



FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

Co-operative and Community Benefit Society Registration No. 26219R

Regulator of Social Housing Registration No. LH3796

WESTWAY HOUSING ASSOCIATION LIMITED
BOARD REPORT FOR THE YEAR ENDED 31 MARCH 2023

We have performed better than peer group and own targets as measured under the RSH's VfM metrics for the sector. In particular, our operating margin on social housing lettings and interest cover was higher whilst headline housing cost per unit was better due to tighter budgetary management, innovative working and focus on VfM across the organisation. Our return on assets was also better than target and peer group due to strong financial performance.

Rent arrears were on target and better than benchmark as was voids re-lets. Performance on repairs were generally below target but better than benchmark. In particular, we experienced challenges around contractor capacity and supply chain issues.

We are using our strong finances to increase supply of affordable housing, having boosted our stock in the year by three properties funded from our reserves. We have plans for further growth in the coming year.

As a Board, we monitor performance against our corporate plan throughout the year and continually challenge performance, considering changes in our operating environment and any current and anticipated risks that might affect the business.

BME London Group

Westway Housing Association is part of BME London landlords, a group of BME led housing organisations (Registered Social Landlords), who are working together in partnership to deliver ambitious, innovative and influential projects that provide positive outcomes and enhance value for money for our residents, communities and organisations.

The group has already demonstrated success by working in collaboration to deliver ground-breaking procurement, leadership development and employment projects.

BME London, in partnership with L&Q, continue to unlock smaller housing associations' development capacity and bring forward a range of new high quality affordable homes. In doing so we are leveraging L&Q's development capacity and expect to deliver more social homes than BME London HA's might achieve alone. This means we can achieve greater economies of scale, ensure better risk management and realise greater value for money savings.

Development

Westway HA has got strong finances and, in addition to investing in our existing housing stock, capacity to deliver its growth plans through properties acquisitions and developments. The Association is generating healthy surpluses and has a robust balance sheet with capacity to take on more debt, and further maximise the use of our asset base to deliver high quality housing.

Our strategic plan assumes organic growth, consisting of a mixture of new developments, stock transfers and acquisitions. We have set aside a specific budget to help explore development opportunities and vigorously pursue our growth strategy.

During the year, we entered into a s106 agreement with a private developer to acquire a block of twelve new flats in Hounslow. This acquisition consists of a mix of affordable and shared ownership homes which will further boost our shared ownership portfolio. We are expecting to take handover by quarter-1 in 2023/24.

The viability of developments is coming under increasing pressure driven by soaring build costs combined with capped rental income and a softening housing market. We are therefore being very selective in considering developments and only pursue opportunities that meet our internal hurdles rates. On this basis, we continue to explore opportunities with the aim of increasing our housing stock and provide the much needed affordable housing in the capital.

WESTWAY HOUSING ASSOCIATION LIMITED
BOARD REPORT FOR THE YEAR ENDED 31 MARCH 2023

The Board continue to strive for excellence in governance and a key part of this is the assessment of performance. This includes a robust annual appraisal process conducted by the Chair to assess further improvements or training needs for members.

Responsibility for the Association's day-to-day operations and implementation of the agreed strategies is delegated to the chief executive and the executive officers.

Progress against corporate priorities is reviewed quarterly by the Board with the executive officers in attendance to present strategic, operational and financial updates which also embraces new challenges and opportunities. In addition, the Board hold two Strategic Planning Away-Days which are usually held early in the new calendar year and autumn of each year. The autumn meeting, usually in September/October, is preceded by the Association's Annual General Meeting (AGM) where members are elected.

Scrutiny Function

The Tenants Committee, a wholly tenant led function, is the main consultative body and conduit between the Board and tenants and has a pivotal role to enhance and further develop tenant involvement and empowerment.

Tenant involvement is crucial to the success of the Association and we are very grateful to our active Committee members for all the work they do with us. The Committee normally meets six times a year, and arrange ad-hoc meetings as it sees fit. Up to four members of the Tenants Committee form a separate scrutiny panel to undertake an in depth service review each year.

Executive Management Team

The Association is managed by the executive management team currently comprising of the following executive officers:

Ricky Scipio	Chief Executive & Company Secretary
Leonard Brown	Acting Housing Director
Previn Tailor	Finance Director

The executive officers hold no interest in the Association's share capital and act within the delegated authority given to them by the Board. The detailed scrutiny of performance, the development of policies and procedures and expenditure approvals within budget are carried out by the executive management team.

Directors' Indemnities

Directors and officers liability insurance cover was in force during 2022/23, and remains in force, for all directors and officers to provide indemnity for the cost of claims of alleged mismanagement of the organisation. The liability insurance provides reimbursement to the organisation in such circumstances.

Employees

The Board recognises that the strength of the Association lies in the quality and commitment of its employees. Our ability to meet our objectives and commitments to our customers in an efficient and effective manner depends on the contribution of employees throughout the Association.

The Association continues to provide information on objectives, progress and activities through regular team meetings, appraisals and various other forms of communications. Focused training programmes are provided to continually enhance knowledge, skills base and teamwork necessary to deliver the objectives.

During the year, the Association was reassessed for Investors in People Gold level. Following a robust process, we retained our Gold level and were a whisker away from the Platinum level. This has culminated in initially been shortlisted in the 2023 Top 20 UK Employer of the Year Gold. This is all testimony to the work undertaken on our People Strategy, which aims to ensure that the Association remains a great place to work and employees continue to be encouraged, involved, empowered and motivated to maximise their potential.

WESTWAY HOUSING ASSOCIATION LIMITED

BOARD REPORT FOR THE YEAR ENDED 31 MARCH 2023

Equal Opportunities

Westway HA is committed to being an equal opportunities employer and service provider, ensuring equal opportunities for all customers, colleagues, contractors, suppliers and stakeholders. The Association respects and values the diversity of groups and individuals that it interacts with and the benefits this can bring. Equality, Diversity and Inclusion is achieved through having appropriate policies, supplemented with staff training and development. It is our policy to promote an environment free from discrimination, harassment and victimisation.

Internal Control

The Board recognises that it has overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness. The Board also recognises that no system of control can provide absolute assurance. This system of internal control is designed to be an important part of the control and management of risk and to provide reasonable assurance against material misstatement or loss.

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

Key elements of the internal control framework are:

- An organisational structure with clearly defined lines of responsibility and delegation of authority;
- Formal policies and procedures are in place, including the documentation of key systems and rules, which allow the monitoring of controls and restrict the unauthorised use of the Association's assets;
- Experienced and suitably qualified staff take responsibility for important business functions. Annual appraisal procedures have been established to maintain and improve standards of performance;
- Forecasts and budgets are prepared which allow the Board and senior staff to monitor the key business risks and objectives and progress towards achieving financial plans set for the year and the medium term;
- Quarterly management accounts are prepared promptly, providing relevant, reliable, up-to-date financial information, highlighting significant variances from budgets which are investigated as appropriate. Reports include cash flow projections, compliance with funding covenants, Value for Money metrics and key performance indicators to identify trends in current financial and non-financial data;
- A 30-year financial plan is presented to Board and reviewed at least annually to ensure that the Association can meet all its financial commitments. Key components of the plan are stress testing through scenario planning and mitigating strategies;
- A risk management system embedded throughout the Association;
- Regulatory returns are prepared, authorised and submitted on a timely basis to the relevant regulatory bodies;
- All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through relevant committees comprising Board Members and others;
- The Board receive reports from internal auditor who provide independent assurance to a risk based plan. The internal auditor provides a rolling programme of audits covering key areas of the Association's operations. The Auditor report directly to the Board.

18 August 2023

