

# **FRAMEWORK HOUSING ASSOCIATION**

## **STRATEGIC AND BOARD REPORT**

## **FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR TO 31 MARCH 2026**

**COMPANY REGISTRATION No: 3318404**



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## COMPANY INFORMATION

### THE BOARD:

|                  |                                                      |             |                   |
|------------------|------------------------------------------------------|-------------|-------------------|
| Ruth Hawkins     | Chair                                                |             |                   |
| Sarah Harris     | Chair of the Audit and Risk Management Committee     |             |                   |
| Rob Main         | Chair of the Nominations and Remunerations Committee |             |                   |
| Marcus Beale     | Chair of the Service Delivery Committee              |             |                   |
| Catherine Arkley | Retired 12 March 2026                                |             |                   |
| Emma Brown       | Resigned 11 September 2025                           |             |                   |
| Christopher Lane | Resigned 3 December 2025                             |             |                   |
| Amy Laurie       | Appointed 12 March 2026                              |             |                   |
| Jonathan Bemrose | Appointed 12 March 2026                              |             |                   |
| Sheona MacLeod   | Resigned 30 April 2026                               |             |                   |
| Holly Davis      | Alan Davies                                          | Neil Jones  | Brigitte Scammell |
| Tom Jackson      | Simon Tipping                                        | Jane Bethea |                   |

### SENIOR LEADERSHIP TEAM:

|                       |                                                              |
|-----------------------|--------------------------------------------------------------|
| Andrew Redfern        | Chief Executive (Retired 31 December 2025)                   |
| Claire McGonigle      | Chief Executive (Appointed 1 October 2025)                   |
| Suzanne Williamson    | Director of Finance, Governance and Risk                     |
| Karen Little          | Director of Homelessness Services (Appointed 1 January 2026) |
| Apollos Clifton-Brown | Director of Health and Social Care                           |
| Dave Newmarch         | Director of Corporate Services                               |
| Steve Watson          | Director of Policy, Insight and Engagement                   |

**COMPANY SECRETARY:** Suzanne Williamson

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Tel: (0115) 841 7711 E-Mail: [info@frameworkha.org](mailto:info@frameworkha.org)

**AUDITORS:** Menzies LLP  
One Express, 1 George Leigh Street, Manchester M4 5DL

**SOLICITORS:** Actons, 20 Regent Street, Nottingham NG1 5BQ

**BANKERS:** National Westminster Bank Plc, Nottingham City Branch  
148-149 Victoria Centre, Nottingham NG1 3QT

**REGISTERED CHARITY No:** 1060941

**REGISTERED PROVIDER OF SOCIAL HOUSING No:** LH4 184

**COMPANY REGISTRATION No:** 331840

**The Board Members present their Strategic Report, Board Report and Audited Financial Statements for the year ended 31 March 2026.**

## STRATEGIC REPORT

### PRINCIPAL ACTIVITIES

The principal activities of Framework Housing Association are to provide accommodation, support, care, treatment, training, resettlement, and related services to homeless, vulnerable, and excluded people. At present these activities are carried out mainly in the cities of Nottingham, Lincoln, Leicester & Sheffield and the counties of Nottinghamshire, Derbyshire, Lincolnshire & Northamptonshire.

Framework's Objects, as set out in its Articles of Association, are to carry out the following activities for persons in need who are homeless (or threatened with the prospect of becoming homeless) and/ or suffering from the effects of poverty, sickness, disability, old age, alcoholism, drug addiction, offending behaviour or any other mental or physical infirmity:

- To provide housing, treatment, rehabilitation, education, training and care
- To provide facilities, resources and services to support and/ or benefit them
- To provide, maintain or improve properties to deliver the above services
- To promote further study of the nature, extent and consequences of the above social problems.

Framework's Vision and Mission during the reporting period were those set out in the 2022–2026 Corporate Plan, under which these financial statements have been prepared. These statements therefore reflect the strategic intent and organisational priorities in place throughout 2025/26. A new Strategic Plan was implemented from April 2026 and progress against this plan will be reported in the 2026/27 financial statements.

Framework's Mission Statement is:

**'Working to tackle Homelessness, Ill-health, Disadvantage and Exclusion' by:**

- Providing holistic, person-centred programmes of housing, health, employment and support
- Challenging systems & influencing their design to deliver integrated services with better outcomes
- Preventing homelessness and its causes
- Advocating for service users and embedding their experience in our work.

### ORGANISATION STATUS

Framework is a Registered Charity (no. 1060941) and a Company Limited by Guarantee (no. 331840). In the event of winding up, the liability of each member is limited to £1.00.

Framework is also a Registered Provider of Social Housing (no. LH4 184). These accounts are prepared in accordance with the Statement of Recommended Practice for Registered Social Housing Providers (2018) and the Accounting Direction for Private Registered Providers of Social Housing (2022).

### GOVERNANCE

#### Board

Framework is governed by a Board responsible for its activities and affairs. Board Members are Directors of the Company, Trustees of the Charity and Members of the Association.

During the year, the Board completed the recruitment of a new Chief Executive following Andrew Redfern's announcement of his retirement in December 2025. With the appointment of Claire McGonigle, the Board supported the development of a new Strategic Plan to be launched in April 2026, setting out the ambition for the next phase of Framework's work and its contribution to people, communities and the systems it works within.

## **STRATEGIC REPORT (continued)**

Board appointments were made during the year, further strengthening the Board's experience and skills in finance and housing. These appointments form part of the planned succession arrangements, following one retirement and two resignations during the financial year and ahead of further changes scheduled in the year to come.

Framework's day-to-day management is delegated to its Chief Executive and Senior Leadership Team (SLT), with certain tasks passed to the Corporate Leadership Team (CLT). Oversight of other relevant activities is delegated by the Board to the Audit and Risk Management (ARM) Committee, the Service Delivery (SD) Committee and the Nominations and Remuneration (NR) Committee.

The Board has agreed a list of Key Control Policies (KCPs) that it alone can amend. Changes to other policies can be made by Committees, the Senior Leadership Team or Corporate Leadership Team in accordance with their delegated authorities.

The Board meets at least eight times per annum and holds an annual Conference. The standard term of office for each individual Board Member is three years; this may be extended subject to review. In accordance with the National Federation's Code of Governance (2020) Members usually retire after a second three-year term. Exceptionally, this six-year limit may be extended to meet specific governance or organisational needs.

### **Compliance with Regulator of Social Housing's Governance and Financial Viability Standards and Consumer Standards**

In January 2024 Framework was the subject of an In-Depth Assessment (IDA) by the Regulator of Social Housing (RSH). The outcome was that Framework's G1 / V2 rating for its compliance with the RSH Governance and Viability Standards was retained. The IDA did not include any rating of Framework's compliance with the RSH Consumer Standards.

It is a regulatory requirement and a matter of good practice for Registered Providers of Social Housing to assess their compliance with the RSH Governance, Financial Viability and Consumer Standards. Framework's 2026 self-assessments of compliance with these were received and discussed by the Board, which concluded that the organisation remains compliant with all RSH standards. The review identified the need for further consideration of property recategorisation, and external advisors are being engaged to support this work. Financial provision has been made in respect of this.

### **Charity Commission Public Benefit Guidance**

Framework Board Members have regard to the Charity Commission's public benefit guidance when exercising their powers and carrying out the duties to which it relates. In the view of the Board, Framework's activity continues to deliver public benefit and it has not taken any decisions that depart from the guidance during the 2025-26 financial year.

### **Code of Governance**

Framework has adopted the National Housing Federation's (NHF) Code of Governance 2020. The Board assesses its compliance with the Code on an annual basis. The self-assessment for 2025-26 concluded that Framework is fully compliant with the NHF Code.

### **Statement of Board Members' Skills, Qualities and Experience**

The role of Board Members is set out in a written profile. The Board Member appraisal process assesses performance against this. The recent Board Member recruitment was informed by a Skills Audit, its outcome enhancing the housing, asset management and public health skills present on the Board, whilst also strengthening Committee membership.

## STRATEGIC REPORT (continued)

### Committees of the Board

The Board has established Committees, each of which have delegated authority to act on its behalf within detailed Terms of Reference (ToR). These are set out in appendices to 'Governance in Action' (Framework's Governance Policy).

The three Committees: the Audit and Risk Management (ARM) Committee, the Service Delivery (SD) Committee and the Nominations and Remuneration (NR) Committee.

The decisions taken by the ARM Committee relate to the identification and assessment of risks to the achievement of Framework's objectives and the creation and monitoring of systems, policies & procedures to manage them. Its current members are Sarah Harris (Chair), Alan Davies, Tom Jackson, Jonathan Bemrose, and Rob Main.

The SD Committee is responsible for ensuring that Framework has appropriate policies, structures, systems and procedures in place to offer safe, effective and high-quality services. It also plays the primary role in monitoring their delivery. Its current members are Marcus Beale (Chair), Holly Davis, Simon Tipping, Brigitte Scammell, Jane Bethea and Amy Laurie.

The NR Committee is responsible for governance and succession planning, including Board and Committee recruitment, Chair appointments, Board Member appraisal, and the remuneration of the Chief Executive and senior staff. Its current members are Rob Main (Chair), Jane Bethea, Holly Davis, Simon Tipping, Marcus Beale and Brigitte Scammell.

The Framework Community Forum facilitates regular meetings between Board Members, senior staff and service users. It provides feedback both indirectly (through reports to the Board) and directly (with up to two of its representatives entitled to attend Board Meetings at any one time).

### STRATEGY AND OBJECTIVES

Framework's Mission, as set out in its 2022-2026 Corporate Plan was "Working to tackle Homelessness, Ill-health, Disadvantage and Exclusion". This has been reviewed by the Board, which has adopted a new Purpose for the period covered by the next (2026-2031) Strategic Plan. The new Mission Statement and Strategic priorities are:

***Working to end homelessness and related disadvantage by delivering high impact services that create lasting change for the people we support.***

- **Strategic Priority 1: Ending Homelessness.** We will deliver and advocate for excellent supported housing and homelessness services that are ambitious for the future of the people who use them. Our services will not only provide safety and stability, but actively support people to build lives beyond homelessness.
- **Strategic Priority 2: Supporting health and recovery for people experiencing multiple disadvantage.** We will deliver and advocate for excellent health and recovery services that reach people experiencing severe and multiple disadvantage particularly those least well served by existing systems.
- **Strategic Priority 3: Valuing and supporting our people.** We will develop a skilled supported and values-driven workforce, intentionally shaping a culture that enables people to do their best work and sustains a positive, learning led environment.
- **Strategic Priority 4: Ensuring our long-term sustainability.** We will protect and strengthen our financial, governance, assets and systems so that Framework remains resilient, compliant and focused on frontline impact.

## **STRATEGIC REPORT (continued)**

### **Statement by the Directors in performance of their statutory duties in accordance with Section 172(1) of the Companies Act 2006**

The Directors (who are also the Board Members) consider that they have acted in good faith, in the way most likely to promote the success of the organisation for the benefit of its members as a whole (having regard to the stakeholders and matters set out in Section 172 (1) (a-f) of the Companies Act (hereinafter referred to as the Act)).

#### ***The likely consequences of any decision in the long term***

Framework has a five-year strategic planning cycle, allowing the long-term consequences of decisions to be considered. The Strategic Plan sets out the organisation's strategic direction through the Mission Statement, Strategic Priorities, summaries of the Long-Term Financial Plan (LTFP) with its accompanying Strategies. The Annual Plan and Review records progress against the delivery of the Strategic Plan and reports this to the Board. The thirty-year LTFP is reviewed and updated on an annual basis and stress-tested against a range of scenarios and risks. The Financial Resilience Statement sets out the Board's approved mitigation plans and trigger points for these. All of these tools support the Board to reach decisions in the long-term interests of those who use Framework's services.

#### ***The interests of the organisation's employees***

Framework recognises the importance of its employees in the delivery of its Mission and Objectives. Corporate Objective Six ('Valuing our People') describes how it seeks to recruit and maintain a skilled, motivated, and resilient workforce that embodies its values and prioritises its service users. Framework uses the 'Investors in People' standard to support the continuing development of its people strategies and employee engagement in order to deliver the Corporate Objectives agreed by the Board, promote the interests of its service users and meet their needs.

#### ***The need to foster the organisation's business relationships with suppliers, customers and others.***

Framework prioritises the needs of its service users, promotes their interests and measures its success by the difference made to their lives. Service users are engaged in its decision-making processes and in wider consultation to support and drive improvement. At strategic level the relationship between the organisation and those who use its services is fostered by:

- Board Members attending meetings of the Framework Community Forum and reporting back;
- The invitation for Community Forum representation at Board Meetings and Board Conference;
- Joint presentations to the Board by staff & service users;
- Visits to services by Board Members.

Framework aims to establish, develop and nurture strong relationships with commissioners and other key stakeholders such as central government departments, elected mayors, combined & local authorities, integrated care & place-based partnerships, the health & social care communities and county police & crime commissioners. Through them it seeks to influence the planning and development of service pathways and networks that are responsive to the range of needs presented by current and future service users.

In relation to suppliers, Framework has a Procurement Policy setting out the principles and practice of its approach – this is aligned to Corporate Objective Four ('Organisational Strength and Resilience'). The Policy describes how the organisation works with its professional consultants and suppliers, in a spirit of partnership and high business ethics that reflect its Mission and Values.

Framework sustains a database of donors and other supporters - including former Board Members, staff & service users. Through this it maintains communication by providing periodic updates to individuals, faith-based and other community organisations that have traditionally supported Framework's charitable activity and advocated for its service users.

**STRATEGIC REPORT (continued)*****The impact of the organisation's operations on the community and environment***

Framework seeks to make a positive impact in the communities where it operates by delivering high-quality, purpose-built accommodation alongside services that prevent and end homelessness, support health and recovery, and promote long-term independence. Working closely with local and health authorities, Framework contributes to strategies that address homelessness, rough sleeping, social exclusion and health inequality. Its offer provides safety and stability, creates opportunities for people to move forward, and offers sustained support where needed. At its core is an integrated approach that brings together housing, health, support and skills, tailored to individual needs.

***The desirability of the organisation maintaining a reputation for high standards of business conduct***

Framework seeks to maintain high standards of conduct. The Board carries out annual assessments of compliance with the Regulator of Social Housing's Standards, the Housing Ombudsman's Complaints Code and the National Housing Federation's Code of Governance. Policies exist to sustain compliance with the requirements of the Charity Commission, Care Quality Commission, Ofsted, Data Protection Office and Health & Safety Executive, with accompanying procedures and controls to ensure adherence to all relevant laws and regulations. Framework is committed to the promotion of equity, diversity, inclusion, human rights, liberal values and the prevention of slavery & human trafficking.

***The need to act fairly as between members of the organisation***

The organisation's robust approach to governance is set out by 'Governance in Action', with a commitment to comply with relevant laws, regulatory standards, and codes. This Key Control Policy supports the integrity of decision making and focuses it primarily on the needs of service users rather than those of Board members, staff, volunteers or suppliers.

***Principal decisions***

In the past financial year, the Board has taken a substantial number of decisions to discharge its responsibilities as listed above. Among those that were material to the strategic priorities of the organisation and/ or its key stakeholder groups, were:

- Appointment of the new Chief Executive following a comprehensive recruitment process.
- Embedding the work of the Service Delivery Committee including the enhancement of the Performance Assurance Dashboard (PAD).
- Occupation of Grove House and Sincil House (30 new high-quality units under the Single Homelessness Accommodation Programme), together with ongoing development at Lee House (Nottingham) and the Carholme Road site (Lincoln), which will deliver a further 40 units due for completion next financial year.
- A review and update of the Long-Term Financial Plan and supporting strategies aligned to the Objectives, with accompanying stress testing, mitigations & triggers to sustain viability.
- Self-assessments against the RSH Standards, The NHF Code of Conduct and the Housing Ombudsman Complaints Code to gain assurance on our compliance with these requirements.
- A review of the Equity, Diversity, and Inclusion Policy and Action Plan to track progress, including the presentation of more detailed Service User information by service.
- A review of the research commissioned to evaluate the impact of the Lincolnshire Housing-Related Support Partnership, with the findings used to support engagement with commissioners and other stakeholders to illustrate the national importance of supported housing.
- A review of performance against the Value for Money Strategy, measuring the efficiency and effectiveness of how resources are deployed to meet service users' needs.
- Review, update and approval of the following Key Control Policies in accordance with the normal three-year cycle: Equality, Diversity and Inclusion Policy, Disciplinary and Grievance policies, and the Code of Conduct.

**STRATEGIC REPORT (continued)****CORPORATE PLANNING**

As part of its planning cycle the Board has completed a Strategic Visioning Process in the past year. This updated Framework's Vision, Mission Statement and Corporate Objectives to form the basis of a new Strategic Plan for the five years from April 2026 to March 2031. This will supersede the 2022/26 Plan, which had six Corporate Objectives, as follows:

1. Growth
2. Standards
3. System Change and Joined-Up Services
4. Organisational Strength and Resilience
5. Service User Participation and Empowerment
6. Valuing our People

Each of these Corporate Objectives was accompanied by a set of actions through which Framework planned to achieve them, with measurable targets to show whether we had done so and information about their linkage to the strategies of external partners.

The new (2026/31) Strategic Plan has four Strategic Priorities as follows:

- Strategic Priority 1: Ending Homelessness.
- Strategic Priority 2: Supporting health and recovery
- Strategic Priority 3: Valuing and supporting our people.
- Strategic Priority 4: Ensuring our long-term sustainability.

Framework's Strategic Plan 2026–31 sets out our ambitions for the next phase of our work and the contribution we want to make to people, communities and the systems we are part of. We operate in a period of profound and continuing change. Demand for our services is rising, public finances are under sustained pressure, and the social and housing challenges facing the country are becoming more complex rather than less. This context demands clarity of purpose, strong governance and a willingness to adapt.

Our response is not to retreat or stand still, but to be deliberate and ambitious about the impact of our work. We have a responsibility to the people who use our services, our partners, and to those who fund us to ensure that every pound, every decision and every relationship contributes to better outcomes. This plan reflects our determination to understand the difference we make, to be honest about what works and what does not, and to continually improve how we deliver services in an increasingly constrained environment.

In 2026, Framework reaches its 25th anniversary. It is a milestone that speaks both to our longevity and to the enduring need for the services we provide. The most meaningful way to mark this moment is not through celebration, but through renewal: reaffirming our purpose, strengthening our practice and setting a clear direction for the years ahead. Independent measures tell us that we are a strong organisation, reflected in achievements such as IIP Platinum and consistently positive Tenant Satisfaction Measures. We see these not as endpoints, but as evidence of a culture that values learning, reflection and change.

A central priority for 2026–27 is to articulate clearly what great services look like. This includes deepening our shared understanding of high-quality homelessness services, so that we can both develop our own practice and contribute confidently to local, regional and national conversations about housing scarcity. Alongside this, we will consolidate and critically examine our approach to drug and alcohol treatment, ensuring that services are shaped around the needs of people experiencing the greatest disadvantage and harm. We already hold significant knowledge and experience in these areas; this plan commits us to using that knowledge more deliberately and consistently.

**STRATEGIC REPORT (continued)**

Two core ambitions run through everything we do. First, we believe that the experience, insight and strengths of people who use our services must shape our decisions and our practice. Listening carefully, learning actively and embedding lived experience throughout our organisation is essential to delivering meaningful and effective support. Second, our work depends on human connection. The skill, compassion and commitment of our staff are fundamental to our impact. Even in the context of financial constraint, we are committed to developing, supporting and valuing our people, recognising that this is both the right thing to do and critical to the quality of our services.

This Strategic Plan sets a clear direction: one of confidence grounded in evidence, ambition rooted in realism, and optimism sustained by a belief in people. It reflects our intent to remain open, accountable and collaborative as we strive to do better—because the people we work with deserve nothing less.

The pursuing of these Priorities continues to be influenced by Framework's values – 'Respond, Respect and Empower'. Support for these and adherence to them in professional practice, is an attribute that we seek to recruit, nurture and reward in our staff.

A strengthened Board is working closely with the Senior Leadership Team to implement the new plan from April 2026 in collaboration with staff and service users.

**PRINCIPAL RISKS AND THE OPERATING ENVIRONMENT**

The Association's Risk Register records its principal risks. These can be summarised as:

- Governance – failure to establish and maintain an effective Board with consequent loss or damage to commissioners and stakeholders' confidence in Framework.
- Legal & regulatory compliance – in governance, viability, consumer standards, complaints, health & safety, service user participation, diversity, inclusion and data protection.
- Human resources – failure to deliver the People Strategy, resulting in poor recruitment and retention, inability to compete in the labour market and thus to deliver services.
- New business, contract and revenue funding – such as the loss of contributing contracts or failure to secure new ones for viable, properly resourced services.
- Asset management & property development – such as failure to optimise the use of our assets through appropriate development, disposal and re-modelling.
- Infrastructure & internal services – such as key system failure, the loss of personal data, contractors failing to meet their obligations and disruption to business continuity.
- Finance & treasury management – potentially affecting covenant compliance.
- Public relations – such as failure to influence the decisions affecting those we serve.

The Board has again reviewed and updated its Risk Appetite Statement, providing the framework within which the Senior Leadership Team periodically reviews the Risk Register and Heat Map. These reviews inform the Audit and Risk Management (ARM) Committee's oversight of risk identification, assessment and mitigation. As part of its assurance approach, the Committee undertakes a detailed examination of one higher rated risk at each meeting, allowing focused consideration of the risk, its scoring, and the effectiveness of controls in place. During the year, this process has also included seeking and receiving assurance from relevant third-party providers. Any actions arising from the Committee's scrutiny are implemented by management or, where appropriate, recommended to the Board for decision.

**STRATEGIC REPORT (continued)****CORPORATE OBJECTIVES AND ACTIVITY DURING THE YEAR**

The 2025/26 year marks the final period of the 2022–26 Corporate Plan. Having outlined the forthcoming 2026–30 strategy in the previous section, this report now summarises Framework's activity in 2025/26 against the six objectives of the outgoing plan, using April 2022 as the baseline.

**Objective 1: Growth****This means:**

A further increase in the number of people we reach.

In the year to March 2022, Framework assisted 16,537 separate individuals. In the year to March 2026, it served 18,592. Whilst the increase has not been linear, the long-term trend is clear. It reflects growing need, within which the complexity of the presenting need has also grown.

The Corporate Plan intention was for growth to be tailored in a way that deepens our offer in existing or contiguous geographical areas, thus enhancing the range of options for service users. This is challenging to deliver in an uncertain environment where political instability and financial constraints are a continuing factor. In practice, some services have grown, others have been re-configured and some have ceased to exist – for instance due to de-commissioning.

A numerical growth target was set for the development of new homes which requires capital investment for which provision has to be made within the Long-Term Financial Plan. This is not needed for the (revenue-dependant) Health, Support and Employment services.

Since April 2022, Framework has completed 152 new units of high-quality, purpose-built supported accommodation. During 2025/26, construction began on two further schemes: Lee House in Nottingham, delivering 20 units under the Single Homelessness Accommodation Programme (SHAP), and a 20 unit supported housing scheme at Carholme Road, Lincoln, funded through the Affordable Homes Programme. Both schemes are due to complete in 2026/27 and will provide accommodation for men and women with high support needs who would otherwise be at risk of sleeping rough.

On completion of these schemes, total delivery under the 2022–26 Corporate Plan will reach 192 units, slightly below the original target of 200 homes. A third scheme that would have enabled the target to be exceeded did not proceed due to site complexities. However, the budget includes pipelines schemes, with 16 units scheduled to start in 2026/27, meaning that Framework is expected to surpass the 200 unit target shortly after the planned period.

Significant growth has also been secured in two other major service areas. We were successful in partnership bids to deliver the Drug and Alcohol Treatment services in North East Lincolnshire and West Northamptonshire, working with Turning Point, Double Impact and, in West Northamptonshire, the Lived Experience Recovery Organisation, The Bridge. The North East Lincolnshire service mobilised in February 2026 and West Northamptonshire from April 2026.

In Derbyshire, the re-procurement of the Children's Accommodation and Support Service resulted in a substantially expanded contract. As the existing lead provider, working with Adullam Homes, Framework will support up to 160 young people over the next three years, with opportunities for new purpose-built provision in key locations.

Together, these developments represent a major expansion of Framework's role in both substance misuse treatment and young people's supported accommodation, strengthening partnerships, increasing our impact, and positioning us for further growth under the new Strategic Plan.

**STRATEGIC REPORT (continued)****Objective 2: Standards****This means:**

Providing services, with accompanying systems, which are suitable for their intended purposes - such as emergency or specialist supported housing, harm reduction, recovery and resettlement.

During 2025/26 we continued to ensure that Framework's services met the standards required by our regulators and by legislation, including the Regulator of Social Housing, the Charity Commission, the Care Quality Commission (CQC) and Ofsted, as well as statutory duties under the Housing Act, Care Act, Equality Act and safeguarding legislation. This regulatory framework underpins the quality and safety of our work across all service areas.

Our first Ofsted inspection took place in January 2026, covering a small but important part of our portfolio. We were pleased to achieve a positive first outcome, recognising strong practice. The solid '2' rating provides a clear platform for our commitment to planned continual improvement ahead of the next inspection in eighteen months.

We continued to advocate for high-quality supported housing, contributing to the national consultation on the Supported Housing (Regulatory Oversight) Act and engaging with political and system leaders. To strengthen the evidence base for this work, we commissioned an independent study by Imogen Blood & Associates focused on the Lincolnshire Housing Related Support Partnership. The research demonstrated the statutory value, cost benefits and system impact of these services, and highlighted opportunities to strengthen commissioning for people with the most complex needs, particularly in the context of local government reorganisation.

Internal assurance processes were further strengthened. The Internal Controls Assurance Report evidenced significant progress in embedding our Standard Operating Procedures across accommodation services, improving consistency and operational reliability. Our Quality Assurance Team expanded its programme of audits, thematic reviews and case file sampling, supported by our Quality Assurance Framework and systematic KPI reporting. The Service Delivery Committee provided robust scrutiny throughout the year, ensuring that operational performance, compliance and resident experience remained central to governance.

Our Tenant Satisfaction Measures (TSMs) survey achieved a 35% response rate (an improvement on last year), with overall satisfaction rising to 91% (from 85%).

Partnership working remained essential to maintaining standards. For example, in Nottingham City we strengthened relationships with elected members and senior officers, confirmed strong community acceptance of Grove House, supported the Street Aid diverted giving scheme, and contributed to the evolving Rough Sleeper Task Group. Work progressed on reducing evictions for rent arrears as part of our ambition for a "no eviction to the streets" approach. Engagement with voluntary sector partners, probation and police colleagues further strengthened the collective response to homelessness and street activity.

The next Strategic Plan focusses on the development of evidence based models which deliver the best outcomes for the people who use our services. The relentless downward pressure of austerity measures and local government funding shortages have forced the sector to deliver services at bare minimum levels. There is a growing call for the design and implementation of service models that make meaningful and lasting difference and Framework will be active in advocating for services that meet the needs of the people who need our support.

**STRATEGIC REPORT (continued)****Objective 3: System Change and Joined-Up Services****This means:**

Whilst Framework can 'join-up' some of its services, it can't achieve System Change alone. To do so requires partnership with other statutory and some voluntary agencies to advocate for service users, promote a learning culture, share expertise and lobby for change.

During 2025/26 we intentionally strengthened our role as a constructive system partner to influence, support, co-create and evidence what works for people experiencing Severe and Multiple Disadvantage. A major focus this year was building deeper relationships with system leaders, councillors and senior officers to shape more integrated approaches to homelessness, health inequalities and complex needs.

We played a proactive role in the Lincolnshire County Council Housing Related Support consultation, encouraging and facilitating community engagement to ensure that lived experience informed the process, supporting a more inclusive and evidence-based approach to system redesign.

Our national influencing work expanded through deeper engagement with Homeless Link and the NHF, helping ensure their policy and lobbying activity better reflects the needs and experiences of service users in the East Midlands. We also submitted evidence to the national Supported Housing consultation on what works and what is at risk.

A significant development this year was hosting our first cross party webinar briefing, bringing together active and senior politicians from across the political spectrum, the CEO of the National Housing Federation and Framework's leadership. The session focused on homelessness, what works and the risks facing essential services, marking a shift towards more proactive, evidence-led political engagement.

We continued to participate in strategic planning and provider fora across our localities, including the Nottingham City Place-Based Partnership (SMD Workstream) and the Lincoln Housing Provider Forum. These forums enable us to co-design solutions, share expertise and support more integrated responses to complex needs.

Our commitment to building an evidence base strengthened further through investment in our Management Information Team and data systems. This increased capacity for data collection, analysis and insight is enabling more robust evidence to influence commissioning decisions and highlight gaps in provision. Alongside this, we have restructured responsibilities at senior level to ensure we have the leadership capacity required to deliver the ambitions set out in the new Strategic Plan from 2026 onwards including articulating what high quality homelessness, drug and alcohol treatment, and SMD services should look like, and using our knowledge more deliberately and consistently.

Fundraised income continued to enhance joined-up service delivery, supporting additional outreach capacity, digital inclusion, access to training and specialist support for young people. These investments help close gaps that statutory funding alone cannot address and strengthen the system around individuals.

**STRATEGIC REPORT (continued)****Objective 4: Organisational Strength and Resilience****This means:**

Consolidating and valuing the organisation not as an end in itself but as a vehicle for effective service delivery. Framework must be well governed and led with effective systems, the resources to fund its operations and the capacity to withstand external shocks.

Framework has robust governance, policies, procedures and reporting protocols to ensure compliance with the Regulation, Legislation, Commissioners and Funders. It holds a G1/V2 grading from the RSH and completed a Governance Evaluation in 2024. Ongoing financial viability remains an essential pre-requisite for future service development.

Framework's viability is demonstrated through its annually updated and stress-tested Long-Term Financial Plan, which provides for investment in leadership, asset management and development, IT and data, learning and development, service user participation and carbon reduction. To continue building Organisational Strength and Resilience, Framework is committed to:

- Targeting a consistent 3% Operating Margin, with covenant compliance maintained.
- Treasury Management efficiency, including maintaining a minimum £4.5m liquidity balance.
- Progressing growth and diversifying income, which supports long-term stability and resilience.
- Updating the Financial Resilience Statement to rehearse responses to unplanned pressures.
- Ensuring VFM through clear links between cost, quality and outcomes.
- Investing in technology to free up time, improve quality and simplify compliance.

The 2025/26 Operating Surplus of £3.314m represents a margin of 4.94%, exceeded the target in the year under review. It compares with £3.097 million (5.00%) in 2024/25.

Increased National Insurance contributions and National Living Wage uplifts added significant pressure, but strong performance was achieved through focus on income generation, cost control, under-spends and investment in efficiency and service transformation.

Improved information flows supported this performance, with further development of management accounts enhancing service level reporting, cost recovery transparency, overhead allocation and contribution to margin.

The external financial environment remained challenging, with commissioners also facing significant budget pressures and difficult decisions about priorities. We recognise these constraints and continue to work constructively with commissioners to find sustainable solutions. Operating on tight margins requires careful risk management, ensuring new or extended commitments proceed only where financial resilience can be demonstrated.

In 2025/26, staffing underspends, some planned, others due to recruitment and retention challenges, required careful management to ensure operational pressures did not compromise safety or service standards.

There remain areas of service delivery, including psychologically informed environments, digital inclusion, resettlement, preparation for employment and appropriate professional reward and recognition, that cannot be fully resourced within current funding levels. We continue to work collaboratively to co-produce solutions that place service users at the centre, maximising public resources by joining up services and directing investment where it delivers the greatest benefit. To protect essential elements of support, we invest our fundraised income to help bridge these gaps and maintain the quality and impact we believe people deserve.

**STRATEGIC REPORT (continued)****Objective 5: Service User Participation and Empowerment****This means:**

Putting service users at the front and centre of decision-making. Compliance with the Tenant Involvement and Empowerment Standard is a regulatory requirement; Framework is committed to extending its principles to all service users – not just those who live in our homes. This includes those whose voice is constrained by their experience of severe and multiple disadvantage. Part of our role is in empowering them to make, and be responsible for, their own choices – this means accepting managed risk and eschewing paternalism wherever possible.

In March 2024 the Board approved the updated Service User Participation Strategy, designed to reinvigorate our approach and embed meaningful participation across the organisation. Feedback from service users highlighted that traditional participation methods are not always effective, particularly given the temporary nature of much of our accommodation and the complex life challenges people face. In response, the strategy focuses on approaches that meet people where they are, weaving engagement and influence into everyday service delivery rather than relying solely on formal structures.

During the year, service user engagement has strengthened. Participation standards have been clarified, central forums have become more inclusive, and involvement has increased through Framework Community. A network of 57 Involvement Champions is now in place, supported by improved communication, clearer expectations and a new quarterly reporting mechanism that captures participation activity and service user voice at service level.

Service users have played a more active role in shaping services. Attendance at central forums has risen, feedback on new formats has been positive, and there is growing confidence among service users to offer constructive challenge. Informal, trauma-informed approaches have helped build trust, while targeted consultations on repairs, support planning and consumer standards have strengthened local engagement. A full independent survey of non-accommodation service users has also been completed, providing valuable insight to inform improvement.

We have continued to draw on feedback from residents' meetings to enhance meaningful activities and communication at local level, and have supported staff through visits, coaching and direct involvement in running local forums. New resources, including a user designed Introduction to Framework leaflet, have been developed to support engagement from the outset.

Advocacy remains a critical part of our role. Many service users face significant barriers in accessing care, treatment and support. A pilot deploying two social workers to support access to funded care services in Nottingham reflects our commitment to influencing system change. This model is now being extended beyond the City following successful outcomes.

The Board has actively supported this cultural shift. Through regular service visits, Board members have spent time with staff and service users, ensuring that what they hear directly informs strategic decision making and assurance. This hands-on engagement reinforces our commitment to listening carefully and learning actively as essential components of effective support.

Looking ahead, these principles form the foundation of our next strategic plan. Tenant and service user insight, including Tenant Satisfaction Measures, qualitative feedback and formal mechanisms, will continue to guide improvement and assurance. Embedding lived experience consistently and intentionally across the organisation will remain a core ambition, shaping how we design, deliver and develop services.

**STRATEGIC REPORT (continued)****Objective 6: Valuing our People****This means:**

Investing in the organisational capacity brought by effective leadership and management of a skilled, motivated and resilient workforce. Support is at the heart of Framework's offer to service users – its essence an encounter between people, one of whom helps the other to navigate an event or situation. Framework staff are known for the commitment, dedication and passion imbued in their work; sadly, financial constraints diminish the rewards for these qualities. We are committed to increasing the real value of their pay, as resources allow, and to incentivising loyalty through a positive culture with relevant supervision and training.

In September 2024, the Board approved a new People Strategy, setting out a clear plan to strengthen recruitment, retention, supervision, training and engagement and reflecting our belief that people are Framework's greatest asset. Over the past year, significant progress has been made in delivering the first phase of this strategy.

A major achievement has been the uplift in front line pay, despite considerable financial pressures. This demonstrates our commitment to rising and rewarding the essential work of our staff. The 2025/26 budget included a 2.5% financial envelope for the annual Cost of Living award, with much of this directed towards reinstating pay differentials in front line roles that had been eroded by the increases in the National Living Wage. For 2026/27, salaries increased by 4.1% in line with the National Living Wage uplift for all staff, continuing to protect differentials between grades. These decisions represent a substantial investment by the Board and place ongoing pressure on our financial position, particularly where contract values have not risen at the same rate.

Two organisation wide development programmes, Meaningful Conversations and Effective One-to-Ones, have been rolled out, providing the foundation for many of the actions planned for years two and three of the People Strategy. These programmes support stronger line-management relationships, improved staff development and better retention. In addition, the Learning and Development function has continued to strengthen the foundations for a more structured approach to mandatory learning.

The Human Resources Team has also made important improvements. Routine HR processes are being systematically mapped and modernised, with increased use of technology to streamline workflow. A line manager Standard Operating Procedure is in development, and the team is transitioning to a patch based operating model, mirroring the successful approach used by HR Business Partners. This is expected to improve ownership of local issues and enhance the consistency of support.

Senior Leadership visibility has increased through a programme of service visits and 'Question Time' events, and a new centrally coordinated newsletter has improved the flow of communication, sharing good news, staff recognition and key messages while reducing the volume of all-staff emails.

A significant milestone this year was Framework achieving Investors in People Platinum accreditation, the highest level awarded. This external recognition reflects the strength of our culture, our commitment to staff development, and the progress made in embedding the principles of the People Strategy across the organisation. It does not signal that all is well, but rather that we are clear about what we want to change and committed to learning and improvement.

Our workforce remains front and centre in the next Strategic Plan.

**STRATEGIC REPORT (continued)****OTHER ORGANISATIONAL PRIORITIES****Work with Rough Sleepers**

Framework continues to deliver rough sleeping services across Nottingham, Nottinghamshire, Lincoln and Sheffield, working closely with local authorities and partners to ensure that people experiencing street homelessness receive timely and effective support. While core homelessness pathways are funded by local authorities, our ability to influence and secure Government allocations continues to be critical in sustaining the wider system of provision.

During the year, the Rough Sleeping Initiative (RSI) and associated funding streams enabled the continuation of specialist roles within our outreach teams, additional quick-access accommodation, and enhanced drug, alcohol and mental health interventions. These resources remain vital for people who are not prioritised within core homelessness pathways.

Funding for rough sleeping services continues, although whether this is single or multi-year depends on local commissioning decisions, which have to be considered alongside the potential impacts of Local Government Reorganisation (particularly where two-tier authorities will become unitary bodies). The National Plan to End Homelessness commits three year funding to a number of key strategic priorities and an ambition to halve rough sleeping during the Parliament. This strategic environment gives some (not full) confidence that services for rough sleepers will be protected.

Our focus this year has therefore been on strengthening the evidence base for the impact of these services and working with partners to influence future funding decisions. We have contributed to local and national discussions on the sustainability of rough sleeping provision, highlighting the risks associated with short-term funding cycles and the need for long term investment in supported housing and complex needs services.

Following our response last year to the Government's consultation on the Supported Housing (Regulatory Oversight) Act, we have continued to emphasise the link between the long-term defunding of supported housing and the rise in rough sleeping over the past fifteen years. As the Government develops the regulatory framework, we have engaged with officials and sector bodies to ensure that the needs of rough sleepers particularly those with severe and multiple disadvantage are fully understood. Our position remains that regulatory change must be accompanied by adequate resourcing for support; without this, licensing risks further destabilising an already fragile system.

Across all areas, we have continued to adapt our approach to meet rising levels of complexity among people sleeping rough. This has included closer integration with health partners, improved data sharing arrangements, and the development of more trauma informed, assertive outreach models. These adaptations have strengthened our ability to respond to individuals with the highest levels of need, despite the pressures on local systems.

Looking ahead, we will continue to work with partners to influence national decisions, protect essential services, and ensure that the forthcoming regulatory changes do not inadvertently reduce the availability of supported housing. The scale and complexity of rough sleeping remain significant challenges, but our partnerships, campaigning and evidence position us strongly to shape the national agenda and safeguard support for some of the most marginalised people in our communities.

**STRATEGIC REPORT (continued)****OTHER ORGANISATIONAL PRIORITIES****Treatment and Healthcare Services**

The Lincolnshire Recovery Partnership (LRP), launched in April 2024 and delivered in collaboration with Turning Point and Double Impact, completed its first full year of operation during 2025/26. The partnership has continued to strengthen its impact over the past year, delivering an integrated response for individuals experiencing Severe Multiple Disadvantage. 165 skilled professionals have delivered a coordinated offer of structured and non-structured support to 4,141 people, with specialist teams providing targeted interventions to 421 individuals through the rough sleeper team and a further 351 through the criminal justice team. Alongside treatment activity, the partnership has significantly expanded its system-wide engagement, including hospital liaison contacts, naloxone training for professionals, and wider promotion of the service including hosting the Health Inequalities in Criminal Justice Conference.

Building on the success of the LRP, Framework was successful during the year in partnership bids for North East Lincolnshire and West Northamptonshire substance misuse treatment services, working again with Turning Point and Double Impact. In West Northamptonshire, the partnership also includes The Bridge, a respected Lived Experience Recovery Organisation. These contracts reflect the strength of our collaborative model and our growing reputation for delivering specialist interventions for people experiencing multiple disadvantage.

From 1 February 2026, the North East Lincolnshire service became operational, with a smooth transition achieved through close partnership working and detailed mobilisation planning. The West Northamptonshire service commenced on 1 April 2026, with implementation activity completed to schedule.

The expansion of the treatment and healthcare offer strengthens our ability to deliver integrated, person-centred support across a wider geography. Our partnerships continue to enhance the quality and consistency of provision, enabling shared learning, joint development of best practice and a more coordinated approach to supporting people with complex needs across different local systems.

These developments align closely with the new Strategic Plan, particularly Strategic Priority 2, which focuses on supporting health and recovery for people experiencing multiple disadvantage. The core principles of this priority—lived experience shaping service design, clinical delivery through strong partnerships, and addressing systemic exclusion—are reflected throughout the design and operation of all three partnerships.

**Mental Health Stabilisation Service (Pilot)**

Framework's Mental Health Stabilisation Service forms part of the NHS mental health pathway in Nottingham City, providing support for adults experiencing emotional distress or crisis. The service is delivered with input from our Clinical Psychologists, and referrals are made by mental health professionals. The service has continued to perform strongly during 2025/26. Originally commissioned as a one-year pilot from December 2023 to test a new model of short-term, stabilisation focused mental health support, it was extended through 2025/26 following positive early outcomes and has now been extended again to March 2027. The service provides tailored interventions to help individuals establish a baseline of stability from which early recovery can begin and is aimed particularly at those who struggle to access or sustain engagement with traditional pathways. The service supports 600 people per year, reflecting both the level of need in the city and the effectiveness of the model.

**STRATEGIC REPORT (continued)****OTHER ORGANISATIONAL PRIORITIES****Employment, Skills and Volunteering**

Employment, skills development and volunteering remain central to Framework's belief in meaningful activity as a catalyst for recovery, confidence, and long-term wellbeing.

Up to the point of decommissioning in December 2025, performance within the two major DWP commissioned employment contracts remained strong. Despite uncertainty about the future of these services, staff continued to deliver consistently high-quality support, enabling 413 individuals to access employment services with performance exceeding expectations within payment by results arrangements.

The GROW project in Newark & Sherwood also concluded in March 2026. GROW supported people furthest from the labour market, helping them build confidence, develop life skills, and create pathways into employment. It provided vital opportunities for individuals not supported by mainstream employment provision.

Although changes in commissioning have reduced the scale of externally funded provision compared with previous years, Framework continues to deliver responsive, person-centred employability support through Individual Placement Support (IPS) and Refugee Employment Support. The organisation remains well positioned to respond to future opportunities.

Now in its fourth year, IPS, hosted by Nottingham Recovery Network, has demonstrated the value of employment in supporting recovery from substance misuse. Work is also underway with public health partners to test an adapted IPS model for people experiencing Severe and Multiple Disadvantage (SMD), shaped by service user feedback.

During the year, Framework continued to embed the principle that "It Pays to Work" within supported housing. A pilot programme to upskill staff, providing them with the confidence, knowledge, and resources to deliver employability support and understand how the benefits system interacts with supported housing funding, proved successful and was subsequently expanded using fundraised income.

The Skills Plus programme, funded by the National Lottery Community Fund (NLCF), continues to positively support over 400 individuals a year. Current funding for Skills Plus runs until September 2026. In connection with this programme, Framework's Digital Inclusion Service continues to address digital exclusion among people experiencing or at risk of homelessness.

This work has been further enhanced through a successful bid to Charity Bank's Cost of Living Fund. Support has also been strengthened by corporate partners who have donated more than 270 devices and thousands of SIM cards, significantly improving digital access for people preparing to move into more independent living.

The Volunteer Team has supported 134 individuals in volunteer placements across the organisation. In addition, the Volunteer Pathway, a 12-week programme combining structured training with volunteer placements, continues to deliver strong outcomes. In 25/26, 61% of volunteers who completed the Volunteer Pathway progressed into employment with 90% of those job starts being roles within Framework.

**STRATEGIC REPORT (continued)****OTHER ORGANISATIONAL PRIORITIES****Landlord Health and Safety – Compliance and Performance Summary**

Framework's Asset Management Strategy continues to prioritise safe, healthy environments for residents and staff, underpinned by a robust suite of policies, procedures and specialist external contractors. The Board receives quarterly updates on key compliance indicators.

Building on the strong performance reported in 2024/25, where internal audits provided Substantial Assurance for water safety, lift safety and asbestos, and Moderate Assurance for electrical safety, compliance activity in 2025/26 has remained a central focus. During the year, further internal audit work was completed, with Fire Safety (including smoke detectors) and Gas Safety (including carbon monoxide detectors) both receiving a Moderate Assurance rating. All resulting actions were implemented and monitored through the Health and Safety Steering Group, with additional scrutiny from the ARM Committee.

Framework has continued preparations for the implementation of Awaab's Law, including updated damp and mould policies, strengthened reporting pathways, enhanced monitoring of response times, and additional training for frontline teams. Governance arrangements have also been reinforced through dedicated Board training on landlord compliance and emerging regulatory requirements.

Alongside this, the organisation has incurred additional costs to ensure properties comply with new and evolving health and safety regulations, including both increased asset investment and additional staffing capacity to maintain compliance standards. Given Framework's already tight operating margins, these pressures cannot be readily absorbed. It will therefore be essential during 2026/27 to ensure that income levels appropriately reflect these unavoidable compliance demands. This work will be taken forward as part of Framework's response to the Safety and Quality Standards (STAIRS) introduced under the Social Housing (Regulation) Act 2023, ensuring alignment with emerging regulatory expectations.

Overall, landlord health and safety compliance remains robust, with clear action plans in place where improvements are required and continued focus on meeting evolving regulatory expectations.

**Consolidation Strategy**

Framework's long-term aspiration is to replace the majority of inherited shared housing with modern self-contained units, aiming for an 80% reduction in shared accommodation over time.

Between March 2022 and March 2026, the number of self-contained units increased from 802 to 948, a net gain of 146 units, supported by the delivery of 152 new-build properties. Over the same period, shared units reduced from 495 to 427, a net reduction of 68 units (14%).

The reduction in shared accommodation would have been greater were it not for the expansion of Unaccompanied Asylum-Seeking Children (UASC) provision in Nottingham, which increased from 32 to 48 units and is commissioned specifically as shared housing.

Two pipeline schemes will deliver a further 40 self-contained units by March 2027, supporting additional shared unit hand backs and continued progress toward the long-term 80% reduction goal.

**STRATEGIC REPORT (continued)****Service User Numbers**

In the year to March 2026 Framework assisted 18,592 individuals. 2,711 of these lived in its supported housing, 10,509 received health interventions, 4,165 used community-based support and 1,207 accessed education, training or employment (including opportunities to volunteer). This is a small decrease of 3% on the total for the previous year (19,172). The number rose in both the housing (+168) and health (+1,228) pillars – the latter being mainly attributable to the new substance misuse treatment service in Lincolnshire. The reductions in the support and employment pillars are due to reducing contract capacities and values – an ongoing trend. Framework will continue to argue against this direction of travel, for the integrated and person-centred services that evidence shows will produce better outcomes.

**Leadership Learning Community**

Framework's Leadership Academy Programme continues to play a central role in developing future leaders, supporting succession planning and strengthening internal progression pathways. The programme has evolved over recent years, incorporating feedback and learning from each cohort.

During 2025/26, the intake of new participants was paused, allowing focus on consolidating the development of recent Academy graduates. This approach was designed to maximise the impact of the investment made to date and ensure graduates are fully supported to apply their learning in practice.

This work will continue into 2026/27 following positive feedback. The Graduates will continue to participate in the structured development offer, including quarterly reflective practice sessions, targeted training aligned to Framework's morale ambitions, and the skills and attributes required to deliver the new Strategic Plan. They will also take part in learning and sharing sessions with senior leaders, gaining insight into the challenges and successes experienced across leadership roles.

This focused period of consolidation reinforces Framework's commitment to investing in our people and ensuring Leadership Academy graduates are supported to reach their full potential and contribute meaningfully to organisational priorities.

**Advocating for Specialist Services**

Framework was pleased to prevent the closure of two specialist mental health accommodation services in Nottingham, with short-term funding secured from the Housing Department to ensure this provision remained open during 2026/27.

We are currently working with local authority partners in Lincolnshire to secure ongoing revenue funding for the Lincolnshire Housing Related Support Partnership, with a decision on its future expected in summer 2026.

It is important that we continue to advocate for services to be funded, at least in part, by health and social care partners. Housing, and supported housing in particular, has an enormous part to play in preventing long-term health and care needs emerging or worsening and we must continue to advocate at both local and national level for innovative and creative partnerships that promote independent living, prevent declining physical and mental health, save the public purse money and deliver better outcomes for the people who use our services. Statutory partners and policy makers need to develop agility and innovative approaches if this is to become a reality, and we will continue to advocate and campaign on this matter.

**STRATEGIC REPORT (continued)****Equity, Diversity and Inclusion**

Framework continues to foster a culture that values equity, diversity and inclusion, recognising these as essential to a healthy and vibrant civil society.

During the year, the Board undertook a strategic review of how effectively Framework reaches the diverse communities it exists to support. This included consideration of demographic information and potential barriers to access. The Board concluded that Framework is continually improving its reach into the communities in which we operate, working in partnership with specialist community organisations to do this more effectively. It is recognised that striving for equitable access will remain an organisational priority.

As part of its scheduled three-year review, the Board approved an updated EDI Policy. Key changes included renaming the policy from Equality, Diversity and Inclusion to Equity, Diversity and Inclusion, reflecting a clearer organisational understanding of the distinction between equality and equity. The policy was also updated to align with Framework's Inclusive Language Guide, incorporate recent legal developments, and strengthen clarity on roles, responsibilities and obligations under the Public Sector Equality Duty.

The Board received its annual update on progress against the EDI Action Plan and noted significant further progress across all strategic objectives. Highlights included strengthened organisational tools and resources, improved demographic data and insight, enhanced governance arrangements following a review of the Diversity Leadership Group, and continued progress on anti-racism and incident response. Positive action measures were further embedded through more diverse recruitment panels and targeted leadership development opportunities for under-represented groups.

External recognition of Framework's approach continued to grow, including positive feedback from Investors in People and wider adoption of the Inclusive Language Guide as best practice.

At service level, Framework continues to support a growing number of Unaccompanied Asylum-Seeking Children (UASC), with 54 young people accommodated at the end of March 2026. Given the wider political context, additional care is taken to safeguard this group from unwanted or prejudicial attention. Framework remains proud to support these young people as they work to build safe and sustainable futures.

**Gender Pay Gap**

At the end of the reporting year, two-thirds of Framework's workforce were female. The organisation's mean gender pay gap reduced to 0.32% (from 5.32% in 2025) compared to a national average of approximately 11–12%, reflecting the impact of higher earners on average pay. The median Gender Pay Gap was -3.41% (from 0% in 2024) compared to a national average of 6.9%. Framework's People Strategy promotes transparency, fairness, and equity in pay across the organisation.

**Modern Slavery and Human Trafficking Statement**

The Board approved the updated Modern Slavery and Human Trafficking Statement during the year, in accordance with the Modern Slavery Act 2015. The Statement has been refreshed to ensure compliance with Section 54 and the Home Office's Transparency in Supply Chains guidance. It reaffirms the zero tolerance approach to modern slavery and human trafficking, outlines the steps taken to minimise risks and confirms that Framework will not knowingly work with any organisation involved in such practices.

# STRATEGIC REPORT (continued)

## VALUE FOR MONEY STATEMENT

Framework is strongly committed to achieving Value for Money (VfM) in all its activity. Further success in bidding for, and winning, service contracts depends on our ability to do 'more for less' in a continuing climate of constraint in public (and especially local authority) funding. In some instances, viable bids are impossible within the financial parameters agreed by the Board to protect the organisation, so leaders can't proceed with them. In other instances, they may decide not to do so because the margins are too small or the risks too high.

The positive impact of VfM projects undertaken in the past year, on the 2025/26 financial out-turn, is estimated at £459k. This exceeds our target. The initiatives include:

- Voids Recovery Project
- Increasing the Recovery of HB-Ineligible Service Charges.
- Utilisation of e-learning, apprenticeship levy and other efficiencies in training & development.
- Fundraising from corporate partners, some of whose 'in-kind' donations replace cash spend.
- Better Treasury Management - including the use of Revolving Credit Facilities.
- Supplier contracts (including telephony, insurance and cyclical maintenance) re-procurement, with accompanying re-configuration, robust negotiations and/ or market testing.
- Workforce development and IT investment to reduce reliance on agency staff and external specialisms.
- 'Added value' offers when re-negotiating contracts and grant funding with commissioners.

In addition, significant capital grants were secured to support new development projects. These are planned to fill the gaps in existing services, thus increasing the effectiveness of the overall offer to homeless and vulnerable people.

Framework reports annually on the seven Value for Money (VfM) metrics set out by the Regulator of Social Housing in its Value for Money Standard. The figures in the table below have been calculated in accordance with the VfM standard (technical note) and are presented alongside their previous year comparators:

| VfM Measure | Description                                                          | Framework 2026/27 (Budget) | Framework 2025/26 | Framework 2024/25 | Social Hsg Median 2024/25 |
|-------------|----------------------------------------------------------------------|----------------------------|-------------------|-------------------|---------------------------|
| 1.          | Reinvestment by Cost                                                 | 7.47%                      | 4.59%             | 6.48%             | 7.70%                     |
| 2.          | New supply delivered by Units                                        | 3.26%                      | 2.35%             | 0.64%             | 1.30%                     |
| 3.          | Gearing                                                              | 0.72%                      | -3.80%            | 0.34%             | 45.60%                    |
| 4.          | EBITDA-MRI Interest Cover                                            | 312.73%                    | 1,036.43%         | 638.49%           | 88.00%                    |
| 5.          | Headline Social Housing Cost per Unit                                | £32.5k                     | £32.0k            | £29.4k            | £5.1k                     |
| 6.          | a) Operating Margin on Social Housing<br>b) Operating Margin Overall | 4.86%<br>2.45%             | 8.24%<br>4.94%    | 7.70%<br>5.00%    | 20.40%<br>18.50%          |
| 7.          | Return on Capital Employed                                           | 1.85%                      | 3.61%             | 3.54%             | 2.80%                     |

Standard Metrics 1 (Reinvestment by Cost) is sensitive to the actual level of development within the financial year. Framework's development activity is dependent on the availability of capital funding and suitable sites, both of which change from year to year. In some years there may be no development at all. Standard Metric 2 (New Supply) is influenced by the same factors and by actual dates when new units become occupied.

**STRATEGIC REPORT (continued)**

Standard Metric 3 (Gearing) is low compared to many housing associations. This is because the primary constraints on our housing development are the availability of capital grants at levels sufficient to deliver viable schemes, and of ongoing revenue funding. Both of these are drivers of the operating margin. By contrast, the availability of loans is less constrained - it would be possible to borrow more and thus develop more quickly. However, the risks involved in doing so are higher than the Board can tolerate given the margins on our support contracts. Note that due to the timing of capital grant receipts and associated expenditure the gearing metric turned negative by the end of March 2026, before being forecast to rise to 0.72% twelve months later.

The above-average cover reported by Metric 4 (EBITDA) reflects both the level of gearing and the low interest rates on some of our existing loans. As indicated by the forecast for 2026/27 this number is very sensitive to changes in the operating margin.

Standard Metric 5 (Headline Social Housing Cost per Unit) is significantly increased by the inclusion of Intensive Housing Management and staff-related support costs. Framework operates twenty-eight locations requiring a 24/7 staffing presence, with around 5.5 FTE needed to maintain a single-person rota for 168 hours per week. In practice, services typically require three or more staff during the day and two overnight. Our dispersed 'move-on' units also require more visiting support than mainstream social housing. Higher turnover, contract clauses that increase voids, and greater wear and tear further drive-up unit costs, with these pressures amplified by salary and wider cost inflation.

Standard Metrics 6a) and 6b) (Operating Margins) Standard Metrics 6a and 6b (Operating Margins) show that Framework delivered a positive operating margin again in 2025/26, although at a lower level than the previous year. The 2025/26 Operating Surplus of £3.314m, representing a margin of 4.94%, exceeded the target for the year under review. This compares with £3.097m (5.00%) in 2024/25.

The reduction reflects the increasingly challenging operating environment. One of the most significant pressures in 2025/26 was the increase in Employers' National Insurance contributions from April 2025, which added substantial cost across the organisation. This sits alongside the ongoing impact of static contract values, rising inflation, and the cumulative effect of National Living Wage increases. These structural pressures continue to limit the organisation's ability to sustain higher margins.

The new Strategic Plan retains the medium-term target of achieving a minimum 3% operating margin. However, as with previous years, this remains challenging. The latest Long-Term Financial Plan indicates that the organisation is unlikely to achieve a sustained 3% margin until Year 6, reflecting the scale of external cost pressures. Nonetheless, the Board remains committed to pursuing this target through a combination of new income streams, fundraising, and further efficiencies across both services and central functions.

Standard Metric 7 (Return on Capital Employed) has remained broadly similar in 2025/26 compared with the performance reported in 2024/25. The ROCE reflects the strong financial performance within the financial year but future performance is expected to reduce in the medium term.

**Framework's Additional VFM Metrics**

Framework reports on its own set of VFM metrics to complement the standard ones. The 2025/26 figures are presented overleaf, alongside comparative data for the previous year and forecasts for 2026/27 derived from the budget that the Board has approved.

**STRATEGIC REPORT (continued)**

The purpose of these additional metrics is to assist the Board in assessing how efficiently the organisation is being run, the impact of changes to services and of measures to enhance efficiency. They also illustrate the variation in cost of providing services per individual and (to a lesser extent) per hour, both between and within the pillars. This arises because the specialism of the staff who deliver a service varies according to its nature.

| Framework VfM Measure                      | Budget<br>2026/27 (£) | 2025/26<br>(£) | 2024/25<br>(£) |
|--------------------------------------------|-----------------------|----------------|----------------|
| <b>Cost per Service User by Pillar:</b>    |                       |                |                |
| Housing                                    | 15,189                | 14,442         | 13,237         |
| Health                                     | 1,610                 | 1,597          | 1,652          |
| Employment                                 | 371                   | 765            | 961            |
| Support                                    | 1,528                 | 1,550          | 1,432          |
| <b>Cost per Hour of Service by Pillar:</b> |                       |                |                |
| Housing                                    | 42.34                 | 44.26          | 49.76          |
| Health                                     | 42.30                 | 39.27          | 41.24          |
| Employment                                 | 24.43                 | 30.71          | 23.04          |
| Support                                    | 27.37                 | 22.80          | 24.09          |
| <b>Central Cost as a % of the Total</b>    | 20.36%                | 21.82%         | 22.42%         |

The housing metric (in terms of cost per service user, rather than per hour) is sensitive to small changes in the throughput to and from direct access and similar services. These residents are the sub-set of our service users with the highest and most complex needs. Increased staffing and other costs due to inflationary pressures in areas such as energy, insurance and maintenance all impact on this metric. The new properties developed or acquired as part of the Single Homelessness Accommodation Programme (SHAP) and the Rough Sleepers Accommodation Programme (RSAP) have accompanying revenue funding to support the resettlement process – thus increasing the housing cost metric on a 'per service user' basis whilst helping to reduce the amount 'per hour'.

The health, employment and support interventions encompass a broader range of people so their cost (per person) is lower than for housing. Against this, the 'health' pillar requires more highly paid professionals (including nurses) so the cost (both per service user and per hour) is higher than for 'employment' and 'support'. 2025/26 saw further changes in the specifications and delivery mechanisms of support and employment services; both have helped to control the cost (per service user) whilst increasing the amount (per hour).

**Value for Money in the coming year**

The Value for Money (VfM) Strategy is a key element of Framework's Long-Term Financial Plan, through which we hope to sustain services for as many individuals as possible even in a challenging environment. It describes the quest for an optimal balance between high productivity, controlled costs and successful outcomes for service users. It sets targets in these and other areas and describes the actions that Framework is taking to achieve them. These include annual reporting of the Standard VfM Metrics and the use of additional ones specific to Framework. The year-on-year comparisons allow the Board to monitor the success of the Strategy in releasing resources for front-line service delivery.

Framework's Value for Money Strategy was last updated in 2022 alongside the Corporate Plan as part of the strategic planning cycle. A review is planned during 2026/27 to support the new Strategic Plan approved by the Board for implementation from April 2026. In the meantime, the Board continues to receive an annual update on delivery against the Strategy.

**STRATEGIC REPORT (continued)**

The approved budget for 2026/27 includes income and expenditure levels with an increased efficiency target of £1 million. Our plans to realise it focus on the maximisation of income through proactive void management, enhancements in the collection of HB-ineligible service charges and close working with commissioners on contract values and performance. Reductions in agency costs are targeted through investment in our workforce and processes and re-procurement of repairs and maintenance contracts. Investment in technology continues to support agile working, process automation and the effectiveness of systems.

Another dimension of VfM is the enhancement of our service offer at a time when local authority and other statutory funding is under renewed pressure despite increased and more complex presenting needs. This is supported by the Fundraising Strategy, to resource the bespoke design of services wherever possible, around the needs of their users. Significant aspects of this 'joined-up' offer include:

- Basic items (food, toiletries and clothing) for those in immediate need.
- Our practice in PIE (Psychologically Informed Environments) & TIC (Trauma Informed Care).
- Outreach to substance misusers and people with physical & mental health issues, facilitating rapid access to specialist treatment.
- The availability of clinical psychologists and social work professionals.
- Support into employment – including training and preparation for interviews.
- An 'Access to Work' fund to assist those caught by the benefits trap.
- Rent deposits, guarantees, furniture and equipment for those establishing a tenancy.

**PENSIONS**

For most staff our pension contributions are on a 'defined contribution' basis – complying with the auto-enrolment law but uncompetitive with the 'defined benefit' (final salary) schemes still seen in the public sector. This is a factor in the non-retention of employees who are attracted to better paid roles with local authorities and other statutory bodies, which also carry membership of better-resourced pensions. A small number of Framework staff were inherited via TUPE with a right to remain in the Local Government Pension Scheme – hence the annual pension adjustment to the accounts based on actuary advice.

**PAY RATIOS**

The Board is committed to reporting on the ratio between the highest and lowest paid Framework employees. In 2025/26 this was 4.8 (2024/25: 5.0). The ratio between the highest salary and the median remained at 4.2 when compared to 2024/25. Recent benchmarking shows that in the wider third sector, the average ratio between the highest and the lowest salary is 7.0, and that between the highest and the median salary is 5.0.

**STREAMLINED ENERGY AND CARBON REPORTING ('SECR')**

Framework's estimated carbon dioxide emissions (CO<sub>2</sub>e) for the year to March 2026, were 228 tonnes lower than for the previous year, with decreases across all the usage categories. This is attributable to:

- Changes in the configuration of properties
- The positive impact of our energy reduction campaign
- Greater frequency of meter readings, including the installation of smart meters.
- A decrease in staff travel due to changes in service structures.

**STRATEGIC REPORT (continued)**

The Asset Management Strategy sets out the plans for investment in carbon emission reduction. At the end of the financial year there were one hundred Framework properties that fell below an Energy Performance Certificate (EPC) 'C' rating. The plan is to reduce this number to zero (improvement, disposal and replacement) over the next three years. The impact of changes to the method of measurement for assessing the EPC of electrically heated property has increased the number below the set level of C rating. The focus of remediation work will be to optimise the thermal efficiency of the external fabric and combine this with efficient heating, installation of Photovoltaic panels and low energy lighting. The same principles are embedded in Framework's development programme (both new build and refurbishments).

Our plans are designed to meet the recommendation by the UK Committee on Climate Change that a carbon emission position of 'net zero' must be reached by 2050. To support progress towards this target, significant upgrades are taking place to modernise heating systems. These include the retrofitting of High Heat Retention Storage Heaters at six of our lowest EPC rated properties. In addition, a total of twenty-two (A+) energy-rated gas boilers have been installed across various service locations.

Utilising £61.3k of grant funding, (match funded by Framework) under the Warm Homes Fund (Wave 3) seven properties have had energy upgrade works including external wall insulation, heating upgrades, and installation of photovoltaic panels. The original project was curtailed by a reduction in grant funding of 53%.

All new developments are compliant with the latest building regulations. They incorporate solar photovoltaic systems to support the on-site generation of renewable energy and are provided with electrically sourced heating and hot water.

The internal maintenance team is assessing the use of electric vehicles for feasibility. A fully electric commercial van is being trialled by members of the team. This is to inform the potential for converting to electric vehicles as current vans are replaced.

Framework's energy reduction campaign continued into 2025/26. It is supported by enhanced data on energy usage at property level, informing targeted communication and focused action on those sites where the highest usage is recorded. Where feasible we continue to replace payment meters (which are expensive for residents) with 'Smart' meters, including in our leasehold properties. Residents who wish to establish their own schemes to reduce energy consumption are offered encouragement and support to do so.

The table below provides a summary of our energy use during the year in accordance with the requirements of the Streamlined Energy and Carbon Reporting legislation. The associated greenhouse gas emissions, showing a reduction of 228 tonnes compare to last year, have been calculated using the UK Government's GHG Conversion Factors for Company Reporting. Note that as in previous years the figures include no adjustment for additional carbon that may be produced due to staff working from home.

| Measure                                                                  | 2025/26    | 2024/25    |
|--------------------------------------------------------------------------|------------|------------|
| UK Energy Use in kWh (1)                                                 | 10,062,354 | 11,174,326 |
| Associated Greenhouse gas emissions<br>Tonnes CO <sup>2</sup> equivalent | 1953.10    | 2,181.48   |
| Intensity ratio Emissions per Property                                   | 1.42       | 1.64       |

(1) UK energy use covers all Framework activities.

**STRATEGIC REPORT (continued)****FINANCIAL REVIEW OF THE YEAR****Financial results**

Framework's turnover for 2025/26 was £67.15 million, an increase of £5.21 million on the 2024/25 figure of £61.94 million. This growth was driven in part by higher receipts from rent and service charges, reflecting both the annual uprating and the addition of new properties. Further income growth arose from Government funding to enhance substance misuse and mental health services, specifically targeted at rough sleepers and individuals at risk of sleeping rough. This funding supported the expansion of specialist interventions aligned with Framework's strategic objectives.

The headline operating surplus for the year was £3.314 million, representing an operating margin of 4.94%. An increase of £0.217 million compared with the 2024/25 surplus of £3.097 million (5%). The outturn is above the 3% target set out in the Corporate Plan, however the percentage reduction in surplus primarily reflects increases in the National Living Wage and Employer National Insurance, partially offset by continued delivery of the efficiency agenda.

The 2025/26 financial outturn forms the baseline for an updated Long-Term Financial Plan, which is also informed by the Asset Management and Development Strategy. Provision is made for reinvestment in the housing assets to maintain quality, safety, energy efficiency, lending value and book value. A comprehensive Asset and Liability Register is maintained to support long term financial resilience and strategic decision-making.

Given ongoing pressures on both income and expenditure, Framework continues to place strong emphasis on managing risks to its financial position. In particular, the combination of static or reduced contract values and the aspiration to increase the real value of salaries, to support recruitment and retention, creates constant pressure on operating margins.

During 2025/26, Framework embedded a range of measures to strengthen financial sustainability. These included reducing losses from voids, maximising the collection of Housing Benefit ineligible service charges, reducing reliance on agency staff, deploying new technology, and further reviewing the design and delivery of services. These front-line efficiencies were complemented by additional savings in back-office functions, including reductions in expenditure on interest payable, training and professional fees. These actions collectively support Framework's ability to maintain financial stability while continuing to deliver quality services to vulnerable people.

**Reserves**

Reserves are retained at a level that allows Framework to continue providing and further developing its services, whilst managing the risks associated with future growth plans. The budget and thirty-year forecast are reviewed and re-set annually to achieve this.

After deduction of grant liabilities Framework had net assets of £37.171 million at 31st March 2026 (2025: £34.043m). The majority of these (£31.045m in 2026) comprise the equity in fixed assets (nearly all of which is housing stock) leaving £6.126 million of free reserves. This is just 9.6% of operating expenditure but liquidity is supported by the availability of loans and Revolving Credit Facilities, both managed tightly to control the cost of resourcing the development programme as and when funds are needed to deliver it.

**Impairment**

The Board has considered whether any impairment of assets should take place. After reviewing the potential indicators including empty properties, any increases in voids or falls in rental income it concluded that there is no need for a write down of any carrying value.

**STRATEGIC REPORT (continued)****FINANCIAL REVIEW OF THE YEAR (continued)****Capital Structure and Treasury Policy**

Framework's long-term borrowings comprise 20–25-year loans from NatWest and Charity Bank, held on a mix of fixed and variable interest rates. The total value of loans outstanding at 31 March 2026 reduced in line with scheduled capital repayments, reflecting the organisation's long-term debt-reduction profile.

In addition to these term loans, Framework maintains a Revolving Credit Facility (RCF) of £4.6 million, which remained undrawn throughout the year. The RCF plays an important role within the organisation's Treasury Strategy, providing a flexible and cost-effective mechanism to sustain liquidity while reducing reliance on variable-rate borrowing. A further facility with CAF Bank also remained undrawn at year-end, contributing additional resilience to the organisation's liquidity position.

Cash flow performance remained strong during 2025/26, with all banking covenants met and forward projections indicating continued compliance. Framework's reserves will continue to be deployed primarily to support asset management and property development during 2026/27, ensuring the organisation maintains the quality, safety and long-term value of its housing assets.

**Going Concern**

After making appropriate enquiries the Board believes that Framework has sufficient funding in place and expects the Association to be compliant with its debt covenants even in the event of severe but plausible downside scenarios. The Board is confident that Framework will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements. Therefore, the statements have been prepared on a 'Going Concern' basis.

**INTERNAL CONTROLS ASSURANCE**

The Board is responsible for ensuring that Framework has adequate systems in place to deliver effective and efficient operations, reliable internal and external reporting, and compliance with applicable laws & regulations and internal policies. The existence of such adequate systems should mean that the most significant risks to the achievement of the Association's objectives are recognised, managed and minimised. Acknowledging that no system can eliminate all risk, the internal controls must provide reasonable assurance of the identification and effective management of the major risks.

The Board has again reviewed and updated its Risk Appetite Statement, ensuring it remains aligned with the strategic priorities and the external operating environment. In line with this, the SLT undertakes periodic reviews of the Risk Register and associated Heat Map to assess the effectiveness of risk identification, mitigation and monitoring arrangements. The outcomes of these reviews inform the oversight exercised by the Audit and Risk Management (ARM) Committee, which maintains responsibility for scrutinising the organisation's risk profile and assurance processes. Any actions arising from this oversight are implemented either directly under the delegated authority of the Committee or senior leaders, or where appropriate are escalated with recommendations to the Board.

This structured approach ensures that Framework's governance arrangements remain robust, transparent and responsive to emerging risks, supporting the organisation's long-term resilience and strategic delivery.

**STRATEGIC REPORT (continued)****INTERNAL CONTROLS ASSURANCE (continued)**

The internal controls framework has been summarised and analysed on a 'Three lines of Defense' model. The following sources of assurance were considered by the Board in reaching its conclusion on the adequacy of the internal control framework: -

- Risk Management Policy in place with active monitoring of the Risk Register by the Audit and Risk Management (ARM) Committee
- Internal management oversight from Framework's Senior Leadership Team
- Regular Review of Key Control Policies overseen by the Corporate Leadership Team
- Performance Assurance Dashboard (PAD) and the reporting of Key Performance Indicators both to the Service Delivery Committee and the Board
- Quality Assurance Framework (QAF) used by all services
- Standard Operating Procedure (SOP) used by accommodation-based services
- Reporting, monitoring and analysis of Serious and Untoward Incidents (SUIs)
- Service User Involvement and Feedback
- Health & Safety Management Systems
- External Quality Management Accreditations (including Cyber Essentials and specialist reviews for Information Security Management and Health & Safety)
- Internal Audit Programme delivered by Mazars and External Audit by Menzies LLP
- Regulator of Social Housing rating G1 / V2 (November 2025) with annual self-assessment against the Standards
- Annual self-assessments against the National Housing Federation Code of Governance and the Housing Ombudsman's Complaint Handling Code
- Fraud Policy and Whistleblowing Policy

At its meeting on 14 May 2026, the Board considered the effectiveness of Framework's internal control systems in managing the most significant risks to the delivery of the Association's Corporate Objectives. It affirmed its satisfaction that:

- There is sufficient evidence to confirm that adequate systems of internal control existed throughout the 2025/26 financial year and that these systems remain in operation;
- These systems are aligned to an ongoing process for the management of the most significant risks faced by the Association;
- They provide reasonable assurance that the financial and operational information produced by the Association is reliable, and that its assets and interests are safeguarded;
- There are no weaknesses in the controls that are sufficiently serious to cause a mis-statement or material loss that would require disclosure in the financial statements.

**Fraud Management**

Framework has a Code of Conduct and other policies designed to reduce the risk of fraud in relation to the activities of Board Members, management and staff. The Association complies with relevant regulatory requirements in this respect. A register is maintained of all actual and attempted frauds, and this is presented annually to the Board. The Chief Executive is required to bring to the Board's attention, any significant fraud that may occur during the year.

**STRATEGIC REPORT (continued)**

**Self-Appraisal by the Board and Committees**

The Board and its Committees self-appraise their own performance and Framework's compliance with the legal and regulatory frameworks in which it operates. This is supported by a Protocol on Regulatory Reporting, and by the Internal Controls Assurance Register that provides a check on compliance, monitored by the Audit and Risk Management Committee.

**PUBLIC BENEFIT AND FUNDRAISING ACTIVITIES**

As a Registered Charity, Framework is subject to the provisions of the Charities Acts 2011 and 2016. These create an obligation to demonstrate explicitly that the organisation's aims are for the public benefit. The Board is satisfied that by providing services to homeless, vulnerable and excluded people in furtherance of its charitable objects as described above, Framework is complying with its public benefit duty.

Framework raises funds directly from the public to resource aspects of its activity that are not covered from statutory sources. This work is carried out by a specialist team of salaried employees, supported by volunteers. Third party professional fundraisers are not involved.

Framework is registered with the Fundraising Regulator and continues to comply fully with its Fundraising Promise. No complaints were received about fundraising activity during the year. To protect vulnerable people and others Framework does not employ cold calling for fundraising, nor are supporters approached more than three times per annum. Targeted 'asks' are restricted to those who have already indicated their support for the organisation.

**Approved by the Board on 16 July 2026 and signed on its behalf by:**



**Ruth Hawkins (Chair)**

**BOARD REPORT****BOARD MEMBERSHIP**

The members below, who are considered directors for Company Law purposes, have served in office from 1st April 2025 to the date of this report except where otherwise indicated.

|              |                                                |                  |                   |            |
|--------------|------------------------------------------------|------------------|-------------------|------------|
| Ruth Hawkins | Chair                                          |                  |                   |            |
| Sarah Harris | Chair of Audit and Risk Management Committee   |                  |                   |            |
| Rob Main     | Chair of Nomination and Remuneration Committee |                  |                   |            |
| Marcus Beale | Chair of the Service Delivery Committee        |                  |                   |            |
| Tom Jackson  | Alan Davies                                    | Neil Jones       | Simon Tipping     | Emma Brown |
| Jane Bethea  | Holly Davis                                    | Sheona MacLeod   | Brigitte Scammell | Chris Lane |
| Amy Laurie   | Catherine Arkley                               | Jonathan Bemrose |                   |            |

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE BOARD REPORT, AND 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. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), FRS 102 *the Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they intend either to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the association's transactions, to disclose with reasonable accuracy at any time the financial position of the association and enable them to ensure that the financial statements comply with the:

- Companies Act 2006
- Housing and Regeneration Act 2008 and
- Accounting Direction for Private Registered Providers of Social Housing 2022.

Directors are responsible for internal control as they determine is necessary, enabling the preparation of financial statements that are free from material misstatement, whether due to fraud or error. They have general responsibility for taking such steps as are reasonably open to them to safeguard the association's assets and to prevent and detect fraud and other irregularities.

## **BOARD REPORT (continued)**

### **DIRECTORS' INDEMNITY**

Appropriate Directors' and Officers' Liability Insurance cover is in place in respect of all the Association's directors.

### **POLITICAL DONATIONS AND EXPENDITURE**

No political donations were made in the year ended 31 March 2026 (2025 - £ nil) and there was no other expenditure on political activity in the year (2025 - £ nil).

### **EMPLOYMENT**

Framework aspires to retain a diverse workforce with the skills and understanding to achieve its goals by the provision of quality services responsive to a range of individual needs. At 31 March 2026, 12.88% of the workforce was registered as disabled (2025 - 11.90%). On the same date 24.72% of the workforce was defined as Black, Asian, Minority Ethnic and Refugee (BAMER) (2024 - 23.02%). When calculating these statistics, 15.72% and 9.75% of respondents who chose not to share this information are included in the total denominator but excluded from the numerator categories reported above.

Framework is committed to involving its employees in the planning and development of services through staff consultation, employee surveys, information-sharing and staff communication. The Staff Council, meeting six times per annum, is a formal structure through which leaders consult with elected employees and trade union representatives to inform them of, and discuss, changes affecting the organisation and its employees. Direct consultation occurs wherever there are changes that fundamentally affect the work of staff.

### **FINANCIAL INSTRUMENTS**

The Association does not enter into any hedging transactions. It does not have any abnormal exposure to price movements, changes in credit conditions, liquidity constraints or cash flow risks arising from its trading activities.

### **AUDITOR**

Menzies LLP were re-appointed as Framework's external auditor during the year.

### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR**

The directors have taken all necessary steps to make the auditor aware of any relevant audit information and to establish that they are aware of that information. As far as the directors are aware, there is no relevant audit information of which the Association's auditor is unaware.

**Approved by the Board on 16 July 2026 and signed on its behalf by:**



**Ruth Hawkins (Chair of the Board)**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRAMEWORK HOUSING ASSOCIATION**

### **Independent Auditor's Report to Framework Housing Association**

#### **Opinion**

We have audited the financial statements of Framework Housing Association (the 'Company') for the year ended 31 March 2026 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies in note 1. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2026 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 Board with respect to going concern are described in the relevant sections of this report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRAMEWORK  
HOUSING ASSOCIATION (continued)**

**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 Board is 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.

**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 or 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.

In addition, we have nothing to report in respect of the following matter where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRAMEWORK HOUSING ASSOCIATION (continued)**

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 31, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

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

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

- We obtained an understanding of laws and regulations that affect the Company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Companies Act 2006, the Statement of Recommended Practice for registered housing providers (Housing SORP 2018), the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022, tax legislation, health and safety legislation and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed the controls the Board has in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board has in place to prevent and detect fraud. We enquired of the Board about any incidences of fraud that had taken place during the accounting period.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRAMEWORK HOUSING ASSOCIATION (continued)**

- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws and regulations related to the construction and provision of social housing recognising the regulated nature of the Company's activities.
- We reviewed financial statements & disclosures and tested the supporting documentation to assess compliance with the relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

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

**Use of our report**

This report is made solely to the 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.

*Menzies LLP*

Richard Graham BA ACA (Senior Statutory Auditor)

**For and on behalf of Menzies LLP**

Statutory Auditor

One Express  
1, George Leigh Street  
Manchester M4 5DL

Date: *31 July 2026.*

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31st MARCH 2026**

|                                                     | Note | 2025/26         | 2024/25         |
|-----------------------------------------------------|------|-----------------|-----------------|
|                                                     |      | £000            | £000            |
| Turnover                                            | 3    | 67,145          | 61,936          |
| Operating expenditure                               | 3    | <u>(63,831)</u> | <u>(58,839)</u> |
| Operating surplus                                   | 3    | 3,314           | 3,097           |
| Surplus on disposal of property                     |      | -               | 133             |
| Finance income                                      | 5    | 259             | 228             |
| Interest and financing costs                        | 6    | <u>(398)</u>    | <u>(517)</u>    |
| Surplus for the year                                |      | 3,175           | 2,941           |
| Actuarial (loss)/gain in respect of pension schemes | 16   | <u>(47)</u>     | <u>(11)</u>     |
| Total comprehensive income for the year             |      | <u>3,128</u>    | <u>2,930</u>    |

The results all relate to continuing activities.

The accompanying notes form an integral part of the financial statements.

FRAMEWORK HOUSING ASSOCIATION

**STATEMENT OF FINANCIAL POSITION  
AS AT 31st MARCH 2026**

|                                                                    | Note | 2025/26<br>£000 | 2024/25<br>£000 |
|--------------------------------------------------------------------|------|-----------------|-----------------|
| <b>FIXED ASSETS</b>                                                |      |                 |                 |
| <b>Tangible assets:</b>                                            |      |                 |                 |
| Property, Plant and Equipment                                      | 11   | 106,779         | 102,416         |
| Depreciation                                                       | 11   | (20,238)        | (18,446)        |
|                                                                    |      | <u>86,541</u>   | <u>83,970</u>   |
| <b>CURRENT ASSETS</b>                                              |      |                 |                 |
| Debtors                                                            | 12   | 5,510           | 4,379           |
| Cash and Investments                                               | 13   | 11,642          | 8,544           |
|                                                                    |      | <u>17,152</u>   | <u>12,923</u>   |
| <b>CREDITORS: AMOUNTS FALLING<br/>DUE WITHIN ONE YEAR</b>          | 14   | <u>(11,026)</u> | <u>(9,364)</u>  |
| <b>NET CURRENT ASSETS</b>                                          |      | <u>6,126</u>    | <u>3,559</u>    |
| <b>TOTAL ASSETS LESS<br/>CURRENT LIABILITIES</b>                   |      | <u>92,667</u>   | <u>87,529</u>   |
| <b>CREDITORS: AMOUNTS FALLING<br/>DUE AFTER MORE THAN ONE YEAR</b> |      |                 |                 |
| Deferred government grants                                         | 15   | 47,563          | 45,117          |
| Long Term Loans                                                    | 15   | 7,933           | 8,369           |
| Defined benefit pension liability                                  | 16   | -               | -               |
|                                                                    |      | <u>55,496</u>   | <u>53,486</u>   |
| <b>NET ASSETS</b>                                                  |      | <u>37,171</u>   | <u>34,043</u>   |
| <b>CAPITAL AND RESERVES</b>                                        |      |                 |                 |
| Called up Share Capital                                            | 17   | -               | -               |
| Equity in Housing Properties & Other Fixed Assets                  | 23   | 31,045          | 30,484          |
| Liquid Reserves                                                    | 23   | 6,126           | 3,559           |
|                                                                    |      | <u>37,171</u>   | <u>34,043</u>   |

The financial statements on pages 37 to 59 were approved and authorised for issue by the Board and signed on its behalf on 16th July 2026 by

Ruth Hawkins

Chair



Claire McGonigle

Chief

Executive



Suzanne Williamson

Company

Secretary



## STATEMENT OF CHANGES IN RESERVES

## INCOME &amp; EXPENDITURE RESERVES

|                                               | Note | Equity In Housing<br>Properties & Other<br>Fixed Assets | Liquid Reserves | Total Reserves |
|-----------------------------------------------|------|---------------------------------------------------------|-----------------|----------------|
|                                               |      | £000                                                    | £000            | £000           |
| At 1st April 2025                             |      | 30,484                                                  | 3,559           | 34,043         |
| Surplus for year                              |      | -                                                       | 3,175           | 3,175          |
| Actuarial gain in respect of pension schemes  | 16   | -                                                       | (47)            | (47)           |
| Reserves transfer                             |      | 561                                                     | (561)           | -              |
| <b>Revenue Reserves as at 31st March 2026</b> |      | <b>31,045</b>                                           | <b>6,126</b>    | <b>37,171</b>  |
|                                               |      | £000                                                    | £000            | £000           |
| At 1st April 2024                             |      | 28,903                                                  | 2,210           | 31,113         |
| Surplus for year                              |      | -                                                       | 2,941           | 2,941          |
| Actuarial gain in respect of pension schemes  | 16   | -                                                       | (11)            | (11)           |
| Reserves transfer                             |      | 1,581                                                   | (1,581)         | -              |
| <b>Revenue Reserves as at 31st March 2025</b> |      | <b>30,484</b>                                           | <b>3,559</b>    | <b>34,043</b>  |

The accompanying notes form an integral part of these financial statements.

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31st MARCH 2026**

|                                                            | Note | 2025/26<br>£000 | 2024/25<br>£000 |
|------------------------------------------------------------|------|-----------------|-----------------|
| <b>Cash generated from operating activities</b>            |      |                 |                 |
| Surplus for the year                                       |      | 3,175           | 2,941           |
| Adjustment for non cash items                              |      |                 |                 |
| Depreciation of property, plant and equipment              | 11   | 1,892           | 1,632           |
| (Increase)/Decrease in Debtors                             | 12   | (1,131)         | (679)           |
| Increase/(Decrease) in Creditors                           | 14   | 1,679           | 1,771           |
| Pension costs less contribution payable                    | 16   | 125             | 132             |
| (Profit) on disposal of property, plant and equipment      | -    | -               | (133)           |
| Government grants utilised in the year                     | 15   | (661)           | (536)           |
| Interest received                                          | 5    | (259)           | (228)           |
| Interest payable                                           | 6    | 398             | 517             |
| Amounts charged to financing costs                         | 16   | (172)           | (143)           |
| <b>Cash generated by operating activities</b>              |      | <b>5,046</b>    | <b>5,274</b>    |
| <b>Cash flows from investing activities</b>                |      |                 |                 |
| Purchase of property, plant and equipment                  | 11   | (4,463)         | (5,898)         |
| Proceeds from the sale of property, plant and equipment    |      | -               | 305             |
| Grants received                                            | 15   | 3,112           | 4,809           |
| Interest received                                          | 5    | 259             | 228             |
| <b>Net cash flows from investing activities</b>            |      | <b>(1,092)</b>  | <b>(556)</b>    |
| <b>Cash flows from financing activities</b>                |      |                 |                 |
| Interest Paid                                              | 6    | (398)           | (517)           |
| New Loans                                                  |      | -               | 75              |
| Loan repayments                                            |      | (458)           | (1,752)         |
| <b>Net cash flows from financing activities</b>            |      | <b>(856)</b>    | <b>(2,194)</b>  |
| <b>Net(decrease)/increase in cash and cash equivalents</b> |      | <b>3,098</b>    | <b>2,524</b>    |
|                                                            |      |                 |                 |
|                                                            | Note | 2025/26<br>£000 | 2024/25<br>£000 |
| Cash and cash equivalents at beginning of year             | 13   | 8,544           | 6,020           |
| Net (decrease)/increase in cash and cash equivalents       |      | 3,098           | 2,524           |
| <b>Cash and cash equivalents at end of year</b>            | 13   | <b>11,642</b>   | <b>8,544</b>    |

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31st MARCH 2026**

**1 ACCOUNTING POLICIES**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

**(a) General information and basis of accounting**

The financial statements have been prepared under the historical cost convention, and where applicable modified to include certain items at fair value, in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and comply with the Statement of Recommended Practice for registered social housing providers 2018 (SORP), the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing 2022. Framework Housing Association is a public benefit entity, as defined in FRS 102 and applies the relevant paragraphs prefixed 'PBE' in FRS 102.

**(b) Turnover and Operating Costs**

Turnover represents rent and service charges receivable (net of rent and service charge losses from voids) in respect of supporting people and community care contracts, revenue grants receivable, amounts receivable in respect of service level agreements and donations.

Service charge income is recognised when expenditure is incurred as this is considered to be the point at which the service has been performed and the revenue recognition criteria met.

Operating costs incurred in the delivery of these services comprise expenditure on services, management, bad debts, fund-raising, publicity and depreciation.

**(c) Property, plant and equipment - housing properties**

Housing properties are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the cost of acquiring land and buildings, directly attributable development costs and borrowing costs directly attributable to the construction of new housing properties during the development. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

Expenditure on existing housing properties is capitalised when an identifiable component is replaced as outlined in Frameworks capitalisation policy. Expenditure incurred on the acquisition of furniture and equipment will be recorded in the Statement of financial position where the purchased cost per item is £5,000 or more, or, where the aggregate cost of items in a single capital project, is greater than £5,000.

Depreciation is charged so as to write down the net book value of housing properties to their estimated residual value, on a straight line basis, over their useful economic lives. Freehold land is not depreciated.

A full years depreciation is charged on assets in the year of purchase, but no charge is made in the year of disposal.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31st MARCH 2026**

**1 ACCOUNTING POLICIES (CONTINUED)**

**(c) Property, plant and equipment - housing properties (continued)**

Major components

Major components of housing properties, which have significantly different patterns of consumption of economic benefits, are treated as separate assets and depreciated over their expected useful economic lives at the following annual rates.

|                                |       |
|--------------------------------|-------|
| Land                           | nil   |
| Buildings- Superstructure      | 1.25% |
| Buildings-Roof                 | 2%    |
| Buildings-Heating Systems      | 2.5%  |
| Buildings - Electrical systems | 3%    |
| Buildings - Fixtures & Fitting | 5%    |
| Furniture and Equipment        | 33%   |

Improvements

Where there are improvements to housing properties that are expected to provide incremental future benefits, these are capitalised and added to the carrying amount of the property. Any works to housing properties which do not replace a component or result in an incremental future benefit are charged as expenditure in the Statement of Comprehensive Income.

Leaseholders

Where the rights and obligations for improving a housing property reside with the leaseholder or tenant, any works to improve such properties incurred by the Association is recharged to the leaseholder and recognised in surplus or deficit in the Statement of Comprehensive Income along with the corresponding income from the leaseholder or tenant.

**(d) Impairment of social housing properties**

Properties held for their social benefit are not held solely for the cash inflows they generate and are held for their service potential.

An assessment is made at each reporting date as to whether an indicator of impairment exists. If such an indicator exists, an impairment assessment is carried out and an estimate of the recoverable amount of the asset is made. Where the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised in surplus or deficit in the Statement of Comprehensive Income. The recoverable amount of an asset is the higher of its value in use and fair value less costs to sell. Where assets are held for their service potential, value in use is determined by the present value of the asset's remaining service potential plus the net amount expected to be received from its disposal. Depreciated replacement cost is taken as a suitable measurement model.

An impairment loss is reversed if the reasons for the impairment loss have ceased to apply and included in surplus or deficit in the Statement of Comprehensive Income.

Impairment indicators used by the Association are: empty properties without an agreed plan to bring into use, permanent increase in voids, or reduction in rental income.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31st MARCH 2026**

**1 ACCOUNTING POLICIES (CONTINUED)**

**(e) Social Housing Grant and other Government Grants**

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

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

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Grants received for housing properties are recognised in income over the expected useful life of the housing property structure. Where a grant is received specifically for components of a housing property, the grant is recognised in income over the expected useful life of the component.

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

**(f) Recycling of grants**

Where there is a requirement to either repay or recycle a grant received for an asset that has been disposed of, a provision is included in the Statement of Financial Position to recognise this obligation as a liability. When approval is received from the funding body to use the grant for a specific development, the amount previously recognised as a provision for the recycling of the grant is reclassified as a creditor in the Statement of Financial Position.

On disposal of an asset for which government grant was received, if there is no obligation to repay the grant, any unamortised grant remaining within liabilities in the Statement of Financial Position related to this asset is derecognised as a liability and recognised as revenue in surplus or deficit in the Statement of Comprehensive Income.

**(g) Leased assets**

At inception the Association assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases.

Payments under operating leases are charged to surplus or deficit in the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31st MARCH 2026**

**1 ACCOUNTING POLICIES (CONTINUED)**

**(h) Interest payable**

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs are calculated using the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of a financial instrument and is determined on the basis of the carrying amount of the financial liability at initial recognition. Under the effective interest method, the amortised cost of a financial liability is the present value of future cash payments discounted at the effective interest rate and the interest expense in a period equals the carrying amount of the financial liability at the beginning of a period multiplied by the effective interest rate for the period.

**(i) Taxation**

The Association is a registered charity and is exempt from any corporation tax liabilities on its charitable activities.

**(j) Pensions**

Multi-employer defined benefit pension scheme- NHS

The Association participates in a multi-employer defined benefit pension scheme where the scheme assets and liabilities cannot be separately identified for each employer. This is accounted for as a defined contribution scheme as there is insufficient information available to account for the scheme as defined benefit. This defined benefit scheme is closed to new members and was set up to preserve pension arrangements for staff transferring in to the Association under TUPE Legislation.

Local Government Pension Scheme- Nottinghamshire Local Government Pension Scheme

The Association participates in a Local Government Pension Scheme which is a multi-employer scheme where it is possible for individual employers as admitted bodies to identify their share of the assets and liabilities of the pension scheme. For this scheme the amounts charged to operating surplus are the costs arising from employee services rendered during the period and the cost of plan introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to revenue and included within finance costs. Remeasurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Association, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each Statement of Financial Position date. This defined benefit scheme is closed to new members and was set up to preserve pension arrangements for staff transferring in to the Association under TUPE legislation.

In accordance with FRS102 if the present value of the scheme liabilities at the reporting date is less than the fair value of the plan assets at that date the plan has a surplus. For the year ended 31st March 2026 Framework Housing Association has recorded a pension surplus. However, the surplus can only be recognised to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. These criteria were not considered to be met at 31st March 2026 and an asset was therefore not recognised.

Defined Contribution Scheme - Scottish Widows

The Association participates in a defined contribution scheme where the amount charged to surplus or deficit in the Statement of Comprehensive Income in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Statement of Financial Position. This scheme is open to all staff members in accordance with Auto-Enrolment legislation.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31st MARCH 2026**

**1 ACCOUNTING POLICIES (CONTINUED)**

**(k) Supported housing and other managing agents**

Where the Association has ownership of a supported housing or other scheme but also has an agreement with a third party to manage the scheme (including Supporting People funded schemes or services), where there has been a substantial transfer of the risks and benefits attached to the scheme to the third party, any scheme revenue and expenditure is excluded from these financial statements.

**(l) Financial Instruments**

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

Financial assets carried at amortised cost

Financial assets carried at amortised cost comprise rent arrears, trade and other receivables and cash and cash equivalents. Financial assets are initially recognised at fair value plus directly attributable transaction costs. After initial recognition, they are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. If there is objective evidence that there is an impairment loss, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced accordingly. A financial asset is derecognised when the contractual rights to the cash flows expire, or when the financial asset and all substantial risks and reward are transferred. If an arrangement constitutes a financing transaction, the financial asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial liabilities carried at amortised cost.

The financial liabilities include trade and other payables and interest bearing loans and borrowings. Non-current debt instruments which meet the necessary conditions in FRS 102, are initially recognised at fair value adjusted for any directly attributable transaction cost and subsequently measured at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs in the Statement of Comprehensive Income. Discounting is omitted where the effect of discounting is immaterial. A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value. For the purposes of the cash flow statement cash, the current account and the deposit accounts are considered to be liquid resources.

FRAMEWORK HOUSING ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31st MARCH 2026**

**1 ACCOUNTING POLICIES (CONTINUED)**

**(m) Bad Debt Provisions**

The Association's bad debt policy is to provide for 100% of debtors where there is strong evidence of non-collection, 25% of rent and eligible service charges and 75% of ineligible service charges which are still outstanding after the deduction of cash received in the new financial year.

**(n) Holiday pay accrual**

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

**(o) Value Added Tax (VAT)**

The Association charges VAT on some of its income and is able to recover part of the VAT it incurs on expenditure. All amounts disclosed in the accounts are inclusive of VAT to the extent that it is suffered by the Association and not recoverable.

**(p) Designated Reserves**

With regard to paragraph 18.7 of the SORP, our Reserves are presented in line with the Charity SORP paragraph 1.48 which is considered more appropriate to Framework as a registered charity and to support our reliance on charitable donations. This treatment is considered appropriate to provide donors and potential donors with a more accurate presentation of Frameworks financial position.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31st MARCH 2026**

**2 SIGNIFICANT MANAGEMENT JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

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

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

Significant management judgements

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

Impairment of social housing properties

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

Estimation uncertainty

The Association makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Provisions

Provision is made for dilapidations. This provision requires management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, the timing of the cash flows and the discount rates used to establish net present value of the obligations require management's judgement.

Defined benefit pension scheme

The association has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31st MARCH 2026**
**3 TURNOVER, OPERATING COSTS AND OPERATING SURPLUS**

|                                         | 2025/26       | 2024/25       |
|-----------------------------------------|---------------|---------------|
|                                         | £000          | £000          |
| <b>TURNOVER</b>                         |               |               |
| Rent and service charges receivable     | 25,747        | 23,393        |
| Community care contracts                | 1,656         | 1,669         |
|                                         | <b>27,403</b> | <b>25,062</b> |
| Statutory revenue income (Note 4)       | 20,075        | 17,952        |
| Housing Related Support contracts       | 15,683        | 14,018        |
| Amortised government grant              | 661           | 537           |
| Specific charitable income (Note 4)     | 315           | 1,638         |
|                                         | <b>64,137</b> | <b>59,207</b> |
| Non specific charitable giving (Note 4) | 611           | 580           |
| Other                                   | 2,397         | 2,149         |
| <b>TOTAL TURNOVER</b>                   | <b>67,145</b> | <b>61,936</b> |
| <b>OPERATING COSTS</b>                  |               |               |
| Services                                | 43,683        | 40,618        |
| Management                              | 12,162        | 11,170        |
| Maintenance                             | 5,096         | 4,519         |
| Development                             | 296           | 259           |
| Fund raising                            | 465           | 393           |
| Bad debts                               | 236           | 248           |
| Depreciation                            | 1,893         | 1,632         |
| <b>TOTAL OPERATING COSTS</b>            | <b>63,831</b> | <b>58,839</b> |
| <b>OPERATING SURPLUS FOR THE YEAR</b>   | <b>3,314</b>  | <b>3,097</b>  |
| <b>Analysis of Voids</b>                | <b>£000</b>   | <b>£000</b>   |
| Voids from lettable properties          | 3,279         | 2,357         |
| <b>Total Voids</b>                      | <b>3,279</b>  | <b>2,357</b>  |

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31st MARCH 2026**

**3a PARTICULARS OF TURNOVER, OPERATING EXPENDITURE AND  
OPERATING SURPLUS**

|                                             | 2025/26       | 2025/26                  | 2025/26                        |
|---------------------------------------------|---------------|--------------------------|--------------------------------|
|                                             | Turnover      | Operating<br>Expenditure | Operating<br>Surplus/(Deficit) |
|                                             | £000          | £000                     | £000                           |
| <b>Social Housing Lettings ( Note 3b)</b>   | <b>34,877</b> | <b>32,037</b>            | <b>2,840</b>                   |
| <b>Other Social Housing Activities</b>      |               |                          |                                |
| Charges for support services                | 13,360        | 13,320                   | 40                             |
| <b>Total Social Housing</b>                 | <b>48,237</b> | <b>45,357</b>            | <b>2,880</b>                   |
| <b>Activities other than Social Housing</b> | <b>18,908</b> | <b>18,474</b>            | <b>434</b>                     |
| <b>Total Non- Social Housing</b>            | <b>18,908</b> | <b>18,474</b>            | <b>434</b>                     |
| <b>Total</b>                                | <b>67,145</b> | <b>63,831</b>            | <b>3,314</b>                   |

**3a PARTICULARS OF TURNOVER, OPERATING EXPENDITURE AND  
OPERATING SURPLUS**

|                                             | 2024/25       | 2024/25                  | 2024/25                        |
|---------------------------------------------|---------------|--------------------------|--------------------------------|
|                                             | Turnover      | Operating<br>Expenditure | Operating<br>Surplus/(Deficit) |
|                                             | £000          | £000                     | £000                           |
| <b>Social Housing Lettings ( Note 3b)</b>   | <b>30,468</b> | <b>28,123</b>            | <b>2,345</b>                   |
| <b>Other Social Housing Activities</b>      |               |                          |                                |
| Charges for support services                | 11,892        | 11,733                   | 159                            |
| <b>Total Social Housing</b>                 | <b>42,360</b> | <b>39,856</b>            | <b>2,504</b>                   |
| <b>Activities other than Social Housing</b> | <b>19,576</b> | <b>18,983</b>            | <b>593</b>                     |
| <b>Total Non- Social Housing</b>            | <b>19,576</b> | <b>18,983</b>            | <b>593</b>                     |
| <b>Total</b>                                | <b>61,936</b> | <b>58,839</b>            | <b>3,097</b>                   |

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31st MARCH 2026**

**3b PARTICULARS OF TURNOVER AND OPERATING EXPENDITURE FROM  
SOCIAL HOUSING LETTINGS**

|                                                         | <b>Social Housing<br/>2025/26<br/>£000</b> | <b>Social Housing<br/>2024/25<br/>£000</b> |
|---------------------------------------------------------|--------------------------------------------|--------------------------------------------|
| <b>Income</b>                                           |                                            |                                            |
| HB eligible rent & service charges                      | 26,485                                     | 24,175                                     |
| HB ineligible rent & service charges                    | 919                                        | 886                                        |
| Amortised government grants                             | 635                                        | 527                                        |
| Other grants                                            | 6,839                                      | 4,880                                      |
| <b>Turnover from Social Housing Lettings</b>            | <b>34,878</b>                              | <b>30,468</b>                              |
| <b>Operating Expenditure</b>                            |                                            |                                            |
| Management                                              | 8,290                                      | 7,568                                      |
| Service charge costs                                    | 10,711                                     | 9,887                                      |
| Routine maintenance                                     | 4,652                                      | 3,945                                      |
| Planned maintenance                                     | 1,333                                      | 1,132                                      |
| Bad debts                                               | 236                                        | 247                                        |
| Depreciation of housing properties                      | 1,425                                      | 1,324                                      |
| Depreciation of other tangible fixed assets             | 321                                        | 215                                        |
| Lease costs                                             | 2,638                                      | 2,162                                      |
| Other costs                                             | 2,431                                      | 1,643                                      |
| <b>Operating Expenditure on Social Housing Lettings</b> | <b>32,037</b>                              | <b>28,123</b>                              |
| <b>Operating Surplus</b>                                | <b>2,841</b>                               | <b>2,345</b>                               |
| <b>Void Losses</b>                                      | <b>3,279</b>                               | <b>2,357</b>                               |

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31st MARCH 2026**

**4 GRANTS AND DONATIONS RECEIVABLE**

|                                                      | 2025/26<br>£000 | 2024/25<br>£000 |
|------------------------------------------------------|-----------------|-----------------|
| <b>STATUTORY SOURCES</b>                             |                 |                 |
| Leicester, Leicestershire & Rutland Councils (Edwin) | 445             | 419             |
| DLUC - City of Lincoln Council                       | 491             | 451             |
| City of Lincoln Council                              | 150             |                 |
| DLUC- Nottingham City                                | 673             | 613             |
| DLUC Sheffield                                       | -               | -               |
| Nottingham City CDP (MVH )                           | 28              | 28              |
| Nottingham City Council ( Rough Sleepers)            | 1,420           | 692             |
| Nottingham City CDP (Clean Slate)                    | -               | -               |
| Nottingham City CDP (Nottingham Recovery Network)    | 10,267          | 9,530           |
| Nottingham City CDP (Edwin)                          | 336             | 323             |
| Nottingham City CCG Mental Health & Wellbeing        | -               | -               |
| Nottingham City CDP (HALT)                           | 115             | 112             |
| Sheffield City Council (Street outreach/SMHIS)       | 220             | 217             |
| DLUC - Ashfield DC (SOT County)                      | 789             | 729             |
| Ashfield DC                                          | 142             | 142             |
| Homes England (RSAP)                                 | 1,165           | 602             |
| Other Statutory Grants                               | 3,834           | 4,094           |
| <b>Total</b>                                         | <b>20,075</b>   | <b>17,952</b>   |
| <b>SPECIFIC CHARITABLE SOURCES</b>                   |                 |                 |
| Big Lottery                                          | 152             | 152             |
| SSBC (Family Mentor & Aspley Mentor)                 | -               | 1,279           |
| MIND                                                 | 151             | 138             |
| Other Specific Grants                                | 12              | 69              |
| <b>Total</b>                                         | <b>315</b>      | <b>1,638</b>    |
| <b>OTHER GRANTS AND DONATIONS</b>                    |                 |                 |
| Grants and Donations                                 | 611             | 580             |
| <b>Total</b>                                         | <b>611</b>      | <b>580</b>      |
| <b>Grand Total</b>                                   | <b>21,001</b>   | <b>20,170</b>   |

Most statutory and charitable grants are restricted to the delivery of specific services as determined by the funders.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31st MARCH 2026**

**5 FINANCE INCOME**

|                          | 2025/26    | 2024/25    |
|--------------------------|------------|------------|
|                          | £000       | £000       |
| Bank interest receivable | 259        | 228        |
|                          | <u>259</u> | <u>228</u> |

**6 INTEREST AND FINANCING COSTS**

|                                                     | 2025/26    | 2024/25    |
|-----------------------------------------------------|------------|------------|
|                                                     | £000       | £000       |
| Bank loans and overdrafts                           | 437        | 531        |
| Costs associated with financing                     | -          | -          |
| Net interest on defined benefit liability (Note 16) | (37)       | (14)       |
|                                                     | <u>400</u> | <u>517</u> |
| Borrowing costs capitalised                         | (2)        | -          |
|                                                     | <u>398</u> | <u>517</u> |

**7 SURPLUS FOR THE YEAR**

|                                                       | 2025/26 | 2024/25 |
|-------------------------------------------------------|---------|---------|
|                                                       | £000    | £000    |
| <b>Surplus for the year is stated after charging:</b> |         |         |
| Depreciation on housing properties                    | 1,465   | 1,352   |
| Depreciation on other fixed assets                    | 427     | 281     |
| External Auditor's Remuneration (excluding VAT)       |         |         |
| - Audit-related assurance services                    | 34      | 31      |
| Operating lease charges on land and buildings         | 2,795   | 2,439   |
| Operating lease charges on other assets               | 282     | 253     |

**8 TAXATION**

No taxation charge arises as the Association is an exempt charity and only undertakes charitable activities.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31st MARCH 2026**

**9 STAFF COSTS**

|                                  | 2025/26<br>£000 | 2024/25<br>£000 |
|----------------------------------|-----------------|-----------------|
| Staff costs including directors: |                 |                 |
| Wages and salaries               | 31,794          | 29,812          |
| Redundancy costs                 | 87              | 384             |
| Social security costs            | 3,571           | 2,518           |
| Other pension costs              | 1,210           | 1,150           |
| Total                            | <u>36,662</u>   | <u>33,864</u>   |

The full Time Equivalent number of staff who received emoluments, including pension contribution, in excess of £60,000 are shown below.

|                         | 2025/26<br>No. | 2024/25<br>No. |
|-------------------------|----------------|----------------|
| <b>Salary Band £000</b> |                |                |
| 60,000 - 69,999         | 10             | 11             |
| 70,000 - 79,999         | 2              | 2              |
| 80,000 - 89,999         | 2              | 1              |
| 90,000 - 99,999         | 1              | 2              |
| 100,000-109,000         | 2              | 2              |

| Average number of full time equivalent persons (FTE) employed: | 2025/26<br>No. | 2024/25<br>No. |
|----------------------------------------------------------------|----------------|----------------|
| Supported Housing                                              | 470            | 350            |
| Tenancy Sustainment                                            | 101            | 175            |
| Fundraising and Communications                                 | 16             | 15             |
| Management and Administration (Central Office)                 | 89             | 82             |
| Care Home                                                      | 59             | 57             |
| Non Housing related service staff                              | 245            | 253            |
| <b>Average number of FTE employees during the year</b>         | <u>980</u>     | <u>932</u>     |

The basis of the calculation of full time equivalents is the average of contracted employees across the financial year.

**10 DIRECTORS' REMUNERATION AND TRANSACTIONS**

Key management personnel remuneration

|                                           | 2025/26<br>£000 | 2024/25<br>£000 |
|-------------------------------------------|-----------------|-----------------|
| Directors who are executive staff members |                 |                 |
| Wages and salaries                        | 538             | 523             |
| Loss of Office payment                    | -               | -               |
| Social security costs                     | 71              | 61              |
| Other pension costs                       | 31              | 24              |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

### 10 DIRECTORS' REMUNERATION AND TRANSACTIONS (Continued)

#### Board Members

No remuneration was paid to board members in their capacity as directors of the Association. Incidental travel expenses are claimed in order for the board to carry out their duties. Travel expenses paid to board members to 31st March 2026 were £212 (2025 £186)

Remuneration of the highest paid director, excluding pension contributions

|            | 2025/26<br>£000 | 2024/25<br>£000 |
|------------|-----------------|-----------------|
| Emoluments | 104             | 106             |

### 11 PROPERTY, PLANT AND EQUIPMENT

|                                 | Properties in<br>Management<br>£000 | Properties in<br>Development<br>£000 | Plant and<br>Equipment<br>£000 | Total<br>£000  |
|---------------------------------|-------------------------------------|--------------------------------------|--------------------------------|----------------|
| <b>COST</b>                     |                                     |                                      |                                |                |
| At 1st April 2025               | 94,036                              | 5,146                                | 3,234                          | 102,416        |
| Additions during the year       | 497                                 | 3,266                                | 518                            | 4,281          |
| Capitalised Repairs             | 182                                 | -                                    | -                              | 182            |
| Transferred on completion       | 5,463                               | (5,463)                              | -                              | -              |
| Disposals during the year       | (100)                               | -                                    | -                              | (100)          |
| <b>Total at 31st March 2026</b> | <b>100,078</b>                      | <b>2,949</b>                         | <b>3,752</b>                   | <b>106,779</b> |
| <b>DEPRECIATION</b>             |                                     |                                      |                                |                |
| At 1st April 2025               | 15,637                              | -                                    | 2,809                          | 18,446         |
| Charge for the year             | 1,465                               | -                                    | 427                            | 1,892          |
| Disposals during the year       | (100)                               | -                                    | -                              | (100)          |
| <b>Total at 31st March 2026</b> | <b>17,002</b>                       | <b>-</b>                             | <b>3,236</b>                   | <b>20,238</b>  |
| <b>NET BOOK VALUE</b>           |                                     |                                      |                                |                |
| At 1st April 2025               | 78,399                              | 5,146                                | 425                            | 83,970         |
| At 31st March 2026              | 83,076                              | 2,949                                | 516                            | 86,541         |

Included in properties in management is Anvil House (formerly "Scotter House") which is subject to a 60 year lease at a net book value of £1,566k.

| <b>Expenditure on own properties</b>                     | 2025/26<br>£000 | 2024/25<br>£000 |
|----------------------------------------------------------|-----------------|-----------------|
| Capitalised development costs                            | 3,916           | 5,415           |
| Repairs and Maintenance charged to operating expenditure | 2,385           | 2,126           |
| <b>Total expenditure on own properties</b>               | <b>6,301</b>    | <b>7,541</b>    |

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

## 12 DEBTORS

|                                                                  | 2025/26<br>£000 | 2024/25<br>£000 |
|------------------------------------------------------------------|-----------------|-----------------|
| <b>AMOUNTS FALLING DUE WITHIN ONE YEAR</b>                       |                 |                 |
| Rent, service, support and community care charges (Note below *) | 1,947           | 1,782           |
| Less: Provision for bad debts                                    | (253)           | (271)           |
| <b>Net rent, service and support charges</b>                     | <b>1,694</b>    | <b>1,511</b>    |
| Prepayments and accrued income                                   | 2,131           | 1,548           |
| Grants and loans receivable                                      | 1,685           | 1,320           |
| Other taxation and social security                               | -               | -               |
| <b>Debtors at 31st March</b>                                     | <b>5,510</b>    | <b>4,379</b>    |

\* No disclosure has been made of the amount of the net present value adjustment where a repayment schedule is in place as the amount is considered to be minimal.

## 13 CASH AND INVESTMENTS

|                                           | 2025/26<br>£000 | 2024/25<br>£000 |
|-------------------------------------------|-----------------|-----------------|
| Cash                                      | 246             | 199             |
| Cash and cash equivalents                 | 11,396          | 8,345           |
| <b>Cash and Investments at 31st March</b> | <b>11,642</b>   | <b>8,544</b>    |

## 14 CREDITORS

|                                            | 2025/26<br>£000 | 2024/25<br>£000 |
|--------------------------------------------|-----------------|-----------------|
| <b>AMOUNTS FALLING DUE WITHIN ONE YEAR</b> |                 |                 |
| Accruals and deferred income               | 5,417           | 5,262           |
| Trade creditors                            | 3,754           | 2,928           |
| Other creditors                            | 28              | 23              |
| Other taxation and social security         | 728             | 35              |
| Government grants (Note 15b)               | 661             | 656             |
| Principal Loan repayments (Note 15a)       | 438             | 460             |
| <b>Creditors at 31st March</b>             | <b>11,026</b>   | <b>9,364</b>    |

FRAMEWORK HOUSING ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31st MARCH 2026**

**15 CREDITORS -  
AMOUNTS FALLING DUE AFTER MORE  
THAN ONE YEAR**

|                            | 2025/26       | 2024/25       |
|----------------------------|---------------|---------------|
|                            | £000          | £000          |
| Long Term Loans            | 7,933         | 8,369         |
| Deferred Government Grants | 47,563        | 45,117        |
|                            | <u>55,496</u> | <u>53,486</u> |

The loans are secured on freehold housing properties with a carrying value of £25,675k.

These freehold properties provide a total of 415 units of accommodation. Interest is payable at variable rates between 2.86% - 5.72%

The total accumulated amount of capital grants received at the balance sheet date is £57,312,288

**15a Loan analysis**

|                                                  | 2025/26      | 2024/25      |
|--------------------------------------------------|--------------|--------------|
|                                                  | £000         | £000         |
| Loans repayable by instalments                   |              |              |
| Within one year or less                          | 438          | 460          |
| More than one year but not more than two years   | 455          | 425          |
| More than two years but not more than five years | 1,541        | 1,501        |
| More than five years                             | 5,937        | 6,443        |
|                                                  | <u>8,371</u> | <u>8,829</u> |

**15b Deferred government grant**

|                                                | 2025/26       | 2024/25       |
|------------------------------------------------|---------------|---------------|
|                                                | £000          | £000          |
| Deferred capital grant as at 1st April         | 45,773        | 41,500        |
| Grants received in the year                    | 3,112         | 4,809         |
| Grant repayments during the year               | -             | -             |
| Amortised to Statement of Comprehensive Income | (661)         | (536)         |
| <b>Deferred capital grant as at 31 March</b>   | <u>48,224</u> | <u>45,773</u> |
| Amount to be released within one year          | <u>661</u>    | <u>656</u>    |
| Amount to be released after one year           | <u>47,563</u> | <u>45,117</u> |

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31st MARCH 2026**

**16 PENSION OBLIGATIONS**

**1 Defined contribution pension scheme**

The Association operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Association in an independently administered fund.

The total expense charged to Statement of Comprehensive Income in the year to 31st March 2026 was £1,130k (2025 £1,061k)

**2 Defined Benefit Scheme - NHS Scheme**

The NHS pension scheme is an unfunded, defined benefit scheme that covers NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The cost to the Association participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period. The total expense charged to Statement of Comprehensive Income in the year to 31st March 2026 was £17k (2025 £15k)

**3 Local Government Pension Scheme - Nottinghamshire Pension Scheme**

**Local Government Pension Scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate funds administered by Nottinghamshire Local Authority. The total contributions made for the year ended 31st March 2026 were £93k (2025 £99k), of which employer's contributions totalled £69k (2025 £74k) and employees contributions totalled £24k (2025 £25k). The agreed contribution rates for future years are 19.2% (2025 19.0%) for employers and range from 5.5% to 6.8% for employees, depending on salary.

The following information is based upon a full actuarial valuation of the fund at 31st March 2025 by a qualified independent actuary.

|                                                   | At 31st<br>March<br>2026 | At 31st<br>March<br>2025 |
|---------------------------------------------------|--------------------------|--------------------------|
|                                                   | %                        | %                        |
| Rate of increase in salaries                      | 3.90%                    | 3.85%                    |
| Rate of increase for pension in payment/inflation | 2.90%                    | 2.85%                    |
| Discount rate for scheme liabilities              | 6.20%                    | 5.85%                    |
| Inflation assumption (CPI)                        | 2.90%                    | 2.85%                    |

It has been assumed that members will exchange half their commutable pension for cash at retirement.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

## 16 PENSION OBLIGATIONS (continued)

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

|                             | At 31st<br>March<br>2026 | At 31st<br>March<br>2025 |
|-----------------------------|--------------------------|--------------------------|
| <i>Retiring today</i>       | Years                    | Years                    |
| Males                       | 21.2                     | 20.4                     |
| Females                     | 24.2                     | 23.3                     |
| <i>Retiring in 20 years</i> |                          |                          |
| Males                       | 22.8                     | 21.7                     |
| Females                     | 25.9                     | 24.7                     |

The estimated asset allocation for the Association as at 31 March 2026 is as follows:

|                              | At 31st<br>March<br>2026 | At 31st<br>March<br>2025 |
|------------------------------|--------------------------|--------------------------|
| Equities                     | 55%                      | 55%                      |
| Gilts                        | 8%                       | 5%                       |
| Other Bonds                  | 5%                       | 7%                       |
| Property                     | 8%                       | 10%                      |
| Cash                         | 6%                       | 5%                       |
| Inflation-linked pooled fund | 7%                       | 7%                       |
| Infrastructure               | 7%                       | 7%                       |
| Private Equities             | 3%                       | 3%                       |
| <b>Total</b>                 | <b>100%</b>              | <b>100%</b>              |

### Analysis of the amount charged to operating costs in the Statement of Comprehensive Income.

|                                                                                       | At 31st<br>March<br>2026 | At 31st<br>March<br>2025 |
|---------------------------------------------------------------------------------------|--------------------------|--------------------------|
|                                                                                       | £000                     | £000                     |
| Employer service cost (net of employee contributions)                                 | 11                       | (2)                      |
| <b>Total operating charge</b>                                                         | <b>11</b>                | <b>(2)</b>               |
| <b>Analysis of pension finance income/(costs)</b>                                     |                          |                          |
| Expected return on pension scheme assets                                              | (172)                    | (143)                    |
| Interest on pension liabilities                                                       | 135                      | 129                      |
| <b>Amounts (credited)/charged to financing costs</b>                                  | <b>(37)</b>              | <b>(14)</b>              |
| <b>Amount of gains and losses recognised in the Statement of Comprehensive Income</b> |                          |                          |
| Actuarial (losses)/gains on pension scheme assets.                                    | (63)                     | 506                      |
| Actuarial gains/(losses) on scheme liabilities                                        | 196                      | (152)                    |
| Adjustment for gains not recognised                                                   | (180)                    | (365)                    |
| <b>Actuarial (loss)/gain recognised</b>                                               | <b>(47)</b>              | <b>(11)</b>              |

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

## 16 PENSION OBLIGATIONS (continued)

The amount included in the Statement of Financial Position arising from the Association's obligations in respect of its defined benefit retirement benefit scheme is as follows:

|                                                  | At 31st<br>March<br>2026<br>£000 | At 31st<br>March<br>2025<br>£000 |
|--------------------------------------------------|----------------------------------|----------------------------------|
| <b>Movement in surplus/(deficit) during year</b> |                                  |                                  |
| Surplus / (Deficit) in scheme at 1st April       | -                                | -                                |
| Employer service cost                            | (58)                             | (76)                             |
| Employer contributions                           | 69                               | 74                               |
| Return on assets                                 | 196                              | (171)                            |
| Remeasurements                                   | (207)                            | 173                              |
| <b>Surplus/(Deficit) in scheme at 31st March</b> | <u>0</u>                         | <u>0</u>                         |

## Asset and Liability Reconciliation

|                                                          | At 31st<br>March<br>2026<br>£000 | At 31st<br>March<br>2025<br>£000 |
|----------------------------------------------------------|----------------------------------|----------------------------------|
| <b>Opening defined benefit obligation</b>                | 2,307                            | 2,615                            |
| Service Cost                                             | 58                               | 76                               |
| Interest Cost                                            | 135                              | 129                              |
| Change in financial assumptions                          | (142)                            | (464)                            |
| Change in demographic assumptions                        | 62                               | (40)                             |
| Experience (gain)/loss on defined benefit obligation     | 143                              | (2)                              |
| Estimated benefits paid net of transfers in              | (36)                             | (32)                             |
| Past service costs, including curtailments               | -                                | -                                |
| Contributions by Scheme participants and other employers | 24                               | 25                               |
| <b>Closing defined benefit obligation</b>                | <u>2,551</u>                     | <u>2,307</u>                     |
| <b>Assets at start of period</b>                         | 2,907                            | 2,850                            |
| Interest on assets                                       | 172                              | 143                              |
| Return on assets less interest                           | 147                              | (152)                            |
| Other actuarial gains / (losses)                         | 49                               | -                                |
| Administration Expenses                                  | (1)                              | (1)                              |
| Contributions by employer including unfunded             | 69                               | 74                               |
| Contributions by Scheme participants and other employers | 24                               | 25                               |
| Estimated benefits paid net of transfers in              | (36)                             | (32)                             |
| Settlement prices received/(paid)                        | -                                | -                                |
| <b>Assets at end of period</b>                           | <u>3,331</u>                     | <u>2,907</u>                     |
| <b>Actual return on plan scheme assets</b>               | <u>368</u>                       | <u>(9)</u>                       |

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31st MARCH 2026**
**17 CALLED UP SHARE CAPITAL**

The Association is a company limited by guarantee and does not therefore have any share capital.

**18 RELATED PARTY TRANSACTIONS**

There are no related party transactions to disclose. All procurement negotiations for goods and services are carried out on normal commercial terms.

**19 CAPITAL COMMITMENTS**

|                                                                                                   | 2025/26<br>£000 | 2024/25<br>£000 |
|---------------------------------------------------------------------------------------------------|-----------------|-----------------|
| Capital expenditure contracted for at 31st March but not provided for in the financial statements | 4,755           | 4,443           |
| Less funding allocations                                                                          | (599)           | (1,375)         |
| Internal funding commitment                                                                       | <u>4,156</u>    | <u>3,068</u>    |

**20 OTHER FINANCIAL COMMITMENTS**

Total future minimum lease payments under non-cancellable operating leases are as follows:

|                                | 2025/26<br>Land and<br>Buildings<br>£000 | 2025/26<br>Other<br>£000 | 2024/25<br>Land and<br>Buildings<br>£000 | 2024/25<br>Other<br>£000 |
|--------------------------------|------------------------------------------|--------------------------|------------------------------------------|--------------------------|
| Operating leases which expire: |                                          |                          |                                          |                          |
| Within one year                | 2,795                                    | 282                      | 2,439                                    | 253                      |
| Within two to five years       | 1,272                                    | 698                      | 2,012                                    | 55                       |
| After five years               | 43                                       | 42                       | 44                                       | 55                       |
|                                | <u>4,110</u>                             | <u>1,022</u>             | <u>4,495</u>                             | <u>363</u>               |

**21 HOUSING STOCK****NUMBER OF UNITS IN MANAGEMENT**

|                                          | 2025/26<br>No. | 2024/25<br>No. |
|------------------------------------------|----------------|----------------|
| Supported Housing (Leased and Owned)     | 1,112          | 1,076          |
| Affordable Rents                         | 103            | 103            |
| Care Homes (Owned)                       | 63             | 63             |
| Social housing (Managed)                 | 97             | 86             |
| <b>TOTAL (Owned, Leased and Managed)</b> | <u>1,375</u>   | <u>1,328</u>   |

**RECONCILIATION OF MOVEMENT OF UNITS IN MANAGEMENT**

|                                                            | 2025/26<br>No. | 2024/25<br>No. |
|------------------------------------------------------------|----------------|----------------|
| Opening Units in Management                                | 1,328          | 1,309          |
| Newly built rental accommodation                           | 30             | 8              |
| Units purchased by the RP for rent                         | -              | -              |
| All other gains from outside existing social housing stock | 33             | 53             |
| Loss of social housing due to end of lease                 | (24)           | (20)           |
| All other losses to existing housing stock                 | (3)            | (20)           |
| Sales to the open market                                   | -              | (2)            |
| Gain of managed units                                      | 11             | -              |
| Loss of managed units                                      | -              | -              |
| <b>Closing Units in Management</b>                         | <u>1,375</u>   | <u>1,328</u>   |

**22 LEGISLATIVE PROVISIONS**

The Association is incorporated under the Companies Act 2006 and is a Registered Social Landlord.

**23 RESERVES CALCULATION**

|                                                              | 2025/26       | 2024/25       |
|--------------------------------------------------------------|---------------|---------------|
| Total net book value (NBV) of fixed assets                   | 86,541        | 83,970        |
| Less: Deferred Capital Grants                                | (47,563)      | (45,117)      |
| Less: Loans                                                  | (7,933)       | (8,369)       |
| <b>Equity in Housing Properties &amp; Other Fixed Assets</b> | <u>31,045</u> | <u>30,484</u> |
| Total Reserves Balance                                       | 37,171        | 34,043        |
| Less: Equity in Housing Properties & Other Fixed Assets      | (31,045)      | (30,484)      |
|                                                              | <u>6,126</u>  | <u>3,559</u>  |

In 2024/25, a change was made in response to feedback from Stakeholders, on the previous use of designated reserves to describe the equity held in Frameworks housing properties. The reserves have been amended to distinguish more clearly between illiquid equity in the properties and other fixed assets and the liquid reserves that are available for day to day use.

Of the £6,126k liquid reserves summarised above, £4,156k has been committed to fund capital development works (see note 19 above). The remaining balance of £1,970k has been identified to fund future development subject to Board approval of each individual scheme.