



Solihull
Community Housing
Shaping our neighbourhoods

Solihull Community Housing Limited

Company Limited by Guarantee

Financial Statements
For the year ended 31 March 2026

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Officers and Professional Advisers

Directors ("the Board")	L Beckley (resigned 12 September 2025) S Ashraf (appointed 3 June 2026) D Bannigan (appointed 3 June 2026) S Buckley M Carthew (appointed 3 June 2026) B Donnelly (resigned 3 June 2026) P B Hardy R Hyde (resigned 22 June 2025) M James (appointed 3 June 2026) D Pinwell G Plange-Welbeck (appointed 3 June 2026) G Sleigh (resigned 3 June 2026) D Taber (appointed 3 June 2026) M A Thrasher S Wilson (appointed 23 June 2025)
Chief Officers	F Hughes – Chief Executive (resigned 30 January 2026) L Sugden – Interim Chief Executive (appointed 9 February 2026) S C Gilbert CPFA – Chief Financial Officer D Baggs – Executive Director of Operations P Edwards – Executive Director of Customer Experience and Corporate Support
Secretary	P Edwards
Registered Office	Endeavour House Meriden Drive Solihull B37 6BX
Registered number	04462630
Auditors	Bishop Fleming Audit Limited 55 Colmore Row Birmingham B3 2AA
Bankers	Barclays Bank plc Corporate Business Centre PO Box 333 15 Colmore Row Birmingham B3 2WN

Chair's Introduction

31 March 2026

As the Chair of Solihull Community Housing (SCH) I am pleased to present the company's financial accounts for 2025/26. As an Arms Length Management Organisation our primary focus is working alongside our shareholder, Solihull Metropolitan Borough Council (SMBC), to ensure tenants have good quality homes and receive good quality services.

We know that many of our tenants are struggling with the cost of living. Although inflation has remained broadly static in the year 2025-6, global uncertainty provides a challenging backdrop for social housing. The public sector as a whole has experienced increasing financial challenges and SMBC is one of a number of Councils that successfully applied for Exceptional Financial Support from the government in 2025 to set a 2025/26 balanced budget. National and international factors have continued to impact communities and financial support to help households affected by an increased cost of living was available for energy bills, housing rents and Council Tax.

These challenges have continued to be felt in SCH and once again we have seen increasing demand on our services which has required us to use reserves set aside to finance extraordinary financial pressures so that services to tenants and leaseholders are maintained, particularly to those more vulnerable.

Alongside SMBC, we have continued to prepare for an impending inspection by the Housing Regulator that requires the council to meet defined standards such as ensuring homes are safe, sharing information with tenants and listening to tenants. Although we don't yet know precisely when, we will see an inspection at some point over the next year or two.

We said goodbye to our Chief Executive of 10 years, Fiona Hughes who has retired following her long career having led SCH through a period of significant change. We have interim arrangements in place to cover the role of Chief Executive.

Throughout this time SCH continued to maintain focus on service delivery and achieving the 2020 – 2025 Strategic Aims (shown below). More detail is found later in this document.

- Creating Homes
- More than Bricks and Mortar
- Strengthening Communities
- Excellent Customer Services
- Passion in People

We agreed a new governance framework between SCH and the Council to commence in 2025/26 and this has now been embedded during the year.

Building safety has continued to be a primary focus and, with the support of tenants providing access, we have been able to meet targets for gas servicing and electrical installation for the residential properties, ensuring that tenants and their families are safe in their homes.

Homelessness has continued to increase in Solihull and placed further pressure on a limited supply of homes. This has also led to increased costs and contributed to the Council's financial pressures. At SCH we will continue to work in partnership with the Council to address this challenge.

Throughout the year we have continued to develop our commitment to engaging with tenants including through the Big Conversation and our SCHape Panel, and preparations to introduce a new Customer Experience Committee. We have listened to the tenants who have biomass heating in their properties and made preparations to reduce the tariff they pay for the coming year. We were successful in securing government funding to make the system work more efficiently.

We were also pleased in contributing to the Council being shortlisted in January 2026 for 'Best Small Social Housing Development' at the Local Authority Building Control awards 2025. This shows our success in partnership working with the Council resulting in the delivery of 25 energy-efficient new homes on the site of the Mountfort public house. The development features a mix of one bedroom maisonettes and three and four bedroom family homes, all designed to reduce environmental impact and lower energy bills. Each home includes air source heat pump, solar panels, electric vehicle charging points and has achieved an A-rated Energy Performance Certificate.

Chair's Introduction

31 March 2026

(continued)

Finally, can I say thank-you to our staff for their hard work and compassion throughout 2025/26 and their unwavering support for tenants, leaseholders and each other.

The following pages detail the financial position and some of the achievements for 2025/26.

[signed by Simon Wilson]

Simon Wilson
Chair
15 September 2026

Strategic Report

31 March 2026

The Company sets out below its strategic report, which aims to provide the reader of the accounts with a range of information that includes:

- Context for related financial statements
- Insight into the Company's business model, main objectives and strategy
- Descriptions of the principal risks faced and how they affect future prospects
- Analysis of past performance
- Signposting to complementary information

CONTEXT

SCH is not immune to the challenges facing the wider social housing sector. There is increasing demand for homes with longer housing waiting lists and increasing levels of homelessness. At the same time the number of social homes has reduced over the last 40 years. Like many local authorities, Solihull faces challenges in balancing demand with available supply, both for temporary accommodation to address homelessness and for longer-term housing.

Increasing regulation has placed a solid focus on building safety, customer service and damp and mould. This is to be welcomed but is accompanied by cost pressures when key cost drivers, particularly in maintenance and labour costs are running ahead of inflation. Future requirements such as Decent Homes 2 and Minimum Energy Efficiency Standards will further challenge financial capacity.

The Government's ten year rent settlement (CPI + 1%) along with their plans to implement rent convergence, which will allow providers to increase rents which are below formula level, provides some certainty and allows for longer term planning.

The new consumer regulation regime has now been operational for two years. SCH and Solihull Council, who as the registered landlord are the regulated body, work closely to ensure we are well prepared for future inspection.

We continue to perform well against the Regulator of Social Housing's Tenant Satisfaction Measures (TSMs). 77% of TSMs were performing above the sector median based on the latest benchmarking available for 2024/25 for the local authority peer group.

We are committed to working closely with our customers. During August and September, we held the SCH Big Conversation. We knocked on over 3,000 doors and spoke directly to 838 customers about our proposed priorities for the next 5 years. Our customers priorities have been reflected into our new SCH 5-year vision and delivery plan.

GOVERNANCE

Good governance is essential for SCH to achieve its objectives, drive improvement, maintain legal, regulatory and ethical standards, and provide assurance to Solihull Council as owner of the housing stock. SCH is governed by a Board of directors and during 2025/26 operated with four sub-committees – Audit and Risk, Housing Operations, Human Resources, Equalities and Remuneration and Building Safety. We have recently undertaken a review of our Committee structure and made some changes which will take effect from 2026/27. There were three primary drivers that influenced our thinking:

- To increase the voice of the customer within the governance structure
- To manage the governance burden
- To increase the visibility of human resources and equalities at Board level.

During 2026/27 we will operate with committees for Audit and Risk, Performance and Safety, Customer Experience and Remuneration.

During the Committee we recruited a new Chair with Simon Wilson replacing Richard Hyde who stood down from the Board after completing his term of office.

The Board has adopted the National Housing Federation's Code of Governance and undertake an annual review against the Code to ensure compliance is maintained and identify any new actions that may be required.

Strategic Report

31 March 2026

(continued)

ANNUAL PERFORMANCE

SCH set out our priorities for the year in our annual Delivery Plan, which is aligned to our five-year strategic vision. For 2025/26, these priorities were organised around a series of four themes (focused on the delivery of services to customers), underpinned by a set of three enablers (focused primarily on how SCH functions as an organisation). The plan is supported by five business strategies. A set of key performance indicators (KPIs) is included in the Delivery Plan.

Service performance is scrutinised rigorously, both through SCH's own structures, as well as the Council's monitoring. The SCH Board receives a quarterly update on performance exceptions and the Housing Operations Committee undertakes a full quarterly review of all key performance indicators. The Council oversees SCH performance through a Quarterly Monitoring Board, chaired by the Cabinet member for Housing, and is represented at Board meetings by the Director of Economy and Infrastructure and the Assistant Director of Housing.

Our Delivery Plan themes are illustrated in the diagram below.

Delivery Plan Themes 2025-26

Providing accessible, affordable housing solutions which meet our customers' needs



Strategic Report

31 March 2026

(continued)

The sections below set out an overview of achievements against the themes and enablers for 2025/26.

Theme: Getting the basics right

Feedback from customers clearly demonstrates that they want SCH to 'get the basics right.' This was reflected in the recommendations arising from the Better Social Housing Review commissioned by the Chartered Institute of Housing and National Housing Federation. It is also the driving force behind the work of the Housing Ombudsman and Regulator for Social Housing.

During the year we produced our Complaints Annual Report and have delivered the associated Service Improvement Plan. Following a successful pilot, we implemented a centralised complaints team which has improved the speed and quality of complaints administration as well as identifying our learning from complaints which we share with customers through our quarterly Voice of the Customer report which we introduced this year

Our SCHape tenant scrutiny panel completed a review of our repairs service. The recommendations in the review have been incorporated in a broader Repairs Performance and Continuous Improvement Plan which is being progressed. We are also introducing a revised structure in our Operations Division which will help to improve our operating model.

A new allocations scheme was introduced during the year and has been successfully implemented.

We are working closely with the Council to ensure compliance with the Consumer Standards and that we are prepared for inspection when it takes place. External support has been secured from Campbell Tickell by SMBC and we are responding to advice and recommendations which they have made including the introduction of a new assurance framework for regulation.

Theme: Safe and healthy homes

Demand for homes continues to significantly exceed supply. SCH and the Council are committed to growing the housing stock but also to improve the quality of existing homes. We are committed to providing homes that are safe and healthy - ensuring that gas, electric and other installations meet compliance standards, dealing promptly with cases of damp and mould, and also by investing in properties to improve safety and energy efficiency.

We have a 5-year rolling programme of stock condition surveys and currently 85% of the stock is surveyed. A targeted programme is being implemented to facilitate surveys to the properties not yet accessed. Data from the stock condition surveys is used to formulate the capital programme improvement works. We have implemented a programme of energy efficiency improvements funded through the government's Warm Homes: Social Housing Fund grant topped up with SCH Capital funds.

We take our responsibilities to provide safe homes for our customers extremely seriously. We closely monitor our performance in tackling the 'big 6' compliance issues (Gas, Asbestos, Fire, Electrical, Water Hygiene and Lifts), and damp and mould.

We have implemented new arrangements to ensure compliance with Awaab's Law, the new legislation on damp & mould. We have completed an internal restructure which will take effect from April 2026 and introduce a new Healthy Homes Team which will provide additional resources for inspections and works.

We have five sites in our development pipeline and are actively working on developing a new pipeline with a number of sites under review and appraisal.

Theme: Supporting people to live well

We recognise that our role is broader than as a provider of housing. We are well-placed to help local residents tackle health and wellbeing, financial, and employment issues. We work in partnership with Solihull Council and other stakeholders to provide joined-up support services that will alleviate some of the challenges and pressures faced by its residents.

Strategic Report

31 March 2026

(continued)

We have worked closely with colleagues in Adult Social Care at the Council to create a new Home Improvement Agency, Solihull Independent Living (SILS). This brings together our wellbeing service and our aids and adaptations service under a single umbrella. Bringing these services together better enables existing services to deliver valuable support which prevents delays and reduces the need for formal care. It supports those who may already have care needs to remain as independent at home for as long as possible, and supports other vital social care, housing and health services including assisting to facilitate hospital discharges, keep people safe at home and avoid care crises or admission to hospital. SILS offers a range of solutions to support people to live independently and safely within their own homes. It provides a Safe and Sound pendant alarm service with 24/7 monitoring service. It offers free home visits to check for hazards and provide low level equipment to ensure homes are safe and reduce the risk of falls. It also provides referrals to specialist support services. The Handyperson Home Support Service provides low cost support. It also undertakes major and minor adaptive works for both council and private properties to support people maintain independence within their own home. Adaptations are funded through Disabled Facilities Grants and the Housing Revenue Account (Council properties).

Theme: Delivering safer neighbourhoods

Our role is not just to provide accessible, affordable housing solutions but to work collaboratively with local people and organisations to enhance their neighbourhoods. This priority is reflected in the new Tenant Satisfaction Measure, assessing whether a landlord makes a positive contribution to the local area. A core component of this is tackling anti-social behaviour, domestic abuse and other safeguarding challenges, ensuring residents feel and are safe.

We participate in a range of multi-agency partnerships which contribute to ensuring our neighbourhoods are safe. Our estate management service plays a key role in ensuring our neighbourhoods are a safe and pleasant place to live. Our work includes estate inspections, grounds maintenance, communal cleaning and responding to reports of littering and fly tipping. We also carry out regular inspections relating to building safety, particularly in high rise buildings and this includes routine checks on accessibility and fire management controls. We have also reviewed our estate management service standards with input from our customers.

We continue to take a proactive approach to supporting victims of domestic abuse via our embedded domestic abuse pathway. We ensure that we maximise the use of specialist tools including the Housing Independent Domestic Violence Advocates Service, refuge placements, and the Sanctuary Scheme.

Enabler: Voice of the customer

Our Resident Engagement Framework operates under the overarching principle of 'Nothing About You, Without You,' and comprises three key functions:

- SCHape Residents' Panel
- Virtual Improvement Panel (VIP)
- Specific initiatives relating to the SCH strategic objectives

During the year, we introduced a new quarterly Voice of the Customer report for residents. The report provides an opportunity to showcase what customers have told us and how we have used their feedback and insight to identify and action improvement.

Our Everyone Matters campaign is helping us to improve the quality and completeness of our data and to help us to understand customer needs. Collecting data on protected characteristics enables us to assess equality in access to and outcomes from the services we deliver. By understanding who our residents are and any vulnerabilities or additional needs they may have, we can tailor how we communicate, arrange appointments and deliver services more effectively. Our new 'needs on the day' approach ensures that we can adjust the way we deliver services to customers based on any temporary or one-off needs which relate to a specific visit or enquiry or ongoing needs.

Following a review of our Committee structure, we have agreed to introduce a customer-led Customer Experience Committee in 2026/27 which will increase the customer voice in our governance structure.

Strategic Report

31 March 2026

(continued)

Enabler: How we work

Delivering efficient, customer-focused, value-for-money services, proactively adopting digital technology to enhance customer interactions, whilst using reliable data to drive evidence-led service improvement is a key enabler.

During the year, as part of our One SCH Programme, we have modernised our telephone system in the Contact Centre. The new capabilities available have improved the way our staff operate and enhance the overall customer experience. We have also introduced new enhanced systems for complaints and anti-social behaviour. The increased use of digital technology is helping us to streamline working practices, provide a single view of customer records, and will provide self-serve options to customers whilst protecting services for the vulnerable.

Enabler: Who we are

We are committed to creating a great place to work, where a collaborative and compassionate team feels supported, valued, empowered and motivated, equipped with the tools to deliver excellent services.

During the year we have agreed a new People Strategy and supporting action plan. Our People Strategy Working Group, which includes representation from across SCH including representation from our Staff Engagement Group and our Staff Equalities Forum, has played a key role in developing the new strategy. The Strategy is built around five themes:

- equipping our teams for the future,
- invest, engage and develop,
- culture and leadership,
- wellbeing
- performance and accountability.

Our Organisational Development Plan has ensured we are well prepared for the new regulatory requirements on professionalisation which will take effect later in the year.

Our Staff Engagement Group and the Staff Equalities Forum meet regularly throughout the year and are represented on our People Strategy Working Group.

Strategic Report

31 March 2026

(continued)

PERFORMANCE INDICATORS

Description	2025/26 Target	Sector benchmark (if available)		2025/26 Actual
		Quartile 1	Median	
Stage 1 complaints per 1,000 properties	N/A	64.2	44.8	56.10
Stage 2 complaints per 1,000 properties	N/A	11.7	7.6	14.13
Stage 1 complaints resolved in timescale	85.00%	93.90%	81.80%	93.80%
Stage 2 complaints resolved in timescale	96.00%	97.90%	82.70%	94.20%
ASB cases per 1,000 properties (all)	N/A	61.6	37.4	31.32
ASB cases per 1,000 properties (hate crime)	N/A	1.2	0.6	0.71
Homes that do not meet the Decent Homes Standard	2.00%	3.2%	6.7%	1.18%
Repairs completed within target timescale (emergency)	95.50%	98.9%	94.9%	90.16%
Repairs completed within target timescale (non-emergency)	85.00%	90.80%	84.00%	84.88%
Percentage of properties with valid gas certificate	100%	100%	99.90%	99.95%
Percentage non-domestic assets covered by a valid FRA	100%	100%	100%	100%
Percentage known asbestos locations reinspected within benchmarked period (communal areas)	100%	100%	100%	100%
Percentage of relevant water installations covered by a risk assessment	100%	100%	100%	100%
Percentage communal passenger lifts that require a thorough examinations (LOLER)	100%	100%	100%	100%
Overall satisfaction with services provided by SCH	80.00%	74.80%	68.50%	78.04%
Satisfaction: repair in the last 12 months	80.00%	77.90%	71.80%	78.51%
Satisfaction: time taken to complete the last repair	76.00%	75.60%	67.50%	80.17%
Satisfaction: home is well maintained	80.00%	74.30%	68.10%	73.30%
Satisfaction: home is safe	81.00%	79.90%	74.30%	79.25%
Satisfaction: landlord listens to and acts upon tenants' views	71.00%	64.70%	57.20%	67.79%
Satisfaction: landlord keeps you informed about things that matter to you	79.00%	74.30%	69.10%	75.31%
Satisfaction: landlord treats me fairly and with respect	85.00%	80.30%	74.80%	83.27%
Satisfaction: approach to handling complaints	45.00%	36.80%	31.30%	34.78%
Satisfaction: landlord keeps communal areas clean and safe	70.00%	69.60%	63.10%	70.91%

Strategic Report

31 March 2026

(continued)

PERFORMANCE INDICATORS (continued)

Description	2025/26 Target	Sector benchmark (if available)		2025/26 Actual
		Quartile 1	Median	
Satisfaction: SCH makes a positive contribution to neighbourhood	74.00%	67.90%	62.0%	70.00%
Satisfaction: approach to handling ASB	60.00%	61.40%	57.20%	54.34%
% Damp and Mould Inspections completed within timescale	100%			92.19%
% Damp and Mould remedial works completed within timescales	100%			71.91%
Fire remedial actions (all) completed within target timescale	80.00%			42.21%
Percentage of rent loss due to voids	1.25%			0.93%
Current tenant arrears as % of rent debit	3.50%			2.85%
Average stay in temporary accommodation (all) – days	80			186
Average stay in temporary accommodation (families with children) – days	95			264
Percentage of homeless approaches where prevention or relief achieved	60%			56.35%
Customer satisfaction (adaptations)	94.00%			91.26%
Overall satisfaction (transactional)	87.00%			87.24%
Contact centre speed of answer	210			407

Key to RAG rating

	Target was met
	Performance is within tolerance of the target
	Target was not met

Overall, 65% of our KPIs at year end were at or above target or were within tolerance. We seek to set stretching targets. We were pleased that our performance against the Tenant Satisfaction Measures which are set by the Regulator of Social housing compared well with our peers. Further details can be found in our performance report which is available on our website.

Strategic Report

31 March 2026

(continued)

FINANCIAL PERFORMANCE

The Revenue Management Fee, paid by the Council increased from £24.488m in 2024/25, to £25.872m in 2025/26, as well as a capital programme of £16.350m (2024/25: £18.957m).

The financial performance (separating out the impacts of IAS19 – Pensions and taxation) against budget and the previous year can be summarised as follows:

	2025/26 Actual £'000	2025/26 Budget £'000	2024/25 Actual £'000
Revenue			
Income	33,465	34,701	34,453
Expenditure	(33,897)	(34,646)	(34,029)
(Deficit)/ Surplus	(432)	55	424
Capital			
Income	21,524	25,538	22,525
Expenditure	(21,524)	(25,538)	(22,525)
Surplus/ (Surplus)	-	-	-
Combined			
Income	54,989	60,239	56,978
Expenditure	(55,421)	(60,184)	(56,554)
Operating (deficit)/surplus	(432)	55	424
Corporation tax	-	-	(6)
IAS19 Pension Adjustments	2,571	-	1,132
Surplus per Income Statement	2,139	55	1,550

FUTURE CONSIDERATIONS

We have developed a new strategic vision for the period 2026-30 supported by a five year Delivery Plan. The Delivery Plan is supported by a series of actions and targets which will be reviewed and updated on an annual basis.

Our Strategic Vision is to 'Create safe, healthy and good quality homes and communities for our customers.'

We have identified five strategic aims which set out our broad goals over the life of this plan. Our strategic aims are supported by five key business strategies as illustrated in the diagram on the next page.

Strategic Report

31 March 2026

(continued)

Strategic Aims 2026 - 2031



Our Strategies



The Delivery Plan was developed in consultation with our customers, colleagues at Solihull Council and our staff.

The delivery objectives for each of the strategic aims are shown in the table below:

Safety First – homes and neighbourhoods: • Ensure all homes meet building safety and compliance statutory requirements • Take a proactive approach to tackling damp and mould • Respond within appropriate timescales to any safety concerns raised • Deliver excellent health and safety practice for customers and staff • Ensure effective safeguarding of children and adults at risk • Work with partner agencies to: • Deliver clean, safe and secure and thriving neighbourhoods • Proactively support people experiencing domestic abuse • Provide an effective ASB service	Homes to be proud of: • Grow the social housing stock through new build and acquisition • Intelligence-led investment in the housing stock including the use of new technology • Improve the energy efficiency of our homes • Deliver continuous improvement in the repairs and maintenance service rebalancing from reactive to planned • Improve the efficiency and effectiveness of the District Heating System
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Strategic Report

31 March 2026

(continued)

Customers at the heart of all we do: • Deliver services which are accessible and tailored to the needs of customers • Ensure our customers have a strong and influential voice • Continuously improve by learning from challenges and when things go wrong • Strengthen communications to keep customers informed • Promote tenancy sustainability through targeted customer support • Support partnership work on socio-economic and health inequalities and prevention through effective collaboration and signposting	Support and value Team SCH: • Equip our teams for the future • Invest, engage and develop our staff • Invest in a strong organisational culture and effective leadership • Support staff wellbeing • Embed a collaborative, high-performance culture built on accountability
Building a stronger organisation • Develop an integrated approach to Risk, Performance, and Financial Management • Continuous improvement in Data Quality, Insight, and Compliance Frameworks • Drive value for money through effective procurement and contract management • Enhance operational effectiveness through streamlined processes and improved workflow • Maximise Funding and Investment Opportunities • Work in partnership with the Council and comply with regulatory obligations	

RISK MANAGEMENT

The Executive Leadership Team (ELT) undertakes full reviews of the main corporate risks on a rolling basis with all risks reviewed at least annually. It also undertakes regular reviews of the risk register.

The nine corporate risks are:

- Failure to have appropriate business continuity arrangements in place to maintain critical functions during a business disruption
- Financial pressures undermine SCH's ability to meet Delivery Plan commitments.
- Sub-optimal prioritisation/ use of capital funding to maintain housing stock
- Failure to have robust systems and process for all data management
- Failure to meet regulatory obligations (excluding Building Safety/ Health and Safety compliance)
- Failure to have robust governance arrangements and internal assurance in place.
- Failure to develop organisation and its staff to meet sector and local challenges.
- Failure to ensure health and safety of customers, employees and contractors.
- Failure to optimise strategic partnership arrangements or failure of strategic partner or contractor leading to disruption in service delivery

In addition, there are three joint risks which are held jointly with the Council. These are:

- Failure to manage and evidence compliance with building safety obligations for Council housing
- The Council is unable to meet or evidence its obligations under the RSHs Consumer Standards
- Insufficient funding to maintain and manage the Council's housing stock to meet the Council's ambition and regulatory responsibilities as a landlord

The Board's Audit and Risk Committee also review risks on a regular basis and receives a report each quarter from the Council's Health, Safety and Risk Manager.

Strategic Report

31 March 2026

(continued)

The Board's Statement on Section 172 of the Companies Act 2006

Under s172 of the Companies Act 2006, Solihull Community Housing (SCH) has a duty to promote the success of the company for the benefit of its members as a whole, having regard to the stakeholders and matters set out in S172(1) (a-f) of the Act:

- (a) Maintaining a high standard of business conduct.
- (b) Acting fairly between the members of the business.
- (c) The interests of employees.
- (d) Fostering business relationships with suppliers, customers, and others.
- (e) The impact of operations on the community and the environment.
- (f) The likely consequence of any decision in the long term.

The Board considers the key stakeholders to be:

- Its customers – tenants, leaseholders, other landlords and the public.
- Solihull Metropolitan Borough Council – both as the sole shareholder and as a partner in providing aligned services for Solihull.
- Its employees – who are integral to the successful delivery of services.

The Board also needs to address the following:

- The issues, factors, and stakeholders the directors consider relevant in complying with the above and how we have formed that opinion.
- The methods the directors have used to engage with stakeholders and understand the issues to which they must have regard.
- The effect of that regard on the company's decisions and strategies during the year.

The Delivery Plan agreed with the Council sets out SCH's priorities for the year, aligned to the overarching strategic objectives. Details are set out in pages 7 to 12, including a summary of performance against key indicators for the year.

The Council has a rolling 30-year HRA plan updated annually and the SCH Management Fee and HRA capital programme are included. We agree an annual budget in the context of a balanced 3-year period. We have a rolling programme of detailed stock condition surveys to help improve the investment decisions into the housing stock.

The SCH Board holds four meetings a year supported by four sub-committees in place as referred to at page 6. All reports include a requirement to consider:

- Financial implications
- Equality and diversity implications
- Risk implications
- Tenant involvement / consultation
- Support for the Delivery Plan

These considerations ensure decisions are made within the context of the wider implications that affect the community and tenants.

The relationship with our shareholder is strong and there are a variety of meetings for SCH to interact with the Council. At an executive level, the Chief Executive meets regularly with the Council's Chief Executive and the Director of Economy and Infrastructure, and the SCH Chief Executive and Executive Directors meet regularly with the Council's Assistant Director (Housing) at the Joint Executive. In terms of oversight, SCH reports to the Quarterly Monitoring Board, chaired by the Cabinet Member for Housing, and attends the Council's Strategic Housing Board. Both the Scrutiny Board and the Cabinet member review and approve the Delivery Plan, which sets out SCH's priorities for the year ahead. Support services are provided through the Council giving access to various professional services such as finance, procurement, legal and HR services to enable well informed decision-making and accurate reporting.

Strategic Report

31 March 2026

(continued)

SCH has a strong, well-embedded assurance framework demonstrated through the Annual Governance Statement. These assurances are strengthened by the support given by the Council's Internal Audit and Health and Safety teams.

As a wholly owned subsidiary company of Solihull Metropolitan Borough Council, our primary objective is to deliver our core services – managing, maintaining, and delivering additional affordable rented homes. Working on behalf of the Council, SCH delivers landlord functions to tenants and leaseholders, and statutory homeless duties, and provides a range of wellbeing services to vulnerable adults. Examples of achievements are included within the Strategic Report.

Tenant satisfaction is important. In line with the consumer regulation requirements, SCH has gathered data on the 22 Tenant Satisfaction Measures. SCH has performed well in comparison to other local authority landlords on these measures.

The SCHape panel comprises tenants who review the services SCH provides with a view to working with us to make improvements. Examples of areas where SCHape has had an impact are described earlier in the report.

Company risks are recorded using the Council's risk register methodology and result in developing mitigating strategies. This is set out in more detail above. The Board monitors risk primarily through its Audit and Risk Committee, which receives an update at each meeting. The Board also receives an annual risk management report.

SCH's employees are a key priority. The Delivery Plan includes a specific enabler 'who we are,' setting out SCH's organisational development priorities. This is underpinned by the People Strategy and action plan. For 2025/26 this included commissioning an independent staff survey and delivering an organisation-wide training plan, which includes a particular focus on meeting the requirements of professionalisation, and supporting managers by strengthening recruitment arrangements. We formally recognise two Trade Unions and meet regularly with them.

The Council has allocated grant and core funding to SCH, and we work with community partners in the voluntary and public sectors to deliver additional services to reduce rough sleeping. This reflects our approach to working collaboratively with the community to deliver services for the benefit of those that need our help.

We also work with the Council and in our own right to influence the direction of local and national housing policies that impact on tenants (for example, we join with others to attempt to influence government policy through the National Federation of ALMOs (NFA) and other bodies).

For further information regarding SCH please refer to our website.

[signed by Simon Wilson]

Simon Wilson

Chair

15 September 2026

Report of the Directors

31 March 2026

The Directors present their report and the audited financial statements for the year ended 31 March 2026.

PRINCIPAL ACTIVITIES

The principal activity of the Company is the management and maintenance of Council social housing stock and other related activities.

DIRECTORS AND CHIEF OFFICERS

The Directors and Chief Officers of the Company during the year and subsequently are set out on page 1.

SCH also has the following Committees who have responsibility for specific areas:

- Audit and Risk Committee
- Human Resources, Equalities & Remuneration Committee
- Housing Operations Committee
- Building Safety Committee

VALUING EMPLOYEES

SCH values its employees. Our employee offer includes flexible working, such as change in working patterns and working from alternative office locations. The Blended Ways of Working is designed to enable staff to have a balanced approach to working from an office or their home. This supports staff to maximise performance whilst maintaining a work-life balance. Other benefits include access to 'Cycle2Work', and a staff discount scheme. The Seasonal Stars initiative recognises individuals and teams who 'go the extra mile'. Information on the intranet, regular briefings and 'away days' enhance internal communications. Positive relationships with recognised trade unions (UNITE and UNISON) are in place with regular meetings to discuss changes and new policies that affect staff.

Our staff have equal access to personal and career development opportunities as set out in the Learning and Development Policy and reflected in the People Strategy. Training and other opportunities are equally available to staff who work flexibly, full, part-time and reduced hours. Managers are expected to ensure that staff complete mandatory and job specific training and demonstrate learning. The take up of learning and development opportunities is monitored to ensure there are no hidden gender, race or disability barriers to access.

The staff appraisal system introduced in 2019 is now well embedded and SCH has invested in the staff development programme for all staff to extend their skills and behaviours to better serve our customers.

EQUALITY, DIVERSITY AND INCLUSION (EDI)

We are committed to the principles of fairness, equality of opportunity, diversity and inclusion. We positively embrace and celebrate diversity and promote an inclusive culture in our role as an employer and a provider of homes and services. Our HEART values are Honesty, Excellence, Achieving together, Respect and Transparency. We are committed to becoming a diverse and inclusive organisation and placing our customers, staff and other stakeholders at the HEART of what we do.

Everyone we deal with, be it board members, staff, tenants, leaseholders, contractors, suppliers and others, know that we do not tolerate discrimination, harassment or victimisation and will act where our EDI policy is breached.

Our policies and operational practices are designed to protect people from discrimination on the grounds of protected characteristics covered in equality legislation. Board and staff members are recruited on merit. Reasonable adjustments are made for people with disabilities in line with accreditation under the Disability Confident Scheme.

The Equality, Diversity and Inclusion Policy and Action Plan support us to meet legal and obligations under the Equality Act 2010 and other relevant regulations such as the Housing Consumer Standards. Training on EDI is mandatory, which is supplemented by job specific training such as safeguarding, anti-social behavior, domestic abuse and mental health.

Report of the Directors

31 March 2026

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Fairness and inclusion are reflected in decision making and when delivering day-to-day operations and customer services.

The Equality, Diversity and Inclusion Policy and Action Plan are linked to SCH's Business and Annual Delivery Plans. The Action Plan is monitored by the Executive Leadership Team and progress is reported to the Human Resources, Equalities and Remuneration Committee, which is accountable to the Board.

Our Equality, Diversity and Inclusion Staff Network provides a safe space for discussions and supports embedding of EDI in day-to-day work. Public accountability for achievements is demonstrated through annual Public Sector Equality Duty and Gender Pay Gap Reports. SCH has had no prosecutions or enforcement notices issued against it for breach of the Equality Act 2010 nor has SCH been the subject of external investigations relating to equality issues.

DISCLOSURE OF INFORMATION TO AUDITORS

The Directors and Chief Officers who were in office on the date of approval of these statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the Directors and Chief Officers have confirmed that they have taken all the steps that they ought to have taken as Directors or Chief Officers in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

AUDITORS

At the date of reporting Bishop Fleming Audit Limited is the external audit provider for the Company. This appointment followed an open tender process in 2024.

STRATEGIC REPORT

The Company has chosen in accordance with S414C(ii) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the Company's Strategic Report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 within the Directors' Report. It has done so in respect of how the directors have had regard to the need to foster the company's business relationships with suppliers, customers and others. The Strategic Report is contained within pages 6 to 17.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The Company has made qualifying third party indemnity provisions for the benefit of its directors during the year, these provisions remain in force at the reporting date.

APPROVAL

The report of the Directors was approved by the Board on the 15 September 2026 and signed on its behalf by:

[signed by Simon Wilson]

Simon Wilson
Chair
15 September 2026

Statement of Directors' Responsibilities for the Financial Statements

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. The directors have elected under company law to prepare the financial statements in accordance with UK-adopted International Accounting Standards.

The financial statements are required by law and UK-adopted International Accounting Standards to present fairly the financial position and performance of the company. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing the financial statements, the directors are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) make judgements and accounting estimates that are reasonable and prudent;
- c) state whether they have been prepared in accordance with UK-adopted International Accounting Standards;
- d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Annual Governance Statement

31 March 2026

INTRODUCTION

The Solihull Community Housing (SCH) Board acknowledges its overall responsibility for establishing and maintaining a system of governance, risk management and internal control to review the company's effectiveness and protect and make the best use of public funds.

The Board consists of ten members and meets at least four times per year. It also has four committees, namely the Audit and Risk, Building Safety, Housing Operations and Human Resources, Equalities and Remuneration committees. The Board and Committees are responsible for the strategic governance of the company. In addition, individual Board members take on specific roles as champions for health and safety and customer engagement. The Board have agreed a change to the Committee Structure for 2026/27. The new committees are Performance and Safety, Customer Experience, Audit and Risk and Remuneration. We have also set up a Finance Working Group which will report to the Board.

The Annual Governance Statement (AGS) covers SCH's significant corporate systems, processes, and controls, including in particular those designed to ensure that:

- Laws and regulations are complied with;
- Policies are implemented in practice and required processes are adhered to;
- High quality services are delivered efficiently and effectively;
- The company's values and ethical standards are met;
- Performance and financial statements and other published information are reliable; and
- Human, financial, and other resources are managed efficiently and effectively.

The AGS is reviewed by the Audit and Risk Committee prior to its approval by the Board. Once approved, it is signed by the Chair and the Chief Executive before being published on SCH's website.

THE GOVERNANCE FRAMEWORK

SCH's governance framework comprises the policies, systems, and processes that SCH is directed and controlled by. SCH has a 5-year strategic vision and one year delivery plan which provide strategic direction and accountability. The SCH values of **Honesty**, **Excellence**, **Achieving together**, **Respect** and **Transparency** underpin the framework and all the activities undertaken by the organisation. The framework also ensures that there are proactive processes for identifying, evaluating, and managing significant risks faced by the company. These systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable, and not absolute, assurance against material misstatement or loss.

In addition to having a robust governance framework in place, SCH seeks to continuously refine and monitor the effectiveness of its governance arrangements and assurance. To further this approach, the Board has opted to sign-up to the National Housing Federation's Code of Governance (2020) as a mechanism to self-assess against a recognised industry standard. This provides assurance, both internally and externally, that SCH is operating to the highest standards of governance. It annually reviews compliance with the code and action planning, with the last review being November 2025. The National Housing Federation is the trade body for Registered Social Landlords rather than ALMOs and therefore some of the requirements of the Code do not apply to SCH.

As a wholly owned subsidiary of Solihull Metropolitan Borough Council (SMBC), SCH is also guided by the governance principles set out in the CIPFA/SOLACE Framework for Delivering Good Governance in Local Government (2016). Given below are some key highlights of how SCH delivers its governance commitments in line with the principles of the Framework:

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Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
• Regulatory compliance to the Financial Conduct Authority regulations. • Regulatory compliance with the requirements of Companies House. • Compliance with the Housing Act 1985, Housing Act 1996 and the Homelessness Reduction Act 2017. • Regulatory compliance with all Building Safety and Compliance regulatory requirements for Building Safety, Fire Safety, Asbestos, Awaab's law, Gas Safety, Electrical Safety, Passenger lifts, and Water Safety. • Building Safety Framework developed to set out how our commitment to provide residents with safe homes will be achieved. SCH's approach is driven by data with a focus on statutory and regulatory obligations, and providing assurance that SCH is fully compliant at a legislative level. • Work continues to ensure SCH complies with social housing regulation and in particular the consumer standards and can respond to any changes and detailed guidance in regulatory requirements for the social housing sector. External reviews have been commissioned to provide additional assurance and to identify areas for improvement. • SCH have a robust set of policies either in place or in progress, relating to the services they deliver, which are tracked through the Policy Tracker, and progress reviewed through the Improvement and Inspection Steering Group in preparation for regulatory inspection. • Our new Performance management framework was introduced in 2025/26 and reflects the new social housing regulation regime The new framework aims to simplify and strengthen the approach identifying our key stakeholders and how they interplay with our framework. • The Complaint Handling Code became statutory on 1 April 2024 and requires landlords to conduct a yearly self-assessment against the Code. SCH has produced a Service Improvement Plan to address the one remaining area of partial compliance. • Anti-fraud and corruption policies provide clear guidance and procedures for reporting conflicts of interest and the receipt of gifts and hospitality, including a mandatory annual declaration of interests by all staff and SCH Board Members. At the start of every year SCH Board and Committee meeting members are asked to declare any interests arising from items on the agenda. • A code of conduct for employees, including a Disciplinary Policy and a Resolution Policy to enable individual cases to be resolved fairly, consistently and in a timely manner. • A code of conduct for contractors to protect the interests of SCH tenants and leaseholders for whom SCH provides services, and protect contractors who deliver those services on behalf of SCH. The code includes guidance on not only conduct, safeguarding and confidentiality, but also provides clear direction on diversity and inclusion. • Standing Orders incorporating Rules for Contract and Financial Regulations reviewed annually and made available for all staff on the intranet. • SCH has compliant procurement processes for securing new suppliers and services. The Rules for contract and other key documentation have been updated primarily to reflect the changes under the Procurement Act 2023. • SCH provides a housing options and homelessness service on behalf of the Council. SCH Domestic Abuse Safe Accommodation meets the requirements of the Domestic Abuse Act 2021. SCH also have a Customer Domestic Abuse Policy and have ambitions to be accredited with DAHA (Domestic Abuse Housing Alliance). • SCH hold membership with the Domestic Abuse Partnership Board and Domestic Homicide Review Executive Group and attend MARAC and MAPPA meetings. • SCH are active members of Solihull's Safeguarding Partnerships and Committees, including Adults, Childrens, Exploitation, and Neglect and represent SCH on relevant Child Protection Case Conferences.
Ensuring openness and comprehensive stakeholder engagement
<u>Engagement with SCH customers and staff:</u> • Three of the ten places on the SCH board are reserved for tenants/ leaseholders. • Multiple channels of communication have been developed, including regular business bulletins sent out via email with key updates and information for staff and residents.

- The customer engagement framework includes a wide range of mechanisms and activities to engage residents in the work of SCH including the Virtual Improvement Panel, SCHape panel and building safety advocates. The outcomes of this engagement shape the Delivery Plan.
- Introduction of a new Voice of the Customer Framework across the organisation. A resident voice section is included in all Executive Leadership Team (ELT), committee and board reports.
- Development and implementation of a building and resident safety forum
- Stronger onboarding for residents to ensure all residents understand roles and responsibilities, standards, and accountability.
- Customer data is captured under the umbrella of the Everyone Matters approach. SCH collect and update data relating to protected characteristics, other household details, and additional needs/ vulnerabilities. This enables us to provide tailored and accessible services and enables us to evidence that we are fair and equitable in our service delivery.
- The SCHape panel have considered the repairs service and complaints management. Recommendations presented to Board.
- Regular employee surveys to assess the culture of SCH with the aim of targeted actions to improve satisfaction and creating a positive workplace culture.
- HR, Equalities and Remuneration committee receives reports at each meeting on staff wellbeing and absence trends.

Wider Community

- Working with partners such as the Council and the Police, for example through the multi-agency Safer Solihull Partnership Tasking and Coordination Group, and 'business as usual' Meetings with West Midlands Police.
- Presence in the Family Hubs- providing housing services triage, referral and signposting services to residents in the borough.

SCH as part of its ongoing engagement with SMBC maintains accountability in the following ways:

- Quarterly Monitoring Board comprising of elected members, SMBC and SCH officers monitor performance, delivery plan, and risk management.
- Regular Joint Executive meetings between SMBC and SCH to review performance and discuss strategic issues at officer level.
- A delivery plan agreed and approved by the Council goes through SMBC scrutiny process and then SMBC cabinet decision-making.
- Rolling 5-year management agreement agreed by the Council.
- Participation in the Strategic Housing Board with SMBC colleagues.
- A 10-year joint Asset Management Strategy (AMS) between SCH and SMBC.

Defining outcomes in terms of sustainable economic, social, and environmental benefits

- The SCH delivery plan has been developed against a backdrop of capturing the context of the changing housing sector, current economic pressures, and the voice of the customer. The plan sets out how the landlord service is delivered to customers as well as wider objectives of the organisation to support. The plan is easy to understand and clarifies priorities, outcomes and how success will be measured.
- The SCH customer experience strategy has a customer first vision and clarifies that systems and processes follow from that. It is based on 7 themes, each with a set of key principles and deliverables to enable the desired outcomes.
- A joint workshop across SCH and SMBC with board member participation was conducted to focus on longer term asset management planning and the implementation of the strategy.
- SCH has a strategy in place to deliver net zero emissions in new build properties, to adopt:
 - a fabric-first approaches combined with renewable technologies.
 - super-insulated build systems with better energy performance and air tightness
 - in addition, SCH has an interim target for existing properties to get all homes to EPC band C by 2030
- There are plans to regenerate Kingshurst Village Centre to a high standard to offer a range of local services and play a strong role in building further social capital and local pride. Phase 1 properties are now occupied. These properties focus on thermal efficiency in the build and are equipped with a range of low carbon and renewable technologies to help generate heat and power. Works on phase 2 are progressing throughout 2026/27 and beyond working in partnership with the council.

Determining the interventions necessary to optimise the achievement of the intended outcomes

Interventions aimed at better customer experience and outcomes:

- Improving Customer Experience Group – reviewing customer satisfaction trends and developing action plans with service areas to improve the services SCH deliver.
- Social media trends are used to inform customer experience and interaction, and in addition, customer registration at SCH portal gives customers access to options for self-service.
- SCH is in transition to an IT system which will provide greater digital capability and ease of access for customers to SCH delivered services.
- A new complaints team has been established to centralise the management of complaints across the business to ensure customers are informed, updated and that the complaints are compliant. This will also allow more work to take place to investigate the root cause of a complaint and ensure learning is captured and acted upon.
- Embed Customer Experience into the onboarding, probation, and PDR processes for SCH staff.
- Every Contact Counts was launched to encourage staff to be more professionally curious, and support the reporting of behaviours and issues that could lead to harm or potential harm, such as exploitation, domestic abuse, damp and mould etc. Trialled and due for organisational rollout in 2026/27.
- Data held to ensure the services SCH provide are tailored to the needs of the resident, leading to more fair and equitable access for all residents. Needs on the day approach implemented to understand any transient or unknown long-term needs at the moment of service delivery.
- ‘Everyone Matters’ campaign to collect core household information from residents to improve the level of data held on residents.
- Operations services have been reviewed and revised service delivery models has been proposed which moves towards a more person-centred approach, anticipated go live in April 2026.
- Money advice service to maximise residents’ income and identify unclaimed benefits, also working in collaboration with SMBC’s Financial Inclusion Group.
- Fully utilising the range of tools in the ASB Crime and Policing Act 2014, reported through operational dashboards.
- Eviction prevention panel established to sustain tenancies, maximise support offered to those falling into arrears, and minimise the number of evictions.
- Annual temporary accommodation reduction plan to minimise budget hotel usage.

Interventions aimed at improving staff and stakeholder outcomes:

To enable SCH to achieve its goals and objectives of the Delivery Plan, leaders and managers need to be clear about what is expected of them. This has been formalised through

- Clear governance structure and escalation routes defined including ELT meeting calendar, establishment of Senior Leadership Team (SLT) and Wider Leadership Team (WLT) with defined roles, responsibilities, and accountability.
- The Leadership Pledge for Wider Leadership team
- Manager’s Framework (Foundation Framework) developed with a working group of volunteer managers from across SCH.
- Clear, consistent Service Standards and protocols for individual communications from staff
Staff Engagement group focusses on staff wellbeing, with a wellbeing calendar focusing on a series of events to help staff.

Developing the entity’s capacity, including the capability of its leadership and the individuals within it

- Developed our Data, Knowledge and Information Management Strategy – a 5-year roadmap aimed at leveraging the potential of data to benefit our residents, streamline our operations, and foster stronger communities whilst meeting our regulatory and legislative responsibilities.
- People strategy in place to govern and shape our culture.
- A whole Organisational Learning and Development Plan has been developed to meet business-critical needs. Learning needs identified through the Performance development review (PDR) process is shared with the Organisation Development and Training manager to support ongoing organisational learning and development planning.
- Oracle Learning in Solihull Community Housing supports all employees to complete mandatory eLearning modules.
- Board and ELT Away days provide a helpful opportunity to discuss a number of key strategic issues affecting SCH and reflect on next steps for the organisation.
- WLT away days are used as opportunities to build leadership capability and strategic thinking.

- There is a commitment to run a Management Conference every 6 months to support and develop our leaders and managers within SCH.
- Centralised access to training and resources on Domestic Abuse, Exploitation, Prevent, Mental Health, Safeguarding Children and Safeguarding Adults, including sessions such as professional curiosity and trauma-informed practice.
- Active participation in, and learning, from multi agency safeguarding audits, Safeguarding Adult Reviews (SAR) and domestic homicide reviews (DHR). Learning is disseminated across the business through the intranet, Core Brief, and email.
- SCH are represented on the various safeguarding boards and forums across Children, Adults, Domestic Abuse and Exploitation.
- Strategic safeguarding is monitored through SCH's Safeguarding, Exploitation and Domestic Abuse Group (SEDA).
- Access to coaching and mentoring scheme for all employees.
- Promoting apprenticeship schemes across business areas to develop talent internally
- The Board has oversight of the skills mix of its membership and reviews this regularly, tailoring recruitment accordingly. The Board members have an annual appraisal.
- A programme of Board training takes place each year.

Implementing good practices in transparency, reporting, and audit to deliver effective accountability

- Board reports and statutory accounts are available for the public to view on the SCH website.
- Finance publishes expenditure over £250.
- Public sector equality duty statement published on the website.
- Published the gender pay gap report (annually).
- Published set of service standards on the SCH website.
- Compliance with the Freedom of Information framework.
- Performance and Voice of the Customer information is published on the website.
- Compliance with the Housing Ombudsman Code of Guidance published on the website.
- Information presented in accessible formats.
- Introduction of the Business Intelligence team has enabled SCH to strengthen its capability for driving improvement and ensuring that decision-making is evidence-led. A review of the KPIs has already been undertaken to ensure only relevant data is collected for improving services. This process reduced by half the number of indicators now monitored.
- Working group to look at the Housing Ombudsman's final determinations to improve services as a result of those findings.
- The SCH Building Safety Committee, Joint Executive and Quarterly Monitoring Board receive regular performance reports associated with building safety and legislative compliance requirements across all of SCH managed building (fire, gas, asbestos, Legionella, lifts and more recently damp, mould, and condensation).
- A new Chair of SCH Board has been appointed to replace the current Chair who has served his 6-year term.

Managing risks and performance through robust internal control and strong public financial management

- As a part of SCH's risk management approach the Audit and Risk Committee monitors the effective development and operation of risk management and considers compliance with the Risk Management Policy and Procedure. The Board receives an update on risk management each quarter.
- A formal programme of internal audit work, carried out by officers independent of the ELT reports review processes and internal control. The recommendations are agreed by the ELT and are considered in detail by the Audit & Risk Committee.
- Financial monitoring goes to the SCH Board on a quarterly basis so that all members take responsibility for financial oversight.
- Quarterly financial monitoring reports to the Board to highlight any anticipated unplanned significant expenditure.
- The SCH Medium Term Financial Strategy is produced to reflect the SCH Delivery Plan requirements and ensures these are affordable.
- Standing orders are reviewed annually.
- Regular regulatory compliance reporting to housing operations committee with assurance in a changing regulatory environment. Cross functional working groups set up with SMBC representation to prepare for regulatory changes and recruitment of resources to be regulations ready.

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REVIEW OF EFFECTIVENESS

SCH undertakes an annual review of the effectiveness of its governance framework, including the system of internal control. The outcomes of the review are considered by the Chief Executive with support from the relevant officers, as well as the Audit and Risk Committee and the Chair. Once approved, the AGS is published alongside the Statement of Accounts.

ASSURANCE FROM MANAGEMENT

All Executive Directors have provided assurance that they are satisfied that staff within their sphere of control are compliant with the governance framework including Standing Orders, Rules for Contract, Financial Regulations, Health and Safety and Risk Management.

Each senior manager has also completed an individual self-assessment of their own area of control, highlighting any areas of concern or requiring further action to strengthen the control measures to safeguard company assets. Following this process, a detailed action plan has been developed, to further strengthen areas where Executive Directors highlighted any gaps in the control measures.

OTHER INTERNAL ASSURANCE

Internal Audit

Internal Audit provide SCH with an independent appraisal of risk, governance, and internal controls; the audit approach is based upon recognised auditing standards and the areas reviewed are included within an annual audit plan. The audit plan normally includes annual audits of core financial systems and other areas which are included within an audit plan based upon assessments carried out by Internal Audit, discussions with SCH senior management and the SCH Audit & Risk Committee.

In 2025/26, there were 9 audit reviews undertaken. All moderate, limited or no assurance audit recommendations are shared with ELT and the Audit and Risk Committee. Where original recommendation implementation dates change to later dates, there is a process in place where Internal Audit are notified and review the reasons for the later date. Significant changes to dates or where recommendations have become overdue are escalated to senior management and reported to the Audit and Risk Committee.

Internal Audit's Investigation Team works with SCH to tackle social housing fraud. There have been 369 referrals to the Fraud Team (including right to buy applications) from SCH in the financial year to date, resulting in a total nominal value of properties recovered / applications rejected of £1,506,766. Our audit work for 2025/26 shows that internal controls, if not overridden, are in place to reduce / mitigate against the risk of fraud and error.

Internal Audit has a responsibility for maintaining the Council's and SCH's whistleblowing infrastructure and ensuring that issues raised through the Whistleblowing Policy are effectively dealt with. Internal Audit received 5 SCH-related whistleblowing matter in 2025/26.

Internal Audit report outcomes of its work to SCH Audit and Risk Committee and SMBC Audit Committee throughout the year.

Risk Management

Risk management advice and support is provided by SMBC. The Audit & Risk Committee monitors the effective development and operation of risk management with the Chair of the Committee taking responsibility for reporting issues of concern to the SCH Board.

During 2025/26, SCH has continued to promote the risk register hierarchy in place as well as escalation and oversight arrangements for operational risks. There has been a strong focus on making risk management and risk recording a part of business-as-usual activity and promoting a risk aware culture across the organisation. There has been a review of the corporate risk register and the development of joint registers with SMBC where there are shared responsibilities for managing risk: for example, in relation to building safety and social housing regulation. The ELT reviews both the corporate and joint risk registers on a quarterly basis, which is underpinned by operational monitoring of service and project risks.

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Performance Management

There are robust strategic and business planning processes which have included contributions from staff at all levels. An agreed suite of performance indicators (both local and national) is in place at team and corporate level, and these are monitored through regular reporting to management and the SCH Board, as well as by the council on a quarterly basis. Further reporting also takes place against the delivery plan, in respect of objectives, targets and outcomes. The Business Intelligence function has been strengthened as part of the restructure. A revised performance management framework took effect from 2025/26.

Data integrity has been identified as a key corporate focus area, and detailed interventions and actions plans have been put in place to improve the quality of data captured as well as linking multiple data systems to enable easy integration of data to inform better decision-making. This is set out in the Knowledge Information and Data Management Strategy. Third party assurance is currently being obtained from Housemark in regard to TSM methodology and accuracy.

Information Governance

SCH's approach to information governance is underpinned by policy, guidance, and training. This includes a full suite of policies based upon the information security standard BS ISO/IEC 27002:2013 and mandatory General Data Protection Regulation (GDPR) and Protecting Information training courses which all employees must complete (refresher every 2 years). There are clear management and accountability structures in place, which are outlined in the Information Governance Framework.

The SCH Governance Team works closely with the SMBC Information Governance Team to ensure full compliance with Freedom of Information and data protection requirements. Oversight of the internal governance arrangements is provided by both the ELT and Board, any failure to comply with statutory compliance with Companies House or Financial Conduct Authority would result in notifications from the relevant authorities. All data breaches were reported, investigated, and signed off by the relevant Executive Director. Learning points were identified from breaches, including staff being reminded of the need to be vigilant to avoid data breaches caused due to human error.

Financial Management

SCH's Standing Orders, Rules for Contracts and Financial Regulations are agreed annually by the Board (last updated on 2 June 2025). This document incorporates legal requirements and reflects CIPFA guidance. SCH continues to report its budget and savings proposals as part of the SMBC Budget process to ensure Council oversight and challenge of potential changes.

There is a robust financial monitoring process to identify non-compliance. Where this occurs, such as a forecast overspend, there are clear rules for escalation in place. Forecast overspend is reported to the SCH Board through a quarterly financial monitoring report and where possible a solution is recommended and agreed.

There was a significant forecast year-end overspend identified in the first quarter of 2025/26 mainly relating to Building Safety. This has been reported to the Board and the ELT throughout the year. The 2025/26 budget is supported by contributions from reserves and as at Period 11 this area is still overspent, however, there are compensating underspends elsewhere meaning that SCH can reduce its forecast use of reserves by almost £740,000.

Equalities Framework

SCH is committed to the principles of fairness, equality of opportunity, diversity and inclusion. We positively embrace and celebrate diversity and promote an inclusive culture in our role as an employer and a provider of homes and services. Our HEART values are Honesty, Excellence, Achieving together, Respect and Transparency. We are committed to becoming a diverse and inclusive organisation and placing our customers, staff and other stakeholders at the HEART of what we do.

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Equalities Framework

Everyone we deal with, be it board members, staff, tenants, leaseholders, contractors, suppliers and others, know that we do not tolerate discrimination, harassment or victimisation and will act where our Equality, Diversity and Inclusion (EDI) policy is breached.

Our policies and operational practices are designed to protect people from discrimination on the grounds of protected characteristics covered in equality legislation. Board and staff members are recruited on merit. Reasonable adjustments are made for people with disabilities in line with accreditation under the Disability Confident Scheme.

The Equality, Diversity and Inclusion Policy and Action Plan support us to meet legal and obligations under the Equality Act 2010 and other relevant regulations such as the Housing Consumer Standards. Training on EDI is mandatory, which is supplemented by job specific training such as safeguarding, anti-social behaviour, domestic abuse and mental health.

Fairness and inclusion are reflected in decision making and when delivering day-to-day operations and customer services.

The Equality, Diversity and Inclusion Policy and Action Plan are linked to SCH's Business and Annual Delivery Plans. The Action Plan is monitored by the Executive Leadership Team and progress is reported to the Human Resources, Equalities and Remuneration Committee, which is accountable to the Board.

Our Equality, Diversity and Inclusion Staff Network provide a safe space for discussions and supports embedding of EDI in day-to-day work. Public accountability for achievements is demonstrated through annual Public Sector Equality Duty and Gender Pay Gap Reports. SCH has had no prosecutions or enforcement notices issued against it for breach of the Equality Act 2010 not has SCH been the subject of external investigations relating to equality issues.

Health and Safety

Occupational Health and Safety (Workforce/Places)

Health and safety performance reports are presented on a regular basis to the ELT and the SCH Board. The reports provide an overview of key performance, including the number of reported accidents/incidents, commentary on key aspects of health and safety including legislative updates. As such, the reports confirmed that:

- Health and safety arrangements are in place within SCH, but with some areas of improvement required. A health and safety action plan is in place in line with SCH's health and safety management system as part of continual improvement.
- There have been no regulatory interventions or enforcement action taken against SCH in the last year.

Services and teams have access to SCH health and safety policies and guidance which have been produced to assist managers and employees to comply with health and safety legislation and statutory requirements. A programme of audits and inspections were in place in 2025/26.

Over the last year, SCH has maintained its health and safety governance arrangements that were put in place the previous years. The Safety Leadership Group, chaired by the Chief Executive, meets quarterly, and receives reports from the various health and safety working groups, each chaired by an Executive Director.

Regulatory Readiness

All managers have confirmed in the AGS process that staff were briefed on and made aware of any requirements that needed to be complied with in their day-to-day activities to be compliant with the Regulator of Social Housing's Consumer Standards.

During the year we worked closely with SMBC to develop a specification to source external expertise to support us in our preparation for inspection by the Regulator of Social Housing. SMBC commissioned Campbell Tickell to provide this support. Campbell Tickell noted that there has clearly been significant and senior attention paid to the regulatory requirements of the RSH and we found a level of self-awareness across the Council and ALMO in terms of some of the current challenges. In addition to a range of oversight and assurance activities relating directly to the standards (for example specific building safety oversight across the joint executive

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teams of Council and ALMO and the approval of a new strategic performance framework), external advice has been sought in relation to good governance, and overall compliance with the standards.

An action plan is in place identifying areas for improvement with progress monitored via SCH/ SMBC and joint governance structures.

Assurance from Customers (Complaints and Compliments) and Ombudsman Complaints

A Self-assessment against the Housing Ombudsman Code of Guidance for complaint handling was completed and submitted to Board for approval in June 2025. This has been published on the SCH website and submitted to Housing Ombudsman Service (HOS).

Our centralised complaints pilot was successful in improving the speed and quality of complaints administration and has now been implemented in full.

Systems are in place for monthly monitoring of complaint handling compliance and follow up. Any issues of concern, including Ombudsman determinations are reported to the Executive Leadership Team, and to SMBC.

SCH received 782 formal complaints during 2025/26. The majority of these complaints were resolved at stage 1 (610) with 28% progressing to stage 2 (172). The Housing Ombudsman and Local Government Social Care Ombudsman concluded 11 cases throughout the year, 6 were declined to be investigated the remaining 5 resulted in 4 findings of no-maladministration, 3 findings of service failure, 1 finding of maladministration and 3 cases of fault found.

ASSURANCE FROM EXTERNAL INSPECTIONS

External Audit

The audit completion report issued by Bishop Fleming Audit Limited was presented to Audit and Risk Committee on 6 July 2026 and the SCH Board on 15 September 2026. Progress on the previously identified control points was updated during the course of the audit. Of the matters noted none are considered to be significant deficiencies in the system of internal control.

Areas of Improvement

Following completion of the annual review of SCH's internal control framework, officers have developed action plans to address areas self-assessed as needing improvement. In addition, ELT will monitor the actions listed below to improve its governance arrangements and provide the assurance SCH expects to have in place.

Area of improvement	Action Taken	Status
Effective contract management	Continue to build on the improvements made to processes, training and communication, data and risk management following as a result of the recommendations made by Internal Audit to address inherent risks and weaknesses in control.	Action in progress
Evidencing Equality, diversity and Inclusion focus	This is part of the corporate review process, with ELT oversight, to ensure that all service areas are reviewed through an EDI lens and that decision-making reflects SCH's commitment to fair treatment.	Action in progress
Effective Governance arrangements between SCH and SMBC	Implement the recommendations made by the task and finish group in response to the Trowers and Hamlin's Governance review subject to approval by the SCH Board and SMBC Cabinet.	Complete
Compliant procurement processes	Action taken to ensure compliance with procurement processes including increased visibility and oversight at ELT. Regular meetings are in place between the Executive Director of Customer Experience and Corporate Support and Procurement.	Complete
Effective business continuity arrangements	ELT reviews the Business Continuity Plan annually. Proposed updates have been considered, and work is currently underway to refresh the associated Critical Incident Plans by SLT.	Action in progress

Annual Governance Statement

31 March 2026

(continued)

Areas of Improvement

Area of improvement	Action	Owner / Target date
Effective contract management	Continue to build on the strong foundational work and clear commitment to improving governance and controls identified by internal audit and embed.	Paul Edwards 30/9/26
Effective business continuity arrangements	Training session for Wider Leadership Team in June followed by a test exercise in the autumn.	Paul Edwards 31/12/26

CONCLUSION AND EVALUATION

As Chair and Chief Executive, we have been advised on the results of the review of the effectiveness of SCH's governance framework. Our overall assessment is that this Annual Governance Statement is a balanced reflection of the governance environment, and the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

We commit to implementing any outstanding actions identified as part of this annual review of governance.

[signed by Simon Wilson]

[signed by Mark Pearson]

Simon Wilson

Mark Pearson

Chair

Chief Executive

15 September 2026

Independent Auditor's Report to the Members of Solihull Community Housing Limited

Opinion

We have audited the financial statements of Solihull Community Housing Limited (the 'company') for the year ended 31 March 2026 which comprise Statement of Comprehensive Income, Statement of Changes in Equity, Balance Sheet, Statement of Cash Flows and notes to the financial statements along with significant accounting policies and areas of judgement and risk management. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2026, and of its profit for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' 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 company'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 directors 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 annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Independent Auditor's Report to the Members of Solihull Community Housing Limited (continued)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 20, the directors are 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 directors determine 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 directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We have considered the nature of the sector, control environment and financial performance;
- We have considered the results of enquiries with management in relation to their own identification and assessment of the risk of irregularities within the entity;
- We have reviewed the group's documentation of their policies and procedures relating to:
 - Identifying, evaluation and complying with laws and regulations and whether they are aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - The internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- We have considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

Independent Auditor's Report to the Members of Solihull Community Housing Limited (continued)

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the higher area of risk to be in relation to revenue recognition and accounting estimates. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We have also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, UK-adopted international accounting standards, and UK tax legislation. In addition, we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or avoid a material penalty, including landlord health and safety laws and regulations covering fire risks, gas safety, water hygiene, electrical safety and asbestos.

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing Board minutes;
- Enquiring of management in relation to actual and potential claims or litigations or areas of non-compliance with laws and regulations;
- Performed detailed testing in relation to the recognition of revenue, with a particular focus around year-end cut off;
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business.

We communicated identified laws and regulations and potential fraud risks to all members of the engagement team and remained alert to possible indicators of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.

Use of our report

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

[Signed by Nathan Coughlin]

Nathan Coughlin FCA (Senior Statutory Auditor)

For and on behalf of
Bishop Fleming Audit Limited
Chartered Accountants
Statutory Auditors
Salt Quay House
4 North East Quay, Sutton Harbour
Plymouth
PL4 0BN

Date: 25 September 2026

Statement of Comprehensive Income

For the year ended 31 March 2026

	Note	2026 £'000	2025 £'000
REVENUE	1	54,989	56,978
Operating expenses	3	(54,501)	(56,360)
PROFIT FROM OPERATIONS		488	618
Finance income	4/16	1,651	938
PROFIT BEFORE TAXATION		2,139	1,556
Income Tax expense	6	-	(6)
PROFIT FOR THE YEAR	14	2,139	1,550
OTHER COMPREHENSIVE INCOME/ (EXPENDITURE), NET OF TAX			
Actuarial gain / (loss) on defined benefit obligations	17	957	(1,027)
Gain on property revaluation	8	383	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		3,479	523

The profit from operations for the year arises from the Company's continuing operations (note 3)

The profit for the year is entirely attributable to its sole member (note 13)

Statement of Changes in Equity

For the year ended 31 March 2026

	Note	Total Equity & Reserves £'000
BALANCE AT 1 April 2024		3,069
Profit for the financial year to 31 March 2025		1,550
Actuarial loss relating to the pension scheme	17	(1,027)
		523
BALANCE AT 31 March 2025		3,592
Profit for the financial year to 31 March 2026		2,139
Revaluation gain		383
Actuarial loss relating to the pension scheme	17	957
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		3,479
BALANCE AS AT 31 March 2026		7,071

Balance Sheet

For the year ended 31 March 2026

	Note	2026 £'000	2025 Restated* £'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	2,443	2,108
Right of use assets	16	16	9
CURRENT ASSETS			
Inventories	9	112	117
Trade and other receivables	10	5,921	5,566
Cash and cash equivalents	15	7,177	7,022
TOTAL ASSETS		15,669	14,822
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	(8,292)	(7,355)
Current tax liabilities	6	-	(6)
Lease liabilities	16	(4)	(4)
Borrowings	7/12	(44)	(42)
		(8,340)	(7,407)
NON-CURRENT LIABILITIES			
Borrowings	7/12	(246)	(290)
Lease liabilities	16	(12)	(5)
Retirement benefit net obligations	17	-	(3,528)
TOTAL LIABILITIES		(8,598)	(11,230)
NET ASSETS		7,071	3,592
EQUITY – Attributable to parent			
Retained earnings		6,573	3,275*
Revaluation Reserve		498	317*
TOTAL EQUITY – ATTRIBUTABLE TO MEMBER	14	7,071	3,592

* The restated opening balances relate to the property valuations completed in 2021; whereby the split between Retained Earnings and Revaluation Reserve was not recognised at that time.

The financial statements on pages 34 to 59 were approved by the Board and authorised for issue on 15 September 2026 and are signed on their behalf by:

[Signed by Simon Wilson]

Mr Simon Wilson
Chair

[Signed by Mark Thrasher]

Mr Mark Thrasher
Chair of Audit and Risk Committee

Statement of Cash Flows

For the year ended 31 March 2026

	Note	2026 £'000	2025 £'000
OPERATING ACTIVITIES			
Cash inflow/ (outflow) from operations	15	219	(5,373)
Interest paid	4	(13)	(16)
NET CASH (USED IN) GENERATED BY OPERATING ACTIVITIES		206	(5,389)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	8	-	17
NET CASH USED IN INVESTING ACTIVITIES			
FINANCING ACTIVITIES			
Repayment of borrowings	12	(42)	(40)
Repayment of lease liabilities	16	(9)	(116)
NET CASH USED IN FINANCING ACTIVITIES		(51)	(156)
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS		155	(5,528)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		7,022	12,550
CASH AND CASH EQUIVALENTS AT END OF YEAR	15	7,177	7,022

Significant Accounting Policies

31 March 2026

LEGAL STATUS

The Company is limited by guarantee and registered under the Companies Act 2006.

BASIS OF ACCOUNTING

The financial statements have been prepared on the historical cost basis other than the revaluation of freehold properties. The principal accounting policies are set out below. The financial statements have been prepared in accordance with International Financial Reporting Standards and International Financial Reporting Interpretations Committee (IFRIC) interpretations as endorsed by the European Union ("IFRS") and the requirements of the Companies Act 2006 applicable to companies reporting under IFRS.

GOING CONCERN

The accounts have been prepared on a going concern basis. The Strategic Report sets details of the delivery plan and the five-year Strategic Vision which is the basis on which the directors have been able to make this assumption. This includes consideration of the trading activities of the Company along with the five-year rolling Management Agreement signed on 24 April 2015. The Council, at the Full Cabinet meeting on 12 February 2026, approved the roll-over of this agreement for the period 2026/27 to 2030/31. The Company also has sufficient cash reserves available should it be required to draw upon them.

The Council has provided the Company with a letter of support that confirms the Council has no plans to request repayment of the outstanding creditor balance in the period to the end of September 2027. This added to the ongoing unaffected level of revenue management fee for 2026/27 reinforces the accounts being prepared on a going concern basis.

REVENUE

Revenue consists of the invoiced value (excluding VAT) for goods and services supplied. The revenue taken to the Income Statement reflects the Company's right to consideration in exchange for performance.

Revenue is recognised when revenue and associated costs can be measured reliably, and future economic benefits are probable. Revenue is measured at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Revenue from services is recognised on a time-apportioned basis by reference to the provision of services set out in the Management Agreement, applicable Service Level Agreement or contract for services.

Sales of goods or property are recognised when goods are delivered and title has passed. Delivery occurs when the risks and rewards of ownership have been transferred to the customer.

PROPERTY

Housing properties were initially recorded at cost less any identified impairment loss until the date of the first revaluation which took place on 31 March 2016. All Housing properties are now included within the accounts at Existing Use Value (Social Housing).

Completed properties are then subject to a full re-valuation every 5 years by an independent valuer who is a member of the Royal Institution of Chartered Surveyors - the market values for the properties being then adjusted to Existing Use Value - Social Housing (EUV-SH).

This method applies a reduction to the market value of the property in order to reflect the service potential of the asset in its delivery of social housing objectives. The percentage reduction applicable to the assets is that defined by the Ministry for Housing, Communities and Local Government. Where a change in the percentage applied to arrive at the EUV-SH value is considered to result in a material change in the value of the Company's assets, this change will be applied immediately as a desktop exercise, even where a full revaluation is not yet due.

The change in the EUV-SH percentage itself is assumed not to materially change the underlying value of the property.

Significant Accounting Policies

31 March 2026

(continued)

Any amounts arising as a result of revaluation, exceeding the historical cost, are credited to the revaluation reserve.

DEPRECIATION

Depreciation is calculated so as to write off the cost or revalued amount of an asset, less its estimated residual value, over the useful economic life of that asset. Depreciation is calculated using the straight-line method at rates set out below. A full year's depreciation is charged in the year of acquisition and no depreciation in the year of disposal.

Freehold Land and Assets in the Course of Construction are not depreciated.

In accordance with International Accounting Standard 16 (IAS16), SCH's housing properties are split into their underlying components as defined by the BCIS "Component Life Survey" and each component is depreciated separately. SCH uses the following components with useful lives as shown:

- Substructure (over 50 years)
- Superstructure (over 50 years)
- Internal Finishes (over 40 years)
- Fittings (over 15 years)
- Services (over 25 years)
- External works (over 35 years)

HOUSING PROPERTIES

Depreciation is calculated on each component of the asset so as to write off the cost, less its estimated residual value, over the lower of 50 years or the useful economic life of each component. The useful economic life is determined separately for each development.

Revaluation gains and losses are applied across land and structure as appropriate.

IMPAIRMENT OF PROPERTY

At each reporting date, the Company reviews the carrying amounts of its property assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried above historical cost, in which case the reversal of the impairment loss is treated as a revaluation increase.

SHARED OWNERSHIP PROPERTIES

Properties acquired or constructed for re-sale are recorded as a current asset (within Inventories) at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development overheads. Net realisable value is based on estimated sales price after allowing for all further costs of completion and disposal.

Significant Accounting Policies

31 March 2026

(continued)

SHARED OWNERSHIP PROPERTIES (continued)

Where a property is acquired for re-sale on shared ownership terms, the proportion of the asset related to the first “tranche” for sale is recorded as a current asset (as set out above) until it is sold, the balance is held as a non-current asset within Housing Properties and depreciated accordingly. The non-current asset element is revalued in line with the accounting policy (for Property) set out above. Revenue from the initial first “tranche” sales of shared ownership properties is recognised as revenue. Sales of subsequent tranches are recognised as the disposal of a non-current asset, with the profit or loss on disposal being credited to the Statement of Comprehensive Income.

GOVERNMENT GRANTS

Grants in respect of revenue activities are credited to the Statement of Comprehensive Income in the same period as the expenditure to which they relate, once reasonable assurance has been gained that the Company will comply with the conditions attaching to them and that the funds will be received.

The Company adopts the revaluation model for its housing properties and any related income from government grants is, therefore recognised by crediting the grant to revenue under the performance model.

Government grants released on sale of a property may be repayable but are normally available to be recycled are credited to a Recycled Capital Grant Fund and included in the Balance Sheet as a liability, where applicable.

OTHER GRANTS

Grants received from non-government sources are recognised using the performance model. A grant which does not impose specified future performance conditions is recognised as revenue when the grant proceeds are received or receivable. A grant that imposes specified future performance-related conditions on the Company is recognised only when these conditions are met. A grant received before the revenue recognition criteria are satisfied is recognised as deferred income and included as a liability in the Balance Sheet.

INVENTORIES (excluding Shared ownership properties)

Inventories are stated at the lower of cost and estimated value in use. Cost comprises direct material costs and (where applicable), direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the First in First Out (FIFO) method.

LEASES

IFRS 16 is the Lease Accounting Standard that came into effect from April 2019. The adoption of this new Standard resulted in SCH recognising a right-of-use asset and related lease liability in connection with all former operating leases, with the exception of:

- leases with a remaining lease term of less than 12 months from the date of initial application, or
- leases with a right of use asset opening net present value of less than £5,000

The standard has been applied using the cumulative catch-up approach with the right-of-use asset under leases being measured at an amount equal to the lease liability.

Depreciation has been applied to right-of-use assets on a straight-line basis from date of transition for existing leases or lease commencement date for leases entered into within the current financial year.

Significant Accounting Policies

31 March 2026

(continued)

FINANCIAL INSTRUMENTS

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

Financial assets

Receivables: Trade and other receivables are classified as loans and receivables and are initially recognised at fair value. They are subsequently measured at their amortised cost using the effective interest method less any provision for impairment.

A provision for impairment is made where, in the opinion of the Directors, there is a reasonable likelihood that amounts will not be recovered in accordance with the original terms of the agreement. The level of the provision depends on the nature of the debt and the customer's payment history. The carrying value of the receivable is reduced through the use of an allowance account and any impairment loss is recognised in the Income Statement.

Cash and cash equivalents/liquid resources: Cash and cash equivalents comprise cash at bank and in hand and other short-term deposits held by the Company with maturities of less than three months.

Bank overdrafts are presented within current liabilities.

Investments: Short-term investments, comprising short term deposits with maturities of three months or more, are stated at cost and classified as current assets.

Borrowings: Interest bearing loans and overdrafts are recorded initially at their fair value, net of direct transaction costs. Such instruments are subsequently carried at their amortised cost and finance charges, including premiums payable on settlement or redemption, are recognised in the Income Statement over the term of the instrument using an effective rate of interest.

Payables: Trade and other payables are initially recognised at fair value and subsequently at amortised cost using the effective interest method.

TAXATION

The relationship between the Company and its parent undertaking has been recognised as non-trading in nature. Consequently, any activities that the Company carries on with its parent under its Management Agreement are not liable to corporation tax.

Where the Company has trading income from outside its parent Company, this may be liable to Corporation Tax. The tax payable is based on taxable profit for the year. Taxable profit differs from accounting profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is measured using tax rates that have been enacted or substantively enacted by the reporting date. The tax expense represents the sum of the current tax expense and deferred tax expense.

DEFERRED TAXATION

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the periods when the timing differences are expected to reverse, based on tax rates and law enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

Where law or accounting standards require gains and losses to be recognised in the Statement of Changes in Equity, the related taxation is also taken directly to the Statement of Changes in Equity in due course.

Significant Accounting Policies

31 March 2026

(continued)

PENSIONS

All permanent employees of the Company are entitled to join the local government "defined benefit" pension scheme, the West Midlands Pension Fund, which is administered by Wolverhampton City Council and provides members with defined benefits, related to pay and service. During the year, the Company paid an employer's contribution rate of 24.8% (2025: 21.8%) into the fund in addition to meeting all pension payments relating to added years benefits awarded during the year, together with any related increases.

In accordance with IAS 19 "Employee benefits" revised, the service cost of the pension provision relating to the period, together with the cost of any benefits relating to past service, and the administration cost is charged to the Income Statement. A net interest charge on the defined benefit liability based on the discount rate at the start of the year is included in the Income Statement under "Finance costs".

The difference between the fair value of the assets of the scheme and the present value of the accrued pension liabilities is shown as an asset or liability on the balance sheet net of any deferred tax. Any difference between the expected return on assets and that actually achieved is recognised in the Statement of Comprehensive Income along with differences arising from experience or assumption (financial and demographic) changes.

Through its defined benefit pension scheme the company is exposed to a number of risks, the most notable being:

- 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 require 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 fluctuate 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.

Further information on pension arrangements is set out in Note 17 to the accounts.

STANDARDS ADOPTED EARLY BY THE COMPANY

The Company has not adopted any standards or interpretations early in either the current or the preceding financial year.

At the date of authorisation of these financial statements there are no Standards and Interpretations which have not been applied in these financial statements which were in issue but not yet effective.

Areas of Judgement and Risk Management

31 March 2026

CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

The Company makes estimates and assumptions concerning the future that are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

The Strategic Report set out on pages 6 to 17 of these accounts sets out a commentary on the current and future trading activities of the Company as well as the key risks underlying its operations. The evidence gathered in this exercise forms a key element of the Directors' assessment of whether SCH continues to be a going concern.

The estimates (and related assumptions) that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are in relation to the pension scheme and the property revaluations. The detailed assumptions in relation to the pension scheme are set out in Note 17 to the accounts. Solihull Community Housing's ("SCH") parent, Solihull Council confirms on an annual basis that they expect SCH to make best endeavours to maintain a fully funded scheme by complying with any guidance issued by the actuary with regard to contribution levels. In line with the Company's accounting policies its property portfolio is revalued every five years. The first such revaluation took place on 31 March 2016 with the most recent full revaluation taking place on 31 March 2026. Details are set out in Note 8 to the accounts.

FINANCIAL RISK MANAGEMENT

The Board of SCH is responsible for identifying, evaluating and managing the significant risks faced by the Company. The Chair of the Audit and Risk Committee jointly champions risk management (including the management of financial risks) throughout SCH on an ongoing basis together with the Chief Financial Officer

The Chief Executive and SCH's Executive Leadership Team (ELT) are collectively responsible for managing strategic risks as well as being responsible for managing operational risks in their individual areas of responsibility.

SCH maintains a Corporate Risk register and each Executive Director maintains a supporting Service Risk Register. These registers set out the identified risks and the mitigating actions in place to deal with these risks, as well as clearly defined management responsibilities for their identification, evaluation and control. A joint risk register with SMBC is in place to record and monitor risks that are shared with the Council. SCH has defined its risk appetite specifying the types and level of risk it is willing to hold – there is a clear process of assessment and escalation of all out of appetite risks. The Executive Leadership Team (ELT) carry out formal reviews of the corporate risks and these are reported to the Audit and Risk Committee. A process is in place to conduct scheduled reviews of the operational risk registers by the Senior Leadership Team (SLT) to enable peer challenge and identification of the interdependencies between business areas. Corporate risks are reported to the Board annually.

Monitoring exposure to financial risks forms a key part of SCH's overall risk management processes. The Annual Governance Statement set out on pages 21 to 30 of these accounts sets out a more detailed explanation of SCH's approach to the management of both financial and operational risk.

Liquidity Risk and Credit Risk

SCH's objective is to meet its liabilities as they fall due whilst maintaining sufficient funds to enable the Company to react to unexpected changes in market conditions.

The Company is largely dependent on its largest customer, Solihull Council. The Capital and Revenue Management Fees and income from Service Level Agreements from Solihull Council represent 89% (2025: 89%) of SCH's income and are receivable monthly in advance. SCH is dependent on Management Fee income in order to maintain the necessary cash flow to operate effectively.

Areas of Judgement and Risk Management

31 March 2026

(continued)

Solihull Community Housing is exposed to liquidity risk principally in the event that the Council were to experience cash flow difficulties in paying the management fee monthly. Taking into account the Council's current financial position, it is still considered by the Board that the likelihood of this risk arising is remote.

The Company's maximum exposure to credit risk, gross of any collateral held, relating to its financial assets is equivalent to their carrying value. All financial assets have a fair value which is equal to their carrying value.

Liquidity Risk and Credit Risk (continued)

Credit risk predominantly arises from trade receivables of the Company's total 2026 financial assets, £4,557,000 (2025: £3,143,000) is owed to the Company by Solihull Council and the SCH Board therefore also consider that the likelihood of this risk arising is remote. The remainder are cash/cash equivalents and amounts due from third parties. Other trade receivables are limited in value.

SCH has joint banking arrangements with Solihull Council but the Company's arrangements reflect its independence (e.g. a separate bank account, bank mandate and signatories).

Solihull Council carries out Treasury Management on behalf of SCH under a Service Level Agreement (SLA). Surplus funds for both Solihull Council and SCH are pooled and deposited overnight and on longer arrangements, under a formal agreement between the two parties. The resulting interest is credited to the Council's Housing Revenue Account (HRA), and thus supplements the Management Fee payable to SCH.

Interest rate risk

SCH's interest rate risk is limited to the following areas:

- The rate that the Housing Revenue Account (HRA) earns on its balances - which directly affects the management fee payable to SCH (see above).
- Solihull Council's Consolidated Rate of Interest (CRI) on the loan to finance SCH's developments and Planned Preventative Maintenance programme

All the Company's 2026 and 2025 Financial Assets are non-interest bearing.

All the Company's 2026 and 2025 Trade and Other Payables are non-interest bearing. The interest rates applicable to the Company's 2026 and 2025 Borrowings are set out in Note 12 to these accounts, where these amounts are analysed by interest type.

Capital Management

The Company's main objective when managing capital is to ensure that it maintains sufficient capital to ensure that the Council's tenants continue to receive an excellent housing management service from the Company. The level of management fee agreed with the Council annually in respect of the Management Agreement and the Company's level of operating efficiency are the principal determinants of the level of equity that the Company is able to retain. As a Company limited by guarantee, the only equity capital of the Company is represented by its retained earnings reserves.

The Company's level of debt is not significant. "Net debt" is defined as including short and long-term borrowings (including overdrafts and lease obligations) net of cash and cash equivalents and represents net positive funds of £6,872,000 at 31 March 2026 (2025: £6,681,000).

The Company does not have any externally imposed capital requirements and has not made any changes to its capital management during the year.

Notes to the Financial Statements

For the year ended 31 March 2026

1. REVENUE

Sales were made wholly in the United Kingdom and derived from the Company's principal activity of housing management, including rental of properties.

2. SEGMENT INFORMATION

IFRS8 requires the provision of segmental information for the Company on the basis of information reported internally to the chief operating decision-maker for decision-making purposes. The Company considers that the role of chief operating decision-maker is performed by the Company's Board of Directors and all results are reported as a single segment.

3. PROFIT FROM OPERATIONS

(Loss) / profit from operations is stated after charging:

	2026	2025
	£'000	£'000
Inventories		
- cost of inventory recognised as an expense	974	1,009
Depreciation of owned property, plant and equipment	48	48
Depreciation of leased assets	4	116
Auditor's fees:		
- audit services	34	35
- taxation	3	3
Rentals under operating leases	332	210

The following table analyses the nature of expenses:

	2026	2025
	£'000	£'000
Staff costs	14,217	13,788
Asset management	29,131	31,603
Housing management	6,209	6,212
Corporate services	4,944	4,757
Total expenditure	54,501	56,360

4. FINANCE INCOME / (COST)

	2026	2025
	£'000	£'000
Interest on net pension asset	1,665	954
Prudential borrowing interest	(14)	(15)
Interest on lease liabilities	-	(1)
Net Income	1,651	938

Notes to the Financial Statements

For the year ended 31 March 2026

(continued)

5. STAFF COSTS

The average monthly number of persons employed by the Company during the year was:

	2026 No	2025 No
Non-executive Directors	10	11
Executive Management Team	3	3
Housing and Communities	102	118
Asset Management and Development	103	102
Customer Service Transformation and Business Support	66	61
	<u>284</u>	<u>295</u>

Staff costs, including directors:

	2026 £'000	2025 £'000
Wages and salaries	9,815	9,583
Social security costs	1,276	965
Other pension costs	1,383	1,798
Modernisation and redundancy costs	83	23
Sub-total employed staff costs	<u>12,557</u>	<u>12,369</u>
Agency costs	<u>1,660</u>	<u>1,419</u>
Total Staff costs	<u>14,217</u>	<u>13,788</u>

Remuneration of key management personnel:

The remuneration of the non-Executive directors and the Executive Management Team of the Company in aggregate is as follows:

	2026 £'000	2026 Average per full time equivalent	2025 £'000	2025 Average per full time equivalent
Short term employee benefits (Pay & Employers NI)	492	164	461	154
Termination Benefits	<u>76</u>	<u>25</u>	<u>-</u>	<u>-</u>
	<u>568</u>	<u>189</u>	<u>461</u>	<u>154</u>

The role of the Chief Financial Officer in SCH is undertaken by the Council's Assistant Director of Finance and Property Services and spends approximately 55% of her time on SCH business. This 55% costs the Council £77,000 (2025: £74,000). This is not included within the staffing details above as the role forms part of an overall Service Level Agreement (SLA) paid by SCH to the Council at a total cost of £2,150,000 (2025: £2,061,000). The SLA provides the company with support services for Finance, Human Resources, Information Technology, Health and Safety and Equalities.

Notes to the Financial Statements

For the year ended 31 March 2026

(continued)

5. STAFF COSTS (continued)

The remuneration of the Main Board of the Company in aggregate is as follows:

	2026 £'000	2025 £'000
Chair	11	10
Committee Chairs	11	10
Other Board Members	22	28
	<u>44</u>	<u>48</u>

In addition to above, in total Board Members incurred and were reimbursed £1,000 for incidental expenses associated with attending Board meetings and formal events in their capacity as Board members (2025: £1,000).

6. INCOME TAX EXPENSE

ANALYSIS OF CHARGE IN YEAR

Current Tax:

	2026 £'000	2025 £'000
UK – Current year	-	10
Adjustment in respect of prior year	-	(4)
	<u>-</u>	<u>6</u>

Current tax reconciliation:

	2026 £'000	2025 £'000
Profit before tax	2,139	1,556
Depreciation	52	164
IAS19 adjustments:		
- Other finance (income)/ costs	(1,665)	(954)
- Past and present service costs	1,303	1,748
	<u>1,829</u>	<u>2,514</u>

	2026 £'000	2025 £'000
Tax at the standard rate of corporation tax 25% (2025: 19%)	457	478
Effect of non-trading activities with member not subject to corporation tax	(457)	(468)
	<u>-</u>	<u>10</u>

Where the Company has income related to trading outside of the council, this is taxable. During the reporting year income from the ownership and management of the company's own developments and from the company's 'Better Places' service were subject to Corporation Tax. A taxable loss of £3,000 arose in the year and is reflected in these statements (2025: profit of £54,000).

Notes to the Financial Statements

For the year ended 31 March 2026

(continued)

6. INCOME TAX EXPENSE (continued)

On the basis that we are not expecting to sell the housing properties owned by the Company, no allowance has been made within these financial statements for deferred taxation as a result of revaluations of housing properties undertaken (last revaluation: 31 March 2026). Any such sales are only taxable if sold to a party other than the Council.

7. FINANCIAL INSTRUMENTS

Assets at amortised cost:		2026 £'000	2025 £'000
Current financial assets			
Trade and other receivables	10	4,618	4,011
Liabilities at amortised cost:			
Current financial liabilities			
Trade and other payables	11	7,988	7,087
Borrowings	12	44	42
		8,032	7,129
Non-current financial liabilities			
Borrowings	12	246	290
Lease Liabilities	16	12	5
Total other financial liabilities		8,290	7,424

MATURITY ANALYSIS

Financial Assets

The table below analyses the Company's financial assets which are considered to be readily saleable or are expected to generate cash inflows to meet cash outflows on financial liabilities.

		2026 £'000	2025 £'000
Within 6 Months			
Trade and other receivables	10	4,618	4,011

Notes to the Financial Statements

For the year ended 31 March 2026

(continued)

7. FINANCIAL INSTRUMENTS (continued)

Financial Liabilities

The table below analyses the Company's liabilities on a contractual gross undiscounted cash flow basis into maturity groupings based on amounts outstanding at 31 March 2026 up to the contractual maturity date:

		2026 £'000	2025 £'000
Within 6 Months			
Trade and other payables	11	7,988	7,087
Borrowings	12	44	42
1 to 5 Years			
Lease Liabilities	16	12	5
Borrowings	12	246	290
Total		8,290	7,424

The Company would normally expect that sufficient cash is generated in the operating cycle to meet the contractual cash flows as disclosed above through effective cash management.

8. PROPERTY

	Freehold Land	Completed Properties available for letting		Total
		Rented	Shared Ownership	
	£'000	£'000	£'000	£'000
Valuation:				
At 1 April 2024	770	1,729	252	2,751
Disposals			(22)	(22)
At 31 March 2025	770	1,729	230	2,729
Revaluation	44	306	33	383
At 31 March 2026	814	2,035	263	3,112

Accumulated depreciation and any recognised impairment losses:

At 31 March 2024	-	(503)	(75)	(2,274)
Charged in the year	-	(42)	(6)	(48)
Reversal of accumulated depreciation	-	-	5	5
At 31 March 2025	-	(545)	(76)	(621)
Charged in the year	-	(42)	(6)	(48)
At 31 March 2026	-	(587)	(82)	(669)

Notes to the Financial Statements

For the year ended 31 March 2026

(continued)

8. PROPERTY (continued)

	Freehold Land	Completed Properties available for letting		Total
		Rented	Shared Ownership	
	£'000	£'000	£'000	£'000
Net book value:				
At 31 March 2026	814	1,448	181	2,443
At 31 March 2025	770	1,184	154	2,108
At 31 March 2024	770	1,226	177	2,173

The depreciation expense of £48,000 (2025: £48,000) has been charged to operating expenses within the Income Statement.

In line with our accounting policy, all properties owned by Solihull Community Housing were subject to a full revaluation at 31 March 2026 which resulted in a revaluation gain of £383,000 which is recognised in the Statement of Comprehensive Income. Of this figure, £181,000 has been credited to the revaluation reserve, where valuations exceed historical cost, the remaining £202,000 has been credited to the profit and loss reserve.

The next full revaluation of these properties is due in 2030/31.

SCH received a total of £781,000 of Social Housing Grant towards the development of these properties; this sum was recognised as income in 2015/16 in line with the first full revaluation.

Had the Company adopted the Cost Model the carrying value of the assets would be as follows:

	Freehold Land	Completed Properties available for letting		Total
		Rented	Shared Ownership	
	£'000	£'000	£'000	£'000
Historic Cost	613	1,806	163	2,582
Accumulated Depreciation at 31 March 2026	-	(785)	(74)	(859)
At 31 March 2026	613	1,021	89	1,723

9. INVENTORIES

	2026 £'000	2025 £'000
Raw materials and consumables	112	117

Raw materials and consumables to both are carried at the lower of cost and net realisable value. The replacement cost of the above stocks would not be significantly different from the values stated.

Notes to the Financial Statements

For the year ended 31 March 2026

(continued)

10. TRADE AND OTHER RECEIVABLES

	2026 £'000	2025 £'000
Trade receivables	11	529
Owed by Solihull MBC	4,557	3,143
Accrued income and prepayments	600	671
Other tax and social security debtor	745	1,209
Other receivables including rent	8	14
	<u>5,921</u>	<u>5,566</u>

The average credit period taken on provision of services is 13 days (2025: 23 days).

An allowance has been made for estimated irrecoverable debtors of £156,000 (2025: £143,000). This allowance has been based on the knowledge of the financial circumstances of individual customers at year-end.

The following table provides an analysis of trade and other receivables that were past due at 31 March but not impaired. The Company believes that these balances are ultimately recoverable based on a review of past payment history and the current financial status of the customers.

	2026 £'000	2025 £'000
Up to 3 months	4	3
Up to 6 months	-	10
Greater than 6 months	3	27
	<u>7</u>	<u>40</u>

The movement in the allowance account was as follows:

	2026 £'000	2025 £'000
Opening balance as at 1 April	143	118
Provision for receivables impairment	26	51
Receivables written off during the year	(4)	(18)
Unused amounts reversed	(9)	(8)
Closing balance as at 31 March	<u>145</u>	<u>143</u>

At the year end all trade and other receivables were denominated in sterling.

Notes to the Financial Statements

For the year ended 31 March 2026

(continued)

11. TRADE AND OTHER PAYABLES

	2026 £'000	2025 £'000
Amounts payable relating to invoiced amounts	1,662	2,898
Accruals and deferred income	5,760	3,405
Owed to Solihull MBC	190	415
Other tax and Social Security	252	235
Other creditors	428	402
Current trade and other payables	<u>8,292</u>	<u>7,355</u>

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 21 days (2025: 14 days).

The Directors consider that the carrying amount of trade payables approximates to their fair value.

At the year end all trade and other payables were denominated in sterling.

12. BORROWINGS

	2026 £'000	2025 £'000
<u>Less than 1 year</u>		
Prudential borrowing from SMBC	44	42
<u>Greater than 1 year</u>		
Prudential borrowing from SMBC	246	290
	<u>290</u>	<u>332</u>

Interest Rate Summary

	2026 £'000	2025 £'000
Floating rate	<u>290</u>	<u>332</u>

A floating rate loan from Solihull Council to finance SCH's development of properties for rent and shared ownership - £290,000 (2025: £332,000). This is a floating rate loan repayable over 22 years from 2010/11 to 2031/32. Interest is charged at the Council's Consolidated rate of Interest (CRI). The loan is secured on the developed properties.

13. COMPANY LIMITED BY GUARANTEE

The Company is limited by guarantee, incorporated in the United Kingdom, and is governed by its Memorandum and Articles of Association. The guarantor is its sole member, Solihull Metropolitan Borough Council, (see note 18) as listed in the Company's Register of Members. The liabilities in respect of the guarantee are set out in the Memorandum of Association and are limited to £1 per member of the Company.

Notes to the Financial Statements

For the year ended 31 March 2026

(continued)

14. EQUITY AND RESERVES

	Revaluation Reserve	Retained Earnings	Total Equity and Reserves
<u>Retained earnings</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Balances at 1-Apr-25 (restated*)	317	3,275	3,592
Retained profit for the year	-	2,139	2,139
Other Comprehensive Income	181	1,159	1,340
Balances at 31-Mar-26	498	6,573	7,071

* The restated opening balances relate to the property valuations completed in 2021; whereby the split between Retained Earnings and Revaluation Reserve was not recognised at that time.

Reserves consist of a retained earning reserve which is used to recognise the cumulative profit and loss net of any distributions for future specific activities on the pension reserve which is used to record the current pension fund deficit.

15. CASHFLOWS

	2026 £'000	2025 £'000
Reconciliation of operating profit to net cash inflow/ (outflow) from operating activities		
Operating profit before tax	488	618
Depreciation and amortisation	52	164
(Gain) / loss on revaluation of fixed assets	4	(3)
Pension contributions paid in the period	(2,283)	(1,971)
Pension contributions charged in the period	1,377	1,793
Decrease in inventories	5	7
Decrease/ (increase) in debtors	(355)	(1,172)
Increase/ (decrease) in creditors	937	(4,804)
Decrease in Corporation tax Creditor	(6)	(5)
Net cash inflow / (outflow) from operating activities	219	(5,373)

CASH AND CASH EQUIVALENTS	2026 £'000	2025 £'000
Cash and cash equivalents represent:		
Cash at bank and in hand	7,177	7,022

Notes to the Financial Statements

For the year ended 31 March 2026

(continued)

16. COMMITMENTS UNDER LEASES

Right-of-use assets		Plant and machinery £'000
Balance at 1 April 2025		9
Depreciation charge for the year		(4)
Lease modifications recognised during the year		(5)
Additions to right of use assets during the year		16
Balance at 31 March 2026		16
Total value of lease commitments:	Plant and machinery 2026 £'000	Plant and machinery 2025 £'000
Expiry of lease:		
Within 1 year	18	120
Between 2-5 years	13	4
After 5 years	-	1
Total undiscounted lease liabilities at 31 March 2026	31	125
Lease liabilities in the statement of financial position at 31 March	16	9
Current	4	4
Non-current	12	5
Amounts recognised in statement of comprehensive income	2026 £'000	2025 £'000
Expenses relating to short-term leases	332	211
Amounts recognised in statement of cash flows	2026 £'000	2025 £'000
Cash outflow for leases	9	326

17. RETIREMENT BENEFIT OBLIGATIONS

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out as at 31 March 2026 for the purposes of the IAS 19 valuation for inclusion in these financial statements prepared by Hymans Robertson LLP, a registered actuary engaged by West Midlands Pension Fund. The present values of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit method.

Notes to the Financial Statements

For the year ended 31 March 2026

(continued)

17. RETIREMENT BENEFIT OBLIGATIONS (continued)

	2026 %	2025 %
Key assumptions used:		
Future salary increases	4.00	3.75
Future pension increases	3.00	2.75
CPI increases	3.00	2.75
Discount rate	6.20	5.80

Mortality rate assumptions are based on publicly available data in the UK.

The average life expectancy for a pensioner retiring at 65 on the reporting date is:	2026	2025
Male	87	86
Female	90	89

The average life expectancy for a pensioner retiring at 65, aged 45 at the reporting date is:	2026	2025
Male	87	87
Female	90	90

The sensitivity of the overall pension liability to changes in the weighted principal assumptions is:

	Change in Assumption	Overall Impact on Liability
Discount rate	Decrease by 0.1%	Increase of £971,000
Short term salary increase	Increase by 0.1%	Increase of £47,000
Pension growth rate	Increase by 0.1%	Increase of £923,000
Rate of mortality	Increase by 1 year	Increase of £2,657,000

Amounts recognised in profit or loss in respect of this defined benefit scheme are as follows:

	2026 £'000	2025 £'000
Current service cost	1,303	1,748
Net interest on asset / liability	(1,665)	(954)
Administration cost	74	45
Total operating charge	<u>(288)</u>	<u>839</u>

Of the charge for the year: £1,377,000 has been charged to operating costs (2025: £1,793,000);
£1,665,000 has been credited to finance costs (2025: £954,000).

Actuarial gains and losses are reported as other comprehensive income and expense:

Gain recognised is £957,000 (2025: loss of £1,027,000);

Cumulative gain is £15,855,000 (2025: £14,898,000)

The actual return on scheme assets was a loss of £2,977,000 (2025: £8,238,000).

Notes to the Financial Statements

For the year ended 31 March 2026

(continued)

17. RETIREMENT BENEFIT OBLIGATIONS (continued)

The amounts included in the Balance Sheet arising from the Company's obligation in respect of the defined benefit retirement scheme are:

	2026 £'000	2025 £'000
Fair value of scheme assets	100,822	91,182
Present value of defined benefit contributions	(66,425)	(62,925)
Surplus in scheme	34,397	28,257
Effect of the Asset Ceiling valuation	(34,397)	(31,785)
Asset / (Liability) recognised in the Balance Sheet	-	(3,528)

Movements in the liability recognised in the Balance Sheet in the current period:	2026 £'000	2025 £'000
At 1 April	(3,528)	(3,633)
Current service cost including curtailments	(1,303)	(1,728)
Past service cost	-	(20)
Interest cost	(3,639)	(3,445)
Remeasurement arising from changes in assumptions	3,034	10,978
Other experience losses/ (gains)	(3,278)	632
Expected return on scheme assets	5,304	4,399
Actuarial gains/ (losses)	3,813	(4,074)
Administration expenses	(74)	(45)
Employer contributions	2,283	1,971
Effect of the Asset Ceiling valuation	(2,612)	(8,563)
At 31 March	-	(3,528)

Movement in the present value of defined benefit obligations in the current period:	2026 £'000	2025 £'000
At 1 April	62,925	71,091
Current service cost including curtailments	1,303	1,728
Past service cost	-	20
Administration expenses	74	45
Interest cost	3,639	3,445
Remeasurement arising from changes in assumptions	(3,034)	(10,978)
Other experience losses/ (gains)	3,278	(632)
Contributions by plan participants	628	598
Benefits paid	(2,388)	(2,392)
At 31 March	66,425	62,925

Notes to the Financial Statements

For the year ended 31 March 2026

(continued)

17. RETIREMENT BENEFIT OBLIGATIONS (continued)

Movement in the fair value of scheme assets in the current period:	2026 £'000	2025 £'000
At 1 April	91,182	90,680
Expected return on scheme assets	5,304	4,399
Actuarial (losses)/ gains	3,813	(4,074)
Employer contributions	2,283	1,971
Employee contributions	628	598
Benefits paid	(2,388)	(2,392)
At 31 March	100,822	91,182

Analysis of the scheme assets and the expected rate of return at the reporting date:

	Expected return		Fair value of assets	
	% 2026	% 2025	£'000 2026	£'000 2025
Equity instruments	6.20	5.80	56,140	40,712
Debt instruments	6.20	5.80	38,444	33,425
Property	6.20	5.80	6,238	6,160
Alternatives	6.20	5.80	-	4,329
Cash	6.20	5.80	-	6,556
	6.20	5.80	100,822	91,182

Since 2016 the overall rate of return on scheme assets is calculated with reference to the overall discount rate. These were previously determined by reference to relevant indices.

The five-year history of experience adjustments are as follows:

At 31 March:	2026 £'000	2025 £'000	2024 £'000	2023 £'000	2022 £'000
Fair value of plan assets	100,822	91,182	90,680	83,190	84,139
Present value of defined obligation	(66,425)	(62,925)	(71,091)	(70,283)	(98,226)
Effect of the Asset Ceiling valuation	(34,397)	(31,785)	(23,222)	-	-
Surplus/ (deficit) in the plan	-	(3,528)	(3,633)	12,907	(14,087)
Re-measurement on Assets	3,732	(4,074)	4,118	(3,285)	5,205
Experience adjustments on plan liabilities	(3,197)	632	(2,183)	(3,544)	(212)
Gain on financial assumptions	1,482	10,852	4,059	36,181	5,496
Gain on demographic assumptions	1,552	126	421	592	562
Effect of the Asset Ceiling valuation	(2,612)	(8,653)	(23,222)	-	-
Total Actuarial gain/ (loss) for year	957	(1,027)	(16,807)	29,944	11,051

The estimated amounts of contributions expected to be paid to the scheme during the financial year ending 31 March 2026 is £912,000.

Notes to the Financial Statements

For the year ended 31 March 2026

(continued)

18. RELATED PARTY TRANSACTIONS

The Company's parent and ultimate parent is Solihull Metropolitan Borough Council. Their consolidated Financial Statements are available from Solihull Metropolitan Borough Council, The Council House Complex, Manor Square, Solihull, B91 3QB.

Solihull Community Housing Limited is an Arm's Length Management Organisation with a contract from the ultimate parent (Solihull Metropolitan Borough Council) which passes on responsibility for the management and maintenance of the Council's homes and other related buildings.

	2026 £'000	2025 £'000
During the year the Company:		
- supplied goods and services to SMBC	49,683	48,909
- purchased goods and services from SMBC	5,907	5,825
At 31 March		
- included in year-end Debtors owed by SMBC	4,557	3,143
- included in year-end Creditors owing to SMBC	(190)	(264)
- included in year-end Borrowings owing to SMBC	(290)	(332)
- included in year-end Deferred income from SMBC	-	(151)
- Net balance due from SMBC	4,077	2,396

Included in the above figures is a loan from Solihull Council to fund SCH's own development of properties for rent and shared ownership. Further details are set out in note 12. The loan is secured against the assets that it was used to develop. As at 31 March 2026 the balance outstanding was £290,000 (2025: £332,000).

Apart from this loan the amounts outstanding that are recorded in the accounts are unsecured, carry or bear no interest and will be settled in cash. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

During the year the company also purchased good or services from the below companies. Housemark Limited and the National Federation of ALMOs Limited have current Directors who are also serving Board members of SCH:

	2026 £'000	2025 £'000
Housemark Limited		
- purchased goods or services	20	22
National Federation of ALMOs Limited		
- purchased goods or services	17	15
At 31 March		
- Included in year-end Debtors	21	22
- Included in year-end Creditors	4	-

19. CONTINGENT LIABILITY

As at 31 March 2026 the company has no material contingent liabilities.



Get in Touch

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