

**BELLE ISLE
TENANT MANAGEMENT ORGANISATION LIMITED**

**Report and Financial Statements
for the year ended 31 March 2024**

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BELLE ISLE TENANT MANAGEMENT ORGANISATION LIMITED

Reports and Financial Statements for the Year Ended 31 March 2024

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BELLE ISLE TENANT MANAGEMENT ORGANISATION LIMITED
Organisation Information
31 March 2024

Financial Conduct Authority registered number 29817R

Registered Office

Aberfield Gate
Belle Isle
Leeds
LS10 3QH

Management Committee ("the Board")

Board members who served during the year:

Leon Kirkham	Chair	Elected Member -elected 28.9.23
Sharafath Ghafiri	Chair	Elected Member - retired as Chair 28.9.23
Jean Burton	Secretary/ Vice Chair	Elected Member
Harry Austin	Treasurer/ Vice Chair	Elected Member
Councillor Paul Truswell		Co-opted Member - retired 4.5.23
Councillor Sharon Burke		Co-opted Member - retired 3.5.24
Councillor Wayne Dixon		Co-opted Member - appointed 27.7.23
Kim Asquith		Elected Member - elected 28.9.23
Margaret Brown		Co-opted Member
Lisa Caley		Elected Member - retired 25.3.24
Rose Hodgkinson		Co-opted/Elected member - elected 28.9.23
Ashley Knowles		Co-opted Member
Steven Lamb		Elected Member - retired 2.6.23
Lamin Makalo		Elected Member - elected 28.9.23 / retired 21.2.24
Tracy Morris		Elected Member
John Oddy		Elected Member
Julie Rhodes		Elected Member
Paul Truswell		Co-opted Member - appointed 12.10.23
Emma Walkley		Elected Member

Chief Executive & Company Secretary

Deborah Kelly

External Auditor

Beever & Struthers
One Express
1 George Leigh St
Manchester
M4 5DL

Bankers

NatWest Bank PLC
8 Park Row
Leeds
LS1 1QS

Solicitors

Leeds City Council

Report of the Board (including Statement of Responsibilities)
For the Year Ended 31st March 2024



The Board of Belle Isle TMO (BITMO) presents its report and the audited financial statements for the year ended 31 March 2024. The reports are predicated upon a successful five-yearly tenant ballot in September 2024, whereupon a majority of tenants vote for the organisation to continue.

1. Objects & Mission

BITMO is the largest estate-based tenant management organisation in the country outside London. It is based in the heart of our community in south Leeds and provides comprehensive social housing services and associated outreach programmes. We are committed to delivering long term sustainable community benefits in Belle Isle and providing Leeds City Council (Leeds CC) with a cost-effective way of delivering services.

The constitutional objects of Belle Isle TMO (BITMO) are: *'For the benefit of the community in the Belle Isle Estate, to carry on the business of providing, maintaining and managing housing and associated amenities and activities within the area of benefit'*. It is a Public Benefit Entity in that it provides services for the community of the Estate.

We are a locally based organisation, run by tenants for tenants, responsible for managing some 1,840 of Leeds CC houses and other estate management services in the Belle Isle area of Leeds.

BITMO is an independent organisation owned by its 'shareholding members'. That means anyone who is a tenant of a Leeds CC property in the BITMO management area can be a shareholder - and shares are a nominal ten pence.

Income is derived primarily from a management fee from Leeds CC, which is agreed in advance each year. The fee results from a Management Agreement for the provision of services, which is reviewed every five years.

Report of the Board (including Statement of Responsibilities)
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2. Messages from the Chair and Chief Executive

Message from our Chair: Leon Kirkham

Welcome to our annual report for 2023/24. Following my reappointment to the role of Chair in September 2023, I am delighted to provide our tenants and stakeholders with an overview of our achievements over the last year.

However my first duty is to acknowledge the excellent work of my predecessor Shaf Ghafiri who led BITMO for the previous 12 months. I am very proud of everything that BITMO achieves and delivers on behalf of our tenants in Belle Isle. We are blazing a trail in representing tenants to have the quality of service that they deserve and creating a stronger safer greener Belle Isle. We are developing best practice in serving the needs of our community, and our tenants are telling us that we are doing well, with room to do even better. This success has been hard earned, and is due to the close relationships we have built with our tenants, and our commitment to putting them front and centre in everything we do. Their feedback and opinions drive our work, and that is how it should be. It is only with consistent collaboration between the Board, staff and tenants that we can build and exceed their expectations. I am looking forward to seeing what more we can achieve in the next twelve months.

We are always looking for people to join us in our journey, if you would like to get involved or maybe join the Board, get in touch, we 'd be delighted to talk to you.

Message from our Chief Executive: Deborah Kelly

Our Annual Report 2024 sets out how we've performed over the last financial year and includes some key figures and information we hope you'll find interesting. If you'd like to take a look at our website you will find detailed information about how we have performed and the difference that tenant involvement makes to our community. In this last year we have gone from strength to strength in meeting the needs of the people who live in Belle Isle, and improving our services, and our performance. I'm very grateful to the Board and all our staff for their hard work over the last twelve months. We are all very proud of what we are achieving and delivering on behalf of our tenants.

If you would like to find out more about BITMO or get involved in our volunteering programme or join our Board. Please get in touch via: bitmo.enquiries@belleisleimo.co.uk or 0113 378 2188. We'd love to hear from you.



A handwritten signature in black ink that reads "Leon Kirkham".

A handwritten signature in black ink that reads "Deborah Kelly".

Report of the Board (including Statement of Responsibilities)
For the Year Ended 31st March 2024

3. Performance

The Regulator of Social Housing requires that all housing providers demonstrate how they perform against a set of consumer standards.

To monitor this performance a set of Tenant Satisfaction Measures (TSM's) have been introduced by the Regulator.

3.1 Tenant Satisfaction Measurements


There are various tenants' satisfaction measures covering 5 themes.

The five themes are:

- 1] keeping properties in good repair,
- 2] maintaining building safety
- 3] respectful and helpful engagement
- 4] effective handling of complaints and
- 5] responsible neighbourhood management

The 2023-24 results of the tenant satisfaction surveys conducted on behalf of BITMO are as follows (BITMO figures are given, along with those of Leeds City Council overall):

BITMO/LCC-COMPARED-Q1-4-2023-24¶

Click to view trend 	Leeds City Council	BITMO
Overall Satisfaction	66%	71%
Well Maintained Home	67%	76%
Safe Home	74%	80%
Repairs Last 12 Months	70%	77%
Time Taken Repairs	67%	73%
Communal Areas	64%	79%
Neighbourhood Contribution	60%	75%
Approach to ASB	53%	55%
Safety in neighbourhood	63%	58%
Neighbourhood Appearance	58%	59%
Listens & Acts	55%	62%
Kept Informed	67%	75%
Fairly & with Respect	74%	80%
Complaints Handling	29%	27%
Easy to Deal With	65%	74%
Friendly Approachable	62%	60%
Advice & Support	50%	56%
Good Reputation	37%	54%
Rent VFM	67%	65%

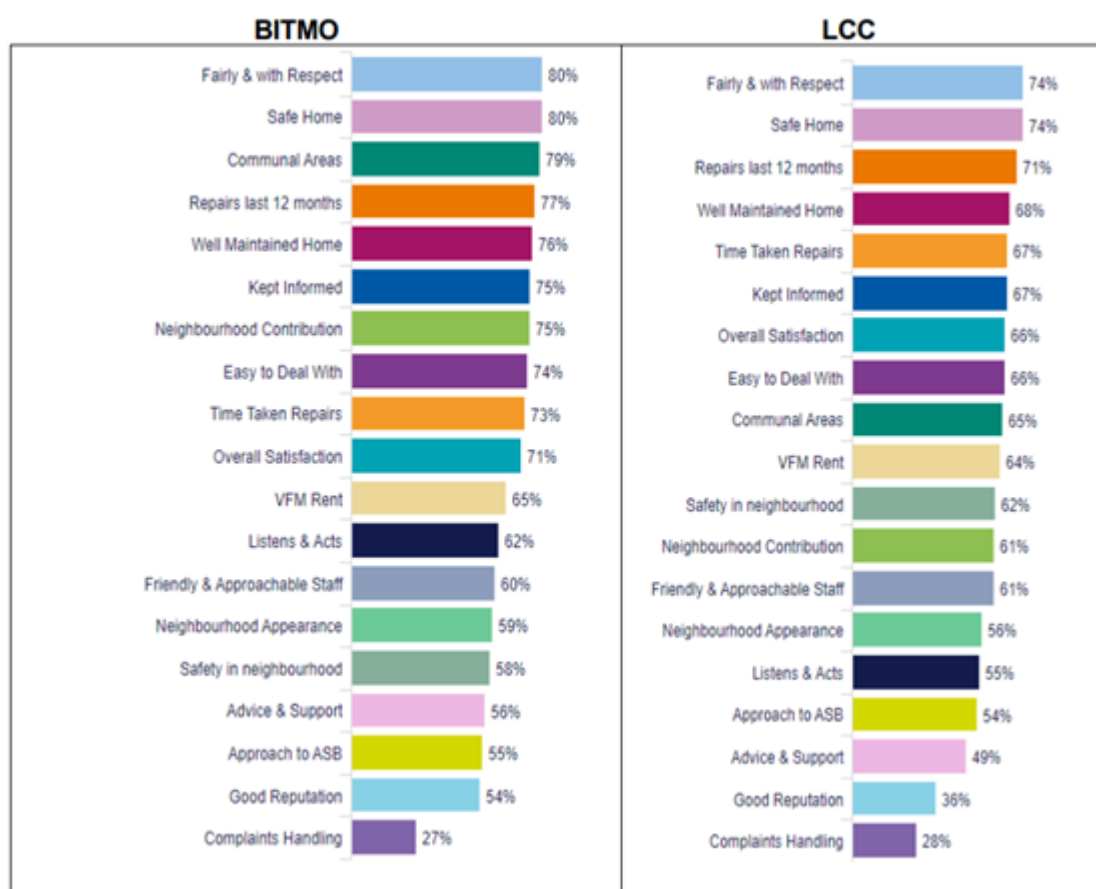
Report of the Board (including Statement of Responsibilities)
For the Year Ended 31st March 2024

The table above shows the issues that we need to focus attention on, with the greatest challenge being in resolving complaints.

Tenant satisfaction is higher for BITMO tenants than across the rest of Leeds in most areas, but we will be working with tenants over the coming months to improve our services so that they continue to get better.

The ordering of the TSM measurements into areas of strength and weakness gives the following results:

Strengths and weaknesses (satisfaction levels) Q1-4 2023-24

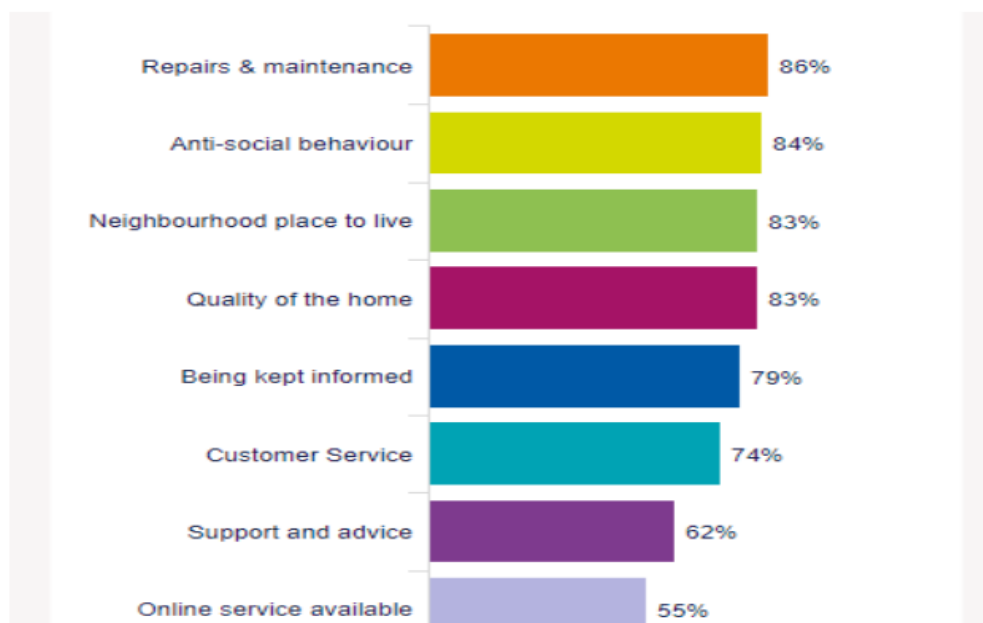


Please note that there are some minor rounding differences with the data above.

The top priorities of tenants, as indicated by the survey, are given below and these will also guide our service provision going forward:

Report of the Board (including Statement of Responsibilities)
For the Year Ended 31st March 2024

BITMO Residents Top Priorities 2023-24



3.2 Consumer Standards

There are four Consumer Standards, monitored by the Regulator for Social Housing, to ensure the correct outcomes that social landlords must deliver:

(i) Safety and quality

This standard relates to health and safety, property condition and services. It emphasises the importance of maintaining effective systems to ensure the safety of people's homes.

It requires providers to make sure their homes are decent and in good repair, and that property-based services to tenants achieve performance targets and deliver a responsive service that tenants are satisfied with.

We are good at:

Health and Safety, responding to concerns about damp and mould. It is easy to report repairs.

We have a clear adaptations policy and leaflet that makes clear what tenants can expect; we can evidence value for money in the delivery of services.

We are working on :

Stock quality data.

Timescales for completion of repairs.

Communication with tenants around repairs.

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For the Year Ended 31st March 2024

In the Tenant Satisfaction Measurement (TSM) survey for 2023-24, 76% of tenants said their home was well maintained, 80% said that it was safe, 77% were satisfied with repairs completed in the last 12 months, 73% were satisfied with the time taken to complete repairs and 79% were happy with the management of communal areas.

(ii) Transparency influence and accountability

This standard requires housing providers to involve and empower tenants in decision making processes that affect them. It includes requirements such as providing clear and accessible information. It incorporates the importance of equality, diversity and inclusion. Providers need to be able to evidence clearly concrete examples of how tenants influence decisions and hold the provider to account, and how services are delivered with regard to protected characteristics.

We are good at

Providing opportunities for engagement.

Feeding back to tenants on the difference their engagement makes.

Supporting tenant led activities.

Acting on tenant priorities.

We are working on:

Improved customer service leaflets that make clear the service offer and how to access it.

Getting more tenants involved in influencing what we do. For example we consulted about the planting of trees, the creation of a community orchard and community garden and the use of Belle Isle Circus.

In 2023-24, 62% of tenants felt that BITMO listened to them and acted on what they said; 75% felt they were kept informed about the things that matter to them; 80% felt they were treated fairly and with respect; 74% felt that BITMO was easy to deal with, and 60% felt we are friendly and approachable.

(iii) Neighbourhood and community standard

This standard requires housing providers to promote and support thriving neighbourhoods and communities.

We are good at:

Working with 3rd party agencies such as Health for All, local Registered Social Landlord's, GroundWork and Fruit Works Cooperative to improve shared spaces. Local relationships with Police.

Engagement in MARAC (multi-agency risk assessment conference) and tasking group.

Funds are in place to support tenant led neighbourhood improvements.

We are working on

Improving our Anti-Social Behaviour (ASB) service.

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TSM data 2023-24, indicated that 58% felt the neighbourhood was safe and that 59% were satisfied with the appearance of their neighbourhood. 75% felt that BITMO made a good contribution to the neighbourhood. 55% were satisfied with the approach to ASB.

(iv) Tenancy

This standard requires providers to offer tenancies that are fair, transparent, and flexible to provide clear information on tenancy terms and conditions, let homes in a fair and transparent way considering housing needs, demonstrating that we make the best use of available housing, are compatible with the purpose of the housing, and contribute to the local authorities strategic housing function and sustainable communities.

<p>We are good at</p> <p>Providing support to our tenants through a dedicated tenancy support team, community fund, financial inclusion work, tenancy fraud work.</p>
<p>We are working on:</p> <p>Producing tenancy leaflets giving information about succession, mutual exchange, tenancy support, and financial Inclusion.</p>

TSM data 2023-24 indicates that 71% were generally satisfied with the way BITMO manages the services they use.

3.3 Complaints

Summary 2023-24

1 Apr 2023 to 31 March 2024	Complaints					
	Total	Main type of complaint	Response on target	Upheld	Partially upheld	Not upheld
<i>Providing local access to services</i>	0	0	0	0	0	0
<i>Letting empty properties</i>	0	0	0	0	0	0
<i>Carrying out repairs</i>	35	Service	34	8	2	25
<i>Collecting rent</i>	0	Policy	0	0	0	0
<i>Managing tenancies</i>	9	Policy	4	1	1	7
<i>Supporting older people</i>	0	0	0	0	0	0
<i>Offering advice, training and employment opportunities</i>	0	0	0	0	0	0
<i>Providing opportunities for tenants to get involved in their community and their TMO</i>	0	0	0	0	0	0
Total for this year	44	Service	38 out of 44	9 out of 44	3 out of 44	32 out of 44

Report of the Board (including Statement of Responsibilities)
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From 1st April 2023 to 31st March 2024, 44 complaints were received. The majority of complaints involved Repair Issues (35) with the remainder being about Managing Tenancies (9). Most complaints were resolved at Stage 1 of the complaints process. Twelve were escalated to Stage 2. Thirty-eight out of 44 complaints were responded to within timescales. Six complaints (13.64%) failed to meet the deadline. This was due to lack of information available to complete a response. Holding letters/email messages/telephone calls were sent to inform the complainants of the delay. Of the 44 complaints received, 9 (20.5%) were upheld in the complainants favour, 3 were partially upheld (6.8%) and 32 (72.7%) were not upheld.

Complaints history	Total	Main type of complaint	Response on target	Upheld	Partially upheld	Not upheld
April 2015 - March 2016	27	Repairs	25 out of 27	7 out of 27	8 out of 27	12 out of 27
April 2016 - March 2017	26	Repairs	26 out of 26	12 out of 26	1 out of 26	13 out of 26
April 2017 - March 2018	54	Repairs	53 out of 54	20 out of 54	11 out of 54	23 out of 54
April 2018 - March 2019	32	Repairs	32 out of 32	5 out of 32	5 out of 32	22 out of 32
April 2019 - March 2020	43	Repairs	43 out of 43	14 out of 43	12 out of 43	17 out of 43
April 2020 - March 2021	27	Repairs	22 out of 27	15 out of 27	4 out of 27	8 out of 27
April 2021 - March 2022	32	Repairs	20 out of 32	22 out of 32	7 out of 32	3 out of 32
April 2022 - March 2023	40	Repairs	29 out of 40	5 out of 40	14 out of 40	21 out of 40
April 2023 - March 2024	44	Repairs	38 out of 44	9 out of 44	3 out of 44	32 out of 44

BITMO has conducted a self-assessment exercise against the Complaint Handling Code of the Housing Ombudsman. It is always striving to learn from complaints and further improve the service.

During the year we had an audit conducted by Leeds City Council on Information Governance management. It concluded with a report on 21st December 2023. The overall result of that exercise was a conclusion that there was good control environment, with one high priority recommendation for staff to undergo more regular training. This has now been implemented.

4. Principal Activities

Belle Isle Tenant Management Organisation's (BITMO's) principal activities are the provision, maintenance and management of housing and associated amenities for the benefit of the Belle Isle Estate. During 2023-24 these activities were organised into the following front-line areas of work:

- Repairs, Maintenance and Investment – ensuring that housing stock is maintained to a high level, that infrastructure works well, and that works are done in a timely and efficient manner.
- Lettings, Tenant and Sheltered Services – making sure that vacant properties are kept to a minimum, that tenant queries are dealt with effectively and that residents in sheltered housing are properly cared for.
- Tenancy and Income Management – dealing with tenancy issues and rent collection on behalf of Leeds City Council (Leeds CC).
- Community Development and Support – providing outreach services and events to improve the lives of residents (particularly through our Gate community facility).

Report of the Board (including Statement of Responsibilities)
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5. Strategic Review

The Strategic Plan 2019-25 has been considered by the Board to be fit for purpose, amended as it has been by annual reviews. The annual review conducted with staff and Board members during 2023-24 prepared the ground for the imminent introduction of a new five year plan.

The organisation has long identified with three core aims, which are to:

Maintain	Provide	Build
a well-run organisation that is led by tenants and is open, transparent and financially viable	high quality services	a stronger, safer and greener community

These aims permeate all of BITMO's activities and continue to be applicable.

To achieve these aims, work has focussed on five main themes:

- (i) Continuous Improvement - Getting the basics right in an ever-greater way, as measured by surveys and other performance indicators. Front line services are the priority.
- (ii) Our Green Agenda – Further trees have been planted around the estate as part of an ongoing programme. A major thermal efficiency programme of works has been initiated and will continue to help both tenants costs and carbon reduction.
- (iii) Digital Enablement – Work has continued to enable tenants to engage with digital processes.
- (iv) Empowering our Community – Our Community Fund programme has been successfully expanded and the winter warmth campaign has been effective. We continue to help households in financial hardship and work to enhance living conditions.
- (v) Developing our People – With a solid focus on training for staff and volunteers.

We believe strongly in People, Service and Community.

Report of the Board (including Statement of Responsibilities)
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6. Volunteers

Belle Isle TMO is very fortunate to be able to utilise the skills and experience of a significant number of volunteers. This includes persons who act in a trustee capacity of the BITMO Board, as well as people who volunteer to help run and support a variety of training courses, sessions and workshops in the GATE (Gateway to Advice, Training and Education).

Following a redevelopment of the GATE community kitchen facility, our volunteers have provided ever more levels of hot and cold food for those in need. Other groups of volunteers run a wide variety of personal development and family-friendly social events through the year.

A formal training programme for Board members has been developed which gives further opportunities to gain skills at many levels for personal development.

7. Priorities going forward

Essential front line services remain the focus of attention, fulfilling our main operational objectives in pursuit of the current strategy.

An annual staff survey showed further improvements in the way that the organisation is operating in all respects.

The Finance Committee continued to report to the Board on all financial matters. An Operational Committee is also being established to aid the Board in focussing on key issues.

Work continues to build provision of even more efficient local services which will benefit local tenants, the wider community and the environment.

It is likely that income via the management fee will be reduced from March 2025, in line with national TMO funding formula guidance. Options are therefore being reviewed to tailor spend accordingly. This will be done, as far as possible, without detracting from essential front line services.

A new charity, Lift Off, was registered with the Charity Commission on 19th June 2024 (registered number 1208725). The charity exists for the relief of poverty in Belle Isle.

The objects of the charitable incorporated organisation are the relief of poverty or financial hardship of those living in Belle Isle, Leeds for the benefit of the public by the provision of support including but not limited to financial support.

Belle Isle TMO is the sole member of the organisation, although it acts independently from BITMO and has a majority of independent trustees.

Report of the Board (including Statement of Responsibilities)
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8. Financial review

8.1 Statement of Comprehensive Income (including Income & Expenditure Account)

Operational performance

Total operational income for the year amounted to £3,656k (2022-23 £3,298k), an overall increase of £358k (11%) . This was due to the increases in the management fee from Leeds CC to encompass inflationary pressures plus the capture of external grants and increased investment income.

Close liaison is maintained with LCC with regular meetings to report operational performance and discuss important issues.

An increase in the management fee received from Leeds City Council of £293k (9%) for the year 2023-24 followed on from an increase of £96k for 2022-23. There is a funding formula relating to the Management Agreement between LCC and BITMO and the increases broadly represented salary and repairs inflation measurements.

Expenditure falls into two main areas, repair costs and staff costs.

Repair costs encompass both responsive matters as reported to the organisation by tenants and cyclical works such as gas and electrical testing to ensure that homes are safe.

Responsive repair costs have come in close to budget, which indicates that this work has increased following the pandemic. They are however lower than historic levels. This may also be a knock-on effect from continued improvements to estate stock which has led to less demand for repairs.

Overall staff costs stood at £1,603k (2022-23 £1,492k). This represents an overall increase of £111k (7.4%) in operating staff costs (2022-23 increase £170k).

The overall result for the year was a £12k surplus (0.3% of income). The deficit for the previous year was £9k (0.3% of income). These amounts have been added to / taken from reserves, which are held for future spend for the good of the estate and the service.

It should be noted that the local government pension scheme disclosures have a significant effect on the presentation of the Statement of Comprehensive Income. The effect is however financially neutral overall because the overall pension liability is matched by a corresponding asset (a guarantee given by Leeds City Council to the Scheme).

Report of the Board (including Statement of Responsibilities)
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8.2 Statement of Financial Position (Balance Sheet)

Total net funds as at 31 March 2024 were £1,767k (2023 £1,755k).

The balance sheet includes the following pension liability and asset:

- Belle Isle TMO participates in the West Yorkshire Pension Scheme and the Organisation's share of assets and liabilities are disclosed as either a net liability or neutral in the Statement of Financial Position. A surplus is not shown by an asset. As at 31 March 2024 there was a calculated surplus of £156k by the Scheme Actuary (compared to a deficit of £291k as at 31.3.23 and £2,607k as at 31 March 2022). This surplus is not recognised in these financial statements for reasons of prudence.
- There exists a guarantee by Leeds CC to Bradford MDC, which administers the Scheme, to underwrite potential liabilities in the event that BITMO is unable to meet its obligations to the Scheme. Leeds CC has confirmed this undertaking directly to BITMO. An asset is disclosed in the financial statements to reflect the nature of the guarantee undertaken by Leeds CC.

8.3 Capital programme

Capital works (such as the replacement of roofs, windows, doors) are managed by BITMO, which acts as agent for Leeds CC as landlord for the estate properties.

During the year BITMO staff, acting on behalf of Leeds City Council, managed the expenditure of £1.80m of capital spend (2022-23 £1.96m), equating to some 95% of the total capital budget for the year for the Belle Isle Estate. These transactions do not form part of the Statement of Financial Activities for the year ended 31 March 2024, as they relate to the maintenance of freehold assets which are owned by Leeds CC and they correspondingly pass through the bank account of that organisation rather than that of BITMO. The staff cost relating to time spent managing capital spend is reimbursed via the management fee structure.

8.4 Financial outlook

BITMO is primarily reliant for income upon a Management Agreement with Leeds City Council under Right to Manage legislation. In 2019 the Council tenants of Belle Isle estate voted overwhelmingly to continue as a tenant management organisation for a further five years. The next tenant ballot will take place in September 2024.

The fee is intended to proportionately reflect expenditure by Leeds CC on its social housing programme.

On 19th June 2024 BITMO was notified by Leeds City Council that a potential reduction in fees of approximately £200k were indicated to be necessary in 2025-26, following a review of spending profiles. This is subject to ongoing discussion and further detail is awaited.

It was previously reported that there was some uncertainty as to how potential future cuts within Leeds City Council will impact upon the BITMO Management Fee in future years. This uncertainty is now partly removed from 2025-26, but the level of funding for future years retains a level of uncertainty.

Report of the Board (including Statement of Responsibilities) **For the Year Ended 31st March 2024**

The BITMO Board believes that continued successful planning will ensure that front line services will continue to be maintained and further enhanced. BITMO has adequate reserves to meet current obligations and has moreover committed £200k for investment in the capital programme for thermal efficiency works in 2024-25, to help tenants with the cost-of-living crisis.

9. Going concern

The Organisation's financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future.

The Board has reviewed and considered relevant information in terms of its levels of free reserves and spending and income levels in making its assessment. In particular, the Board has considered any risks to income and the effect of inflation, alongside the measures that they can take to mitigate any negative impact.

Given the strength of the balance sheet and availability and liquidity of assets, the Board believes that the Organisation is well placed to manage its business risks successfully. With a continuing Management Agreement with Leeds City Council, it is anticipated that BITMO will be able to meet all operating costs from in-year revenues or available free reserves. This is dependent upon a successful tenant ballot in September 2024.

Based on these assessments, the Board has a reasonable expectation that the Organisation will continue in operational existence for the foreseeable future. This would be a period of at least twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements within the parameters of Financial Reporting Standard 102.

10. Risk management

The Board has overall responsibility for establishing and maintaining the Organisation's system of internal control and for reviewing its effectiveness. The system of internal control is designed to manage key risks and to provide reasonable assurance that planned objectives and outcomes are achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operating information and the safeguarding of BITMO's assets and interests.

The over-arching principal risks areas to which the organisation is exposed are:

- Compliance. The risk of a failure to deliver against our regulatory or social commitments that would undermine our reputation as a provider of housing and community services and result in legal exposure or regulatory sanctions. The risk is mitigated by ensuring an effective Board and staff structure, clear policies and procedure, good induction and training, quality assurance auditing and continuous improvement initiatives. Considerable work has been carried out to ensure that compliance with the new requirements of the Regulator of Social Housing will be in place for essential services.
- Technology. A risk of failure to improve our technology capabilities, reduce dependency on legacy systems and enhance digital capability, which could limit our ability to keep pace with customer expectations, frustrate colleagues and create inefficiency. In mitigation, BITMO is fully committed to utilising Leeds CC IT systems, having close business partner liaison with that body, as well as a good training environment both with Leeds CC and third parties.

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- Business resilience. A major incident that prevented staff from working at the BITMO office may have a significant impact on our ability to meet customer needs and deliver against our aims and business performance goals. The Covid19 pandemic tested that resilience and some hybrid form of working will continue. Business processes are aided by: securing a skilled staff pool, a commitment to simplification, continuous improvement, maximising value added and enhancing partnership working.
- Service failures. Potentially leading to poor performance, poor reputation and a break in the Management Agreement with Leeds City Council. This may be initiated by a failure in the five-year ballot or with service failures leading to improvement plan requirements. We mitigate this risk by delivering convincingly and demonstrably against our aims, with the aid of: timely data, skilled staff, a focus on quality and effective performance management .
- Financial incidents and issues. A failure of financial control or an incident outside of the organisations control. The latter might include funding issues within the LCC authority or a pension fund requirement. Internal procedures are approved by the Board and maintained by management. Close liaison is maintained with LCC and pension fund partners to identify risks at the earliest opportunity.

Key elements of the internal control framework include:

- Board approved delegated authorities;
- A risk management framework with clearly defined management responsibilities for the identification, evaluation and control of significant risks;
- Robust strategic and business planning processes, with detailed financial budgets which are annually reviewed and regular management accounts;
- Regular reporting to the Board on key business objectives, targets, outcomes and service delivery including robust performance metrics via Tenant Satisfaction Measures and Key Performance Indicators;
- Formal policy approval mechanisms – utilising HR consultant expertise and underwriting;
- A programme of internal audit procured from Leeds CC.

11. Reserves policy

BITMO uses the term Reserves to describe that part of the Organisation's income which is freely available for its general purposes. Reserves are therefore the resources not yet spent, committed, designated or invested in fixed assets. This definition might more commonly be referred to as Free Reserves.

In general, reasons why not-for-profit organisations hold free reserves can be summarised as follows:

- to fund working capital;
- to fund unexpected expenditure, for example when unplanned events occur;
- to fund potential expenditure which is being contemplated but not yet committed;
- funds to be used to cover expenditure in the event of reduced income or changes in circumstances.

A satisfactory level of free reserves is considered to be the equivalent of some 3 months normal operating costs. This would amount to a target of £850k.

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This timescale is considered to be adequate to ensure continuity of service to Belle Isle Estate in the event of a threat of reduced funding, the need to restructure the Organisation or the occurrence of significant unplanned circumstances.

As at 31 March 2024 the level of free reserves of BITMO stood at £1,767k (2022/23 - £1,755k). Amounts over and above the target level of reserves are held in expectation of investment to improve the Estate, future service delivery or community enhancement. It is anticipated that this future delivery will partly be via the mechanism of the BITMO Community Fund, funding estate enhancement as well as helping with hardship, education and training on the estate.

12. Governance

12.1 Legal Status

Belle Isle Tenant Management Organisation (BITMO) has been registered with and regulated by the Financial Conduct Authority since 27 August 2004. BITMO's registered number is 29817R. BITMO was formally an Industrial and Provident Society. From August 2014 following regulatory changes, the Organisation became a Registered Society under the Co-operative and Community Benefit Societies Act 2014.

12.2 Governing Framework

The organisation is governed by Rules of Belle Isle Tenant Management Organisation in accordance with the Co-operative and Community Benefit Societies Act 2014.

BITMO entered into a Management Agreement with Leeds City Council dated 2nd January 2014, under section 27 of the Housing Act 1985 as substituted by article 2 of the Regulatory Reform (Housing Management Agreements) Order 2003 and the Housing (Right to Manage) Regulations 2004. The Agreement allows BITMO to carry out certain management functions with regard to tenant properties owned by Leeds CC within the Belle Isle Estate. The Agreement has been revised and updated in conjunction with Leeds City Council, with minor alterations only. The Agreement will be reviewed in 2025.

12.3 Composition of Board

Unless determined otherwise in a General Meeting, BITMO must have a Board comprising not more than twelve and not less than six elected members plus persons co-opted in accordance with the provisions of these rules of the TMO. The BITMO Board meets on a regular basis and is supported by a Governance and Finance sub-committee. The table below summarises the position of the Board in terms of membership following the AGM in September 2023 and the first Board meeting following the AGM.

Status	Full Board Composition	In post as at September 2023
Tenant Board members as at AGM date	12	12
Co-opted and Independent Members elected at first Board meeting after AGM	4	3
Nominated by Leeds City Council and ratified by the Board	2	2
Totals	18	17

Report of the Board (including Statement of Responsibilities) **For the Year Ended 31st March 2024**

In October 2023 Leon Kirkham was elected Chair of the Board in place of Sharafath Ghafiri, who retired as Chair, but remains Board member. The Board also re-elected Jean Burton as Vice-Chair and Secretary. Harry Austin was elected as Vice-Chair and Treasurer.

The Board met seven times during 2023-24 to ensure that the organisation continued to provide outstanding service to tenants and the community of Belle Isle. It also met to further aid strategic development. Board members also attended meetings of the Finance Committee through the year.

12.4 Statement of Board's responsibilities in respect of the Board's Report and the financial statements

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

Co-operative and Community Benefit Society law requires the Board to prepare financial statements for each financial year. Under those regulations the Board have elected to prepare the financial statements in accordance with UK Accounting Standards including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

The financial statements are required by law to give a true and fair view of the state of affairs of the Organisation and of its income and expenditure for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed; and
- assess the Organisation'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 it either intends to liquidate the Organisation or to cease operations, or has no realistic alternative but to do so.

The Board is responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Organisation and enable them to ensure that its financial statements comply with the Co-operative and Community Benefit Societies Act 2014. It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Organisation and to prevent and detect fraud and other irregularities.

The Board is responsible for the maintenance and integrity of the corporate and financial information included on the Organisation's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

12.5 The Board

Unless otherwise determined by the Organisation in General Meeting, the Organisation shall have a Board comprising not more than twelve and not less than six elected members plus persons co-opted in accordance with the rules of the Organisation.

Board members who served through the 2023-24 financial year are listed on page 1.

Report of the Board (including Statement of Responsibilities)
For the Year Ended 31st March 2024

The Board sincerely thanks retiring members for their most valued service to the tenants and wider community of Belle Isle. Of those serving during 2023-24 the following Board members retired either during or after the year:

- Mr Steven Lamb (retired 2.6.23)
- Ms Iris Crummack (retired 30.6.23)
- Mr Lamin Makalo (retired 21.2.24)
- Ms Lisa Caley (retired 25.3.24)
- Cllr Sharon Burke (retired 5.5.24)

The Board and Staff are most grateful for their valued service.

In addition, Mr Paul Truswell retired as an elected Councillor nominee co-opted to the Board on 4.5.23, but was co-opted back on the Board on 12.10.23.

At the Annual General Meeting to be held on 26th September 2024, there will be elections to appoint tenant Board members.

12.6 Senior management

The senior management team comprised:

- Chief Executive – Deborah Kelly
- Head of Governance & Finance - Peter Olver
- Head of Repairs, Maintenance and Investment – Alex Orange (left 25th July 2024 with Curtis Jenner becoming Interim Head from that time).

12.7 Membership of the Organisation

The Constitution of BITMO requires that:

(i) The Board shall admit to membership any person aged eighteen years or over, who is a lawful resident of the Belle Isle Estate and who agrees to be bound by the rules of the Organisation. One share to the nominal value of 10p each shall be issued to persons admitted to membership and an appropriate share certificate issued.

(ii) A member will not be able to withdraw or transfer the shares and the shares shall carry no right to interest, dividend, or bonus. They shall be forfeited and cancelled on cessation of membership and the amount paid shall become the property of the Organisation.

(iii) A member may only hold one share in the Organisation and the liability of each member is limited to any amount remaining unpaid on that member's single 10p share.

The number of members at the start and the end of the financial year were as follows-

Membership as at 1 April 2023	93
Leavers during the year	(4)
New members during the year	3
Membership as at 31 March 2024	<u>92</u>

Report of the Board (including Statement of Responsibilities)
For the Year Ended 31st March 2024

13. Donations

The BITMO Board awarded the following donations during the year:

- (i) £500 to Leeds South and East Foodbank
- (ii) £350 to Manorfield Hall via Foodshare

14. Auditors

All of the current Board members have taken all the steps they ought to have taken to make themselves aware of any information needed by the organisation's auditors for the purpose of their audit and to establish that the auditors are aware of that information. The Board members are not aware of any relevant audit information of which the auditors are unaware.

Signed on behalf of the Board

Leon Kirkham – Chair:

Date:

BELLE ISLE TENANT MANAGEMENT ORGANISATION LIMITED
Statement of Comprehensive Income
(incorporating Income and Expenditure account)
for the year ended 31 March 2024

	Notes	2023-24 £	2022-23 £
Income	3	3,655,862	3,297,255
Expenditure		<u>(3,531,506)</u>	<u>(3,518,569)</u>
Operating surplus/(deficit)	4	124,356	(221,315)
Bank Interest received	7a	44,932	8,321
Interest cost of net defined benefit pension liability	7b	(8,000)	(68,000)
Change in Pension Reimbursement Rights	12	<u>(447,000)</u>	<u>(2,316,000)</u>
Surplus/(Deficit) on ordinary activities before taxation		(285,712)	(2,596,994)
Taxation	8	(8,570)	(1,581)
Surplus/(Deficit) for the year		<u>(294,282)</u>	<u>(2,598,575)</u>
Actuarial gains/(losses) on defined benefit pension scheme	9	306,000	2,590,000
Surplus/(Deficit) for the financial period		<u><u>11,718</u></u>	<u><u>(8,575)</u></u>
<u>Reconciliation of Changes in Reserves</u>			
General Fund Balance as at 1 April 2023		<u>1,755,316</u>	<u>1,763,891</u>
Surplus/(Deficit) for the year		(294,282)	(2,598,575)
Actuarial gains/(losses) on pension scheme	9	<u>306,000</u>	<u>2,590,000</u>
Surplus/(Deficit) for the financial period		<u>11,718</u>	<u>(8,575)</u>
Balance as at 31 March 2024		<u><u>1,767,034</u></u>	<u><u>1,755,316</u></u>

All income and expenditure relates to continuing activities.
All gains and losses recognised in the year are included in the Statement of Comprehensive Income.
The notes on pages 25 to 33 form part of these financial statements.

BELLE ISLE TENANT MANAGEMENT ORGANISATION LIMITED
Statement of Financial Position (Balance Sheet)
as at 31 March 2024

	Notes	2024 £	2023 £
Current assets			
Debtors	10	331,274	27,363
Bank		2,173,283	2,090,669
		2,504,557	2,118,032
Creditors: amounts falling due within one year	11	(737,523)	(362,716)
Total assets less current liabilities			
Net assets excluding pension liability		1,767,034	1,755,316
Pension liability	9	Nil	(291,000)
Pension related asset	9	Nil	291,000
Net assets including pension liability		1,767,034	1,755,316
Capital and reserves			
General Fund	12	1,767,034	1,755,316

The financial statements on pages 22 to 33 were approved by the Board on 2024 and were signed on its behalf by:

Leon Kirkham

Jean Burton - Secretary

Harry Austin - Treasurer

Deborah Kelly - Company Secretary

BELLE ISLE TENANT MANAGEMENT ORGANISATION LIMITED
Statement of Comprehensive Income
(incorporating Income and Expenditure account)
for the year ended 31 March 2024

	Notes	2023-24 £	2022-23 £
Income	3	3,655,862	3,297,255
Expenditure		<u>(3,531,506)</u>	<u>(3,518,569)</u>
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<u>Reconciliation of Changes in Reserves</u>			
General Fund Balance as at 1 April 2023		<u>1,755,316</u>	<u>1,763,891</u>
Surplus/(Deficit) for the year		(294,282)	(2,598,575)
Actuarial gains/(losses) on pension scheme	9	<u>306,000</u>	<u>2,590,000</u>
Surplus/(Deficit) for the financial period		<u>11,718</u>	<u>(8,575)</u>
Balance as at 31 March 2024		<u><u>1,767,035</u></u>	<u><u>1,755,316</u></u>

All income and expenditure relates to continuing activities.
All gains and losses recognised in the year are included in the Statement of Comprehensive Income.
The notes on pages 25 to 33 form part of these financial statements.

BELLE ISLE TENANT MANAGEMENT ORGANISATION LIMITED

Notes to the Accounts

for the year ended 31 March 2024

1 Legal status

Belle Isle Tenant Management Organisation is registered under the Co-operative and Community Benefit Society Act 2014 (formally Industrial and Provident Societies Acts) and is registered with the Financial Conduct Authority (Number 29817R).

2 Accounting policies

a) Basis of accounting

The accounts (financial statements) have been prepared on a going concern basis under the historical cost convention.

They have also been prepared in accordance with:

- (i) United Kingdom Accounting Generally Accepted Accounting practice (UK GAAP);
- (ii) Financial Reporting Standard 102.
- (iii) Statement of Recommended Practice for registered housing providers: Housing SORP 2018
- (iv) Co-operative and Community Benefit Societies Act 2014,

The financial statements have been prepared on the going concern basis, which is considered to be appropriate in the context of the Organisation's ability to meet its obligations as they fall due.

b) Going concern

The Board has a reasonable expectation that the Organisation has adequate resources to continue in operation for the foreseeable future, being a period of at least twelve months after the date on which the financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

c) Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenue and expenses during the year. The following judgements (apart from those effecting estimates) have had the most significant effect on amounts recognised in the financial statements:

- estimates of the defined benefit pension obligation is based on a number of underlying assumptions such as the standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the liability and the annual defined benefit scheme cost.
- an assurance has been received from Leeds City Council that should BITMO cease to exist then the pension liabilities of the defined benefit scheme will be underwritten by that Council.

d) Income

Income mainly represents the management fees received from Leeds City Council (excluding VAT) and other income grants and interest received. It includes Welfare Reform contributions made by Leeds to support salary costs as well as grant monies relating to staff costs for Capital refurbishment of the housing stock.

Income is recognised when the Organisation is entitled to the funds, any performance conditions attached have been met, it is probable that the income will be received and amounts can be measured reliably. Where income conditions have not been met then the income is not recognised but deferred as a liability until it is probable that the terms or conditions imposed can be met.

Investment income is recognised when the Organisations entitlement is irreversible.

Donated volunteer time is highly valued by BITMO as noted in the Board Report, but in accordance with accounting regulation is not recognised as income or related expenditure. Gifts-in-kind of material goods or professional services are, however, recognised as income and expenditure and any associated conditions noted.

BELLE ISLE TENANT MANAGEMENT ORGANISATION LIMITED

Notes to the Accounts

for the year ended 31 March 2024

e) Expenditure

Expenditure has been charged on the accruals basis.

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Organisation to that expenditure, it is probable that settlement will be required and that the amount of the obligation can be measured reliably.

f) Pensions

The Organisation contributes to a defined benefit pension scheme. The assets of the scheme are held separately from the assets of BITMO in independently administered funds.

Defined benefit scheme:

The operating costs of providing retirement pensions to participating employees are recognised in the accounting periods in which the benefits are earned. The related financial costs, administration expenses, interest on plan assets and any other changes in fair value of the assets and liabilities, are recognised in the accounting period in which they arise. The operating costs administration expenses and interest on plan assets, along with any other changes in fair value of assets and liabilities, are recognised in the income and expenditure account. This information is provided using reports prepared by a qualified actuary at the scheme.

The difference between the fair value of the assets held in the Organisation's defined pension scheme and the Scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the Organisation's balance sheet as a pension asset or liability as appropriate.

However, there is an agreement between City of Bradford Metropolitan District Council, as administer of the pension fund and Leeds City Council to guarantee BITMO's pensions shortfall. A Pensions Asset has therefore been recognised in the accounts.

Changes to the level of pension liability and associated charge to the income and expenditure account are therefore matched by changes to the pension asset and corresponding matching entry in the income and expenditure account.

g) Fixed assets

No assets have been capitalised in these financial statements. The office premises are leased from Leeds City Council and office equipment and furniture are either owned by Leeds City Council or their cost has been written off as overhead expenditure within these financial statements.

Payments for the utilisation of assets owned by Leeds City Council are made through Service Level Agreements, and these payments are written off as expenditure within these financial statements.

h) Debtors

Debtors include amounts owed to the Organisation for the provision of services or amounts that the Organisation has paid in advance for services that it will receive in future. Debtors are stated in the balance sheet at the amount which is considered to be recoverable within 12 months from the balance sheet date.

i) Creditors

A liability is recognised for the amount that the Organisation anticipates it will pay to settle the debt or the amounts it has received as an advance payment for goods or services it must provide. For creditors due in more than one year, the amount is discounted for the time value of money where material.

j) 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.

k) Leases

(i) Operating leases:

Rentals payable under operating leases are included in total expenditure in annual instalments over the period of the lease.

BELLE ISLE TENANT MANAGEMENT ORGANISATION LIMITED
Notes to the Accounts
for the year ended 31 March 2024

(ii) Finance leases

Tangible fixed assets held under finance leases and the related lease obligations are recorded in the Balance Sheet at the fair value of the leased asset at the inception of the lease. The excess of the lease payments over the recorded lease obligations are treated as finance charges which are amortised over each lease term to give a constant rate of exchange in the remaining balance of the obligations.

l) Provisions

No provision is made for major, planned or routine repairs except to the extent that they represent contractual commitments at the balance sheet date.

The Organisation recognises a provision for the annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next twelve months. The provision is measured at the salary and employment costs payable for the period of absence and is recognised as an accrual within creditors in the statement of financial position.

m) Financial instruments

The Organisation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. These are initially recognised at transaction value and may be subsequently measured at their settlement value. Any impairment to financial assets are recognised immediately.

n) Taxation

The Organisation is a VAT registered body - number GB 852 714 620. The Organisation charges VAT on management fees and is able to recover VAT on expenditure. Amounts disclosed in the accounts are net of VAT. BITMO is a Cooperative and Community Benefit Society with charitable purposes and therefore has no liability to pay corporation tax except on investment income.

3 Income	Year Ended 31.3.2024	Year Ended 31.3.2023
	£	£
Management fee from Leeds City Council	3,346,180	3,069,890
Sheltered accommodation fee	78,150	71,700
Performance incentive payment	12,835	8,999
Welfare Reform contributions	80,520	73,870
Capital Repair staff re-imburement grant	66,838	42,898
Housing Advisory Panel Fund Grants	20,889	-
Grant income	45,543	16,636
Other income	4,908	10,598
	<u>3,655,862</u>	<u>3,294,591</u>
Bank interest	44,932	8,321
	<u>3,700,795</u>	<u>3,302,912</u>
 4 Operating surplus (deficit)		
	£	£
The operating surplus (deficit) is stated after charging:		
Auditors' remuneration - audit services	12,750	11,780
Auditors' remuneration - non audit services	-	525
Operating lease payments	25,400	25,100
The defined benefit pension cost comprising the following		
- current service cost	221,000	403,000
- past service cost	0	0
	<u>0</u>	<u>0</u>

BELLE ISLE TENANT MANAGEMENT ORGANISATION LIMITED

Notes to the Accounts

for the year ended 31 March 2024

5 Operating leases

The Organisation holds a property lease under a non-cancellable operating lease (except if the Management Agreement with Leeds City Council is terminated).

At 31 March 2024 the Organisation had total future minimum operating lease payments under this lease as:

	2024	2023
	£	£
Within one year	25,400	25,400
Between one and five years	101,600	101,600
After five years	38,100	63,500
Total	<u>165,100</u>	<u>190,500</u>

6 Staff costs

	2024	2023
	£	£
Wages and salaries (excluding agency staff payments)	1,261,904	1,175,439
Social security costs	0.10 128,107	116,689
Defined benefit pension scheme costs	0.17 213,343	195,200
Redundancy & severance pay	-	5,093
Total	<u>1,603,353</u>	<u>1,492,421</u>

Redundancy and severance costs relate to staff re-structuring which will provide at least equivalent cost savings in future years. They comprise redundancy and pension costs and represent the total of such severance liabilities for the individuals concerned, apart from grouped pension scheme liabilities.

The average number of persons employed during the year was:

	2024	2023
	Number	Number
Repairs, Maintenance and Property Investment staff	4	4
Wardens and Caretakers	5	5
Sheltered Housing	2	2
Office staff	27	25
Total	<u>38</u>	<u>36</u>

In addition to the above the Organisation utilises the services of some employment agency staff to cover for the delivery of services when needed, especially to cover for any long term illness.

	2024	2023
	£	£
Agency staff costs	<u>4,774</u>	<u>17,384</u>

Neither the Board of Management, nor persons connected with them, received any remuneration during the year. See Note 14 for amounts reimbursed for travel expenses incurred by Board members during the year.

	2024	2023
	£	£
Key management personnel:		
Emoluments for that group of employees	179,437	174,219
Employers National Insurance contributions	20,997	21,318
Employers pension contributions	36,246	35,367
Total	<u>236,680</u>	<u>230,903</u>

Key management personnel are defined as the members of the Senior Management Team: Chief Executive, Head of Governance & Finance and the Head of Repairs, Maintenance & Investment.

The number of employees whose emoluments exceeded £60,000 was:

	2024	2023
	Number	Number
£60,001 - £70,000	0	0
£70,001 - £80,000	1	1

The requirements of Financial Reporting Standard 102 have been considered in preparing these accounts. Holiday Pay has been accrued as required by Financial Reporting Standard 102 in the wages and salaries amounts for the two years shown above. This accrual is included in the Creditors - amounts falling due within one year shown in the Balance Sheet (per Note 11).

BELLE ISLE TENANT MANAGEMENT ORGANISATION LIMITED
Notes to the Accounts
for the year ended 31 March 2024

7 Interest receivable and similar income	2024	2023
	£	£
7a Bank interest	<u>44,932</u>	<u>8,321</u>
7b Defined benefit pension scheme interest		
(i) Interest income on pension scheme assets	301,000	165,000
(ii) Interest expense on pension scheme obligation	<u>(309,000)</u>	<u>(233,000)</u>
	<u>(8,000)</u>	<u>(68,000)</u>
8 Taxation	2024	2023
	£	£
Tax charge for the year at the small companies rate	<u>8,570</u>	<u>1,581</u>

Only income received from bank deposits is assessable to tax.

9 Pension obligations

Local government pension scheme

The Organisation is a scheduled employer of the West Yorkshire Pension Fund. The Organisation entered into the scheme on 1 October 2004 upon TUPE transfer of its staff from Leeds City Council. The scheme is an open scheme with membership available to all employees.

The disclosures below relate to the funded liabilities within the West Yorkshire Pension Fund (the "Fund") which is part of the Local Government Pension Scheme (the "LGPS").

The LGPS is a funded defined benefit plan with benefits earned up to 31 March 2014 being linked to final salary. Benefits after 31 March 2014 are based on a Career Average Revalued Earnings scheme. Details of the benefits earned over the period covered by this disclosure are set out in 'The Local Government Pension Scheme Regulations 2013' and 'The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014'.

The funded nature of the LGPS requires participating employers and its employees to pay contributions into the Fund, calculated at a level intended to balance the pension liabilities with investment assets. Information on the framework for calculating contributions to be paid is set out in LGPS Regulations 2013 and the Fund's Funding Strategy Statement. The last actuarial valuation was at 31 March 2022 and the contributions to be paid until 31 March 2024 resulting from that valuation are set out in the Fund's Rates and Adjustment Certificate.

The Fund Administering Authority, City of Bradford Metropolitan District Council, is responsible for the governance of the Fund.

The assets allocated to the Employer in the Fund are notional and are assumed to be invested in line with the investments of the Fund for the purposes of calculating the return over the accounting period. The Fund holds a significant proportion of its assets in liquid investments. As a consequence there will be no significant restriction on realising assets if a large payment is required to be paid from the Fund in relation to an employer's liabilities. The assets are invested in a diversified spread of investments and the approximate split of assets for the Fund as a whole (based on data supplied by the Fund Administering Authority) is shown in the disclosures.

The Fund Administering Authority may invest a small proportion of the Fund's investments in the assets of some of the employers participating in the Fund if it forms part of their balanced investment strategy.

Risks associated with the Fund in relation to accounting:

(i) Asset volatility - The liabilities used for accounting purposes are calculated using a discount rate set with reference to corporate bond yields at the accounting date. If assets underperform this yield this will create a deficit in the accounts. The Fund holds a significant proportion of growth assets which, while expected to outperform corporate bonds in the long term, creates volatility and risk in the short term in relation to the accounting figures.

BELLE ISLE TENANT MANAGEMENT ORGANISATION LIMITED

Notes to the Accounts

for the year ended 31 March 2024

(ii) Changes in Bond Yield: A decrease in corporate bond yields will increase the value placed on the liabilities for accounting purposes although this will be marginally offset by the increase in the assets as a result (to the extent the Fund invests in corporate bonds).

(iii) Inflation Risk: The majority of the pension liabilities are linked to either pay or price inflation. Higher inflation expectations will lead to a higher liability value. The assets are not perfectly correlated with inflation meaning that an increase in inflation will increase the deficit.

(iv) Life expectancy: The majority of the Fund's obligations are to provide benefits for the life of the member following retirement, so increases in life expectancy will result in an increase in the liabilities.

(v) Exiting employers: Employers who leave the Fund (or their guarantor) may have to make an exit payment to meet any shortfall in assets against their pension liabilities. If the employer (or guarantor) is not able to meet this exit payment the liability may in certain circumstances fall on other employers in the Fund. Further, the assets at exit in respect of 'orphan liabilities' may, in retrospect, not be sufficient to meet the liabilities. This risk may fall on other employers. 'Orphan liabilities' are currently a small proportion of the overall liabilities in the Fund.

The West Yorkshire Pension Fund is a funded benefit scheme, with the assets held in separate trustee administered funds. The date of the last full actuarial valuation was 31 March 2022.

The total contributions made for the year to 31 March 2024 were £286,000 (31 March 2023 £264,000) of which employer's contributions totalled £214,000 (2022-23 £197,000) and employees' contributions totalled £72,000 (2022-23 £67,000).

The actuaries estimate that the net pension surplus as at 31 March 2024 is £156,000 (2023: deficit £2,607,000).

The financial assumptions used for the purpose of the FRS102 calculation as at 31 March 2024, prepared for the Organisation by AON Hewitt Limited, were as follows:

	At the end of the year	At the start of the year
Rate of inflation (CPI)	2.60%	2.70%
Rate of increase in salaries	3.85%	3.95%
Rate of increase in pensions	2.60%	2.70%
Rate of increase in deferred pensions (revaluation rate)	2.60%	2.70%
Discount rate	4.80%	4.70%
	31 March 2024	31 March 2023
Balance sheet items	£000's	£000's
Fair value of plan assets	6,987	6,385
Present value of funded benefit obligations liabilities	(6,831)	(6,676)
Net (deficit)/surplus	<u>156</u>	<u>(291)</u>
Council Guarantee Asset (surplus' not guaranteed)	<u>Nil</u>	<u>291</u>
Components of pension cost for year		
(i) Operating costs		
Current service cost	221	403
Effect of curtailments or settlements	-	-
(ii) Finance costs		
Interest on net defined benefit pension liabilities	8	68
Total pension cost recognised in Income and Expenditure account	<u>229</u>	<u>471</u>
Other Comprehensive Income		
Asset (losses)/gains arising during the period	276	(73)
Asset gain adjustment due to restriction of surplus	(156)	-
Liability (reduction) arising during the period	186	2,663
Actuarial gains/(losses)	<u>306</u>	<u>2,590</u>
The gains/(losses) figure is recognised in the Statement of Comprehensive Income .		
Actuarial (gains)/losses expressed as a % of year end liabilities		-38.80%

BELLE ISLE TENANT MANAGEMENT ORGANISATION LIMITED
Notes to the Accounts
for the year ended 31 March 2024

9 Pension obligations (continued)

	31 March 2024	31 March 2023
	£000's	£000's
Change in Benefit Obligation during the year		
Benefit obligation at the beginning of the year	6,676	8,556
Current service cost	221	403
Interest on pension liabilities	309	233
Member contributions	72	67
Actuarial (gains)/losses due to changes in demographic assumptions	(105)	(3,306)
Actuarial (gains)/losses due to changes in financial assumptions	(233)	26
Actuarial (gains)/losses on liabilities	152	617
Benefits/transfers paid	(261)	80
Benefit obligation at the end of the year	- 6,831	6,676

	31 March 2024	31 March 2023
	£000's	£000's
Change in Plan Assets during the year		
Fair value of plan assets at the beginning of the year	6,385	5,949
Expected return on plan assets	301	165
Actuarial gains/(losses) on assets	276	(73)
Employer contributions	214	197
Member contributions	72	67
Benefits/transfers paid	(261)	80
Fair value of plan assets at the end of the year	6,987	6,385
Experience (losses)/gains on assets	276	(73)
Interest income on assets	301	165
Actual return on plan assets	577	92

	Assets at 31.3.2024		Assets at 31.3.2023	
	£000's	%	£000's	%
Equities	5,547	79.4%	5,159	79.7%
Government bonds	594	8.5%	441	8.3%
Corporate bonds	293	4.2%	294	4.6%
Property	196	2.8%	211	3.8%
Cash/liquidity	126	1.8%	147	2.0%
Others	231	3.3%	134	1.6%
	6,987	100.0%	6,385	100.0%

	At the end of the year (years)	At the start of the year (years)
Life expectancy		
Male/Female pensioner aged 65 years	21.0 / 24.2	21.6 / 24.6
Male/Female future pensioner aged 65 years in 20 years time	22.3 / 25.2	22.9 / 25.7

	£ millions
Total market value of West Yorkshire Pension Fund	
At 31 March 2023 - bid price	-

	31 March 2024	31 March 2023
Membership		
Active members	30	30
Deferred pensions	13	13
Pensioners and dependents	28	28

The actuarial assumptions used in the calculation of the year end balance sheet liabilities are based on the 2022 actuarial valuation assumptions, other than the financial assumptions which are shown on Page 24 and an updated allowance for mortality improvements.

The expected returns quoted in this note are net of expenses.

BELLE ISLE TENANT MANAGEMENT ORGANISATION LIMITED

Notes to the Accounts

for the year ended 31 March 2024

10 Debtors: all falling due within one year	2024	2023
	£	£
Leeds City Council, amount owed	297,184	17,425
Prepayments	5,204	3,891
Taxation - Value added tax repayment	-	3,670
Other debtors	28,887	2,378
	<u>331,274</u>	<u>27,363</u>

11 Creditors: amounts falling due within one year	2024	2023
	£	£
Leeds City Council, net amount due	0	0
Trade creditors	415,574	318,961
Accruals	74,034	42,906
Taxation - Value added tax	146,518	-
Taxation - Corporation tax	8,537	-
Deferred income	32,078	-
Other creditors	60,782	849
	<u>737,523</u>	<u>362,716</u>

12 Unrestricted capital and reserves	2024	2023
	£	£
General Reserves Fund balance as at 1 April 2023	1,755,316	1,763,891
(Deficit)/Surplus for the year	11,718	(8,575)
Defined benefit pension scheme:		
Current service cost	(221,000)	(403,000)
Interest on pension liabilities	(309,000)	(233,000)
Past service costs	-	-
Actuarial (gains)/losses due to changes in demographic assumptions	105,000	3,306,000
Actuarial (gains)/losses due to changes in financial assumptions	233,000	(26,000)
Actuarial (gains)/losses on liabilities	(152,000)	(617,000)
Expected return on plan assets	301,000	165,000
Actuarial gains/(losses) on assets	276,000	(73,000)
Employer contributions	214,000	197,000
Net cost recognised in Statement of Financial Activities	<u>447,000</u>	<u>2,316,000</u>
Change in Pension Reimbursement Rights	(447,000)	(2,316,000)
General Reserves Fund balance as at 31 March 2024	<u>1,767,034</u>	<u>1,755,316</u>

13 Restricted capital and reserves	Restricted funds b/f	Income 2023-24	Expenditure 2023-24	Restricted funds c/f
Grant for ABCD* project	-	25,000	20,713	4,287
Grant for tree planting	-	10,704	10,704	-
Grant for air fryers cookers	-	4,500	4,500	-
Grant for estate planters	-	2,500	2,500	-
Grant for digitisation project	-	4,000	1,209	2,791
Total	<u>-</u>	<u>46,704</u>	<u>39,626</u>	<u>7,078</u>

* Asset Based Community Development

BELLE ISLE TENANT MANAGEMENT ORGANISATION LIMITED
Notes to the Accounts
for the year ended 31 March 2024

14 Related parties

The Leeds City Council is a related party by virtue of the Management Agreement between the Organisation and the Council and the Council's right to appoint representatives to the Board.

The Organisation's main source of income is management and related fees for the management of the Leeds City Council's housing and associated amenities and activities within the Belle Isle Estate. During the year these management and related fees amounted to £3,584,523 (2023: £3,267,357).

The Organisation was also recharged for services provided by the Council and in the year 2023-24 these recharges totalled £384,897 (2022-23: £438,775). A grant payment of £200,000 was also paid to Leeds City Council as a contribution to home enhancements. Balances due to and from Leeds City Council are disclosed in notes 10 and 11.

A Board member and a member of senior staff are governors of a local school, Clapgate Primary. During the previous year a grant of £1,000 was made to the school by the Board to help expand the school library. In the current year no payments were made to that school.

The interest of the Board member and member of staff were declared before these matters were discussed and Board members were content for their attendance without contribution during discussions.

Certain members of the Board are tenants in properties owned by Leeds City Council. These tenants have a standard tenancy agreement and are required to fulfil the same obligations and receive the same benefits as other tenants.

Board members claimed £10 in re-imbusement of travel expenses for the year ended 31 March 2024 (2022-23 - Nil). Board members were also given vouchers to the combined value of £320 at Christmas as a thank you from the organisation. In the previous year these costs amounted to a total of £116 in gifts.

Councillor Board members were elected members of Leeds City Council for the financial year.

The only transactions between Belle Isle TMO and the Councillors were the giving of vouchers and gifts to Board members as disclosed above. A Councillor is a trustee of a charity which donated £1,000 towards the the annual Warm Space programme (prior year £1,500), but had no part in that decision making process.

15 Financial instruments

The carrying amounts of the Organisations financial instruments may be analysed as follows:

	2024	2023
	£	£
Financial instruments that are debt instruments measured at amortised cost; comprising: cash; trade debtors, other debtors, accrued income	2,499,353	2,114,142
Financial liabilities measured at amortised cost; comprising: trade creditors, accrued costs and other creditors	(663,489)	(319,810)
Net	<u><u>1,835,864</u></u>	<u><u>1,794,332</u></u>

16 Post Balance Sheet Event

A tenant ballot was conducted in September 2024 to ascertain whether BITMO continues to operate to serve the tenants of Belle Isle estate.

These Reports and Financial Statements have been approved on the basis that the ballot result is successful in terms of BITMO continuing to serve the tenants of Belle Isle.

BELLE ISLE TENANT MANAGEMENT ORGANISATION LIMITED
Schedule to the Income and Expenditure Account
for the year ended 31 March 2024

This page is for information only and does not form any part of the statutory accounts

	2023-24	2022-23
	£	£
Income		
Management fee	3,346,180	3,069,890
Sheltered accommodation	78,150	71,700
Performance incentive payment	12,835	8,999
Welfare Reform Contribution	80,520	73,870
Capital Schemes staff cost contribution	66,838	42,898
HAP Grant	20,889	-
Kickstart Grant	-	6,658
Grant income		
- Belle Isle Stories	-	9,978
- Asset Based Community Dev	20,713	-
- Tree planting (White Rose Forest)	10,704	-
- Digitisation Project	1,209	-
- estate planters	2,500	-
- Warm Spaces	1,000	1,500
- Repairs Café	2,000	-
- slow cookers / air fryers	4,500	-
- Community Kitchen	2,917	1,164
Other income	4,908	10,598
Income before bank interest	<u>3,655,862</u>	<u>3,297,255</u>
Bank Interest	44,932	8,321
Total Income	<u>3,700,795</u>	<u>3,305,576</u>
		-
Expenditure		
Responsive repairs	1,214,026	1,382,754
Cyclical repairs	<u>737,706</u>	<u>617,802</u>
Repairs total	1,951,731	2,000,555
Community Development	269,068	157,501
Income and tenancy	290,368	245,800
Tenancy Support	241,005	255,059
Retirement Life	90,232	110,705
Corporate running costs	179,406	146,333
Corporate staffing costs	351,436	330,712
Service Level Agreements	<u>53,490</u>	<u>54,096</u>
Sub-total	<u>3,426,736</u>	<u>3,300,762</u>
Normal operational surplus/(deficit)	<u>274,059</u>	<u>4,814</u>
Property investment programme	200,000	-
Community Fund	<u>62,341</u>	<u>13,389</u>
Total expenditure	<u>3,689,077</u>	<u>3,314,151</u>
Surplus/(deficit) for the year	<u>11,718</u>	<u>(8,575)</u>