



Annual Report & Financial Statements

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For The Year Ended 31 March 2025



Contents

Board Members, Executive Directors, Advisors and Bankers	06
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Chair's Statement	16
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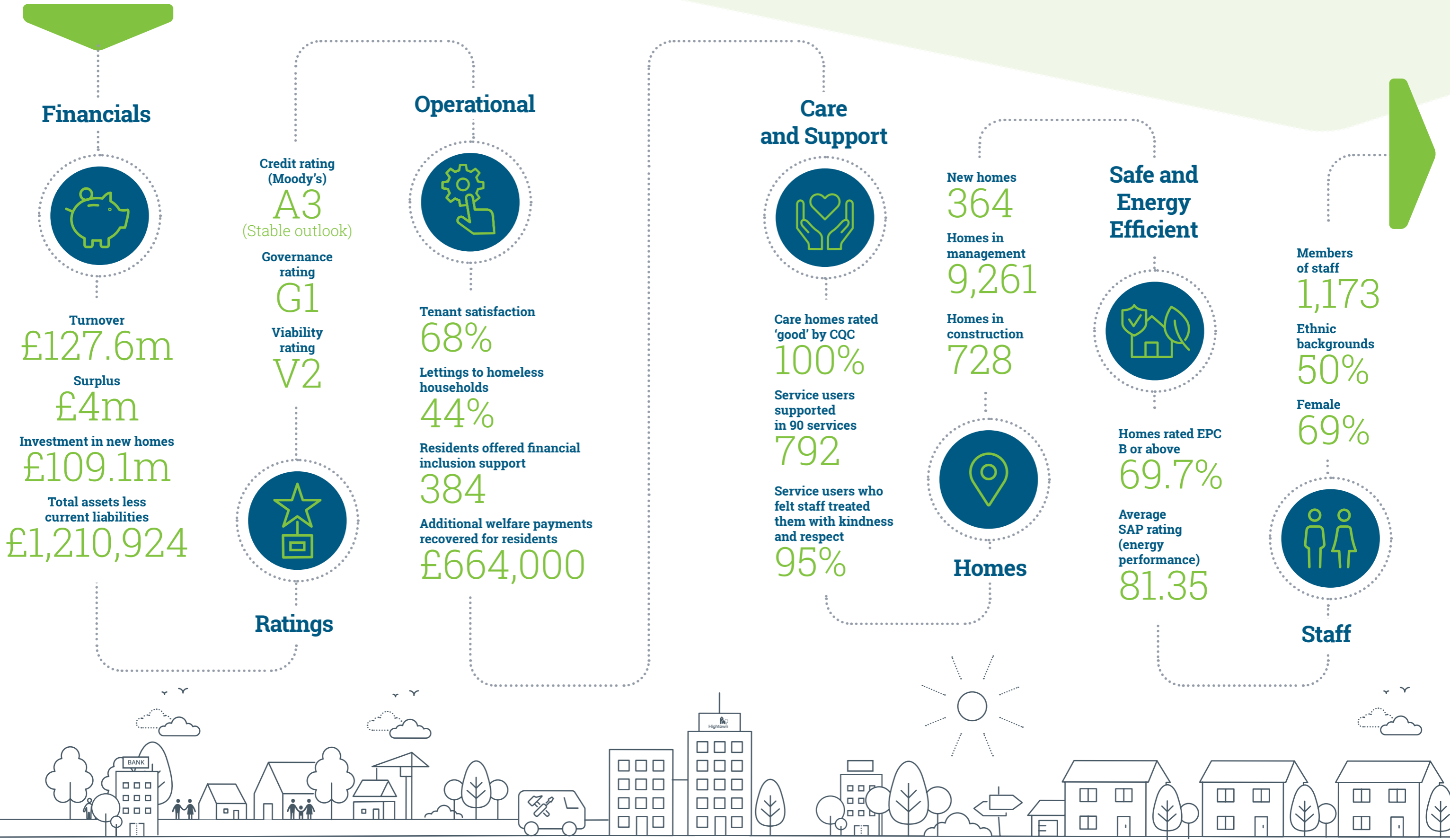
Strategic Report	
Our Mission, Values and Culture	18
Our Objectives and Strategy	20
Our Performance	26
Financial Performance	26
Development	30
Asset Management	32
Housing Management	36
Care & Supported Housing	42
Social Impact	46
Homes for Cathy	50
Value for Money	52
Risks and Uncertainties	64
Employees	68
Governance	70
Modern Slavery Statement	72
Statement of Internal Control	74
Board Members' Responsibilities	78

Financial Statements	
Independent Auditor's Report to the Members of Hightown Housing Association Ltd	82
Statement of Comprehensive Income	85
Statement of Changes in Reserves	86
Statement of Financial Position	87
Statement of Cash Flows	88
Notes to the Financial Statements	90

Hightown Highlights

2024/25

Hightown is committed to equality and diversity for all its employees.



Board Members, Executive Directors, Advisors and Bankers

Board of Management



Qadeer Kiani OBE
(from September 2024)
Chair

Joined the Board in 2024

Member of the Remuneration Nominations Committee.

A senior leader with social housing background and wealth of experience which spans over 30 years in diverse, multi-faceted, complex organisations in the private, public and not for profit sectors. A former Housing Association Chair and Chief Executive, he now runs his own successful Housing and Management Consultancy Practice which he founded in 2007.

He is an EDI Board Advisor at NHS Midlands and Lancashire Commissioning Support Unit, holds an MA degree in Housing and was previously a fellow of the Royal Institute of Chartered Surveyors.



Cordelia Pace
Vice-Chair

Joined the Board 2017

Chair of Remuneration & Nominations Committee (to March 2025).

Member of Operations and Risk & Audit Committees.

Senior Legal Counsel. A qualified solicitor employed as Senior Legal Counsel and Compliance Manager for INEOS Oil & Gas UK.

In her current role within a large commercial company, Cordelia analyses and advises the company on how to manage its business safely, transparently and responsibly. Her role is to ensure clear governance and compliance structures are in place and used which allow the company to grow and develop.



Sarah Barton

Joined the Board in 2021

Chair of Risk & Audit Committee and Member of Investment Committee.

FCA Qualified Finance Director. Former Interim Finance Director at CARE International UK until June 2022, an International NGO where she managed the UK Finance Team on all aspects of financial reporting, control and finance operations. Previously Director of Financial Reporting at The Guinness Partnership.

Sarah has wide experience of financial leadership across all key areas including statutory reporting, control, treasury, budgeting and capital planning, forecasting, and investment portfolio management.



Olayinka (Yinka) Bolaji

Joined the Board in 2024

Chair of the Operations Committee (from September 2024) and Member of the Investment Committee.

Designated Board Member with Responsibility for Complaints from September 2024.

Currently Executive Director for Property and Development at Wandle HA, a housing association in South London. Yinka leads teams that develops genuinely affordable homes, maintains or improves existing assets to required standard and enhances the value of the property portfolio.

With over 30 years' experience, Yinka has worked in senior roles at Genesis Housing Association and Anchor Trust. He has a degree in Quantity Surveying, an MBA from University of Cambridge and a Leadership 2025 alumni, a development programme that supports and empowers black professionals to become sector leaders of the future.



Leslie Channon

Joined the Board in 2024

Member of the Operations and Risk & Audit Committees.

Leslie holds a MA in Housing Studies from the University of Westminster and is a member of the Chartered Institute of Housing. She is an experienced housing consultant, trainer, facilitator, independent chair & NED.

Leslie has over 13 years' experience working in resident engagement, housing policy and research, data analysis and insight, consumer regulation, and public affairs.

Leslie has previously worked with the MHCLG, the Regulator of Social Housing, and the Housing Ombudsman on projects relating to the development of legislative and regulatory changes.



Charmaine De Souza

Joined the Board in 2021

Chair of Remuneration & Nominations Committee (from April 2025) and Member of Operations Committee.

Board lead for Equality, Diversity & Inclusion.

Designated Board member for Whistleblowing (from April 2025).

Experienced HR leader. Currently Chief People Officer at Oxford Health NHS Trust.

Charmaine has worked across a range of sectors including the BBC, central government, London government and the third sector. She is a member of the People and Culture Advisory Group for the Money and Pensions Service.

Board Members, Executive Directors, Advisors and Bankers

Board of Management



Chris Ellmore

Joined the Board in 2023
Member of the Risk & Audit and Treasury Committees.

A qualified Accountant and qualified chartered Treasurer. Director of Corporate Finance for Moat Homes, a 20,000-unit Housing Association based in London and the south-east. Chris has responsibility for treasury, long term planning, regulatory returns, investment appraisal and rent setting.

Before joining Moat, Chris worked for a number of Local Government and Housing Association organisations in a variety of different finance roles.



Zeena Farook

Joined the Board in 2023
Member of the Investment and Operations Committees.

Chartered Civil Engineer and employed as Strategy Director for ArcadisGen, providing Asset Management Solutions which look at improving efficiency and NZC outcomes globally.

Zeena has over 18 years' experience in the Built Environment and has a breadth of experience from development, leading site works on major projects, to sustainability and digital solutions, building this capability into a global business.



Alan Head

Joined the Board in 2018
Chair of the Investment Committee and Member of the Risk & Audit and Remuneration & Nominations Committees.

Retired building surveyor. Experienced non-executive director in the residential development and construction sectors.

Alan's last employment was Head of Major Projects at Three Rivers District Council where he was responsible for the direction and commerciality of the Council's development, property investment and major construction projects.



David Matthews

Joined the Board in 2020
Chair of Treasury Committee and Member of the Risk & Audit Committee.

A professional banker. Currently Managing Director, Head of Loan Capital Markets EMEA at Barclays Investment Bank where he leads a team which structures loans for large corporate clients. David is involved in a range of debt and risk management products.

David's interest in the social housing sector is long standing and he was instrumental in establishing Barclays' first dedicated Housing Association team in the 1990's.



Bob Macnaughton
(to September 2024)
Chair

Joined the Board in 2015
Chair since September 2017. Member of the Remuneration & Nominations and Treasury Committees.

Chartered Accountant and former company Chief Executive. Has had a career as a senior executive in a number of large and small businesses. More recently he has been involved in the development of commercial property and renewable energy schemes.

He is Chair of the Board of Trustees of ACS International Schools and is a Board member at the University of Hertfordshire.



Sarah Pickup CBE
(to September 2024)
Vice-Chair

Joined the Board in 2017
Chair of Operations Committee and Member of Risk & Audit and Remuneration & Nominations Committees.

Qualified Accountant Sarah was previously Deputy Chief Executive of the Local Government Association (LGA). In this role she was engaged in national policy discussions on a range of matters including social care, local government finance and national housing policy. She is chair of HUC, a community interest company delivering primary care and integrated urgent care services for a number of Integrated Care Boards. She is also Trustee of the Nuffield Trust and of a local arts charity in Hertford. Sarah has extensive experience in the social care sector including commissioning and being responsible for the management of care and supported housing.

Board Members, Executive Directors, Advisors and Bankers

The executive directors hold no interest in the Association's shares and act as executives within the authority delegated by the Board.

Executive Directors



Maxine Espley MBE

Chief Executive

From: April 2025

Maxine joined Hightown from GreenSquareAccord, where she held the role of Chief Operating Officer from February 2023.

Maxine joined The Accord Group in 2015 as Executive Director of Care and Support, until the organisation's merger with Green Square. Prior to this, Maxine spent 12 years as an Executive Director in the NHS.

Maxine has over 30 years' experience of working within housing, health and social care settings. She started her career as a social worker before moving to the role of Development Manager for a national mental health charity.

Maxine then joined a Midlands based Housing Association as a Regional Manager for Housing, Care and Support where she spent 10 years before her move to the NHS where she held Executive Director roles in community, mental health and hospital Trusts. As well as a Board member of the National Care Forum, Maxine is also a member of the National Housing Federation Health and Housing Group.



Amy Laurie

Director of Care & Supported Housing – job share

Amy has 20 years' experience in the supported housing and care sector, two years working frontline in services, seven in operational management and 11 delivering strategic management.

Amy is a certified practitioner of the Chartered Institute of Housing, holding professional qualifications in both supported housing and leadership and management.

Amy is expert in designing and delivering housing and support solutions across cohorts, including the formation of social enterprise schemes. As an experienced senior leader Amy has been influential in delivering new initiatives within the sector and enhancing existing provision in key areas including: Complex Needs HRS, VCS Services, Supported Living and Care.



Carol Lovell

Director of Corporate Services

From: July 2024

Carol Lovell joined Hightown Housing Association in July 2024 as Director of Corporate Services. She has over 20 years of housing experience, working in several organisations, most recently as Director of Corporate Services at Housing Solutions in Berkshire.

Carol has been a member of the Chartered Institute of Housing since 2005.



Gemma Richardson

Director of Care & Supported Housing – job share

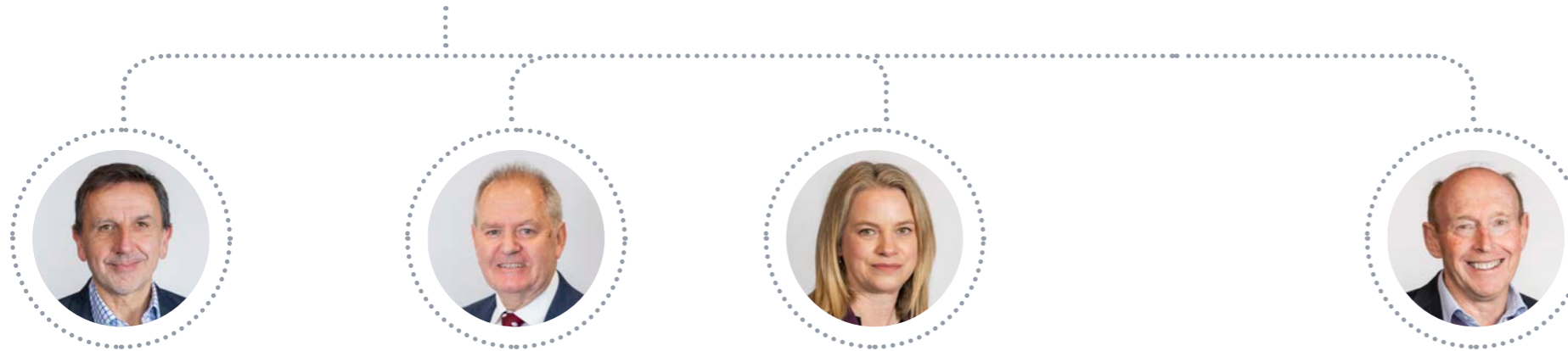
Having graduated from the University of Hertfordshire with her BSc in Psychology, Gemma joined Hightown as a graduate trainee in 2005 while completing work placements across the business including Housing, Leasehold, Development, Asset Management and Income Recovery. In this time, she achieved her qualification with the Chartered Institute of Housing and completed training with the Institute of Leadership and Management.

Having completed the graduate programme Gemma moved into the first of many managerial roles for Hightown commencing within the general needs housing and operations team.

Since then, Gemma has moved across the business and in 2012 joined the C&SH department as a senior leader. She went on to work as the Head of Department for C&SH overseeing county wide contracts and service delivery until her recent appointment into the position of Director – a role she shares with her job share partner Amy Laurie.

Board Members, Executive Directors, Advisors and Bankers

Executive Directors



Andrew Royall

Director of Development

Andrew Royall holds a BA Hons in Housing Studies from Sheffield Hallam University and is a Member of Chartered Institute of Housing. He has over 30 years' experience of working in housing in a number of organisations including a local authority, three housing associations doing policy work, managing a range of supported housing services and property development. He also spent three years working on a construction training/housing development project in a South African township.

Andrew has worked for Hightown since 2003, starting as a Supported Housing Manager in the Care and Supported Housing Department before moving into Development. He spent 12 years as Head of Development before taking up the post as Director of Development in 2017.

David Skinner

Director of Finance

David Skinner has 48 years' financial experience in the not-for-profit sector including 20 years in local government finance and the last 28 years working for Housing Associations.

He began working in the social housing sector in 1997 with the William Sutton Trust and then as Finance Director to their subsidiary Ridgehill. In 2006 David joined the newly merged Affinity Sutton Housing Group as Director of Financial Services and in February 2009, after a short period of interim assignments, David joined Hightown Housing Association as Director of Finance.

David is a Fellow of the Association of Chartered Certified Accountants (FCCA) and a Fellow of the Association of Corporate Treasurers (FCT).

David is retiring in the summer of 2025.

Natalie Sturrock

Director of Housing

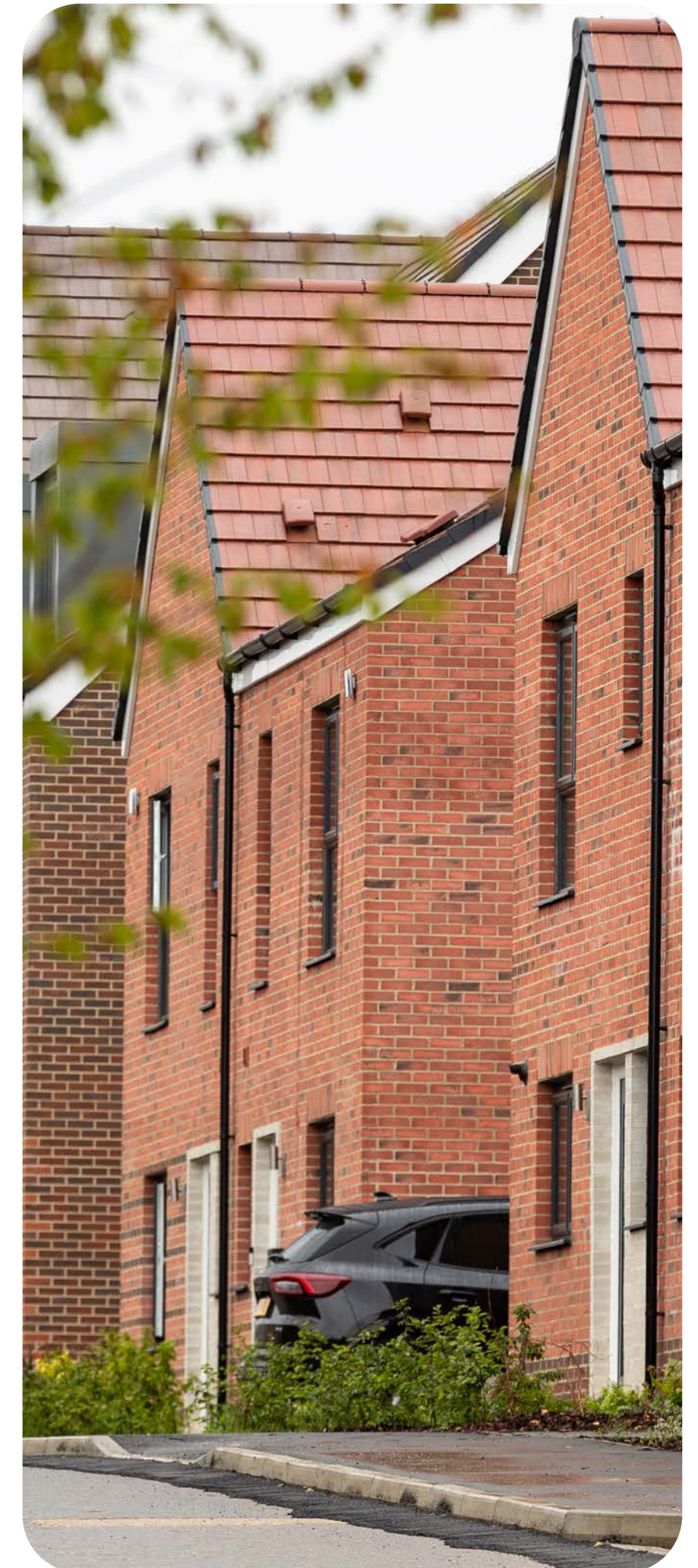
Natalie Sturrock holds a BA Hons in Sociology from the University of Exeter and is a Chartered Member of Chartered Institute of Housing, having completed the Level 5 Professional Diploma in Housing in 2017.

She has over 16 years' experience of working in housing and started her career as a Tenant Board Member for a Housing Association in South-West England. Natalie has extensive experience of housing management and has worked for Hightown since 2008. She started as a Graduate Trainee, before moving into Home Ownership and then General Needs housing management. She spent seven and a half years as Head of Housing, before taking up the post of Director of Housing in June 2022.

David Bogle

Chief Executive to March 2025

David Bogle was the Chief Executive of Hightown Housing Association until 31st March 2025 having joined the Association in 1995 following the merger with Praetorian Housing Association.



Board Members, Executive Directors, Advisors and Bankers

Company Secretary
Trudi Kleanthous

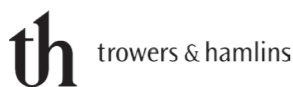


Registered Office
Hightown House, Maylands Avenue, Hemel Hempstead, Herts HP2 4XH

Advisors and Bankers



External Auditors
Beever & Struthers
150 Minories
London
EC3N 1LS



Principal Solicitor
Trowers & Hamlin
LLP
3 Bunhill Row
London
EC1Y 8YZ



Principal Solicitor
Devonshires
LLP
30 Finsbury Circus
London
EC2M 7DT



LLOYDS BANK

Principal Bankers
Lloyds Bank plc
Public & Community
Sector
25 Gresham Street
London, EC2V 7HN



Chair's Statement



It has been another busy year for Hightown, like the rest of the sector we have been impacted by the economic factors such as higher interest rates and rising costs, at the same time delivering the additional investment needed in our existing homes to respond to changes in fire and building safety legislation, damp and mould and repairs and maintenance.

Despite the challenges we have continued to deliver our mission "Building Homes and Supporting People". We remain committed to providing homes below the market rates and providing a wide range of housing and support for people who are vulnerable and/or have diverse needs.

During 2024/25 we provided social housing to over 19,000 people and delivered care and supported housing to over 800. Our customers have also continued to experience the impact of the cost-of-living increases, and our housing and care and supported housing services are needed more than ever, as they respond to growing levels of need and complexity.

During 2024/25 we supported 384 customers through our Tenancy Support Team, this included assisting customers to claim over £664,000 in welfare benefits, issuing 111 foodbank vouchers and supporting our customers access other organisations and services.

We have also continued to grow our care and supported housing provision, following

a successful tender submission to deliver a new care and supported housing service, Bridgewell, which will be fully operational in 2025. In addition, we received further funding from Hertfordshire County Council to deliver a series of homeless health-related events, to help promote health awareness and to foster trust between those experiencing homelessness and healthcare providers.

The sector is experiencing an increase in complaint levels and during the year we reviewed our approach to managing complaints and created a central complaints response team. This has enabled us to improve our responsiveness, and to set clear standards and expectations for handling complaints across our organisation. We have highlighted our progress to date in our complaints annual report, along with our plans to further embed learning from complaints.

We are proud of the customer engagement and co-production across our care and supported housing services and this year we have focused on enhancing our housing Resident Voice and Scrutiny Panel. The panel has been key in helping shape our response to the Tenant Satisfaction Measures introduced across the sector in 2023/24 and helping our learning from complaints. We have also reviewed the engagement of customers in our governance structure and have decided to introduce customer representation at our key Operations Committee in 2025 to further strengthen our customer voice.

We continue to invest in our people and during 2024/25 it was pleasing to see we reduced our vacancy rates, recruited circa 200 staff, saw a decrease in our turnover level and delivered 490 learning and development events.

We also know the importance of a strong infrastructure and during the year we created our digital roadmap with plans to further invest in our digital solutions to support our staff and to improve access for our customers. The roadmap has so far enabled us to lay some key foundations which will be further developed in 2025.

Overall operational performance remains strong with good progress in key areas of our delivery. Highlights in 2024/25 include:

- 364 completed new homes were taken into management in the year.
- We continued to increase our stock data, and we are on track to have stock condition surveys for 100% of our stock by Autumn 2025.
- We ended the year with all properties meeting the decent homes standard and continued strong performance across our landlord compliance requirements.
- We continued to see strong satisfaction with new developments, with over 94% of customers telling us they were satisfied with their new home.
- We continue to improve our repairs response times and 88% of customers who responded to our repairs survey, said they were satisfied with the service they received.
- 100% of our services regulated by the Care Quality Commission are rated as Good.
- 44% of our lettings went to homeless households – much higher than the national average.

I want to thank all our staff, Executive and Board members for their hard work and

contribution to the delivery in 2024/25. Despite the challenges this has been another successful year where we have built homes and continued to support our customers, and we could not do this without the commitment and enthusiasm of our people.

I also want to take this opportunity to acknowledge my predecessor, Bob Macnaughton who stepped down from his role as Chair in September 2024. Bob had been a Board member at Hightown for nine years, seven of these as Chair, and during his time he made an enormous contribution to the success of the organisation.

On the 31st March 2025 we also said goodbye to the longstanding CEO of Hightown, David Bogle. David had been the CEO of Hightown since the merger with Praetorian in 1995, an impressive 30-year leadership role which took the organisation from 1,000 properties and 60 staff to 9,300 properties, 90 care and supported housing services, over 1,000 staff and a turnover of £128 million. David was also instrumental in the creation of Homes for Cathy, a group highlighting the needs of people experiencing homelessness and the vital role of housing associations in tackling the homelessness crisis.

On behalf of the Board, thank you to both Bob and David for their impressive service to Hightown and to the wider social housing sector.

Working with our new CEO, Maxine Espley, who joined Hightown on the 1st April 2025, I know we will continue to deliver our mission as well as increasing our focus on our existing homes, customers and communities.

Qadeer Kiani OBE
Chair
17 July 2025

Strategic Report

Our Mission, Values and Culture



Strategic Report

Our Objectives and Strategy

Background and objectives

Hightown is a charitable housing association which was founded in Hemel Hempstead in 1967. It has merged with a number of local housing associations in west Hertfordshire, including Praetorian H.A. (1995) and St. Albans District and Churches H.A. (2003), which were also founded by volunteers in the late 1960's in response to the homelessness crisis at that time.

Hightown owns and manages over 9,260 homes and provides care and supported housing in 90 projects. It operates mainly in Hertfordshire, Bedfordshire and Buckinghamshire but also has care and support projects in Berkshire. Hightown's central office is on the Maylands Business Park in Hemel Hempstead, Hertfordshire.

Hightown's primary objectives are:

- to provide excellent services to its existing residents and service users; and
- to develop new affordable housing and services to meet the urgent needs of people who are vulnerable or disabled or who cannot afford to buy or rent housing at market rates in the area.

Along with other 'traditional' housing associations, Hightown has responded to local housing needs by developing a wide range of housing and services for different client groups.

Hightown considers itself to be an agile, 'can do' organisation that can move quickly in response to changing local housing and support needs. Hightown produced a new Corporate Strategy for 2024-27 in collaboration with the Board, staff and residents. This focuses on four key themes.



Service

To focus on our residents and people we support through positive engagement and co-design of standards, delivering well maintained homes and high-quality services in diverse communities.

Viability

To safeguard Hightown's future through strong governance and effective financial controls and risk management – maintaining the agility to learn and adapt to change and challenge.

Needs

To increase the supply of quality, affordable and sustainable homes and services – enhancing community resilience and reducing homelessness.

People

To maintain a high performing working culture through values-based recruitment, fair pay, specialist training and refining our wellbeing and recognition offer.

Strategic Report

Strategic Plan Objectives



The Strategic Plan Objectives 2024-27 and performance to March 2025 are as follows:



To focus on our residents and people we support through positive engagement and co-design of standards, delivering well maintained homes and high-quality services in diverse communities.

ID	Outcomes	Monitoring/ reporting	RAG	Status as at 31st March 2025
S1	Safe, decent well-maintained homes.	Stock Condition Survey Reporting.	●	<p>As of 31st March 2025, there were no units classified as non-decent.</p> <p>An in-house stock condition survey programme commenced with over 700 physical surveys completed since January 2025.</p> <p>Current position at 31st March 2025:</p> <p>Compliant = 74%</p> <p>Cloned Survey = 16%</p> <p>Overdue surveys = 10%</p> <p>An external contractor, FFT has been contracted to assist with completion of the stock condition survey programme.</p> <p>Regular reports on progress are reported to Operations Committee and subsequently to Board.</p>
S2	Co-produced management, maintenance and support standards.	Resident/ Service user engagement.	●	<p>VoiceBox (C&SH) regularly review C&SH complaints, providing feedback on trends and themes and lessons learnt. Resident Voice and Scrutiny Panel review complaints received into Operations.</p> <p>Additionally, VoiceBox reviewed both C&SH and Hightown Strategies, Coproduction Strategy and Service User survey format and outcome. VoiceBox are responsible for ensuring the survey action plan is delivered.</p> <p>2024/25 TSM survey results shared with joint RVSP /VoiceBox panel to consider outcomes, lessons learnt and actions for coming year.</p> <p>Now regular joint meetings between RVSP and VoiceBox have covered the Complaints Leaflet & scrutinised the new website.</p>
S3	Customer feedback and an enhanced digital offering driving service improvements.	Tenant Satisfaction Measures (TSM).	●	<p>The 2024/25 TSM survey launched in November 2024, utilising external expertise from Acuity. Overall satisfaction resulted in 68%, an increase from 66% in the 2023 survey. An action plan has been developed in collaboration with RVSP from the results. The outcome of the TSM Survey was reported to Operations Committee on 30th April 2025.</p>

Tenant Satisfaction Measures – Perception (LCRA)	2024/ 25	2023/ 24
Overall Satisfaction	68%	66.2%
Satisfaction with repairs service	79%	73.5%
Satisfaction with time taken to complete most recent repair	76%	68.8%
Satisfaction that the home is well maintained	74%	64.3%
Satisfaction that the home is safe	74%	68.0%
Satisfaction that the landlord listens to tenant views and acts upon them	59%	52.8%
Satisfaction that the landlord keeps tenants informed about things that matter to them	65%	57.6%
Agreement that the landlord treats tenants fairly and with respect	74%	66.0%
Satisfaction with the landlord's approach to handling complaints	31%	26.2%
Satisfaction that the landlord keeps communal areas clean and well maintained	63%	55.9%
Satisfaction that the landlord makes a positive contribution to neighbourhoods	55%	51.0%
Satisfaction with the landlord's approach to handling anti-social behaviour	51%	50.4%

Tenant Satisfaction Measures – Perception (LCSO)	2024/ 25	2023/ 24
Overall Satisfaction	41%	36.0%
Satisfaction that the home is safe	60%	53.0%
Satisfaction that the landlord listens to tenant views and acts upon them	30%	23.2%
Satisfaction that the landlord keeps tenants informed about things that matter to them	44%	33.5%
Agreement that the landlord treats tenants fairly and with respect	52%	38.5%
Satisfaction with the landlord's approach to handling complaints	17%	14.5%
Satisfaction that the landlord keeps communal areas clean and well maintained	35%	30.1%
Satisfaction that the landlord makes a positive contribution to neighbourhoods	29%	22.3%
Satisfaction with the landlord's approach to handling anti-social behaviour	23%	23.5%

Tenant Satisfaction Measures - Management	2024/ 25	2023/2 4
Complaints relative to the size of the landlord (Stage 1 - LCRA) (per 1000 properties)	42.43	12.4
Complaints responded to within Complaint Handling Code timescales (Stage 1 - LCRA) (%)	74.1	60.9
Complaints relative to the size of the landlord (Stage 2 - LCRA) (per 1000 properties)	8.37	6.0
Complaints responded to within Complaint Handling Code timescales (Stage 2 - LCRA) (%)	60.3	70.0
Complaints relative to the size of the landlord (Stage 1 - LCSO) (per 1000 properties)	32.59	20.9
Complaints responded to within Complaint Handling Code timescales (Stage 1 - LCSO) (%)	75.0	67.8
Complaints relative to the size of the landlord (Stage 2 - LCSO) (per 1000 properties)	8.89	5.9
Complaints responded to within Complaint Handling Code timescales (Stage 2 - LCSO) (%)	41.7	75.0
Anti-social behaviour cases relative to the size of the landlord (per 1000 properties)	36.4	44.1
Homes that do not meet the Decent Homes Standard	0	0
Emergency repairs completed within target timescale (%)	97.06	97.6
Non-emergency repairs completed within target timescale (%)	89.32	92.2
Gas safety checks (%)	99.98	99.8
Fire safety checks (%)	94.43	99.9
Asbestos safety checks (%)	92.21	94.3
Water safety checks (%)	98.40	91.1
Lift safety checks (%)	96.71	26.8

A Technology and Data Roadmap was developed and presented to Board in November 2024 which is driving improvements in IT security and digital services. A new customer portal was launched in January 2025, further enhancements to functionality of the portal are planned for 2025/26.



Strategic Report

Our Objectives and Strategy



ID	Outcomes	Monitoring/ reporting	RAG	Status as at 31st March 2025																																
S4	Fair access and meaningful EDI engagement.	Annual EDI resident and staff data report.	<div><div></div></div>	Annual EDI report for 2024/25 will be presented to Board in Q1. Staff EDI data initiative to increase data was launched in March 2025.																																
S5	Respecting and supporting diverse community needs.	Equality Impact reporting.	<div><div></div></div>	2023/24 annual Social Impact report published which details Hightown’s efforts to meeting community needs. Hightown’s impact - Hightown Housing Association Work is underway on the 2024/25 Social Impact Report.																																
S6	Quartile one service outcomes.	HouseMark benchmarking.	<div><div></div></div>	<div>Annual HouseMark benchmarking for 2023-24 was submitted in Q3. Latest HouseMark Benchmarking Data shows the following:</div> <table><tr><th>Area</th><th>HouseMark Q1</th><th>HouseMark Median</th><th>Hightown March 25</th></tr><tr><td>Gas safety</td><td>100%</td><td>99.91%</td><td>99.98%</td></tr><tr><td>Legionella Risk Assessments</td><td>99.1%</td><td>96.40%</td><td>98.40%</td></tr><tr><td>Non-emergency repairs within target</td><td>86.2%</td><td>77.2%</td><td>89.32%</td></tr><tr><td>Emergency repairs within target</td><td>97.6%</td><td>71.4%</td><td>97.06%</td></tr><tr><td>Current Tenant Arrears</td><td>5.88%</td><td>7.03%</td><td>4.4%</td></tr><tr><td>Satisfaction with repairs</td><td>88%</td><td>86.8%</td><td>88%</td></tr><tr><td>Stage 1 complaints handled within timescales (LCRA)</td><td>92%</td><td>88%</td><td>74.1%</td></tr></table> <div>Focus areas for improvements are complaints handling and health and safety compliance.</div>	Area	HouseMark Q1	HouseMark Median	Hightown March 25	Gas safety	100%	99.91%	99.98%	Legionella Risk Assessments	99.1%	96.40%	98.40%	Non-emergency repairs within target	86.2%	77.2%	89.32%	Emergency repairs within target	97.6%	71.4%	97.06%	Current Tenant Arrears	5.88%	7.03%	4.4%	Satisfaction with repairs	88%	86.8%	88%	Stage 1 complaints handled within timescales (LCRA)	92%	88%	74.1%
Area	HouseMark Q1	HouseMark Median	Hightown March 25																																	
Gas safety	100%	99.91%	99.98%																																	
Legionella Risk Assessments	99.1%	96.40%	98.40%																																	
Non-emergency repairs within target	86.2%	77.2%	89.32%																																	
Emergency repairs within target	97.6%	71.4%	97.06%																																	
Current Tenant Arrears	5.88%	7.03%	4.4%																																	
Satisfaction with repairs	88%	86.8%	88%																																	
Stage 1 complaints handled within timescales (LCRA)	92%	88%	74.1%																																	
S7	Delivering social impact.	Annual Social Impact and Homes for Cathy reports.	<div><div></div></div>	Annual Social Impact and Homes for Cathy reports 2023-24 published. www.hightownha.org.uk/homesforcathy Work is underway on the 2024/25 Social Impact Report.																																
S8	Improving our carbon footprint.	SHIFT survey and new scheme initiatives.	<div><div></div></div>	A SHIFT environmental assessment has been commissioned. Data collection is due to complete in May 2025 and the assessment will follow at the end of June 2025. Annual out-turn report from Development on new schemes will include number of non-gas properties.																																



To safeguard Hightown's future through strong governance and effective financial controls and risk management – maintaining the agility to learn and adapt to change and challenge.

ID	Outcomes	Monitoring/ reporting	RAG	Status as at 31st March 2025																				
V1	Strong external ratings (G1/ V2 RSH and A3 Moody's).	IDA and Moody's Review.	<div><div></div></div>	Reports to Board on RSH IDA outcomes and annual stability checks. Moody's credit reviews. <ul style="list-style-type: none">• RSH grading G1/V2• Moody's rating - A3 Stable																				
V2	Golden Rules to preserve prudent headroom over loan covenants.	Golden Rules Financial Reporting.	<div><div></div></div>	Monthly accounts and treasury reports to Treasury Committee and reports to every Board meeting.																				
V3	Effective financial controls, business planning and stress testing.	Internal Assurance and Stress Testing reports.	<div><div></div></div>	Stress testing carried out as part of the Business Plan process and reporting to Risk & Audit Committee and Board.																				
V4	Robust risk and systems management backed by external assurance.	Internal Audit Assurance.	<div><div></div></div>	<div>Internal Audit programme ran to schedule with increased number of audit days. Audit completed as follows, progress against actions arising from the internal audit programme are regularly monitored by the Risk & Audit Committee.</div> <table><tr><th>Audit Area</th><th>Outcome</th></tr><tr><td>Income & Arrears</td><td>Reasonable Assurance</td></tr><tr><td>IT & Cyber</td><td>Limited Assurance</td></tr><tr><td>Procurement Management</td><td>Substantial Assurance</td></tr><tr><td>Budgetary & Financial</td><td>Substantial Assurance</td></tr><tr><td>Major Repairs budget</td><td>Reasonable Assurance</td></tr><tr><td>Development Strategy</td><td>Substantial Assurance</td></tr><tr><td>Complaints & Lessons Learnt</td><td>Reasonable Assurance</td></tr><tr><td>Health & Safety</td><td>Substantial Assurance</td></tr><tr><td>Core Compliance</td><td>Reasonable Assurance</td></tr></table>	Audit Area	Outcome	Income & Arrears	Reasonable Assurance	IT & Cyber	Limited Assurance	Procurement Management	Substantial Assurance	Budgetary & Financial	Substantial Assurance	Major Repairs budget	Reasonable Assurance	Development Strategy	Substantial Assurance	Complaints & Lessons Learnt	Reasonable Assurance	Health & Safety	Substantial Assurance	Core Compliance	Reasonable Assurance
Audit Area	Outcome																							
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Development Strategy	Substantial Assurance																							
Complaints & Lessons Learnt	Reasonable Assurance																							
Health & Safety	Substantial Assurance																							
Core Compliance	Reasonable Assurance																							
V5	Pro-active stakeholder and funder engagement and accountability.	Stakeholder Feedback and Engagement activities.	<div><div></div></div>	Annual stakeholder event took place on 21st October 2024 and was well attended.																				

Strategic Report

Our Performance

Financial Performance

Turnover has grown by 5.5% (2024 8.1%) reflecting the growth in rented units delivered by the development programme. Property rents in April 2024 were increased by the 7.7% cap agreed with the Regulator of Social Housing. Hightown's turnover from recurring activities excluding First Tranche Shared Ownership sales, rose by £11.9m 12.2% (2024 15.2%). However, sustained high inflation on repair costs, major repairs spend including building safety, the impact of long-lasting high interest rates, and the provision of £5.5m for anticipated impairment of the Hightown owned land site at the south end of Maylands Avenue, Hemel Hempstead, have contributed to a reduction in the annual surplus for the year to £4m (2024 £10.6m). The surplus before this impairment provision was £9.6m.

The following tables and charts show how Hightown's annual turnover has risen over the last 5 years. Turnover has risen by 41.6%, (2024 41.4%) excluding First Tranche Shared Ownership sales. Gross margin remains strong but net margin has reduced in the last two years due to continued high interest costs and repair costs. Interest cover remains above loan covenants.

Over the last 5 years, Hightown has invested the Total Comprehensive Income of £68.7m into the delivery of over 2,000 new affordable homes, aided by debt of £267.7m and social housing grant. The number of homes owned and managed has risen 28% to 9,261.



5 Year Financial Summary

	2025	2024	2023	2022	2021
	£'000	£'000	£'000	£'000	£'000
Turnover	127,594	120,969	111,914	103,887	90,088
First Tranche Shared Ownership sales (included in turnover)	17,529	22,891	26,828	25,992	17,726
Operating Surplus	40,915	42,454	38,646	34,666	29,121
Interest payable	37,213	32,048	20,199	13,640	11,252
Surplus for the year	4,059	10,632	18,487	21,028	17,595
Total Comprehensive Income	4,345	9,804	17,999	23,002	13,588
Gross Margin %	32%	35%	35%	33%	32%
Net Margin %	3%	8%	17%	20%	20%
Interest cover*	1.1	1.3	1.9	2.5	2.6
Housing Properties at cost (GBV)	1,322,115	1,220,435	1,113,878	1,006,030	907,574
Housing Properties at cost (NBV)	1,216,580	1,127,802	1,032,534	934,750	844,990
Total Assets less current liabilities	1,210,921	1,155,861	1,065,584	974,697	882,084
Total Debt after fees	807,864	739,124	669,346	610,078	540,200
Total Reserves	220,444	216,099	206,295	188,295	165,293
Units Owned and managed	9,261	8,873	8,271	7,797	7,227

(* Operating surplus / interest payable).

Annual Turnover 2025

£127.6m

2024	2023	2022	2021
£121.0m	£111.9m	£103.9m	£90.1m

Gross Margin %

32%

2024	2023	2022	2021
35%	35%	33%	32%

Operating Surplus

£40.9m

2024	2023	2022	2021
£42.5m	£38.6m	£34.6m	£29.1m

Net Margin %

3%

2024	2023	2022	2021
8%	17%	20%	20%

Strategic Report

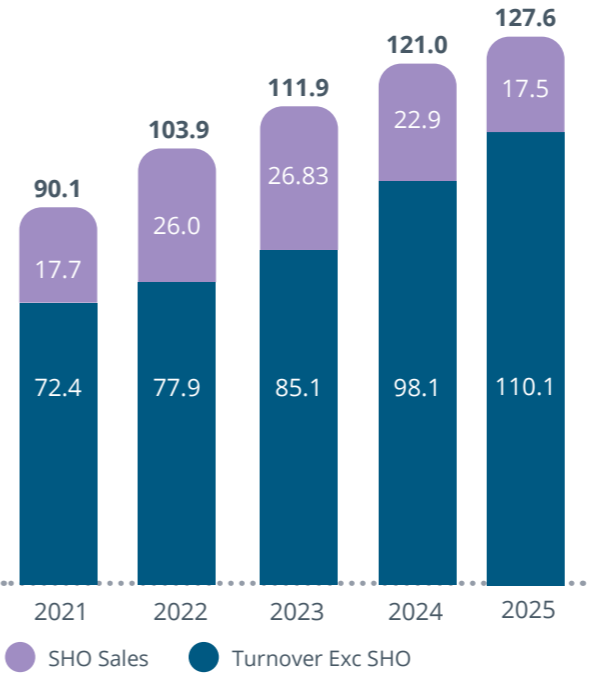
Our Performance




Total Surplus
£4m
2024 £10.6m

Turnover (£m)

Turnover, excluding sales of First Tranche Shared Ownership (SHO) has steadily increased over the past five years. This upward trend is illustrated in the figures shown below, highlighting the sustained expansion of rental income and housing-related activities.



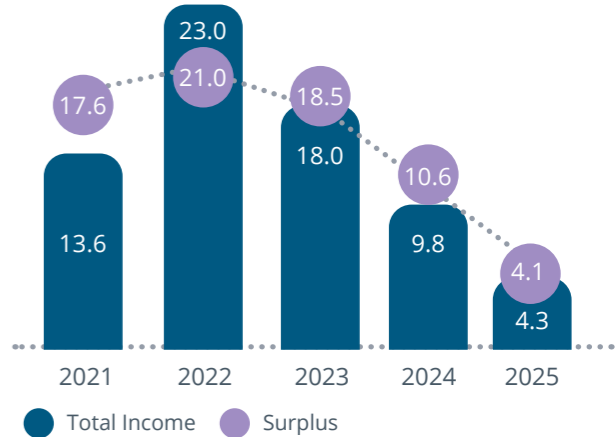
Hightown's turnover has seen continued growth in the last five years as shown above, due to the delivery of new homes, annual increases in rents under the Rent Settlement and shared ownership unit leases, and the sales value of first tranche shared ownership units.

The Total Comprehensive Income for the year continues to reflect volatility driven by the prolonged impact of high interest rates and elevated repair costs, and in past years, volatile swings in the estimated position (surplus/deficit) of the Association's defined benefit pension schemes calculated in accordance with Financial Reporting Standard 102 (FRS 102). Measurement of the accounting provision for pension is particularly sensitive to movements in both the discount rate (the 10 year corporate bond rate) and future inflation assumptions. The pension provision at 31 March 2025 was £2.8 million (2024: £3.9 million). See Statement of Financial Position and Note 29A.

This year, the SOCI was heavily impacted by the increased costs of repairs and maintenance, reduced sales surplus, increased interest costs and the provision of £5.5m for anticipated impairment of the Hightown owned land site at the south end of Maylands Avenue, Hemel Hempstead. The surplus before this provision was £9.6m.

The graph below shows the Total Comprehensive Income and the Surplus for the Year before pension provisioning:

Total Comprehensive Income and Surplus for the Year (£m)



With an active new build development programme each year, Hightown typically spends over £100 million gross. This is funded from capital grant from Homes England and local authorities, first tranche shared ownership property sales, Hightown's net cash surplus, and the balance, typically around £70-£80 million of new borrowing is required each year to fund the development programme. This comes from new borrowing from banks and institutional investors in the capital markets.

Moody's Credit Rating

In March 2025, Hightown received a public credit rating of A3 Stable outlook, from Moody's Investment Services. This investment grade rating illustrates the financial strength of the Association.

Strategic Report Development Programme

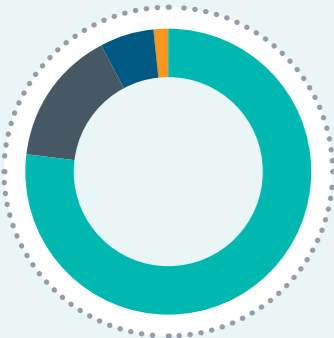
The financial year 2024/25 was another very active year in Hightown's development programme. Despite the continued challenges and the higher cost of borrowing, Hightown built 392 properties, taking 364 into management as at 31 March 2025 - a growth rate of 4.7%. In the last three years Hightown has built nearly 1,600 new homes.

A summary of the 2024/25 development programme is as set out below:

a) Tenure

In 2024/25 Hightown predominantly built properties to let at Affordable Rent 77.2% (2024: 68.2%) and for Shared Ownership 15.1% (2024: 22%). There were 23 homes (6.3%) developed at Social Rent (2024: 5.8%) which reflects the low level of Social Housing Grant that has until recently been available to subsidise this tenure. Hightown does not develop for market sale or market rent. Around 55% of the new homes built were houses.

Tenure	Apr-Jun 24	Jul-Sep 24	Oct-Dec 24	Jan-Mar 25	Total	
Total	43	98	118	105	364	
Affordable Rent	37	90	83	71	281	77.2%
Shared Ownership	6	5	32	12	55	15.1%
Social Rent	-	-	3	20	23	6.3%
Intermediate Rent	-	3	-	2	5	1.4%

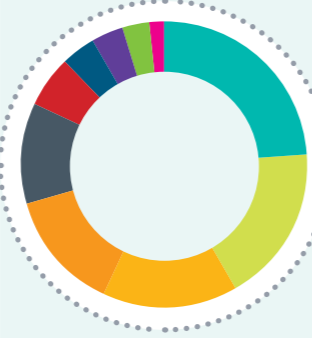


77.2% Affordable Rent
15.1% Shared Ownership
6.3% Social Rent
1.4% Intermediate Rent

b) Local Authority

Hightown built 364 properties in 10 local authority areas within Hertfordshire, Bedfordshire and Buckinghamshire:

Local Authority	Apr-Jun 24	Jul-Sep 24	Oct-Dec 24	Jan-Mar 25	Total	
Total	43	98	118	105	364	
North Herts	4	-	37	46	87	23.9%
Luton	21	44	-	-	65	17.9%
East Herts	-	26	24	5	55	15.1%
Central Bedfordshire	18	13	19	-	50	13.7%
Dacorum	-	-	14	28	42	11.5%
Bedford	-	4	11	6	21	5.8%
St. Albans	-	-	-	14	14	3.8%
Stevenage	-	-	13	-	13	3.6%
Broxbourne	-	11	-	-	11	3.0%
Buckinghamshire	-	-	-	6	6	1.6%



23.9% North Herts
17.9% Luton
15.1% East Herts
13.7% Central Bedfordshire
11.5% Dacorum
5.8% Bedford
3.8% St. Albans
3.6% Stevenage
3.0% Broxbourne
1.6% Buckinghamshire

Over the next three years Hightown expects to deliver around 900 new affordable homes.



Development Policy

Hightown's policy is to maximise the number of new affordable homes it can provide while maintaining strong finances and managing associated risks. Its preference is to deliver Social, Affordable and Intermediate rented properties. Where this is not possible, Hightown will develop homes for Shared Ownership. Housing needs in Hightown's area of operations are overwhelmingly for homes to rent at sub-market rents so the Association aims to have at least 65% of its development programme producing homes for rent, with the remaining proportion being for shared ownership.

Hightown currently expects to deliver around 900 new affordable homes over the next three years, from 2025/26 to 2027/28. Around 52% of the new homes will be on sites purchased by Hightown for affordable housing with the remaining 48% coming from the affordable housing element on sites developed by private housebuilders under S.106 planning requirements.

c) Procurement Route

In total, 78.3% of Hightown's new build homes were developed by housebuilders under S.106 planning requirements to provide affordable housing and 17.9% came from land purchased and developed by Hightown and from package deals:

Procurement Route	Apr-Jun 24	Jul-Sep 24	Oct-Dec 24	Jan-Mar 25	Total	
Total	43	98	118	105	364	
S.106	22	54	118	91	285	78.3%
Land-led	21	44	-	-	65	17.9%
Package	-	-	-	14	14	3.8%



78.3% S.106
17.9% Land-led
3.8% Package

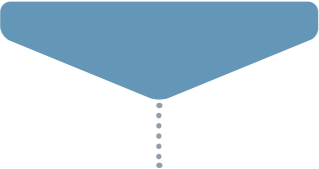


52%

of new homes will be on sites purchased by Hightown

Strategic Report

Asset Management



Hightown is committed to providing good quality, safe and energy efficient homes to our residents. Building safety and well-maintained homes for our residents remains our priority, also ensuring our homes are ones our residents want to live in and are proud to call their home. We will not compromise on resident safety or our legislative duties.

Maintenance Expenditure

During 2024/25 the repairs programme was actively managed to reflect increased demand in responsive repairs and £4.48 million worth of reprofiling major repairs.

Total repair costs were £14.4 million against a revised budget of £13.21 million, an adverse budget variance of £1.19 million. This was primarily due to unplanned safety works at Jellicoe House. Capital major repairs were underspent due to component replacement deferrals.

Costs were overspent in categories other than planned maintenance and major repairs capital. Routine maintenance costs increased due to increases in pricing and contractor costs and increasing demand in relation to damp and mould works. Void repair costs were also significantly higher. Major repairs revenue was overspent due to increases in materials and contractor fees which was reflected sector wide.

Repairs Activity 2024/25

The number of repairs raised right first time and safety related activities completed in 2024/25 reflects the continued focus on delivering a responsive and efficient service.

- 75.3% repairs completed on first visit
- 88% satisfaction with the repairs service (transactional basis following repair)
- 645 Fire Risk Assessments completed
- 31,061 calls to the repairs team
- 33,599 repairs completed.

5 Year Maintenance Expenditure (including overhead allocation)	2025	2024	2023	2022	2021
	£'000	£'000	£'000	£'000	£'000
SOCI Costs					
Routine maintenance	9,514	8,673	6,727	5,215	3,714
Planned maintenance	1,162	1,794	1,022	963	849
Major repairs expenditure	3,226	4,088	3,266	1,981	1,485
	13,902	14,555	11,015	8,159	6,048
Components Capitalised	4,665	2,055	2,159	2,346	1,873
Total	18,567	16,610	13,174	10,505	7,921

Building Safety and Stock Condition

Resident Safety remains the Board's top priority, with 2024/25 being one of the most challenging years in Asset Management / building safety.

Back in the summer of 2023, the Regulator of Social Housing announced further scrutiny of rolling five-year stock condition surveys. Entering calendar year 2024, Hightown's percentage of in-date surveys on its stock stood at around 93%, which was based on a combination of physical and cloned surveys.

In September 2024, Hightown procured stock condition specialist Firntec Ltd to complete a programme of physical stock condition surveys by March 2025. Around 750 physical surveys were completed, increasing our percentage of physical surveys to 75%.

Hightown has since engaged stock condition specialist Faithorn Farrell Timms (FFT) to complete a further programme of the remaining outstanding surveys, to bring Hightown to 100% compliance. FFT are due to complete the remaining programme of physical surveys by end of October 2025 alongside the existing in-house stock condition team.



Damp and Mould

Following the tragic death of Awaab Ishak in Rochdale in 2020, and the subsequent coroner's findings that damp and mould in his Rochdale Boroughwide Housing Association home was the main cause, there has been a heightened focus on damp and mould across the social housing sector.

Hightown's Damp and Mould process has been externally audited and is delivered by an in-house team of dedicated inspectors. Between April 2024 and March 2025, Hightown completed 561 damp and mould inspections. Work across these orders requiring remediation totalled over £76,000.

The implementation of Awaab's Law from 27th October 2025 will require social landlords to resolve damp and mould issues within specified timescales.

Hightown continues to take a proactive, supportive safety first approach to damp and mould, providing residents with documentation and education on how they can reduce condensation, damp and mould. We also continue to engage residents through interactive summer events, supporting tenants in reducing moisture levels, along with efficient ways of heating homes and reducing costs and reducing potential fuel poverty.

The rise in damp and mould cases has also seen a rise in disrepair claims. Damp and mould cases are now linked to 76% of cases sector wide, this mirrors Hightown's claims which are 75% linked to damp and mould.

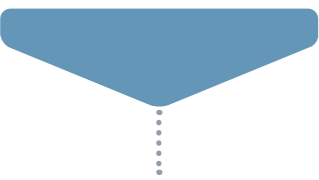


Around 750 physical surveys were completed, increasing our percentage of physical surveys to

75%

Strategic Report

Asset Management



Sustainability

As well as providing good quality and affordable homes Hightown also understands the impact our homes have on the environment and is therefore continuing to work on improving the energy ratings of our properties and this aligns with Government strategies.

The government is also planning to reform EPCs with new metrics to come into force next year. A consultation on minimum energy efficiency standard is in progress.

At the end of March 2025 Hightown's stock had increased to 9,261 homes, with just over 7,000 rented homes across bands A to C. Currently, as can be seen in the graph below, Hightown has over 4,800 rented homes with an EPC band B or higher, with 2,097 rented properties in band C. The average SAP rating for new properties developed in 2024/25 was 86.7 – band B. The average SAP rating of all stock is now 81.35.

In the last financial year, the number of properties rated between B and C has changed to due to a

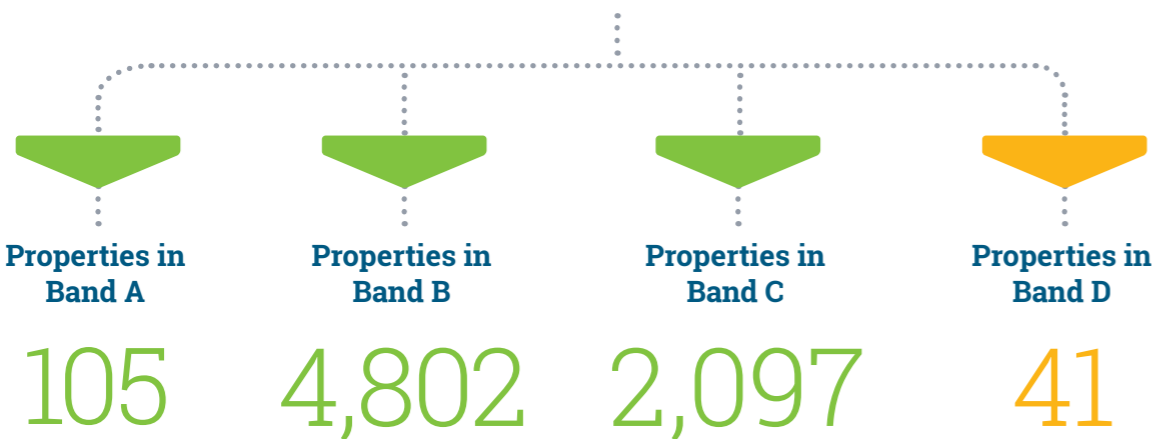
combination of reasons being; A large external stock condition survey programme which re-adjusted SAP ratings of stock, in-house stock condition survey reviews and the transition of purchased C&SH stock in 2024. There are no properties below a band D rating. Hightown has budgeted to undertake a programme of works to Band D properties in 2025/26, increasing energy ratings from a band D to C.

Hightown remains committed to maintaining our stock to an excellent standard and continues to meet our obligations to keep residents' homes safe.

Hightown's asset register captures information about the performance and sustainability of the stock, its condition, and its energy efficiency.

Through a regular review of stock condition, Hightown is able to forward plan future upgrade and improvement works and provide effective financial modelling to ensure the necessary funds are in place to allow us to meet these upgrades.

Properties in EPC Bands



As a business Hightown works to the principles of:

- a. Having homes that meet Health and Safety requirements;
- b. Achieving a high quality standard, agreed with our involved residents, across all properties owned by Hightown;
- c. Understanding the performance and sustainability of individual properties across the portfolio and maximising the use of property assets.

Strategic Report

Housing Management

General Housing

The majority of Hightown's properties are social housing homes let at social or affordable rents, i.e. at sub-market rents. The properties range from one bedroomed flats to four bedroomed houses with the typical Hightown property being a two bedroomed flat in a low rise block. Hightown also owns a number of properties let at sub-market intermediate rents. It also provides shared ownership properties and manages leasehold properties including some retirement leasehold schemes.

Complaints

Hightown saw an increase in complaints throughout the year, a trend which has been seen across the social housing sector.

In October 2024 Hightown established a centralised Complaints Resolution Team to support the operational departments in recording, investigating and managing complaints and provide customers with a non-biased approach to dealing with complaints.

The new team has reviewed the complaints policy and updated the complaints leaflet to make it clearer for residents regarding response timescales and the levels of complaints.

Hightown has a two stage formal complaints process and if customers remain unsatisfied following the two reviews they are able to escalate to the Housing Services Ombudsman.

Hightown aims to provide excellent services to all of our residents, and we welcome complaints as an opportunity to learn and improve our services. Sometimes things go wrong, but we work hard to put them right.

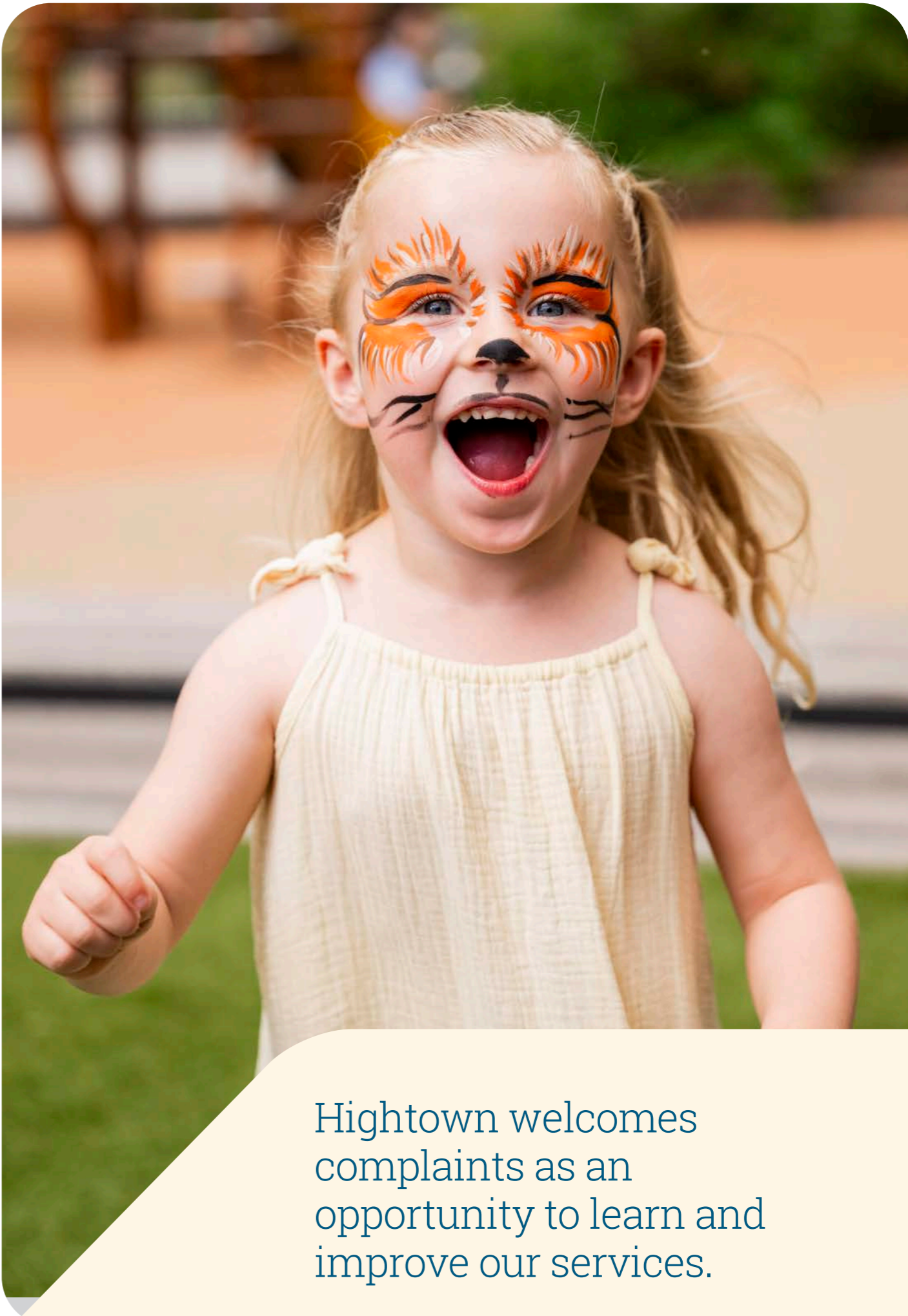
Complaint Numbers

In total, 354 Stage One complaints were received across all areas of Hightown services during the year 2024/25. 45 of these related to Care and Support services, the remaining 309 related to Hightown Services. The graph below indicates Stage One complaints by service areas:

Stage 1 Complaints by Service Area

Service Area	Number of complaints
Asset Management	94
Tenant services	68
Repairs	66
C&H	45
Home Ownership	33
Development	29
Voids & Lettings	6
Income Recovery	5
Estates	4
Procurement	2
Sales	2

Of the 309 Hightown services complaints at Stage one, 77 were escalated to Stage Two for further review.



Hightown welcomes complaints as an opportunity to learn and improve our services.

Strategic Report

Housing Management

Key Themes

Key themes emerging from complaints are lack of communication, chasing outstanding repairs or defects, reports of damp and mould and the handling of anti-social behaviour reports.

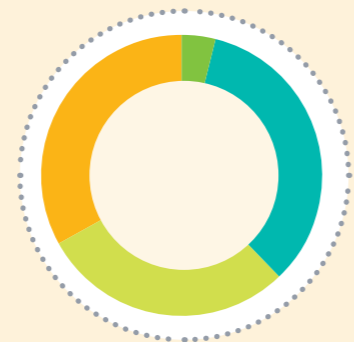
In order to enable improved review and learning from complaints in the future, the system where complaints are recorded is currently undergoing improvement to facilitate more detailed complaints analysis.

Housing Ombudsman Service

During 2024/25 the Ombudsman issued determinations for 12 complaints for Hightown Housing Association from customers, some of these were for complaints raised in the previous year. The graph opposite shows the main complaint theme for those cases determined by the Ombudsman:

The graph opposite indicates the outcomes of the Housing Ombudsman determinations:

Housing Ombudsman Determinations



34% Maladministration
33% No Maladministration
29% Service Failure
4% Outside of HO Jurisdiction

Complaint Themes - Housing Ombudsman

Complaint Theme	Number of complaints
Damp & Mould	3
Repairs	3
ASB	3
Home Ownership	2
Home Sale	1
TOTAL	12

Mr H called in to thank the repairs team (GC) for arranging a repair so quickly and for the contractor attending within an hour. Mr H advised they were helpful and resolved the issue for him.

Tenant texted that she has moved into her property along with her assistance dog Marmalade and thanks us for all our help and for keeping her sane through the process. Tenant was previously in Hightown temporary homeless accommodation.

Lessons Learnt

We consider that by listening to complaints and feedback from our customers there are areas where we can make improvements by learning from these experiences, understanding the root causes of complaints, and improving our services. During the year our customer Complaints Scrutiny Group have helped us to improve our customer information on how to make a complaint, scrutinised our performance, and also reviewed and input into our work on lessons learnt from complaints.

Some of these lessons learnt are internally focused as well as external, however all are expected to contribute to an improved experience for our customers.

Compliments

We can also learn from things we are doing well and compliments received. Where our teams have given great service, it really helps us to understand what customers value. The table below indicates the Housing Services compliments recorded in 2024/25:

Department	Number of compliments
Income Recovery	42
Repairs	30
Housing	16
Home Ownership	10
Estates	4
Lettings	2
Communications	1
Sales	1

You said

There is conflicting information to residents / homeowners regarding doorbell cameras & whether permitted or not.

There was some confusion regarding the process for the end of defects for new homeowners.

It is not clearly stated at all communal storage areas that residents' property left there is not insured against theft or damage by Hightown.

A number of complainants advise they do not know who to speak to get an update following a complaint resolution.

We are doing

The use and installation of doorbell cameras is being reviewed and once agreed the policy and guidance will be made available on the Hightown website.

The Homeowner User guide has been updated to make sure the requirement to report defects throughout the year is clearer. This will now be a generic guide and not bespoke to any particular property. Plus, there will be a one-page information schedule document which gives specific information about the development / property.

Hightown's Estate standard will be updated to specify signage to be installed to clearly set out to residents that items stored in communal storage areas are left at the owner's own risk.

Along with complaint responses, the relevant service email contact is added into the response, as well as the complaint details being sent to that person/ department.

Strategic Report

Housing Management

Resident Involvement

Following a review of our Resident Involvement Strategy in 2022/23, we developed and implemented an action plan to enhance opportunities for residents to get involved in giving feedback and scrutinising our services.

In 2024/25, residents were involved in:

- Resident Voice and Scrutiny Panel.
- Resident Voice and Scrutiny Panel & Voice Box Workshops.
- Complaints Scrutiny Group.
- Repairs surveys via post and email.
- Anti-Social Behaviour Scrutiny Group & ASB Webinar.
- Festive Open day at Hightown House.
- Housing Officer Meet & Greet events.
- Anti-Social Behaviour door knocks working in partnership in the community.
- Annual Summer Events on estates.
- Focus groups: Contractor Code of Conduct, Review of Neighbourhood Policy, Carer Support, Tenant Satisfaction Measure Action Plan, Re-let Standards.
- Resident Job search skill workshop.
- Parking consultations.

Our Residents' Voice & Scrutiny Panel (RVSP) is made up of and chaired by residents and plays a key role in scrutinising performance and shaping Hightown's services. The Panel holds quarterly evening meetings with managers and a member of Hightown's Board to review and scrutinise our services, performance and policies.

Over the last year, the Panel assessed the impact and value for money of Hightown's programme of resident involvement activities, provided feedback on the results of an independent review of Hightown's Damp & Mould Service, considered and approved resident bids for estate improvements, assisted with the drafting and publication of the Annual Report to Residents, and scrutinised Hightown's performance in key service areas.

The RVSP Chair and Vice Chair also participated in the recruitment process of the new Chief Executive.

Tenancy Support

The Tenancy Support team consists of two Financial Inclusion Officers and two Tenancy Sustainment Officers as well as the Tenancy Support Supervisor. This year has seen the two sides of the team work far closer, in terms of support needs, due to the rising vulnerabilities of our residents and a greater understanding of supplementary support needs on top of what may have been referred. Part of this has seen a change in reporting methods to track all support needs rather than simply those that

were initially referred. This has produced a trend showing that approximately 70% of cases referred have some form of Mental Health concern and as such we have been able to focus more attention on our own understanding of those kind of needs and provide a more appropriate response.

The team have increased partnership engagement hugely over the last year and while continuing the work of last year, we have seen a spread in our own support network of professionals to include as many areas as possible and niche options, to benefit our residents and help them sustain their tenancies.

This year has also seen the introduction of Bite-Size learning sessions for other frontline officers, so that we can create a more rounded approach and support our colleagues in spotting the signs of deprivation, abuse and other socio-economic factors making life harder for those we support.

Key targets this year have been to enhance internal and external partnerships and work closely with other teams as well as gaining more experience of high-level support cases through the Multi Agency Risk Assessment Conference (MARAC), Multi Agency Public Protection Arrangements (MAPPA), Child Protection as well as Multi Disciplinary Team (MDT) forums to engage with localised and broader services for the enhancement of our residents lives and independence.

In the year, the team achieved the following:

330

cases referred to our tenancy support team

124.8

average days each case is open

Over £700k

worth of support claimed on behalf of residents an increase of approximately £150,000 on last year – this does not include support for essential items such as furniture or white goods

Over £290k

of that was made up of support with rent showing an increase of £70,000 on last year

Over £124k

in unclaimed Disability benefits with an increase of nearly £40,000 on last year

321

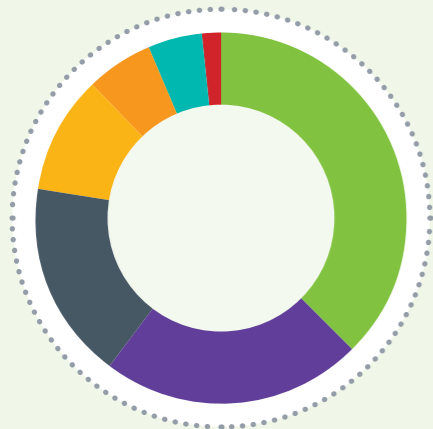
Home Visits and 628 phone appointments completed

Strategic Report

Care & Supported Housing

Around £33.1 million of Hightown's 2024/25 turnover came from the provision of care and supported housing. Its operations provide housing and specialist support services to young people and adults and are central to Hightown's strategic and charitable goals. A large proportion of the Association's 1,173 staff are employed in delivering care and supported housing.

The Association's aim is to provide outstanding person-centred support, ensuring individuals have choice & control over their lives and can live as independently as possible. At 31st March 2025, Hightown was supporting 792 service users in the following areas:



- 37.6% ● Learning Disabilities
- 22.8% ● Mental Health Services
- 17.45 ● Homeless Single
- 10.3% ● Young Peoples Services
- 5.7% ● Registered Care Home
- 4.9% ● Extra Care
- 1.4% ● Night Shelter

Financing

Turnover in Hightown's Care & Supported Housing (C&SH) department was £33.1 million, of which £25.5 million was generated from contracts for the provision of care and support commissioned by local government and the NHS. The remaining income comes from rents. Hightown's policy is that revenue income from social care and health commissioners should at least cover the support costs and overheads while income from the supported housing rents should cover management, property repairs, depreciation and interest (as with General Rented Housing).

The management accounts for the year show Care & Supported Housing producing a small deficit of £53k. This is due to the under recovery of contract income largely as a result of vacancies in our care homes combined with increased asset management costs. The team has worked hard to fill all the voids, and we have developed new systems and processes for tracking and monitoring care home vacancies.

New & Re-provisioned Services

Hightown won the contract to deliver 15 units of Supported Housing for homeless young people in Buckinghamshire from September 2024. The Reedham House service provides medium support to people aged 16-25 across Burnham & Chesham.

Hightown were successful in our bid to deliver Support & Accommodation for 20 Adults Experiencing Homelessness & Multiple Disadvantage within Broxbourne. The service transferred to Hightown in November 2024.



Around

33.1m

of Hightown's 2024/25 turnover came from the provision of care and supported housing

Strategic Report

Care & Supported Housing

Hightown was selected as the preferred provider to deliver a learning disability service in Aylesbury. Seabrook Court comprises 20 self-contained flats and was handed over to Hightown in December 2024.

Following a competitive tender process, Hightown were awarded the contract for Bridgewell, a new purpose built x20 bed learning disability supported living scheme in Bracknell. Bridgewell will be the new home to 16 people we already support across Bracknell alongside 4 other new residents. The scheme is due to open in early summer 2025.

Contract Retention

Hightown has retained contracts to deliver care and support services to people with disabilities who live at The Elms and Willow House in Buckinghamshire. The new contract commenced September 2024.

C&SH Staffing

Ensuring a decent wage to cover the true cost of living remains a primary strategic aim for Hightown. We are pleased to say that following uplifts from our commissioning partners we were able to pay the Real Living Wage in 2024/25.

Our performance on staffing measures has continued to improve throughout 2024/25 and the year ended with all set targets achieved across sickness, turnover and vacancy rates.

Hightown's workforce of internal bank staff continue to help services to provide continuity of care and ensure quality standards limiting the need for external agency use. Hightown

employ over 360 bank workers with 81% of them picking up shifts with us each month. Throughout 2024/25 the bank work force covered on average 3,264 shifts each month, which is 20% of our overall shifts each month being covered by a bank worker.

Co-production

Over the past year, we have advanced our co-production approach to strengthen strategic impact and ensure that the voices of the people we support are meaningfully embedded in service development and decision-making. Central to this has been the transformation of VoiceBox, our service user-led engagement initiative, into a more structured and outcome-focused model. VoiceBox now comprises five distinct groups, including a newly established VoiceBox Improvement Panel (VIP), which plays a key role in shaping strategy, updating action plans, and working in alignment with Hightown's Resident Voice & Scrutiny Panel.

We have also successfully piloted hybrid engagement formats, such as YourVoice newsletter meetings, to increase accessibility and participation. Our dedicated Co-Production & Activity Coordinator has driven the creation of a peer-led co-production network and launched collaborative initiatives with external partners through the "Our Voice" project. This year also saw the development and launch of a refreshed Co-Production Strategy and Action Plan (2025–2026), which will guide our future efforts to embed authentic engagement and inclusive practice across all services.

Support Planning System

To provide the best quality support, investment in technology is paramount. The Dept of Health & Social Care recognise the benefits of enabling health and care systems to integrate. They look to be in line to achieve their target of 80% of social care providers being digital by March 2025.

While Hightown have utilised an in-house built digital support plan system since 2020, the adoption has been challenging and the external feedback received has focussed on the challenges the staff have faced in recording support delivered and outcomes achieved.

A cross-specialism working party has spent the last 12 months blueprinting the current processes, highlighting gaps and researching the growing technology market in care and support. Using a thorough process, Nourish was identified as being the best fit for Hightown. Their ability to tailor support plans to each of our cohorts was a priority. This aligns with the change in direction Hightown has taken from building in-house systems, to cloud-based, off-the-shelf, supported products.

Nourish will enable us to create more personalised support plans for every person we support, will provide us with the platform to record more accurate, real-time notes and outcomes, reduce admin time and open up opportunities for sector collaboration (GP Connect etc) and families/advocates where appropriate (Circle of Care). The addition of an incident recording module, rota planning, reporting through Power BI and medication support enhances an already improved digital solution for staff, people being supported and the management team.

Roll-out commences in April 2025 with pilot services.

Quality Improvements and External Validation

During 2024/25 Hightown continued to increase the number of services rated highly by commissioning partners and/or the Regulator, the Care Quality Commission (CQC), reflecting the commitment to improving the quality of services. 100% of Hightown's regulated provision is rated as 'GOOD' including all 9 CQC registered care homes. In addition, 22% of the contract monitored local authority commissioned services have a rating of 'EXCELLENT'.

During February 2025 we received our Notice of Decision from Ofsted granting registration to Hightown to provide supported accommodation under section 19 of the Care Standards Act 2000, a key milestone that reflects our commitment to delivering high-quality, compliant services. The registration specifically covers our Separated Migrant Children Services and our Semi-Independent Young People Services in Hertfordshire.

A member of our senior leadership team in C&SH was recognised for his dedication to empowering staff and helping deliver outstanding care and support at the 2024 Social Care Leadership Awards. Francis Zvoma, Head of Care and Supported Housing for regulated services at Hightown Housing Association, was honoured with the 'Executive Home Care Leader Award' at the prestigious event.

Throughout 2024/25 the bank work force covered on average 3,264 shifts each month.

Strategic Report

Social Impact Reporting

392 44% 99% £664K

new affordable homes built, delivering 364 into management of new lettings to homeless households of rental properties in EPC Band C and above, (69.7% in EPC Band B and above) in additional welfare payments secured for tenants



Hightown is an organisation with a social purpose – it's the reason we exist. Every penny the Association retains is reinvested into delivering social impact – through building safe, environmentally-friendly homes, creating enduring communities, providing support for those who need it most and prioritising the wellbeing of our employees.

Hightown produces a separate social impact report - 'Our Impact' - showcasing the data and stories that bring the Association's work to life and evidencing our continued investment in society.

Narrative

Hightown is committed to making a meaningful and measurable contribution to the wider community and society at large. This commitment is reflected not only in our development programme - focused on delivering high-quality, safe, and sustainable homes - but also in our dedication to customer and staff wellbeing.

At the heart of Hightown's mission is the provision of more than just housing; we aim to offer safety, security, and support to those who need it most. This includes the vital services we deliver to individuals experiencing homelessness and others facing significant challenges.

Each year, we publish 'Our Impact', our comprehensive social impact report. This report serves as a key platform to demonstrate how we are continuously evolving our services to meet the needs of our residents, the people we support and the wider communities we serve.

The following provides a summary of the impact we achieved across the 2024/25 financial year.

Investing in homes and places

A total of 392 homes were built, delivering 364 into management, with 83.5% designated for Affordable and Social rent. This significant development effort not only addressed housing needs but also contributed to economic growth, with the development programme generating an estimated £23.8 million in gross added value and creating 331 jobs. In a strong commitment to tackling homelessness, 44% of new Hightown lettings were allocated to homeless households, offering secure accommodation to individuals and families who had previously been rough sleeping or living in temporary or insecure housing.

Championing people and communities

Support for vulnerable residents was a key focus throughout the year. The tenancy sustainment team assisted 384 individuals with their finances and wellbeing, making 1,532 contacts both in person and over the phone. Over £40,000 was accessed through funding and grants from local partnerships to help sustain tenancies for those facing multiple disadvantages. Advocacy efforts secured £664,177 in extra welfare payments for tenants - a 17%



increase from the previous year - helping to alleviate hardship and maintain at-risk tenancies. Meanwhile, more than £14,700 was distributed through our tenancy sustainment fund to help tenants in extreme financial hardship purchase essential items.

Tenants experiencing domestic abuse received targeted support, accounting for 11% of tenancy support referrals. A ‘court as last resort’ approach was maintained to prevent homelessness, resulting in only 21 evictions in general needs housing. Investment in community wellbeing extended to neighbourhood improvements, with over £19,000 allocated to improvements across five estates, following successful resident bids.

Tenant satisfaction remained a priority for Hightown, with improvements recorded in the Tenant Satisfaction Measures (TSM) perception

survey compared to 2023/24. Feedback from various sources - including transactional surveys, complaints, and formal scrutiny groups - was used to drive service improvements. Residents were also empowered to shape our housing operations, with 29 individuals involved in co-producing policies, procedures, and services. A dedicated resident involvement officer was appointed to enhance engagement opportunities, ensuring more residents could have their say.

Ending homelessness

Partnerships with local councils and agencies were strengthened to deliver Housing First schemes in St Albans and Dacorum, successfully housing 15 individuals with histories of repeat homelessness and complex needs. The Open Door night shelter in St Albans accommodated 136 people and eight individuals successfully transitioned to secure

housing from our emergency, short-term, and move-on supported homelessness schemes. Support activities coordinated by our dedicated homelessness hub coordinator were accessed by 636 people experiencing homelessness.

Building a greener future

Environmental sustainability was also a key focus in 2024/25. General needs and C&SH properties achieved an average SAP rating of 81.35. All new homes achieved an average SAP rating of 86.7, with 100% rated EPC Band B or higher. Efforts to future-proof homes included the installation of air source heat pumps and rooftop renewables in 60% of new developments.

Supporting independence

Outcomes were improved for 1,076 people with learning disabilities, mental health challenges, or experiencing homelessness across 90 Hightown care and supported housing (C&SH) schemes.

A 95% satisfaction rate was achieved among those supported, who felt staff treated them with kindness and respect.

Creating opportunities

Staff development and wellbeing were supported through significant investment. A total of £319,000 was spent on staff learning and development, delivering 445 in-house training courses. An additional £70,000 was invested in apprenticeships, with 24 new apprenticeships started and three completed. Participation in the EDI Forum was encouraged, and improvements were made to workforce diversity data to better understand and meet individual staff needs.

Finally, staff demonstrated a strong commitment to social responsibility by raising £1,900 for The Trussell Trust, an anti-poverty charity, through fundraising events organised by the staff-led charity committee.

8

positive move-ons to secure housing from homelessness services

86.7

SAP rating achieved for new homes

1,076

people supported through care & supported housing schemes

136

people accommodated via the Open Door night shelter

Strategic Report Homes for Cathy



A core Hightown strategic objective is to increase the supply of quality, affordable and sustainable homes and services to reduce homelessness and rough sleeping, an ambition which is underpinned by our membership of Homes for Cathy, a national alliance of housing associations committed to ending homelessness.

As a Homes for Cathy founder, the group's philosophy of housing associations being part of the solution to the homelessness crisis is firmly embedded in our operations across both general needs and care and supported housing. Our adoption of the Homes for Cathy pledges has fostered an ethos of continuous improvement to services, policies and practices around homelessness prevention and a readiness to work with partners to deliver homes and services that meet local need.

Most notably, 2024/25 has seen Hightown continue to expand its homelessness service offering into new localities, including two new services in Buckinghamshire and Broxbourne, while innovating within existing services to ensure they continue to provide effective, person-centred support, for example through the appointment of a new homelessness hub coordinator in St Albans and the introduction of a homeless health pilot scheme backed by funding from Hertfordshire

County Council and Public Health England.

As the number of households in temporary accommodation continues to rise, Hightown's Development team has developed strong, effective partnerships with local authorities experiencing acute housing need to navigate the planning process and unlock new sites for development, including in Luton, where over 1,000 families are 'hidden homeless' and living in temporary housing.

Meanwhile, our Housing team has actively sought opportunities for collaboration across teams to safeguard at risk tenancies, embracing 'early intervention' approaches to tenancy sustainment that save time and resources further down the line and mean that vulnerable tenants can avoid potential rent arrears.

As a result of on-going campaigning and communications activity, the Homes for Cathy group has maintained a strong 'voice' within the housing sector and beyond, continuing to secure opportunities to collaborate with key sector partners, including the Chartered Institute of Housing, National Housing Federation and Crisis on sector issues relating to homelessness.

David Bogle, Chief Executive, was Chair of the Homes for Cathy Board until March 2025.

Hightown is a founding member of Homes for Cathy, a group of housing associations, charities and local authorities working together to end homelessness.

Strategic Report

Value for Money

Hightown's Approach to Value for Money (VfM)

Hightown is able to evidence its performance on Value for Money through comparisons with local and national peers. Hightown continues to deliver strong operational performance and invests the annual surplus into delivering a substantial development programme of new affordable homes. The Board sees this commitment to use resources to deliver as many much needed affordable new homes as possible as key to delivering value for money.

The delivery of value for money throughout the work of the Association is a continuous process, embedded into Hightown's culture and operations.



Hightown's approach to value for money is driven by the main principles below:

- Embed a culture of achieving VfM throughout Hightown, including Board members, staff and involved residents.
- A commitment to challenge the status quo and to seek new, more efficient and effective ways to deliver services through the deployment of IT and through process workflows.
- Involve residents in the delivery of VfM services through the Resident Voice & Scrutiny Panel.
- Use available procurement methods to deliver cost savings on contract renewal.
- Understand the financial and social return on our assets and use this to inform decisions.
- Maximise Hightown's financial capacity to deliver our strategic aims and objectives and deliver a strong development programme.
- Use the golden thread of performance management to ensure a visible link from the Board's strategic plan to departmental operating plans and personal staff objectives.
- Make use of external validation and report on performance to stakeholders including residents, the Regulator of Social Housing, central government, local authorities and other partners.
- Develop new homes efficiently and economically that meet the needs of those who live in the areas in which Hightown operates.
- Understand performance by benchmarking Hightown over time and against others.
- Continuously seek to improve customer service, customer engagement and customer satisfaction.



Hightown's Performance

For the last 18 years, Hightown has maintained an Efficiency Log, completed by staff and managers, to record the Value for Money savings made during the everyday course of business activity. The value of these items vary in size but recording these savings helps embed and communicate Value for Money initiatives through the Association.

In 2024/25 there were 20 actions recorded in the log (2024: 7) recording improved efficiency in operations and cost savings, including £109k annual from membership of HALA framework for legal advice. A number of system and process changes were made creating more effective and efficient ways to deliver services. The high level of inflation and strong growth in homes in management makes it difficult to find absolute cost savings in services. Many of the cost savings are relatively small but all savings and cost efficiencies are important.

In summary Hightown has:

- Delivered another net financial surplus and invested that surplus into the delivery of new homes. Before pension provision adjustments, Hightown delivered a surplus for the year of £4.1 million (2024 £10.6 million) and 364 new homes (2024 664). In the last three years Hightown has developed nearly 1,600 new homes.
- Managed the 364 new homes efficiently, achieving a low and reduced overall operating cost per unit, as detailed elsewhere in the report.
- Continued to improve the energy efficiency ratings of our homes with the average rating for the 364 new homes developed in the year of 86.7. The average SAP rating of all stock is now 81.35 a slight increase on last year, equivalent to EPC band B. There are now 41 properties below band C. This increased in year partly due to taking on stock from another housing association in the year. All these properties are targeted for improvement during 2025.

Hightown has developed a Technology & Data Roadmap, outlining how it will enhance its technology and data foundations to drive sector leading performance, high levels of staff satisfaction, and the foundations for an enhanced digital offering for customers by providing:

- **Cloud Platform** – to reduce complexity, operational cost and infrastructure maintenance tasks. A platform that creates the capacity and agility within Hightown to respond to rapid digital change and increasing complexity.
- **Improved Technology Governance** – robust technology and information risk management backed by external assurance.
- **Simplification of operational systems** – reducing the labour-intensive manual tasks our teams tackle each day, freeing them up for higher value work. This will give them more time to spend visiting customers who might not be online.
- **A single Data Set with easy access** – continuing to build on the foundations around properties, customers, people we support and their needs and preferences, which can shape how we improve our properties and services, so that we're delivering the services customers want and need, and well-maintained homes that customers are proud to live in.

Strategic Report

Value for Money

Performance Against The Regulator's Value for Money Metrics

The Regulator of Social Housing's Value for Money Standard sets out the approach to Value for Money expected from Registered Providers and this is amplified in the complementary Code of Practice. There are nine metrics used to measure the delivery of the three "E's" of Value for Money - Economy, Efficiency and Effectiveness, on a comparative basis across the sector.

Definitions of the formula used for each metric can be found in the VFM Standard available on the Regulator's website.

Performance against the metrics is published annually by the Regulator based on the statutory accounts of all Registered Providers. Across the sector, the 2023/24 metrics continue to be impacted by high inflation driving up operating costs, higher repair costs, and rising interest rates.

For Hightown in 2024/25, the metrics generally show a reduced performance against budget reflecting the challenges presented in the year. Reinvestment and new build units whilst high, were below the budget targets. Accordingly rental income was below budget due to delayed handovers, income from Care & Supported Housing contracts and sales surpluses income were higher. However, the pressures from high inflation, increased repair cost, unbudgeted essential building safety costs and rise in interest rates, reduced performance across all metrics. The sector 2024/25 metrics will be available in early 2026 and it is likely that many other registered providers will have suffered similar impacts.

VfM Table 1 - Performance against budget

Value for Money Metric	VfM Cost Chain Measure	Actual March 2025	Budget Target 2024/25	Indicator Flag
1 Reinvestment %	Efficiency	9.4%	10.5%	●
2a New Supply Delivered Social Housing Units %	Effectiveness	4.1%	5.6%	●
2b New Supply Delivered Non-social Housing Units %	Effectiveness	-	-	○
3 Gearing % (##)	Efficiency	65.0%	64.6%	●
4 EBITDA MRI Interest Cover % (#)	Efficiency	123.6%	124.6%	●
5 Headline Social Housing Cost Per Unit (£'000)	Economy	£6.93	£6.77	●
6a Operating Margin % – Social Housing Lettings	Efficiency	37.9%	34.9%	●
6b Operating Margin % – Overall	Efficiency	29.4%	34.5%	●
7 Return on Capital Employed (ROCE) %	Efficiency	3.4%	4.0%	●

(# Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included)

(## RSH definition, based on net asset costs)

RSH Global Accounts

The Regulator of Social Housing (RSH) publishes annual Global Accounts data from the published accounts of Registered Providers. Hightown uses this data analysis to compare its performance and to seek to understand reasons for any apparent under performance not just against the national position but against peer groups and specific peers. Comparative data on Hightown's performance against other Associations and its peers is reported to, and reviewed by, the Board.

The Regulator of Social Housing has published

a report Value for money metrics and reporting: Annex to 2024 Global Accounts. The accompanying interactive spreadsheet allows Hightown to measure performance against the national performance and against peer groups and specific associations.

The VFM Table 2 below shows Hightown's performance over the last four years, including March 2024, the most recent published comparative data available. For comparison, the Hightown VfM metrics for 2024/25 are also shown.

VfM Table 2 - Performance against peers

Value for Money Metric	2026 Budget (memo)	March 2025	March 2024	March 2023	March 2022	Peer Group Median 2024*	Peer Group Quartile and rank 2024*	National Entity Quartile and rank 2024*
1 Reinvestment %	7.8%	9.4%	10.2%	11.0%	11.1%	10.2%	Q2 13th	Q2 61st
2a New Supply Delivered Social Housing Units %	7.9%	4.1%	7.7%	7.0%	9.1%	2.1%	Q1 1st	Q1 4th
2b New Supply Delivered Non-social Housing Units %	0%	0%	0%	0%	0.05%	0%	Q2 9th	Q2 64th
3 Gearing % (##)	66.1%	65.0%	64.1%	63.2%	62.5%	55.4%	Q1 6th	Q1 16th
4 EBITDA MRI Interest Cover % (#)	122.8%	123.6%	122.5%	167.8%	220.0%	115%	Q1 12th	Q2 95th
5 Headline Social Housing Cost Per Unit (£0,000)	£6.78	£6.93	£6.78	£6.51	£6.65	£4.89	Q1 2nd	Q1 40th
6a Operating Margin % – Social Housing Lettings	37.0%	37.9%	35.4%	34.4%	35.2%	25.8%	Q2 6th	Q2 11th
6b Operating Margin % – Overall	34.2%	29.4%	30.9%	31.1%	29.9%	23.8%	Q1 5th	Q1 10th
7 Return on Capital Employed (ROCE) %	4.0%	3.4%	3.7%	3.6%	3.5%	3.2%	Q2 5th	Q2 34th

In summary, the table shows Hightown continuing to deliver very strong performance nationally and against local peers. Nationally in 2024, Hightown delivered quartile 1 performance in 6 of the 9 metrics although quartile 1 for Gearing and Cost Per Unit shows Hightown having the higher values.

Once again, Hightown delivered the top ranking performance on New Supply social housing in 2024 for providers of over 5,000 units. The March 2025 performance of 364 new homes is likely to again be top quartile performance with a strong ranking also.

(# EBITDA – MRI = Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included).

(## RSH definition, based on net asset values).

(* RSH Value for Money Metrics and Reporting 2024 - data at 31 March 2024. Peer group Associations with 5,000 - 25,000 units >30% in East & South East Region (25 peers). National entity comparison – all Housing Associations over 5,000 units (193 peers)).

Strategic Report

Value for Money

VFM Commentary

The following comments outline Hightown's performance against the Regulator's Metrics.

Metric 1 – Reinvestment %

This metric looks at the reinvestment of financial resources into housing stock, showing the proportion of the year-end housing assets that were invested in the year. It is a measure of effectiveness.

In 2024/25, Hightown invested £109.1 million in new homes and delivered 364 new homes. The 2025 out-turn metric of 9.4% investment is lower than the budget target of 10.5% reflecting delays in development schemes against budget forecasts. The reinvestment metric score of 9.4% is a decrease on the 10.2% last year. It remains upper quartile performance against the latest reported metrics for 2024.

Metric 2 – New Supply Delivered

This supply metric measures the proportion of properties at year end that were newly created during the year. It is a measure of effectiveness. There are two measures:

- a) **The percentage of new supply of social housing delivered**
Hightown has yet again produced market leading growth. In 2024 Hightown's performance was again upper quartile at 7.7%, compared to the median of peers 2.1% and 2.4% nationally. Hightown delivered quartile 1 performance and ranked number 1 amongst its peers and nationally. Hightown's performance in the 2025 metrics is also likely to be amongst the top performers.
- b) **The proportion of non-social housing**
Hightown did not deliver any Non-Social Housing units in the year nor had it intended to. This reflects Hightown's Strategic Plan of focusing on the delivery of affordable social housing and is in keeping with its charitable objectives. This is

consistent with most of the sector with non-social housing spread across a limited number of Associations.

Hightown's performance in this area is impressive for its size, demonstrating Hightown's continued commitment to deliver value for money in providing much needed new homes in furtherance of its primary charitable objectives, to people in housing need and to help end homelessness.

Metric 3 – Gearing

This metric measures the amount of debt as a proportion of the net book cost of housing assets at the year-end under the Regulator's definition. It is a measure of efficiency. It shows the proportion of assets funded by borrowing and its growth demonstrates the growth delivered by Hightown from leveraging in debt finance supported by its surpluses. It is a different gearing measure from that used by bank funders.

As in previous years, Hightown's gearing remains, and is likely to continue to be, upper quartile, high compared to peers. With most new homes now being built for affordable rent without any, or with only little government grant, each unit requires higher borrowing in percentage terms and in value, than in the past. Hightown has grown significantly in recent years with 17.13% (1,586) of homes built in the last 3 years. Thus, the overall level of gearing will rise as development continues. This is a direct and inevitable consequence of the Affordable Rent regime.

Gearing has risen in the year 2025 to 65.0% from 64.1% as a consequence of building 392 properties, delivering 364 new homes, funding 728 new homes under construction and land banking for future delivery. This is likely to remain in the upper quartile

in next year's report. However, it should be noted that Hightown's borrowing is generally to fund new homes which provide rental income. It is expected that gearing levels across the sector will rise where Providers borrow to fund large building safety works, which does not produce additional rent income.

As Hightown makes a significant annual surplus, the Board choose to reinvest this surplus into the provision of new affordable housing, thus reducing the level of new borrowing required and so dampening the rise in gearing. There is still headroom for further borrowing within covenants in bank loan agreements.

Metric 4 – Interest Cover EBITDA MRI

This metric measures Interest Cover using an adjusted measurement of earnings after allowing for some accounting entries i.e. Earnings Before Interest, Tax, Depreciation and Amortisation, Major Repairs Included (EBITDA MRI). This is a measure of efficiency.

Performance at March 2025 year end increased slightly to 123.6% compared to 122.5% last year and below the budget target of 124.6% for this definition. This reflects the continued increase in interest charges and maintenance expenditure in 2024/25 despite strong rental growth. In the 2023/24 metrics, Hightown continues to deliver an upper quartile, strong EBITDA MRI metric demonstrating capacity to fund additional borrowings although this will reduce due to higher repair costs and higher interest costs. UK Base rates stayed higher for longer than forecast when the 2024/25 budget was set in February 2024, opening at 5.25% and with three 0.25% base rate reductions to 4.50% on 6th February 2025.

Metric 5 – Headline Social Housing Cost Per Unit

As a major provider of Care and Supported Housing, Hightown's headline social housing cost per unit has always been high compared to the average for other Registered Providers, many of whom who have little or no care or support services. This relatively high cost has consistently been apparent in all past data analysis from the RSH Global Accounts comparison and the RSH operating costs analysis.

Hightown has a substantial Care & Supported Housing service that requires more intensive management and this distorts the headline costs on a per unit basis against peers. Benchmarking

of care costs is difficult due to lack of published comparators but Hightown continues to win new care contracts and to retain re-tendered business in a very competitive market place. The benchmarking of general housing management costs within the HouseMark benchmarking club shows that Hightown's housing management cost per unit was once again upper quartile, lowest cost demonstrating Hightown's commitment to manage the growth in management costs and achieve greater efficiency on a per unit basis.

Metric 6 – Operating Margin

This metric measures the proportion of turnover retained after deduction of operating costs. It is a measure of operational efficiency. There are two measures:

- a) **Operating margin on social lettings**
Hightown's margin on social lettings was 37.9%, against a budgeted value of 34.9% and an increase on last year's 35.4%. Hightown continues to demonstrate strong performance on value for money in the delivery of management of its lettings activity. Hightown again delivered upper quartile performance, compared to peers.
- b) **Operating Margin % - Overall**
This margin has fallen from 30.9% to 29.4%, and below the budget target of 35.4%. This is a strong margin and is upper quartile performance compared to 2024 metrics.

Metric 7 – Return on Capital Employed (ROCE)

This metric measures the return on capital assets in use by the Association. It is an efficiency measure on the income generated from the assets.

The 2025 figure of 3.4% is lower than the budget target of 4.0% and the 3.7% last year. Hightown continues to have a substantial amount of development work in progress which does not yet generate income and as a result, suppresses the ROCE. In addition, ROCE is suppressed by the minimal net margin delivered on the £33.1 million of Care & Supported Housing income. Despite this Hightown's performance is in the upper/median quartile nationally.

Strategic Report

Value for Money

Other Performance Benchmarking Comparatives

HouseMark

Hightown uses the HouseMark service to benchmark Hightown’s housing management costs and performance against its peers. The housing management service is the largest element of Hightown’s business activity.

In its Strategic Plan, Hightown aims to continue to deliver housing services within the HouseMark low cost, good performance quadrant. The

benchmarking results for 2023/24, the latest available, clearly shows that Hightown continues to be a strong, low cost, good performing housing association, delivering services in a very economic, efficient and effective way.

The last year’s performance against the peer group of 389 traditional housing associations is as follows:

2023/2024



The chart above shows Hightown achieving its aim of delivering most services in the good performance, low cost quadrant with the exception of Overheads, where our overheads cost is in the high cost quadrant relative to our peer comparators but good performance and Building Safety, where our compliance

performance was in the poorer quadrant relative to our peer comparators but still low cost.

Comparative performance against previous years is not available due to changes in the benchmarking definitions.



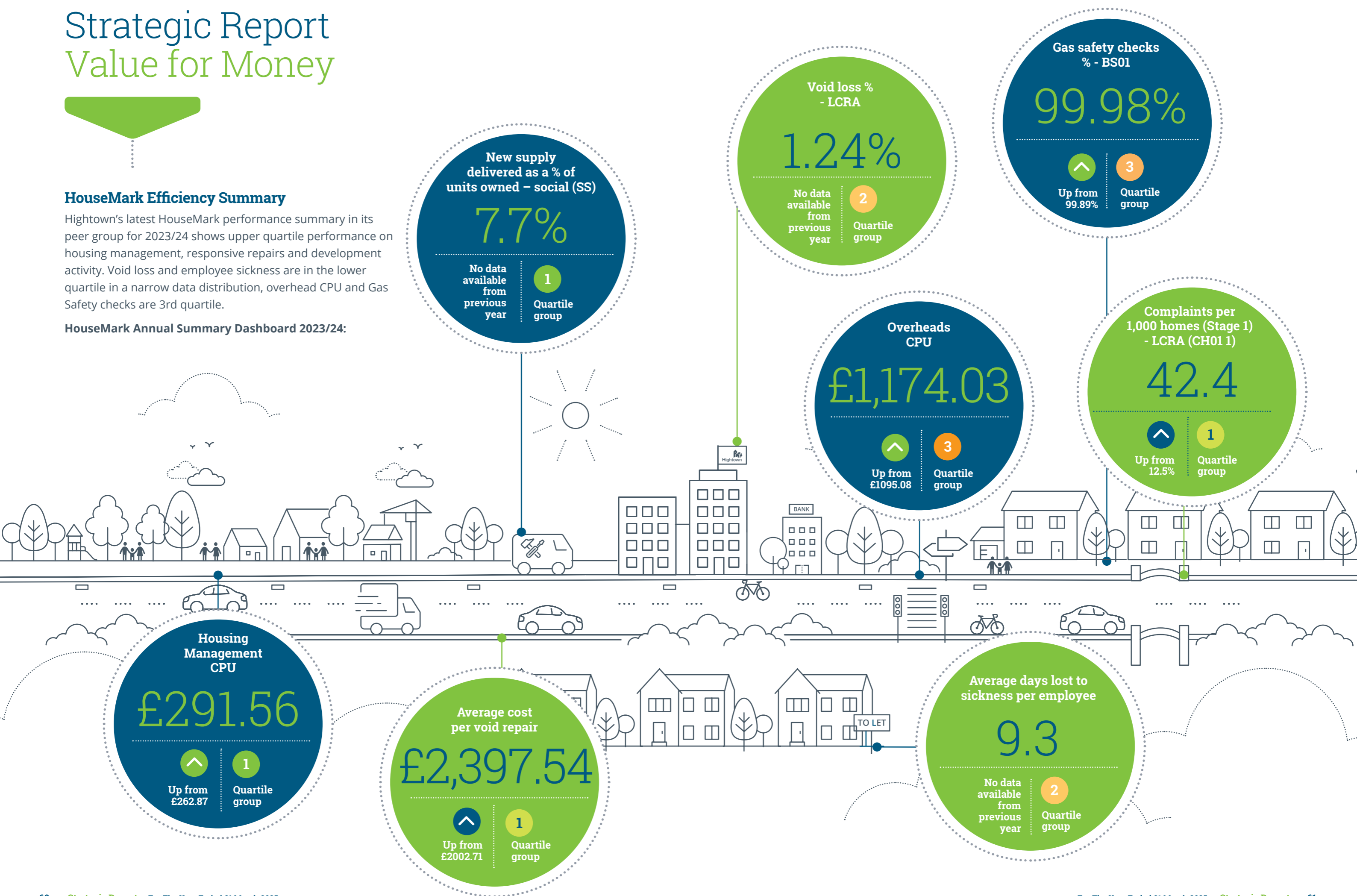
Strategic Report

Value for Money

HouseMark Efficiency Summary

Hightown's latest HouseMark performance summary in its peer group for 2023/24 shows upper quartile performance on housing management, responsive repairs and development activity. Void loss and employee sickness are in the lower quartile in a narrow data distribution, overhead CPU and Gas Safety checks are 3rd quartile.

HouseMark Annual Summary Dashboard 2023/24:



Strategic Report

Value for Money

Value for Money in the Year Ahead, 2025/26

Hightown believes that the delivery of new affordable homes is the best measure of delivering Value for Money, meets its primary purpose and is an effective way to help solve homelessness.

Hightown expects to continue to deliver further Value for Money savings predominantly through the provision of new homes for people on low incomes who are unable to rent or buy a home on the open market. It expects to remain financially robust and to use its financial capacity to deliver over 350 new homes in the year through the investment of a strong operating surplus, social housing grants, and new borrowings.

In 2025/26 Hightown aspires to:

- Continue to deliver strong operational performance against the Regulator of Social Housing's metrics, aside from debt per unit and gearing where we expect to remain in quartile 1 due to the high level of investment in building new homes.
- Retain the HouseMark cost per unit for housing management at upper quartile performance.
- Deliver all services in the good performance, low cost quadrant of the HouseMark benchmarking.
- Continue to involve our residents in the continuous improvement of our services through the Residents Voice Scrutiny Panel, Voicebox for C&SH users and resident feedback.

- Consider further expansion of the Direct Labour Organisation (DLO) into other discrete areas of repair works where it believes it can drive savings in repair costs against contractors and improve the customer experience.
- Continue to assist tenants to sustain their tenancies through the work of the Financial Inclusion and Tenancy Sustainment Officers.
- Continue to consolidate, develop and roll out new IT roadmap improving workflow process and dashboards.
- Review asset management activities using an external consultant to ensure optimal approach to manage complex projects, increased activity and inflationary pressure.

Key Contract Procurements 2025/26

The Procurement Team, who are tasked with obtaining value for money from Hightown's key contracts, will be procuring contracts for goods and services using competitive tender processes and framework agreements.

The following areas of spend are due to be competitively tendered in 2025/26:

- Cyclical Decs Programme
- Gas & Electricity Supply for Communal Supplies /Care & Supported Housing stock
- Fire & Alarm Maintenance Contract
- Door Entry Servicing Programme
- Kitchen replacement programme
- Bathroom replacement programme
- Fire door replacement programme
- Boiler replacement programme
- Warden call upgrade programme
- Window replacement programme

In the current economic climate, it is likely to be difficult to achieve cost savings against past contract prices in the coming year. As Hightown's stock continues to grow, the total cost of many services will increase. Hightown will continue to pursue Value for Money through competitive tendering for contracts and from the delivery of service improvements wherever possible, aiming to achieve lower costs per unit wherever possible.



Strategic Report

Risks and Uncertainties

Hightown's approach to risk management encompasses all areas of the business and is underpinned by the following elements:

- Maintaining a clear understanding of the Association's short and long-term risk environment, incorporating internal and external factors
- Robustly identifying and monitoring key risks which may impact on the successful delivery of our corporate strategy
- Close monitoring of business-critical risks through the strategic risk register which is monitored quarterly by the Risk & Audit Committee and the Board
- Clearly defining the Board's risk appetite for all key functions to inform decision making
- Regular stress testing of our Business Plan in line with the appetite set by the Board.

Many of the challenges of previous years remain unchanged and continue to impact the risk profile for Hightown including continuing inflation and shortages of resources and skills. The need to invest in the Association's stock has become more pressurised in response to building safety and quality issues including damp and mould. Construction and other business costs have continued to increase which in addition to being a challenge to Hightown, has created a greater likelihood of counterparty risks. The changes to Employers' National Insurance contributions has added a significant new pressure on the Association's finances along with the high cost of borrowing.

The economic conditions have created ongoing pressures for Hightown's customers, and the overall profile of tenants continues to show greater levels of vulnerability at a time where services within the community have diminished.

Hightown's Care and Supported Housing activities continue to operate on relatively low margins, but the Board remains committed to paying staff at Real Living Wage levels. A successful round of negotiations with commissioners has secured the financial position for the coming year. The service continues to face challenges in terms of recruitment of skilled care and support staff, which may worsen in the light of the recent tightening of immigration policy.

The need for increased investment in technology has become more apparent to maintain appropriate levels of cyber security and also as an enabler to meet business needs and improve efficiency. This will also support the planned focus on improving the data held on Hightown's customers and properties in order to improve its services and meet individual needs.

The above challenges have created a need to review the resources available for various aspects of Hightown's activities, particularly for roles delivering services to tenants and their homes. The management of Hightown's risks will depend on attracting and retaining the right staff, and to achieve this, there will be a review of the employee offer and creating a culture where staff are able to thrive and develop.

In response to these challenges the Board has already reduced the planned development programme and increased the proportion of fixed debt to reduce interest rate exposure. There is also an intention to dispose of a number of properties which no longer meet Hightown's priorities in order to support the required capacity for greater investment in our stock. Additionally, the Board agreed to dispose of a development site which was no longer viable.

A summary of the key risks facing Hightown, their links to Hightown's new Corporate Strategy for 2024-27, and the mitigations in place is as follows:

Service

Risk	Mitigation
Health & Safety – breach of health & safety regulations or legislation	A range of robust health & safety systems including a programme of risk assessments, inspection and maintenance arrangements, mandatory training, and the use of specialist support. Strong Board oversight of key safety risks.
Customer Expectations – Failure to provide good quality homes and service standards	Clear policies and training to support staff to achieve the required standards. Internal working groups to review various aspects of Hightown's services. Increased customer influence in strategic decision making including the recruitment of Independent Tenant members of the Operations Committee.
Stock Condition	Implementation of an action plan derived from an external review of asset management practices, increased physical stock condition surveys, compliance with legislative and regulatory standards, reprioritised spending plans.

Viability

Risk	Mitigation
Financial Resilience – failure to meet Loan Covenants	Financial controls including business planning and stress testing, achievable mitigations, specialist Treasury support, active engagement with lenders.
Impact of Price Inflation – increased material and labour costs	Fixed price contracts and single stage tenders where possible, financial checks on contractors, use of parent guarantees, effective business planning and stress testing mitigations and review of budgets in response to inflation.
Information Security – vulnerability to cyber crime	Controls including technical mitigations, user awareness and training, clear policies and procedures, network and cloud security measures and increased cyber insurance. Prioritised replacement and renewal of core systems.

Needs

Risk	Mitigation
Development – Failure to deliver programme due to adverse market	Reassessment and de-risking of development pipelines, reduced target delivery programme, no dependency on outright sale and limited proportion of shared ownership.

People

Risk	Mitigation
People – failure to recruit, develop, motivate and retain skilled staff	Dedicated recruitment team, learning & development opportunities, apprenticeship & graduate programmes, biennial salary benchmarking and flexible working arrangements. Review of employee offer to enhance recruitment, retention and performance.

Strategic Report

Risks and Uncertainties

Hightown encourages the increased levels of resident engagement and involvement and has resources in place to support financial inclusion and tenancy sustainment activities.

Risk Appetite

Hightown's Board reviews its risk appetite annually. This is defined across 11 functional themes and identifies the amount of risk that the Board is prepared to tolerate as Hightown delivers its strategic objectives and runs its day-to-day operations.

Services

Risk Theme	Appetite
Customer Service and Engagement General Needs residents, leaseholders, and applicants	The Board has a Balanced to Open risk appetite in this area. Hightown encourages the increased levels of resident engagement and involvement and has resources in place to support financial inclusion and tenancy sustainment activities. Hightown continues to improve building quality and safety and to invest in a range of local estate improvements.
Care & Supported Housing Operations Care & Supported Housing residents, service users and applicants	The Board has agreed to a Balanced risk appetite whereby service levels may be adapted to meet individual needs where this is supported by external professionals, but with a clear concern to maintain Hightown's duty of care to minimise risk exposures.

Viability

Risk Theme	Appetite
Treasury and Funding Debt facilities, available cash and debt structures	Treasury and Funding are viewed as Balanced to Open with Golden Rules providing adequate buffer limits for liquidity and covenant headroom. Increased proportions of fixed debt and a move towards more innovative financial structures.
Compliance & Regulation Compliance with regulations and approach to health & safety	Hightown's risk appetite is Balanced . The Association will ensure that it will meet compliance thresholds and make use of independent advice and assurance where required.
Technology & Business Continuity Information, communication systems, software and internet. Business Continuity and Disaster Recovery arrangements	The risk appetite has been defined as Cautious to Balanced , with investment in technology to increase efficacy, and a cautious attitude towards cyber security which requires multiple security measures to be put in place.
Internal Controls Protecting assets from impropriety. Spending public money. Delegation, authorisations	Internal controls are approached with a Balanced to Cautious risk appetite. The Association operates with limited delegations throughout the Association. Relaxation of controls is permitted in exceptional circumstances.
Social Purpose Mission, Values and overarching organisational strategy	The Board has adopted an Open to Balanced approach whereby controlled risk taking is tolerated in pursuit of Hightown's strategic priorities. Focus is influenced by sector changes with a willingness to adapt where this is consistent with strategy.

Viability

Risk Theme	Appetite
Development and Sales The provision of new affordable housing	The Board has identified the development programme as Balanced to support its continued commitment to address housing need but with greater focus on lower risk schemes. Acceptance of the need for trade-offs against other investment priorities.
Care & Supported Housing Contracts Care & Supported Housing contracts for existing and new schemes	The risk appetite towards Care & Support contracts is defined as Balanced to support continued commitment to delivering care and support services but with a recognition of the need for the service to remain financially viable and lower tolerance towards scheme deficits.
Environmental Standards adopted in housing development and asset management. Actions taken to address broader organisational environmental impact	Hightown's risk appetite is defined as Balanced to Open on environmental standards, recognising the need to reduce carbon emissions from its properties and business activities but also the reliance on government assistance to make substantial progress. Most existing homes are rated in EPC Band B, which compares well to the sector.

People

Risk Theme	Appetite
People Recruitment, retention and development of employees and Board members	The Board has a Balanced to Open risk appetite, recruiting for both behaviour and skills, and the provision of a well-developed training programme to support career growth and progression. An increased appetite for devolved decision making and flexibility for employees.

Strategic Report Employees

During 2024/25, Hightown employed an average of 903 full time equivalent employees, most of whom are engaged in providing front line housing, care and support services to our residents. Including the part time and casual “bank” staff who cover temporary vacancies and staff absences, Hightown pays over 1,100 people each month. Hightown has paid the Real Living Wage to staff in 2024/25.

Recruitment has improved significantly in 2024/25. The vacancy rate started at 24% in April 2024 and has now dropped to 15%. Staff turnover in Care & Supported Housing schemes has reduced by 2.4% for the second year running and turnover across the Association has remained at 12%. Hightown welcomed 208 new permanent staff and 158 bank staff. The national picture shows there were 152,000 vacant posts in Adult Social Care in 2022/23 and vacancy rates reduced from 10.6% to 9.9% according to Skills for Care.

Hightown continues to invest in the training of its employees through a number of internal and external training courses delivered by the Learning and Development team, and external facilitators. It continues to offer a blended approach with both face-to-face and virtual training opportunities available.

This year 494 Learning & Development Activities took place, which is a 27% increase on the previous year (activities are defined as online courses, short courses, conferences, away days).

Five staff completed an Apprenticeship. Hightown invested £311,436 in learning for staff which is a 13% increase from 2024/25 and £69,806 was spent from the Apprenticeship Levy pot

Volunteer “Wellbeing Champions” take the lead in the Five Ways programme, aiming to ensure

Hightown continues to promote the 'Five Ways to Wellbeing' model of

#Give
#Take Notice
#Connect
#Keep Learning
#Be Active

into the workplace.

that staff are encouraged in positive interaction and to seek the support necessary to take care of their own physical and mental wellbeing. This year Hightown has made a significant investment in supporting staff with their mental health and trained 50 Mental Health First Aiders.

Hightown engages with its staff about the Association’s objectives, progress and activities through regular office and departmental meetings; through newsletters and written communications; through staff briefings; and the “MyTown” intranet. All new starters are invited to attend a ‘Meet the Chief Executive’ informal session. A Staff Conference took place in May 2024.

A Staff Forum of staff representatives meet quarterly to discuss issues relevant to staff and give feedback to management.

There is a free staff gym at Hightown House to promote fitness and the benefits of a healthy lifestyle.

Hightown is committed to Equality, Diversity and Inclusion for all its employees and the Equality, Diversity & Inclusion Forum meet monthly. The Gender and Ethnicity Pay Gap Reports are available on the website.



Welcomed

208

new permanent staff members

Delivered

494

in-house training courses

Increase of

27%

invested in learning for staff

Strategic Report

Governance

Hightown Housing Association Limited is a registered Community Benefit Society, a charitable housing association with the objective of providing benefit to the community. The Association operates mainly in Hertfordshire, Bedfordshire, and Buckinghamshire. The Association's principal activities are the development and management of social and affordable rented housing, supported housing and the provision of care services.

Hightown is a single legal entity – it has no subsidiary companies or joint ventures.

Hightown is managed by a Board of twelve members who have a range of skills and experience relevant to provide oversight of the Association's strategy, operational activities, and major risks. All Board members are shareholders. The Board is supported by five committees - Risk & Audit, Investment, Operations, Remuneration & Nominations, and Treasury.

The Board conducts an annual Board Effectiveness Review to ensure that it is operating effectively and able to fulfil its primary functions. Performance appraisals and skills assessments of the individual Board members are conducted annually, and these are used to inform the Board learning & development programme and to aid succession planning.

The Board was pleased to recently recruit two new Co-optees to strengthen the diversity and skills mix of the Board. The current composition of the Board is as follows:

Gender	Ethnicity	Age Range
Female: 7	White British: 8	38 - 77 years
Male: 5	Other: 4	

Rules

Hightown's Rules are based on the NHF Model Rules 2015. The Standing Orders and Financial Regulations are reviewed at least biennially.

Regulation

Hightown was subject to an In Depth Assessment in 2023 and was rated G1 for Governance and V2 for Financial Viability by the Regulator of Social Housing.

Legislation

Hightown complies with all relevant legislation. Hightown's membership of the Housing Associations' Legal Alliance (HALA) provides regular updates, training, and advice to assist officers to stay up to date with legislative changes and maintain compliance.

Compliance with Regulatory Standards

Hightown carried out a self-assessment against the requirements of the Regulator of Social Housing's Economic and Consumer Standards and the Board is satisfied that the Association complies with all requirements of these standards.

National Housing Federation Code of Governance

Hightown complies with the National Housing Federation (NHF) Code of Governance 2020 which the Board formally adopted on 1st April 2022. In relation to the transition from a maximum of three terms to two terms, as part of the 2023 Board succession plan, it was agreed that as the Board Chair and both Vice Chairs were due to stand down in 2024, that Cordelia Pace would be asked to continue her tenure for one further year

to September 2025 to smooth the transition to a new leadership. This decision is allowable under the Code of Governance 3.7(3) and is compliant with Hightown's Rules which allows for up to three terms. There are no other Board members who are expected to exceed two terms.

A triennial Independent Board Effectiveness Review has been commissioned for 2025, the findings of which will be used to further strengthen Hightown's governance arrangements.

National Housing Federation Code of Conduct

Hightown adopted the NHF Code of Conduct 2022 in November 2023. The Board is satisfied that Hightown has the appropriate policies and practices in place to support compliance with each of the four themes. The Code of Conduct applies to Board and Committee members, staff and members of the Resident Voice and Scrutiny Committee.

General Data Protection Regulation (GDPR)

Hightown's compliance with GDPR has been assessed against the relevant legislation and the best practice standards set by the Information Commissioner.

Equality, Diversity, and Inclusion

Hightown fully complies with its responsibilities under the Equality Act 2010 and has a policy to promote an operational and working environment free from discrimination, harassment, and victimisation. In addition to the publication of Hightown's Gender Pay Gap, the Association also conducts and publishes an annual Ethnicity Pay Gap report as part of its commitment to eliminating disadvantages that may be faced by minority ethnic groups. The Board has agreed a Strategy and action plan which identifies the priorities for delivering against its objectives in relation to EDI. This has been publicised on Hightown's website. Internally, Hightown has an employee-led Equality Forum.

Resident Focus

Hightown has a range of mechanisms for enabling and empowering residents to influence the delivery of their services. Board members attend the Residents' Voice and Scrutiny Committee (RVSP) and the Chair of RVSP attends the Operations Committee to provide clear links through to the Association's governance structures. The Association fully complies with the standards set out in the Housing Ombudsman's Complaint Handling Code. Residents' Health & Safety continues to be a major focus for the Board. The needs of Hightown's residents have been of particular concern in relation to the cost-of-living crisis and in response, the staffing complement to focus more on supporting people to successfully maintain their tenancies and access the support that is available to them has been increased. To enhance tenants' strategic influence, three Hightown tenants have been recruited as Independent Members of Hightown's Operations Committee.

Declarations of Interest

Board members complete an annual Declaration of Interest form and also inform the Company Secretary of any changes as they occur. In the interests of transparency, the declared interests are included in every Board and Committee pack. The declared interests of Hightown's Board members are available on request to the Company Secretary at Trudi.kleanthous@hightownha.org.uk.

Strategic Report

Modern Slavery Statement

Introduction

This statement is made in accordance with Part 6 Section 54 (1) of the Modern Slavery Act 2015 and constitutes Hightown Housing Association's (Hightown) modern slavery statement.

Hightown operates a zero-tolerance policy towards slavery and human trafficking and will take steps to prevent it occurring in our supply chains or in any part of our business. This statement has the support and approval of our Board.

About Hightown

Hightown is a charitable housing association and a registered society under the Co-operative and Community Benefit Societies Act 2014. Hightown operates entirely in England and almost exclusively in highly regulated sectors. Many of its contracts are with public sector organisations. Hightown is a single legal entity with no subsidiaries or joint ventures.

To deliver our services, Hightown works with a number of suppliers. Wherever possible, Hightown sources its goods and services from UK based suppliers. The Association has a good understanding of its supply chains in relation to direct suppliers and is conducting an audit using the Home Office's Modern Slavery Assessment Tool (MSAT). Requests for completion of the MSAT have been sent out on a risk assessed basis with the initial focus on construction and care recruitment agencies. The response to the request to participate in the MSAT has been low to date and this will be pursued over the coming year.

Hightown explicitly expects its suppliers not to use slave labour or engage in human trafficking and requires all new suppliers to confirm this when submitting their tender or by a statement that they are not in breach of the Modern Slavery Act. Our tender documentation includes a provision for the mandatory exclusion of any bidder convicted of an offence under sections 1, 2 or 4 of the Modern

Slavery Act 2015. Hightown may instruct its agents to conduct checks of key suppliers where there are suspicions that there may be non-compliance with the legislation. Should a breach be identified, Hightown may provide the supplier with an opportunity to rectify the problem and implement a corrective action plan but reserves the right to remove the supplier from its supply chain.

Hightown's Policy Framework

Hightown's policies reflect our commitment to acting ethically and to implementing robust systems and controls to ensure that slavery and human trafficking is not taking place in within our business or our supply chains. A number of our policies contribute to guarding against modern slavery, and we review these on a regular basis:

- Safeguarding Adults and Children Policy
- Whistleblowing Policy
- Equality & Diversity Policy
- Anti-bribery Policy
- Recruitment Policy
- Procurement Policy
- Code of Conduct
- Anti-bullying, Harassment and Victimisation Policy
- Grievance Policy
- Health & Safety Policy
- Conflicts of Interest Policy

Modern Slavery Risk Assessment and Due Diligence

We have identified the key areas of our activity where there is a risk that modern slavery and human trafficking might be detected. This includes activity that is taking place:

- In our supply chains
- Through recruitment activities
- In our tenants' homes.

With robust HR processes and controls, we have assessed the risk of slavery and human trafficking occurring in our internal operations and consider

the risk generally to be low. Managers and staff are expected to report any reasonable suspicion that slavery and human trafficking is taking place.

Additional work has been conducted on mapping Hightown's supply chains over the last year. We consider the risk to be higher in the care, building and maintenance areas of our supply chain than in other areas. However, in the period since the introduction of the Act and in the past year, we have not become aware of any instances of slavery or human trafficking relating to our business.

Construction and maintenance labour suppliers are particularly susceptible to modern slavery and clearly form an integral part of our supply chain. Our development contracts include a clause requiring compliance with the Modern Slavery Act and we make use of our own staff and employer's agents to monitor the activities on development sites.

With a large portfolio of care and support services and the challenge of recruiting and retaining staff, Hightown is reliant on recruitment agencies for the provision of temporary staff in order to provide the required levels of service within our schemes. Agency staff are often taken on at short notice to fill gaps as required. Although we conduct due diligence on the agencies used and require formal references and proof of previous roles held, this still reduces our control over how these staff are sourced. In order to minimise the Association's reliance on recruitment agencies, Hightown has an internal register of bank staff to provide additional shifts to our care and support schemes.

To protect Hightown Tenants, we have safeguarding policies and procedures in place to guard against the risk that our tenants or service users are or may become victims of slavery or human trafficking. We have appointed two Safeguarding Lead Officers and have procedures in place for reporting any safeguarding issue including suspicion of modern slavery.

Training

We take steps to ensure staff are aware that safeguarding is everyone's responsibility and that staff have the training they need to be able to identify and report modern slavery if they suspect it.

All staff have access to mandatory E Learning covering Modern Slavery and Human Trafficking and are pointed to the Modern Slavery website www.modernslavery.co.uk to gain further information about types of slavery, signs to spot, online or telephone reporting and referral

processes for victims. We have previously publicised the International Labour Organisation's indicators of forced labour on our intranet to alert staff to possible signs of forced labour. Training for HR and procurement staff includes function specific advice on best practice.

Recruitment and Working Practices

Hightown's recruitment processes fully comply with the Modern Slavery Act 2015, with checks on documents such as passports and other forms of identification being carried out routinely. Where the use of temporary staff is required, only specified, reputable agencies are used. The Association's Declarations of Interest Policy has been revised to strengthen the controls against the potential of victims of forced labour entering the workforce. An Internal Audit scrutinised our existing practice and we were not required to increase the controls in place to guard against modern slavery risks.

All Hightown employees are treated fairly and equally, and we commit to paying the Real Living Wage as far as possible. Salary payments are made directly to employees' bank accounts. Our employees will not be forced to work in excess of legally permitted hours. Working hours and overtime only exceed 48 hours with consent from the employees.

Monitoring and Evaluation

We will continue to encourage our suppliers to participate in the Modern Slavery Assessment process and engage with any suppliers who do not participate, using our leverage where necessary to promote best practice.

We maintain regular communication with our staff on the issues around slavery and human trafficking to maintain awareness and will incorporate, where appropriate, issues relating to slavery and human trafficking when we update policies and procedures. We will continue to strive to improve our ability to identify and prevent modern slavery.

This statement is reviewed annually by the Board and is widely communicated to our stakeholders and to the public via our website.

Statement approved by the Board 17th July 2025.



Trudi Kleanthous
Company Secretary

Strategic Report

Board Statement On The Effectiveness Of The System Of Internal Control

For the period ending 31 March 2025



The Board of Hightown Housing Association Limited is the governing body of the Association.

It is responsible for actively managing the risks faced by the organisation and for obtaining robust assurance that controls are effective, that plans and compliance obligations are being delivered, and that Hightown is financially viable. The Board is committed to the highest standards of business ethics and conduct and seeks to maintain these standards across all operations.

The systems of internal control are designed to manage, rather than eliminate, the risk of failure to achieve Hightown's business objectives and to provide reasonable, but not absolute, assurance against material misstatement or loss. In meeting its responsibilities, the Board has adopted a risk-based approach to establishing and maintaining internal controls which are embedded within day-to-day management and governance processes. This approach includes the regular evaluation of the nature and extent of risks to which the association is exposed.

The key elements in exercising control include:

- Board-approved terms of reference for itself and its Risk & Audit, Operations, Treasury, Investment and Remuneration & Nominations committees. All committee meeting minutes are enclosed as part of the Board pack in addition to a one-page summary of the key issues addressed which is presented by the committee chairs.
- Annual appraisals of both individual and collective Board effectiveness including a review of skills requirements and a gap analysis to inform future recruitment activities.
- Clear and up to date Financial Regulations and Standing Orders.
- Policies and procedures for all key areas of the business which are reviewed at least biennially to ensure their continued appropriateness.
- An Internal Audit function using the services of a professional firm of auditors to deliver the Risk & Audit Committee's risk-based audit plan. All audit reports are reviewed by the Executive Leadership Team and by the Risk & Audit Committee, which also receives updates on the implementation of agreed external and internal audit recommendations.

Continued...

Strategic Report

Board Statement On The Effectiveness Of The System Of Internal Control

For the period ending 31 March 2025

- Established Health & Safety working systems including regular meetings of the internal Health & Safety Committee, with regular reports to the Operations Committee and the Board.
- The use of an external Health and Safety consultancy to provide specialist advice to the Health & Safety Committee.
- A risk management and business assurance process which includes the use of the 3 lines of defence model. Risk management is considered at each Risk & Audit Committee meeting, through reviews of individual risk areas, as well as being considered quarterly by the Board. The Board reviews its risk appetite annually.
- Near miss, lessons learnt and emerging risks reporting to every Risk & Audit Committee in relation to internal controls, with details of corrective actions.
- Robust strategies and business planning processes, with detailed financial budgets and forecasts.
- Annual budgets and management accounts which are regularly monitored by the Board and managers including consideration of the achievement of value for money and other quality indicators. This includes the production of monthly management accounts, performance reports, and a KPI information pack.
- An anti-fraud and anti-bribery culture supported by policy and procedure for dealing with suspected fraud, bribery, anti-money

laundering, and whistleblowing.

- All new housing investment decisions are subject to formal appraisal and scrutiny against Board approved parameters.
- Treasury management activity is reported to the Board at each meeting which includes monitoring of loan covenants and requirements for new loan facilities.
- Formal recruitment, induction, retention, appraisal, training and development policies for all staff and the use of external benchmarking to establish remuneration rates for employees.
- Regular reporting to the appropriate committee and the Board on key business objectives, targets and outcomes.
- Annual review of compliance with external standards including the Regulator of Social Housing Economic and Consumer Standards and the Care Quality Commission's Fundamental standards.
- Annual review of the Regulator of Social Housing's Sector Risk Profile.
- Systems and policies in place to protect Hightown's Data Integrity and Security.
- Business continuity and incident management processes.
- The use of external advisors to ensure that Hightown has adequate insurance arrangements in place.
- An agreed approach to Value for Money and efficiency.

- Registers of activity relating to the use of delegated authorities; disposals; fraud, anti-money laundering; and gifts and hospitality.
- Specialist external support to establish a baseline for Hightown's carbon footprint and pathway to net zero for the purpose of identifying environmental improvements and supporting ESG reporting.
- Membership of the HALA legal framework which provides discounted rates in addition to additional benefits such as training, legal updates, and newsletters.

During the year, a number of activities have taken place in order to further strengthen Hightown's internal controls, including:

- Internal audit and advisory reports covering ICT Cyber Security; Income & Arrears Management; Procurement & Contract Management; Budgetary Control & Financial Reporting; Major Repairs Budget Management; Development Strategy – Development & Delivery; Complaints & Lessons Learnt; Corporate Health & Safety (Staff Wellbeing); Landlord Health & Safety; and a Core Compliance Review.
- Conducted a fundamental review of the Strategic Risk Register to align to the 2024-27 Corporate Strategy and take account of the regulatory feedback from the In-Depth Assessment.
- Revised the risk scoring methodology to create a clearer message on the priority risks for Hightown.
- Used an external contractor to increase the amount of up-to-date stock condition information.
- Commissioned an independent company to lead senior managers through a business continuity exercise based on a fire in a high-risk building. This resulted in follow up work to enhance the existing policy and arrangements.
- Strengthened the link between the Assets & Liabilities Register, the Risk Register and Stress Testing.

- Commissioned an independent review of Hightown's Asset Management Service and assigned the Investment Committee to monitor the implementation of the resulting action plan.
- Created a dedicated Complaints & Resolution Team to improve the Association's management of complaints.
- Commissioned independent support to review Hightown's rent setting policy and practice.
- Developed a Data & Technology Road Map to enhance data security and organisational efficiency.
- Kick started projects to increase the quantity and quality of the data held on Hightown's tenants and their homes.

The Chief Executive has reviewed the internal control and assurance arrangements and made a report to the Board confirming the effectiveness of the control systems for the year ended 31 March 2025 and up to the date of approval of the Annual Report and Financial Statements. The Risk & Audit Committee and the Board have expressed their satisfaction with these arrangements.

Status

No weaknesses were found in internal controls which resulted in material losses, contingencies or uncertainties that require disclosure in the financial statements for the year ended 31st March 2025 and up to the date of approval of the financial statements.

Strategic Report Approval

This Board Report was approved by order of the Board on 17th July 2025.



Trudi Kleanthous
Company Secretary

Strategic Report

Statement of the Board's Responsibilities in Respect of the Financial Statements

The Board is responsible for preparing the report and financial statements in accordance with applicable law and regulations.

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

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

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

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Society Act

2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. It has general responsibility for taking reasonable steps to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.

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

Statement of Compliance

The Board confirms that this Strategic Report has been prepared in accordance with the principles set out in paragraph 7b of the 2022 SORP for Registered Social Housing Providers.

Approval

The report of the Board was approved on 17th July 2025 and signed on its behalf by:



Qadeer Kiani OBE
Chair
17 July 2025

On Behalf Of The Board





Financial Statements

For The Year Ended
31 March 2025

Independent Auditor's Report

Opinion

We have audited the financial statements of Hightown Housing Association Limited (the Association) for the year ended 31 March 2025 which comprise the Statement of Comprehensive Income, Statement of Changes in Reserves, Statement of Financial Position, Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies in Note 2. 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 Association's affairs as at 31 March 2025 and of the Association's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

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 Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Strategic Report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information. Our opinion on the financial statements does not cover the other information and, 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 or the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- the Association has not kept adequate accounting records; or
- the Association's financial statements are not in agreement with books of account; 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 Board's Responsibilities set out on page 78, 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 Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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.

Extent to which the Audit was Considered Capable of Detecting Irregularities, Including Fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the Association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Co-operative and Community Benefit Societies Act, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022,

Independent Auditor's Report

Continued

- tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
 - We gained an understanding of the controls that the Board have in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
 - The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing recognising the nature of the Association's activities and the regulated nature of the Association's activities.
 - We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
 - We enquired of the Board about actual and potential litigation and claims.
 - We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
 - In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

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

Use of our report

This report is made solely to the Association's members, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and Section 128 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 the Association's members as a body for our audit work, for this report, or for the opinions we have formed.

Beever and Struthers

Beever and Struthers

Statutory Auditor
Chartered Accountants
150 Minories, London EC3N 1LS
Date: August 2025


Statement of Comprehensive Income


For the year ended 31 March 2025

		2025	2024
	Note	£'000	£'000
TURNOVER	3	127,594	120,969
Cost of sales	3	(13,762)	(18,055)
Operating costs	3	(76,337)	(65,478)
Surplus on sale of properties & other fixed assets	6	3,420	4,918
Increase in valuation of investment properties	12	-	100
OPERATING SURPLUS	3,6	40,915	42,454
Interest receivable and similar income	28	357	226
Interest and financing costs	7	(37,213)	(32,048)
SURPLUS FOR THE YEAR		4,059	10,632
Actuarial gain/(loss) on defined benefit pension schemes	29	286	(828)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		4,345	9,804

All activities are continuing.
The notes on pages 90 to 127 form part of these financial statements.
The financial statements were approved by the Board on 17th July 2025.


Qadeer Kiani OBE
Chair


Sarah Barton
Board Member


Trudi Kleanthous
Secretary

Statement of Changes in Reserves

For the year ended 31 March 2025

	Income and Expenditure Reserve
	£'000
BALANCE AS AT 1 APRIL 2023	206,295
Surplus for the year 2023/24	10,632
	216,927
Actuarial loss relating to defined benefit pension schemes	(828)
Other comprehensive income for the year	(828)
BALANCE AT 31 MARCH 2024	216,099
BALANCE AS AT 1 APRIL 2024	216,099
Surplus for the year 2024/25	4,059
	220,158
Actuarial loss relating to defined benefit pension schemes	286
Other comprehensive income for the year	286
BALANCE AT 31 MARCH 2025	220,444

The notes on pages 90 to 127 form part of these financial statements.

Statement of Financial Position

As at 31 March 2025

		2025	2024
	Note	£'000	£'000
TANGIBLE FIXED ASSETS			
Housing properties	10	1,216,580	1,127,802
Other fixed assets	11	6,244	6,057
Investment properties	12	4,350	4,350
Investments	13	30	30
TOTAL FIXED ASSETS		1,227,204	1,138,239
CURRENT ASSETS			
Properties for sale	14	17,951	23,672
Trade and other debtors	15	8,444	8,530
Cash and cash equivalents	16	17,568	16,596
		43,963	48,798
CREDITORS: Amounts falling due within one year	17	(60,246)	(31,176)
NET CURRENT ASSETS		(16,283)	17,622
TOTAL ASSETS LESS CURRENT LIABILITIES		1,210,921	1,155,861
CREDITORS: Amounts falling due after more than one year	18	(987,661)	(935,854)
PROVISION FOR LIABILITIES			
Pension Liability	29	(2,816)	(3,908)
TOTAL NET ASSETS		220,444	216,099
CAPITAL AND RESERVES			
Share capital	23	-	-
Income and Expenditure Reserve		220,444	216,099
TOTAL RESERVES		220,444	216,099

The notes on pages 90 to 127 form part of these financial statements.

TheThe financial statements were approved by the Board and authorised for issue on 17th July 2025.

Qadeer Kiani OBE
Chair

Sarah Barton
Board Member

Trudi Kleanthous
Secretary

Statement of Cash Flows

For the year ended 31 March 2025

		2025	2024
	Note	£'000	£'000
NET CASH FROM OPERATING ACTIVITIES	28	63,290	68,312
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets – housing properties		(102,225)	(116,085)
Purchase of fixed assets – other	11	(546)	(1,341)
Purchase of investment properties	12	-	(920)
Receipt of grant	19	12,601	14,224
Interest received and income from investments		357	226
Net cash from investing activities		(89,813)	(103,896)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid	7	(40,265)	(33,384)
New loans	21	75,000	200,000
Debt issue costs incurred	21	(836)	(453)
Repayment of loans	21	(6,404)	(130,801)
Net cash used in financing activities		27,495	35,362
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		972	(222)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		16,596	16,818
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		17,568	16,596

The notes on pages 90 to 127 form part of these financial statements.



Notes to the Financial Statements

1 LEGAL STATUS

Hightown Housing Association Limited (the "Association"; "Hightown") was incorporated on 19 July 1967. It is registered with the Financial Conduct Authority under the Co-operative and Community Benefit Societies Act 2014 with registration 18077R and registered with the Regulator of Social Housing as a registered housing provider with registration L2179. It is a single legal entity - there are no subsidiaries and no joint ventures. It is an Exempt Charity.

2 ACCOUNTING POLICIES

Financial Reporting Standards

The financial statements of the Association are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with The Accounting Direction for Private Registered Providers of Social Housing 2022 and the Housing and Regeneration Act 2008.

The Association meets the definition of a public benefit entity (PBE).

The Board is satisfied that the current accounting policies are the most appropriate for the Association.

Significant judgements and estimates

The preparation of the financial statements require management to make significant judgements and estimates.

The items in the financial statements where these judgements have been made include:

Capitalisation of property development costs

Judgement is required to identify the point in a development scheme project where the scheme is more likely to go ahead than not to continue, thus allowing capitalisation of the associated development costs. After capitalisation, management monitor the asset and consider whether any changes indicate that any impairment has arisen.

Indicators of impairment

Whether there are indicators of impairment of the Association's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. The Board have considered the measurement basis to determine the recoverable amount of assets where there are indicators of impairment based on EUV-SH (Existing Use Value - Social Housing) or depreciated replacement cost. The Board have also considered impairment based on their assumptions to define cash or asset generating units.

Leases

Whether leases entered into by the Association either as a lessor or as a lessee are operating leases or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Asset categorisation

The categorisation of housing properties as investment properties or property, plant and equipment based on the use of the asset.

Cash generating unit

The Association has identified cash generating units for impairment assessment purposes at a property scheme level.

Investment properties

The Association carries its investment property at fair value, with changes in fair value being recognised in The Statement of Comprehensive Income. The Association engaged independent valuation specialists to determine fair value at the reporting period date. The valuer used a valuation technique based on a discounted cash flow model. The determined fair value of the investment property is most sensitive to the estimated yield as well as the long-term vacancy rate. The key assumptions used to determine the fair value of investment property are further explained in Note 12.

Pensions

The cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population bonds on which the discount rate is based, on the basis that they do not represent high quality bonds. The mortality rate is based on publicly available mortality tables for the specific sector. Future salary increases and pension increases are based on expected future inflation rates for the respective sector. Further details are given in Note 29A.

The items in the financial statements where these estimates have been made include:

Allocation of costs for mixed tenure developments

On a scheme with a mixed tenure development (i.e. it includes both Affordable rented properties and Shared Ownership properties) an allocation of the land cost, property build costs, professional fees and other costs is made between the relevant units.

Allocation of costs for shared ownership properties

Where costs are not separately invoiced, costs are allocated to shared ownership properties on the basis of the split of the scheme units.

Recoverability of the cost of properties developed for shared ownership sale

Management review the housing market regularly and ensure that properties remain in demand. Management have controls in place in the form of build contracts and contingency budget to prevent or minimise the risk of overspends on estimated construction cost.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to the potential technological obsolescence that may change the utility of IT equipment and software, changes to decent homes standards which may require more frequent replacement of key components and changes to the ability to let the property may reduce the economic life of the property. The total of accumulated depreciation appears in Notes 10 and 11.

Rent and other income receivable

The estimate for receivables relates to the recoverability of the balances outstanding at year end. A review is performed on an individual debtor basis to consider whether each debt is recoverable. Provisions are made where appropriate.

Turnover

Turnover comprises rental income receivable in the year, income from property sales, other services included at the invoiced value (excluding VAT) of goods and services supplied in the year and revenue grants. Turnover is recognised on the following basis:

- Rental income is recognised on a time apportioned basis and is stated net of losses from void properties;
- Fees and income from the provision of Residential Care, Supporting People and Management Services are recognised as the services are provided;
- Income paid in respect of cyclical and major repairs is deferred until such time as the related

Notes to the Financial Statements

expenditure is incurred;

- Income from the sale of First Tranche Shared Ownership properties is recognised on legal exchange.

Value Added Tax

The Association charges value added tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure. The majority of the Association's income is classed as Exempt from VAT and therefore any VAT incurred in the delivery of those services cannot be recovered. The financial statements include VAT to the extent that it is suffered by the Association and not recoverable from His Majesty's Revenue and Customs. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset as appropriate.

Irrecoverable VAT is charged to the income and expenditure account and is allocated to the different activities on the same basis as the corresponding costs are allocated.

Holiday Pay Accrual

A liability has been recognised to record any unused holiday pay entitlement accrued at the year-end date and accrued to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the reporting date.

Interest Payable

Interest is capitalised on borrowings to finance developments to the extent that it accrues in respect of the period of development if it represents either:

- a) Interest on borrowings specifically financing

the development programme after deduction of interest on social housing grant (SHG) in advance; or

- b) Interest on borrowings of the Association as a whole after deduction of interest on SHG in advance to the extent that they can be deemed to be financing the development programme.

Interest is capitalised from the date of the site acquisition to the date of practical completion. Other interest payable is charged to the income and expenditure account in the year.

Pensions

The Association participates in four multi-employer defined benefit schemes; the Social Housing Pension Scheme (SHPS), the Pensions Trust Growth Plan, the Buckinghamshire Council Pension Fund and the NHS Pension Scheme. The latter two schemes relate to employees who transferred to the Association under the Transfer of Undertakings (Protection of Employment) Regulations (TUPE).

In the preparation of these financial statements, the requirements set out in: "Amendments to FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland: Multi-employer defined benefit plans" have been adopted.

The operating costs of providing retirement benefits to participating employees are recognised in the accounting periods in which the benefits are earned. The related finance costs, expected return on assets, and any change in fair value of the assets and liabilities are recognised in the accounting period in which they arise. The operating costs, finance costs and expected return on assets are recognised in the income and expenditure account with any changes in fair value of assets and liabilities being recognised in the statement of total recognised surpluses and deficits.

The Association also participates in a Defined

Contribution Scheme with the Social Housing Pension Scheme. This is the pension fund for most employees and auto-enrolment vehicle for the Association.

Supported Housing

The treatment of income and expenditure in respect of supported housing projects depends on whether the Association carries the financial risk or not.

Where the Association holds the support contract with the relevant commissioning authority and carries the financial risk, all the service's income and expenditure is included in the Association's income and expenditure account (see Note 3).

Where the Association has appointed an agent to provide support to the service users and the agent holds the support contract with the commissioning authority (and carries the financial risk), the income and expenditure account includes only that income and expenditure which relates solely to the Association.

Interest Rate Fixings

The Association uses interest rate fixes to reduce its exposure to future increases in the interest rates on floating rate loans. Payments made under such fixes are accrued over the payment period on a straight-line basis and adjusted against interest payable on the loans. The interest rate fixes with banks are embedded within loan agreements. There are no free-standing derivatives.

Housing Properties

Housing properties are principally properties available for rent and are stated at cost less depreciation. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period and expenditure incurred in respect of improvements.

Improvements are works to existing properties, and component replacements which have been treated separately for depreciation purposes, which result in an increase in the net rental income, such as a reduction in future maintenance costs, or result in a significant

extension of the useful economic life of the property in the business. Only the direct overhead costs associated with new developments or improvements are capitalised. Direct overhead costs comprise the costs of staff time, including salary costs and other apportioned direct costs, incurred on the developments from the date from which it is reasonably likely that the development will go ahead, to the date of practical completion.

Shared Ownership properties are split proportionately between current and fixed assets based on the first tranche proportion. The first tranche proportion is accounted for as a current asset and the related sales proceeds shown in turnover. The remaining element of the Shared Ownership property is accounted for as a fixed asset and any subsequent staircasing is treated as a part disposal of a fixed asset. Shared Ownership properties are included in housing properties at cost less any provisions needed for impairment.

Details of the cost of housing properties is shown at Note 10.

The net surplus on the sale of housing properties (including Shared Ownership property staircasing) represents proceeds less applicable cost and expenses. Any applicable social housing grant is transferred to the Recycled Capital Grant Fund held in long and short term creditors as appropriate.

Depreciation of Housing Properties

Housing properties under construction are stated at cost and are not depreciated. Freehold land is not depreciated.

The Association depreciates freehold housing properties by component so as to write down the net book value of housing properties to their estimated residual value, on a straight-line basis, over their estimated useful economic lives in the business. The depreciable amount is arrived at on the basis of original cost less residual value.

Major components are treated as separable assets and depreciated over their expected useful economic lives or the lives of the structure to which they relate if shorter, at the following annual rates:

Properties held on leases are amortised over the

Notes to the Financial Statements

Asset Component	Useful Life	Annual Depreciation Rate %
Building Structure		
- Houses	100 years	1.00%
- Flats	80 years	1.25%
Roof	80 years	1.25%
Garages	30 years	3.33%
Windows and external doors	30 years	3.33%
Bathrooms	30 years	3.33%
Electrical systems	30 years	3.33%
Lifts	30 years	3.33%
Kitchens	20 years	5.00%
Heating systems	15 years	6.66%

life of the lease or their estimated useful economic lives in the business, if shorter.

Property partially sold under shared ownership leases are not depreciated as the responsibility for repair and maintenance is held by the shared owner and the market value of Hightown’s retained equity exceeds the book cost.

Land Received At Less Than Market Value

Where land is transferred by local authorities and other public bodies for consideration below market value, the difference between the market value and the consideration given is added to cost at the time of the donation and credited to other capital grants.

Social Housing Grant

Social Housing Grant (SHG) is receivable from Homes England and local authorities. The amount

of SHG receivable is calculated on a fixed basis depending on the size, location and type of housing property. SHG due or received in advance is included as an asset or liability as appropriate. Where developments have been financed wholly or partly by social housing or other grants, the amount of the grant received has been included as deferred income and recognised in Turnover over the estimated useful life of the associated asset structure (not land), under the accruals model. SHG received in respect of revenue expenditure is credited to the income and expenditure account in the same period as the expenditure to which it relates using the accrual model set out in FRS 102 and the Housing SORP 2018 for government grants.

SHG is subordinated to the repayment of loans by agreement with Homes England. SHG released on sale of a property is normally available to be recycled and is credited to a Recycled Capital Grant Fund and included in the balance sheet in creditors. Although SHG is treated as grant for accounting purposes, it may nevertheless become repayable if the conditions under which the grant was made are not complied with, for example if the properties to which grant was designated cease to be used for the provision of affordable rental accommodation.

Other Grants

These include grants from local authorities and other organisations. Government Grants are dealt with under the accrual model within FRS 102 and are credited to the income and expenditure account in the same period as the expenditure to which they relate. Other grants are dealt with under the performance method and recognised to income and expenditure once the conditions for the grant are complete.

Impairment of Social Housing Properties

The housing property portfolio is assessed for indicators of impairment at each balance sheet date. Where indicators are identified then a detailed assessment is undertaken to compare the carrying amount of assets or cash generating units for which impairment is indicated to their recoverable amounts. An option appraisal is carried out to determine the option which produces the highest net realisable value. Valuations on rental return or potential sale proceeds are obtained and used to inform the options. The Association looks at the net realisable value, under the options available, when considering the recoverable amount for the purposes of impairment assessment. The recoverable amount is taken to be the higher of the fair value less costs to sell or value in use of an asset or cash generating unit. The assessment of value in use may involve considerations of the service potential of the assets or cash generating units concerned or the present value of future cash flows to be derived from them appropriately adjusted to account for any restrictions on their use. No properties have been valued at Value In Use – Social Purpose (VIU-SP).

Investment Properties

Investment properties consist of commercial properties not held for social benefit or for use in the business. Investment properties are measured at cost on initial recognition and subsequently carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in income or expenditure as appropriate.

Investments

Investments are held at market value. Any movement in the value of investments is recorded in the Revaluation Reserve and the Statement of Comprehensive Income.

Other Tangible Fixed Assets

Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land.

The principal annual rates used for other assets are:

Asset Type	Useful Life	Annual Depreciation Rate %
Freehold office building	50 years	2%
Furniture, fixtures and fittings	10-40 years	2½% to 10%
Computers / office equipment	3 to 5 years	33% / 20%
Motor vehicles	4 years	25%

Where assets comprise separate components as set out under housing properties depreciation policy earlier, these components are depreciated over the lives of those components.

Trust Funds

Funds held by the Association on trust for leaseholders are recognised as an asset of the Association where the Association has control of the funds. A corresponding creditor is also recognised. Leaseholders’ funds held for major repairs are maintained in separate interest-bearing accounts for this purpose and fall under a deed of trust dated 23rd June 1993. Any income received on the funds so held is credited to leaseholders.

Loan Issue Costs and Premium

In accordance with SORP 2018 the issue costs of loans have been deducted from the gross loan values. Issue costs are amortised over the period of the loan to which they relate. Similarly, the premium received on the loan proceeds from The Housing Finance Corporation (THFC) bond issue and the bLEND bond issue is amortised into the Statement of Comprehensive Income to offset interest paid over the life of the loan.

Notes to the Financial Statements

Financial Instruments

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

Financial instruments held by the Association are classified as follows:

- Financial assets such as cash are held at cost.
- Financial assets such as investments and receivables are classified as loans and receivables and held at amortised cost using the effective interest method.
- Financial liabilities such as loans are held at amortised cost using the effective interest method.

Allocation of Costs

Costs are allocated to the different categories of social housing activities on the following basis:

- Direct costs are allocated to the relevant activity.
- Where direct costs relate to a number of different activities they are apportioned to those different activities on a fair basis.
- Overhead costs are allocated to different activities, primarily based on the estimated time spent by the Association's staff in managing the different activities.

Recycled Capital Grant Fund

The Recycled Capital Grant Fund (RCGF) contains social housing grant released by property sales (other than Right to Acquire or Right to Buy) for re-use on funding new developments. If unused within a three year period from the start of the following financial year, it will be repayable to Homes England with interest. Any unused capital grant held which

it is anticipated will be either repaid or used within one year is disclosed in the balance sheet under "creditors: amounts falling due within one year". The remainder is disclosed under "creditors: amounts falling due after one year".

Mixed Tenure Schemes

The surplus on sales of properties on mixed tenure development schemes is reduced in accordance with SORP 2018. Where a development is evaluated as a single scheme with more than one element and where one or more of those elements are expected to generate a surplus and one or more of the other elements has a value at Existing Use Value – Social Housing (EUV-SH) that is below cost less attributable grant (a shortfall), then it is not appropriate to recognise all of the surplus on sale from that scheme. The sales surplus is reduced by the shortfall through the apportionment of costs to each element of the scheme.

Service Charges

All service charges are variable service charges. Where there is any difference between the estimated cost recovered from tenants and leaseholders and the actual cost incurred, any such shortfall or surplus arising is carried forward and either collected or refunded against the future years charge. Any shortfall or surplus arising is shown in the Statement of Financial Position within debtors or creditors as appropriate.

Corporation Tax

The Association is registered as a charity with His Majesty's Revenue & Customs. By virtue of S.478 Corporation Tax Act 2010, the Association is exempt from corporation tax. Should the Association become liable for corporation tax it will be calculated at the rate applicable on any surplus it generates from non-charitable activities.

3 NOTE A – PARTICULARS OF TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUS

	2025				2024			
	Turnover	Operating costs	Cost of Sales	Operating surplus	Turnover	Operating costs	Cost of Sales	Operating surplus
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
SOCIAL HOUSING LETTINGS (See Note 3B)	102,156	(63,419)	-	38,737	90,634	(58,540)	-	32,094
OTHER SOCIAL HOUSING ACTIVITIES								
First tranche low-cost home ownership sales	17,529	-	(13,762)	3,767	22,891	-	(18,055)	4,836
Charges for support services	2,934	(2,934)	-	-	2,449	(2,449)	-	-
Impairment of Development Site	-	(5,590)	-	(5,590)				
Care	4,386	(4,284)	-	102	4,378	(4,359)	-	19
	24,849	(12,808)	(13,762)	(1,721)	29,718	(6,808)	(18,055)	4,855
ACTIVITIES OTHER THAN SOCIAL HOUSING								
Commercial Properties	258	(81)	-	177	270	(68)	-	202
Other	331	(29)	-	302	347	(62)	-	285
	589	(110)	-	479	617	(130)	-	487
	127,594	(76,337)	(13,762)	37,495	120,969	(65,478)	(18,055)	37,436
SURPLUS ON SALE OF PROPERTIES & OTHER FIXED ASSETS (See Note 6A)	7,540	(4,120)		3,420				4,918
INCREASE IN VALUATION OF INVESTMENT PROPERTIES (See Note 12)				-				100
TOTAL				40,915				42,454

Notes to the Financial Statements

3 PARTICULARS OF TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUS (continued)

NOTE B – INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	General Needs Housing	Supported Housing (& housing for older people)	Low Cost Home Ownership	Residential Care Homes	Other	2025 Total	2024 Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
INCOME							
Rent receivable net of identifiable service charges	61,707	5,949	7,532	711	-	75,899	65,503
Service charge income	1,374	2,110	1,168	-	1,018	5,670	5,115
Charges for support services	-	47	-	-	-	47	45
Amortised Government Grants	1,968	399	272	7	26	2,672	2,324
Care and Support income	-	17,120	-	-	-	17,120	17,135
Other revenue grants	-	376	-	-	-	376	252
Other	38	268	7	37	22	372	260
TURNOVER FROM SOCIAL HOUSING LETTINGS	65,087	26,269	8,979	755	1,066	102,156	90,634
OPERATING EXPENDITURE							
Management	(7,088)	(3,355)	(328)	(63)	(182)	(11,016)	(8,603)
Support Service costs	-	(15,411)	-	-	-	(15,411)	(14,814)
Service charge costs	(4,007)	(2,385)	(1,002)	(470)	(815)	(8,679)	(7,693)
Routine maintenance	(7,765)	(1,548)	(26)	(175)	-	(9,514)	(8,673)
Planned maintenance	(954)	(188)	(2)	(18)	-	(1,162)	(1,794)
Major repairs expenditure	(2,726)	(314)	(71)	(20)	(95)	(3,226)	(4,088)
Bad debts	(337)	(69)	(8)	(1)	(1)	(416)	(824)
Depreciation of housing properties	(12,970)	(894)	(12)	(44)	(74)	(13,994)	(12,041)
Leasing Costs	-	-	-	-	-	-	(10)
OPERATING EXPENDITURE ON SOCIAL HOUSING LETTINGS	(35,847)	(24,164)	(1,449)	(791)	(1,167)	(63,419)	(58,540)
OPERATING SURPLUS / (DEFICIT) ON SOCIAL HOUSING LETTINGS & OTHER FIXED ASSETS	29,240	2,105	7,530	(36)	(102)	38,737	32,094
Void losses (being rental income lost as a result of property not being let, although it is available for letting).	(751)	(377)	(324)	-	-	(1,452)	(1,172)

4 SUPPORTED HOUSING MANAGED BY AGENCIES

The Association has 13 supported housing tenancies (2024:13) that are managed on its behalf under management agreements by other bodies who carry the financial risk. The Association's Statement of Comprehensive Income includes only the income and expenditure for which it retains responsibility.

5 ACCOMMODATION IN MANAGEMENT

The accommodation in management for each class of accommodation was as follows:

	1 April 2024	New units handed over	Units sold/ staircased	Other adjustments	31 March 2025
	No.	No.	No.	No.	No.
SOCIAL HOUSING					
General needs housing					
- Social Rent	2,492	23	(8)	(2)	2,505
- Affordable Rent	3,057	281		1	3,339
	5,549	304	(8)	(1)	5,844
Intermediate rent	423	5	-	4	432
Supported housing	548	-	-	83	631
Housing for older people	81	-	-	-	81
Low Cost Home Ownership (Shared Ownership)	1,338	55	(39)	(4)	1,350
LEASEHOLD PROPERTIES					
- Social Leasehold	489	-	-	15	504
- Non-Social Leasehold	339	-	-	-	339
Non-Social Rental	6	-	-	-	6
TOTAL OWNED	8,773	364	(47)	97	9,187
Accommodation managed for others	100	-	-	(26)	74
TOTAL OWNED AND MANAGED	8,873	364	(47)	71	9,261
Units in development at the year end	588				728

Notes to the Financial Statements

6 OPERATING SURPLUS

	2025	2024
	£'000	£'000
This is arrived at after charging:		
Depreciation of housing properties	13,916	11,883
Accelerated depreciation on replaced components	506	158
Depreciation of other tangible fixed assets	343	262
Operating lease rentals	278	342
Auditors' remuneration (excluding VAT)		
- fees payable to the Association's auditor for the audit of the financial statements	60	43
- for service charge examination	34	19
- for grant audits	2	2

6A SURPLUS ON SALE OF PROPERTIES & OTHER FIXED ASSETS

	Low-Cost Home Ownership Staircasing Sales	Other	Total 2025	Total 2024
	£'000	£'000	£'000	£'000
Proceeds of sales	5,858	1,682	7,540	13,709
Less: Costs of sales	(3,646)	(474)	(4,120)	(8,791)
	2,212	1,208	3,420	4,918

7 INTEREST PAYABLE AND SIMILAR CHARGES

	Note	2025	2024
		£'000	£'000
Loans and bank overdrafts		41,025	37,139
Recycled Capital Grant Fund	20	89	85
Net interest on net defined benefit pension liability		167	163
		41,281	37,387
Interest capitalised on construction of housing properties	10	(4,068)	(5,339)
		37,213	32,048
Capitalisation rate used to determine the amount of finance costs capitalised during the period		5.28%	5.19%

8 EMPLOYEES

	2025	2024
	£'000	£'000
Employee costs:		
Wages and salaries	29,022	26,311
Social security costs	2,725	2,271
Other pension costs	847	910
	32,594	29,492
Average monthly number of employees (full time equivalents):		
Administration	104	103
Development	13	13
Housing, support and care	593	550
	710	666

Staff numbers in Care & Supported Housing schemes are expressed against their standard 37.5 hour per week. Other staff numbers are expressed against their standard 35 hour week.

Notes to the Financial Statements

9 BOARD MEMBERS AND EXECUTIVE DIRECTORS

Board members

The Association introduced Board remuneration in 2023/24. Board members are not employees of the Association.

Board members receive a fee for the services that they provide in their role for Hightown.

The Remuneration & Nominations Committee review the levels of Board remuneration at least biennially with support from a suitably qualified pay and reward specialist. This review takes account of the regulatory guidance and standards set by Hightown’s chosen Code of Governance.

The amounts were as follows:

Board Member Remuneration		Total 2025	Total 2024
		£'000	£'000
Qadeer Kiani	Chair Designate, Chair from 19/09/2024	13	1
Bob Macnaughton	Board Chair – Left 19/09/2024	6	3
Cordelia Pace	Vice-Chair	9	2
Sarah Pickup	Vice-Chair – Left 19/09/2024	4	2
Sarah Barton	Board Member & Chair of Committee	8	2
Alan Head	Board Member & Chair of Committee	8	2
David Matthews	Board Member & Chair of Committee	8	2
Olayinka (Yinka) Bolaji	Board Member	7	1
Leslie Channon	Board Member	6	1
Chris Ellmore	Board Member	6	1
Zeena Farook	Board Member	6	1
		81	18

Total expenses reimbursed during the year to Board members was £774 (2024: £259).

Executive Directors.

The aggregate emoluments of the executive directors including pension contributions amounted to £1,118,714 (2024: £904,076).

The emoluments of the highest paid director, the Chief Executive was £361,497 (2024: £223,489).

The aggregate amount of compensation payable to executive directors for loss of office during the year was £122,339 (2024: £0).

The executive directors are either members of the Social Housing Pension Scheme (SHPS) as ordinary members of the defined benefit pension section with no enhanced or special terms or are members of the SHPS defined contribution section or have chosen to opt out of the workplace pension scheme.

The key management personnel of the Association are defined as the members of the Board of Management, the Chief Executive and the executive management team as disclosed on pages 3-8.

Employees

The full-time equivalent number of staff whose remuneration payable in respect of the year excluding pension contributions was more than £60,000 by salary band, was as follows:

Salary band	2025	2024
	No.	No.
£ 60,000 - £ 69,999	11	5
£ 70,000 - £ 79,999	9	11
£ 80,000 - £ 89,999	3	1
£ 90,000 - £ 99,999	2	4
£100,000 - £109,999	3	-
£150,000 - £159,999	-	3
£170,000 - £179,999	3	-
£220,000 - £230,000	-	1
£360,000 - £370,000	1	-

Transparency Standard

Under The Transparency, Influence and Accountability Standard, we provide accessible information on Hightown Housing Association Directors’ remuneration and management costs:

Directors' remuneration and management costs for 2024/25:

Measure	Cost	Total Social Housing Units Owned and/or Managed	Cost Per Social Housing Unit
The remuneration payable to the highest paid Director relative to the size of the landlord	£361,497	9,261	£39
The aggregate amount of remuneration paid to Directors relative to the size of the landlord	£1,118,714	9,261	£121
Management costs relative to the size of the landlord	£11,016,000	9,261	£1,190

Notes to the Financial Statements



10 FIXED ASSETS – HOUSING PROPERTIES

	Housing Properties held for lettings	Properties in the course of completion Rental Units	Properties in the course of completion Shared Ownership	Shared Ownership properties	Total
	£'000	£'000	£'000	£'000	£'000
COST					
At 1 April 2024	993,439	68,548	10,978	147,470	1,220,435
Additions	-	105,695	3,372	-	109,067
Capitalised Interest	-	3,713	355	-	4,068
Components Capitalised	4,581	-	-	-	4,581
Properties Completed	92,861	(92,861)	(7,621)	7,621	-
Transfer to properties held for sale	153	(11,014)	-	-	(10,860)
Disposals	(1,579)	-	-	(3,597)	(5,176)
As at 31 March 2025	1,089,455	74,081	7,084	151,495	1,322,115
LESS: DEPRECIATION					
As at 1 April 2024	92,633	-	-	-	92,633
Charge for the year	13,995	-	-	-	13,915
Eliminated on Disposals	(1,093)	-	-	-	(1,013)
As at 31 March 2025	105,535	-	-	-	105,535
NET BOOK VALUE					
As at 31 March 2025	983,920	74,081	7,084	151,495	1,216,580
As at 31 March 2024	900,807	68,548	10,977	147,470	1,127,802

EXPENDITURE ON WORKS TO EXISTING PROPERTIES

	2025 £'000	2024 £'000
Components capitalised	4,581	2,055
Amounts charged to income and expenditure account	2,917	3,686
	7,498	5,741

SOCIAL HOUSING GRANT

Deferred Capital Grant	207,166	197,253
Recycled Capital Grant Fund	1,625	1,419
Revenue Grant – I&E	2,684	2,337
Revenue Grant – Reserves	32,122	29,785
	243,597	230,794

HOUSING PROPERTIES BOOK VALUE, NET OF DEPRECIATION, COMPRISES:

Freehold land and buildings	1,164,281	1,078,445
Long leasehold land and buildings	52,299	49,357
	1,216,580	1,127,802

ADDITIONS TO PROPERTIES INCLUDE:

Development overheads capitalised	2,979	2,857
Capitalised interest	4,068	5,339

Since 1996 the Association has capitalised interest of £43.4 million within the construction cost of housing properties. It has not been possible to identify the value of capitalised interest before 1996 nor to measure the value of capitalised interest subsequently disposed of within associated property sales.

Notes to the Financial Statements

11 TANGIBLE FIXED ASSETS - OTHER

	Freehold land and buildings	Fixtures and fittings	Furniture and equipment	Computer equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000
COST						
As at 1 April 2024	7,464	508	353	878	47	9,250
Additions	9	-	-	537	-	546
Disposals	(14)	(12)	-	-	(47)	(73)
As at 31 March 2025	7,459	496	353	1,415	-	9,723
LESS: DEPRECIATION						
As at 1 April 2024	1,757	329	303	776	28	3,193
Charged in year	139	34	15	147	9	344
Released on disposal	(14)	(7)	-	-	(37)	(58)
As at 31 March 2025	1,882	356	318	923	-	3,479
NET BOOK VALUE						
As at 31 March 2025	5,577	140	35	492	-	6,244
As at 31 March 2024	5,707	179	50	102	19	6,057

12 INVESTMENT PROPERTIES

	2025	2024
	£'000	£'000
At 1 April	4,350	3,330
Additions	-	920
Increase in value	-	100
At 31 March	4,350	4,350

Investment properties are valued annually on 31 March at fair value, determined by an independent, professionally qualified valuer. The valuations were undertaken in accordance with the Royal Institution of Chartered Surveyors' Appraisal and Valuation Manual.

The surplus on revaluation of investment property arising of £0 (2024: £100,000) has been credited to the Statement of Comprehensive Income for the year. The construction cost of the investment properties was £2.435m.

13 INVESTMENTS

	2025	2024
	£'000	£'000
At 1 April	30	30
At 31 March	30	30

14 PROPERTIES FOR SALE

	2025	2024
	£'000	£'000
Shared Ownership properties under construction	7,084	10,977
Shared Ownership properties awaiting sale	5,269	12,366
Other vacant properties awaiting sale	11,189	329
Land and Property Impairment	(5,591)	-
	17,951	23,672

	No.	No.
Shared Ownership properties awaiting sale	36	85
Other vacant properties awaiting sale	4	6
	40	91

The stock of Shared Ownership properties is the cost of the anticipated first tranche sale to shared owners.



Notes to the Financial Statements

15 DEBTORS

	2025	2024
	£'000	£'000
DUE WITHIN ONE YEAR		
Rent and service charge arrears	3,960	3,741
Less: Provision for bad and doubtful debts	(2,901)	(2,683)
	1,059	1,060
Estate service charges recoverable	740	553
Trade debtors	39	1,228
Other debtors	2,128	1,876
Prepayments and accrued income	4,478	3,813
	8,444	8,530

16 BANK AND CASH

	2025	2024
	£'000	£'000
Bank accounts held in trust	2,687	2,694
Other bank accounts	14,881	13,902
	17,568	16,596

Under loan agreements with The Housing Finance Corporation (THFC) and bLEND Funding plc, the Association is required to deposit cash funds equivalent to 12 months interest. This sum of £3.4 million (2024 £3.4 million) is included above.

17 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

		2025	2024
	Note	£'000	£'000
Debt	21	32,440	5,557
Trade creditors		5,515	5,048
Rent and service charges received in advance		3,924	3,168
Recycled Capital Grant Fund	20	548	386
Other taxation and social security		647	543
Deferred Capital Grant	19	2,646	2,442
Other creditors		1,749	1,460
Pension deficit reduction payments		1	-
Development and works retentions		6,333	6,031
Accruals and deferred income		6,443	6,541
		60,246	31,176

18 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

		2025	2024
	Note	£'000	£'000
Debt	21	775,424	733,567
Recycled Capital Grant Fund	20	1,077	1,033
Premium on THFC Loan Issue *		2,059	2,204
Premium on bLEND Loan Issue *		741	825
Deferred Capital Grant	19	204,520	194,811
Leaseholder Sinking Funds		100	91
Leaseholder Trust Funds		2,797	2,546
Development and works retentions		943	777
		987,661	935,854

* The Association has received the proceeds of bonds issued at a premium to par. These premiums will be amortised to the Statement of Comprehensive Income over the remaining lives of the loans to offset interest paid as below:

January 2011
The Housing Finance Corporation (THFC)
14 years remaining

March 2019
bLEND Funding Plc
9 years remaining

Notes to the Financial Statements

19 DEFERRED CAPITAL GRANT

		2025	2024
	Note	£'000	£'000
At 1 April		197,253	184,910
Grant received in year		12,601	14,224
Grant recycled from RCGF		450	750
Grant recycled to RCGF		(454)	(294)
Released to income in the year	3	(2,684)	(2,337)
At 31 March		207,166	197,253
Amounts to be released within one year	17	2,647	2,442
Amounts to be released in more than one year	18	204,519	194,811
		207,166	197,253

20 RECYCLED CAPITAL GRANT FUND (RCGF)

	2025	2024
	£'000	£'000
HOMES ENGLAND		
Opening balance 1 April	1,419	1,748
Inputs to RCGF:		
Grant recycled from Deferred Capital Grant	454	294
Grant recycled from Statement of Comprehensive Income	113	42
Interest accrued	89	85
Recycling of grant:		
New build	(450)	(750)
Closing balance 31 March	1,625	1,419

21 DEBT ANALYSIS

	2025	2024
	£'000	£'000
LOANS		
Due within one year	33,406	6,404
Between one and two years	16,010	33,406
Between two and five years	307,417	232,572
After five years	454,988	470,843
Total after one year	778,415	736,821
Total loans	811,821	743,225
UNAMORTISED LOAN COSTS		
Due within one year	(966)	(846)
Between one and two years	(973)	(782)
Between two and five years	(921)	(1,157)
After five years	(1,097)	(1,316)
Total after one year	(2,991)	(3,255)
Total unamortised loan costs	(3,957)	(4,101)
TOTAL		
Due within one year	32,440	5,557
Between one and two years	15,037	32,624
Between two and five years	306,496	231,416
After five years	453,891	469,527
Total after one year	775,424	733,567
Total	807,864	739,124

Security

Loans are secured by fixed charges on individual housing properties except for £58.5 million of unsecured loans from Retail Charity Bonds plc and a £100.0 million Green Note Purchase Agreement. Unencumbered assets of £206.5 million are retained to cover this liability.

Terms of repayment and interest rates

The loans are repayable at intervals varying from half-yearly to annual and bullet repayments on maturity. Instalments of loans fall to be repaid in the period 2025 to 2044 (2024: to 2043).

The average interest rates payable on fixed rate loans at 31 March 2025 was 4.42% (2024: 4.42%) ranging from 1.42% to 10.47% (2024: 1.42% to 10.47%). Floating rates are linked to SONIA plus agreed loan margin. The average rate of interest on all loans at 31 March 2025 was 4.93% (2024: 5.17%). The weighted average rate of interest during 2024/25 was 5.15% (2024: 5.20%).

At 31 March 2025, the Association had £85.0 million of secured loan facilities (2024: £135.0 million) available to draw.

Notes to the Financial Statements

22 NET DEBT RECONCILIATION

	1 April 2024	Cash flows	Non-cash changes	31 March 2025
	£'000	£'000	£'000	£'000
Cash at Bank	16,596	972	-	17,568
Loans	(743,225)	(68,596)	-	(811,821)
Loan fees	4,101	-	(145)	3,956
Net Debt	(722,528)	(67,624)	(145)	(790,297)

The non-cash movement represents the in-year movement in unamortised loan fees.

23 SHARE CAPITAL

	2025	2024
	£ & No	£ & No
SHARES OF £1 EACH, ISSUED AND FULLY PAID		
As at 1 April	24	23
Shares issued in the year	3	2
Shares cancelled in the year	(1)	(1)
As at 31 March	26	24

The shares provide members with the right to vote at general meetings but do not provide any rights to dividends or distributions on a winding up. All Board members are shareholders.

24 FINANCIAL COMMITMENTS

	2025	2024
	£'000	£'000
CAPITAL EXPENDITURE		
Expenditure contracted for but not provided in the accounts	132,099	99,928
Expenditure authorised by the Board but not contracted	29,733	152,450
	161,832	252,378

The Association is forecasting to spend £62.1 million of the contracted commitments in 2025/26.

This will be financed by use of first tranche sales of shared ownership units, social housing grant, cash in hand, revenue cash surpluses generated in the year and the balance from the undrawn committed loan facilities.

A further £47.2 million contracted commitment is forecast to be spent in 2026/27 and the remaining £22.8 million forecast to be spent over the 5 years thereafter. The Association's policy is to ensure that expenditure is only committed as funding resources are available subject to complying with its policy on maintaining financial headroom on loan facilities.

25 LEASING COMMITMENTS

The payments which the Association is committed to make under operating leases are as follows:

	2025	2024
	£'000	£'000
OFFICE EQUIPMENT AND VEHICLES:		
- Within one year	54	73
- Between one and five years	105	112
	159	185

Notes to the Financial Statements

26 FINANCIAL LIABILITIES

The Association’s financial liabilities are Sterling denominated. After taking into account interest rate fixings, the interest rate profile of the Association’s financial liabilities at 31 March is as below:

	Note	2025 £'000	2024 £'000
Floating rate		354,122	284,800
Fixed rate		457,699	458,425
		811,821	743,225
Loan costs		(3,957)	(4,101)
Total	21	807,864	739,124

The fixed rate financial liabilities have a weighted average interest rate of 4.42% (2024: 4.42%) and the weighted average period for which fixed is 8.8 years (2024: 9.8 years).

27 RELATED PARTIES

There were no related party transactions.

28 CASH FLOW FROM OPERATING ACTIVITIES

	Note	2025 £'000	2024 £'000
SURPLUS FOR THE FINANCIAL YEAR		4,345	9,804
Adjustments for:			
Depreciation of fixed assets – housing properties	10	13,995	12,041
Depreciation of fixed assets included in disposals	10	(1,093)	(752)
Depreciation of fixed assets – other	11	348	264
Impairment of fixed assets – land/housing properties		5,590	-
Amortised grant	3,10,19	(2,684)	(2,337)
Unrealised (gain) on revaluation of investment properties	12	-	(100)
Interest payable and finance costs	7	37,214	32,048
Interest received and income from investments		(357)	(226)
Actuarial (gain)/loss on defined benefit scheme	29	(286)	828
Non-cash movement on DB pension		(806)	(964)
Surplus on sale of fixed assets – housing properties		(3,417)	(4,918)
Surplus on sale of fixed assets – other	3	(3)	-
Proceeds on sale of fixed assets – housing properties		8,754	14,550
Transaction costs for sale of housing properties		(163)	(741)
Proceeds from sale of fixed assets - other		13	-
Increase in stocks	14	131	8,321
Increase/(decrease) in debtors	15	86	(1,235)
Increase in trade and other creditors	17	1,623	1,729
NET CASH FROM OPERATING ACTIVITIES		63,290	68,312



Notes to the Financial Statements

29 PENSIONS

Hightown Housing Association Limited (Hightown) participates in four multi-employer Defined Benefit schemes:

- a) the Social Housing Pension Scheme (SHPS);
- b) the Pensions Trust Growth Plan,
- c) the Buckinghamshire Council Pension Fund; and
- d) the NHS Pensions Scheme.

The latter two schemes relate to employees who transferred to Hightown under the Transfer of Undertakings (Protection of Employment) Regulations (TUPE).

Hightown also participates in the Social Housing Pension Scheme Defined Contribution section as its auto-enrolment scheme for workplace pensions for all new employees since 1 November 2013.

Prior to this date, Hightown operated Defined Benefits structures within SHPS as follows:

1 April 2010 to 31 October 2013	1 April 2007 to 31 March 2010	Prior to 1 April 2007
Career Average Revalued Earnings (CARE) section with 1/80 th accrual	Career Average Revalued Earnings (CARE) section with 1/60 th accrual	Final Salary Scheme section with 1/60 th accrual

These defined benefit sections are closed to new entrants but there remain 20 active employees who continue to accrue future benefits.

An analysis of the SHPS membership is as follows:

31 March 2025	Final Salary 1/60 th	Final Salary 1/80 th	CARE 1/60 th	CARE 1/80 th	CARE 1/120 th	Defined Benefit Sub Total	SHPS DC	Total
Active	-	4	2	4	7	17	809	826
Deferred	75	-	30	31	3	139	1,458	1,597
Pensioner	117	-	21	2	-	140	-	140
Dependant	1	-	-	-	-	1	-	1
Total	193	4	53	37	10	297	2,267	2,564

31 March 2024	Final Salary 1/60 th	Final Salary 1/80 th	CARE 1/60 th	CARE 1/80 th	CARE 1/120 th	Defined Benefit Sub Total	SHPS DC	Total
Active	-	4	4	4	8	20	809	829
Deferred	77	-	33	31	2	143	1,355	1,498
Pensioner	116	-	18	2	-	136	-	136
Dependant	1	-	-	-	-	1	-	1
Total	194	4	55	37	10	300	2,164	2,464

29A SOCIAL HOUSING PENSION SCHEME (SHPS)

Hightown participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 521 non-associated employers. The Scheme is a defined benefit scheme in the UK.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2023. This valuation revealed the deficit reduction has fallen substantially from £1,560 million to £693 million. A Recovery Plan has been put in place with the aim of removing this deficit by 31 March 2028.

The Scheme is classified as a 'last person standing arrangement'. Therefore, Hightown is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating

employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive.

The latest accounting valuation was carried out with an effective date of 30 September 2024. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2025 to 28 February 2026 inclusive.

The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

Hightown has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Scheme, based on the financial position of the scheme as at 30 September 2024. As at this date the estimated employer debt for Hightown was £7,443,699 (30 September 2021: £19,637,953).

Fair Value Of Plan, Present Values Of Defined Benefit Obligation, And Defined Benefit Asset (Liability)

	31 March 2025	31 March 2024
	£'000	£'000
Fair value of plan assets	16,676	16,896
Present value of defined benefit obligation	19,492	20,804
Deficit in plan	(2,816)	(3,908)
Defined benefit liability to be recognised	(2,816)	(3,908)
Net defined benefit liability to be recognised	(2,816)	(3,908)

Notes to the Financial Statements

Reconciliation Of Opening And Closing Balances Of The Defined Benefit Obligation

	Period ended 31 March 2025	Period ended 31 March 2024
	£'000	£'000
Defined benefit obligation at start of period	20,804	21,186
Current service cost	(9)	(39)
Expenses	26	26
Interest expense	1,004	1,014
Member contributions	129	161
Actuarial (gains)/losses due to scheme experience	743	(331)
Actuarial (gains) due to changes in demographic assumptions	-	(232)
Actuarial (gains) due to changes in financial assumptions	(2,444)	(115)
Benefits paid and expenses	(761)	(866)
Defined benefit obligation at end of period	19,492	20,804

Reconciliation Of Opening And Closing Balances Of The Fair Value Of Plan Assets

	Period from 31 March 2024 to 31 March 2025	Period from 31 March 2023 to 31 March 2024
	£'000	£'000
Fair value of plan assets at start of period	16,896	17,341
Interest income	836	851
Experience on plan assets (excluding amounts included in interest income) - (loss)/gain	(1,423)	(1,550)
Employer contributions	999	959
Member contributions	129	161
Benefits paid and expenses	(761)	(866)
Fair value of plan assets at end of period	16,676	16,896

The actual return on the plan assets (including any changes in share of assets) over the period from 31 March 2024 to 31 March 2025 was (£587,000) (2024: (£699,000)).

Defined Benefit Costs Recognised In Statement Of Comprehensive Income (SOCl)

	Period from 31 March 2024 to 31 March 2025	Period from 31 March 2023 to 31 March 2024
	£'000	£'000
CLASS OF ASSET		
Current service cost	(9)	(39)
Expenses	26	26
Net interest expense	168	163
Defined benefit costs recognised in statement of comprehensive income (SOCl)	185	150

Defined Benefit Costs Recognised In Other Comprehensive Income (OCI)

	31 March 2025	31 March 2024
	£'000	£'000
CLASS OF ASSET		
Experience on plan assets (excluding amounts included in net interest cost) - (loss)/gain	(1,423)	(1,550)
Experience gains and losses arising on the plan liabilities - (loss)/gain	(743)	331
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain	-	232
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain	2,444	115
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain/(loss)	278	(872)
Total amount recognised in other comprehensive income - gain/ (loss)	278	(872)

Notes to the Financial Statements

Assets

	31 March 2025	31 March 2024
	£'000	£'000
CLASS OF ASSET		
Global Equity	1,868	1,684
Absolute Return	-	660
Distressed Opportunities	-	596
Credit Relative Value	-	554
Alternative Risk Premia	-	536
Liquid alternatives	3,092	-
Emerging Markets Debt	-	219
Risk Sharing	-	989
Insurance-Linked Securities	51	87
Property	835	678
Infrastructure	3	1,707
Private Equity	15	14
Real Assets	1,997	-
Private Debt	-	665
Opportunistic Illiquid Credit	-	660
Private Credit	2,041	-
Credit Relative Value	638	-
Investment Grade Credit	513	-
High Yield	-	3
Cash	226	333
Long Lease Property	5	109
Secured Income	278	504
Liability Driven Investment	5,051	6,876
Currency Hedging	27	(7)
Net Current Assets	36	29
TOTAL ASSETS	16,676	16,896

None of the fair values of the assets shown above include any direct investments in the employer’s own financial instruments or any property occupied by, or other assets used by, the employer.

Key Assumptions

	31 March 2025	31 March 2024
	% per annum	% per annum
Discount Rate	5.82	4.90
Inflation (RPI)	3.10	3.15
Inflation (CPI)	2.79	2.78
Salary Growth	3.79	3.78
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2025 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2025	20.5
Female retiring in 2025	23.0
Male retiring in 2045	21.7
Female retiring in 2045	24.5

Notes to the Financial Statements

29B THE SHPS GROWTH PLAN

The company participates in the scheme, a multi-employer scheme which provides benefits to some 521 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a ‘last person standing arrangement’. Therefore, the company is potentially liable for other participating employers’ obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2023. This valuation showed assets of £514.9m, liabilities of £531.0m and a deficit of £16.1m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2025 to 31 January 2028	£2,100,000 per annum (payable monthly)
--------------------------------------	--

Unless a concession has been agreed with the Trustee the term to 31 January 2028 applies.

Note that the scheme’s previous valuation was carried out with an effective date of 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m.

To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2022 to 30 September 2025	£3,312,000 per annum (payable monthly)
--	--

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where Hightown has agreed to a deficit funding arrangement Hightown recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Present Values Of Provision

	31 March 2025	31 March 2024	31 March 2023
	£'000	£'000	£'000
Present value of provision	4	1	3

Reconciliation Of Opening And Closing Provisions

	Period Ending 31 March 2025	Period Ending 31 March 2024
	£'000	£'000
Provision at start of period	1	3
Deficit contribution paid	(1)	(2)
Remeasurements - amendments to the contribution schedule	4	-
Provision at end of period	4	1



Notes to the Financial Statements

Income And Expenditure Impact

	Period Ending 31 March 2025	Period Ending 31 March 2024
	£'000	£'000
Remeasurements – amendments to the contribution schedule	4	-

Assumptions

	31 March 2025	31 March 2024	31 March 2023
	% per annum	% per annum	% per annum
Rate of discount	4.84	5.31	5.52

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

Hightown has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2024. As of this date the estimated employer debt for Hightown was £15,691 (2024: £14,818).

29C BUCKINGHAMSHIRE COUNCIL PENSION FUND

Plan Characteristics and Associated Risks

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

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

As administering authority to the Fund, Buckinghamshire Council, after consultation with the Fund Actuary and other relevant parties, is responsible for the preparation and maintenance of the Funding Strategy Statement and the Investment Strategy Statement. These should be amended when appropriate based on the Fund's performance and funding.

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

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

In general, participating in a defined benefit pension scheme means that the Employer is exposed to a number of risks:

- Investment risk. The Fund holds investment in asset classes, such as equities, which have volatile market values and while these assets are expected to provide real returns over the long-term, the short-term volatility can cause additional funding to be required if a deficit emerges;
- Interest rate risk. The Fund's liabilities are assessed using market yields on high quality corporate bonds to discount future liability cashflows. As the Fund holds assets such as equities the value of the assets and liabilities may not move in the same way;
- Inflation risk. All of the benefits under the Fund are linked to inflation and so deficits may emerge to the extent that the assets are not linked to inflation; and
- Longevity risk. In the event that the members live longer than assumed a deficit will emerge in the Fund. There are also other demographic risks.
- Climate risk can be grouped into two categories; Physical and Transitional risks. Physical risks are direct risks associated with an increased global temperature such as heatwaves and rising sea levels. Transitional risks are the costs of transitioning to a low carbon economy. These risks will manifest themselves in many of the other risks detailed above which the fund is exposed to, for example investment returns may be affected.
- Regulatory risk. Regulatory uncertainties could result in benefit changes to past or future benefits which could result in additional costs.

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

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

Notes to the Financial Statements

Employer Membership Statistics

The membership data as at 31 March 2022 is as follows:

Member data	Number	Salaries/ Pensions £'000	Average Age (Years)
Actives	1	28	59
Deferred Pensioners	2	18	59
Pensioners	5	24	72

The service cost for the year ending 31 March 2025 is calculated using an estimate of the total pensionable payroll during the year. The estimated total pensionable payroll during the year is £34,000. The projected service cost for the year ending 31 March 2025 has been calculated using an estimated payroll of £34,000.

Scheduled Contributions

The table below summarises the minimum employer contributions due from Hightown to the Fund over this inter-valuation period. The calculated cost of accrual of future benefits is 28.8% of payroll p.a.

Minimum employer contributions due for the period beginning	1 April 2025	1 April 2024	1 April 2023
Percent of payroll	28.8%	28.8%	28.8%
Plus monetary amount (£'000)	-	-	5

Statement Of Financial Position

NET PENSION DEFICIT AS AT	31 March 2025	31 March 2024	31 March 2023
	£'000	£'000	£'000
Present value of the defined benefit obligation	829	887	875
Fair value of Fund assets (bid value)	935	914	840
Restriction of Pension Asset to nil	(106)	(27)	-
Deficit	-	-	35

Statement Of Profit or Loss For The Year

THE AMOUNTS RECOGNISED IN THE INCOME AND EXPENDITURE STATEMENT	Year to 31 March 2025	Year to 31 March 2024	Year to 31 March 2023
	£'000	£'000	£'000
Service Cost	8	7	12
Net interest on the defined liability	(1)	1	7
Administration expenses	1	1	1
Total loss	8	9	20

29D NHS PENSION SCHEME

At the 31st March 2025, there was 1 active member in the NHS scheme (2024: 2) who transferred to Hightown under TUPE arrangements. The NHS scheme is an unfunded Government scheme and no pension fund deficit liability arises to Hightown.

30 CONTINGENT LIABILITY – SOCIAL HOUSING PENSION SCHEME

We were notified in 2021 by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee is seeking clarification from the Court on these items, and this process is ongoing with the Court's determination expected no earlier than Summer 2025.

It is estimated that this could potentially increase the value of the full Scheme liabilities by £155m. We note that this estimate has been calculated as at 30 September 2022 on the Scheme's Technical Provisions basis. Until the Court direction is received, it is unknown whether the full (or any) increase in liabilities will apply and therefore, in line with the prior year, no adjustment has been made in these financial statements in respect of this.

31 CONTINGENT ASSET

The Association has submitted an insurance claim in respect of the cost incurred in repairing structural defects covered by Elite Insurance Company Limited which is in administration. The claim has been accepted by the appointed insolvency administrators at £3.4m. The value and timing of the actual settlement is uncertain and accordingly no accrual for this potential income can be posted in these financial statements.



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Hightown Housing Association Limited
Co-Operative and Community Benefit Society Registration No. 18077R
Regulator of Social Housing Registration No. L2179