

# St Basils Annual Report and Financial Statements

Year ending 31 March 2017

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**INFORMATION**

**BOARD**

Maddy	Bunker
Cllr Deborah	Clancy
Sara	Fowler - (Chair of the Board of Directors)
Steve	Guyon
Feizal	Hajat
Sean	Marsay
Amelia	McCann - (Chair of Service Delivery and Development Sub-Committee)
Chris	Miller -- (Chair of Business Support and Audit Sub-Committee)
Gina	Reid
Rev. Adam	Romanis
Jean	Templeton
Cllr Sharon	Thompson
Chris	Todd

**CHIEF EXECUTIVE**

Jean Templeton

**REGISTERED OFFICE**

Heath Mill Lane  
Deritend  
Birmingham  
B9 4AX

**CHARITY NUMBER**

1080154

**COMPANY NUMBER**

3964376

**HOMES AND COMMUNITIES AGENCY NUMBER**

H 3994

**EXTERNAL AUDITOR**

Mazars LLP  
45 Church Street  
Birmingham  
B3 2RT

**INTERNAL AUDITOR**

RSM Risk Assurance Services LLP  
St Phillips Point, Temple Row,  
Birmingham  
B2 5AF

**BANKERS**

Lloyds Bank Plc  
3<sup>rd</sup> Floor  
125 Colmore Row  
Birmingham  
B3 3SD

**SOLICITORS**

Anthony Collins Solicitors LLP  
134 Edmund Street  
Birmingham  
B3 2ES

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**STRATEGIC REPORT for the year ending 31 March 2017**

The Board present their report and the Strategic Report together with the financial statements for the year ended 31 March 2017.

• **Mission**

"St Basils works with young people to enable them to find and keep a home, to develop their confidence, skills and opportunities, and to prevent homelessness".

**St Basils**

St Basils is a Registered Provider of Social Housing, a registered Company and Charity providing a holistic range of accommodation and support services for young people aged 16-25 who are homeless, at risk or in conflict.

• **Legal and Policy Context**

St Basils is governed by the Homes and Communities Agency (HCA) regulations and standards, Charity Commission rules, the Companies Act and the regulatory frameworks of service commissioners. In particular, this includes the Supporting People Quality Assessment Framework and other commissioner-specific standards. The Agency has no statutory obligation to provide services but many of the services provided are covered by legislation including Children Acts, which apply to all service provision for young people and children.

• **Principal activities and geographical coverage**

St Basils is one of the largest organisations working with young people who are homeless or at risk in the country and is the largest regional organisation of its kind. At the 31<sup>st</sup> March 2017, the organisation operates over 40 sites in Birmingham, Coventry, Sandwell, Solihull, Walsall, Warwickshire and North Worcestershire providing 475 units of accommodation and a range of prevention, early intervention and support services. In addition, we facilitate Youth Voice nationally through a range of engagement mechanisms. During 2016/17 we also provided our national Youth Homelessness Advisory Service to Local Authorities.

St Basils has long recognised that providing accommodation alone is an inadequate response to the combination of factors associated with youth homelessness. Our services therefore aim to provide a holistic response based on individual need and experience. 4,570 young people sought assistance from St Basils during 2016/17 and 1577 were accommodated by us (34.5%).

During 2016/17, we have worked with a range of commissioners to provide services to young people leaving care, young offenders and those with substance misuse issues. We have extended our supported lodgings services and developed our intensive BOOST service for young people not engaged in education, employment or training. Our commitment to a whole organisation approach to becoming a Psychologically Informed Environment (PIE) in 2011 has extended our learning and impact both within St Basils and externally. Through charitable Trust funding from 2014-2017, now extended to 2020, we have been able to extend the opportunities to young people across all of our services. Our partnerships with our local mental health Trusts and the University of Birmingham have enabled us to extend our reach, securing further funding for training and reflective practice to multiple organisations.

During 2016-17, public funding continued to be under pressure and St Basils has worked with commissioners to mitigate impacts of funding cuts on services and outcomes. Tendering, bidding and fundraising take an increasing proportion of our time and new methods of funding through payment by results and social impact bonds are becoming increasingly common and have impacts for an organisation of our size. We successfully delivered our second year of the Fair Chance-Rewriting Futures Social Investment Bond programme, surpassing projected outcomes and securing additional investment to sustain support for longer to a number of young people on the programme and to extend the service in Walsall.

**Birmingham 2016-17**

St Basils is a Level A Supporting People provider in Birmingham. We have directly delivered over 143,000 hours of housing related support, implemented support services from our Places of Change scheme at Carole Gething House, and continued with our very successful supported lodgings service for Care Leavers, which was extended to include unaccompanied asylum seeking children during the period. Our nationally renowned Youth Hub delivered services to 3602 young people, preventing homelessness for 89% and providing the single gateway for referrals to all commissioned providers in the City. 931 young people were referred into St Basils' accommodation in Birmingham from the Youth Hub. At the November 2016 rough sleeper count, there were no under 25 year olds identified in the count which is testament to the partnership approach to prevention in the City.

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**STRATEGIC REPORT for the year ending 31 March 2017**

**North Worcestershire 2016-2017**

During 2016-17, we continued to develop housing related support in Redditch, Kidderminster and Bromsgrove in North Worcestershire. The North Worcestershire team received 235 referrals (243 in 2015/16) and were able to accept 69 new admissions with 99% moving on in a planned positive way (89% in 2015/16).

During the year we have continued to develop the supported lodgings scheme in North Worcestershire with 100% positive planned move-ons.

**Solihull 2016-17**

St Basils continues to provide both floating support services and accommodation based services in Solihull. During 2016/17 we continued to provide additional accommodation and support through our Fair Chance Rewriting Futures Programme, developing shared accommodation options in partnership with Solihull MBC. We also worked in partnership with the Local Authority to develop the Solihull Pathway model for young people including a Solihull Hub.

**Sandwell 2016-17**

During 2015/6, we recruited young people to take up the apprenticeship and accommodation offer in our ground-breaking 'Live and Work' scheme with Sandwell and West Birmingham NHS Trust providing 32 units of shared accommodation for young people, 27 of whom will have apprenticeships with the Trust. A combination of capital funding from Empty Homes Capital grant, and revenue support from the Trust, Health Education West Midlands and a number of charitable Trusts, as well as work completed at cost by our contractors Keepmoat and their supply chain, enabled the rents to be set at level which allows the young apprentices to live benefit free. During 2016/17 the scheme accepted young workers as supernumerary apprenticeship opportunities reduced.

The Family Mediation Service in Sandwell in partnership with the Home Options Team and Prevention Services worked with 187 young people during the year (177 in 2015/16), with 82% remaining or returning home as a result of improved family relationships.

**Coventry 2016-17**

We were able to extend our floating support and assessment and prevention services in Coventry through our Fair Chance Rewriting Futures Social Impact Bonds (SIB) enabling us to provide support to 100 x 18-24 year olds who are homeless and not engaged in Education, Employment or Training (NEET) and unable to access existing services until end of March 2018.

**Walsall 2016-17**

Our Fair Chance Rewriting Futures programme enables us to extend services into Walsall in 2015 enabling us to support 70 young people for a 3 year period. Walsall MBC have commissioned continuing support for young people with complex needs as a result of their experience of Fair Chance. In partnership with Caldmore Accord HA, we have been able to provide supported accommodation in Walsall for both Fair Chance young people and subsequent referrals from the Local Authority.

**Warwickshire County Council 2016-17**

During 2015/16 we secured contracts to deliver support to young people across Warwickshire County who are homeless, at risk or on the edge of care. The contract commenced 1<sup>st</sup> August 2016 for a period of 2 years with the option to extend for a further 3 years. We are working in partnership with Doorway, a local organisation working in the north of the County, to deliver support across the 5 District Councils of Stratford upon Avon, Warwick, Rugby, North Warwickshire and Nuneaton and Bedworth. During the period of the contract up to March 2017, 320 referrals had been received with 220 young people accessing support.

**National Youth Reference Group and Youth Homeless Parliament**

We have been funded by the Department for Communities and Local Government to facilitate and support the National Youth Reference Group (NYRG) since 2008 successfully completing a ninth year in 2016/17 and securing further funding for 2017/18. This is a group of young people from around the country who have experienced homelessness and who work together to inform and influence policy makers and service deliverers to optimise service effectiveness. The group has had a significant impact nationally and are unique in their contribution to service development. Initially intended to be a 6 month legacy project, NYRG are now firmly embedded in national influencing structures.

We successfully facilitated the national Youth Homeless Parliament in December 2013, again in 2014, and 2015/16 and again in March 2017, funded by DCLG and have been funded to continue this work in 2017/18 providing the opportunity for homeless young people to speak directly to Ministers about issues which affect them. Young People's manifestos are articulated in a report which can be accessed from our website.

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**STRATEGIC REPORT for the year ending 31 March 2017**

**Accommodation and Support Services**

We have commissioned a stock condition survey to inform our Asset Management Strategy and committed resources to our action plan to ensure our accommodation remains fit for purpose.

We have extended accommodation options for young people, particularly through the Fair Chance programme by working with social and private landlords, creating shared accommodation options. Much interest has been shown nationally in our Live and Work model and we have secured capital funding from the Homes and Communities Agency to provide 18 dual suite apartments for young workers in partnership with the NHS and Keepmoat. The remaining funding was recently secured from Landaid and the scheme will progress in the latter part of 2017/18. We secured Platform for Life capital funding to provide a young workers co-operative of 12 apartments which were completed and occupied in July 2017.

**Our accommodation and support services include:**

- ❖ Immediate access and Nightstop accommodation (young men, young women and mixed )
- ❖ Range of step down accommodation, some having on site 24 hour support, and some with flexible support to meet the needs of the young people living there
- ❖ An accredited Foyer (Accommodation plus Education) for young people and young families
- ❖ Places of Change scheme with accommodation based support
- ❖ Accommodation with support for young mothers and babies
- ❖ Move-on accommodation with support for young parents
- ❖ Neighbourhood based accommodation with support for young people
- ❖ Eight Starter Homes for working young people
- ❖ 'Live and Work' scheme for young apprentices and young workers
- ❖ Foyers in Bromsgrove and Kidderminster
- ❖ Supported Lodgings for Care Leavers, young homeless people and unaccompanied asylum seeking children
- ❖ Private rented options in north Worcestershire, Coventry, Solihull and Birmingham
- ❖ Cross tenure Floating Support for young people leaving St Basils accommodation and those in Local Authority/ Social Landlord tenancies who are assessed as at risk by the landlord.
- ❖ A Young Workers-cooperative

**Non Accommodation based services:**

- ❖ Youth Hub – Multi-Agency Single Point of Access in Birmingham
- ❖ Youth Hub- Multi- Agency Single Point of Access in Solihull
- ❖ Leaving Care Housing Pathways Planning service
- ❖ Referral and placement service for young offenders
- ❖ Fair Chance, Rewriting Futures service
- ❖ Prevention Services:
  - Home Options Service
  - Family Support, Mediation and Advocacy Service
  - Estrangement and reconciliation work
  - STaMP (schools training and mentoring project)
  - Peer education project
  - Peer Befriending service
  - Positive prevention project in Coventry
- ❖ Learning, Skills and Work Service
  - access to Life skills training and accreditation
  - access to work experience, mentoring and coaching
  - access to bespoke training and development
  - BOOST programme
- ❖ Supporting Youth Involvement and Youth Voice including:
  - Youth Engagement Structures and support
  - Youth Council elected by clients of St Basils
  - National Youth Reference Group
  - National Youth Homeless Parliament

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**STRATEGIC REPORT for the year ending 31 March 2017**

- ❖ Access to extended range of specialist services through partnership network
- ❖ Creative Arts and Sports opportunities
- ❖ Training, Strategic Advice and Consultancy support.

• **Our Vision**

**Our vision for people is that:**

- ❖ Homelessness is not part of their experience of growing up
- ❖ There are integrated education, employment and housing pathways
- ❖ They are able to access the support and development opportunities they need to secure their futures and realise their potential

**Our vision for St Basils as an organisation is that we:**

- ❖ Continue to be creative and innovative in our work with young people
- ❖ Prevent homelessness in the first place, through early intervention and flexible prevention work with young people and their families
- ❖ Extend and improve on our services that assist young people in realising their potential
- ❖ Build on our local, regional and national reputation for excellence in youth homelessness

**We will work towards our vision by:**

- ❖ Working alongside other agencies
- ❖ Influencing and informing both strategic and service development locally, regionally and nationally
- ❖ Sharing the learning from our experience and evaluation of what works
- ❖ Ensuring young people are at the heart of all decision-making relating to their lives and futures.
- ❖ Having a skilled and highly motivated workforce which reflects the diverse community we serve

The more young people can be engaged in deciding about their own lives, their environment and their communities, the more likely they are to successfully move into independence. Our challenge is to create active not passive services which engage with the young person in co-creating a journey which provides both challenge and support. Increasingly we are focussing on developing skills and confidence which enable the young person to find a pathway to employment as this is more likely to enable them to secure their independence, increase their choices and avoid homelessness.

The framework for our vision encompasses:

- ❖ *Services for young people*
- ❖ *Community engagement*
- ❖ *St Basils - a good place to work*

**Services for young people**

We will continue to provide, improve and develop services, which meet a broad range of needs, responding to young people with high and complex needs but also developing prevention and early intervention services, which target young people before those needs are acute.

**Community engagement**

We believe it is not possible to provide services effectively to young people from diverse communities unless you reflect those communities at all levels within your organisation. We will promote and sustain our diversity by engaging with the diverse communities we serve as employers, service providers and contributors to local neighbourhoods. We will work with young people supporting and motivating them to play an active part in securing the future of their communities, promoting cross community cohesion and breaking down barriers which might exist.

**St Basils - a good place to work**

We recognise that our diverse, skilled and highly motivated workforce is central to our effectiveness. We will continue to ensure we have the skills and capacity to achieve our objectives by developing a reputation for quality standards, and by ensuring our employment and development policies and practices make St Basils a preferred place to work. The Board wishes to explicitly recognise the commitment and dedication of the staff team throughout this year, within an increasingly complex and challenging environment.

## • Principles to work by

Our seven *Principles to Work by*, describe what we believe in and should help us describe what this means to all who work with us.

### 1. Young People First

This is at the heart of everything we do. By putting the needs and aspirations of young people as our top priority, we will ensure that our policies and practices assist them to secure their futures and realise their potential. We will recognise and promote their achievements and challenge negative images which create barriers and reinforce stereotypes.

### 2. Everybody Counts

We believe that everyone has an important contribution to make and a viewpoint which matters. We will adopt an open and inclusive approach which ensures that the views, ideas, beliefs and interests of all our stakeholders are considered and dealt with in a respectful way.

### 3. Strength and Unity through Diversity

Our diversity is our strength and we are united in our purpose through a collective framework of principles and priorities. Like the pieces in a Jigsaw, we are all different but only by fitting together, is the whole picture complete.

We believe that our different experiences, skills and heritage better enable us collectively to respond to the individual needs and experiences of the young people who come to us.

### 4. Working and learning with Others

St Basils recognises that in order to provide the best possible services for young people we must work with others who have specific knowledge, skills and expertise in areas where we do not. Within our organisation and in our dealings with external partners, we believe we can make a greater difference when working together. We will also share our learning of what works and what doesn't and learn from the experience of others.

### 5. Delivery and Effectiveness

It is essential that we are able to demonstrate our effectiveness and that we 'do what we say we're going to do'. If we claim that 'St Basils works...' we have to be prepared to evidence the outcomes of what we do. Our commitment to continuous improvement means that we must constantly question our effectiveness and strive to improve our services and evidence the impact of what we do from our customers' perspective.

### 6. Accountability

We are individually and collectively accountable for our work and the promotion of St Basils' objectives and principles. We recognise the balance between rights and responsibilities and encourage accountability for the promotion of both. We recognise our range of accountabilities to all our stakeholders and seek to be consistent and open in their delivery. We are regulated and inspected by a range of external organisations and welcome this as an opportunity to examine ourselves and check that we continue to deliver.

### 7. Forward Thinking

To work with young people means that you have to be prepared to work in a constantly changing environment. Needs, experiences and aspirations change. We believe that we must not only deal with young people's needs as they present themselves today but also plan and develop services which will meet future needs. It is our intention therefore to remain at the 'cutting edge' of services for young people in order to assist them to break down barriers preventing them from achieving their ambitions.

## Optimising Outcomes for Young People – Our business direction

During 2016/17, we have made considerable progress in a number of service areas, outlined in our summary of progress under our 6 strategic priorities. We have also identified specific actions to take forward these priorities during the coming year.

In order to maximise investment in services for young people, our minimum surplus target is 1% of turnover. Our reserves strategy ensures free reserves are used to support our strategic objectives. The out-turn for the year after transfers from restricted reserves is 1.3% of turnover.



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**STRATEGIC REPORT for the year ending 31 March 2017**

Charitable fundraising remains a key funding source in our future strategy, currently representing some 8.8% of our total income compared with 8.0% in the previous financial year. Our fundraising strategy aims to raise funds in an ethical way linking closely to the Principles and Strategic Priorities of the agency. Our fundraising committee brings additional skills, business knowledge and networks to draw on in developing our approach.

**• Review of Activities**

Our strategic priorities for 2016-17 were:

1. Provision of good quality accommodation which meets the needs and raises the aspirations of young people
2. Provision and development of prevention and support services which meet the diverse needs of young people
3. Young people fully involved in setting standards, identifying priorities and monitoring services
4. St Basils- a good place to work
5. Challenging discrimination and promoting diversity and cohesion through employment, service delivery and community engagement
6. Optimising resources to achieve our strategic objectives

**• Progress in Achieving Key Service and Performance Objectives in 2016-17**

Specifically we were able to make progress in the following areas:

**Strategic Priority 1**

*‘Provision of good quality accommodation, which meets the needs and raises the aspirations of young people’*

- ✓ Extended affordable, safe housing options for young people through supported lodgings, nightstop and access through both social and private landlords
- ✓ Developed our young workers’ cooperative at Gillott Road, Birmingham funded by Platform for Life capital providing 12 additional studio apartments.
- ✓ Secured 90% of capital funding for Phase 2 of Live and Work at Hallam Close, Sandwell for young workers providing 18 additional dual suite apartments.
- ✓ Energy Performance Certificates secured for all of assured shorthold tenancies with remainder to be completed by end of August 2017
- ✓ Implemented our cyclical and major repairs programme

**Strategic Priority 2**

*‘Provision and development of prevention and support services which meet the diverse needs of young people’*

- ✓ Delivered Fair Chance programme targets and outcomes
- ✓ Delivered contractual services and optimised outcomes for young people
- ✓ Mobilised and delivered our Warwickshire housing related support contract
- ✓ Secured funding to extend the reach and impact of our Psychologically Informed approaches.
- ✓ Promoted and Developed affordable models of housing which enable young people to engage in EET e.g. Live and Work models – informed the Bristol scheme of Live and Work
- ✓ Extended our prevention services in Solihull and Walsall
- ✓ Scale up our Psychologically Informed Parenting programme and secured programme to deliver in Sandwell and West Birmingham NHS Trust
- ✓ Expanded Community responses – supported lodgings; conventional lodgings; nightstops; community coaches
- ✓ Developed and translated existing service offers for new commissioners
- ✓ Delivered extended national youth homelessness advisory services funded by DCLG
- ✓ Extended partnerships with Employers providing job opportunities for young people

**Strategic Priority 3**

*‘Young people fully involved in setting standards, identifying priorities and monitoring services’*

- ✓ Implemented DCLG contract for Youth Voice activities
- ✓ Implemented action plan from NYRG evaluation
- ✓ Delivered year 4 of national Youth Homeless Parliament
- ✓ Appointed 2 young people from NYRG to St Basils’ Board
- ✓ Embedded Youth Council Scrutiny Panels in service reviews and to inform service improvement
- ✓ Supported young people to engage in community consultation including on policing and health services

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## STRATEGIC REPORT for the year ending 31 March 2017

### Strategic Priority 4

#### *'St Basils – A good place to work'*

- ✓ Improved access to on-line training
- ✓ Improved and embedded Induction Programme
- ✓ Progressed the recommendations from the Employment Deal diagnostic
- ✓ Reviewed Leadership Programme
- ✓ Continue to work with Employee Council to develop People Strategy
- ✓ Worked with colleagues collaboratively to minimise impacts of proposed cuts
- ✓ Taken steps to improve and ensure modern fit for purpose recruitment processes
- ✓ Reviewed apprenticeship opportunities and extended
- ✓ Taken steps to link progression strategy with Learning and development and leadership programme
- ✓ Implemented revised Learning and Development approach
- ✓ Reviewed Lone working devices and CCTV
- ✓ Sustained PIE Reflective practice sessions and evaluated

### Strategic priority 5

#### *'Challenging discrimination and promoting diversity and cohesion through employment, service delivery and community engagement'*

- ✓ Commissioned and evaluated the Positive Pathway for young people
- ✓ Supported research by University of Birmingham PhD student into primary prevention and engagement
- ✓ Worked with partners to deliver End Youth Homelessness objectives
- ✓ Delivered Fair Chance for most excluded young people
- ✓ Recruited and extended our community volunteers
- ✓ Recruited supported lodgings hosts from diverse environments
- ✓ Reported on Equalities action plan
- ✓ Used our Equalities data to map both young people and employees experience of St Basils and inform action – included in our Equalities action plan for 2017/18

### Strategic Priority 6

#### *'Optimising resources to achieve our strategic objectives'*

- ✓ Engaged in various national task groups reviewing impacts of new supported housing funding model
- ✓ Led action on 18-21 year old housing cost entitlement cuts
- ✓ Developed alternative model for funding transitional supported housing and secured support from Housing Birmingham partnership to propose a pilot in Birmingham
- ✓ Implemented VFM plan
- ✓ Introduced Associate register
- ✓ Progressed implementation of Integrated Business Support system
- ✓ Secured additional contracts
- ✓ Developed improved communications strategy
- ✓ Exceeded surplus target

During 2017-18, we aim to make progress in the following areas:

### Strategic Priority 1

#### *'Provision of good quality accommodation, which meets the needs and raises the aspirations of young people'*

- ❖ Use our stock condition information to update our asset management strategy and investment programme
- ❖ Complete phase 2 of our Live and Work Scheme
- ❖ Achieve remaining EPC certificates by end of August
- ❖ Implement our planned maintenance and major repairs programme
- ❖ Renegotiate our lease agreements with partner landlords
- ❖ Extend our accommodation options in Walsall, Solihull and Coventry
- ❖ Progress the development of a national centre of excellence for young people with complex needs in Warwickshire
- ❖ Implement our CCTV upgrade programme

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**STRATEGIC REPORT for the year ending 31 March 2017**

**Strategic Priority 2**

*‘Provision and development of prevention and support services which meet the diverse needs of young people’*

- ❖ Complete the review of our Youth Offer based on innovation and learning to date
- ❖ Complete Fair Chance programme and ensure all young people have planned exits to secure their continued progress
- ❖ Secure funding and develop Learning, skills and work service
- ❖ Implement and evaluate revised MST4Life programme
- ❖ Complete and promote the Youth Justice Accommodation Pathway
- ❖ Complete Care leaver complex needs pilot and use learning to develop and extend our service to Care Leavers
- ❖ Deliver contractual services and optimise outcomes for young people
- ❖ Develop services or extend in at least 2 areas
- ❖ Implement Trailblazer PIE services in Birmingham
- ❖ Implement Trailblazer in Solihull

**Strategic Priority 3**

*‘Young people fully involved in setting standards, identifying priorities and monitoring services’*

- ❖ Deliver our DCLG funded Youth Voice contracts
- ❖ Develop national Youth Radar
- ❖ Deliver Scrutiny panels and use feedback to improve services
- ❖ Refresh and expand role of resident Reps in our accommodation schemes
- ❖ Support ongoing development and learning of Co-operative
- ❖ Review opportunities for supportive living schemes with peer support
- ❖ Continue to expand employment and volunteering opportunities for young people

**Strategic Priority 4**

*‘St Basils – A good place to work’*

- ❖ Work with Employee Council to develop and implement People Strategy and optimise resources
- ❖ Engage employees in Innovation consultation
- ❖ Introduce PIE Champions and extend learning from PIE
- ❖ Implement PIE action plan and extend across St Basils
- ❖ Progress refreshed Leadership Programme and link to Progression strategy
- ❖ Implement review of Lone working including new devices

**Strategic priority 5**

*‘Challenging discrimination and promoting diversity and cohesion through employment, service delivery and community engagement’*

- ❖ Implement Equalities Policy and Action Plan
- ❖ Use data from Monitoring Group to inform service review and improvement
- ❖ Work with partners across the region to develop employment opportunities for young people
- ❖ Inform government on implications of welfare reform for young people
- ❖ Promote affordable, safe housing options which underpin engagement in education, training and employment for young people
- ❖ Promote Lifeskills, PIE and MST4Life for young people
- ❖ Ensure our pathways for staff and young people provide equal opportunities for learning, development and progression.

**Strategic Priority 6**

*‘Optimising resources to achieve our strategic objectives’*

- ❖ Implement Value for Money plan
- ❖ Secure partners for shared journeys approach
- ❖ Promote Birmingham pilot to reduce transactional costs in funding of supported housing
- ❖ Work with commissioners and partners to optimise outcomes with fair funding
- ❖ Increase fundraising income
- ❖ Work with EYH (End Youth Homelessness ) national partnership to reach national funders
- ❖ Implement Business growth strategy

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## STRATEGIC REPORT for the year ending 31 March 2017

### • Governance and Reporting Structures

St Basils Board is supported by three committees: Service Delivery and Development sub-committee, Business Support and Audit sub-committee and Fundraising committee. In addition, the Board is advised by our Youth Council. Each committee has a lead reporting officer and links to our Senior Leadership Team and the main Board. In addition to business meetings, the Board has an extended session in October to look at Business Planning and Strategy. Members of Youth Council considered their preferred engagement with the main St Basils Board and recommended that 2 young people who have progressed through St Basils and experienced membership of NYRG be appointed as members to St Basils main Board. This was approved by the Board and recruitment has now taken place.

Our approach to governance and risk management is reviewed annually by our internal auditors and recommendations for best practice implemented. We have adopted the 2015 National Housing Federation Code of Governance.

We comply with the adopted Code of Governance with the following exceptions:

- a) We have a board of thirteen people which is in excess of the recommended number of twelve. The Chief Executive is also a board member and is included within the board number of thirteen. Our new Articles of Association incorporates capacity for up to fourteen board members including co-optees which will give some flexibility to appoint young people to our board.
- b) One of our board members has served for in excess of the recommended nine years but is being retained for the short term in order to provide some continuity to a board which has undergone recent substantial change.

### • Value For Money (VfM) Statement:

The Homes & Communities Agency (HCA) introduced The Regulatory Framework for Social Housing in England from April 2012 which set out four customer and three economic Standards including a Value For Money Standard. As a Registered Provider with less than 1,000 units of accommodation, St Basils is not required to meet the full disclosure requirements of the Standard, but is however required to undertake a Self-Assessment of its performance against the Value For Money Standard, and report on this annually.

#### Our understanding of Value for Money (VfM)

We have articulated in our revised VfM Strategy our understanding of VfM and our approach to evaluating our understanding of the use of our assets and resources.

*We will achieve Value for Money by making the best possible use of all our resources, in order to achieve our Mission of working with young people to enable them to find and keep a home; to develop their confidence, skills and opportunities and to prevent homelessness. We will do this creatively and with reference to best practice.*

We have adopted a simple approach to evaluating and delivering VfM which is proportionate to the size of the organisation, and delivers key messages which can be understood by all stakeholders.

The strategy is described in the context of '4 P's':

- ❖ Priorities – Are we clear about our strategic priorities and are we achieving them?
- ❖ People – How well do we work with people to achieve our objectives?
- ❖ Processes – Do our processes support the achievement of our objectives?
- ❖ Procurement – How do we maximise the impact of our spending power in achieving our objectives?

Our Business Plan and actions plan identify what we aim to achieve each year in relation to these strategic priorities. Our colleagues, young people and partners are involved in reviewing and delivering our strategic priorities.

We have set out our approach in the VfM strategy using a simple framework identifying what we will do to achieve VfM; how we will set about this; the impact we intend to achieve and the subsequent actions we have taken or will take to improve based on our learning.

We have undertaken a Value for Money assessment involving both Board of Directors and Senior Leadership Team to inform our approach to Value for Money.

We have reported on our 2016/17 Action Plan and approved our 2017/18 Action Plan which incorporates tangible financial targets for Value for Money gains.

We have commenced working with procurement for housing in order to obtain additional benchmarking data and to generate real cashable Value for Money gains.

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**STRATEGIC REPORT for the year ending 31 March 2017**

• **Performance Monitoring:**

**Prevention rates**

A total of 4,570 young people sought assistance during 2016/17. 3602 young people presented at the Youth Hub in Birmingham compared with 4119 in 2015/16 (2,977 young people in 2014/15). This represents a reduction of 14%. However admissions to our accommodation services increased by 17%, partly reflecting the shorter period of stay permitted by Birmingham Supporting People contracts. We continue to see a higher number of 16/17 year olds still within education, training and employment at the time they seek assistance. This makes it easier to support them to remain engaged. The introduction of the Fair Chance-Rewriting Futures service provided an option for young people aged 18-25 most excluded, although access to the programme was closed in December 2015.

89% of young people were prevented from becoming homeless.

**Positive outcomes and Planned move on from St Basils**

We know that one of the important factors in whether young people make a success of sustaining accommodation in the long term is a planned approach to accessing move on accommodation. It is also a reliable indicator as to whether young people have engaged with the support process. During 2016/17, 91% of departures from St Basils were made in a positive planned way in Birmingham (87% in 2015/16), 99% in Worcestershire (89% in 2015/16) and 90% in Solihull (88% in 2015/16). This has been achieved whilst continuing to work with young people with complex needs and in some areas for a shorter timescale. 53% of those accommodated in Birmingham were aged 16-19 (58% in 2015/16); 72% in North Worcestershire (77% in 2015/16) and 60% in Solihull (77% in 2015/16). The Life Skills programme and the move-on process have helped us to maintain this level of positive move on.

• **2017-2018 and beyond**

We are committed to demonstrating VfM to our stakeholders in terms of our continual improvement in service delivery performance.

Changes in Welfare Reform and the socio economic environment continue to place considerable strain on opportunities for young homeless and potentially homeless people to access and receive the support they need to live independently.

The future funding model of supported housing is critical to our ability to sustain services and accommodation for the most vulnerable.

St Basils will continue to review the financial cost, impact and effectiveness of services delivered to support our service users. These reviews will be ongoing and in the context of demonstrating achievement of our mission for the benefit of stakeholders. Detailed plans will be presented to the Board on an annual basis for consideration as an integral aspect of the annual Business plan.

• **Risk Management**

The Homes and Communities Agency requires Registered Providers to have an effective risk management framework. The Board conducts an annual review of the effectiveness of the Association's system of internal control and in particular this focuses on the significant risks that threaten the organisation's ability to meet its objectives and provide reasonable assurance of the safeguarding of assets. St Basils takes a proactive approach to risk management and has initiated a number of monitoring and reporting systems, which feed into risk assessment. These include our Annual Active Governance Programme of visits to all service areas, individual risk assessments are conducted for each young person coming to St Basils, annual health & safety risk assessments are completed for all areas of the business, and key financial indicators and information are monitored on a monthly basis.

An overall risk assessment report and risk register is produced annually and presented to the Board. For the purpose of the assessment, risk is defined as *"the threat that any event or action will adversely affect an organisation's ability to achieve its business objectives and execute its strategies"*. The assessment is set against the agency's strategic priorities and within the context of St Basils being in a high risk business in terms of:

1. Funding resources
2. Client group
3. Capability

When risks are identified they are allocated a priority rating, control actions identified and responsibilities for actions are determined. From the annual assessment an action plan is formulated and this is regularly monitored and reported to the Business Support and Audit sub-committee. A risk assessment has also been applied to our service and performance objectives to assist the Board and Senior Management Team to manage their delivery

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**STRATEGIC REPORT for the year ending 31 March 2017**

The Business Support sub-committee also receive regular internal audit reports prepared by the Association's appointed internal auditor, on a wide range of business activity. A long term and annual plan is agreed at the beginning of the financial year. Our current internal auditors, RSM's approach to internal audit involves a systematic risk based approach in all of their audits undertaken throughout St Basils, with the aim of aligning their work more closely to St Basils' own analysis of the key risks that we face. It also aims to integrate internal audit more closely into the whole risk management process.

The internal audit programme regularly reviews our risk management systems to apply a degree of independent scrutiny and to ensure best practice. Recommendations arising from the reviews are used by the Board as a means of ensuring a robust risk management process, learning and continuous improvement.

**Key Risks/Challenges to the Business Plan in 2017-2018**

The key risks to delivering our Business Plan include:

- ❖ The proposal to apply Local Housing Allowance to social housing.
- ❖ The implementation of the new funding for supported housing
- ❖ Continuing pressure on funding for support within supported housing
- ❖ The continuing impact of the 1% rent cut to social housing
- ❖ The removal of Housing Benefit from 18-21 year olds.
- ❖ Continuing funding pressures on public services and focus on statutory responsibilities. We have successfully mitigated those risks in 2016-17 but recognise that they will intensify as we face reduced budgets and expectations of reduced contract prices. Recent experiences have seen draconian cuts to Supporting People funding.
- ❖ Access to decent, safe, affordable housing for young people remains a challenge as a result of little development of affordable housing, increased pressure on one bedroom resources and landlord confidence low as a result of proposal to apply LHA and the shared accommodation rate being extended to 35 year olds.
- ❖ Challenges in supporting young people into employment with youth unemployment levels still high, although falling, and graduates and skilled workers competing in the labour market.
- ❖ Implementation of welfare reform and impact on those in receipt of benefits, particularly impacts of sanctions on young people who are estranged from their families.
- ❖ Ensuring we have the skills to develop the highest standards of safeguarding when we are likely to receive referrals from more young people in the 16-18 age group.
- ❖ Forging effective relationships with new partners, particularly in Health and Learning, Skills and Work fields to benefit the young people we support.
- ❖ Securing capital resources to invest in our Asset Strategy and optimise accommodation options for young people.
- ❖ Impacts on cash flow of social investment and payment by results schemes

• **Key Relationships**

A Business priority for St Basils is to develop and maintain productive relationships with government, local, regional and national as well as our commissioning bodies, delivery partners, employees, young people and the local communities we work with. We are particularly committed to working with others who can assist us to deliver our strategic objectives, including Health commissioners, Police and Crime Commissioners and those tackling youth unemployment. In our audit commission inspection and our GOLD award assessment, our approach to partnership working was commended. This remains a priority for us and is even more critical in the changing context of multiple financial pressures, localism and greater focus on self- help.

Specifically, we have a formal partnering agreement with Waterloo Housing Association as our lead development partner. We also worked with Keepmoat regeneration during 2016/17 to complete the refurbishment of our young workers co-operative. Our consortium of social landlords helps provide good quality move-on accommodation for young people when they are ready to leave St Basils. During 2016/17, we have developed a number of productive partnerships with employers to enhance employment opportunities with young people. Our partnership with Birmingham and Solihull Mental Health Foundation Trust, University of Birmingham and Highways Traffic Management deserve special mention. We have sustained positive relationships with our 5 Social Investors in Fair Chance-Rewriting Futures.

St Basils continues to prioritise our commitment to a number of key local, regional and national fora including Housing Birmingham Partnership; North Worcestershire Steering Group; Supporting People Provider Fora; Birmingham Social Housing Partnership, West Midlands Housing Association Partnership and maintains a close relationship with Department for Communities and Local Government. Our Chief Executive has been appointed to chair the Mayor's West Midlands Homelessness Taskforce across the combined authorities' area.

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**STRATEGIC REPORT for the year ending 31 March 2017**

• **Financing Structure**

Since the Association's restructuring in 2000 a surplus has been achieved in each subsequent year after the planned utilisation of reserves. Going forward it is projected that surpluses will continue to be achieved which will contribute to ensuring financial viability and investment in achieving our strategic priorities, in particular, improvement of our accommodation and the prevention of homelessness.

34% (2015/16 32%) of the organisation's income is from Supporting People grants with 32% (2015/16 34%) being derived from Rents and Service Charges. 9% (2015/16 8%) is met from charitable donations with the remaining income being met from grants and income for specific purposes.

**Financial Reporting Standard 102**

Our financial statements have been revised in order to fully comply with the requirements of Financial Reporting Standard 102. This exercise has included the calculation of restated balance sheet figures as at 31<sup>st</sup> March 2014 which have then been used as the base for subsequent years' statements.

**Cash Flow**

Net cash inflow from operating activities was £6k. Net cash outflow from finance activities was £25k and outflow from investing activities £373k. The overall net change in cash and cash equivalents was a reduction of £392k

**Rent Policy**

The Rent and Service Charges at each of our accommodation schemes are set at affordable levels in line with the Government's Rent reform regulations.

**Out-Turn 2016/17**

The surplus for the year shown on the new format of income and expenditure account (the statement of comprehensive income) is £89k.

This is supplemented by a transfer from our restricted reserve of £42k giving an increase in general reserve for the year of £131k.

**Reserves Policy**

Our policy is to maintain reserves for three reasons:-

- To maintain sufficient levels of liquidity to meet operational requirements.
- To meet our statutory, regulatory and landlord liabilities.
- To continue to achieve the aims and objectives of St Basils.

**Fixed Assets**

Details of changes to fixed assets are set out in notes 8 and 9 of the financial statements.

In 2016/17 capital expenditure on properties amounted to £11k and on non-housing assets £362k.

Approved by the Board on 11<sup>th</sup> September 2017  
and signed on its behalf by



**Sara Fowler**  
**Chair of the Board**

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**BOARD REPORT for the year ending 31 March 2017**

**Board Members**

The Board Members set out below have held office during the whole of the period from 1 April 2016 to the date of this report unless otherwise stated:-

Maddy Bunker	-	Ordinary Director	
Cllr Debbie Clancy	-	Nominated Director	
Sara Fowler	-	Ordinary Director	
Steve Guyon	-	Ordinary Director	
Feizal Hajat	-	Ordinary Director	
David Leigh	-	Ordinary Director	to 20 <sup>th</sup> September 2016
Sean Marsay	-	Ordinary Director	from 7 <sup>th</sup> July 2016
Amelia McCann	-	Ordinary Director	
Chris Miller	-	Ordinary Director	
John Parr	-	Ordinary Director	to 20 <sup>th</sup> September 2016
Gina Reid	-	Ordinary Director	from 7 <sup>th</sup> July 2016
Rev. Adam Romanis	-	Nominated Director	
Jean Templeton	-	Executive Director	
Cllr Sharon Thompson	-	Nominated Director	
Chris Todd	-	Ordinary Director	

**Internal Controls Assurance**

The Board of St Basils has voluntarily chosen to include a statement on internal controls within the published accounts.

St Basils Board has overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness.

The Board of Management recognises that no system of internal control can provide absolute assurance or eliminate all risk. The system of internal control is designed to manage risk and to provide reasonable assurance that key business objectives and expected outcomes will be achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of the Company's assets and interests.

In meeting its responsibilities, the Board has adopted a risk-based approach to internal controls which are embedded within the normal management and governance process. This approach includes the regular evaluation of the nature and extent of risks to which the Company is exposed and is consistent with Turnbull principles.

The process adopted by the Board of Management in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework includes:

- **Identification and evaluation of risks**

Management responsibility has been clearly defined for the identification, evaluation and control of significant risks. There is a formal and on-going process of management review in each area of the Company's activities. This process is co-ordinated through a regular reporting framework by the Executive Director and Senior Management Team.

- **Monitoring and corrective action**

There is a process of control self-assessment and regular management reporting on control issues to the Senior Management Team and the Business Support and Audit sub-committee. The risk management system provides the basis for development of the internal audit plan to ensure internal audit reviews provide advice and/or assurance in critical areas of risk to the Company. These reviews are reported to the Business Support and Audit sub-committee and actions arising from these reports and self-assessment are reviewed regularly.

- **Control environment and control procedures**

The Board retains responsibility for a defined range of issues covering strategic, operation, financial and compliance issues including treasury strategy and new investment projects. The Board has adopted the code of governance 'Competence and Accountability'. Its approach to risk management and internal assurance is embedded in its Business Plan and disseminated through policies, procedures, induction, training, internal communication and working practices.



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**BOARD REPORT for the year ending 31 March 2017**

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• **Information and financial reporting systems**

Financial reporting systems include consideration by the Board in October each year of the priorities for the coming year. Detailed budgets are then prepared and approved by the Board annually. Sub-committees review and report to the Board regularly on key performance indicators and financial forecasts. The Company has invested in the development of a bespoke performance evaluation system which will assist in the monitoring of service outcomes.

The internal control framework and risk management process is subject to regular review by the external Internal Audit firm who are responsible for providing independent assurance to the Board via the Business Support and Audit sub-committee. Based on the work during the year the Internal Audit opinion is that the Company has adequate and effective risk management, control and governance processes to manage the achievement of the organisation's objectives. All the recommendations were accepted by management.

The Board confirms that there is an on-going process for identifying, evaluating and managing significant risks faced by St Basils. This process has been in place throughout the year under review, up to the date of the annual report, and is regularly reviewed by the Board.

**Going Concern**

Under the governance requirements, the Board confirms that after making enquiries they have a reasonable expectation that the entity has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the accounts.

**Directors Indemnity**

The directors have confirmed that St Basils does have Directors and Officers Insurance in place.

**Financial Instruments**

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

**Disclosure of Information to the Auditor**

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

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company'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 Company's auditor is aware of that information.

**Board Members' Responsibilities**

Legislation requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of the entity as at the end of the financial year and of its income and expenditure for the year ended on that date. In preparing those financial statements, suitable accounting policies have been used, framed, to the best of the Board's knowledge and belief, by reference to reasonable and prudent judgements and estimates and applied consistently. Applicable accounting standards have been followed. The Board is also required to indicate where the financial statements are prepared other than on the basis that the entity is a going concern.

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

**Compliance with the HCA Governance and Financial Viability Standard.**

The Board confirms that the Company complies with the requirements of the revised Governance and Financial Viability Standard applicable for the year

Approved by the Board on 11<sup>th</sup> September 2017  
and signed on its behalf by

**Sara Fowler**  
Chair of the Board



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**INDEPENDENT REPORT OF THE AUDITORS for the year ending 31 March 2017**

**Independent auditor's report to the members of St Basils**

We have audited the financial statements of St Basils for the year ended 31<sup>st</sup> March 2017 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

**Respective responsibilities of The Board and auditor**

As explained more fully in the Statement of the Board's Responsibilities set out on page [x], the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. This report is made solely to the Association's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and Chapter 4 of Part 2 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and its members as a body for our audit work, for this report, or for the opinions we have formed.

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**Opinion on the financial statements**

In our opinion the financial statements:

give a true and fair view of the state of the Association's affairs as at 31st March 2017 and of the Association's surplus for the year then ended;  
have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and  
have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015.

**Opinion on other matters prescribed by the Companies Act 2006**

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


The information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and  
The Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

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

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

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

Mazars LLP   
Chartered Accountants and Statutory Auditor  
45 Church Street  
Birmingham  
B3 2RT

**STATEMENT OF COMPREHENSIVE INCOME**  
For the year ended 31 March 2017

	Notes	2017 £'000's	2016 £'000's
<b>TURNOVER</b>			
Supporting people grants			
- City of Birmingham		3,120	3,120
- Solihull MBC		143	119
- Worcester CC		483	503
- Coventry CC		251	240
- Other CC		297	104
		<hr/>	<hr/>
		4,294	4,086
Income from charges	3b	3,304	3,204
Donations	3a	909	764
Other income		1,686	1,402
Amortisation of Social Housing Grant	15	114	111
		<hr/>	<hr/>
	3a	10,307	9,567
<b>OPERATING COSTS</b>	3a	(10,208)	(9,477)
		<hr/>	<hr/>
<b>OPERATING SURPLUS</b>	3a	99	90
Interest receivable and similar income		6	11
Interest payable and similar charges		(22)	(23)
		<hr/>	<hr/>
<b>SURPLUS FOR THE YEAR</b>		83	78
Unrealised surplus (deficit) on non-cash investments		6	(4)
		<hr/>	<hr/>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<hr/> <hr/> 89	<hr/> <hr/> 74

**STATEMENT OF FINANCIAL POSITION**

As at 31 March 2017

	Notes	2017 £'000's	2016 £'000's
<b>FIXED ASSETS</b>			
Housing properties - cost less depreciation	8	11,634	11,787
Other property, plant & equipment	9	1,267	1,084
Total fixed assets		12,901	12,871
<b>CURRENT ASSETS</b>			
Debtors	11	1,335	1,140
Cash and cash equivalents		867	1,265
Non cash investments		73	67
		2,275	2,472
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	12	(1,131)	(1,261)
<b>NET CURRENT ASSETS</b>		1,144	1,211
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		14,045	14,082
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	13	(10,032)	(10,158)
<b>NET ASSETS</b>		4,013	3,924
<b>CAPITAL AND RESERVES</b>			
Revenue reserves		3,682	3,551
Restricted reserves		331	373
<b>TOTAL RESERVES</b>		4,013	3,924

The financial statements on pages were approved by the Board on 11<sup>th</sup> September 2017 and were signed on its behalf by:

Jean Templeton, Member of the Board

Reverend Adam Romanis, Member of the Board



**STATEMENT OF CHANGES IN RESERVES**

For the year ending 31 March 2017

	Revenue reserves £'000's	Restricted reserves £'000's	2017 Total £'000's	2016 Total £'000's
<b>At 1 April 2016</b>	3,551	373	3,924	3,850
Surplus from statement of comprehensive income	89		89	74
Transfer to/from restricted reserves	42	(42)	-	-
	<u>3,682</u>	<u>331</u>	<u>4,013</u>	<u>3,924</u>
<b>At 31 March 2017</b>	<u><u>3,682</u></u>	<u><u>331</u></u>	<u><u>4,013</u></u>	<u><u>3,924</u></u>

**ANALYSIS OF RESTRICTED RESERVES**

	Young Women £'000's	Young Men £'000's	Non Housing £'000's	Capital Receipts £'000's	2017 Total £'000's	2016 Total £0'000's
<b>At 1 April 2016</b>	237	29	80	27	373	482
Transfer from restricted to revenue reserve	(10)	(5)	-	(27)	(42)	(109)
<b>At 31<sup>st</sup> March 2017</b>	<u>227</u>	<u>24</u>	<u>80</u>	<u>-</u>	<u>331</u>	<u>373</u>
	<u><u>227</u></u>	<u><u>24</u></u>	<u><u>80</u></u>	<u><u>-</u></u>	<u><u>331</u></u>	<u><u>373</u></u>

**STATEMENT OF CASH FLOWS**  
For the year ending 31 March 2017

		2017		2016	
	Notes	£'000's	£'000's	£'000's	£'000's
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	17		6		364
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Interest received		6		11	
Interest paid		(22)		(23)	
Housing loans repaid		(9)	(25)	(9)	(21)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Purchase of housing properties	8	(11)		(80)	
Purchase of other property, plant & equipment	9	(362)		(576)	
Capital grants and donations received		-	(373)	26	(630)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>			(392)		(287)
<b>CASH AND CASH EQUIVALENTS AT START OF YEAR</b>			1,332		1,619
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>			940		1,332

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**1. ACCOUNTING POLICIES**

**(a) Basis of accounting**

The financial statements are prepared under the historical cost convention, as modified to include certain items at fair value, in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and comply with the Accounting Direction for Private Registered Providers of Social Housing 2015, the Statement of Recommended Practice for Registered Social Housing Providers 2014 (SORP) and the Housing and Regeneration Act 2008. St Basils is a public benefit entity (PBE), as defined in FRS 102 and applies the relevant paragraphs prefixed "PBE" in FRS 102.

**(b) Statement of compliance**

St Basils has prepared the financial statements in accordance with FRS 102.

**(c) Turnover**

Turnover represents rents and service charges receivable (net of losses from voids), revenue grants receivable from local authorities together with donations and miscellaneous income.

**(d) Depreciation**

No depreciation is charged to the Statement of Comprehensive Income in the year of acquisition or purchase on either category of asset.

*Housing properties*

Depreciation is calculated to write down the cost of investment in specific components which need replacing over different useful economic lives. St Basils has adopted the following components and economic useful lives for its asset components:

Structure	100 year life
Kitchens	15 year life
Bathrooms	15 year life
Doors	20 year life
Heating systems (Boilers)	25 year life
Window	20 year life
Roofs	50 year life
Security Systems	20 year life

Freehold land is not depreciated.

*Other property, plant & equipment (PPE)*

Depreciation is calculated to write down the cost of other PPE on a straight line basis over their estimated useful lives.

**(e) Social Housing Grant (SHG) and other capital grants**

Where grants are received from government agencies such as the HCA, local authorities, devolved government agencies, health authorities and the European Commission which meet the definition of government grants, they are recognised when there is reasonable assurance that the conditions attached to them will be complied with and that the grant will be received.

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**1. ACCOUNTING POLICIES (Continued)**

Government grants are recognised using the accruals model and are classified either as a grant relating to revenue or a grant relating to assets. Grants relating to revenue are recognised in income on a systematic basis over the period in which related costs for which the grant is intended to compensate are recognised. Where a grant is receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support with no future related costs, it is recognised as revenue in the period in which it becomes receivable.

**(e) Social Housing Grant (SHG) and other capital grants (continued)**

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Grants received for housing properties are recognised in income over the expected useful life of the housing property structure.

Grants received from non-government sources are recognised as revenue using the performance model.

**(f) Improvements to properties**

Expenditure on existing housing properties other than replaced components is capitalised to the extent that it improves the economic benefit of the asset either through an increase in rental income, a reduction in maintenance costs or through an extension of the life of the property.

**(g) Investments**

Investments that are publicly traded or whose fair value can be measured reliably are measured at fair value with changes in fair value recognised as a surplus or deficit in the Statement of Comprehensive Income.

**(h) Restricted Reserves**

The restricted reserves represent donations received but as yet unspent, in respect of specific projects together with capital grants and donations received for restricted purposes. These are subject to an external restriction as such they are separately recognised.

**(i) Pension Costs**

St Basils has two defined contribution schemes

Contributions payable to the Company's auto enrolment scheme with Legal and General are charged to the Statement of Comprehensive Income as they become payable in accordance with the rules of the scheme.

Contributions payable to the Company's defined contribution scheme with Engage Mutual are charged to the Statement of Comprehensive Income as they become payable in accordance with the rules of the scheme. New membership of this scheme was stopped in 2014 when the scheme with Legal and General was introduced. All new membership since 2014 has been into the Legal and General Scheme.

**(j) Supporting People**

Separately identifiable tenancy related rent, service and support charge income along with any related costs for supported housing is disclosed under 'supported housing' within note 3. Charges for and costs of support services funded under Supporting People are shown under 'Supporting People' within note 3.

**(k) Operating Leases**

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

**(l) Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand and demand deposits, together with other short term, highly liquid investments that are readily known amounts of cash and are subject to an insignificant risk of change in value.

**(m) Financial Instruments**

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

*Financial assets carried at amortised cost*

Financial assets carried at amortised cost comprise rent arrears, trade and other receivables and cash and cash equivalents. Financial assets are initially recognised at fair value plus directly attributable transaction costs. After



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**1. ACCOUNTING POLICIES (Continued)**

initial recognition, they are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

If there is objective evidence that there is an impairment loss, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced accordingly.

A financial asset is derecognised when the contractual rights to the cash flows expire, or when the financial asset and all substantial risks and reward are transferred.

If an arrangement constitutes a financing transaction, the financial asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

*Financial liabilities carried at amortised cost*

These financial liabilities include trade and other payables and interest bearing loans and borrowings.

Non-current debt instruments which meet the necessary conditions in FRS 102, are initially recognised at fair value adjusted for any directly attributable transaction cost and subsequently measured at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs in the Statement of Comprehensive Income. Discounting is omitted where the effect of discounting is immaterial.

A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

*Financing transactions*

For rent arrears where the arrangement constitutes, in effect, a financing transaction because of extended credit arrangements the arrears are measured at the present value of the future payments discounted at an appropriate market rate of interest.

**2. Significant Management Judgements and key sources of estimation uncertainty.**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

*Significant Management Judgements*

The following are management judgements in applying the accounting policies of the Company that have the most significant effect on the amounts recognised in the financial statements.

*Impairment of social housing properties*

The Company has to make an assessment as to whether an indicator of impairment exists. In making the judgement, management considered the detailed criteria set out in the SORP.

*Estimation uncertainty*

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results and may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**ST BASILS**  
**(Limited by Guarantee)**

**3a. TURNOVER AND OPERATING SURPLUS**

	Turnover	2017 Operating costs	Surplus/ (deficit)	Turnover	2016 Operating costs	Surplus/ (deficit)
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
<b>Income and expenditure from lettings</b>						
Supported housing – residential (note 3b)	7,149	(6,860)	289	6,985	(6,781)	204
<b>Other income and expenditure</b>						
Fund raising	909	(188)	721	764	(158)	606
Non-residential services	2,249	(3,160)	(911)	1,818	(2,538)	(720)
<b>Total</b>	<u>10,307</u>	<u>10,208</u>	<u>99</u>	<u>9,567</u>	<u>(9,477)</u>	<u>90</u>

**3b. INCOME AND EXPENDITURE FROM SOCIAL HOUSING**

	2017	2016
	All Supported Housing Accom- modation	All Supported Housing Accom- modation
	£'000's	£'000's
<b>Income from lettings</b>		
Rent receivable	1,824	1,751
Service charges receivable	1,480	1,453
<b>Net rents receivable</b>	<u>3,304</u>	<u>3,204</u>
Supporting People Grant	3,186	3,209
Other income	659	572
<b>Total income from lettings</b>	<u>7,149</u>	<u>6,985</u>
<b>Expenditure on lettings</b>		
Management	3,865	3,827
Services	2,053	2,029
Routine maintenance	587	572
Planned maintenance	110	107
Major repairs	10	57
Bad debts	71	29
Depreciation of properties	164	160
<b>Total expenditure on lettings</b>	<u>6,860</u>	<u>6,781</u>
<b>Operating surplus on social housing lettings</b>	<u>289</u>	<u>204</u>
Rent losses from voids	<u>434</u>	<u>387</u>

**4. SURPLUS ON ORDINARY ACTIVITIES**

	2017 £'000's	2016 £'000's
<b>Surplus on ordinary activities is stated after charging/(crediting)</b>		
Depreciation of housing properties	164	160
Depreciation of other fixed assets	179	217
Auditors' remuneration:-		
In their capacity as auditors	22	24
In respect of other services	-	-
Staff costs (note 6)	6,422	5,998
Amortisation of government grants	(114)	(111)
	<u>          </u>	<u>          </u>

**5. TAXATION**

No taxation charge arises as the Company is a registered charity and is exempt from tax on charitable activities.

**6. STAFF COSTS**

	2017 £'000's	2016 £'000's
<b>Staff costs including the Senior Management Team</b>		
Wages and salaries	5,819	5,437
Social security costs	505	463
Other pension costs	98	98
	<u>          </u>	<u>          </u>
	6,422	5,998
	<u>          </u>	<u>          </u>

**Average number of full time equivalent persons (including the Chief Executive) employed during the year:**

	Number	Number
Management	8	6
Administration	39	29
Housing support services	199	190
	<u>          </u>	<u>          </u>
Total employees	246	225
	<u>          </u>	<u>          </u>

**7. DIRECTORS' EMOLUMENTS**

	2017 £'000's	2016 £'000's
Emoluments of the Senior Management Team (including pension contributions)	373	329
	<u>          </u>	<u>          </u>

The emoluments of the Senior Management Team disclosed above include amounts paid to:

The highest paid director(excluding pension contributions)	70	70
	<u>          </u>	<u>          </u>

There are no other employees who are paid in excess of £60,000 per annum.

The Board of Directors consists of twelve Non-Executive Directors and one Executive Director (Chief Executive). The emoluments of the Chief Executive are included within the Senior Management Team emoluments.

The Non-Executive Directors receive no emoluments.

8. TANGIBLE FIXED ASSETS – HOUSING PROPERTIES

	Housing properties held for letting £'000's
<b>COST</b>	
At 1 April 2016	13,863
Additions	11
<b>At 31 March 2017</b>	<b>13,874</b>
<b>LESS:</b>	
<b>DEPRECIATION</b>	
At 1 April 2016	2,076
Charge for the year	164
<b>At 31 March 2017</b>	<b>2,240</b>
<b>NET BOOK VALUE</b>	
<b>At 31 March 2017</b>	<b>11,634</b>
At 31 March 2016	11,787
The above net book value comprises:	
Freehold properties	10,929
Leasehold properties	705
	<b>11,634</b>

**9. OTHER PROPERTY, PLANT & EQUIPMENT**

	Leasehold properties (non- housing) £'000's	Computer equipment £'000's	Furnishings and fittings £'000's	Total £'000's
<b>COST</b>				
At 1 April 2016	530	1,338	1,113	2,981
Additions	-	270	92	362
<b>At 31 March 2017</b>	<b>530</b>	<b>1,608</b>	<b>1,205</b>	<b>3,343</b>
<b>ACCUMULATED DEPRECIATION</b>				
At 1 April 2016	130	853	914	1,897
Charge for the year	26	109	44	179
<b>At 31 March 2017</b>	<b>156</b>	<b>962</b>	<b>958</b>	<b>2,076</b>
<b>NET BOOK VALUE</b>				
<b>At 31 March 2017</b>	<b>374</b>	<b>646</b>	<b>247</b>	<b>1,267</b>
At 31 March 2016	400	485	199	1,084
<b>Depreciation rates</b>	Over term of lease	20%	20%	

**10. UNITS IN MANAGEMENT**

	<b>2017 Number</b>	<b>2016 Number</b>
Bed spaces	475	475
At the end of the year there were 12 units in development (2016: NIL).		

**11. DEBTORS**

	<b>2017 £'000's</b>	<b>2016 £'000's</b>
Rental debtors	300	488
Less: Provision for bad debts	(199)	(376)
Net rental debtors	101	112
Other Debtors, prepayments and accrued income	1,234	1,028
	<b>1,335</b>	<b>1,140</b>

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017 £'000's	2016 £'000's
Rental pre-payments	169	321
Accruals and deferred income	408	516
Trade creditors	281	162
Other taxation and social security costs	150	142
Housing loans	9	9
SHG due within one year	114	111
	<u>1,131</u>	<u>1,261</u>
—		

**13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2017 £'000's	2016 £'000's
SHG to be released after one year	9,682	9,799
Housing loan	350	359
	<u>10,032</u>	<u>10,158</u>
Profile of Housing loan:		
Amount falling due 2-5 years	44	44
Amount falling due 5+ years	306	315
	<u>350</u>	<u>359</u>

The loan has a deferred charge secured against John Austin Court payable to Viridian Housing Association over 24 years, paying interest at 6%.

**14. FINANCIAL INSTRUMENTS**

The carrying values of the Company's financial assets and liabilities are summarised by category below:

**Financial assets**

Measured at fair value through Statement of Comprehensive Income

- Current asset listed investments (see statement of financial position)

Measured at undiscounted amount receivable

- Rent arrears and other debtors (see note 11)

**Financial liabilities**

Measured at amortised cost

- Loans payable (see note 13)

Measured at undiscounted amount payable

- Trade and other creditors (see note 12)

**15. GRANT AMORTISATION MOVEMENT**

	2017 £'000's	2016 £'000's
<b>Deferred income – Government Grants</b>		
As 1 April 2016	9,910	9,995
Grants receivable	-	26
Amortisation to Statement of Comprehensive Income	(114)	(111)
<b>At 31 March 2017</b>	<u>9,796</u>	<u>9,910</u>
Amortisation within one year	<u>114</u>	<u>111</u>
Amortisation after one year	<u>9,682</u>	<u>9,799</u>

The total value of grants received prior to any amortisation is £11,390k.

**16. SHARE CAPITAL**

The Company is limited by guarantee and does not have any share capital.

**17. RECONCILIATION OF OPERATING SURPLUS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2017 £'000's	2016 £'000's
Operating surplus for the year	99	90
Movement in debtors	(198)	(68)
Movement in creditors	(130)	80
Depreciation	343	377
Unrealised (deficit)/surplus on non cash investments	6	(4)
Amortisation of grant	(114)	(111)
Net cash flow from operating activities	<u>6</u>	<u>364</u>

**18. CAPITAL COMMITMENTS**

	2017 £'000's	2016 £'000's
Capital expenditure contracted for but not provided for in the financial statements	<u>329</u>	<u>-</u>
Capital expenditure authorised but not yet contracted for	<u>-</u>	<u>-</u>

## **19. OPERATING LEASE COMMITMENTS**

At 31 March 2017 the company had total minimum lease payments under non-cancellable operating leases as follows:

	2017 £'000's	2016 £'000's
<b>Expiry Date</b>		
Less than 1 year	36	19
Between 2 and 5 years	125	143
After more than 5 years	232	251
	393	413
	393	413

## **20. LEGISLATIVE PROVISIONS**

The Company is a registered charity, a company limited by guarantee incorporated under the Companies Act 2006, and is a Registered Provider of Social Housing.

## **21. PENSION COMMITMENTS**

The Company operates two defined contribution pension schemes. The assets of the schemes are held separately from those of the Company in independently administered funds. The pension charges as detailed in note 6 represents contributions payable by the Company to the funds.

## **22. RELATED PARTIES**

Cllr Sharon Thompson and Cllr Deborah Clancy are members of the St Basils Board and are councillors of Birmingham City Council. All transactions with Birmingham City Council are made at arms' length, on normal commercial terms. Cllrs Thompson and Clancy cannot use their position to their advantage.