respond to recover operations sufficiently, in particular in rising tide scenarios (e.g. further pandemic restrictions either across our geography or nationally).</p> <p><b>Cause:</b> Inadequate systems in place, unplanned catastrophic crisis or incident or rising tide, Staff unable to respond due to lack of training / arrangements in place. Inability to recruit / retain staff in key posts due to tightening of UK Labour market.</p> <p><b>Impact:</b> Inability to deliver essential services, loss of income / increased costs, heightened cyber security threat from increased reliance on technology / home working, back log of maintenance and impact this has on future years, inequality and variability of economic, social and health impact on customers and effect of frequently changing Government response to the pandemic. Regulatory judgements, prosecution, reputational damage. Increased agency costs where required to deliver essential services and manage risk</p>	<ul style="list-style-type: none"> <li>Business Continuity plans in place</li> <li>Cyber security controls in place</li> <li>Workforce planning, recruitment and retention, succession planning in place</li> <li>Regular benchmarking of staff salaries to improve staff retention</li> <li>review of internal business continuity plan and regular testing of the plan - (Mock 'business continuity incident' testing carried out - May-23)</li> <li>BCP training</li> </ul>	<ul style="list-style-type: none"> <li>HR Dashboard reporting key People KPI's - Executive oversight</li> <li>Bespoke Energy outage risk register</li> <li>Cyber risk presentation to Audit &amp; Risk Committee</li> </ul>	<ul style="list-style-type: none"> <li>External Audit, going concern opinion 21/22</li> <li>Cyber Security Review (BDO) - Moderate</li> </ul>

Risk	Lines of assurance		
	1st day to day operation of internal control	2nd oversight, monitoring controls	3rd independent assurance e.g. internal, external auditors, other assurance providers
<p><b>CHANGES IN HOUSING POLICY</b></p> <p><b>Risk:</b> Inability to effectively respond to changes in Housing policy operating environment (e.g. Housing White Paper, right to buy and shared ownership, climate change / green / sustainability agenda, further potential rent reductions).</p> <p><b>Cause:</b> Inadequate systems in place, insufficient resources, suitably qualified / trained staff.</p> <p><b>Impact:</b> Loss of income causing breach of gearing / interest cover ratios, reduced value for security purposes (borrowing capacity), erosion on rental income streams, impact on development programme (increased costs) and investment required in existing stock. Failure to comply leading to reputational damage, regulatory intervention.</p> <p><b>RSH SRR 2022 link:</b> Delivering services to tenants, Access to Labour &amp; Skills</p>	<ul style="list-style-type: none"> <li>• 'Daily Digest' circulated to relevant managers - setting out new / forecast changes in housing policy</li> </ul>	<ul style="list-style-type: none"> <li>• Annual review of compliance with All Relevant Law C/Ex brief - highlighting changes in policy to Board at each Board meeting</li> </ul>	<ul style="list-style-type: none"> <li>• Annual Internal audit opinion</li> </ul>

Risk	Lines of assurance		
	1st day to day operation of internal control	2nd oversight, monitoring controls	3rd independent assurance e.g. internal, external auditors, other assurance providers
<p><b>DATA INTEGRITY AND DATA SECURITY</b></p> <p><b>Risk:</b> Data Quality not to required standard - poor reporting of performance and accuracy of regulatory returns. - Data Loss /Security Breach of ICT systems</p> <p><b>Cause:</b> System failure, loss of reporting and historical data. Wrong data entered onto system - accidentally - manually or automatically. Staff member inadvertently introduces malicious code to ICT systems (Spam email or via an external source USB drive, CD etc) Cyber-attack - current heightened risk in the Housing Sector</p> <p><b>Impact:</b> Reputational risk to the group, Loss of income/funding, DPA breach &amp; fine Regulatory non-compliance</p> <p><b>RSH SRR 2022 link:</b> Data Integrity, Data Security, Counterparty Risk</p>	<ul style="list-style-type: none"> <li>• Staff Induction &amp; Training</li> <li>• ICT Security Management Policy</li> <li>• Data Protection Policy</li> <li>• Disaster Recovery site that is provided as a managed service by a third party, MRI ,</li> <li>• All sites are connected via a Multi protocol Label Switching (MPLS) virtualised private network. The MPLS network infrastructure is provided and supported by arrangements with M247, who also manage the Group's firewalls.</li> <li>• Information and knowledge sharing via Group Intranet and Twitter #KeepEmPeeled Campaign</li> <li>• Disaster Recovery Plan in place</li> <li>• Incident and Problem Management procedure &amp; Cyber Security Incident procedure</li> </ul>	<ul style="list-style-type: none"> <li>• The Group uses Air watch Mobile Device Management system to secure and monitor mobiles devices</li> <li>• Management review &amp; 3rd party check of all regulatory returns and data submissions</li> </ul>	<ul style="list-style-type: none"> <li>• Annual Cyber Essentials Accreditation (September 2022)</li> <li>• Chatham Financial Review of BRIXX Business Plan</li> <li>• Ark validation of stock condition data</li> <li>• Pennington Choices H&amp;S compliance review</li> <li>• Independent checking of FFR and Quarterly Treasury Returns</li> <li>• Performance Data Integrity IA Apr-23 (Moderate - Moderate)</li> </ul>

Risk	Lines of assurance		
	1st day to day operation of internal control	2nd oversight, monitoring controls	3rd independent assurance e.g. internal, external auditors, other assurance providers
<p><b>DAMP AND MOULD</b></p> <p><b>Risk:</b> Failure to have proactive systems that prevent, identify, manage and treat damp and mould cases within our properties leads to the provision of poor quality and unsafe housing, resulting in harm to customers, poor service quality, legal / regulatory judgements</p> <p><b>Cause:</b> Unforeseen incident or accident, poor safety / safeguarding culture, incorrect policies and/or procedures, insufficient oversight by competent individuals, non-compliance with legislation, inadequate training, inadequate vetting of contractors / 3rd parties undertaking work on HCG's behalf, Poor quality of data</p> <p><b>Impact:</b> Injury or loss of life, prosecution / fine, litigation, reputational damage, regulatory intervention.</p> <p><b>RSH SRR 2022 link:</b> Health &amp; Safety. Data Integrity, Existing Stock Quality</p>	<ul style="list-style-type: none"> <li>Damp and Mould Policy and procedures</li> </ul>	<ul style="list-style-type: none"> <li>'Review of damp and mould - position statement and improvement plan reported to Board Jan 2023</li> </ul>	<ul style="list-style-type: none"> <li>To be built into future internal audit plan 2023-24</li> </ul>

## Going concern

The UK and the housing sector is facing unprecedented economic headwinds amidst a cost of living crisis faced by our residents and staff. Honeycomb Group is more exposed to these pressures than its peers due to the low levels of surplus forecast for 2023-24.

In July 2023 board members attended a strategy day where the current operating environment and it's impact on the Group was deliberated and actions were agreed that will ensure that the Group meets or exceeds its target surplus for the year.

During the year, board members also consider the worst case impact of different business

scenarios (stress testing) on the financial plan. Members have considered the worst case impact of non-delivery of the budget, treasury, financing, counterparty, compliance and cyber risk alongside the potential impact of the further rent freeze.

Based on a review of these forecasts the Board has a reasonable expectation that the association has adequate resources

to continue in operational existence for the foreseeable future, being a period of at least 12 months after the date on which the annual report and financial statements are signed. The Group holds cash balances of £5.7m at the year end (undrawn), available facilities of £21.8m, and a budget and financial business plan in place.



## BOARD RESPONSIBILITIES

### Statement of the Board's Responsibilities in Respect of the Accounts

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Income and Expenditure for the period of account.

In preparing these financial statements, the Board is required to:

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

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Society 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. It has general responsibility for taking reasonable steps to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.

The Board is responsible for the maintenance and integrity of the Group's websites. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

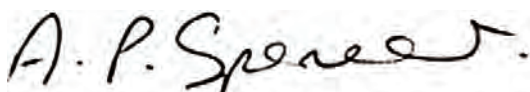
The Board is responsible for ensuring that arrangements are made for keeping proper books of account with respect to the Group's transactions and its assets and liabilities and for maintaining a satisfactory system of control over the Group's books of account and transactions. The Board is also responsible for ensuring that arrangements are made to safeguard the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Disclosure of Information to the Auditor

In the case of each of the persons who are directors of the Group at the date when this report was approved:

- so far as each of the directors is aware, there is no relevant audit information of which the Group's auditor is unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director to make them aware of any relevant audit information (as defined) and to establish that the Group's auditor is aware of that information.

Approved by the board on 14 September and signed on its behalf by:



**Andrew Spencer**  
Chair of the Board

## REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF HONEYCOMB GROUP LIMITED

### Opinion

We have audited the financial statements of Honeycomb Group 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, the Consolidated and Association Statement of Financial Position, the Consolidated and Association Statement of Changes in Reserves, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (United Kingdom Generally Accepted Accounting Practice).

### In our opinion, the financial statements:

- give a true and fair view of the state of the Group’s and of the Association’s affairs as at 31 March 2023 and of the Group’s income and expenditure and the Association’s income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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.

### Basis for opinion

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

### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group’s or the Association’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

### Other information

The other information comprises the information included in the Strategic Report, other than the financial statements and our auditor’s report thereon. The Board is responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

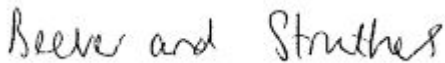
## REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF HONEYCOMB GROUP LIMITED (CONTINUED)

- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

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

### Use of our report

This report is made solely to the Association's members, as a body, in accordance with section 87(2) of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and the Group's members as a body for our audit work, for this report, or for the opinions we have formed.



### Beever and Struthers, Statutory Auditor

The Colmore Building  
20 Colmore Circus Queensway  
Birmingham  
B4 6AT

Date: 20 September 2023



# Financial statements and notes



HONEYCOMB  
GROUP

## Statement of Comprehensive Income

	Notes	Year Ended 31 Mar 2023		Year Ended 31 Mar 2022	
		Consolidated £'000	Association £'000	Consolidated £'000	Association £'000
Turnover	2	26,829	19,284	25,366	18,300
Cost of sales	2	(660)	(660)	(518)	(518)
Operating expenditure	2	(23,556)	(16,212)	(21,962)	(14,546)
Surplus on disposal of property, plant and equipment (fixed assets)	2/6	461	461	85	85
<b>Operating surplus</b>		<b>3,074</b>	<b>2873</b>	<b>2,971</b>	<b>3,321</b>
Interest receivable		29	18	5	4
Interest and financing costs	7	(3,222)	(3,222)	(3,338)	(3,338)
Gift Aid		-	168	-	-
Increase / (Decrease) in valuation of investment properties	13	190	145	125	90
<b>Surplus before tax</b>	8	<b>71</b>	<b>(18)</b>	<b>(237)</b>	<b>77</b>
Taxation		18	-	(32)	-
<b>Surplus for the year after tax</b>		<b>89</b>	<b>(18)</b>	<b>(269)</b>	<b>77</b>
<b>Total comprehensive income for the year</b>		<b>89</b>	<b>(18)</b>	<b>(269)</b>	<b>77</b>

The financial statements on pages 77 to 107 were approved and authorised for issue by the Board on 14<sup>th</sup> September 2023 and were signed on its behalf by:

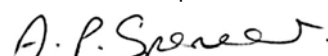
Board Member: Julie Guildford Smith



Board Member: Rebecca Neill



Chair: Andrew Spencer



The consolidated and parent results relate wholly to continuing activities and the notes on pages 77 to 107 form an integral part of these accounts.

## Statement of Financial Position

	Notes	Year Ended 31 Mar 2023		Year Ended 31 Mar 2022	
		Consolidated £'000	Association £'000	Consolidated £'000	Association £'000
<b>Fixed assets</b>					
Tangible fixed assets	12	163,351	161,935	155,196	153,498
Investment properties	13	3,685	2,555	3,240	2,410
Investment in subsidiaries	14	-	1,578	-	1,700
		<u>167,036</u>	<u>166,068</u>	<u>158,436</u>	<u>157,608</u>
<b>Current assets</b>					
Stock	15	476	476	695	695
Trade and other debtors	16	2,581	2,087	2,521	1,779
Investments	17	30	30	30	30
Cash and cash equivalents	18	5,672	3,449	5,737	4,064
		<u>8,759</u>	<u>6,042</u>	<u>8,983</u>	<u>6,568</u>
<b>Less: Creditors: amounts falling due within one year</b>	19	(9,912)	(8,399)	(6,503)	(5,325)
Net current assets		<u>(1,153)</u>	<u>(2,357)</u>	<u>2,481</u>	<u>1,243</u>
Total assets less current liabilities		<u>165,883</u>	<u>163,711</u>	<u>160,916</u>	<u>158,851</u>
<b>Less: Creditors: amounts falling due after more than one year</b>	20a	(130,845)	(130,845)	(125,967)	(125,967)
Total net assets		<u>35,038</u>	<u>32,866</u>	<u>34,949</u>	<u>32,884</u>
<b>Reserves</b>					
Non-equity share capital	23	-	-	-	-
Revenue Reserve		34,809	32,691	34,718	32,709
Revaluation Reserve		41	-	43	-
Restricted Reserve		188	175	188	175
<b>Total Reserves</b>		<u>35,038</u>	<u>32,866</u>	<u>34,949</u>	<u>32,884</u>

The financial statements on pages 77 to 107 were approved and authorised for issue by the Board on 14<sup>th</sup> September 2023 and were signed on its behalf by:

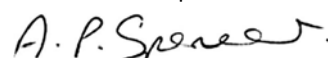
Board Member: Julie Guildford Smith



Board Member: Rebecca Neill



Chair: Andrew Spencer



The consolidated and parent results relate wholly to continuing activities and the notes on pages 77 to 107 form an integral part of these accounts.

## Statement of Changes in Reserves

Consolidated	Revenue reserve £'000	Restricted reserve £'000	Revaluation reserve £'000	Total £'000
<b>Balance as at 1 April 2021</b>	<b>34,987</b>	<b>133</b>	<b>45</b>	<b>35,165</b>
Surplus from Statement of Comprehensive Income	(269)	-	-	(269)
Transfer from Restricted Reserves	-	55	-	55
Transfer from Revaluation Reserve	-	-	(2)	(2)
<b>Balance at 31 March 2022</b>	<b>34,718</b>	<b>188</b>	<b>43</b>	<b>34,949</b>
Surplus from Statement of Comprehensive Income	91	-	-	91
Transfer to Restricted Reserves	-	-	-	-
Transfer from Revaluation Reserve	-	-	(2)	(2)
<b>Balance at 31 March 2023</b>	<b>34,809</b>	<b>188</b>	<b>41</b>	<b>35,038</b>
<b>Association</b>	<b>Revenue reserve £'000</b>	<b>Restricted reserve £'000</b>	<b>Revaluation reserve £'000</b>	<b>Total £'000</b>
<b>Balance as at 1 April 2021</b>	<b>32,632</b>	<b>120</b>	<b>-</b>	<b>32,752</b>
Surplus from Statement of Comprehensive Income	77	-	-	77
Transfer from Restricted Reserves	-	55	-	55
Transfer from Revaluation Reserve	-	-	-	-
Other Reserve Movements	-	-	-	-
<b>Balance at 31 March 2022</b>	<b>32,709</b>	<b>175</b>	<b>-</b>	<b>32,884</b>
Surplus from Statement of Comprehensive Income	(18)	-	-	(18)
Transfer to Restricted Reserves	-	-	-	-
Transfer from Revaluation Reserve	-	-	-	-
Other Reserve Movements	-	-	-	-
<b>Balance at 31 March 2023</b>	<b>32,691</b>	<b>175</b>	<b>-</b>	<b>32,866</b>

## Consolidated Statement of Cash Flows

	Year ended 31 Mar 2023 £'000	Year ended 31 Mar 2022 £'000
<b>Net cash generated from operating activities (see Note i)</b>	<b>4,815</b>	4,509
<b>Cash flow from investing activities</b>		
Purchase of tangible fixed assets	(11,193)	(3,657)
Purchase of investment properties	(445)	-
Purchase of equity investment	-	-
Proceeds from sale of tangible fixed assets	1,390	320
Proceeds from sale of OFA	222	-
Grants received	686	444
Interest received	29	5
<b>Cash flow from financing activities</b>		
Interest paid	(3,222)	(3,338)
New secured loans	8,200	-
Repayment of borrowings	(565)	(5,832)
<b>Taxation</b>		
UK Corporation tax paid	18	(32)
<b>Net change in cash and cash equivalents</b>	<b>(65)</b>	(7,581)
<b>Cash and cash equivalents at beginning of the year</b>	<b>5,737</b>	13,318
<b>Cash and cash equivalents at end of the year</b>	<b>5,672</b>	5,737
<b>Note i</b>		
<b>Cash flow from operating activities</b>		
Surplus for the year	89	(269)
<b>Adjustments for non-cash items:</b>		
Depreciation of tangible fixed assets	3,463	3,255
Amortisation of Grant	(1,029)	(911)
Decrease / (Increase) in stock	219	(16)
(Increase) / Decrease in trade and other debtors	(60)	(707)
(Decrease) / Increase in trade and other creditors	(520)	93
Revaluation of Investment Properties	(190)	(125)
Carrying amount of tangible fixed asset disposals	1,049	226
Corporation Tax	(18)	32
Other creditor movements	8	(82)
<b>Adjustments for investing or financing activities:</b>		
Proceeds from the sale of tangible fixed assets	(1,390)	(320)
Proceeds from sale of OFA	1	-
Interest payable	3,222	3,338
Interest received	(29)	(5)
<b>Net cash generated from operating activities</b>	<b>4,815</b>	4,509

The notes on pages 77 to 107 form an integral part of these accounts.



## Notes to the financial statements for the year ended 31 March 2023

**Legal Status**

Honeycomb Group Limited is a society registered in England under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Regulator of Social Housing as a Private Registered Provider of Social Housing. The registered office is 308 London Road, Stoke on Trent, Staffordshire ST4 5AB.

Honeycomb Group Limited is a Public Benefit Entity whose primary objective is to provide goods or services for community or social benefit rather than for a financial return to equity holders.

The Group comprises the following entities:

Name	Incorporation	Registered/Non-registered
Honeycomb Group Limited	Co-operative and Community Benefit Societies Act 2014	Co-operative and Community Benefit Society and Regulator of Social Housing /Registered Provider
Blue Mountain Housing Association Limited (Dormant)	Co-operative and Community Benefit Societies Act 2014	Non-registered
Stillness 924 Limited	Companies Act 2006	Non-registered
Honeycomb Charitable Services Limited	Companies Act 2006	Non-registered
Search Housing Association Limited (Dormant)	Companies Act 2006	Non-registered

**1. Principal Accounting Policies****Basis of Accounting**

The Group's financial statements have been prepared in accordance with applicable United Kingdom Accounting Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice for registered housing providers: Housing SORP 2018. The Group is required under the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969 to prepare consolidated Group accounts.

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. The accounts are prepared on the historical cost basis of accounting as modified by the revaluation of investments and financial instruments and are presented in sterling £ and rounded to the nearest thousand.

The Group's financial statements have been prepared in compliance with FRS 102.

**Basis of consolidation**

The consolidated financial statements incorporate the results of Honeycomb Group Limited and all of its subsidiary undertakings as at 31 March 2022. Intra group transactions and balances are eliminated on consolidation.

**Judgements and key sources of estimation uncertainty**

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

## Notes to the financial statements for the year ended 31 March 2023

## 1. Principal Accounting Policies (continued)

- a. **Development expenditure.** The Group capitalises direct development expenditure.
- b. **Categorisation of housing properties.** The Group has undertaken a detailed review of the intended use of all housing properties. In determining the intended use, the Group has considered if the asset is held for social benefit or to earn commercial rentals. The Group has determined that market rented properties are investment properties.
- c. **Depreciation.** The Association depreciates its assets on a straight-line basis over management's estimation of their Useful Economic Life (UEL). These UEL's are disclosed below in Note 1.
- d. **Impairment.** The Group has identified that a cash generating unit for impairment assessment purposes is at a scheme level.
- e. **Going concern**  
The Group's financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future.

**Other key sources of estimation and assumptions:**

- a. **Bad Debt Provision**  
Bad Debts are provided for based on a 100% provision for all former tenants and specific current tenant debts where arrears balances are unlikely to be settled.
- b. **Tangible fixed assets.** Other than investment properties, tangible fixed assets are depreciated over their useful lives considering residual values, where appropriate.

**Revaluation of investment properties.** The Group carries its investment property at fair value, with changes in fair value being recognised in the Statement of Comprehensive Income. The Group engaged independent valuation specialists to determine fair value at 31 March 2023. The valuer used a valuation technique based on a discounted cash flow model. The determined fair value of the investment property is most sensitive to the estimated yield as well as the long-term vacancy rate. The key assumptions used to determine the fair value of investment property are further explained in note 13.

- c. **Impairment of non-financial assets.** Reviews for impairment of housing properties are carried out when a trigger has occurred and any impairment loss in a cash generating unit is recognised by a charge to the Statement of Comprehensive Income. Impairment is recognised where the carrying value of a cash generating unit exceeds the higher of its net realisable value or its value in use.

Following a trigger for impairment, the Group perform impairment tests based on a value in use calculation using a discounted cash flow model. The cash flows do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

## Notes to the financial statements for the year ended 31 March 2023

### 1. Principal Accounting Policies (continued)

#### **Turnover and Revenue Recognition**

Turnover represents rental income receivable, amortised capital grant, revenue grants from local authorities and Homes England, income from the sale of shared ownership and other properties developed for outright sale and other income and are recognised in relation to the period when the goods or services have been supplied.

Rental income is recognised when the property is available for let, net of voids. Income from property sales is recognised on legal completion. Supporting People Income is recognised under the contractual arrangements.

#### **Support income and costs including Supporting People income and costs**

Supporting People (SP) contract income received from Administering Authorities is accounted for as SP income in the Turnover as per note 2. The related support costs are matched against this income in the same note. Support charges included in the rent are included in the Statement of Comprehensive Income from social housing lettings note 3 and matched against the relevant costs.

#### **Service charges**

Service charge income and costs are recognised on an accruals basis. The Group operates both fixed and variable service charges on a scheme-by-scheme basis in full consultation with residents. Where variable service charges are used the charges will include an allowance for the surplus or deficit from prior years, with the surplus being returned to residents by a reduced charge and a deficit being recovered by a higher charge. Until these are returned or recovered, they are held as creditors or debtors in the Statement of Financial Position.

Where periodic expenditure is required, a provision may be built up over the years, in consultation with the residents; until these costs are incurred this liability is held in the Statement of Financial Position within long term creditors.

#### **Loan interest costs**

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

#### **Loan finance issue costs**

These are amortised over the life of the related loan. Loans are stated in the Statement of Financial Position at the amount of the net proceeds after issue, plus increases to account for any subsequent amounts amortised. Where loans are redeemed during the year, any redemption penalty and any connected loan finance issue costs are recognised in the Statement of Comprehensive Income account in the year in which the redemption took place.

#### **Value Added Tax**

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

## Notes to the financial statements for the year ended 31 March 2023

**1. Principal Accounting Policies (continued)****Tangible fixed assets and depreciation****Housing properties**

Tangible fixed assets are stated at cost (or deemed cost), less accumulated depreciation and accumulated impairment losses. Donated land/assets or assets acquired at below market value from a government source, i.e. local authority, are included as a liability in the Statement of Financial Position at the fair value less consideration paid.

Housing properties under construction are stated at cost and are not depreciated. These are reclassified as housing properties on practical completion of construction.

Freehold land is not depreciated.

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

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

Useful Expected Lives for identified components are as follows:

	Years
Boilers	15
Fire Doors	15
Kitchens	20
Lifts	25
Bathrooms	30
Electric Storage Heaters	30
Windows	30
Roofs – Newbuild	70
Roofs – Rehab	50
Roofs – Flat	30
Structure – new build	100
Structure – rehab	50-60
Structure – shared ownership	65
Structure – combined health	25

The Group depreciates housing properties held on long term leases in the same manner as freehold properties, except where the unexpired lease term is shorter than the longest component life envisaged, in which case the unexpired term of the lease is adopted as the useful economic life of the relevant component category.

Depreciation is charged on other tangible fixed assets on a straight-line basis over the expected economic useful lives which are as follows:

	Years
Plant & machinery	2
Office Freehold Property	50
Fixtures and Fittings	5-10
ICT Equipment	3
Motor Vehicles	4-5
PV Panels	20-25

## Notes to the financial statements for the year ended 31 March 2023

### 1. Principal Accounting Policies (continued)

#### **Low-cost home ownership properties – Shared Ownership**

The costs of low-cost home ownership properties are split between current and fixed assets on the basis of the first tranche portion. The first tranche portion is accounted for as a current asset and the sale proceeds shown in turnover. The remaining element of the shared ownership property is accounted for as a fixed asset and subsequent sales treated as sales of fixed assets.

#### **Capitalisation of interest and administration costs**

Interest on loans financing development is capitalised up to the date of the completion of the scheme and only when development activity is in progress.

Administration costs relating to development and asset management capital investment activities are capitalised only to the extent that they are incremental to the development process and directly attributable to bringing the property into their intended use.

#### **Property managed by agents**

Where the Group carries most of the financial risk on property managed by agents, income arising from the property is included in the Statement of Comprehensive Income.

Where the agency carries most of the financial risk, income includes only that which relates solely to the Group.

In both cases, the assets and associated liabilities are included in the Group's Statement of Financial Position.

#### **Leasing**

Payment for operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the term of the lease. The only material leases in place for the Group are as a lessee.

#### **Investment property**

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

#### **Current asset investments**

Current asset investments include cash and cash equivalents invested for periods of more than 24 hours. They are recognised initially at cost and subsequently at fair value at the reporting date. Any change in valuation between reporting dates is recognised in the Statement of Comprehensive Income.

#### **Properties held for sale**

Properties developed for outright sale are included in current assets as they are intended to be sold at the lower of cost or estimated selling price less costs to complete and sell.

#### **Short-term debtors and creditors**

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

#### **Non-government grants**

Grants received from non-government sources are recognised under the performance model. If there are no specific performance requirements the grants are recognised when received or receivable. Where grant is received with specific performance requirements it is recognised as a liability until the conditions are met and then it is recognised as Turnover.

## Notes to the financial statements for the year ended 31 March 2023

**1. Principal Accounting Policies (continued)****Social Housing (SHG) and other government grants**

Where developments have been financed wholly or partly by social housing and other grants, the amount of the grant received has been included as deferred income and recognised in Turnover over the estimated useful life of the associated asset structure (not land), under the accruals model. SHG received for items of cost written off in the Statement of Comprehensive Income is included as part of Turnover.

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

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

**Non-monetary government grant**

On disposal of assets for which non-monetary government grants are held as liabilities in the Statement of Financial Position, the unamortised amount in creditors is derecognised and recognised as income in the Statement of Comprehensive Income.

**Recycling of Capital Grant**

Where Social Housing Grant is recycled, as described above, the SHG is credited to a fund which appears as a creditor until used to fund the acquisition of new properties, where recycled grant is known to be repayable it is shown as a creditor within one year.

**Holiday pay accrual**

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the year end and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the year end.

**Retirement benefits**

The Group operates a defined contribution pension scheme with contributions charged to the Statement of Comprehensive Income based on salary each month.

**Revaluation Reserve**

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

**Restricted Reserve**

Restricted funds comprise funding which has been received for the provision of specified services and contractual obligations. Any unspent funds are carried forward until they are spent or are returned to the funder.

## Notes to the financial statements for the year ended 31 March 2023

### 1. Principal Accounting Policies (continued)

#### Financial Instruments

Financial assets and financial liabilities are measured at transaction price initially, plus, in the case of a financial asset or financial liability not at fair value through the Statement of Comprehensive Income, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

At the end of each reporting period, financial instruments are measured as follows, without any deduction for transaction costs the entity may incur on sale or other disposal:

Debt instruments that meet the conditions in paragraph 11.8(b) of FRS 102 are measured at amortised cost using the effective interest method, except where the arrangement constitutes a financing transaction. In this case the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt.

#### Financial instruments held by the Group are classified as follows:

- Financial assets such as cash, current asset investments and receivables are classified as loans and receivables and held at amortised cost using the effective interest method,
- Financial liabilities such as bonds and loans are held at amortised cost using the effective interest method,
- Loans to or from subsidiaries including those that are due on demand are held at amortised cost using the effective interest method; and
- Commitments to receive or make a loan to another entity which meet the conditions above are held at cost less impairment.

#### Categorisation of debt

The Group's debt has been treated as "basic" in accordance with paragraphs 11.8 and 11.9 of FRS 102. The Group has a £15 million fixed rate loan with RBS which has a two-way break clause (i.e. in addition to compensation being payable by a borrower to a lender if a loan is prepaid where the prevailing fixed rate is lower than the existing loan's fixed rate, compensation could be payable by the lender to the borrower in the event that a loan is prepaid and the prevailing fixed rate is higher than the existing loan's fixed rate). The Financial Reporting Council (FRC) issued a statement on 2 June 2016 in respect of such loans with no prescriptive direction as to whether they should be classified as "basic" or "non basic". On the grounds that the Group believes the recognition of each debt liability at cost provides a more transparent and understandable position of the Group's financial position and that each loan still satisfies the requirements of paragraphs 11.8 and 11.9 of FRS 102, the Group has retained its "basic" treatment of its debt following the FRC announcement.

## Notes to the financial statements for the year ended 31 March 2023

## 2(a). Turnover, cost of sales, operating expenditure and operating surplus

Group	2023			
	Turnover	Cost of sales	Operating expenditure	Operating surplus / (deficit)
	£000	£000	£000	£000
<b>Social housing lettings (note 3a)</b>	15,714	-	(13,792)	1,922
<b>Other social housing activities</b>				
First tranche low-cost home ownership sales	859	(660)	-	199
Support services	8,205	-	(8,111)	94
Other: Development services	3	-	(56)	(53)
Other: Regeneration	10	-	(95)	(85)
<b>Activities other than social housing</b>				
Other – Market Rent	385	-	(221)	164
Other – Revival Home Improvement Agency	1,011	-	(820)	191
Other – Green energy	223	-	(160)	63
Other	419	-	(301)	118
	<u>26,829</u>	<u>(660)</u>	<u>(23,556)</u>	<u>2,613</u>
Surplus on disposal of property, plant, and equipment (fixed assets)	1,390	(929)	-	461
<b>Total</b>	<u>28,219</u>	<u>(1,589)</u>	<u>(23,556)</u>	<u>3,074</u>
	2022			
Group	Turnover	Cost of sales	Operating expenditure	Operating surplus / (deficit)
	£000	£000	£000	£000
<b>Social housing lettings (note 3a)</b>	15,451	-	(12,821)	2,630
<b>Other social housing activities</b>				
First tranche low-cost home ownership sales	685	(518)	-	167
Support services	6,829	-	(7,360)	(531)
Other: Development services	8	-	(289)	(281)
Other: Regeneration	5	-	(89)	(84)
<b>Activities other than social housing</b>				
Other – Market Rent	359	-	(165)	194
Other – Revival Home Improvement Agency	930	-	(868)	62
Other – Green energy	249	-	(120)	129
Other	850	-	(250)	600
	<u>25,366</u>	<u>(518)</u>	<u>(21,962)</u>	<u>2,886</u>
Surplus on disposal of property, plant and equipment (fixed assets)	320	(235)	-	85
<b>Total</b>	<u>25,686</u>	<u>(753)</u>	<u>(21,962)</u>	<u>2,971</u>



## Notes to the financial statements for the year ended 31 March 2023

## 2(b). Turnover, cost of sales, operating expenditure, and operating surplus

Association	2023			
	Turnover	Cost of sales	Operating expenditure	Operating surplus / (deficit)
	£000	£000	£000	£000
<b>Social housing lettings (note 3b)</b>	15,714	-	(13,792)	1,922
<b>Other social housing activities</b>				
First tranche low cost home ownership sales	859	(660)	-	199
Other: Development services	3	-	(56)	(53)
Other: Regeneration	10	-	(95)	(85)
<b>Activities other than social housing</b>				
Other – Market Rent	339	-	(213)	126
Other – Revival Home Improvement Agency	1,011	-	(820)	191
Other - Feed-in tariffs	24	-	(29)	(5)
Other	1,324	-	(1,207)	938
	<u>19,284</u>	<u>(660)</u>	<u>(16,212)</u>	<u>2,412</u>
Surplus on disposal of property, plant and equipment (fixed assets)	1,390	(929)	-	461
<b>Total</b>	<u>20,674</u>	<u>(1,589)</u>	<u>(16,212)</u>	<u>2,873</u>
	2022			
Association	Turnover	Cost of sales	Operating expenditure	Operating surplus / (deficit)
	£000	£000	£000	£000
<b>Social housing lettings (note 3b)</b>	15,451	-	(12,821)	2,630
<b>Other social housing activities</b>				
First tranche low cost home ownership sales	685	(518)	-	167
Other: Development services	8	-	(289)	(281)
Other: Regeneration	5	-	(89)	(84)
<b>Activities other than social housing</b>				
Other – Market Rent	320	-	(157)	163
Other – Revival Home Improvement Agency	930	-	(868)	62
Other - Feed-in tariffs	9	-	(30)	(21)
Other	892	-	(292)	600
	<u>18,300</u>	<u>(518)</u>	<u>(14,546)</u>	<u>3,236</u>
Surplus on disposal of property, plant and equipment	320	(235)	-	85
<b>Total</b>	<u>18,620</u>	<u>(753)</u>	<u>(14,546)</u>	<u>3,321</u>

## Notes to the financial statements for the year ended 31 March 2023

## 3(a). Turnover and operating expenditure

Group	General Housing £'000	Supported Housing and Housing for Older People £'000	Low Cost Home Ownership £'000	Total 2023 £'000	Total 2022 £'000
<b>Income</b>					
Rent receivable net of identifiable service charge	11,846	625	360	12,831	12,876
Service charge income	1,597	54	204	1,855	1,719
Amortised government grants	974	26	28	1,028	856
<b>Turnover from Social Housing Lettings</b>	<b>14,417</b>	<b>705</b>	<b>592</b>	<b>15,714</b>	<b>15,451</b>
<b>Operating expenditure</b>					
Management	(3,022)	(174)	(42)	(3,238)	(3,928)
Service charge costs	(2,446)	(42)	(181)	(2,669)	(2,292)
Routine maintenance	(3,200)	(85)	(26)	(3,311)	(2,493)
Planned maintenance	(615)	(50)	(5)	(670)	(536)
Major Repairs	(1,094)	(50)	(17)	(1,161)	(983)
Bad debts	68	-	-	68	(90)
Depreciation of Housing Properties	(2,623)	(73)	(107)	(2,803)	(2,488)
Other Costs	(8)	-	-	(8)	(11)
<b>Operating expenditure on Social Housing Lettings</b>	<b>(12,940)</b>	<b>(474)</b>	<b>(378)</b>	<b>(13,792)</b>	<b>(12,821)</b>
<b>Operating Surplus on Social Housing Lettings</b>	<b>1,477</b>	<b>231</b>	<b>214</b>	<b>1,922</b>	<b>2,630</b>
<b>Void losses (being rental income lost as a result of property not being let, although it is available for letting)</b>	<b>203</b>	<b>1</b>	<b>2</b>	<b>206</b>	<b>273</b>

## Notes to the financial statements for the year ended 31 March 2023

## 3(b). Turnover and operating expenditure

Association	General Housing £'000	Supported Housing and Housing for Older People £'000	Low Cost Home Ownership £'000	Total 2023 £'000	Total 2022 £'000
<b>Income</b>					
Rent receivable net of identifiable service charge	11,846	625	360	12,831	12,876
Service charge income	1,597	54	204	1,855	1,719
Amortised government grants	974	26	28	1,028	856
Other grants - Supporting People	-	-	-	-	-
<b>Turnover from Social Housing Lettings</b>	<b>14,417</b>	<b>705</b>	<b>592</b>	<b>15,714</b>	<b>15,451</b>
<b>Operating expenditure</b>					
Management	(3,022)	(174)	(42)	(3,238)	(3,928)
Service charge costs	(2,446)	(42)	(181)	(2,669)	(2,292)
Routine maintenance	(3,200)	(85)	(26)	(3,311)	(2,493)
Planned maintenance	(615)	(50)	(5)	(670)	(536)
Major Repairs	(1,094)	(50)	(17)	(1,161)	(983)
Bad debts	68	-	-	68	(90)
Depreciation of Housing Properties	(2,623)	(73)	(107)	(2,803)	(2,488)
Other Costs	(8)	-	-	(8)	(11)
<b>Operating expenditure on Social Housing Lettings</b>	<b>(12,940)</b>	<b>(474)</b>	<b>(378)</b>	<b>(13,792)</b>	<b>(12,821)</b>
<b>Operating Surplus on Social Housing Lettings</b>	<b>1,477</b>	<b>231</b>	<b>214</b>	<b>1,922</b>	<b>2,630</b>
<b>Void losses (being rental income lost as a result of property not being let, although it is available for letting)</b>	<b>203</b>	<b>1</b>	<b>2</b>	<b>206</b>	<b>273</b>

## Notes to the financial statements for the year ended 31 March 2023

## 3(c). Turnover from activities other than social housing

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Lettings				
Market Renting	385	359	339	320
	<b>385</b>	<b>359</b>	<b>339</b>	<b>320</b>

## 4. Accommodation owned, managed and in development

Group	2023 No. of properties		2022 No. of properties	
	Owned	Managed	Owned	Managed
<b>Social Housing</b>				
Under development at end of year:				
General needs housing social rent	-	-	-	-
General needs housing affordable rent	37	-	53	-
Low-cost home ownership	-	-	5	-
Under management at end of year:				
General needs housing	2712	17	2,619	19
Supported housing and housing for older people	204	155	217	179
Low cost home ownership	205	-	193	-
Leasehold	43	-	43	-
	<b>3,201</b>	<b>172</b>	<b>3,130</b>	<b>198</b>
<b>Non-Social Housing</b>				
Under management at end of year:				
Key worker accommodation	25	-	25	88
Market Rent	30	-	32	-
	<b>55</b>	<b>-</b>	<b>57</b>	<b>88</b>
Association	2023 No. of properties		2022 No. of properties	
	Owned	Managed	Owned	Managed
<b>Social Housing</b>				
Under development at end of year:				
General needs housing social rent	-	-	-	-
General needs housing affordable rent	37	-	53	-
Low-cost home ownership	-	-	5	-
Under management at end of year:				
General needs housing	2,712	17	2,619	19
Supported housing and housing for older people	189	-	198	-
Low-cost home ownership	205	-	193	-
Leasehold	43	-	43	-
	<b>3,186</b>	<b>17</b>	<b>3,111</b>	<b>19</b>
<b>Non-Social Housing</b>				
Under management at end of year:				
Key worker accommodation	25	-	25	88
Market Rent	23	7	27	5
	<b>48</b>	<b>7</b>	<b>52</b>	<b>93</b>

## Notes to the financial statements for the year ended 31 March 2023

**5. Accommodation managed by others**

The group owns property managed by other bodies.

	<b>2023</b>	2022
	<b>No. of</b>	No. of
	<b>properties</b>	properties
Supported housing and housing for older people	145	141
	<u>145</u>	<u>141</u>

**6. Surplus / (Deficit) on disposal of property, plant and equipment (fixed assets)**

	<b>Shared</b>	<b>Others</b>	<b>Total</b>	Total
	<b>Ownership</b>		<b>2023</b>	2022
	<b>Staircasing</b>			
	<b>Sales</b>			
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	£'000
Proceeds of sales	476	914	1,390	320
Less: Costs of sales	(250)	(667)	(917)	(226)
Less: Write back of Amortised Grant	12	(24)	(12)	(9)
<b>Surplus / (Deficit)</b>	<u>238</u>	<u>223</u>	<u>461</u>	<u>85</u>

## Notes to the financial statements for the year ended 31 March 2023

## 7. Interest and financing costs

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
On loans wholly or partly repayable in more than five years	3,263	3,258	3,263	3,258
Costs associated with financing	194	204	194	204
Less: interest capitalised on housing properties under construction	(235)	(124)	(235)	(124)
	<b>3,222</b>	<b>3,338</b>	<b>3,222</b>	<b>3,338</b>

The weighted average interest on borrowings of 4.17% (2022: 4.24%) was used for calculating capitalised finance costs.

## 8. Surplus before tax

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
The surplus is stated after charging/(crediting):				
Auditors' remuneration				
Audit of the group financial statements	<b>33</b>	33	33	33
Audit of subsidiaries	<b>5</b>	3	5	3
Fees payable to the company's auditor for other services to the group:				
Taxation compliance services	<b>1</b>	-	-	-
Development Audit	-	-	-	-
Operating lease rentals:				
- Land and buildings	<b>215</b>	194	33	38
- Office equipment	<b>50</b>	31	50	31
Depreciation of housing properties	<b>2,823</b>	2,499	2,803	2,488
Depreciation of other fixed assets	<b>640</b>	755	479	594
Amortisation of Grant applied to housing properties	<b>(1,029)</b>	(911)	(1,029)	(911)
Surplus on sale of property, plant and equipment	<b>(461)</b>	85	(461)	85
Surplus on sale of other fixed assets	<b>(5)</b>	-	(5)	1

## Notes to the financial statements for the year ended 31 March 2023

## 9. Directors' remuneration

The Chief Executive is an ordinary member of the pension scheme. The pension scheme is a defined contribution scheme funded by annual contributions by the employer and employee. No enhanced or special terms apply. There are no additional pension arrangements. A contribution by Honeycomb Group of £9k (2022 £13k) was paid in addition to the personal contributions of the Chief Executive. Honeycomb Group adopts a salary exchange approach to its employee pension contributions; contributions shown above are based on contractual employer's contributions only.

Directors (key management personnel) are defined as members of the Board, the Chief Executive and any other person who is a member of the Senior Management Team or its equivalent.

	<b>2023</b>	2022
	<b>£'000</b>	£'000
The aggregate emoluments paid to or receivable by non-executive Directors and former non-executive directors (excluding highest-paid director)	37	54
The aggregate emoluments paid to the highest paid Director including pension contributions	121	139
The aggregate emoluments paid to or receivable by Directors (key management personnel)	476	463
The emoluments paid to the highest paid Director excluding pension contributions	110	126

The Board of Management received emoluments for their duties amounting to £47,611 (2022: £54,102). These were paid as shown below.

	Emoluments	Expenses	Total
	£	£	<b>2023</b>
			<b>£</b>
Fred Wright	5,715	-	<b>5,715</b>
Andy Spencer	10,716	240	<b>10,956</b>
Will Wright	4,286	-	<b>4,286</b>
Rebecca Neill	6,430	-	<b>6,430</b>
Karl Dean	6,430	221	<b>6,651</b>
Andrew Davies	4,286	-	<b>4,286</b>
Alice Myers	5,001	-	<b>5,001</b>
Georgina Patel	4,286	-	<b>4,286</b>
	<u>47,150</u>	<u>461</u>	<u><b>47,611</b></u>

## Notes to the financial statements for the year ended 31 March 2023

## 10. Employee information

	Group		Association	
	2023	2022	2023	2022
	No.	No.	No.	No.
The average number of persons employed during the year expressed in full time equivalents (35 hours per week) was:				
Office staff	<b>235</b>	240	<b>114</b>	112
Wardens, caretakers and cleaners	<b>26</b>	20	<b>25</b>	19
	<b>261</b>	260	<b>139</b>	131
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Staff costs				
Wages and salaries	<b>6,787</b>	7,352	<b>3,868</b>	3,563
Social Security costs	<b>621</b>	537	<b>371</b>	318
Other pension costs	<b>632</b>	589	<b>537</b>	497
	<b>8,040</b>	8,478	<b>4,776</b>	4,378
Aggregate number of full-time equivalent staff whose remuneration exceeded £60,000 in the period:	<b>2023</b>	2022	<b>2023</b>	2022
	No.	No.	No.	No.
£60,000 - £70,000	3	1	3	1
£70,000 - £80,000	0	2	0	2
£80,000 - £90,000	1	1	1	1
£90,000 - £100,000	1	1	1	1
£100,000-£110,000	1	1	1	1
£110,000-£120,000	1	1	1	1
£120,000-£130,000	1	0	1	0
£130,000-£140,000	0	1	0	1

## 11. Pension obligations

The Group operates a defined contribution scheme for employees, the assets of which are held separately from those of the Group in an independently administered fund. The pension charge represents contributions payable by the Association to the fund and amounted to £537,298 (2022: £498,635) for the year; and contributions payable to the fund by the Group amounted to £631,944 (2022: £590,665).



Notes to the financial statements for the year ended 31 March 2023

12(a). Tangible fixed assets

Group	----- Housing Properties -----				----- Other fixed assets -----			
	Social Housing Properties for Letting Completed £'000	Social Housing Properties for letting under Construction £'000	Low cost home ownership Properties completed £'000	Low cost home ownership properties under construction £'000	Total Housing Properties £'000	Freehold offices £'000	Furniture and office equipment £'000	Total fixed assets £'000
<b>Cost</b>								
At start of the year	171,932	4,331	8,823	31	185,117	3,836	6,945	195,898
Additions to properties acquired	-	2,818	-	367	3,185	-	210	3,395
Acquisitions within the year	6,654	-	-	-	6,654	-	-	6,654
Works to existing properties	1,144	-	-	-	1,144	-	-	1,144
Reclassification	1,475	-	-	-	1,475	-	-	1,475
Schemes completed	1,800	(1,800)	395	(395)	-	-	-	-
Disposals	(1,612)	-	(277)	-	(1,889)	-	(152)	(2,041)
At end of the year	<b>181,393</b>	<b>5,349</b>	<b>8,941</b>	<b>3</b>	<b>195,686</b>	<b>3,836</b>	<b>7,003</b>	<b>206,525</b>
<b>Depreciation and impairment</b>								
At start of the year	34,102	-	904	-	35,006	1,216	4,480	40,702
Charge for the year	2,736	-	87	-	2,823	64	576	3,463
Disposals	(815)	-	(25)	-	(840)	-	(151)	(991)
At end of the year	<b>36,023</b>	<b>-</b>	<b>966</b>	<b>-</b>	<b>36,989</b>	<b>1,280</b>	<b>4,905</b>	<b>43,174</b>
At 31 March 2022	137,830	4,331	7,919	31	150,111	2,620	2,465	155,196
At 31 March 2023	<b>145,370</b>	<b>5,349</b>	<b>7,975</b>	<b>3</b>	<b>158,697</b>	<b>2,556</b>	<b>2,098</b>	<b>163,351</b>
<b>Completed Housing Properties comprise:</b>							<b>2023</b>	<b>2022</b>
							<b>£'000</b>	<b>£'000</b>
Freeholds							152,894	145,077
Long leaseholds							451	677
Short leaseholds							-	-
<b>NBV</b>							<b>153,345</b>	<b>145,749</b>
Cost of properties includes £253k (2022: £26k) for direct administrative costs capitalised during the year							<b>2023</b>	<b>2022</b>
							<b>£'000</b>	<b>£'000</b>
Works to existing properties in the year:								
Components capitalised							1,144	641
Amounts charged to expenditure							1,181	992

Note - The cost figure for properties acquired in year above is net of grant liability at transfer amounting to £6,345k (2022 - £1,965k).

## Notes to the financial statements for the year ended 31 March 2023

## 12(b). Tangible fixed assets

Association	----- Housing Properties -----					----- Other fixed assets -----			
	Social Housing Properties for Letting Completed £'000	Social Housing Properties for letting under Construction £'000	Low cost home ownership Properties completed £'000	Low cost home ownership properties under construction £'000	Total Housing Properties £'000	Freehold offices £'000	Furniture and office equipment £'000	Total fixed assets £'000	
<b>Cost</b>									
At start of the year	171,275	4,331	8,823	31	184,460	3,836	4,605	192,901	
Additions to properties acquired	-	2,818	-	367	3,185	-	153	3,338	
Acquisitions within the year	6,654	-	-	-	6,654	-	-	6,654	
Works to existing properties	1,128	-	-	-	1,128	-	-	1,128	
Reclassification	1,475	-	-	-	1,475	-	-	1,475	
Schemes completed	1,800	(1,800)	395	(395)	-	-	-	-	
Disposals	(1,400)	-	(277)	-	(1,677)	-	(27)	(1,704)	
<b>At end of the year</b>	<b>180,932</b>	<b>5,349</b>	<b>8,941</b>	<b>3</b>	<b>195,225</b>	<b>3,836</b>	<b>4,731</b>	<b>203,792</b>	
<b>Depreciation and impairment</b>									
At start of the year	34,016	-	904	-	34,920	1,216	3,267	39,403	
Charge for the year	2,718	-	87	-	2,805	63	416	3,284	
Disposals	(779)	-	(25)	-	(804)	-	(26)	(830)	
At end of the year	<b>35,955</b>	<b>-</b>	<b>966</b>	<b>-</b>	<b>36,921</b>	<b>1,279</b>	<b>3,657</b>	<b>41,857</b>	
<b>Net Book Value</b>									
At 31 March 2022	137,259	4,331	7,919	31	149,540	2,620	1,338	153,498	
<b>At 31 March 2023</b>	<b>144,977</b>	<b>5,349</b>	<b>7,975</b>	<b>3</b>	<b>158,304</b>	<b>2,557</b>	<b>1,074</b>	<b>161,935</b>	
<b>Completed Housing Properties comprise:</b>							2023	2022	
							£'000	£'000	
Freeholds							152,501	144,506	
Long leaseholds							451	672	
Short leaseholds							-	-	
<b>NBV</b>							<b>152,952</b>	<b>145,178</b>	
Cost of properties includes £253k (2022: £26k) for direct administrative costs capitalised during the year							2023	2022	
							£'000	£'000	
Works to existing properties in the year:									
Components capitalised							1,128	641	
Amounts charged to expenditure							1,181	992	

## Notes to the financial statements for the year ended 31 March 2023

## 13. Investment properties held for letting and commercial letting

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>Investment Properties held for letting</b>				
Valuation at start of year	<b>2,790</b>	2,715	<b>1,960</b>	1,920
Additions	<b>255</b>	-	-	-
Gain on transfers from Social Housing Lettings	-	-	-	-
Gain on valuation of investment properties	<b>190</b>	75	145	40
At end of year	<b>3,235</b>	2,790	<b>2,105</b>	1,960
	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>Commercial Investment Property</b>				
At start of year	<b>450</b>	400	<b>450</b>	400
Gain / (Loss) on valuation of investment properties	-	50	-	50
At end of year	<b>450</b>	450	<b>450</b>	450
Total Investment Properties	<b>3,685</b>	3,240	<b>2,555</b>	2,410

The company has adopted the provisions under sections 16.1 and 16.2 of FRS102 in relation to the revaluation of their investment properties with fair value movements taken to the Statement of Comprehensive Income. The valuation was carried out by Louis Taylor Limited, a firm of RICS registered valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Valuation – Global Standards 2017 using qualified chartered surveyors who had sufficient current local knowledge of the particular market and skills and understanding to undertake the valuation competently.

## Notes to the financial statements for the year ended 31 March 2023

## 14. Fixed asset investments

## Group Companies

The Group comprises the following entities, all registered in England:

Name	Incorporation and ownership	Regulated/ non-regulated	Nature of Business
Stillness 924 Limited	Companies Act 2006 – 100%	Non-regulated	Building works, Market Rent and PV panels
Blue Mountain Limited	Co-operative and Community Benefit Societies Act 2014 – 100%	Non-regulated	Dormant
Honeycomb Charitable Services Limited	Companies Act 2006	Non-regulated	Social inclusion
Search Housing Association	Companies Act 2006	Non-regulated	Dormant

## Association

	Stillness 924 Limited £'000	Blue Mountain Limited £'000	Honeycomb Charitable Services Limited £'000	Search Housing Association £'000
<b>Cost</b>				
At start of year	1,700	-	-	-
Repayment	(122)	-	-	-
At end of year	<b>1,578</b>	-	-	-

## 15. Stock

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>Properties held for sale</b>				
Shared ownership properties:				
Under construction	-	31	-	31
Completed	<b>476</b>	664	<b>476</b>	664
	<b>476</b>	695	<b>476</b>	695

## Notes to the financial statements for the year ended 31 March 2023

## 16. Trade and other debtors

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Rent arrears	1,226	1,004	652	630
Less: provision for bad debts	(358)	(354)	(129)	(233)
Less: Adjustment for arrears with repayment schedules	-	-	-	-
Subtotal	868	650	523	397
Social Housing Grant receivable	-	-	-	-
Other debtors	687	987	425	596
Amounts owed from group undertakings	-	-	433	-
Prepayment and accrued income	1,026	884	633	713
Debtors due within one year	2,581	2,521	2,014	1,706
Debtors due after one year – due from Group undertakings	-	-	73	73
	2,581	2,521	2,087	1,779

## 17. Investments

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Listed on a recognised investment exchange	30	30	30	30
	30	30	30	30

## 18. Cash and cash equivalents

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Deposit Accounts	5,562	5,650	3,393	4,029
Cash at bank	110	87	56	35
	5,672	5,737	3,449	4,064

In the above are balances are:

Money held in trust for leaseholder sinking funds	191	180	191	180
Security Interest THFC	938	931	938	931

## Notes to the financial statements for the year ended 31 March 2023

## 19. Creditors: amounts falling due within one year

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Loans and overdrafts (Note 20b)	4,494	570	4,494	570
Trade creditors	481	1,199	248	1,147
Amounts owed to group undertakings	-	-	-	19
Rents and service charges paid in advance	746	699	569	633
Other taxation and social security payable	187	194	109	105
Accruals and deferred income	2,663	2,436	1,852	1,634
Deferred Capital Grant (Note 21)	883	903	883	903
Recycled Capital Grant Fund (Note 22)	197	193	197	193
Other creditors	261	309	48	121
	<b>9,912</b>	<b>6,503</b>	<b>8,399</b>	<b>5,325</b>

## 20(a). Creditors: amounts falling due after more than one year

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Loans (Note 20b)	57,837	54,127	57,837	54,127
Debenture Stock less loan issue costs plus premium on bond issue (Note 20b)	15,210	15,202	15,210	15,202
	<b>73,047</b>	<b>69,329</b>	<b>73,047</b>	<b>69,329</b>
Leaseholder sinking funds	191	180	191	180
Recycled Capital Grant Fund (Note 22)	611	142	611	142
	<b>73,849</b>	<b>69,651</b>	<b>73,849</b>	<b>69,651</b>
Deferred Capital Grant (Note 20)	56,996	56,316	56,996	56,316
	<b>130,845</b>	<b>125,967</b>	<b>130,845</b>	<b>125,967</b>

## 20(b). Debt analysis

	Group		Association	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>Loans repayable by instalments:</b>				
In less than one year	694	570	694	570
In one year or more but less than two years	6,920	694	6,920	694
In two years or more and less than five years	2,458	9,378	2,458	9,378
In five years or more	53,115	44,960	53,115	44,960
<b>Loans not repayable by instalments:</b>				
In less than one year	3,800	-	3,800	-
In one year or more but less than two years	-	3,800	-	3,800
In two years or more and less than five years	-	-	-	-
In five years or more	11,000	11,000	11,000	11,000
Less: loan issue costs	(446)	(503)	(446)	(503)
Total loans	<b>77,541</b>	<b>69,899</b>	<b>77,541</b>	<b>69,899</b>

## Notes to the financial statements for the year ended 31 March 2023

**20(b). Debt analysis (continued...)**

Housing loans, other loans and debenture stock are secured by specific charges on the Group's individual housing properties and bear interest rates ranging between 0.76% and 11.72%.

The loans are repayable monthly/quarterly at varying rates of interest and are due to be repaid between 2023 and 2050.

The interest rate profile of the Group at 31 March 2023 was:

	Total £'000	Variable Rate £'000	Fixed rate £'000	Weighted Average rate %	Weighted average term Years
Instalment loans	62,741	12,646	50,095	3.63	16
Non-instalments loans	14,800	-	14,800	5.92	14
	<u>77,541</u>	<u>12,646</u>	<u>64,895</u>	<u>4.17</u>	<u>16</u>

At 31 March 2023 the Group has the following borrowing facilities:

	£'000
Undrawn committed facilities	-
Undrawn facilities	<u>21,800</u>
	<u><b>21,800</b></u>

**20(c). Debt analysis – Movement in Net Debt - Group**

	At 31 March 2022 £'000	Cash Flows £'000	Non-Cash Movement £'000	At 31 March 2023 £'000
Cash and bank balances	5,737	(65)	-	5,672
Bank overdrafts	<u>5,737</u>	<u>(65)</u>	<u>-</u>	<u>5,672</u>
Housing loans – due within one year	(570)	565	(4,489)	(4,494)
Housing loans – due after one year	(69,329)	(8,200)	4,482	(73,047)
Current asset investments	-	-	-	-
	<u>(69,899)</u>	<u>(7,635)</u>	<u>(7)</u>	<u>(77,541)</u>
Total Net Debt	<u>(64,162)</u>	<u>(7,700)</u>	<u>(7)</u>	<u>(71,869)</u>

## Notes to the financial statements for the year ended 31 March 2023

## 21. Deferred capital grant

	Group		Association	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
At start of the year	76,076	75,649	76,076	75,649
Grant received in the year	586	444	586	444
Re-categorisation	1,475	-	1,475	-
Eliminated in respect of disposals	(512)	(17)	(512)	(17)
At the end of the year	<b>77,625</b>	76,076	<b>77,625</b>	76,076
Amortisation of Grant at start of the year	(18,857)	(17,951)	(18,857)	(17,951)
Amortisation in the year	(1,029)	(911)	(1,029)	(911)
Eliminated in respect of disposals	140	5	140	5
Amortisation at the end of the year	(19,746)	(18,857)	(19,746)	(18,857)
Net deferred capital grant	<b>57,879</b>	57,219	<b>57,879</b>	57,219
Falling Due Within One Year	883	903	883	903
Falling Due After More than One Year	56,996	56,316	56,996	56,316
Net deferred capital grant	<b>57,879</b>	57,219	<b>57,879</b>	57,219

## 22. Recycled capital grant fund

Group and Association	2023	2022
	£'000	£'000
At the start of the year	335	318
Inputs: Grants recycled	461	17
Recycling: New build interest	12	-
At the end of the year	<b>808</b>	335
Falling due within one year	197	193
Falling due after more than one year	<b>611</b>	142

## 23. Non-equity share capital

Group and Association	2023	2022
	£	£
Allotted Issued and Fully Paid:		
At the start of the year	11	9
Issued during the year	1	3
Eliminated during the year	(3)	(1)
At the end of the year	<b>9</b>	11

The par value of each share is £1. The shares do not have a right to any dividend or distribution in a winding-up and are not redeemable. Each share has full voting rights. All shares are fully paid.



## Notes to the financial statements for the year ended 31 March 2023

**24. Capital commitments**

	<b>2023</b>	2022
	<b>£'000</b>	£'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	<b>1,097</b>	2,919
Capital expenditure that has been authorised by the Board but has not yet been contracted for		
	<b>2,310</b>	8,910
	<b>3,407</b>	11,829
The Group expects these commitments to be financed with:		
Social Housing Grant	<b>139</b>	341
Proceeds from the sales of properties	-	483
Committed loan facilities	<b>3,268</b>	11,005
	<b>3,407</b>	11,829

The above figures include the full cost of shared ownership properties contracted for.

**25. Operating leases**

The Group holds properties and office equipment under non-cancellable operating leases. At the end of the year the Group had commitments of future minimum lease payments as follows:

	<b>Group</b>		<b>Association</b>	
	<b>2023</b>	2022	<b>2023</b>	2022
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Land and buildings:				
Within one year	<b>203</b>	284	<b>33</b>	38
In one year or more but less than two years	<b>292</b>	405	<b>6</b>	8
In two years or more and less than five years	-	5	-	5
In five years or more	-	-	-	-
Others:				
Within one year	<b>50</b>	31	<b>50</b>	31
In one year or more but less than two years	<b>41</b>	26	<b>41</b>	26
In two years or more and less than five years	<b>22</b>	25	<b>22</b>	25
In five years or more				-
	<b>608</b>	776	<b>152</b>	133

## Notes to the financial statements for the year ended 31 March 2023

**26. Related parties**

Honeycomb Group Limited is the Parent entity in the Group and ultimate controlling party.

**Transactions with registered and non-registered elements of the business**

The Association provides management services to its subsidiaries.

The Association also receives charges from its subsidiaries. The quantum and basis of those charges is set out below:

**Payable to Association from subsidiaries and other Group members:**

	Management charges		Other charges		Interest charges	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>Non-registered entities:</b>						
Blue Mountain Housing Association Ltd	-	-	-	-	-	-
Stillness (924) Limited	20	13	65	40	-	-
Search Housing Association Limited	-	-	-	-	-	-
Honeycomb Charitable Services Limited	821	626	309	292	-	-
	<b>841</b>	<b>639</b>	<b>374</b>	<b>332</b>	<b>-</b>	<b>-</b>

**Intra Group management fees**

Intra-group management fees are receivable by the Association from subsidiaries to cover the running costs the Association incurs on behalf of managing its subsidiaries and providing services.

The costs are recharged in accordance with the relevant Intra Group Agreements.

Stillness (924) Limited declared a gift aid payment of £168k to the Association this year (2022: £nil).

## Notes to the financial statements for the year ended 31 March 2023

## 27. Financial instruments

	<b>Group</b>		<b>Association</b>	
The Group's and Company's financial instruments may be analysed as follows:	<b>2023</b>	2022	<b>2023</b>	2022
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
<b>Financial assets</b>				
(a) Financial assets measured at amortised cost	<b>7,733</b>	8,099	<b>4,903</b>	5,129
(b) Financial assets that are equity instruments measured at cost less impairment	-	-	<b>1,578</b>	1,700
<b>Financial liabilities</b>				
(a) Financial liabilities measured at amortised cost	<b>140,757</b>	132,470	139,245	131,291

Financial assets measured at amortised cost comprise cash at bank and in hand, trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, trade creditors and other creditors.