

St Basil's Annual Report and Financial Statements

Year ending 31 March 2018

ST BASIL'S (Limited by Guarantee)

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INFORMATION

BOARD

Maddy	Bunker
Cllr Deborah	Clancy (term of office ended 19 September 2017)
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 (term of office ended 19 September 2017)
Chris	Todd

CHIEF EXECUTIVE

Jean Templeton

REGISTERED OFFICE

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Deritend
Birmingham
B9 4AX

CHARITY NUMBER

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COMPANY NUMBER

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REGULATOR OF SOCIAL HOUSING

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EXTERNAL AUDITOR

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45 Church Street
Birmingham
B3 2RT

INTERNAL AUDITOR

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BANKERS

Lloyds Bank Plc
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SOLICITORS

Anthony Collins Solicitors LLP
134 Edmund Street
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STRATEGIC REPORT for the year ending 31 March 2018

The Board present their report and the Strategic Report together with the financial statements for the year ended 31 March 2018.

• **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. We operate as a Psychologically Informed Environment.

• **Legal and Policy Context**

St Basils is governed by the Regulator of Social Housing (RSH) 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. St Basil's 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 31st March 2018, the organisation operated over 40 sites in Birmingham, Coventry, Sandwell, Solihull, Walsall, Warwickshire and North Worcestershire providing 488 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 2017/18 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. 4,544 young people sought assistance from St Basils during 2017/18 and 1,534 were accommodated by us.

During 2017/18, 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 2014-2018, 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 2017/18, 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 third 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 2017/18

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 3,228 young people, preventing homelessness for 91% and providing the single gateway for referrals to all commissioned providers in the City. 716 young people were referred into St Basils' accommodation in Birmingham from the Youth Hub. At the November 2017 rough sleeper count, there was just one under 25 year old identified in the count (previous year; none) which is testament to the partnership approach to prevention in the City.

STRATEGIC REPORT for the year ending 31 March 2018 (CONTINUED)

North Worcestershire 2017/18

During 2017/18, we continued to develop housing related support in Redditch, Kidderminster and Bromsgrove in North Worcestershire. The North Worcestershire team received 242 referrals (235 in 2016/17) and were able to accept 67 new admissions with 88% moving on in a planned positive way (99% in 2016/17).

During the year we have continued to develop the supported lodgings scheme in North Worcestershire with 86% positive planned move-ons.

Solihull 2017/18

St Basils continues to provide both floating support services and accommodation based services in Solihull. During 2017/18 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 2017/18

During 2015/16, 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 2017/18 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 191 young people during the year, with 73% remaining or returning home as a result of improved family relationships.

Coventry 2017/18

Our Positive Prevention Project supported 150 vulnerable young people in Coventry to find and keep accommodation. 88% achieved planned positive outcomes.

During 2015-December 2017, 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..

Walsall 2017/18

Our Fair Chance Rewriting Futures programme enabled us to extend services into Walsall in 2015 enabling us to support 70 young people for a 3 year period. Walsall MBC 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 2017/18

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 1st 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 April 2017 to March 2018, 332 referrals had been received with 125 young people accessing support.

Youth Voice - National Youth Reference Group and Youth Homeless Parliament

We have been funded by the Department for Communities and Local Government (now Ministry of Housing Communities and Local Government) to facilitate and support the National Youth Reference Group (NYRG) since 2008 successfully completing a tenth year in 2017/18 and securing further funding for 2018/19. 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.

STRATEGIC REPORT for the year ending 31 March 2018 (CONTINUED)

We successfully facilitated the national Youth Homeless Parliament in December 2013, 2014, March 2015/16, March 2017 and again in March 2018 funded by MHCLG and continuing this work into 2018/19 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. In 2018, both elements, alongside St Basils' internal youth engagement has been rebranded as Youth Voice with a revised website.

Accommodation and Support Services

We 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 which secured the national Housing Award for outstanding contribution to homelessness in 2018. 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. Further funding was secured from LandAid and the scheme progressed 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 from 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
 - Access to My Strengths Training (MST4Life)
 - BOOST programme
- ❖ Supporting Youth Involvement and Youth Voice including:
 - Youth Engagement Structures and support
 - Youth Council elected by clients of St Basils
 - Scrutiny Panels
 - National Youth Reference Group
 - National Youth Homeless Parliament

STRATEGIC REPORT for the year ending 31 March 2018 (CONTINUED)

- ❖ 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 young 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:

By 2022 we will be the leading provider of accommodation, support and psychologically informed services for young people across the West Midlands

Our service developments will include:

- ❖ Increasing our bed spaces outside Birmingham and growing our services in new areas
- ❖ a nationally renowned centre of excellence for young people with complex needs
- ❖ extending our service offer to Care Leavers
- ❖ additional Live and Work schemes for young people engaged in education, training and work

We will be the national lead for:

- ❖ Psychologically informed consultancy, training and reflective practice services
- ❖ Youth Voice engagement and support

We are committed to:

- ❖ Preventing homelessness in the first place, through early intervention and flexible prevention work with young people and their families
- ❖ Extending and improving our services that assist young people in realising their potential
- ❖ Building 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.

STRATEGIC REPORT for the year ending 31 March 2018 (CONTINUED)

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 2017/18, 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.

STRATEGIC REPORT for the year ending 31 March 2018 (CONTINUED)

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.

Charitable fundraising remains a key funding source in our future strategy, currently representing some 8.9% of our total income compared with 8.8% 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 2017/18 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 2017/18

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'

- ✓ Used our stock condition information to update our asset management strategy and investment programme
- ✓ 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.
- ✓ Energy Performance Certificates secured for all of assured shorthold tenancies
- ✓ 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'

- ✓ Completed Fair Chance programme and exceeded outcomes
- ✓ Delivered contractual services and optimised outcomes for young people
- ✓ Completed and published the Youth Justice Accommodation Pathway
- ✓ Completed Care leaver complex needs pilot and used learning to develop and extend our service to Care Leavers
- ✓ Promoted Live and Work model which won the national Housing Award for Outstanding contribution to homelessness 2018 and influenced other schemes nationally
- ✓ Opened Solihull Youth Hub
- ✓ Delivered contracts for PIE Training and reflective practice across a range of external services
- ✓ Expanded Community responses – supported lodgings; conventional lodgings; nightstops;
- ✓ Delivered 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 5 of national Youth Homeless Parliament
- ✓ 2 young people from NYRG served on St Basils' Board
- ✓ Implemented recommendations from Youth Council Scrutiny Panels in service reviews
- ✓ Supported young people to engage in community consultation including on policing and health services

STRATEGIC REPORT for the year ending 31 March 2018 (CONTINUED)

Strategic Priority 4

'St Basils – A good place to work'

- ✓ Improved access to on-line training
- ✓ 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
- ✓ Implemented new Lone working devices and CCTV upgrades
- ✓ Introduced PIE Champions and extend learning from PIE
- ✓ Implemented PIE action plans
- ✓ Completed PIE evaluation by UoB

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
- ✓ Implemented VFM plan
- ✓ Progressed implementation of Integrated Business Support system
- ✓ Secured additional contracts
- ✓ Implemented improved communications strategy
- ✓ Exceeded Fair Chance SIB outcomes and financial targets
- ✓ Exceeded Fundraising Target

During 2018-19, 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'

- ❖ Progress Youth Village for young workers
- ❖ Implement our planned maintenance and major repairs programme
- ❖ Renegotiate our lease agreements with partner landlords where possible
- ❖ 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
- ❖ Refine and implement our Asset Management Strategy

Strategic Priority 2

'Provision and development of prevention and support services which meet the diverse needs of young people'

- ❖ Implement Employability and Progression approach within our revised Youth Services
- ❖ Set up Employability Taskforce
- ❖ Implement and evaluate revised MST4Life programme
- ❖ Deliver contractual services and optimise outcomes for young people
- ❖ Implement Trailblazer PIE services in Birmingham
- ❖ Implement Trailblazer in Solihull

STRATEGIC REPORT for the year ending 31 March 2018 (CONTINUED)

- ❖ Implement Homelessness Reduction Act in both Youth Hubs
- ❖ Secure new contracts for Prevention

Strategic Priority 3

'Young people fully involved in setting standards, identifying priorities and monitoring services'

- ❖ Deliver our MHCLG funded Youth Voice contract
- ❖ Review and update three Positive Pathway Frameworks
- ❖ Deliver localised Scrutiny panels and use feedback to improve services
- ❖ Pilot Lead Resident Representative scheme and use learning to roll out.
- ❖ 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'

- ❖ Implement new structure based on 'franchise' style model
- ❖ Implement leadership and development plan
- ❖ Provide data and analytical support through Performance Hub
- ❖ Progress refreshed Leadership Programme and link to Progression strategy

Strategic priority 5

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

- ❖ Review Equalities Policy and Action Plan
- ❖ Use data from Monitoring Group to inform service review and improvement
- ❖ Place employability support within reach for all young people at St Basils
- ❖ 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 restructure and improve analytics to drive continuous improvement
- ❖ Achieve Value for Money targets
- ❖ Implement Financial plan - Improve Cash and margins
- ❖ Secure partners for shared journeys approach
- ❖ Support proposal 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

STRATEGIC REPORT for the year ending 31 March 2018 (CONTINUED)

• **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. The term of office of our Youth Board members concludes in July and recruitment is currently progressing for their successors taking account of their feedback.

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 one more than the recommended number of twelve. The Chief Executive is also a board member and is included within the board number of thirteen. Our 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 and will stand down in September 2018.

• **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 2017/18 Action Plan and approved our 2018/19 budget which incorporates tangible financial targets for Value for Money gains.

STRATEGIC REPORT for the year ending 31 March 2018 (CONTINUED)

We have commenced working with procurement for housing in order to obtain additional benchmarking data and to generate real cashable Value for Money gains. This generated significant savings of at least £192k during the year, and ensured that the outturn position was not worse than it was.

• Performance Monitoring:

Prevention rates

A total of 4,544 young people sought assistance during 2017/18. 3228 young people presented at the Youth Hub in Birmingham compared with 3602 in 2016/17 and 4,119 in 2015/16 (2,977 young people in 2014/15). 1534 young people lived in our accommodation during the year (1577 in 2016/17) and 91.2% % moved on in a planned positive way (89% in 2016/17). We continue to see a higher number of 16/17 year olds still within education, training and employment at the time they seek assistance. (52% NEET in 2017/18 compared to 58% NEET in 2016/17). The percentage who are NEET increases significantly for young people over 18.

91.2% (89% 2016/17) 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 2017/18, 92% of departures from St Basils were made in a positive planned way in Birmingham (91% in 2016/17), 88% in Worcestershire (99% in 2016/17) and 90% in Solihull (90% in 2016/17). This has been achieved whilst continuing to work with young people with complex needs and in some areas for a shorter timescale. 56% of those accommodated in Birmingham were aged 16-19 (53% in 2016/17); 70% in North Worcestershire (72% in 2016/17) and 47% in Solihull (60% in 2016/17). The Life Skills programme and the move-on process have helped us to maintain this level of positive move on.

• 2018-19 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 includes 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

STRATEGIC REPORT for the year ending 31 March 2018 (CONTINUED)

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

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 2018-19

The key risks to delivering our Business Plan include:

- ❖ Insufficient cash backed reserves and/or insufficient operating surplus cash being generated in order to meet strategic objectives and invest in the property portfolio;
- ❖ Changes to data protection regulations, introducing more stringent requirements and penalties;
- ❖ Inability to maintain accommodation to high standards;
- ❖ Failure to complete the remodelling of front line services – increasing autonomy for local managers;
- ❖ Income not rising at a rate sufficient to meet increased costs;
- ❖ Increasing arrears and destitution implications for young people;
- ❖ Pressure on Birmingham public sector funds leading to reduced Supporting People funding.

The above items are perceived risks and they have not materialised and / or they are being actively mitigated.

• 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.

Specifically, we have a 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. We continue to develop productive partnerships with employers to enhance employment opportunities for young people. Our partnership with Forward Thinking Birmingham (FTB), Sandwell and West NHS Trust, University of Birmingham and Highways Traffic Management deserve special mention. We sustained positive relationships with our 5 Social Investors throughout the three years of our Social Investment Bond Programme, Fair Chance-Rewriting Futures.

St Basils continues to prioritise our commitment to working with local partnerships in all our areas of operation as well as with regional and national membership organisations and related Task groups, including Housing Birmingham Partnership; North Worcestershire Steering Group; Supporting People Provider Fora; Birmingham Social Housing Partnership, West Midlands Housing Association Partnership. Our Chief Executive has been appointed to chair the Mayor's West Midlands Homelessness Taskforce across the combined authorities' area and is a member of the Government's National Advisory Panel on Rough Sleeping and Homelessness.

STRATEGIC REPORT for the year ending 31 March 2018 (CONTINUED)

• **Financing Structure**

Until the year being reported and since the Association's restructuring in 2000 a surplus has been achieved in each year after the planned utilisation of reserves. A small deficit is reported in 2017/18. Going forward it is projected that surpluses will 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.

30% (2016/17 34%) of the organisation's income is from Supporting People grants with 33% (2016/17 32%) being derived from Rents and Service Charges. 9% (2016/17 9%) is met from charitable donations with the remaining income being met from grants and income for specific purposes.

Cash Flow

Net cash inflow from operating activities was £471k. Net cash outflow from finance activities was £28k and outflow from investing activities £544k. The overall net change in "cash and cash equivalents" was a reduction of £101k.

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 2017/18

The deficit for the year shown on the statement of comprehensive income (previously known as the income and expenditure statement) is £260k (2016/17 £89k surplus).

This is supplemented by a transfer from our restricted reserve of £100k giving a reduction in general reserve for the year of £160k.

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 2017/18 capital expenditure on properties amounted to £328k and on non-housing assets £525k.

Approved by the Board on 10th September 2018
and signed on its behalf by



Sara Fowler
Chair of the Board

BOARD REPORT for the year ending 31 March 2018

Board Members

The Board Members set out below have held office during the whole of the period from 1 April 2017 to the date of this report unless otherwise stated:-

Maddy Bunker	-	Ordinary Director
Cllr Debbie Clancy	-	Nominated Director (term of office ended on 19 September 2017)
Sara Fowler	-	Ordinary Director
Steve Guyon	-	Ordinary Director
Feizal Hajat	-	Ordinary Director
Sean Marsay	-	Ordinary Director
Amelia McCann	-	Ordinary Director
Chris Miller	-	Ordinary Director
Gina Reid	-	Ordinary Director
Rev. Adam Romanis	-	Nominated Director
Jean Templeton	-	Executive Director
Cllr Sharon Thompson	-	Nominated Director (term of office ended on 19 September 2017)
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.

BOARD REPORT for the year ending 31 March 2018

• **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 RSH 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 10th September 2018
and signed on its behalf by



Sara Fowler
Chair of the Board

INDEPENDENT REPORT OF THE AUDITOR for the year ending 31 March 2018

Opinion

We have audited the financial statements of St Basils (the 'company') for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its results 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Board Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Board 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Board Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specific by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Board

As explained more fully in the Statement of the Board's responsibilities set out on page 17, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

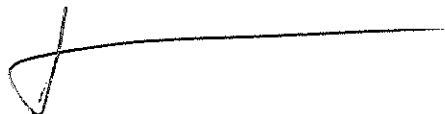
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Those standards require us to comply with the Financial Reporting Council's Ethical Standard.

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

Use of the audit report

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 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 company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.



Lee Cartwright
(Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
45 Church Street
Birmingham
B3 2RT

Date: 11 September 2014

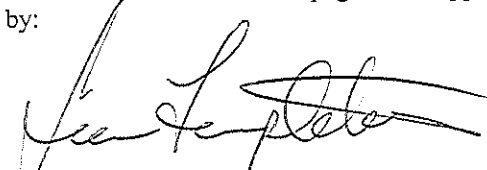
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2018

	Notes	2018 £'000's	2017 £'000's
TURNOVER			
Supporting people grants			
- City of Birmingham		3,198	3,120
- Solihull MBC		432	143
- Worcester CC		359	483
- Coventry CC		264	251
- Other CC		151	297
		<u>4,404</u>	<u>4,294</u>
Income from charges	3b	3,481	3,304
Donations	3a	937	909
Other income		1,651	1,686
Amortisation of Social Housing Grant	15	114	114
	3a	<u>10,587</u>	<u>10,307</u>
OPERATING COSTS	3a	<u>(10,823)</u>	<u>(10,208)</u>
OPERATING (DEFICIT)/SURPLUS	3a	(236)	99
Interest receivable and similar income		3	6
Interest payable and similar charges		(27)	(22)
(DEFICIT)/SURPLUS FOR THE YEAR		<u>(260)</u>	<u>83</u>
Unrealised surplus on non-cash investments		-	6
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>(260)</u></u>	<u><u>89</u></u>

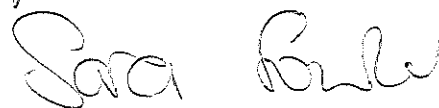
STATEMENT OF FINANCIAL POSITION
 As at 31 March 2018

	Notes	2018 £'000's	2017 £'000's
FIXED ASSETS			
Housing properties - cost less depreciation	8	11,801	11,634
Other property, plant & equipment	9	1,529	1,267
Total fixed assets		<u>13,330</u>	<u>12,901</u>
CURRENT ASSETS			
Debtors	11	1,053	1,335
Cash and cash equivalents		828	867
Non cash investments		11	73
		<u>1,892</u>	<u>2,275</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	12	(1,255)	(1,131)
NET CURRENT ASSETS		<u>637</u>	<u>1,144</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		13,967	14,045
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	13	(10,214)	(10,032)
NET ASSETS		<u><u>3,753</u></u>	<u><u>4,013</u></u>
CAPITAL AND RESERVES			
Revenue reserves		3,522	3,682
Restricted reserves		231	331
TOTAL RESERVES		<u><u>3,753</u></u>	<u><u>4,013</u></u>

The financial statements on pages were approved by the Board on 10th September 2018 and were signed on its behalf by:



Jean Templeton, Member of the Board



Sara Fowler, Chair of the Board

STATEMENT OF CHANGES IN RESERVES
 For the year ending 31 March 2018

	Revenue reserves £'000's	Restricted reserves £'000's	2018 Total £'000's	2017 Total £'000's
At 1 April 2017	3,682	331	4,013	3,924
(Deficit)/surplus from statement of comprehensive income	(260)	-	(260)	89
Transfer to/from restricted reserves	100	(100)	-	-
At 31 March 2018	<u>3,522</u>	<u>231</u>	<u>3,753</u>	<u>4,013</u>

ANALYSIS OF RESTRICTED RESERVES

	Young Women £'000's	Young Men £'000's	Non Housing £'000's	2018 Total £'000's	2017 Total £'000's
At 1 April 2017	227	24	80	331	373
Transfer from restricted to revenue reserve	(20)	-	(80)	(100)	(42)
At 31st March 2018	<u>207</u>	<u>24</u>	<u>-</u>	<u>231</u>	<u>331</u>

STATEMENT OF CASH FLOWS
 For the year ending 31 March 2018

		2018		2017	
	Notes	£'000's	£'000's	£'000's	£'000's
NET CASH INFLOW FROM OPERATING ACTIVITIES	17		471		6
CASH FLOW FROM FINANCING ACTIVITIES					
Interest received		3		6	
Interest paid		(27)		(22)	
Housing loans repaid		(4)	(28)	(9)	(25)
CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of housing properties	8	(328)		(11)	
Purchase of other property, plant & equipment	9	(525)		(362)	
Capital grants and donations received	15	309	(544)	-	(373)
NET CHANGE IN CASH AND CASH EQUIVALENTS			(101)		(392)
CASH AND CASH EQUIVALENTS AT START OF YEAR			940		1,332
CASH AND CASH EQUIVALENTS AT END OF YEAR			839		940

NOTES TO THE FINANCIAL STATEMENTS
For the year ending 31 March 2018

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 Homes England, 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ending 31 March 2018

1. ACCOUNTING POLICIES (Continued)

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

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.

NOTES TO THE FINANCIAL STATEMENTS
For the year ending 31 March 2018

1. ACCOUNTING POLICIES (Continued)

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 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.

Capitalisation of development expenditure

The company capitalises expenditure in accordance with the accounting policy on housing properties. Judgement is exercised over the likelihood that projects will continue.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ending 31 March 2018

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

Debtor provisions

Provision is made for rent arrears that are considered uncollectable. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, the timing of the cash flows and the discount rates used to establish net present value of the obligations require management's judgement.

Components of housing properties and useful lives

Major components of housing properties have significantly different patterns of consumption of economic benefits and estimates are made to allocate the initial cost of the property to its major components and to depreciate each component separately over its useful economic life. The Company considers whether there are any indications that the useful lives require revision at each reporting date to ensure that they remain appropriate.

3a. TURNOVER AND OPERATING (DEFICIT)/SURPLUS

	Turnover	2018 Operating costs	Surplus/ (deficit)	Turnover	2017 Operating costs	Surplus/ (deficit)
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
Income and expenditure from lettings						
Supported housing – residential (note 3b)	7,708	(7,745)	(37)	7,149	(6,860)	289
Other income and expenditure						
Fund raising	937	(370)	567	909	(188)	721
Non-residential services	1,942	(2,708)	(766)	2,249	(3,160)	(911)
Total	<u>10,587</u>	<u>(10,823)</u>	<u>(236)</u>	<u>10,307</u>	<u>10,208</u>	<u>99</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ending 31 March 2018

3b. INCOME AND EXPENDITURE FROM SOCIAL HOUSING	2018	2017
	All Supported Housing Accom- modation	All Supported Housing Accom- modation
	£'000's	£'000's
Income from lettings		
Rent receivable	1,884	1,824
Service charges receivable	1,597	1,480
	<hr/>	<hr/>
Net rents receivable	3,481	3,304
Supporting People Grant	3,138	3,186
Other income	1,089	659
	<hr/>	<hr/>
Total income from lettings	7,708	7,149
	<hr/>	<hr/>
Expenditure on lettings		
Management	4,589	3,865
Services	1,872	2,053
Routine maintenance	687	587
Planned maintenance	188	110
Major repairs	-	10
Bad debts	247	71
Depreciation of properties	162	164
	<hr/>	<hr/>
Total expenditure on lettings	7,745	6,860
	<hr/>	<hr/>
Operating (deficit)/surplus on social housing lettings	(37)	289
	<hr/>	<hr/>
Rent losses from voids	315	434
	<hr/>	<hr/>
4. (DEFICIT)/SURPLUS ON ORDINARY ACTIVITIES	2018	2017
	£'000's	£'000's
(Deficit)/surplus on ordinary activities is stated after charging/(crediting)		
Depreciation of housing properties	161	164
Depreciation of other fixed assets	263	179
Auditors' remuneration:-		
In their capacity as auditors	19	22
In respect of other services	-	-
Staff costs (note 6)	6,709	6,422
Amortisation of government grants	(114)	(114)
	<hr/>	<hr/>
5. TAXATION		
No taxation charge arises as the Company is a registered charity and is exempt from tax on charitable activities.		

NOTES TO THE FINANCIAL STATEMENTS
 For the year ending 31 March 2018
6. STAFF COSTS

	2018 £'000's	2017 £'000's
Staff costs including the Senior Management Team		
Wages and salaries	6,099	5,819
Social security costs	514	505
Other pension costs	96	98
	<u>6,709</u>	<u>6,422</u>

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

	Number	Number
Management	7	8
Administration	41	39
Housing support services	214	199
Total employees	<u>262</u>	<u>246</u>

7. DIRECTORS' EMOLUMENTS

	2018 £'000's	2017 £'000's
Emoluments of the Senior Management Team (including pension contributions)	<u>367</u>	<u>373</u>
The emoluments of the Senior Management Team disclosed above include amounts paid to:		
The highest paid director (excluding pension contributions)	<u>71</u>	<u>70</u>

St Basils has one employee who is specifically funded by a third party organisation, and that employee is 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.

NOTES TO THE FINANCIAL STATEMENTS
For the year ending 31 March 2018

8. TANGIBLE FIXED ASSETS – HOUSING PROPERTIES	Housing properties held for letting £'000's
COST	
At 1 April 2017	13,874
Additions	328
At 31 March 2018	<u>14,202</u>
LESS: DEPRECIATION	
At 1 April 2017	2,240
Charge for the year	161
At 31 March 2018	<u>2,401</u>
NET BOOK VALUE	
At 31 March 2018	<u>11,801</u>
At 31 March 2017	<u>11,634</u>
The above net book value comprises:	
Freehold properties	10,785
Leasehold properties	1,016
	<u>11,801</u>

9. OTHER PROPERTY, PLANT & EQUIPMENT

	Leasehold properties (non- housing) £'000's	Computer equipment £'000's	Furnishings and fittings £'000's	Total £'000's
COST				
At 1 April 2017	530	1,608	1,205	3,343
Additions	-	223	302	525
At 31 March 2018	<u>530</u>	<u>1,831</u>	<u>1,507</u>	<u>3,868</u>
ACCUMULATED DEPRECIATION				
At 1 April 2017	156	962	958	2,076
Charge for the year	26	169	68	263
At 31 March 2018	<u>182</u>	<u>1,131</u>	<u>1,026</u>	<u>2,339</u>
NET BOOK VALUE				
At 31 March 2018	<u>348</u>	<u>700</u>	<u>481</u>	<u>1,529</u>
At 31 March 2017	<u>374</u>	<u>646</u>	<u>247</u>	<u>1,267</u>
Depreciation rates	Over term of lease	20%	20%	

10. UNITS IN MANAGEMENT

	2018 Number	2017 Number
Bed spaces	<u>488</u>	<u>475</u>

At the end of the year there were no units in development (2017: 13).

11. DEBTORS

	2018 £'000's	2017 £'000's
Rental debtors	351	300
Less: Provision for bad debts	(123)	(199)
Net rental debtors	<u>228</u>	<u>101</u>
Other debtors, prepayments and accrued income	825	1,234
	<u>1,053</u>	<u>1,335</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ending 31 March 2018

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2018 £'000's	2017 £'000's
Rental pre-payments	78	169
Accruals and deferred income	551	408
Trade creditors	296	281
Other taxation and social security costs	199	150
Housing loans	14	9
SHG due within one year	117	114
	<u>1,255</u>	<u>1,131</u>
13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2018 £'000's	2017 £'000's
SHG to be released after one year	9,874	9,682
Housing loan	340	350
	<u>10,214</u>	<u>10,032</u>
Profile of Housing loan:		
Amount falling due 2-5 years	28	44
Amount falling due 5+ years	312	306
	<u>340</u>	<u>350</u>

The loan has a charge secured against John Austin Court payable to Unity Trust Bank over 10 years, paying interest at 2.75% (variable).

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)

NOTES TO THE FINANCIAL STATEMENTS
For the year ending 31 March 2018

15. GRANT AMORTISATION MOVEMENT

	2018 £'000's	2017 £'000's
Deferred income – Government Grants		
As 1 April 2017	9,796	9,910
Grants received	309	-
Amortisation to Statement of Comprehensive Income	(114)	(114)
At 31 March 2018	<u>9,991</u>	<u>9,796</u>
Amortisation within one year	<u>117</u>	<u>114</u>
Amortisation after one year	<u>9,874</u>	<u>9,682</u>

The total value of grants received prior to any amortisation is £11,699k.

16. SHARE CAPITAL

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

17. RECONCILIATION OF OPERATING (DEFICIT)/SURPLUS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £'000's	2017 £'000's
Operating (deficit)/surplus for the year	(236)	99
Movement in debtors	271	(198)
Movement in creditors	126	(130)
Depreciation	424	343
Unrealised surplus on non-cash investments	-	6
Amortisation of grant	(114)	(114)
Net cash flow from operating activities	<u>471</u>	<u>6</u>

18. CAPITAL COMMITMENTS

	2018 £'000's	2017 £'000's
Capital expenditure contracted for but not provided for in the financial statements	<u>-</u>	<u>329</u>
Capital expenditure authorised but not yet contracted for	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ending 31 March 2018

19. OPERATING LEASE COMMITMENTS

At 31 March 2018 the company had total minimum lease payments under non-cancellable operating leases as follows:

	2018	2017
	£'000's	£'000's
Expiry Date		
Less than 1 year	36	36
Between 2 and 5 years	107	125
After more than 5 years	233	232
	<u>376</u>	<u>393</u>

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 were members of the St Basils Board during the period being reported upon, and are councillors of Birmingham City Council. Feizal Hajat was employed by the Council during the reporting period. All transactions with Birmingham City Council are made at arms' length, on normal commercial terms. Cllrs Thompson and Clancy, nor Mr Hajat could use their position to their advantage.